

ANNUAL REPORT
OF
MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
MIFFLIN COUNTY, PENNSYLVANIA

FOR THE YEAR ENDED JUNE 30, 2022

C O N T E N T S

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
Required Supplemental Information Management's Discussion and Analysis	3 - 12
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Governmental Funds	
Balance Sheet	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balance	17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	18
Fiduciary Fund	
Statement of Net Position	19
Statement of Changes in Fiduciary Net Position	20
Notes to Financial Statements	21 - 49
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	50
Notes to Budgetary Comparison Schedule	51
Defined Benefit Pension Plan Information Related to the Pennsylvania Public School Employees' Retirement System (PSERS) - Schedule of Academy's Proportionate Share of the Net Pension Liability	52 - 54
Defined Benefit Pension Plan Information Related to the Pennsylvania Public School Employees' Retirement System (PSERS) - Schedule of Academy's Contribution	55 - 57
Defined Benefit Pension Plan Information Related to the Pennsylvania Public School Employees' Retirement System (PSERS) - Notes to Required Supplementary Information	58 - 59
Defined Benefit OPEB Plan Information - Single Employer - Schedule of Changes in the Net OPEB Liability and Related Ratios	60 - 63
Defined Benefit OPEB Plan Information - Single Employer - Schedule of Employer Contributions and Investment Returns	64 - 65
Defined Benefit OPEB Plan Information - Single Employer - Notes to Required Supplementary Information	66 - 68
OPEB Liability Information Related to Single Employer Plan - Notes to Required Supplementary Information	69 - 70
Defined Benefit OPEB Plan Information - Cost Sharing Plan - Schedule of Employer Contributions	71 - 72

CONTENTS

	Page
REQUIRED SUPPLEMENTARY INFORMATION (Continued)	
Defined Benefit OPEB Plan Information - Cost Sharing Plan - Schedule of the Academy's Proportionate Share of the Net OPEB Liability	73 - 74
Total OPEB Liability Information Related to the Pennsylvania Public School Employees' Retirement System (PSERS) - Notes to Required Supplementary Information	75 - 76
Schedule of Expenditures of Federal Awards	77
Notes to Schedule of Expenditures of Federal Awards	78
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 <i>Government Auditing Standards</i>	79 - 80
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	81 - 83
Schedule of Findings and Questioned Costs	84 - 85
Summary Schedule of Prior Years' Findings	86

INDEPENDENT AUDITOR'S REPORT

Chairman and Members of the Committee
Mifflin County Academy of Science and Technology
MCSD Administration Building
201 Eighth Street
Lewistown, PA 17044

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Mifflin County Academy of Science and Technology, a component unit of the Mifflin County School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Mifflin County Academy of Science and Technology's basic financial statements as listed in the contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Mifflin County Academy of Science and Technology, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Mifflin County Academy of Science and Technology and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mifflin County Academy of Science and Technology's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mifflin County Academy of Science and Technology's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mifflin County Academy of Science and Technology'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 and budgetary comparison information on pages 3-12 and 50-76 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mifflin County Academy of Science and Technology's basic financial statements. The accompanying 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 November 1, 2022 on our consideration of the Mifflin County Academy of Science and Technology's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Mifflin County Academy of Science and Technology's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mifflin County Academy of Science and Technology's internal control over financial reporting and compliance.

Young, Baker, Brown & Company, P.C.

Altoona, Pennsylvania
November 1, 2022

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

The discussion and analysis of Mifflin County Academy of Science and Technology's (the School) financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School's financial performance.

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

FINANCIAL HIGHLIGHTS

The governmental activities net position increased \$787,044 to (\$211,540) with the positive contributor being the adjustment to pension expense due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* in fiscal year ended June 30, 2015. GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in fiscal year ended June 30, 2018. These GASBs are accounting pronouncements applicable to governmental entities that dictates reporting requirements for pensions and other postemployment benefits. The resulting effect on net position, whether positive or negative, is unavoidable. Mifflin County School District provided the largest sum of revenue (46%), which supports the secondary education program and totaled \$2,069,745 for 2021-2022.

