

**MOUNT UNION AREA SCHOOL DISTRICT**

**FINANCIAL STATEMENTS  
AND AUDITOR'S REPORT ON  
BASIC FINANCIAL STATEMENTS**

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**YEAR ENDED JUNE 30, 2024**

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**INDEPENDENT AUDITOR'S REPORT**

The Board of School Directors  
Mount Union Area School District  
603 N. Industrial Drive  
Mount Union, Pennsylvania 17066

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

***Opinions***

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Mount Union Area School District, as of June 30, 2024, 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 Mount Union Area 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 Mount Union Area 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.

## **Report on the Audit of the Financial Statements (Continued)**

### ***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 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 Mount Union Area 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 Mount Union Area 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 information on pages 4 through 9 and 57 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

## **Report on the Audit of the Financial Statements (Continued)**

### ***Required Supplementary Information*** (Continued)

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 Mount Union Area 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2025 on our consideration of the Mount Union Area 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 Mount Union Area 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 Mount Union Area School District's internal control over financial reporting and compliance.

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

**MOUNT UNION AREA SCHOOL DISTRICT  
MOUNT UNION, PENNSYLVANIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

The discussion and analysis of Mount Union Area School District's financial performance provides an overall review of the Districts' financial activities for the fiscal year ended June 30, 2024. The discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, and (b) provide an overview of the District's financial activity. Since the Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the financial statements and audit report. The intent of this discussion and analysis is to look at the District's financial performance as a whole.

**FINANCIAL HIGHLIGHTS**

\*Liabilities and deferred inflows of resources of the District exceeded Assets and Deferred Outflows as of June 30, 2024, by \$18,569,150, a increase of \$1,599,987 from the previous year's net position. The primary reason for the increase in net position is the decrease in bonds payable, OPEB and pension related deferred outflows.

\*The District's total revenue increased 13.19% (\$3,280,566) which is attributed to an increase, specifically in Operating Grants and Contributions and Grants, Subsidies, and Contributions not restricted.

\*The General Fund's Expenditures exceeded Revenues by \$92,012.

\*At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,500,000. The balance of the non-spendable fund was \$7,230 (prepaid expenses). The balance of fund equity \$771,268 was assigned to help fund future retirement, medical, and salary increases.

\*Total fund balance is an estimated \$4.4 million comprised of General Fund - \$2,278,498, Capital Reserve - \$1,046,323, and the Morrison Trust - \$1,078,995. The district has been working to manage fund balance and use it appropriately for the benefit of student achievement and educational programs wherever possible.

\*The District did not change the revenue generated from property tax for 2023-2024, however the equalized millage calculation resulted in an increase in real estate taxes by 0.59 mills for Huntingdon County Residents and increase of .28 mills those residing in Mifflin County.

\*The district-wide average poverty level of students attending Mount Union in 2023-2024 was 60% which allowed for continuation of the Community Eligibility Program as it relates to the school nutrition program. Under this provision, all students in the District received free breakfast and lunch during the school year which resulted in an increase in the Food Service fund balance of \$59,819.



## FINANCIAL STATEMENTS

The accompanying financial statements have been prepared in accordance with GASB Statement Number 34 and present both government-wide and fund level financial statements using both the accrual and modified accrual basis of accounting, respectively.

The first two statements (district-wide) are government-wide financial statements – the Statement of Net assets and the Statement of Activities. These statements provide both long-term and short-term information about the District's overall financial status.

The remaining statements (fund) focus on individual parts of the District's operations in more detail than the government-wide statements. The governmental funds' statements tell how general District services were financed in the short term as well as what remains for future spending. Proprietary fund statements offer short and long-term financial information about the activities that the District operates like a business. For this District this is our Food Service Fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Figure A-1 shows how the required parts of the Financial Section are arranged and relate to one another:

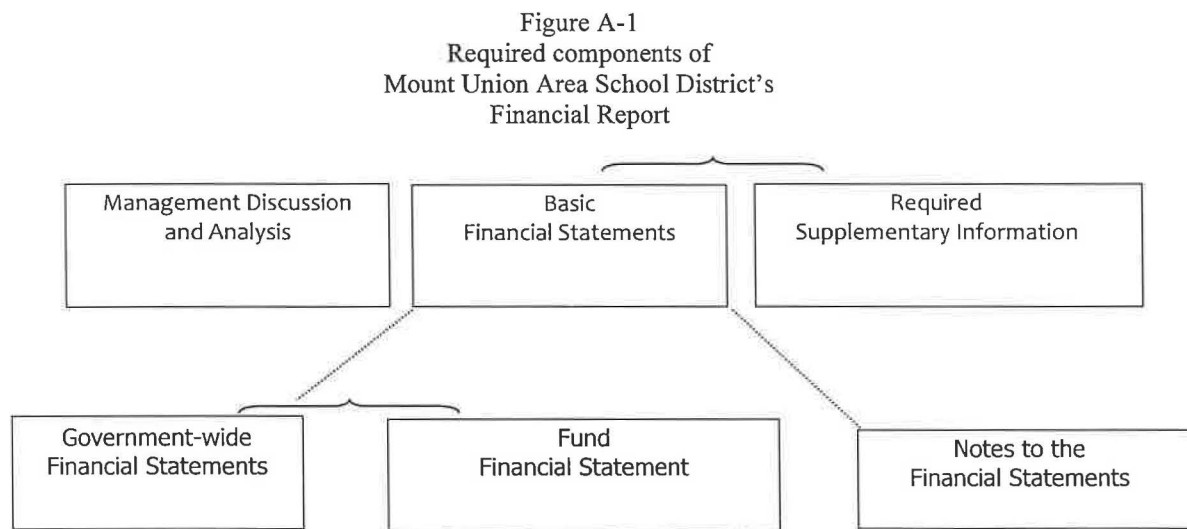


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain. The remainder of this overview section of management discussion and analysis explains the structure and contents of each of the statements.

Figure A-2

|  | Government-Wide Statements   | Governmental Funds   | Proprietary Funds  |
|--|--|--|--|
| Scope                                  | Entire School District   | The activities of the School District that are not proprietary or fiduciary, such as education, administration, and community services   | The activities the School District that operates similar to a private business -food services                    |
| Required financial statements          | Statement of net assets<br>Statement of activities                                   | Balance Sheet<br>Statement of revenues, expenditures, and changes in fund balance  | Statement of Net Assets<br>Statement of Revenues, Expenses, and Changes in Net Assets<br>Statement of Cash Flows |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus                                      | Modified accrual accounting and current financial resources focus  | Accrual accounting and economic resources focus  |
| Type of asset/liability information    | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included                               | All assets and liabilities, both financial and capital, and short-term and long-term                             |
| Type of inflow-outflow information     | All revenues and expenses during year, regardless of when cash is received or paid   | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during year, regardless of when cash is received or paid                               |

## Government-wide Statements

### The Statement of Net Assets and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps the reader understand if the District is better off or worse off as a result of the year's activities. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in them. You can think of the District's net position-the difference between assets and liabilities- as one way to measure the District's financial health. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax and earned income tax base and the condition of the District's buildings and facilities, to assess the *overall health* of the District.

In the Statement of Net Assets and the Statement of Activities, we divide the District into two kinds of activities:

- ❑ Governmental activities- Most of the District's basic services are reported here, including instruction, administration, business office, athletics, buildings and grounds, and debt service. Basic education subsidy, property taxes, earned income taxes, and state and federal grants finance most of these activities.
- ❑ Business-type activities- The District charges a fee to students and adults to help cover some of the services it provides. The State and Federal governments, through the National School Lunch Program, also provide financing toward lunch program costs.

### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds- not the District as a whole. The District's three kinds of funds- *governmental*, *proprietary*, and *fiduciary* funds- use different accounting approaches.

- Governmental funds-Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other *financial* assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.
- Proprietary funds- These funds are used to account for the District activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding through user charges. When the district charges customers for services it provides – whether to outside customers or to other units in the District – these services are generally reported in proprietary funds. The Food Service Fund is the District's proprietary fund and is the same as the business-type activities we report in the government-wide statements, but provides more detail and additional information, such as cash flow.
- Fiduciary funds - The District is the trustee, or *fiduciary*, for its student activity fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Mount Union Area School District's own programs. Separate statements for the fiduciary fund are included with the fund statements.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net assets:** The District's *combined* net assets increased from \$-20.1 million to \$-18.6 million. (See Table A1)

**Table A1: NET ASSETS**

|   | Governmental Activities |                       | Business-Type Activities |                    | Total Primary Government |                       | Total Percent Change |
|---|-------------------------|-----------------------|--------------------------|--------------------|--------------------------|-----------------------|----------------------|
|   | 2024                    | 2023                  | 2024                     | 2023               | 2024                     | 2023                  | 2023-24              |
| <b>Assets:</b>  |                         |                       |                          |                    |                          |                       |                      |
| Current & other assets                                  | 8,561,992               | 7,424,484             | 220,866                  | 123,221            | 8,782,858                | 7,547,705             | 16.36%               |
| Capital assets  | 23,971,317              | 24,913,918            | 99,428                   | 111,374            | 24,070,745               | 25,025,292            | -3.81%               |
| Deferred outflow of Resources                           | 1,256,368               | 943,290               | 35,794                   | 27,500             | 1,292,162                | 970,790               | 33.10%               |
| <b>Total Assets &amp; Deferred Outflow of Resources</b> | <b>33,789,677</b>       | <b>33,281,692</b>     | <b>356,088</b>           | <b>262,095</b>     | <b>34,145,765</b>        | <b>33,543,787</b>     | <b>1.79%</b>         |
| <b>Liabilities:</b>                                     |                         |                       |                          |                    |                          |                       |                      |
| Current liabilities                                     | 4,224,094               | 3,323,450             | 122,213                  | 49,146             | 4,346,307                | 3,372,596             | 28.87%               |
| Long-term liabilities                                   | 2,522,604               | 2,593,161             | 61,018                   | 64,936             | 2,583,622                | 2,658,097             | -2.80%               |
| Long-term debt outstanding                              | 17,887,007              | 19,003,838            | 0                        | 0                  | 17,887,007               | 19,003,838            | -5.88%               |
| Net pension liability                                   | 23,046,282              | 22,661,889            | 656,600                  | 660,670            | 23,702,882               | 23,322,559            | 1.63%                |
| Deferred Inflow of Resources                            | 4,111,110               | 5,240,942             | 83,987                   | 114,892            | 4,195,097                | 5,355,834             | -21.67%              |
| <b>Total Liab. And Deferred Inflow of Resources</b>     | <b>51,791,097</b>       | <b>52,823,280</b>     | <b>923,818</b>           | <b>889,644</b>     | <b>52,714,915</b>        | <b>53,712,924</b>     | <b>-1.86%</b>        |
| <b>Net assets:</b>                                      |                         |                       |                          |                    |                          |                       |                      |
| Invested in capital assets, net of debt                 | 6,084,310               | 5,910,140             | 99,428                   | 111,374            | 6,183,738                | 6,021,514             | 2.69%                |
| Restricted  | 2,125,318               | 2,015,878             |                          |                    | 2,125,318                | 2,015,878             | 5.42%                |
| Unrestricted (Deficit)                                  | (26,211,048)            | (27,467,606)          | (667,158)                | (738,923)          | (26,878,206)             | (28,206,529)          | -4.71%               |
| <b>Total net position</b>                               | <b>\$(18,001,420)</b>   | <b>\$(19,541,588)</b> | <b>\$(567,730)</b>       | <b>\$(627,549)</b> | <b>\$(18,569,150)</b>    | <b>\$(20,169,137)</b> | <b>-7.93%</b>        |

**Changes in net position:** The District's total revenues (excluding special items) increased 13.19 percent to \$28,156,376. State formula aid accounted for most of the District's revenue, contributing about 40%, while Federal and State grants contributed 39% and Local taxes (property and earned income) account for 20%. The remaining 1% came from fees charged for services and miscellaneous sources. (See Table A2).

**Table A2: REVENUE, EXPENSES AND CHANGE IN NET ASSETS**

|  | Governmental Activities |                       | Business-Type Activities |                    | Total Primary Government |                       | Total Percent Change |
|--|-------------------------|-----------------------|--------------------------|--------------------|--------------------------|-----------------------|----------------------|
|  | 2024                    | 2023                  | 2024                     | 2023               | 2024                     | 2023                  | 2023-24              |
| <b>Revenues:</b>                           |                         |                       |                          |                    |                          |                       |                      |
| Program Revenues:                          |                         |                       |                          |                    |                          |                       |                      |
| Charges for Services                       | 56,946                  | 65,681                | 48,777                   | 52,517             | 105,723                  | 118,198               | -10.55%              |
| Operating Grants & Contrib.                | 10,147,632              | 8,024,747             | 1,131,667                | 1,129,690          | 11,279,299               | 9,154,437             | 23.21%               |
| General Revenues:                          |                         |                       |                          |                    |                          |                       |                      |
| Taxes                                      | 5,409,340               | 5,280,738             | 0                        | 0                  | 5,409,340                | 5,280,738             | 2.44%                |
| State Formula Aid                          | 11,223,217              | 10,184,597            | 0                        | 0                  | 11,223,217               | 10,184,597            | 10.20%               |
| Other                                      | 138,684                 | 125,739               | 113                      | 12,101             | 138,797                  | 137,840               | 0.69%                |
| <b>Total Revenues</b>                      | <b>26,975,819</b>       | <b>23,681,502</b>     | <b>1,180,557</b>         | <b>1,194,308</b>   | <b>28,156,376</b>        | <b>24,875,810</b>     | <b>13.19%</b>        |
| <b>Expenses:</b>                           |                         |                       |                          |                    |                          |                       |                      |
| Buildings                                  | 1,113,782               | 1,111,346             |                          |                    | 1,104,260                | 1,111,346             | 0.22%                |
| Instruction                                | 16,517,667              | 14,240,351            |                          |                    | 16,517,667               | 14,240,351            | 15.99%               |
| Student Support                            | 1,361,627               | 1,196,104             |                          |                    | 1,361,627                | 1,196,104             | 13.84%               |
| Administration/Financial Support Services  | 2,134,323               | 1,989,504             |                          |                    | 2,134,323                | 1,989,504             | 7.28%                |
| Maintenance Operations                     | 1,538,243               | 1,408,298             |                          |                    | 1,538,243                | 1,408,298             | 9.23%                |
| Pupil Transportation                       | 1,659,525               | 1,307,996             |                          |                    | 1,659,525                | 1,307,996             | 26.88%               |
| Student Activities                         | 447,332                 | 494,847               |                          |                    | 447,332                  | 494,847               | -9.60%               |
| Community Services                         | 2,246                   | 2,000                 |                          |                    | 2,246                    | 2,000                 | 12.3%                |
| Debt Service                               | 613,053                 | 645,275               |                          |                    | 613,053                  | 645,275               | -4.99%               |
| Food Service                               | 0                       | 0                     | 1,120,738                | 1,060,183          | 1,120,738                | 1,060,183             | 5.71%                |
| <b>Total Expenses</b>                      | <b>25,387,798</b>       | <b>22,395,721</b>     | <b>1,120,738</b>         | <b>1,060,183</b>   | <b>26,508,536</b>        | <b>23,450,904</b>     | <b>13.01%</b>        |
| <b>Increase (Decrease) in Net Position</b> | <b>1,588,021</b>        | <b>1,285,781</b>      | <b>59,819</b>            | <b>134,125</b>     | <b>1,647,840</b>         | <b>1,419,906</b>      | <b>16.05%</b>        |
| Beginning Net Assets                       | (19,541,588)            | (20,850,488)          | (627,549)                | (761,674)          | (20,169,137)             | (21,612,162)          | 6.67%                |
| Prior Period Adjustment                    | (47,853)                | 23,119                |                          |                    | (47,853)                 | 23,119                |                      |
| <b>Ending Net Assets</b>                   | <b>\$(18,001,420)</b>   | <b>\$(19,541,588)</b> | <b>\$(567,730)</b>       | <b>\$(627,549)</b> | <b>\$(18,569,150)</b>    | <b>\$(20,169,137)</b> | <b>7.93%</b>         |

The total cost of all programs and services increased 13.01% to \$26.5 million. The District's expenses are predominantly related to education and caring for students and make up 63%. Administrative and Maintenance each accounted for 8% and 6% respectively of total costs, while Student Support Services and Pupil Transportation contributed 5% and 6%, respectively. Student activities accounted for 2%, while Debt Services and Buildings accounted for 2% and 4%, respectively. Food Service Costs were 4% of the overall expenses.

## FINANCIAL ANALYSIS OF THE DISTRICT'S MOST SIGNIFICANT FUNDS

At June 30, 2024, the District governmental funds reported a combined fund balance of \$4,403,816 which is an increase of \$219,776 over the prior year.

The General Fund showed an increase of \$22,036; the Scholarship Fund showed an increase of \$197,515, and the Capital Project Fund increased \$225.

As in previous years, the Food Service fund contracted with a Food Management Company to operate the District's food service program (cafeteria). The board of directors decided to continue participation in the Community Eligibility Program (CEP) for the 2023-2024 school year. The program allows the district to offer breakfast and lunch to all students free of charge. In order to be eligible for the program, the directly certified poverty level of the district must exceed 40% and Mount Union had an average of 60% district-wide for 2023-2024, and 60% in 2023-2024. Participation in the program has resulted in a net position increase of \$59,819. Continuation in the CEP program will be evaluated each year moving forward.

## GENERAL FUND BUDGET

During the fiscal year, the Board of School Directors (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 and is permitted by state law.

Actual expenses were \$1,187,295 more than the amount budgeted. Actual revenues were more than the amount budgeted by \$5,064,828 or 23.38%. The biggest increases were in federal and state grants.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets:

At June 30, 2024, the District had invested in a broad range of capital assets, including buildings, furniture, and equipment. The net result for 2023-24 was a decrease of \$942,601 for the governmental activities. This net decrease is a combination of new assets and capital improvements of \$305,603, and depreciation expense of \$1,248,204.

### Debt Administration:

On July 1, 2023, the District had total outstanding bonds of \$18,980,000. The net decrease in bonds payable (repayment less proceeds) for 2023-2024 was \$1,230,000, therefore, as of June 30, 2024, ending outstanding bonds payable was \$17,750,000.

On June 30, 2024, the District also had compensated absences payable of \$420,068, other post-employment benefits of \$2,163,554, leases of \$137,007 and the District's share of retirement benefits of \$23,702,882, making the June 30, 2024, total outstanding debt \$44,173,511.



**Table A3: OUTSTANDING BONDS**

|                          | June 30, 2024 | June 30, 2023 |
|--------------------------|---------------|---------------|
| General Obligation Bonds |               |               |
| Series of 2018           | 11,140,0      | 11,145,0      |
| Series of 2020           | 6,610,0       | 7,835,0       |
| Total Outstanding        | 17,750,0      | 18,980,0      |

### ECONOMIC CONDITIONS AND OUTLOOK

The District continues to seek local, state, and federal grant funding and fee for service revenue to compliment local property tax revenues to increase the capacity of the District to provide services while minimizing the burden on local taxpayers. For our geographic area, federal and state funding streams continue to decrease while state mandates to provide additional programs, retirement costs for employees and funding for charter schools continue to rise. In addition, the economic impact of COVID-19 to the district began during the end of the 2019-2020 fiscal year but will be an ongoing struggle moving forward.

As in prior years, the growth and continued financial stability of the District rests with its ability to provide quality services in a cost-effective manner. The District will continue to examine expenditures closely and make every effort to contain costs and eliminate excess spending where feasible. The District is fortunate to have financial reserves available and occasionally relies on net assets/fund balances to supplement revenues. The District has plans to leverage grant funding to add to its' financial reserves to provide a buffer against future economic uncertainty.

A continued major impact on the financial statements was seen with the implementation of GASB Statement No. 68 – Accounting and financial reporting for pensions. The District as a cost-sharing employer in the Pennsylvania School Employees Retirement System, was required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pension obligations for its proportionate share of pension liabilities for all employers in this pension plan. The liability for the year ended June 30, 2024, was \$23,702,882. The details are discussed in the Notes to the Financial Statements. All school districts in Pennsylvania recorded a proportionate share of the liability. The financial statement impact is tremendous.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Mount Union Area School District, 603 North Industrial Drive, Mount Union, PA 17066.

**MOUNT UNION AREA SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

|  | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>          |
|--|------------------------------------|-------------------------------------|-----------------------|
| <b><u>Assets</u></b>                             |                                    |                                     |                       |
| Cash and Cash Equivalents                        | \$ 1,419,795                       | \$ 34,089                           | \$ 1,453,884          |
| Investments                                      | 3,004,428                          | 0                                   | 3,004,428             |
| Taxes Receivable, net                            | 522,956                            | 0                                   | 522,956               |
| Internal Balances                                | ( 132,569)                         | 132,569                             | 0                     |
| Due from Other Governments                       | 3,680,639                          | 0                                   | 3,680,639             |
| Other Receivables                                | 59,513                             | 2,081                               | 61,594                |
| Inventories                                      | 0                                  | 52,127                              | 52,127                |
| Prepaid Expense                                  | 7,230                              | 0                                   | 7,230                 |
| Capital Assets, Not Being Depreciated:           |                                    |                                     |                       |
| Land   | 104,218                            | 0                                   | 104,218               |
| Capital Assets, Net of Accumulated Depreciation: |                                    |                                     |                       |
| Buildings and Improvements                       | 23,502,819                         | 0                                   | 23,502,819            |
| Furniture and Equipment                          | 185,156                            | 99,428                              | 284,584               |
| Right of Use Assets                              | <u>179,124</u>                     | <u>0</u>                            | <u>179,124</u>        |
| Total Assets                                     | <u>\$32,533,309</u>                | <u>\$320,294</u>                    | <u>\$32,853,603</u>   |
| <b><u>Deferred Outflows of Resources</u></b>     |                                    |                                     |                       |
| Deferred Resources Related to Pensions           | \$ 808,517                         | \$ 23,034                           | \$ 831,551            |
| Deferred Resources Related to OPEB               | <u>447,851</u>                     | <u>12,760</u>                       | <u>460,611</u>        |
| Total Deferred Outflows of Resources             | <u>\$ 1,256,368</u>                | <u>\$ 35,794</u>                    | <u>\$ 1,292,162</u>   |
| <b><u>Liabilities</u></b>                        |                                    |                                     |                       |
| Accounts Payable                                 | \$ 1,691,185                       | \$ 86,258                           | \$ 1,777,443          |
| Accrued Salaries and Benefits                    | 1,373,443                          | 2,399                               | 1,375,842             |
| Payroll Deductions and Withholdings              | 871,198                            | 0                                   | 871,198               |
| Accrued Interest                                 | 256,625                            | 0                                   | 256,625               |
| Other Current Liabilities                        | 0                                  | 1,493                               | 1,493                 |
| Unearned Revenue                                 | 31,643                             | 32,063                              | 63,706                |
| Noncurrent Liabilities:                          |                                    |                                     |                       |
| Due Within One Year                              | 1,302,312                          | 0                                   | 1,302,312             |
| Due in More Than One Year                        | <u>42,153,581</u>                  | <u>717,618</u>                      | <u>42,871,199</u>     |
| Total Liabilities                                | <u>\$47,679,987</u>                | <u>\$839,831</u>                    | <u>\$48,519,818</u>   |
| <b><u>Deferred Inflows of Resources</u></b>      |                                    |                                     |                       |
| Deferred Resources Related to Pensions           | \$ 508,700                         | \$ 14,493                           | \$ 523,193            |
| Deferred Resources Related to OPEB               | 2,439,182                          | 69,494                              | 2,508,676             |
| Deferred Resources Related to Bond Premium       | <u>1,163,228</u>                   | <u>0</u>                            | <u>1,163,228</u>      |
| Total Deferred Inflows of Resources              | <u>\$ 4,111,110</u>                | <u>\$ 83,987</u>                    | <u>\$ 4,195,097</u>   |
| <b><u>Net Position</u></b>                       |                                    |                                     |                       |
| Net Investment in Capital Assets                 | \$ 6,084,310                       | \$ 99,428                           | \$ 6,183,738          |
| Restricted for Capital Projects                  | 1,046,323                          | 0                                   | 1,046,323             |
| Restricted for Eitner Trust                      | 1,078,995                          | 0                                   | 1,078,995             |
| Unrestricted                                     | <u>( 26,211,048)</u>               | <u>( 667,158)</u>                   | <u>( 26,878,206)</u>  |
| Total Net Position                               | <u>(\$18,001,420)</u>              | <u>(\$567,730)</u>                  | <u>(\$18,569,150)</u> |

See Accompanying Notes and Independent Auditor's Report

**MOUNT UNION AREA SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

**Expenses**

**Governmental Activities**

|  |                     |
|--|---------------------|
| Instruction  | \$16,517,667        |
| Instructional Student Support                                  | 1,361,627           |
| Administrative and Financial Support Services                  | 2,134,323           |
| Operation and Maintenance of Plant Services                    | 1,538,243           |
| Pupil Transportation   | 1,659,525           |
| Student Activities   | 447,332             |
| Community Services   | 2,246               |
| Facilities Acquisition, Construction, and Improvement Services | 9,522               |
| Interest on Long-Term Debt                                     | 613,053             |
| Unallocated Deprecation  | <u>1,104,260</u>    |
| Total Governmental Activities                                  | <u>\$25,387,798</u> |

**Business-Type Activities**

|                          |                     |
|--------------------------|---------------------|
| Food Services            | \$ 1,120,738        |
| Total Primary Government | <u>\$26,508,536</u> |

**General Revenues**

|   |  |
|---|--|
| Taxes:  |  |
| Property Taxes, Levied for General Purposes, Net    |  |
| Other Taxes   |  |
| Grants, Subsidies, and Contributions Not Restricted |  |
| Investment Earnings                                 |  |
| Miscellaneous Income                                |  |

Total General Revenues

Change in Net Position

**Net Position** - Beginning

Prior Period Adjustment

**Net Position** - Beginning (Restated)

**Net Position** - Ending

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

**MOUNT UNION AREA SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

| Program Revenues                |  | Net (Expenses) Revenues and<br>Changes in Net Position |                                     |                     |
|---------------------------------|--|--|-------------------------------------|---------------------|
| <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contribution</u> | <u>Governmental<br/>Activities</u>                     | <u>Business-Type<br/>Activities</u> | <u>Total</u>        |
| \$ 12,105                       | \$ 8,188,656                                     | (\$ 8,316,906)   | \$ 0                                | (\$ 8,316,906)      |
| 0                               | 228,661  | ( 1,132,966)   | 0                                   | ( 1,132,966)        |
| 0                               | 279,514  | ( 1,854,809)   | 0                                   | ( 1,854,809)        |
| 5,225                           | 688,570  | ( 844,448)   | 0                                   | ( 844,448)          |
| 0                               | 705,036  | ( 954,489)   | 0                                   | ( 954,489)          |
| 39,616                          | 57,195   | ( 350,521)   | 0                                   | ( 350,521)          |
| 0                               | 0  | ( 2,246)   | 0                                   | ( 2,246)            |
| 0                               | 0  | ( 9,522)   | 0                                   | ( 9,522)            |
| 0                               | 0  | ( 613,053)   | 0                                   | ( 613,053)          |
| <u>0</u>                        | <u>0</u>   | <u>( 1,104,260)</u>                                    | <u>0</u>                            | <u>( 1,104,260)</u> |
| \$ 56,946                       | \$10,147,632                                     | (\$15,183,220)   | \$ 0                                | (\$15,183,220)      |
| <u>          </u>               | <u>          </u>                                | <u>          </u>                                      | <u>          </u>                   | <u>          </u>   |
| \$ 48,777                       | \$ 1,131,667                                     | \$ 0   | \$ 59,706                           | \$ 59,706           |
| <u>          </u>               | <u>          </u>                                | <u>          </u>                                      | <u>          </u>                   | <u>          </u>   |
| \$105,723                       | \$11,279,299                                     | (\$15,183,220)   | \$ 59,706                           | (\$15,123,514)      |
| <u>          </u>               | <u>          </u>                                | <u>          </u>                                      | <u>          </u>                   | <u>          </u>   |
|                                 |  | \$ 4,209,923   | \$ 0                                | \$ 4,209,923        |
|                                 |  | 1,199,417  | 0                                   | 1,199,417           |
|                                 |  | 11,223,217   | 0                                   | 11,223,217          |
|                                 |  | 106,890  | 113                                 | 107,003             |
|                                 |  | <u>31,794</u>  | <u>0</u>                            | <u>31,794</u>       |
|                                 |  | \$16,771,241   | \$ 113                              | \$16,771,354        |
|                                 |  | <u>          </u>                                      | <u>          </u>                   | <u>          </u>   |
|                                 |  | \$ 1,588,021   | \$ 59,819                           | \$ 1,647,840        |
|                                 |  | <u>          </u>                                      | <u>          </u>                   | <u>          </u>   |
|                                 |  | (\$19,541,588)   | (\$ 627,549)                        | (\$20,169,137)      |
|                                 |  | <u>( 47,853)</u>                                       | <u>0</u>                            | <u>( 47,853)</u>    |
|                                 |  | (\$19,589,441)   | (\$ 627,549)                        | (\$20,216,990)      |
|                                 |  | <u>          </u>                                      | <u>          </u>                   | <u>          </u>   |
|                                 |  | (\$18,001,420)   | (\$ 567,730)                        | (\$18,569,150)      |
|                                 |  | <u>          </u>                                      | <u>          </u>                   | <u>          </u>   |

See Accompanying Notes and Independent Auditor's Report

**MOUNT UNION AREA SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

|  | <u>General<br/>Fund</u>   | <u>Capital<br/>Reserve<br/>Fund</u> | <u>Permanent<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|---------------------------|-------------------------------------|---------------------------|---|
| <b><u>ASSETS</u></b>                           |                           |                                     |                           |   |
| <b><u>Current Assets</u></b>                   |                           |                                     |                           |   |
| Cash and Cash Equivalents                      | \$ 547,363                | \$ 11,868                           | \$ 860,564                | \$1,419,795                             |
| Investments                                    | 1,750,582                 | 1,034,455                           | 219,391                   | 3,004,428                               |
| Taxes Receivable, Net                          | 522,956                   | 0                                   | 0                         | 522,956                                 |
| Intergovernmental Receivables                  | 3,680,639                 | 0                                   | 0                         | 3,680,639                               |
| Other Receivables                              | 59,513                    | 0                                   | 0                         | 59,513                                  |
| Prepaid Expense                                | <u>7,230</u>              | <u>0</u>                            | <u>0</u>                  | <u>7,230</u>                            |
| <b>TOTAL ASSETS</b>                            | <u>\$6,568,283</u>        | <u>\$1,046,323</u>                  | <u>\$1,079,955</u>        | <u>\$8,694,561</u>                      |
| <b><u>LIABILITIES AND FUND BALANCES</u></b>    |                           |                                     |                           |   |
| <b><u>Liabilities</u></b>                      |                           |                                     |                           |   |
| Interfund Payables                             | \$ 132,569                | \$ 0                                | \$ 0                      | \$ 132,569                              |
| Accounts Payable                               | 1,690,225                 | 0                                   | 960                       | 1,691,185                               |
| Accrued Salaries and Benefits                  | 1,373,443                 | 0                                   | 0                         | 1,373,443                               |
| Payroll Deductions and Withholding             | 871,198                   | 0                                   | 0                         | 871,198                                 |
| Unearned Revenue                               | <u>222,350</u>            | <u>0</u>                            | <u>0</u>                  | <u>222,350</u>                          |
| Total Liabilities                              | <u>\$4,289,785</u>        | <u>\$ 0</u>                         | <u>\$ 960</u>             | <u>\$4,290,745</u>                      |
| <b><u>Fund Balances</u></b>                    |                           |                                     |                           |   |
| Nonspendable                                   | \$ 7,230                  | \$ 0                                | \$ 0                      | \$ 7,230                                |
| Restricted                                     | 0                         | 1,046,323                           | 1,078,995                 | 2,125,318                               |
| Assigned                                       | 771,268                   | 0                                   | 0                         | 771,268                                 |
| Unassigned                                     | <u>1,500,000</u>          | <u>0</u>                            | <u>0</u>                  | <u>1,500,000</u>                        |
| Total Fund Balances                            | <u>\$2,278,498</u>        | <u>\$1,046,323</u>                  | <u>\$1,078,995</u>        | <u>\$4,403,816</u>                      |
| <b>TOTAL LIABILITIES<br/>AND FUND BALANCES</b> | <u><u>\$6,568,283</u></u> | <u><u>\$1,046,323</u></u>           | <u><u>\$1,079,955</u></u> | <u><u>\$8,694,561</u></u>               |

See Accompanying Notes and Independent Auditor's Report

**MOUNT UNION AREA SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024**

|  |              |
|--|--------------|
| Total Fund Balances - Governmental Funds | \$ 4,403,816 |
|--|--------------|

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, therefore, are not reported as assets in governmental funds.

|                          |                       |            |
|--------------------------|-----------------------|------------|
| Cost of Assets           | \$46,700,159          |            |
| Accumulated Depreciation | ( <u>22,728,842</u> ) | 23,971,317 |

|  |         |
|--|---------|
| Taxes receivable will be collected this year but are not available soon enough to pay for the current period's expenditures. | 190,707 |
|--|---------|

Long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

|                               |                    |               |
|-------------------------------|--------------------|---------------|
| SBITA Liability               | (\$ 73,852)        |               |
| Leases                        | ( 63,155)          |               |
| Bonds Payable                 | ( 17,750,000)      |               |
| Unamortized Bond Premium      | ( 1,163,228)       |               |
| Other Postemployment Benefits | ( 2,103,621)       |               |
| Compensated Absences          | ( 418,983)         |               |
| Net Pension Liability         | ( 23,046,282)      |               |
| Accrued Interest on Bonds     | ( <u>256,625</u> ) | ( 44,875,746) |

The 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 deferred inflows of resources represent 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 these inflow/outflow resources are not reported in the governmental funds.

|                                |                      |              |
|--------------------------------|----------------------|--------------|
| Deferred Outflows of Resources | \$ 1,256,368         |              |
| Deferred Inflows of Resources  | ( <u>2,947,882</u> ) | ( 1,691,514) |

|  |                |
|--|----------------|
| Total Net Position - Governmental Activities | (\$18,001,420) |
|--|----------------|

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

**MOUNT UNION AREA SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**

|   | <u>General<br/>Fund</u> | <u>Capital<br/>Reserve<br/>Fund</u> | <u>Permanent<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-------------------------|-------------------------------------|---------------------------|---|
| <b><u>Revenues</u></b>  |                         |                                     |                           |   |
| Local Sources   | \$ 5,596,051            | \$ 225                              | \$ 254,632                | \$ 5,850,908                            |
| State Sources   | 16,492,113              | 0                                   | 0                         | 16,492,113                              |
| Federal Sources   | <u>4,636,211</u>        | <u>0</u>                            | <u>0</u>                  | <u>4,636,211</u>                        |
| Total Revenues  | <u>\$26,724,375</u>     | <u>\$ 225</u>                       | <u>\$ 254,632</u>         | <u>\$26,979,232</u>                     |
| <b><u>Expenditures</u></b>  |                         |                                     |                           |   |
| Current:  |                         |                                     |                           |   |
| Instruction   | \$17,137,808            | \$ 0                                | \$ 57,117                 | \$17,194,925                            |
| Support Services  | 6,851,263               | 0                                   | 0                         | 6,851,263                               |
| Operation of Non-Instructional Services                           | 463,142                 | 0                                   | 0                         | 463,142                                 |
| Facilities Acquisition, Construction,<br>and Improvement Services | 9,522                   | 0                                   | 0                         | 9,522                                   |
| Capital Outlay:   |                         |                                     |                           |   |
| Instruction   | 70,568                  | 0                                   | 0                         | 70,568                                  |
| Support Services  | 131,060                 | 0                                   | 0                         | 131,060                                 |
| Improvement Services  | 103,975                 | 0                                   | 0                         | 103,975                                 |
| Debt Services:  |                         |                                     |                           |   |
| Principal Right-of-Use Assets                                     | 27,865                  | 0                                   | 0                         | 27,865                                  |
| Principal Leases  | 20,867                  | 0                                   | 0                         | 20,867                                  |
| Principal Interest  | <u>1,230,000</u>        | <u>0</u>                            | <u>0</u>                  | <u>1,230,000</u>                        |
|   | <u>770,317</u>          | <u>0</u>                            | <u>0</u>                  | <u>770,317</u>                          |
| Total Expenditures  | <u>\$26,816,387</u>     | <u>\$ 0</u>                         | <u>\$ 57,117</u>          | <u>\$26,873,504</u>                     |
| Excess (Deficiency) of<br>Revenues Over Expenditures              | <u>(\$ 92,012)</u>      | <u>\$ 225</u>                       | <u>\$ 197,515</u>         | <u>\$ 105,728</u>                       |
| <b><u>Other Financing Sources (Uses)</u></b>                      |                         |                                     |                           |   |
| Proceeds from Leases and<br>Other Right-of-Use Assets             | <u>\$ 161,901</u>       | <u>\$ 0</u>                         | <u>\$ 0</u>               | <u>\$ 161,901</u>                       |
| Net Change in Fund Balances                                       | <u>\$ 69,889</u>        | <u>\$ 225</u>                       | <u>\$ 197,515</u>         | <u>\$ 267,629</u>                       |
| <b><u>Fund Balances</u></b> - Beginning                           | \$ 2,256,462            | \$1,046,098                         | \$ 881,480                | \$ 4,184,040                            |
| Prior Period Adjustment   | ( 47,853)               | 0                                   | 0                         | ( 47,853)                               |
| <b><u>Fund Balances</u></b> - Beginning (Restated)                | <u>\$ 2,208,609</u>     | <u>\$1,046,098</u>                  | <u>\$ 881,480</u>         | <u>\$ 4,136,187</u>                     |
| <b><u>Fund Balances</u></b> - Ending                              | <u>\$ 2,278,498</u>     | <u>\$1,046,323</u>                  | <u>\$1,078,995</u>        | <u>\$ 4,403,816</u>                     |

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

**MOUNT UNION AREA SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Total Net Change in Fund Balances - Governmental Funds \$ 267,629

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in this period.

|                      |                |            |
|----------------------|----------------|------------|
| Depreciation Expense | (\$1,248,204)  |            |
| Capital Outlays      | <u>305,603</u> | ( 942,601) |

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred tax revenues decreased by this amount this year.