At the end of the current fiscal year, the fund balance of the General Fund increased to \$1,642,279 from \$1,602,348. The School's Administration continued a strong commitment to maintaining expenditures levels within those budgeted.

FINANCIAL STATEMENTS

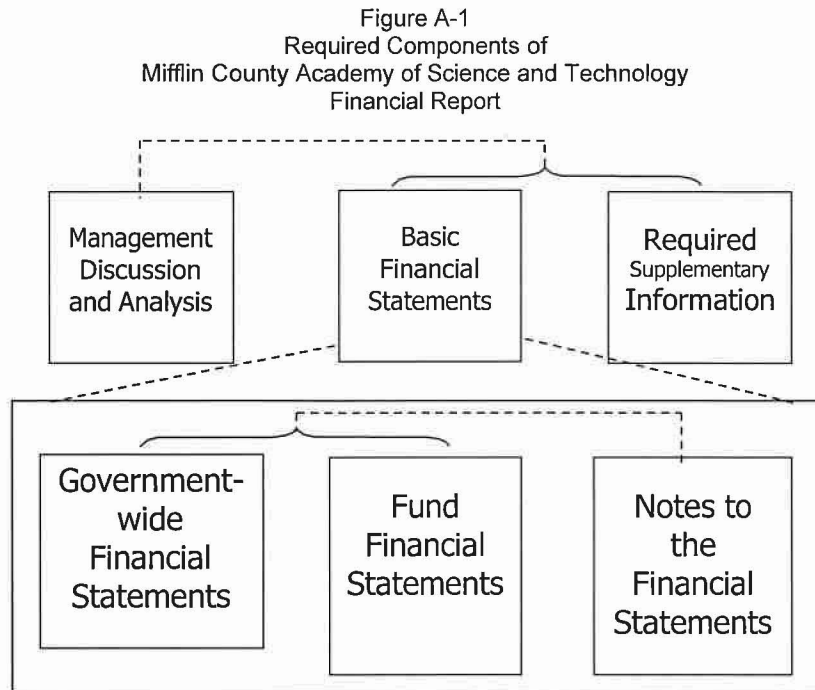
The financial statements consist of three parts: Management Discussion and Analysis, the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present two different views of the School. The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. These provide both long-term and short-term information about the School's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the School's operations in more detail than the government-wide statements. The governmental funds statements tell how the School's 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 are operated like a business. The School does not operate any proprietary funds. Fiduciary fund statements provide information about financial relationships where the School acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by required supplementary information that further explains and reports the financial statements with a comparison to the School's budget for the year.

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

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



**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

Figure A-2 summarizes the major features of the financial statements, including the portion of the program 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	Fiduciary Funds
Scope	Entire School (except fiduciary funds)	The activities of the School that are not proprietary or fiduciary, such as education, administration and community services	Instances in which the School is the trustee or agent to someone else's resources, such as Student Activity Funds
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balance 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
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 debt included	All assets and liabilities, both 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

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

Government-Wide Statements

The government-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the School's net assets and how they have changed. Net assets, the difference between the School's assets and liabilities, are one way to measure the School's financial health or position. Over time, increases or decreases in the School's net assets are an indication of whether its financial health is improving or deteriorating, respectively. However, to assess the overall health of the School, one should consider additional factors, such as changes in the member school district contributions and the projected enrollment of the students.

The government-wide financial statements of the School consist of:

Governmental activities – All of the School's basic services are included here, such as instruction, administration and community services. Participating school district contributions, state and federal subsidies and grants finance most of these activities.

Fund Financial Statements

The School's fund financial statements provide detailed information about the most significant funds – not the School as a whole. Some funds are required by state law and by bond requirements.

- Governmental funds – Most of the School's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.
- Fiduciary funds – The School is the trustee, or fiduciary, for assets that belong to others, such as scholarship funds or student activity funds. The School is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

The School's total net position was (\$211,540) at June 30, 2022.