( 3,412)

Repayment of principal payments are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position, while proceeds are a financing source in the governmental funds, versus an increase to long-term liabilities in the Statement of Net Position.

|   |               |           |
|---|---------------|-----------|
| Proceeds from Leases                          | (\$ 70,568)   |           |
| Proceeds from Other Right-of-Use Arrangements | ( 91,333)     |           |
| Repayment of Bond Principal                   | 1,230,000     |           |
| Amortization of Bond Premium                  | 136,764       |           |
| Repayment of Leases                           | 20,867        |           |
| Repayments of Other Right-of-Use Arrangements | <u>27,865</u> | 1,253,595 |

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 amount shown represents the difference between interest accrued and interest expensed in the current fiscal year.

20,500

In the statement of activities, certain operating expenses-compensated absences (vacations, sick days, and retirement incentives) 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. This amount represents the difference between the amounts earned versus the amount used.

( 15,993)

In the statement of activities, certain operating expenses are measured by the amounts charged during the year.

|                               |                |                  |
|-------------------------------|----------------|------------------|
| Other Postemployment Benefits | \$ 268,458     |                  |
| Pension Expense               | <u>739,845</u> | <u>1,008,303</u> |

Change in Net Position - Governmental Activities \$1,588,021

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



**MOUNT UNION AREA SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2024**

|   | <b><u>Food<br/>Service</u></b> |
|---|--------------------------------|
| <b><u>Assets</u></b>  |                                |
| <b><u>Current Assets</u></b>  |                                |
| Cash and Cash Equivalents   | \$ 34,089                      |
| Other Receivables   | 2,081                          |
| Inventories   | 52,127                         |
| Due from Other Funds  | <u>132,569</u>                 |
| Total Current Assets  | \$220,866                      |
| <b><u>Noncurrent Assets</u></b>   |                                |
| Furniture and Equipment, Net  | <u>99,428</u>                  |
| Total Assets  | \$320,294                      |
| <b><u>Deferred Outflows of Resources</u></b>                                | <u>35,794</u>                  |
| <b>Total Assets and Deferred Outflows of Resources</b>                      | <b>\$356,088</b>               |
| <b><u>Liabilities</u></b>   |                                |
| <b><u>Current Liabilities</u></b>   |                                |
| Accounts Payable  | \$ 86,258                      |
| Accrued Salaries and Benefits   | 2,399                          |
| Unearned Revenue  | 32,063                         |
| Other Current Liabilities   | <u>1,493</u>                   |
| Total Current Liabilities   | \$122,213                      |
| <b><u>Noncurrent Liabilities</u></b>  |                                |
| Compensated Absences  | \$ 1,085                       |
| Other Postemployment Benefits   | 59,933                         |
| Net Pension Liability   | <u>656,600</u>                 |
| Total Noncurrent Liabilities  | \$717,618                      |
| Total Liabilities   | \$839,831                      |
| <b><u>Deferred Inflows of Resources</u></b>                                 | <u>\$ 83,987</u>               |
| <b><u>Net Position</u></b>  |                                |
| Invested in Capital Assets  | \$ 99,428                      |
| Unrestricted  | ( <u>667,158</u> )             |
| Total Net Position  | ( \$567,730 )                  |
| <b>Total Liabilities and Deferred Inflows of Resources and Net Position</b> | <b>\$356,088</b>               |

See Accompanying Notes and Independent Auditor's Report

**MOUNT UNION AREA SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2024**

|  |                                |
|--|--------------------------------|
|  | <b><u>Food<br/>Service</u></b> |
| <b><u>Operating Revenues</u></b>       |                                |
| Food Service Revenue                   | \$ 36,821                      |
| Other Operating Revenue                | <u>11,956</u>                  |
| Total Operating Revenue                | \$ 48,777                      |
|  | <hr/>                          |
| <b><u>Expenses</u></b>                 |                                |
| Salaries                               | \$ 271,618                     |
| Employee Benefits                      | 155,684                        |
| Repairs and Maintenance                | 93,826                         |
| Food Costs                             | 407,996                        |
| Other Food Service Expense             | 224,173                        |
| Supplies                               | 2,682                          |
| Depreciation                           | 11,947                         |
| Pension and OPEB Expense               | ( <u>47,188</u> )              |
| Total Expenses                         | \$1,120,738                    |
|  | <hr/>                          |
| Operating (Loss)                       | ( \$1,071,961 )                |
|  | <hr/>                          |
| <b><u>Nonoperating Revenues</u></b>    |                                |
| Federal Subsidies                      | \$1,014,902                    |
| State Subsidy                          | 116,765                        |
| Interest Income                        | <u>113</u>                     |
| Total Nonoperating Revenues            | \$1,131,780                    |
|  | <hr/>                          |
| Change in Net Position                 | \$ 59,819                      |
|  | <hr/>                          |
| <b><u>Net Position</u></b> - Beginning | ( \$ 627,549 )                 |
|  | <hr/>                          |
| <b><u>Net Position</u></b> - Ending    | ( \$ 567,730 )                 |
|  | <hr/>                          |

See Accompanying Notes and Independent Auditor's Report

**MOUNT UNION AREA SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2024**

|  | <b><u>Food<br/>Service</u></b> |
|--|--------------------------------|
| <b><u>Cash Flows from Operating Activities</u></b>                                       |                                |
| Cash Received from Users   | \$ 35,803                      |
| Cash Payments to Employees   | ( 379,458)                     |
| Cash Payments for Goods and Services   | ( 575,797)                     |
| Cash Received Other Operating Revenue  | <u>11,956</u>                  |
| Net Cash (Used) by Operating Activities  | (\$ 907,496)                   |
| <b><u>Cash Flows from Noncapital Financing Activities</u></b>                            |                                |
| Federal Subsidy  | \$ 845,373                     |
| State Subsidy  | <u>40,037</u>                  |
| Net Cash Provided from Noncapital Financing Activities                                   | \$ 885,410                     |
| <b><u>Cash Flows from Investing Activities</u></b>                                       |                                |
| Interest Income  | \$ 113                         |
| <b><u>Cash Flows from Capital Activities</u></b>   |                                |
| Purchase of Equipment  | \$ 0                           |
| Net (Decrease) in Cash and Cash Equivalents  | (\$ 21,973)                    |
| <b><u>Cash and Cash Equivalents</u> - Beginning</b>                                      | <u>56,062</u>                  |
| <b><u>Cash and Cash Equivalents</u> - Ending</b>   | <u>\$ 34,089</u>               |
| Operating (Loss)   | (\$1,071,961)                  |
| Adjustments to Reconcile Operating (Loss)<br>to Net Cash (Used) by Operating Activities: |                                |
| Depreciation Expense   | 11,947                         |
| Federal Commodities Expense Related to Noncash Grant                                     | 79,923                         |
| (Increase) Decrease in Operating Assets:   |                                |
| Inventory  | ( 2,059)                       |
| Other Receivables  | ( 266)                         |
| Increase (Decrease) in Operating Liabilities:  |                                |
| Compensated Absences   | 0                              |
| Accounts Payable   | 75,127                         |
| Accrued Salaries and Benefits  | ( 1,197)                       |
| Unearned Revenue   | ( 752)                         |
| Other Postemployment Benefits  | ( 3,918)                       |
| Other Liabilities  | ( 111)                         |
| Net Pension Liability  | ( 4,070)                       |
| Deferred Outflows of Resources   | ( 8,294)                       |
| Deferred Inflows of Resources  | ( 30,905)                      |
| Due to Other Funds   | <u>49,040</u>                  |
| Net Cash (Used) by Operating Activities  | (\$ 907,496)                   |

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

**MOUNT UNION AREA SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2024**

|   | <b><u>Custodial<br/>Fund</u></b> |
|---|----------------------------------|
| <b><u>Assets</u></b>                            |                                  |
| Cash and Equivalents                            | \$53,448                         |
| Accounts Receivable                             | <u>780</u>                       |
| Total Assets                                    | <u>\$54,228</u>                  |
| <b><u>Liabilities</u></b>                       |                                  |
| Accounts Payable                                | <u>\$ 2,344</u>                  |
| <b><u>Net Position</u></b>                      |                                  |
| Restricted for School Use/Student Organizations | <u>\$51,884</u>                  |
| <b>Total Liabilities and Net Position</b>       | <u><b>\$54,228</b></u>           |

See Accompanying Notes and Independent Auditor's Report

**MOUNT UNION AREA SCHOOL DISTRICT  
STATEMENT OF CHANGES NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2024**

|  | <b><u>Custodial<br/>Fund</u></b> |
|--|----------------------------------|
| <b><u>Additions</u></b>                          |                                  |
| Student Activity Income                          | \$121,067                        |
| Net Investment Earnings                          | <u>82</u>                        |
| Total Additions                                  | <u>\$121,149</u>                 |
| <b><u>Deductions</u></b>                         |                                  |
| Payments Made on Behalf of Student Organizations | <u>\$110,723</u>                 |
| Change in Net Position                           | <u>\$ 10,426</u>                 |
| <b><u>Net Position</u> - Beginning</b>           | <u>\$ 41,458</u>                 |
| <b><u>Net Position</u> - Ending</b>              | <u><u>\$ 51,884</u></u>          |

See Accompanying Notes and Independent Auditor's Report

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**I. 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 primary government. 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.

**B. Reporting Entity**

The Mount Union Area School District, which is located in Huntingdon County, Pennsylvania, operates under a nine-member school board and is responsible for providing all activities related to public elementary and secondary school education within the jurisdiction of the Mount Union Area School District. The accompanying financial statements present only the School District's primary government as it has been determined that the School District has no component units.

**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's enterprise fund. 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.

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 government'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.

**Governmental Funds**

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 by law to be accounted for in another fund. This fund also accounts for the money authorized by the School Code for school athletics where the school has responsibilities for revenues generated and expenditures incurred for school related activities for the benefit of children.
- The *capital reserve fund* is used to account for moneys transferred during the year from appropriations made for any particular purpose, which may not be needed or surplus moneys at the end of the year. The moneys in this fund may be expended only for capital improvements and for replacement of and additions to public works and improvements, and for deferred maintenance, and for the purchase or replacement of school buses, and for no other purpose.

**MOUNT UNION AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(CONTINUED)**

**I. Summary of Significant Accounting Policies** (Continued)

**D. Governmental Funds** (Continued)

- The *permanent fund* is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs.

**Proprietary Funds**

The School District reports the following major enterprise fund:

- The *food service fund* accounts for the financial transactions related to the food service operations of the School District.

**Fiduciary Fund Types**

- The *custodial funds* report resources held by the School District in a purely custodial capacity, i.e., the Student Activity Accounts.

During the course of operations, the government 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, only 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, only 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.

**MOUNT UNION AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(CONTINUED)**

**I. Summary of Significant Accounting Policies** (Continued)

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers 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.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 government.

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

**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 short-term investments with original maturities of three months or less from the date of acquisition. Cash deposits are reported at carrying amounts, which approximate fair values.

**2. Investments**

Investments, which consist of certificates of deposit, are reported at carrying amounts, which approximate fair values.

**3. Inventories and Prepaid Items**

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

Proprietary funds are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis.



**MOUNT UNION AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(CONTINUED)**

**I. Summary of Significant Accounting Policies** (Continued)

**F. 3. Inventories and Prepaid Items** (Continued)

**Enterprise Fund - Food Service**

Inventories of \$52,127 represent food inventories including commodities donated by the federal government.

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.

**4. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities' column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land, land improvements, and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u>         | <u>Activities<br/>Estimated Lives</u> | <u>Activities<br/>Estimated Lives</u> |
|----------------------------|---------------------------------------|---------------------------------------|
| Buildings and Improvements | 10 - 40 years                         | N/A                                   |
| Furniture and Equipment    | 5 - 20 years                          | 10 - 15 years                         |

**5. 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*, represents 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 differences between expected and actual experience; changes in proportions; changes in assumptions; and net

**MOUNT UNION AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(CONTINUED)**

**I. Summary of Significant Accounting Policies** (Continued)

**F. 5. Deferred Outflows/Inflows of Resources** (Continued)

differences between projected and actual investment earnings related to the School's defined benefit pension and OPEB plans and are reported in the government-wide statement of net position. These amounts are deferred and are amortized over the next nine 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 items that qualify for reporting in this category. A deferred inflow resulted from the difference between expected and actual experience; changes in proportion; changes in assumptions; and bond premiums and is reported in the government-wide statement of net position. These amounts are deferred and are amortized over the next twelve years.

**6. Net Position Flow Assumption**

Sometimes the government 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 government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

**7. Fund Balance Flow Assumptions**

Sometimes the government 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 government'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.

**8. 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 government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a Board policy (e.g., encumbrances or future anticipated costs). The governing council is the highest level of decision-making authority for the

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**I. Summary of Significant Accounting Policies** (Continued)

**F. 8. Fund Balance Policies** (Continued)

government that can, prior to the end of the fiscal year, commit fund balance. Once committed, the limitation imposed by the policy remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) assigns fund balance. The council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**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 taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**2. Real Estate and Per Capita Taxes and Unearned Revenue**

Real Estate Taxes for the School District are collected from the following municipalities, which make up the Mount Union Area School District.

**Huntingdon County**

Mount Union Borough  
Shirleysburg Borough  
Mapleton Borough  
Shirley Township  
Union Township

**Mifflin County**

Wayne Township  
Kistler Borough  
Newton Hamilton Borough

The tax on real estate in these municipalities for public school purposes for fiscal year 2024 was 41.43 mills for residents of Huntingdon County and 25.17 mills for residents of Mifflin County as levied by the Board. Assessed valuations of property are determined by Huntingdon and Mifflin Counties and the elected tax collectors are responsible for collection. The schedule for real estate taxes levied for each fiscal year is as follows:

|                          |                       |
|--------------------------|-----------------------|
| July 1                   | - Levy Date           |
| July 1 - August 31       | - 2% Discount Period  |
| September 1 - October 31 | - Face Payment Period |
| November 1 - December 31 | - 5% Penalty Period   |
| January 2                | - Lien Date           |

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**I. Summary of Significant Accounting Policies** (Continued)

**G. 2. Real Estate and Per Capita Taxes and Unearned Revenue** (Continued)

The School District, on the government-wide financial statements, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes as determined by the administration. A portion of the net amount estimated to be collectible, which was measurable and available within 60 days, was recognized as revenue and the balance as unearned in the fund financial statements. All taxes, net of uncollectible amounts, are recognized in the period for which levied in the government-wide financial statements, regardless of when collected.

The balances at June 30, 2024 are as follows:

|                      | <b>Governmental Funds</b>          |  |                                  |
|----------------------|------------------------------------|--|----------------------------------|
|                      | <b><u>Taxes<br/>Receivable</u></b> | <b><u>Gross<br/>Revenue<br/>Recognized</u></b> | <b><u>Unearned<br/>Taxes</u></b> |
| Real Estate          | \$263,196                          | \$125,294                                      | \$137,902                        |
| Act 511 and Other    | 52,805                             | 0  | 52,805                           |
| Real Estate Transfer | 11,655                             | 11,655   | 0                                |
| Wage Tax             | <u>195,300</u>                     | <u>195,300</u>                                 | <u>0</u>                         |
| Total                | <u>\$522,956</u>                   | <u>\$332,249</u>                               | <u>\$190,707</u>                 |

**3. Intergovernmental Receivables and Unavailable Revenue**

Intergovernmental receivables are comprised of amounts due from other governments. Revenue is recorded as earned when eligibility requirements are met. Revenue received prior to meeting all eligibility requirements is considered unavailable until such time as the eligibility requirements are met.

**4. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments. Employees must have 15 years of service with the School District to qualify.

The entire compensated absence liability is reported on the government-wide financial statements as a long-term liability since management is unable to reasonably estimate the current portion.

In the governmental fund financial statements, none of the liability is reported, as it is not expected to be paid using expendable available resources. In proprietary funds, the entire amount of compensated absences related to employees of those funds is reported as a fund liability.

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**I. Summary of Significant Accounting Policies** (Continued)

**G. 4. Compensated Absences** (Continued)

**Vacation**

School District employees who are required to work on a twelve-month schedule are credited with vacation at rates, which vary with length of service or job classification. Vacation (for most employee categories) may be taken or accumulated within certain limits and are paid prior to retirement or termination at the employee's current rate of pay.

**Early Retirement Incentive**

The School District periodically offers early retirement incentive programs to teacher personnel and to administrative and supervisory personnel. A single payment is made to the retiree during the month of July immediately following the year of retirement or, if the retiree so requests, the payment may be held and made in the subsequent January. The early retirement incentive programs are subject to annual adoption by the Mount Union Area School District Directors.

**Sick Leave and Personal Leave**

1. All full-time employees are credited with either ten (10) or twelve (12) days sick allowance based on their contract, which may be accumulated from year to year without limitation.
2. All part-time employees are credited with two (2) days sick allowance, which may be accumulated from year to year without limitation.
3. Upon retirement, all professional employees receive \$95 per day for each day of accumulated sick, family emergency, and personal days accrued.
4. Upon retirement, nonprofessional employees receive \$35 per day for each day of accumulated sick leave.

**5. 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. 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.

**H. New Accounting Standard**

The District has adopted all current statements of the Governmental Accounting Standards Board (GASB) that are applicable at June 30, 2024.

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds**

**A. *Cash and Investments***

**Deposits**

The School District's carrying amount of bank deposits at June 30, 2024 is \$4,511,309 and the bank balance is \$4,648,262. Of the bank balance, \$250,000 is covered by federal depository insurance, \$2,428,289 is collateralized by securities held by the pledging financial institution's trust department or agent, but not in the School District's name. In addition, \$1,969,973 of the bank balance and book balance is invested in external investment pools 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 but are shown as investments.

**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 requires 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 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.

**B. School District's Investment Policies**

**Credit risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the School District's investing activities are managed by a Board designated individual. Investing is performed in accordance with the investment policies adopted by the School District's Board of Directors complying with State Statutes and the Pennsylvania School Code. School District funds may be invested in U. S. treasury bills, short-term obligations of the United States Government or its agencies or instrumentalities, deposits in savings accounts or time deposits or share accounts of institutions 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.



**MOUNT UNION AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**B. School District's Investment Policies** (Continued)

**Interest rate risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. **Concentration of credit risk** is the risk of loss attributed to the magnitude of the School District's investments in a single issuer.

For investments, **custodial credit risk** is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Investments 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. The School District's policy regarding collateral follows State Statutes.

**C. Restricted Net Position**

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include bond proceeds to be used for capital construction and amounts required by statute to be set-aside to create a reserve for budget stabilization.

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**D. Fund Equity**

Beginning with fiscal year 2011, the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications described in the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory and prepaid expenditures) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**D. Fund Equity** (Continued)

- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The School Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the School Board through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or for other purposes). Committed and assigned fund balance are considered to have been spent when an expenditure is incurred for purposes for which these fund balances as well as unassigned could be used.

**E. Capital Assets**

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

|   | Restated<br>Balance<br>06/30/2023 | Additions         | Deletions           | Transfers   | Balance<br>06/30/2024 |
|---|-----------------------------------|-------------------|---------------------|-------------|-----------------------|
| <b><u>Governmental Activities</u></b>   |                                   |                   |                     |             |                       |
| Capital Assets, not being depreciated:  |                                   |                   |                     |             |                       |
| Land                                    | \$ 104,218                        | \$ 0              | \$ 0                | \$ 0        | \$ 104,218            |
| Work in Progress                        | <u>0</u>                          | <u>0</u>          | <u>0</u>            | <u>0</u>    | <u>0</u>              |
| Total Assets Not Being Depreciated      | <u>\$ 104,218</u>                 | <u>\$ 0</u>       | <u>\$ 0</u>         | <u>\$ 0</u> | <u>\$ 104,218</u>     |
| Capital Assets, being depreciated:      |                                   |                   |                     |             |                       |
| Buildings and Improvements              | \$42,060,479                      | \$ 103,975        | \$ 0                | \$ 0        | \$42,164,454          |
| Furniture and Equipment                 | 2,304,517                         | 39,727            | 0                   | 0           | 2,344,244             |
| Land Improvements                       | 1,846,804                         | 0                 | 0                   | 0           | 1,846,804             |
| Right of Use Assets - Leases            | 75,748                            | 70,568            | ( 75,748)           | 0           | 70,568                |
| Right of Use Assets - SBITA             | <u>188,742</u>                    | <u>91,333</u>     | <u>( 110,204)</u>   | <u>0</u>    | <u>169,871</u>        |
| Total Capital Assets, Being Depreciated | <u>\$46,476,290</u>               | <u>\$ 305,603</u> | <u>(\$ 185,952)</u> | <u>\$ 0</u> | <u>\$46,595,941</u>   |



**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**E. Capital Assets** (Continued)

|   | Restated<br>Balance<br>06/30/2023 | Additions     | Deletions | Transfers | Balance<br>06/30/2024 |
|---|-----------------------------------|---------------|-----------|-----------|-----------------------|
| <b><u>Governmental Activities</u></b> (Continued) |                                   |               |           |           |                       |
| Less Accumulated Depreciation:                    |                                   |               |           |           |                       |
| Buildings   | (\$17,845,778)                    | (\$1,087,628) | \$ 0      | \$ 0      | (\$18,933,406)        |
| Furniture and Equipment                           | ( 2,101,435)                      | ( 57,653)     | 0         | 0         | ( 2,159,088)          |
| Land Improvements                                 | ( 1,545,050)                      | ( 29,983)     | 0         | 0         | ( 1,575,033)          |
| Right of Use Assets - Leases                      | ( 62,688)                         | ( 21,293)     | 75,748    | 0         | ( 8,233)              |
| Right of Use Assets - SBITA                       | ( 111,639)                        | ( 51,647)     | 110,204   | 0         | ( 53,082)             |
| Total Accumulated Depreciation                    | (\$21,666,590)                    | (\$1,248,204) | \$185,952 | \$ 0      | (\$22,728,842)        |
| Net Capital Assets, Being Depreciated, Net        | \$24,809,700                      | (\$ 942,601)  | \$ 0      | \$ 0      | \$23,867,099          |
| Governmental Activities Capital Assets, Net       | \$24,913,918                      | (\$ 942,601)  | \$ 0      | \$ 0      | \$23,971,317          |
| <b><u>Business-Type Activities</u></b>            |                                   |               |           |           |                       |
| Work in Progress                                  | \$ 0                              | \$ 0          | \$ 0      | \$ 0      | \$ 0                  |
| Furniture and Equipment                           | 760,938                           | 0             | 0         | 0         | 760,938               |
| Less: Accumulated Depreciation                    | ( 649,563)                        | ( 11,947)     | 0         | 0         | ( 661,510)            |
| Business-Type Activities Capital Assets, Net      | \$ 111,375                        | (\$ 11,947)   | \$ 0      | \$ 0      | \$ 99,428             |

Depreciation expense was charged to governmental functions as follows:

|                            |             |
|----------------------------|-------------|
| Instruction                | \$ 73,968   |
| Support                    | 68,821      |
| Noninstructional Services  | 1,155       |
| Buildings (Unallocated)    | 1,104,260   |
| Total Depreciation Expense | \$1,248,204 |

**F. 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.

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**F. Retirement Plans** (Continued)

**Pensions** (Continued)

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

***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 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.

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

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

**Benefits Provided** (Continued)

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:

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

|                   |                             | <b>Shared Risk Program Summary</b> |                |                |
|-------------------|-----------------------------|------------------------------------|----------------|----------------|
| <b>Membership</b> | <b>Defined Benefit (DB)</b> |                                    |                |                |
| <b>Class</b>      | <b>Base Rate</b>            | <b>Shared Risk Increment</b>       | <b>Minimum</b> | <b>Maximum</b> |
| 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%          |

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

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

**Contributions** (Continued)

**Employer Contributions:**

The School District's contractually required contribution rate for fiscal year ended June 30, 2024 was 33.09% 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 were \$3,033,119 for the year ended June 30, 2024.

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

At June 30, 2024, the School reported a liability of \$23,702,881 for its proportionate share of the net pension liability, reduced by contributions of \$3,033,119 subsequent to the measurement date. The net pension liability was measured as of June 30, 2023, 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, 2022 to June 30, 2023. The 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, 2023, the School's proportion was .0601%, which was an increase of .006% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School recognized pension expense of \$2,266,228. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Net difference between expected and actual experience           | \$ 0                                      | \$ 223,443                               |
| Net difference between projected and actual investment earnings | 699,052                                   | 0  |
| Changes in proportions  | <u>132,500</u>                            | <u>299,750</u>                           |
|   | \$831,552                                 | \$ 523,193                               |

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> |             |
|---------------------------|-------------|
| 2025                      | (\$807,208) |
| 2026                      | 863,146     |
| 2027                      | 252,421     |
| 2028                      | 0           |
| 2029                      | <u>0</u>    |
|                           | \$308,359   |

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

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

- Valuation Date - June 30, 2022
- Actuarial Cost Method - Entry Age Normal - Level % of Pay
- The Investment Rate of Return 7.00%, includes inflation at 2.50%
- Salary Growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2022 and as of June 30, 2023
- 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, 2023 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

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

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**F. 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 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 | 30.0%                    | 5.2%  |
| Private equity       | 12.0%                    | 7.9%  |
| Fixed income         | 33.0%                    | 3.2%  |
| Commodities          | 7.5%                     | 2.7%  |
| Absolute return      | 4.0%                     | 4.1%  |
| Infrastructure/MLPs  | 10.0%                    | 5.4%  |
| Real estate          | 11.0%                    | 5.7%  |
| Cash                 | 3.0%                     | 1.2%  |
| Leverage             | ( 10.5%)                 | 1.2%  |
|                      | 100.0%                   |   |

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

**Discount Rate**

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

**Sensitivity of the 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:

|   | <u>1% Decrease<br/>6.00%</u> | <u>Current Discount Rate<br/>7.00%</u> | <u>1% Increase<br/>8.00%</u> |
|---|------------------------------|--|------------------------------|
| School's proportionate share of the net pension liability | \$34,658,000                 | \$26,736,000                           | \$20,053,000                 |



**MOUNT UNION AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

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

**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's proportionate share of the PSERS assets, liabilities, and net position from the PSERS Comprehensive Annual Financial Report for the year ended June 30, 2023 is as follows:

|   |              |
|---|--------------|
| Assets                                  | \$47,895,100 |
| Liabilities                             | ( 4,555,600) |
| Net Position Held in Trust for Benefits | \$43,339,500 |

**Pension Plan Fiduciary Net Position**

In addition, as of June 30, 2024, the School District had a payable of \$1,145,207 to the PSERS Pension Plan, of which \$822,165 represents the second quarter 2024 required contribution, while \$323,042 represents the liability related to accrued payroll as of June 30, 2024.

**G. Long-Term Debt Obligations**

The amount of long-term debt for bonds payable is \$17,750,000, which is consistent with the generally accepted accounting principles that exclude interest and administrative expenses payable in future years from debt statements on general obligation bonds or other long-term debts.

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

The General Obligation Bond Issue - Series of 2018 was issued on November 15, 2018 in the amount of \$11,165,000. The net proceeds of \$12,598,139, including an original issue premium of \$1,433,139, will be used to currently refund all of the School District's outstanding General Obligation Bonds - Series of 2009 currently outstanding in the aggregate amount of \$11,765,000 and to pay costs and expenses of issuing the Series of 2018 Bonds.

The Series 2018 Bonds are repayable over a 17-year period with interest rates ranging from 3.00% to 5.00%. Interest on the bonds is payable semi-annually on March 1 and September 1. The Series 2018 Bonds maturing on September 1, 2029, and, therefore, are subject to redemption prior to maturity at the option of the School District, as a whole, on September 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.



**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**G. Long-Term Debt Obligations** (Continued)

**General Obligation Bond Issue - Series of 2018** (Continued)

The annual bond payment requirements for the Series 2018 Issue as of June 30, 2024 are as follows:

| <u>Payment Date</u> | <u>Principal</u>    | <u>% Rate</u> | <u>Interest</u>    | <u>Total</u>        | <u>Annual Total</u> |
|---------------------|---------------------|---------------|--------------------|---------------------|---------------------|
| 09/01/2024          | \$ 5,000            | 3.000         | \$ 278,250         | \$ 283,250          |                     |
| 03/01/2025          |                     |               | 278,175            | 278,175             | \$ 561,425          |
| 09/01/2025          | 5,000               | 3.000         | 278,175            | 283,175             |                     |
| 03/01/2026          |                     |               | 278,100            | 278,100             | 561,275             |
| 09/01/2026          | 5,000               | 3.000         | 278,100            | 283,100             |                     |
| 03/01/2027          |                     |               | 278,025            | 278,025             | 561,125             |
| 09/01/2027          | 5,000               | 3.000         | 278,025            | 283,025             |                     |
| 03/01/2028          |                     |               | 277,950            | 277,950             | 560,975             |
| 09/01/2028          | 5,000               | 3.000         | 277,950            | 282,950             |                     |
| 03/01/2029          |                     |               | 277,875            | 277,875             | 560,825             |
| 09/01/2029          | 1,365,000           | 5.000         | 277,875            | 1,642,875           |                     |
| 03/01/2030          |                     |               | 243,750            | 243,750             | 1,886,625           |
| 09/01/2030          | 1,435,000           | 5.000         | 243,750            | 1,678,750           |                     |
| 03/01/2031          |                     |               | 207,875            | 207,875             | 1,886,625           |
| 09/01/2031          | 1,510,000           | 5.000         | 207,875            | 1,717,875           |                     |
| 03/01/2032          |                     |               | 170,125            | 170,125             | 1,888,000           |
| 09/01/2032          | 1,580,000           | 5.000         | 170,125            | 1,750,125           |                     |
| 03/01/2033          |                     |               | 130,625            | 130,625             | 1,880,750           |
| 09/01/2033          | 1,655,000           | 5.000         | 130,625            | 1,785,625           |                     |
| 03/01/2034          |                     |               | 89,250             | 89,250              | 1,874,875           |
| 09/01/2034          | 1,740,000           | 5.000         | 89,250             | 1,829,250           |                     |
| 03/01/2035          |                     |               | 45,750             | 45,750              | 1,875,000           |
| 09/01/2035          | <u>1,830,000</u>    | 5.000         | <u>45,750</u>      | <u>1,875,750</u>    | <u>1,875,750</u>    |
|                     | <u>\$11,140,000</u> |               | <u>\$4,833,250</u> | <u>\$15,973,250</u> | <u>\$15,973,250</u> |

**General Obligation Bond, Series of 2020**

The General Obligation Bond Issue, Series of 2020 was issued on October 7, 2020 in the amount of \$9,725,000. The net proceeds of \$10,322,804, including an original issue premium of \$597,504, will be used to currently refund all of the School District's outstanding 2013 Bond Issue and the 2017 General Obligation Note, outstanding balances of \$1,450,000 and \$8,615,000, respectively, at time of issuance and to pay costs and expenses of issuing the Series of 2020 Bonds.

The Series 2020 Bonds are repayable over an 8-year period with interest rates ranging from 2.00% to 4.00%. Interest on the bonds is payable semi-annually on February 1 and August 1. The bonds stated to mature on August 1, 2028 shall be subject to redemption prior to maturity, at the option of the School District, as a whole, or from time to time, in part on August 1, 2025 or on any date thereafter, in each case upon payment of a redemption price of 100% of the principal amount of such bonds, together with accrued interest to redemption date.

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds (Continued)**

**G. Long-Term Debt Obligations (Continued)**

**General Obligation Bond, Series of 2020 (Continued)**

The annual bond payment requirements for the Series 2020 Issue as of June 30, 2024 are as follows:

| <u>Payment Date</u> | <u>Principal</u> | <u>% Rate</u> | <u>Interest</u> | <u>Total</u>     | <u>Annual Total</u> |
|---------------------|------------------|---------------|-----------------|------------------|---------------------|
| 08/01/2024          | \$1,265,000      | 4.000         | \$ 85,350       | \$1,350,350      |                     |
| 02/01/2025          |                  |               | 60,050          | 60,050           | \$1,410,400         |
| 08/01/2025          | 1,320,000        | 3.000         | 60,050          | 1,380,050        |                     |
| 02/01/2026          |                  |               | 40,250          | 40,250           | 1,420,300           |
| 08/01/2026          | 1,345,000        | 2.000         | 40,250          | 1,385,250        |                     |
| 02/01/2027          |                  |               | 26,800          | 26,800           | 1,412,050           |
| 08/01/2027          | 1,380,000        | 2.000         | 26,800          | 1,406,800        |                     |
| 02/01/2028          |                  |               | 13,000          | 13,000           | 1,419,800           |
| 08/01/2028          | <u>1,300,000</u> | 2.000         | <u>13,000</u>   | <u>1,313,000</u> | <u>1,313,000</u>    |
|                     | \$6,610,000      |               | \$365,550       | \$6,975,550      | \$6,975,550         |

**Change in Long-Term Liabilities**

|  | <u>Balance<br/>06/30/2023</u> | <u>Additions</u> | <u>Reductions</u>    | <u>Balance<br/>06/30/2024</u> | <u>Due Within<br/>One Year</u> |
|--|-------------------------------|------------------|----------------------|-------------------------------|--------------------------------|
| <b><u>Governmental Activities</u></b>  |                               |                  |                      |                               |                                |
| SBITA Lease                            | \$ 10,384                     | \$ 91,333        | (\$ 27,865)          | \$ 73,852                     | \$ 19,127                      |
| Leases                                 | 13,454                        | 70,568           | ( 20,867)            | 63,155                        | 13,185                         |
| Bonds Payable:                         |                               |                  |                      |                               |                                |
| 2018                                   | 11,145,000                    | 0                | ( 5,000)             | 11,140,000                    | 5,000                          |
| 2020                                   | 7,835,000                     | 0                | ( 1,225,000)         | 6,610,000                     | 1,265,000                      |
| Compensated Absences                   | 402,990                       | 15,993           | 0                    | 418,983                       | 0                              |
| Other Postemployment Benefits          | 2,190,171                     | 0                | ( 86,550)            | 2,103,621                     | 0                              |
| Net Pension Liability                  | <u>22,661,889</u>             | <u>384,393</u>   | <u>0</u>             | <u>23,046,282</u>             | <u>0</u>                       |
| Total Governmental Activities          | <u>\$44,258,888</u>           | <u>\$562,287</u> | <u>(\$1,365,282)</u> | <u>\$43,455,893</u>           | <u>\$1,302,312</u>             |
| <b><u>Business-Type Activities</u></b> |                               |                  |                      |                               |                                |
| Compensated Absences                   | \$ 1,085                      | \$ 0             | \$ 0                 | \$ 1,085                      | \$ 0                           |
| Other Postemployment Benefits          | 63,851                        | 0                | ( 3,918)             | 59,933                        | 0                              |
| Net Pension Liability                  | <u>660,670</u>                | <u>0</u>         | <u>( 4,070)</u>      | <u>656,600</u>                | <u>0</u>                       |
| Total Business-Type Activities         | <u>\$725,606</u>              | <u>\$ 0</u>      | <u>(\$ 7,988)</u>    | <u>\$717,618</u>              | <u>\$ 0</u>                    |

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

**Governmental Activities**

As of June 30, 2024, the District has four subscription-based information technology agreements involving:

- Curriculum
- Enrollment

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**H. Subscription-Based Information Technology Arrangements (SBITA)** (Continued)

**Governmental Activities** (Continued)

The total costs of the District's governmental activities subscription assets are recorded as \$169,871, less accumulated depreciation of \$53,082.

| <u>Years Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>  |
|---------------------|------------------|-----------------|---------------|
| June 30, 2025       | \$19,127         | \$3,369         | \$22,496      |
| June 30, 2026       | 17,425           | 2,526           | 19,951        |
| June 30, 2027       | 18,229           | 1,722           | 19,951        |
| June 30, 2028       | <u>19,071</u>    | <u>880</u>      | <u>19,951</u> |
|                     | \$73,852         | \$8,497         | \$82,349      |

**I. Nonmonetary Transactions**

The District receives USDA Donated Commodities in the enterprise food service fund, which is a proprietary fund type. These donated commodities are valued at an estimated market value and recognized as federal revenue with unused commodities recorded as inventory. The total food commodities donated by the federal government for the 2023-2024 fiscal year totaled \$79,923.