Table A-1
Fiscal Year ended June 30, 2022
Net Assets

	<u>Governmental</u> <u>Activities</u>		<u>% Change</u>
	2021-2022	2020-2021	
Current and other assets	\$2,591,631	\$ 2,393,916	8%
Net capital assets	<u>2,989,223</u>	<u>2,564,210</u>	<u>17%</u>
Total assets	<u>5,580,854</u>	<u>4,958,126</u>	<u>10%</u>
Deferred Outflows	56,668	395,916	(86%)
Current and other liabilities	583,212	425,606	37%
Long-term liabilities	<u>4,588,024</u>	<u>5,852,226</u>	<u>(22%)</u>
Total Liabilities	<u>5,171,236</u>	<u>6,277,832</u>	<u>-18%</u>
Deferred Inflows	677,826	74,794	806%
Net position			
Net Investment in Capital			
Assets	2,656,843	2,088,686	27%
Unrestricted	<u>(2,868,383)</u>	<u>(3,087,270)</u>	<u>7%</u>
Total Net Position	<u>(\$ 211,540)</u>	<u>(\$ 998,584)</u>	<u>79%</u>

Most of the School's net position is invested in capital assets (buildings, land, and equipment).

The results of this year's operations as a whole are reported in the Statement of Activities. All expenses are reported in the first column. Specific charges for services, grants, revenues and subsidies that directly relate to specific expense categories are presented to determine the final amount of the School's activities that are supported by other general revenues. The largest general revenue category is from the Mifflin County School District.

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

Table A-2 takes the information from the Statement of Activities and rearranges it slightly, so you can see our total revenues for the year.

Table A-2
Fiscal Year ended June 30, 2022
Changes in Net Position

	Governmental <u>Activities</u>		<u>% Change</u>
	2021-2022	2020-2021	
Revenues			
Program revenues			
Charges for services	\$ 1,034,209	\$ 925,611	12%
Operating grants and contributions	1,272,748	1,382,560	(8%)
Capital grants and contributions	98,103	267,420	(63%)
Mifflin County School District	2,069,745	1,969,745	5%
Interest income	1,305	1,263	3%
Other general revenues	20,757	16,423	26%
Total revenues	4,496,867	4,563,022	(1%)
Expenses			
Instruction	2,400,042	2,531,895	(5%)
Instructional student support	40,429	43,457	(7%)
Administration and financial support	760,237	905,409	(16%)
Operation & maintenance of plant	359,369	381,517	(6%)
Student activities	7,614	14,652	(48%)
Interest on long-term debt	17,940	24,051	(25%)
Unallocated depreciation	124,193	121,722	2%
Total expenses	3,709,824	4,022,703	(8%)
Increase (decrease) in net position	\$787,044	\$540,319	46%
Beginning Net Position	(\$ 998,584)	(\$1,538,903)	
Ending Net Position	<u>(\$ 211,540)</u>	<u>(\$ 998,584)</u>	

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

The table below presents the expenses of the School.

Table A-3 shows the School's largest functions - instruction, instructional student support, administration and financial support, operation and maintenance of plant, and student activities as well as each program's net cost (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants, subsidies and contributions to show the remaining financial needs supported by local revenue and other miscellaneous revenues.

Table A-3
Fiscal Year ended June 30, 2022
Governmental Activities

Net Cost of District Functions – Governmental						
	Total Cost of Services		%	Net Cost of Services		%
	2021-2022	2020-2021	Change	2021-2022	2020-2020	Change
Instruction	\$2,400,042	\$2,531,895	(5%)	\$121,076	\$ 53,581	126%
Instructional student support	40,429	43,457	(7%)	33,145	38,136	(13%)
Administration and financial support	760,237	905,409	(16%)	668,113	835,046	(20%)
Operation and maintenance of plant	359,369	381,517	(6%)	334,228	361,837	(8%)
Student activities	7,614	14,652	(48%)	6,069	12,739	(52%)
Interest on long-term debt	17,940	24,051	(25%)	17,940	24,051	-25%
Unallocated depreciation expense	124,193	121,722	2%	124,193	121,722	2%
TOTAL EXPENSES	\$3,709,824	\$4,022,703	(8%)	\$1,304,764	\$1,447,112	(10%)

Fund Balances

At June 30, 2022, the School's governmental funds reported a combined fund balance of \$2,008,418, which is an increase of \$40,108 from June 30, 2022.