**J. Related-Party Transactions**

The District is a member of Tuscarora Intermediate Unit 11. Through the membership, the District is able to secure various special services, including special education, curriculum development, and certain internal service functions.

**K. Participation in the Huntingdon County Schools Insurance Trust**

Effective January 1, 1993, the Mount Union Area School District agreed to participate in an insurance trust, which has been specifically established to purchase health and medical insurance coverage and dental and vision coverage from Blue Cross of Western Pennsylvania and Pennsylvania Blue Shield and dental and vision coverage on a cost plus plan in an effort to contain and limit the cost of such coverages, while establishing a Premium Stabilization Fund which will be used to pay settlement charges and ultimately contain such coverage's cost. Since charges are currently being levied and paid by the Mount Union Area School District and since the initial contract period ends on June 30, 2024, no receivable or payable to the Trust has been reflected on these financial statements. As of June 30, 2024, the trust had a positive funding status; however, certain claims relative to that period have not been charged. As a result, the Mount Union Area School District has expensed all premiums made through June 30, 2024. The Trust has available separate audited financial statements.

**L. Commitments and Contingencies**

**Federal and State Compliance under Financial Assistance, Grants, and Programs**

The District is liable for reimbursement of federal and/or state funds relative to any noncompliance with laws, regulations, or contract provisions applicable to the grants and programs. Management is not aware of any material noncompliance as of June 30, 2024.

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**M. Risk Management**

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

**N. On Behalf of Payments for Fringe Benefits**

The Commonwealth of Pennsylvania's share of social security of \$250,065 and retirement benefits of \$2,150,051, is included in the basic financial statements as revenue.

**O. Interfund Receivables/Payables**

The composition of interfund balances as of June 30, 2024 is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> | <u>For</u>                      |
|------------------------|---------------------|---------------|---------------------------------|
| Food Service           | General             | \$132,569     | Food Service Share of Subsidies |

**P. Joint Venture**

**Huntingdon County Career & Technology Center**

The District is served by the Huntingdon County Career & Technology Center. Students of the District have available at the Center courses and curriculums related to various technical training fields. Costs of the Center are shared with other local school districts. The Mount Union Area School District paid costs of \$712,393 (which includes \$127,612 of state subsidy) as its share to the Huntingdon County Career & Technology Center during the 2023-2024 fiscal year. The District has no vested interest in what otherwise would be considered a joint venture; however, it would have an obligation to contribute its prorated share of unfunded future expenditures. A copy of the Annual Financial Report can be acquired by contacting the Business Manager at the Huntingdon County Career & Technology Center, PO Box E, Mill Creek, PA 17060.

**Q. Other Postretirement Benefits - Single Employer**

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

| <b>Summary of Plan Provisions</b> |  |  |   |
|-----------------------------------|--|--|---|
| <u>Group</u>                      | <u>Eligibility</u>   | <u>Coverage and Premium Sharing</u>  | <u>Duration</u>   |
| I. Administrators                 | PSERS Retirement, or 15 years of PSERS service and a minimum of 15 years of service with MUASD | <ul style="list-style-type: none"> <li>Coverage: Medical, Prescription Drug, Dental, and Vision</li> <li>Premium Sharing: If member has 10 or more years of service with the District, member receives one year of District-paid single medical and prescription drug coverage for every three years of service as an administrator. Member must pay the remainder of the premiums plus any additional premiums for coverage of his or her spouse and any eligible dependents.</li> <li>If member does not meet eligibility for District-paid coverage, but does reach eligibility under Act 110/43, then the member and spouse may continue benefits by paying the full premiums.</li> <li>Dependents: Spouse and family are included.</li> </ul> | <p>Medical and Prescription Drug:</p> <ul style="list-style-type: none"> <li>Coverage for member continues until member reaches Medicare age.</li> <li>Coverage for spouse continues until the earlier of spouse reaching Medicare age or member death.</li> </ul> <p>Dental and Vision:</p> <ul style="list-style-type: none"> <li>Coverage for member and spouse continues for life.</li> </ul> |

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**Q. Other Postretirement Benefits - Single Employer** (Continued)

| <b>Summary of Plan Provisions</b> |  |   |   |
|-----------------------------------|--|---|---|
| <u>Group</u>                      | <u>Eligibility</u>   | <u>Coverage and Premium Sharing</u>   | <u>Duration</u>   |
| II. All Other Groups              | PSERS Retirement, or 15 years of PSERS service and a minimum of 15 years of service with MUASD | <ul style="list-style-type: none"> <li>Retired employees are allowed to continue coverage for themselves and their dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment equal to the premium determined for the purpose of COBRA.</li> </ul> | <b>Medical and Prescription Drug:</b> <ul style="list-style-type: none"> <li>Coverage for member continues until member reaches Medicare age.</li> <li>Coverage for spouse continues until the earlier of spouse reaching Medicare age or member death.</li> </ul> <b>Dental and Vision:</b> <ul style="list-style-type: none"> <li>Coverage for member and spouse continues for life.</li> </ul> |
|                                   |  | Grandfathered Retirees: Two retirees are permitted to continue medical coverage for life.   |   |

**Valuation Date**

First day of the Fiscal Year (July 1, 2023)

**Asset Valuation Method**

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

**Actuarial Assumptions**

**a. Discount Rate**

4.21%, based on S&P Municipal Bond 20-year High Grade Rate Index at June 30, 2024.

**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, and 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%            |

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**Q. Other Postretirement Benefits - Single Employer** (Continued)

**Actuarial Assumptions** (Continued)

**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.

| <u>Age</u> | <u>Special<br/>Early Retirement</u> |               | <u>TC &amp; TD<br/>Superannuation</u> |               | <u>TE, TF, TG, &amp; TH<br/>Superannuation</u> |               |
|------------|-------------------------------------|---------------|---------------------------------------|---------------|--|---------------|
|            | <u>Mail</u>                         | <u>Female</u> | <u>Mail</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**

50% of employees are assumed to elect coverage.

**h. Percent Married at Retirement**

20% of retirees are assumed to be married and have a spouse covered by the plan at retirement. Non-spouse dependents are deemed to be immaterial.

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**Q. Other Postretirement Benefits - Single Employer** (Continued)

**Actuarial Assumptions** (Continued)

**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:

**Medical and Prescription Drug Combined**

| <u>Age</u> | <u>Males<br/>Rate</u> | <u>Females<br/>Rate</u> |
|------------|-----------------------|-------------------------|
| 45-49      | \$ 7,288              | \$10,526                |
| 50-54      | \$ 9,652              | \$11,896                |
| 55-59      | \$11,756              | \$12,447                |
| 60-64      | \$15,341              | \$14,299                |

Post-65 retirees are assumed to have claims equal to the premiums.

**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**

7.0% in 2023 and 2024 with .5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

**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 September 2023.



**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**Q. Other Postretirement Benefits - Single Employer** (Continued)

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

Memberships of the plan are as follows:

|  | <u>July 1, 2023</u> |
|--|---------------------|
| Active Members   | 195                 |
| Retirees and Beneficiaries Currently Receiving Benefits            | 81                  |
| Terminated Plan Members Entitled to But Not Yet Receiving Benefits | <u>0</u>            |
| Total  | 276                 |
|  | <u>          </u>   |

**Reserves**

There are no assets legally reserved for providing this benefit.

**Components of Net OPEB Liability as of June 30, 2024 Measurement Date**

|  |   |
|--|---|
| Total OPEB Liability   | \$1,127,128                             |
| Plan Fiduciary Net Position                                    | <u>0</u>                                |
| Net OPEB Liability   | \$1,127,128                             |
|  | <u>                                </u> |
| Fiduciary Net Position as a Percentage of Total OPEB Liability | 0%                                      |
| Estimated Covered Payroll                                      | \$8,897,526                             |
|  | <u>                                </u> |
| Net Liability as a Percentage of Covered Payroll               | 12.7%                                   |

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate as of June 30, 2024**

|                       | <u>1% Decrease</u><br><u>3.21%</u>      | <u>Current</u><br><u>Discount Rate</u><br><u>4.21%</u> | <u>1% Increase</u><br><u>5.21%</u>      |
|-----------------------|---|--|---|
| Net Pension Liability | \$1,208,703                             | \$1,127,128  | \$1,050,116                             |
|                       | <u>                                </u> | <u>                                </u>                | <u>                                </u> |

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates as of June 30, 2024**

|                       | <u>1% Decrease</u>                      | <u>Current</u><br><u>Healthcare</u><br><u>Cost Trend Rate</u> | <u>1% Increase</u>                      |
|-----------------------|---|---|---|
| Net Pension Liability | \$1,005,471                             | \$1,127,128   | \$1,270,078                             |
|                       | <u>                                </u> | <u>                                </u>                       | <u>                                </u> |

**MOUNT UNION AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**Q. Other Postretirement Benefits - Single Employer** (Continued)

**Investments and Discount Rate**

Since there are no plan assets, the discount rate is based on a 20 year High-Grade Municipal Rate Index.

**Changes in Net OPEB Liability**

|  | <b><u>Total OPEB Liability</u></b> |
|--|------------------------------------|
| Balances at June 30, 2023                          | \$1,218,452                        |
| Changes for the Year:                              |                                    |
| Service Cost                                       | \$ 65,871                          |
| Interest   | 51,715                             |
| Differences between Expected and Actual Experience | ( 151,947)                         |
| Changes of Assumptions                             | 2,381                              |
| Benefit Payments                                   | ( 59,344)                          |
| Net Changes  | (\$ 91,324)                        |
| Balances at June 30, 2024                          | \$1,127,128                        |

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

|  | <b><u>Deferred Outflows</u></b> | <b><u>Deferred Inflows</u></b> |
|--|---------------------------------|--------------------------------|
| Differences between Expected and Actual Experience | \$ 0                            | \$1,810,251                    |
| Changes of Assumptions                             | 380,319                         | 498,775                        |
| Total  | \$380,319                       | \$2,309,026                    |

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 Ended</u></b> | <b><u>Amount</u></b> |
|--------------------------|----------------------|
| 2025                     | (\$304,397)          |
| 2026                     | ( 304,397)           |
| 2027                     | ( 304,397)           |
| 2028                     | ( 304,397)           |
| 2029                     | ( 270,591)           |
| Thereafter               | ( 440,528)           |

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**Q. Other Postretirement Benefits - Single Employer** (Continued)

**Annual OPEB Expense**

Components of OPEB Expense for the year ended June 30, 2024:

|  |             |
|--|-------------|
| Service Cost   | \$ 65,871   |
| Interest   | 51,715      |
| Recognition of Difference between Expected and Actual Experience | ( 279,196)  |
| Recognition of Changes of Assumptions                            | ( 25,201)   |
| Total OPEB Expense   | (\$186,811) |

**School District Contributions**

The School District's contributions for the year ended June 30, 2024 was \$59,344.

**Plan Related Financial Statement Items**

As of June 30, 2024 and for the year then ended, the Plan had the following:

|                                |              |
|--------------------------------|--------------|
| Plan Related Assets            | \$ 0         |
| Deferred Outflows of Resources | 380,319      |
| Net OPEB Liability             | ( 1,127,128) |
| Deferred Inflows of Resources  | ( 2,309,026) |
| OPEB Expense                   | ( 186,811)   |
| OPEB Expenditures              | 59,344       |

**R. 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, 2023, there were no assumed future benefit increases to participating eligible retirees.

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

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

***General Information about the Health Insurance Premium Assistance Program*** (Cont.)

**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.

**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, 2024 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$58,664 for the year ended June 30, 2024.

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

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

***General Information about the Health Insurance Premium Assistance Program*** (Cont.)

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

At June 30, 2024, the District reported a liability of \$1,036,336 for its proportionate share of the net OPEB liability, reduced by contributions of \$58,664 made subsequent to the measurement date. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2023, the District's proportion was .0605%, which was an increase of .0005% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of (\$220,150). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <b><u>Deferred<br/>Outflows<br/>of Resources</u></b> | <b><u>Deferred<br/>Inflows<br/>of Resources</u></b> |
|---|--|---|
| Differences between expected and actual experience              | \$ 4,261   | \$ 8,409  |
| Changes in assumptions  | 67,943   | 154,311   |
| Net difference between projected and actual investment earnings | 1,420  | 0   |
| Changes in proportions  | <u>6,667</u>   | <u>36,929</u>                                       |
|   | <u>\$ 80,291</u>                                     | <u>\$199,649</u>                                    |

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

**Year Ended June 30:**

|            |            |
|------------|------------|
| 2025       | (\$36,511) |
| 2026       | ( 41,763)  |
| 2027       | ( 40,663)  |
| 2028       | ( 421)     |
| 2029       | 0          |
| Thereafter | 0          |

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

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

***General Information about the Health Insurance Premium Assistance Program*** (Cont.)

**Actuarial Assumptions**

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

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 4.13% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 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, 2022 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

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

***General Information about the Health Insurance Premium Assistance Program*** (Cont.)

**Actuarial Assumptions** (Continued)

- 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.

| <u>OPEB - Asset Class</u> | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|---------------------------|------------------------------|---|
| Cash                      | 100.0%                       | 1.2%  |

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

**Discount Rate**

The discount rate used to measure the Total OPEB Liability was 4.13%. 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 4.13%, which represents the S&P 20 year Municipal Bond Rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.



**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

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

***General Information about the Health Insurance Premium Assistance Program*** (Cont.)

**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, 2023, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2023, 92,677 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2023, 522 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the System net OPEB liability for June 30, 2023, 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:

|                           | <b><u>Dollar Amounts in Thousands</u></b> |                                      |                               |
|---------------------------|---|--------------------------------------|-------------------------------|
|                           | <b><u>1%<br/>Decrease</u></b>             | <b><u>Current<br/>Trend Rate</u></b> | <b><u>1%<br/>Increase</u></b> |
| System Net OPEB Liability | \$1,809,056                               | \$1,809,226                          | \$1,809,363                   |

**Sensitivity of the 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 (3.13%) or 1-percentage-point higher (5.13%) than the current rate:

|   | <b><u>1%<br/>Decrease<br/>3.13%</u></b> | <b><u>Current<br/>Discount<br/>Rate<br/>4.13%</u></b> | <b><u>1%<br/>Increase<br/>5.13%</u></b> |
|---|---|---|---|
| District's Proportionate Share of<br>the Net OPEB Liability | \$1,238,000                             | \$1,095,000   | \$975,000                               |

**OPEB Plan Fiduciary Net Position**

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

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

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

**OPEB Plan Fiduciary Net Position** (Continued)

Condensed summary information of the 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, 2023 is as follows:

|   |           |
|---|-----------|
| Assets                                  | \$368,900 |
| Liabilities                             | ( 49,625) |
| Net Position Held in Trust for Benefits | \$319,275 |

In addition, as of June 30, 2024, the District had a payable of \$22,150 to the PSERS OPEB plan, of which \$15,902 represents the second quarter 2024 required contribution, while \$6,248 represents the liability related to accrued payroll as of June 30, 2024.

**S. Fund Balance Reporting**

The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB #54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash, or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. At year end, the nonspendable fund balance is \$7,230.

In addition to the nonspendable fund balance, GASB #54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

**Restricted** - amounts limited by external parties or legislation. Ex.: Debt covenants.

**Committed** - amounts limited by Board policy or Board action. Ex.: Future anticipated costs. Action must be taken by the Board to commit fund balance for the designated purpose prior to the end of the fiscal year.

**Assigned** - amounts that are intended for a particular purpose.

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

The School District will strive to maintain an unassigned general fund balance of not less than five percent (5%) and not more than eight percent (8%) of the budgeted expenditures for that fiscal year.

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**S. Fund Balance Reporting** (Continued)

The total fund balance, consisting of several portions including restricted, committed, assigned, and unassigned, may exceed eight percent (8%).

1. Restricted Fund Balance to the extent that expenditures related to the restriction contributed to the excess of expenditures over revenues.
2. Committed Fund Balance to the extent that expenditures related to the commitment contributed to the excess of expenditures over revenues. If a plan for periodic use of committed fund balance is reviewed and approved by the Board, committed fund balance will not be reduced by more than the amount designated in the plan.
3. Assigned Fund Balance to the extent that expenditures related to the assignment contributed to the excess of expenditures over revenues.
4. Unassigned Fund Balance for any remaining excess of expenditures over revenues.

The Superintendent or Director of Financial Affairs may assign fund balance for items deemed appropriate at any time prior to the issuance of the audited financial statements for a given year.

The Superintendent or Director of Financial Affairs shall be responsible for the enforcement of this policy.

The District has classified its fund balances with the following hierarchy:

**Spendable**

The District has classified the spendable fund balances as Restricted, Assigned, and Unassigned and considered each to have been spent when expenditures are incurred.

**Restricted for Capital Projects**

The restricted fund balance in the amount of \$1,046,323 consists of funds reserved for capital expenditures from the capital project fund (formerly named the capital reserve fund). The restricted balance for the nonmajor fund, the scholarship fund, of \$1,078,995 has been assigned to supplement expenditures allowed by the trust agreement.

**Assigned for School Operations**

The District Superintendent and Director of Financial Affairs have set aside certain spendable fund balance for school operations. At year end, the assigned fund balance is \$771,268 for projected increase costs for retirement benefits.

**Unassigned**

The unassigned fund balance for the general fund is \$1,500,000.

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(CONTINUED)**

**II. Detailed Notes on All Activities and Funds** (Continued)

**T. Prior Period Adjustment**

A federal program reported a receivable as of June 30, 2023 of \$33,932. This program should have reported unearned revenue of \$13,921 as of June 30, 2023. As a result, net position/fund balance was decreased by \$47,853.

**U. Subsequent Events**

In preparing these financial statements, management has evaluated events and transactions for recognition or disclosure through January 24, 2025, the date the financial statements were available to be issued.