General Fund:

The School's General Fund balance includes nonspendable balances for inventories of \$7,698.

Capital Reserve/Capital Projects Funds:

The School is preparing for future capital projects and for new and replacement equipment purchases each year. In order to fund these projects and equipment without the need for additional revenue from the Mifflin County School District or borrowing issues, the School had established a Capital Projects Fund. The School makes periodic transfers from the General Fund to this fund. The component of the fund balance that is assigned for these capital projects at June 30, 2022 is \$366,140. This represents an increase of \$178 from June 30, 2021 due to interest earned.

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

General Fund Budget

The Operating Committee authorizes all revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the School. A schedule showing the School's original and final budget amounts compared with amounts actually paid and received is provided as required supplementary information following the footnotes. As shown in the supplementary schedule, actual results exceeded budget by \$39,930.

Normally, the School applies for federal, state and local grants and these grants cannot always be anticipated in the budgeting process. During the current fiscal year the School was awarded an equipment grant of \$28,118, GEER grant of \$116,123 for secondary programs, and CARES Act funding of \$137,596 for the PN program. Transfers between specific categories of expenditures/financing uses occur during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the School had \$2,989,223 in Governmental Funds invested in a broad range of capital assets, including land, buildings, furniture and equipment. This amount represents a net increase (including additions, deletions and depreciation) of \$425,013 in Governmental Activities from June 30, 2019, primarily attributable to more current year purchases of equipment and construction than in the previous year.

Table A-5
Governmental Activities
Capital assets - net of depreciation

	2022	2021
Land	\$ 32,035	\$ 32,035
Construction in Progress	492,176	0
Buildings and improvements	1,288,787	1,447,048
Furniture & equipment	1,176,225	1,085,127
Total assets:	\$2,989,223	\$2,564,210

Debt Administration

On January 13, 2009, the School entered into a performance based energy savings master lease agreement. Under this agreement, the lessor installs and implements recommended energy conservation measures that will yield guaranteed energy savings to the School. In turn, the School will pay the lessor annual lease payments of \$161,084 (including interest at 4.371%) for 15 years. The lease term began at the completion of the project which occurred at the end of October 2009. At such time the loan acquired to finance the improvements was converted to a capital lease.

Other long-term obligations include accrued vacation pay and sick leave for specific employees of the School as well as other postemployment benefit obligations. The latter is the difference between the actuarial required contributions and the actual contributions to the benefit plan for the School's postemployment benefit other than pensions.

Table A-6
Governmental Activities
Long-term Debt

	2022	2021
Net Pension Liability	\$3,781,350	\$4,870,951
Capital lease, including accrued interest	332,380	475,524
Compensated absences	108,055	95,205
Net other postemployment benefits obligation	366,239	410,546
Total long-term debt:	\$4,588,024	\$5,852,226

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

FACTORS BEARING ON MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY FUTURE

Factors that will affect the future finances of the School are increasing cost of employee health benefits and PSERS projected retirement rates, along with collective bargaining agreements with the Educators Association and Support Personnel Association, and ongoing facilities maintenance.

The School is located in Mifflin County, Pennsylvania and had historically operated as a joint venture of two public school districts: Mifflin County School District and Juniata County School District. The Articles of Agreement under which the school previously operated expired on June 30, 2013. Revised Articles of Agreement were completed during the 2012-2013 fiscal year. As a result, the Mifflin County School District agreed to purchase and the Juniata County School District agreed to sell its ownership interest in the real estate and non-real estate assets of the School. The Mifflin County School District and the Juniata County School District further agreed that through the end of the 2017-2018 school year, the Juniata County School District will pay tuition on an annual basis to Mifflin County School District at a rate equal to the actual per pupil cost incurred by Mifflin County School District for its students who attend the School, based on a consistent methodology. This agreement will be automatically extended for an additional five-year term, unless subsequently amended or modified by the Board.