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION RELATED TO THE  
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)  
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**As of  
June 30, 2023  
Measurement Date**

|  |              |
|--|--------------|
| School's Proportion of the Collective Net Pension Liability  | .0601%       |
| School's Proportionate Share of the Collective Net Pension Liability   | \$26,736,000 |
| School's Covered Employee Payroll  | \$9,261,350  |
| School's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll | 288.68%      |
| PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability   | 61.85%       |

**As of  
June 30, 2022  
Measurement Date**

|  |              |
|--|--------------|
| School's Proportion of the Collective Net Pension Liability  | .0595%       |
| School's Proportionate Share of the Collective Net Pension Liability   | \$26,453,000 |
| School's Covered Employee Payroll  | \$8,817,415  |
| School's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll | 300.01%      |
| PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability   | 61.34%       |

**As of  
June 30, 2021  
Measurement Date**

|  |              |
|--|--------------|
| School's Proportion of the Collective Net Pension Liability  | .0621%       |
| School's Proportionate Share of the Collective Net Pension Liability   | \$25,496,000 |
| School's Covered Employee Payroll  | \$8,843,167  |
| School's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll | 288.31%      |
| PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability   | 63.67%       |

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION RELATED TO THE  
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)  
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
(CONTINUED)**

**As of  
June 30, 2020  
Measurement Date**

|  |              |
|--|--------------|
| School's Proportion of the Collective Net Pension Liability  | .0639%       |
| School's Proportionate Share of the Collective Net Pension Liability   | \$31,464,000 |
| School's Covered Employee Payroll  | \$8,939,892  |
| School's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll | 351.95%      |
| PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability   | 54.32%       |

**As of  
June 30, 2019  
Measurement Date**

|  |              |
|--|--------------|
| School's Proportion of the Collective Net Pension Liability  | .0656%       |
| School's Proportionate Share of the Collective Net Pension Liability   | \$30,689,000 |
| School's Covered Employee Payroll  | \$9,041,711  |
| School's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll | 339.42%      |
| PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability   | 55.66%       |

**As of  
June 30, 2018  
Measurement Date**

|  |              |
|--|--------------|
| School's Proportion of the Collective Net Pension Liability  | .0661%       |
| School's Proportionate Share of the Collective Net Pension Liability   | \$31,731,000 |
| School's Covered Employee Payroll  | \$8,861,509  |
| School's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll | 358.08%      |
| PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability   | 54.00%       |

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION RELATED TO THE  
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)  
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
(CONTINUED)**

**As of  
June 30, 2017  
Measurement Date**

|  |              |
|--|--------------|
| School's Proportion of the Collective Net Pension Liability  | .0647%       |
| School's Proportionate Share of the Collective Net Pension Liability   | \$31,954,000 |
| School's Covered Employee Payroll  | \$8,620,095  |
| School's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll | 370.69%      |
| PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability   | 51.84%       |

**As of  
June 30, 2016  
Measurement Date**

|  |              |
|--|--------------|
| School's Proportion of the Collective Net Pension Liability  | .0644%       |
| School's Proportionate Share of the Collective Net Pension Liability   | \$31,915,000 |
| School's Covered Employee Payroll  | \$8,338,322  |
| School's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll | 382.75%      |
| PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability   | 50.10%       |

**As of  
June 30, 2015  
Measurement Date**

|  |              |
|--|--------------|
| School's Proportion of the Collective Net Pension Liability  | .0653%       |
| School's Proportionate Share of the Collective Net Pension Liability   | \$28,285,000 |
| School's Covered Employee Payroll  | \$8,405,292  |
| School's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll | 336.51%      |
| PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability   | 54.36%       |



**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION RELATED TO THE  
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)  
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
(CONTINUED)**

**As of  
June 30, 2014  
Measurement Date**

|  |              |
|--|--------------|
| School's Proportion of the Collective Net Pension Liability  | .063%        |
| School's Proportionate Share of the Collective Net Pension Liability   | \$24,738,000 |
| School's Covered Employee Payroll  | \$7,975,000  |
| School's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll | 310.19%      |
| PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability   | 57.24%       |

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION RELATED TO THE  
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)  
SCHEDULE OF SCHOOL'S CONTRIBUTION**

**For the  
Year Ended  
June 30, 2023**

|   |                      |
|---|----------------------|
| Contractually Required Employer Contribution  | \$3,148,144          |
| Contributions in Relation to the Contractually Required Contribution  | ( <u>3,148,144</u> ) |
| Contribution Deficiency (Excess)  | <u>\$ 0</u>          |
| School's Covered Employee Payroll   | <u>\$9,261,350</u>   |
| Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll | 34.31%               |

**For the  
Year Ended  
June 30, 2022**

|   |                      |
|---|----------------------|
| Contractually Required Employer Contribution  | \$2,968,291          |
| Contributions in Relation to the Contractually Required Contribution  | ( <u>2,968,291</u> ) |
| Contribution Deficiency (Excess)  | <u>\$ 0</u>          |
| School's Covered Employee Payroll   | <u>\$8,817,415</u>   |
| Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll | 33.99%               |

**For the  
Year Ended  
June 30, 2021**

|   |                      |
|---|----------------------|
| Contractually Required Employer Contribution  | \$2,952,686          |
| Contributions in Relation to the Contractually Required Contribution  | ( <u>2,952,686</u> ) |
| Contribution Deficiency (Excess)  | <u>\$ 0</u>          |
| School's Covered Employee Payroll   | <u>\$8,843,167</u>   |
| Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll | 33.39%               |

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION RELATED TO THE  
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)  
SCHEDULE OF SCHOOL'S CONTRIBUTION  
(CONTINUED)**

**For the  
Year Ended  
June 30, 2020**

|   |                      |
|---|----------------------|
| Contractually Required Employer Contribution  | \$2,985,515          |
| Contributions in Relation to the Contractually Required Contribution  | ( <u>2,985,515</u> ) |
| Contribution Deficiency (Excess)  | <u>\$ 0</u>          |
| School's Covered Employee Payroll   | <u>\$8,939,892</u>   |
| Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll | 33.36%               |

**For the  
Year Ended  
June 30, 2019**

|   |                      |
|---|----------------------|
| Contractually Required Employer Contribution  | \$2,890,117          |
| Contributions in Relation to the Contractually Required Contribution  | ( <u>2,890,117</u> ) |
| Contribution Deficiency (Excess)  | <u>\$ 0</u>          |
| School's Covered Employee Payroll   | <u>\$8,865,389</u>   |
| Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll | 32.60%               |

**For the  
Year Ended  
June 30, 2018**

|   |                      |
|---|----------------------|
| Contractually Required Employer Contribution  | \$2,877,236          |
| Contributions in Relation to the Contractually Required Contribution  | ( <u>2,877,236</u> ) |
| Contribution Deficiency (Excess)  | <u>\$ 0</u>          |
| School's Covered Employee Payroll   | <u>\$9,065,017</u>   |
| Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll | 31.74%               |

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION RELATED TO THE  
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)  
SCHEDULE OF SCHOOL'S CONTRIBUTION  
(CONTINUED)**

|   | <b><u>For the<br/>Year Ended<br/>June 30, 2017</u></b> |
|---|--|
| Contractually Required Employer Contribution  | \$2,579,165  |
| Contributions in Relation to the Contractually Required Contribution  | ( <u>2,579,165</u> )                                   |
| Contribution Deficiency (Excess)  | <u>\$ 0</u>  |
| School's Covered Employee Payroll   | <u>\$8,672,377</u>                                     |
| Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll | 29.74%   |
|   | <b><u>For the<br/>Year Ended<br/>June 30, 2016</u></b> |
| Contractually Required Employer Contribution  | \$1,993,315  |
| Contributions in Relation to the Contractually Required Contribution  | ( <u>1,992,576</u> )                                   |
| Contribution Deficiency (Excess)  | <u>\$ 739</u>  |
| School's Covered Employee Payroll   | <u>\$7,975,640</u>                                     |
| Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll | 24.98%   |
|   | <b><u>For the<br/>Year Ended<br/>June 30, 2015</u></b> |
| Contractually Required Employer Contribution  | \$1,685,552  |
| Contributions in Relation to the Contractually Required Contribution  | ( <u>1,685,552</u> )                                   |
| Contribution Deficiency (Excess)  | <u>\$ 0</u>  |
| School's Covered Employee Payroll   | <u>\$8,423,549</u>                                     |
| Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll | 20.01%   |

**MOUNT UNION AREA 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**

***Changes 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.

***Changes in Assumptions Used in Measurement of the Total Pension Liability Beginning June 30, 2023 and 2022***

None.

***Changes 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 from an effective average of 5.00%, which was comprised of inflation of 2.75%, 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 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 Pub-2010 Disability Mortality Non-Safety Headcount Weighted table, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020.

***Changes 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.

***Changes 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 from an effective average of 5.50%, which was comprised of inflation of 3.00%, 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.

**MOUNT UNION AREA 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)**

***Method and Assumptions Used in Calculations of Actuarially Determined Contributions***

The actuarially determined contributions are calculated as of the June 30 preceding the fiscal year in which contributions are made. That is, the contribution calculated as of the June 30, 2021 actuarial valuation will be made during the fiscal year ending June 30, 2024. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

- Investment return - 7.00%, includes inflation at 2.50% and the real rate of return 4.50%.
- Salary growth - Effective average of 4.50%, which reflects an allowance for inflation of 2.50%, real wage growth and merit or seniority of 2.00%.
- Benefit payments - no postretirement benefit increases 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 Improvement Scale.

***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.

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**

**As of and for the  
Year Ended  
June 30, 2024**

**Total OPEB Liability**

|  |             |
|--|-------------|
| Service Cost                                       | \$ 65,871   |
| Interest   | 51,715      |
| Differences between Expected and Actual Experience | ( 151,947)  |
| Changes of Assumptions                             | 2,381       |
| Benefit Payments                                   | ( 59,344)   |
| Net Change in Total OPEB Liability                 | (\$ 91,324) |

**Total OPEB Liability** - Beginning

1,218,452

**Total OPEB Liability** - Ending

\$1,127,128

**Plan's Fiduciary Net Position**

|   |      |
|---|------|
| Net Change in Plan's Fiduciary Net Position | \$ 0 |
|---|------|

**Plan's Fiduciary Net Position** - Beginning

0

**Plan's Fiduciary Net Position** - Ending

\$ 0

**School District's Net OPEB Liability**

\$1,127,128

Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability

0.00%

Covered Employee Payroll

\$8,897,526

Net OPEB Liability as a Percentage of Covered Employee Payroll

12.7%



**MOUNT UNION AREA 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 the<br/>Year Ended<br/><u>June 30, 2023</u></b> |
|---|--|
| <b><u>Total OPEB Liability</u></b>                                    |  |
| Service Cost  | \$ 77,408  |
| Interest  | 55,834   |
| Differences between Expected and Actual Experience                    | 0  |
| Changes of Assumptions  | ( 173,280)   |
| Benefit Payments  | ( 63,777)  |
| Net Change in Total OPEB Liability                                    | (\$ 103,815)   |
| <b><u>Total OPEB Liability</u></b> - Beginning                        | <u>1,322,267</u>   |
| <b><u>Total OPEB Liability</u></b> - Ending                           | <u>\$1,218,452</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>                    | <u>\$1,218,452</u>   |
| Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability | 0.00%  |
| Covered Employee Payroll  | <u>\$8,817,415</u>   |
| Net OPEB Liability as a Percentage of Covered Employee Payroll        | 13.82%   |

**MOUNT UNION AREA 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 the<br/>Year Ended<br/><u>June 30, 2022</u></b> |
|---|--|
| <b><u>Total OPEB Liability</u></b>                                    |  |
| Service Cost  | \$ 100,400   |
| Interest  | 104,382  |
| Differences between Expected and Actual Experience                    | ( 1,569,771)   |
| Changes of Assumptions  | ( 135,345)   |
| Benefit Payments  | ( <u>129,478</u> )   |
| Net Change in Total OPEB Liability                                    | (\$1,629,812)  |
| <b><u>Total OPEB Liability</u></b> - Beginning                        | <u>2,952,079</u>   |
| <b><u>Total OPEB Liability</u></b> - Ending                           | <u>\$1,322,267</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>                    | <u>\$1,322,267</u>   |
| Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability | 0.00%  |
| Covered Employee Payroll  | <u>\$8,526,778</u>   |
| Net OPEB Liability as a Percentage of Covered Employee Payroll        | 15.51%   |

**MOUNT UNION AREA 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 the<br/>Year Ended<br/><u>June 30, 2021</u></b> |
|---|--|
| <b><u>Total OPEB Liability</u></b>                                    |  |
| Service Cost  | \$ 108,770   |
| Interest  | 99,858   |
| Benefit Payments  | ( 110,513)   |
| Net Change in Total OPEB Liability                                    | \$ 98,115  |
| <b><u>Total OPEB Liability</u></b> - Beginning                        | 2,853,964  |
| <b><u>Total OPEB Liability</u></b> - Ending                           | 2,952,079  |
|   | <hr/>  |
| <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               | 0  |
| <b><u>Plan's Fiduciary Net Position</u></b> - Ending                  | \$ 0   |
|   | <hr/>  |
| <b><u>School District's Net OPEB Liability</u></b>                    | 2,952,079  |
|   | <hr/>  |
| Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability | 0.00%  |
| Covered Employee Payroll  |  |
| Net OPEB Liability as a Percentage of Covered Employee Payroll        | Information<br>Not Provided<br>By Actuary                        |

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
(CONTINUED)**

**As of and for the  
Year Ended  
June 30, 2020**

**Total OPEB Liability**

|                                    |            |
|------------------------------------|------------|
| Service Cost                       | \$ 115,784 |
| Interest                           | 96,341     |
| Benefit Payments                   | ( 105,714) |
| Net Change in Total OPEB Liability | \$ 106,411 |

**Total OPEB Liability** - Beginning 2,747,553

**Total OPEB Liability** - Ending \$2,853,964

**Plan's Fiduciary Net Position**

Net Change in Plan's Fiduciary Net Position \$ 0

**Plan's Fiduciary Net Position** - Beginning 0

**Plan's Fiduciary Net Position** - Ending \$ 0

**School District's Net OPEB Liability** \$2,853,964

Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability 0.00%

Covered Employee Payroll \$8,644,494

Net OPEB Liability as a Percentage of Covered Employee Payroll 33.01%

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
(CONTINUED)**

**As of and for the  
Year Ended  
June 30, 2019**

**Total OPEB Liability**

|  |            |
|--|------------|
| Service Cost                                       | \$ 187,142 |
| Interest   | 111,163    |
| Change of Benefit Terms                            | 0          |
| Differences between Expected and Actual Experience | ( 545,248) |
| Change of Assumptions                              | ( 547,766) |
| Benefit Payments                                   | ( 139,227) |

|                                    |              |
|------------------------------------|--------------|
| Net Change in Total OPEB Liability | (\$ 933,936) |
|------------------------------------|--------------|

|  |                  |
|--|------------------|
| <b><u>Total OPEB Liability</u></b> - Beginning | <u>3,681,489</u> |
|--|------------------|

|   |                    |
|---|--------------------|
| <b><u>Total OPEB Liability</u></b> - Ending | <u>\$2,747,553</u> |
|---|--------------------|

**Plan's Fiduciary Net Position**

|   |      |
|---|------|
| 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> | <u>\$2,747,553</u> |
|--|--------------------|

|   |       |
|---|-------|
| Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability | 0.00% |
|---|-------|

|                          |                    |
|--------------------------|--------------------|
| Covered Employee Payroll | <u>\$8,433,653</u> |
|--------------------------|--------------------|

|  |        |
|--|--------|
| Net OPEB Liability as a Percentage of Covered Employee Payroll | 32.58% |
|--|--------|

**MOUNT UNION AREA 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 the<br/>Year Ended<br/><u>June 30, 2018</u></b> |
|---|--|
| <b><u>Total OPEB Liability</u></b>                                    |  |
| Service Cost  | \$ 195,180   |
| Interest  | 105,850  |
| Change of Benefit Terms   | 0  |
| Differences between Expected and Actual Experience                    | 0  |
| Change of Assumptions   | 0  |
| Benefit Payments  | ( 100,586)   |
| Net Change in Total OPEB Liability                                    | \$ 200,444   |
| <b><u>Total OPEB Liability</u></b> - Beginning                        | <u>3,481,045</u>   |
| <b><u>Total OPEB Liability</u></b> - Ending                           | <u>\$3,681,489</u>   |
| <br><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>  |
| <br><b><u>School District's Net OPEB Liability</u></b>                | <br><u>\$3,681,489</u>   |
| Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability | 0.00%  |
| Covered Employee Payroll  | <u>\$8,918,578</u>   |
| Net OPEB Liability as a Percentage of Covered Employee Payroll        | 41.28%   |

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
(CONTINUED)**

**As of and for the  
Year Ended  
June 30, 2017**

**Total OPEB Liability**

|  |            |
|--|------------|
| Service Cost                                       | \$ 170,284 |
| Interest   | 128,415    |
| Change of Benefit Terms                            | 55,999     |
| Differences between Expected and Actual Experience | ( 666,157) |
| Change of Assumptions                              | 811,441    |
| Benefit Payments                                   | ( 118,051) |

|                                    |            |
|------------------------------------|------------|
| Net Change in Total OPEB Liability | \$ 381,931 |
|------------------------------------|------------|

|  |                  |
|--|------------------|
| <b><u>Total OPEB Liability</u></b> - Beginning | <u>3,099,114</u> |
|--|------------------|

|   |                    |
|---|--------------------|
| <b><u>Total OPEB Liability</u></b> - Ending | <u>\$3,481,045</u> |
|---|--------------------|

**Plan's Fiduciary Net Position**

|   |      |
|---|------|
| 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> | <u>\$3,481,045</u> |
|--|--------------------|

|   |       |
|---|-------|
| Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability | 0.00% |
|---|-------|

|                          |                    |
|--------------------------|--------------------|
| Covered Employee Payroll | <u>\$8,701,052</u> |
|--------------------------|--------------------|

|  |        |
|--|--------|
| Net OPEB Liability as a Percentage of Covered Employee Payroll | 40.01% |
|--|--------|



**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS**

**Fiscal  
Year Ending  
June 30, 2024**

**Schedule of Contributions**

Actuarially Determined Contribution  
District Contribution

N/A  
N/A

Contribution Deficiency

N/A  
==

Covered Employee Payroll

\$8,897,526  
                    

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, 2023**

**Schedule of Contributions**

Actuarially Determined Contribution  
District Contribution

N/A  
N/A

Contribution Deficiency

N/A  
==

Covered Employee Payroll

\$8,817,415  
                    

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  
==

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS  
(CONTINUED)**

**Fiscal  
Year Ending  
June 30, 2022**

**Schedule of Contributions**

|  |                   |
|--|-------------------|
| Actuarially Determined Contribution                      | N/A               |
| District Contribution                                    | <u>N/A</u>        |
| Contribution Deficiency                                  | N/A               |
|  | <u>          </u> |
| Covered Employee Payroll                                 | \$8,526,778       |
|  | <u>          </u> |
| Contribution as a Percentage of Covered Employee Payroll | N/A               |
|  | <u>          </u> |

**Schedule of Investment Returns**

|   |                   |
|---|-------------------|
| Annual Money-Weighted Rate of Return, Net of Investment Expense | N/A               |
|   | <u>          </u> |

**Fiscal  
Year Ending  
June 30, 2021**

**Schedule of Contributions**

|  |                   |
|--|-------------------|
| Actuarially Determined Contribution                      | N/A               |
| District Contribution                                    | <u>N/A</u>        |
| Contribution Deficiency                                  | N/A               |
|  | <u>          </u> |
| Covered Employee Payroll                                 | \$8,644,494       |
|  | <u>          </u> |
| Contribution as a Percentage of Covered Employee Payroll | N/A               |
|  | <u>          </u> |

**Schedule of Investment Returns**

|   |                   |
|---|-------------------|
| Annual Money-Weighted Rate of Return, Net of Investment Expense | N/A               |
|   | <u>          </u> |

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS  
(CONTINUED)**

**Fiscal  
Year Ending  
June 30, 2020**

**Schedule of Contributions**

Actuarially Determined Contribution  
District Contribution

N/A  
N/A

Contribution Deficiency

N/A  
      

Covered Employee Payroll

\$8,644,494  
                  

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  
District Contribution

N/A  
N/A

Contribution Deficiency

N/A  
      

Covered Employee Payroll

\$8,433,653  
                  

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

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS  
(CONTINUED)**

**Fiscal  
Year Ending  
June 30, 2018**

**Schedule of Contributions**

Actuarially Determined Contribution  
District Contribution

N/A  
N/A

Contribution Deficiency

N/A  
      

Covered Employee Payroll

\$8,918,578  
                    

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, 2017**

**Schedule of Contributions**

Actuarially Determined Contribution  
District Contribution

N/A  
N/A

Contribution Deficiency

N/A  
      

Covered Employee Payroll

\$8,701,052  
                    

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

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

| Summary of Plan Provisions |  |   |   |
|----------------------------|--|---|---|
| Group                      | Eligibility  | Coverage and Premium Sharing  | Duration  |
| I. Administrators          | PSERS Retirement, or 15 years of PSERS service and a minimum of 15 years of service with MUASD | <ul style="list-style-type: none"> <li>• Coverage: Medical, Prescription Drug, Dental, and Vision</li> <li>• Premium Sharing: If member has 10 or more years of service with the District, member receives one year of District-paid single medical and prescription drug coverage for every three years of service as an administrator. Member must pay the remainder of the premiums plus any additional premiums for coverage of his or her spouse and any eligible dependents.</li> </ul> <p>If member does not meet eligibility for District-paid coverage, but does reach eligibility under Act 110/43, then the member and spouse may continue benefits by paying the full premiums.</p> <ul style="list-style-type: none"> <li>• Dependents: Spouse and family are included.</li> </ul> | <p>Medical and Prescription Drug:</p> <ul style="list-style-type: none"> <li>• Coverage for member continues until member reaches Medicare age.</li> <li>• Coverage for spouse continues until the earlier of spouse reaching Medicare age or member death.</li> </ul> <p>Dental and Vision:</p> <ul style="list-style-type: none"> <li>• Coverage for member and spouse continues for life.</li> </ul> |
| II. All Other Groups       | PSERS Retirement, or 15 years of PSERS service and a minimum of 15 years of service with MUASD | <ul style="list-style-type: none"> <li>• Retired employees are allowed to continue coverage for themselves and their dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment equal to the premium determined for the purpose of COBRA.</li> </ul> <p>Grandfathered Retirees: Two retirees are permitted to continue medical coverage for life.</p>  | <p>Medical and Prescription Drug:</p> <ul style="list-style-type: none"> <li>• Coverage for member continues until member reaches Medicare age.</li> <li>• Coverage for spouse continues until the earlier of spouse reaching Medicare age or member death.</li> </ul> <p>Dental and Vision:</p> <ul style="list-style-type: none"> <li>• Coverage for member and spouse continues for life.</li> </ul> |

**Valuation Date**

First day of the Fiscal Year (July 1, 2023)

**Asset Valuation Method**

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

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**Actuarial Assumptions**

**a. Discount Rate**

4.21%, based on S&P Municipal Bond 20-year High Grade Rate Index at June 30, 2024.

**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, and 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.

| <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%         |

**MOUNT UNION AREA 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<br/>Early Retirement</u> |               | <u>TC &amp; TD<br/>Superannuation</u> |               | <u>TE, TF, TG, &amp; TH<br/>Superannuation</u> |               |
|------------|-------------------------------------|---------------|---------------------------------------|---------------|--|---------------|
|            | <u>Male</u>                         | <u>Female</u> | <u>Male</u>                           | <u>Female</u> | <u>Male</u>                                    | <u>Female</u> |
| 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**

50% of employees are assumed to elect coverage.

**h. Percent Married at Retirement**

20% of retirees are assumed to be married and 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:

**Medical and Prescription Drug Combined**

| <u>Age</u> | <u>Males<br/>Rate</u> | <u>Females<br/>Rate</u> |
|------------|-----------------------|-------------------------|
| 45-49      | \$ 7,288              | \$10,526                |
| 50-54      | \$ 9,652              | \$11,896                |
| 55-59      | \$11,756              | \$12,447                |
| 60-64      | \$15,341              | \$14,299                |

Post-65 retirees are assumed to have claims equal to the premiums.



**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**Actuarial Assumptions** (Continued)

**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**

7.0% in 2023 and 2024 with .5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

**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 September 2023.

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - COST SHARING PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**Fiscal  
Year Ending  
June 30, 2023**

|  |             |
|--|-------------|
| Contractually Required Contributions                                 | \$ 69,000   |
| Contributions in Relation to the Contractually Required Contribution | ( 69,000)   |
| Contribution Deficiency (Excess)                                     | \$ 0        |
|  | <hr/>       |
| School District's Covered Employee Payroll                           | \$8,897,526 |
|  | <hr/>       |
| Contributions as a Percentage of Covered Employee Payroll            | .75%        |

**Fiscal  
Year Ending  
June 30, 2022**

|  |             |
|--|-------------|
| Contractually Required Contributions                                 | \$ 70,000   |
| Contributions in Relation to the Contractually Required Contribution | ( 70,000)   |
| Contribution Deficiency (Excess)                                     | \$ 0        |
|  | <hr/>       |
| School District's Covered Employee Payroll                           | \$8,817,415 |
|  | <hr/>       |
| Contributions as a Percentage of Covered Employee Payroll            | .80%        |

**Fiscal  
Year Ending  
June 30, 2021**

|  |             |
|--|-------------|
| Contractually Required Contributions                                 | \$ 73,000   |
| Contributions in Relation to the Contractually Required Contribution | ( 73,000)   |
| Contribution Deficiency (Excess)                                     | \$ 0        |
|  | <hr/>       |
| School District's Covered Employee Payroll                           | \$8,843,167 |
|  | <hr/>       |
| Contributions as a Percentage of Covered Employee Payroll            | .83%        |

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - COST SHARING PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
(CONTINUED)**

**Fiscal  
Year Ending  
June 30, 2020**

|  |             |
|--|-------------|
| Contractually Required Contributions                                 | \$ 75,000   |
| Contributions in Relation to the Contractually Required Contribution | ( 75,000)   |
| Contribution Deficiency (Excess)                                     | \$ 0        |
|  | <hr/>       |
| School District's Covered Employee Payroll                           | \$8,939,892 |
|  | <hr/>       |
| Contributions as a Percentage of Covered Employee Payroll            | .84%        |

**Fiscal  
Year Ending  
June 30, 2019**

|  |             |
|--|-------------|
| Contractually Required Contributions                                 | \$ 75,000   |
| Contributions in Relation to the Contractually Required Contribution | ( 75,000)   |
| Contribution Deficiency (Excess)                                     | \$ 0        |
|  | <hr/>       |
| School District's Covered Employee Payroll                           | \$9,041,711 |
|  | <hr/>       |
| Contributions as a Percentage of Covered Employee Payroll            | .84%        |

**Fiscal  
Year Ending  
June 30, 2018**

|  |             |
|--|-------------|
| Contractually Required Contributions                                 | \$ 74,000   |
| Contributions in Relation to the Contractually Required Contribution | ( 74,000)   |
| Contribution Deficiency (Excess)                                     | \$ 0        |
|  | <hr/>       |
| School District's Covered Employee Payroll                           | \$8,898,758 |
|  | <hr/>       |
| Contributions as a Percentage of Covered Employee Payroll            | .83%        |

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - COST SHARING PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
(CONTINUED)**

**Fiscal  
Year Ending  
June 30, 2017**

|  |                   |
|--|-------------------|
| Contractually Required Contributions                                 | \$ 57,000         |
| Contributions in Relation to the Contractually Required Contribution | ( <u>57,000</u> ) |
| Contribution Deficiency (Excess)                                     | \$ 0              |
|  | <hr/>             |
| School District's Covered Employee Payroll                           | \$8,620,095       |
|  | <hr/>             |
| Contributions as a Percentage of Covered Employee Payroll            | .83%              |

**MOUNT UNION AREA 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**

**Fiscal  
Year Ending  
June 30, 2023**

|  |             |
|--|-------------|
| School District's Proportion of the Net OPEB Liability   | .0605%      |
| School District's Proportionate Share of the Net OPEB Liability  | \$1,095,000 |
|  | <hr/>       |
| School District's Covered Employee Payroll   | \$8,897,526 |
|  | <hr/>       |
| School District's Proportionate Share of the Net OPEB Liability<br>as a Percentage of its Covered Employee Payroll | 12.31%      |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability  | 7.22%       |

**Fiscal  
Year Ending  
June 30, 2022**

|  |             |
|--|-------------|
| School District's Proportion of the Net OPEB Liability   | .0600%      |
| School District's Proportionate Share of the Net OPEB Liability  | \$1,104,000 |
|  | <hr/>       |
| School District's Covered Employee Payroll   | \$8,817,415 |
|  | <hr/>       |
| School District's Proportionate Share of the Net OPEB Liability<br>as a Percentage of its Covered Employee Payroll | 12.52%      |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability  | 6.86%       |

**Fiscal  
Year Ending  
June 30, 2021**

|  |             |
|--|-------------|
| School District's Proportion of the Net OPEB Liability   | .0624%      |
| School District's Proportionate Share of the Net OPEB Liability  | \$1,478,000 |
|  | <hr/>       |
| School District's Covered Employee Payroll   | \$8,843,167 |
|  | <hr/>       |
| School District's Proportionate Share of the Net OPEB Liability<br>as a Percentage of its Covered Employee Payroll | 16.71%      |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability  | 5.30%       |

**MOUNT UNION AREA 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)**

**Fiscal  
Year Ending  
June 30, 2020**

|  |             |
|--|-------------|
| School District's Proportion of the Net OPEB Liability   | .0637%      |
| School District's Proportionate Share of the Net OPEB Liability  | \$1,376,000 |
| School District's Covered Employee Payroll   | \$8,939,892 |
| School District's Proportionate Share of the Net OPEB Liability<br>as a Percentage of its Covered Employee Payroll | 15.39%      |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability  | 5.69%       |

**Fiscal  
Year Ending  
June 30, 2019**

|  |             |
|--|-------------|
| School District's Proportion of the Net OPEB Liability   | .0656%      |
| School District's Proportionate Share of the Net OPEB Liability  | \$1,395,000 |
| School District's Covered Employee Payroll   | \$9,041,711 |
| School District's Proportionate Share of the Net OPEB Liability<br>as a Percentage of its Covered Employee Payroll | 15.43%      |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability  | 5.56%       |

**Fiscal  
Year Ending  
June 30, 2018**

|  |             |
|--|-------------|
| School District's Proportion of the Net OPEB Liability   | .0661%      |
| School District's Proportionate Share of the Net OPEB Liability  | \$1,378,000 |
| School District's Covered Employee Payroll   | \$8,898,758 |
| School District's Proportionate Share of the Net OPEB Liability<br>as a Percentage of its Covered Employee Payroll | 15.48%      |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability  | 5.56%       |

**MOUNT UNION AREA 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)**

**Fiscal  
Year Ending  
June 30, 2017**

|  |             |
|--|-------------|
| School District's Proportion of the Net OPEB Liability   | .0647%      |
| School District's Proportionate Share of the Net OPEB Liability  | \$1,318,000 |
|  | <hr/>       |
| School District's Covered Employee Payroll   | \$8,620,095 |
|  | <hr/>       |
| School District's Proportionate Share of the Net OPEB Liability<br>as a Percentage of its Covered Employee Payroll | 15.30%      |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability  | 5.73%       |

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
TOTAL OPEB LIABILITY INFORMATION RELATED TO THE  
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

***Changes in Benefit Terms***

None.

***Changes in Assumptions Used in Measurement of the Total OPEB Liability Beginning June 30, 2023***

The Discount Rate used to measure the Total OPEB Liability increased from 4.09% as of June 30, 2022 to 4.13% as of June 30, 2023.

***Changes in Assumptions Used in Measurement of the Total OPEB Liability Beginning June 30, 2022***

The Discount Rate increased from 2.18% to 4.09%.

***Changes in Assumptions Used in Measurement of the Total OPEB 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%, 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 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 Pub-2010 Disability Mortality Non-Safety Headcount Weighted Table, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020.

***Changes in Assumptions Used in Measurement of the Total OPEB Liability Beginning June 30, 2020***

The Discount Rate decreased from 2.79% to 2.66%.

***Changes in Assumptions Used in Measurement of the Total OPEB Liability Beginning June 30, 2019***

The Discount Rate decreased from 2.98% to 2.79%.

***Changes in Assumptions Used in Measurement of the Total OPEB Liability Beginning June 30, 2018***

The Discount Rate decreased from 3.13% to 2.98%.

***Changes in Assumptions Used in Measurement of the Total OPEB Liability Beginning June 30, 2017***

The Discount Rate increased from 2.71% to 3.13%.

***Changes in Assumptions Used in Measurement of the Total OPEB Liability Beginning June 30, 2016***

Salary growth changed from an effective average of 5.50%, which was comprised of inflation of 3.00%, 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.



**MOUNT UNION AREA 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)**

***Changes in Assumptions Used in Measurement of the Total OPEB Liability Beginning June 30, 2016*** (Cont.)

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.

***Method and Assumptions Used in Calculations of Actuarially Determined Contributions***

The actuarially determined contributions are calculated as of the June 30 preceding the 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 in that schedule:

- Investment rate of return - 4.13% - 20 year S&P Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, which reflects an allowance for inflation of 2.50%, real wage growth and merit or seniority of 2.00%.
- Benefit payments - no postretirement benefit increases 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 Improvement Scale.

***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.

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2024**

|  | <b>Budgeted Amounts</b> |                       | <b>Actual</b>            | <b>Variance with</b>                            |
|--|-------------------------|-----------------------|--------------------------|---|
|  | <b>Original</b>         | <b>Final</b>          | <b>(Budgetary Basis)</b> | <b>Final Budget<br/>Positive<br/>(Negative)</b> |
| <b><u>Revenues</u></b>   |                         |                       |                          |   |
| Local Sources  | \$ 5,336,797            | \$ 5,336,797          | \$ 5,596,051             | \$ 259,254                                      |
| State Sources  | 15,338,373              | 15,338,373            | 16,492,113               | 1,153,740                                       |
| Federal Sources  | <u>984,377</u>          | <u>984,377</u>        | <u>4,636,211</u>         | <u>3,651,834</u>                                |
| Total Revenues   | <u>\$21,659,547</u>     | <u>\$21,659,547</u>   | <u>\$26,724,375</u>      | <u>\$ 5,064,828</u>                             |
| <b><u>Expenditures</u></b>                                       |                         |                       |                          |   |
| Regular Programs   | \$10,289,700            | \$10,289,700          | \$ 9,519,882             | \$ 769,818                                      |
| Special Programs   | 5,208,377               | 5,208,377             | 6,603,193                | ( 1,394,816)                                    |
| Vocational Programs  | 1,053,672               | 1,053,672             | 1,011,522                | 42,150  |
| Other Instructional Programs                                     | 43,214                  | 43,214                | 73,779                   | ( 30,565)                                       |
| Pupil Personnel Services   | 682,766                 | 682,766               | 569,485                  | 113,281   |
| Instructional Staff Services                                     | 287,443                 | 287,443               | 560,101                  | ( 272,658)                                      |
| Administrative Services  | 1,632,326               | 1,632,326             | 1,455,393                | 176,933   |
| Pupil Health   | 310,895                 | 310,895               | 287,524                  | 23,371  |
| Business Services  | 298,316                 | 298,316               | 311,072                  | ( 12,756)                                       |
| Operation and Maintenance<br>of Plant Services                   | 1,502,684               | 1,502,684             | 1,575,983                | ( 73,299)                                       |
| Student Transportation Services                                  | 1,314,277               | 1,314,277             | 1,652,318                | ( 338,041)                                      |
| Central Services   | 398,229                 | 398,229               | 570,447                  | ( 172,218)                                      |
| Student Activities   | 561,693                 | 561,693               | 460,896                  | 100,797   |
| Community Services   | 5,500                   | 5,500                 | 2,246                    | 3,254   |
| Facilities Acquisition, Construction<br>and Improvement Services | 0                       | 0                     | 113,497                  | ( 113,497)                                      |
| Debt Service   | 2,040,000               | 2,040,000             | 1,997,969                | 42,031  |
| Leases and Other Right-of-Use<br>Arrangements                    | <u>0</u>                | <u>0</u>              | <u>51,080</u>            | <u>( 51,080)</u>                                |
| Total Expenditures   | <u>\$25,629,092</u>     | <u>\$25,629,092</u>   | <u>\$26,816,387</u>      | <u>(\$ 1,187,295)</u>                           |
| Excess (Deficiency) of<br>Revenues Over Expenditures             | <u>(\$ 3,969,545)</u>   | <u>(\$ 3,969,545)</u> | <u>(\$ 92,012)</u>       | <u>\$ 3,877,533</u>                             |
| <b><u>Other Financing Sources (Uses)</u></b>                     |                         |                       |                          |   |
| Leases and Other Right-of-Use<br>Arrangements                    | \$ 0                    | \$ 0                  | \$ 161,901               | \$ 161,901                                      |
| Net Change in Fund Balance                                       | <u>(\$ 3,969,545)</u>   | <u>(\$ 3,969,545)</u> | <u>\$ 69,889</u>         | <u>\$ 4,039,434</u>                             |
| <b><u>Fund Balance</u></b> - July 1, 2023                        | <u>\$ 4,724,699</u>     | <u>\$ 4,724,699</u>   | <u>\$ 2,208,609</u>      | <u>(\$ 2,516,090)</u>                           |
| <b><u>Fund Balance</u></b> - June 30, 2024                       | <u>\$ 755,154</u>       | <u>\$ 755,154</u>     | <u>\$ 2,278,498</u>      | <u>\$ 1,523,344</u>                             |

**MOUNT UNION AREA SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2024**

**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.

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, the Special Programs; Other Instructional Programs; Instructional Staff Services; Business Services; Operation and Maintenance of Plant Services; Student Transportation Services; Central Services; Facilities Acquisition, Construction, and Improvements Services; and Leases and Other Right-of-Use Arrangements functions exceeded their budgeted amounts. In addition, expenditures in total exceeded the budget amount.