Approval was granted from the Pennsylvania Department of State to officially change the name of the School to Mifflin County Academy of Science and Technology effective July 1, 2014. Management believes this name accurately depicts the vision for the future of the School.

CONTACTING THE MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, parents, students, and others with a general overview of the School's finances and to show the Operating Committee's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact Mifflin County Academy of Science and Technology, c/o Business Office, 700 Pitt Street, Lewistown, PA 17044, (717) 248-3933.

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
STATEMENT OF NET POSITION
JUNE 30, 2022

**Governmental
Activities**

Assets

Cash and Cash Equivalents	\$2,413,269
Accounts Receivable:	
Intergovernmental	133,790
Other	29,540
Due from Fiduciary Funds	7,334
Inventories	7,698
Capital Assets:	
Not Depreciated	524,211
Depreciated, net of depreciation	<u>2,465,012</u>
Total Assets	<u>\$5,580,854</u>

Deferred Outflows of Resources

Deferred Outflows related to Defined Benefit Pension Plan	\$ 12,000
Deferred Outflows related to Other Postemployment Benefits	<u>44,668</u>
Total Deferred Outflows of Resources	<u>\$ 56,668</u>

Liabilities

Current Liabilities:	
Accounts Payable - Trade	\$ 214,854
Accrued Salaries and Benefits	303,615
Payroll Deductions and Withholdings	2,394
Unearned Revenues	62,349
Noncurrent Liabilities:	
Due Within One Year	149,528
Due in More Than One Year	<u>4,438,496</u>
Total Liabilities	<u>\$5,171,236</u>

Deferred Inflows of Resources

Deferred Inflows related to Defined Benefit Pension Plan	\$ 621,799
Deferred Inflows related to Other Postemployment Benefits	<u>56,027</u>
Total Deferred Inflows of Resources	<u>\$ 677,826</u>

Net Position

Net Investment in Capital Assets	\$2,656,843
Unrestricted	(<u>2,868,383</u>)
Total Net Position	<u>(\$ 211,540)</u>

See Accompanying Notes and Independent Auditor's Report

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>-----Program Revenues-----</u>		<u>Net (Expense) Revenues and Changes in Net Position</u>	
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants</u>	<u>Governmental Activities</u>
<u>Governmental Activities</u>					
Instruction	\$2,400,042	\$1,032,809	\$1,148,054	\$98,103	(\$ 121,076)
Instructional Student Support	40,429	0	7,284	0	(33,145)
Administration and Financial Support Services	760,237	0	92,124	0	(668,113)
Operation and Maintenance of Plant	359,369	1,400	23,741	0	(334,228)
Student Activities	7,614	0	1,545	0	(6,069)
Interest on Long-Term Debt	17,940	0	0	0	(17,940)
Unallocated Depreciation	<u>124,193</u>	<u>0</u>	<u>0</u>	<u>0</u>	(<u>124,193</u>)
Total Governmental Activities	<u>\$3,709,824</u>	<u>\$1,034,209</u>	<u>\$1,272,748</u>	<u>\$98,103</u>	<u>(\$1,304,764)</u>
<u>General Revenues</u>					
Revenues from Mifflin County School District					\$2,069,745
Miscellaneous Revenue					20,757
Investment Earnings					<u>1,306</u>
Total General Revenues					<u>\$2,091,808</u>
Changes in Net Position					\$ 787,044
<u>Net Position - Beginning</u>					(<u>998,584</u>)
<u>Net Position - Ending</u>					<u>(\$ 211,540)</u>