**MOUNT UNION AREA SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

| <u>Grantor Program Title</u>   | <u>Source Code</u> | <u>Assistance Listing #</u> | <u>Pass-Through Grantor's Number</u> | <u>Grant Period</u> |
|--|--------------------|-----------------------------|--------------------------------------|---------------------|
| <b><u>US Department of Education</u></b>                                       |                    |                             |                                      |                     |
| (Passed Through Pennsylvania Department of Education)                          |                    |                             |                                      |                     |
| Title I Grants to LEAs   | I                  | 84.010                      | 013-240270                           | 08/16/23-9/30/24    |
| Title I Grants to LEAs   | I                  | 84.010                      | 013-230270                           | 8/24/22-9/30/23     |
| Total Federal Assistance Listing #84.010                                       |                    |                             |                                      |                     |
| Rural Education  | I                  | 84.358                      | 007-240270                           | 9/4/23-9/30/24      |
| Rural Education  | I                  | 84.358                      | 007-220270                           | 9/19/22-9/30/23     |
| Total Federal Assistance Listing #84.358                                       |                    |                             |                                      |                     |
| Supporting Effective Instruction State Grants                                  | I                  | 84.367                      | 020-24-0270                          | 8/16/23-9/30/24     |
| Supporting Effective Instruction State Grants                                  | I                  | 84.367                      | 020-23-0270                          | 8/24/22-9/30/23     |
| Total Federal Assistance Listing #84.367                                       |                    |                             |                                      |                     |
| Student Support and Academic Enrichment  | I                  | 84.424                      | 144-230270                           | 8/24/22-9/30/23     |
| Student Support and Academic Enrichment  | I                  | 84.424                      | 144-240270                           | 8/16/23-9/30/24     |
| Total Federal Assistance Listing #84.424                                       |                    |                             |                                      |                     |
| Twenty-First Century Community Learning Centers                                | I                  | 84.287                      | 5287C180038                          | 10/1/19 - 9/30/20   |
| Total Federal Assistance Listing #84.287                                       |                    |                             |                                      |                     |
| Elementary and Secondary School Emergency Relief (ESSER)                       | I                  | 84.425D                     | 200-210270                           | 3/13/20 - 9/30/23   |
| ARP ESSER  | I                  | 84.425U                     | 223-210270                           | 3/13/20 - 9/30/24   |
| ARP ESSER-Learning Loss  | I                  | 84.425U                     | 225-210270                           | 3/13/20 - 9/30/24   |
| ARP ESSER-Summer School  | I                  | 84.425U                     | 225-210270                           | 3/13/20 - 9/30/24   |
| ARP ESSER-After School   | I                  | 84.425U                     | 225-210270                           | 3/13/20 - 9/30/24   |
| Total Federal Assistance Listing #84.425                                       |                    |                             |                                      |                     |
| <b><u>Special Education Cluster (IDEA)</u></b>                                 |                    |                             |                                      |                     |
| (Passed Through Pennsylvania Department of Education and Intermediate Unit 11) |                    |                             |                                      |                     |
| Special Education - Grants To States   | I                  | 84.027                      | 062-24-0011                          | 7/1/23-9/30/24      |
| Special Education - Grants To States   | I                  | 84.027                      | 062-23-0011                          | 7/1/22-9/30/23      |
| (Passed Through Lancaster-Lebanon Intermediate Unit)                           |                    |                             |                                      |                     |
| Special Education - Grants to States   | I                  | 84.027                      | 062-23-0033                          | 7/1/22-9/30/23      |
| Total Federal Assistance Listing #84.027                                       |                    |                             |                                      |                     |

**MOUNT UNION AREA SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

| <u>Program<br/>or Award<br/>Amount</u> | <u>Total<br/>Received<br/>for Year</u> | <u>Accrued or<br/>(Deferred)<br/>Revenue<br/>7/1/2023</u> | <u>Revenue<br/>Recognized</u> | <u>Expenditures</u> | <u>Accrued or<br/>(Deferred)<br/>Revenue<br/>6/30/2024</u> |
|--|--|---|-------------------------------|---------------------|--|
| \$ 525,587                             | \$ 531,650                             | \$ -  | \$ 525,587                    | \$ 525,587          | (\$ 6,063)   |
| 477,625                                | <u>409,393</u>                         | <u>409,393</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
|  | \$ 941,043                             | \$409,393   | \$ 525,587                    | \$ 525,587          | (\$ 6,063)   |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
| \$ 37,077                              | \$ 37,077                              | \$ -  | \$ 36,314                     | \$ 36,314           | (\$ 763)   |
| 29,675                                 | <u>29,675</u>                          | <u>29,675</u>   | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
|  | \$ 66,752                              | \$ 29,675   | \$ 36,314                     | \$ 36,314           | (\$ 763)   |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
| \$ 57,303                              | \$ 57,365                              | \$ -  | \$ 57,303                     | \$ 57,303           | (\$ 62)  |
| 52,332                                 | <u>44,856</u>                          | <u>44,856</u>   | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
|  | \$ 102,221                             | \$ 44,856   | \$ 57,303                     | \$ 57,303           | (\$ 62)  |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
| \$ 41,641                              | \$ 17,846                              | \$ 35,692   | \$ -                          | \$ -                | \$ 17,846  |
| 37,392                                 | <u>10,683</u>                          | <u>-</u>  | <u>37,392</u>                 | <u>37,392</u>       | <u>26,709</u>  |
|  | \$ 28,529                              | \$ 35,692   | \$ 37,392                     | \$ 37,392           | \$ 44,555  |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
| \$ 232,500                             | \$ -                                   | (\$ 375)  | \$ -                          | \$ -                | (\$ 375)   |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
|  | \$ -                                   | (\$ 375)  | \$ -                          | \$ -                | (\$ 375)   |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
| \$2,130,719                            | \$ 792,826                             | \$700,222   | \$ 92,604                     | \$ 92,604           | \$ -   |
| 4,309,827                              | 783,605                                | ( 411,079)  | 3,299,104                     | 3,299,104           | 2,104,420  |
| 239,264                                | 17,401                                 | ( 69,604)   | 232,941                       | 232,941             | 145,936  |
| 47,853                                 | 3,480                                  | ( 6,500)  | 40,431                        | 40,431              | 30,451   |
| 47,853                                 | <u>3,480</u>                           | <u>( 13,921)</u>  | <u>-</u>                      | <u>-</u>            | <u>( 17,401)</u>   |
|  | \$1,600,792                            | \$199,118   | \$3,665,080                   | \$3,665,080         | \$2,263,406  |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
| \$ 257,736                             | \$ -                                   | \$ -  | \$ 253,870                    | \$ 253,870          | \$ 253,870   |
| 274,024                                | <u>274,024</u>                         | <u>274,024</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
|  |  |   |                               |                     |  |
| \$ 60,000                              | <u>3,190</u>                           | <u>3,190</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
|  | \$ 277,214                             | \$277,214   | \$ 253,870                    | \$ 253,870          | \$ 253,870   |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |

**MOUNT UNION AREA SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

| <u>Grantor Program Title</u>   | <u>Source Code</u> | <u>Assistance Listing #</u> | <u>Pass-Through Grantor's Number</u> | <u>Grant Period</u> |
|--|--------------------|-----------------------------|--------------------------------------|---------------------|
| <b><u>US Department of Education</u></b> (Continued)                             |                    |                             |                                      |                     |
| (Passed Through Pennsylvania Department of Education and Intermediate Unit 11)   |                    |                             |                                      |                     |
| Special Education - Preschool Grants   | I                  | 84.173                      | 131-24-0011                          | 7/1/23-6/30/24      |
| Special Education - Preschool Grants   | I                  | 84.173                      | 131-23-0011                          | 7/1/22-6/30/23      |
| Total Federal Assistance Listing #84.173   |                    |                             |                                      |                     |
| Total Special Education Cluster (IDEA)   |                    |                             |                                      |                     |
| Total US Department of Education   |                    |                             |                                      |                     |
| <b><u>US Department of Agriculture</u></b>                                       |                    |                             |                                      |                     |
| <b><u>Child Nutrition Cluster</u></b>  |                    |                             |                                      |                     |
| (Passed Through Pennsylvania Department of Education)                            |                    |                             |                                      |                     |
| State Pandemic Electronic Benefit Transfer (P-EBT)<br>Administrative Cost Grants | I                  | 10.649                      | 358                                  | 7/1/23-6/30/24      |
| School Breakfast Program   | I                  | 10.553                      | 365                                  | 7/1/23-6/30/24      |
| National School Lunch Program  | I                  | 10.555                      | 362                                  | 7/1/23-6/30/24      |
| National School Lunch Program  | I                  | 10.555                      | 356                                  | 7/1/23-6/30/24      |
| Subtotal National School Lunch Program   |                    |                             |                                      |                     |
| Summer Food Service Program for Children   | I                  | 10.559                      | N/A                                  | 7/1/23-6/30/24      |
| Summer Food Service Program for Children   | I                  | 10.559                      | N/A                                  | 7/1/22-6/30/23      |
| Subtotal Summer Food Service Program for Children                                |                    |                             |                                      |                     |
| (Passed Through The Pennsylvania Department of Agriculture)                      |                    |                             |                                      |                     |
| National School Lunch Program  | I                  | 10.555                      | N/A                                  | 7/1/23-6/30/24      |
| National School Lunch Program  | I                  | 10.555                      | N/A                                  | 7/1/22-6/30/23      |
| Subtotal National School Lunch Program   |                    |                             |                                      |                     |
| Total Child Nutrition Cluster  |                    |                             |                                      |                     |
| Total Expenditures of Federal Awards   |                    |                             |                                      |                     |

**MOUNT UNION AREA SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

| <u>Program<br/>or Award<br/>Amount</u> | <u>Total<br/>Received<br/>for Year</u> | <u>Accrued or<br/>(Deferred)<br/>Revenue<br/>7/1/2023</u> | <u>Revenue<br/>Recognized</u> | <u>Expenditures</u> | <u>Accrued or<br/>(Deferred)<br/>Revenue<br/>6/30/2024</u> |
|--|--|---|-------------------------------|---------------------|--|
| \$ 4,266                               | \$ -                                   | \$ -  | \$ -                          | \$ -                | \$ -   |
| 3,829                                  | <u>3,829</u>                           | <u>3,829</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
|  | \$ 3,829                               | \$ 3,829  | \$ -                          | \$ -                | \$ -   |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
|  | \$ 281,043                             | \$281,043   | \$ 253,870                    | \$ 253,870          | \$ 253,870   |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
|  | \$3,020,380                            | \$999,402   | \$4,575,546                   | \$4,575,546         | \$2,554,568  |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
|  |  |   |                               |                     |  |
| \$ 3,256                               | \$ 3,256                               | \$ -  | \$ 3,256                      | \$ 3,256            | \$ -   |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
| \$ 252,118                             | \$ 252,118                             | \$ -  | \$ 252,118                    | \$ 252,118          | \$ -   |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
| \$ 632,819                             | \$ 632,819                             | \$ -  | \$ 632,819                    | \$ 632,819          | \$ -   |
| 31,504                                 | <u>31,504</u>                          | <u>-</u>  | <u>31,504</u>                 | <u>31,504</u>       | <u>-</u>   |
|  | \$ 664,323                             | \$ -  | \$ 664,323                    | \$ 664,323          | \$ -   |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
| \$ 15,282                              | \$ 6,212                               | \$ -  | \$ 15,282                     | \$ 15,282           | \$ 9,070   |
| 14,339                                 | <u>9,266</u>                           | <u>9,266</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
|  | \$ 15,478                              | \$ 9,266  | \$ 15,282                     | \$ 15,282           | \$ 9,070   |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
|  |  |   |                               |                     |  |
| \$ 79,171                              | \$ 79,171                              | \$ -  | \$ 47,108                     | \$ 47,108           | (\$ 32,063)  |
| 74,602                                 | <u>-</u>                               | ( <u>32,815</u> )   | <u>32,815</u>                 | <u>32,815</u>       | <u>-</u>   |
|  | \$ 79,171                              | (\$ 32,815)   | \$ 79,923                     | \$ 79,923           | (\$ 32,063)  |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
|  | \$1,011,090                            | (\$ 23,549)   | \$1,011,646                   | \$1,011,646         | (\$ 22,993)  |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |
|  | \$4,034,726                            | \$975,853   | \$5,590,448                   | \$5,590,448         | \$2,531,575  |
|  | <u>-</u>                               | <u>-</u>  | <u>-</u>                      | <u>-</u>            | <u>-</u>   |

**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Note 1:** 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:** Extensive compliance tests, as required by the Uniform Guidance, was performed on the Education Stabilization Fund and Child Nutrition Cluster programs, which represent 83.66% 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:

|   |           |                    |
|---|-----------|--------------------|
| Education Stabilization Fund  | 84.425D/U | \$3,665,080        |
| Child Nutrition Cluster:  |           |                    |
| School Breakfast Program  | 10.553    | 252,118            |
| National School Lunch Program   | 10.555    | 744,246            |
| Summer Food Service Program for Children                              | 10.559    | 15,282             |
| Title I Grants to LEAs  | 84.010    | 525,587            |
| Special Education Cluster:  |           |                    |
| Special Education - Grants to States                                  | 84.027    | 253,870            |
| Special Education - Preschool Grants                                  | 84.173    | 0                  |
| Supporting Effective Instruction State Grants                         | 84.367    | 57,303             |
| Student Support and Academic Enrichment Program                       | 84.424    | 37,392             |
| Rural Education   | 84.358    | 36,314             |
| State Pandemic Electronic Benefit Transfer Administrative Cost Grants | 10.649    | <u>3,256</u>       |
| Total Expenditures  |           | \$5,590,448        |
|   |           | x <u>20%</u>       |
| Minimum Amount Which Must Be Tested                                   |           | <u>\$1,118,090</u> |

The Education Stabilization Fund and Child Nutrition Cluster programs exceeded \$1,118,090 and, therefore, represent the programs which the specific compliance requirements must be applied.

**Note 3:** The commodities are valued at market value, which represent the cost to replace these commodities.

**Note 4:** The School District has elected not to use the 10% de minimis indirect cost rate.

**Note 5:** Medical Assistance Reimbursements - The School District had a \$216,782 receivable for the ACCESS program as of June 30, 2023. During the current year, the School District received \$0 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 reported on the School District's Schedule of Expenditures of Federal Awards. Expenditures totaling \$52,537 were recognized in the current year. As a result, as of June 30, 2024, the School District had a \$269,319 receivable for the ACCESS program.



**MOUNT UNION AREA SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**Note 6:** The beginning of the year accrued (deferred) revenue for the following program was restated as follows:

| <u>Federal Program</u>   | <u>Federal<br/>Assistance<br/>Listing<br/>Number</u> | <u>Program Year</u>   | <u>As Previously<br/>Reported</u> | <u>Restated<br/>07/01/2023</u> |
|--------------------------|--|-----------------------|-----------------------------------|--------------------------------|
| ARP ESSER - After School | 84.425U  | 03/13/2020-09/30/2024 | \$33,932                          | (\$13,921)                     |

**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**

The Board of Directors  
Mount Union Area School District  
603 N. Industrial Drive  
Mount Union, PA 17066

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, and each major fund of the Mount Union Area School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Mount Union Area School District's basic financial statements, and have issued our report thereon dated January 24, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Mount Union Area 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 the Mount Union Area School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mount Union Area 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as item 2024-001 that we considered to be a significant deficiency.

**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 the Mount Union Area 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*.

**Mount Union Area School District Response to Finding**

*Government Auditing Standards* require the auditor to perform limited procedures on Mount Union Area School District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Mount Union Area School District's response was not subject to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on the response.

**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, Delee, 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**

The Board of Directors  
Mount Union Area School District  
603 N. Industrial Drive  
Mount Union, PA 17066

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Mount Union Area 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 the Mount Union Area School District's major federal programs for the year ended June 30, 2024. The Mount Union Area 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, the Mount Union Area 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, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 the Mount Union Area 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 the Mount Union Area 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 the Mount Union Area 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)**

**Report on Compliance for Each Major Federal Program (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 the Mount Union Area 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 the Mount Union Area 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 the Mount Union Area 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 the Mount Union Area 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 the Mount Union Area 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

**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)**

requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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

**MOUNT UNION AREA SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**A. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

**Federal Awards**

Type of auditor's report issued on compliance for major Federal program: Unmodified

Internal control over major Federal program:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a)? No

Identification of major Federal programs:

**Federal Assistance Listing Numbers:**

84.425  
10.553/10.555/10.559

**Name of Federal Program or Cluster:**

Education Stabilization Fund  
Child Nutrition Cluster

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

Auditee qualified as low risk auditee? Yes

**B. FINANCIAL STATEMENT FINDINGS**

**Finding 2024-001**

Expenditures related to Cyber Schools not reported

**Criteria**

Accounting principles generally accepted in the United States of America requires all expenditures are recorded in the fiscal year the goods or services were received.

**MOUNT UNION AREA SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

**B. FINANCIAL STATEMENT FINDINGS (Continued)**

**Condition**

During our testing, we discovered several accounts payable invoices from cyber schools relating to the 2023-2024 school year were not recorded.

**Cause**

The amount owed to the various cyber schools as reported on the annual reconciliation was not entered into the accounts payable module at June 30, 2024.

**Effect**

Accounts payable and expenditures of the school district were understated.

**Questioned Cost**

None

**Recommendation**

We recommend the school district records all invoices in the correct fiscal year based on the date the service or goods were received.

**View of Responsible Officials**

The Business Office was under the misperception that any Charter expenditures would be recorded in the same time period at which time they were paid. At that time (Spring 2024), the District was experiencing a cash shortfall and, therefore, was unable to complete payments prior to the close of the 2023-2024 school year. Moving forward, all expenditures will be properly recorded in the appropriate fiscal year.

**C. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

There were no findings relative to the federal awards noted during the audit.



**MOUNT UNION AREA SCHOOL DISTRICT  
MOUNT UNION, PENNSYLVANIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Financial Statement Findings**

None.

**Uniform Guidance Findings**

None.