See Accompanying Notes and Independent Auditor's Report

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>General</u>	<u>Capital Projects Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$2,056,077	\$357,192	\$2,413,269
Due from Other Funds	7,334	8,948	16,282
State Revenue Receivable	133,790	0	133,790
Other Receivables	29,540	0	29,540
Inventories	<u>7,698</u>	<u>0</u>	<u>7,698</u>
TOTAL ASSETS	<u>\$2,234,439</u>	<u>\$366,140</u>	<u>\$2,600,579</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Due to Other Fund	\$ 8,948	\$ 0	\$ 8,948
Accounts Payable	214,854	0	214,854
Accrued Salaries and Benefits	303,615	0	303,615
Payroll Deductions and Withholdings	2,394	0	2,394
Unearned Revenues	<u>62,349</u>	<u>0</u>	<u>62,349</u>
Total Liabilities	<u>\$ 592,160</u>	<u>\$ 0</u>	<u>\$ 592,160</u>
<u>Fund Balances</u>			
Nonspendable Fund Balance	\$ 7,698	\$ 0	\$ 7,698
Committed Fund Balance - Encumbrances	390,130	0	390,130
Assigned Fund Balance	0	366,140	366,140
Unassigned Fund Balance	<u>1,244,451</u>	<u>0</u>	<u>1,244,451</u>
Total Fund Balances	<u>\$1,642,279</u>	<u>\$366,140</u>	<u>\$2,008,419</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$2,234,439</u>	<u>\$366,140</u>	<u>\$2,600,579</u>

See Accompanying Notes and Independent Auditor's Report

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Fund Balances - Governmental Funds	\$2,008,419
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Amounts reported for governmental activities in the statement of net position are different because:

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

Cost	\$8,361,164	
Accumulated Depreciation	(<u>5,371,941</u>)	2,989,223

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

Deferred Outflows of Resources	\$ 56,668	
Deferred Inflows of Resources	(<u>677,826</u>)	(621,158)

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

Net Pension Liability	(\$3,781,350)	
Lease Purchase Obligation	(332,380)	
Compensated Absences	(108,055)	
Net Other Postemployment Benefits Obligation	(<u>366,239</u>)	(<u>4,588,024</u>)

Total Net Position - Governmental Activities	(\$ <u>211,540</u>)
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See Accompanying Notes and Independent Auditor's Report

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Capital Projects Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>			
Local Sources:			
Earnings on Investments	\$ 1,127	\$ 178	\$ 1,305
Rentals	1,400	0	1,400
Contributions and Donations from Private Sources	7,677	0	7,677
Adult Education Tuition	582,499	0	582,499
Receipts from Other LEAs in Pennsylvania - Education	450,310	0	450,310
Receipts from Mifflin County School District	2,069,745	0	2,069,745
Other Local Revenue	13,080	0	13,080
State Sources:			
Vocational Education	406,494	0	406,494
Supplemental Equipment Grants	28,118	0	28,118
Other State Revenue Not Listed Elsewhere	69,985	0	69,985
State Share of Social Security/Medicare Taxes	96,896	0	96,896
State Share of Retirement Contributions	340,811	0	340,811
Federal Sources:			
Vocational Education - Operating Expenditures	174,828	0	174,828
Governor's Emergency Education Relief Fund	116,123	0	116,123
Other CARES Act Funding	<u>137,596</u>	<u>0</u>	<u>137,596</u>
Total Revenues	<u>\$4,496,689</u>	<u>\$ 178</u>	<u>\$4,496,867</u>
<u>Expenditures</u>			
Current:			
Instruction	\$2,339,331	\$ 0	\$2,339,331
Support Services	1,194,881	0	1,194,881
Operation of Noninstructional Services	8,291	0	8,291
Capital Outlays:			
Instruction	287,462	0	287,462
Support Services	471,647	0	471,647
Debt Service:			
Principal	143,144	0	143,144
Interest	<u>17,940</u>	<u>0</u>	<u>17,940</u>
Total Expenditures	<u>\$4,462,696</u>	<u>\$ 0</u>	<u>\$4,462,696</u>
Excess of Revenues Over Expenditures	<u>\$ 33,993</u>	<u>\$ 178</u>	<u>\$ 34,171</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recoveries	<u>\$ 5,937</u>	<u>\$ 0</u>	<u>\$ 5,937</u>
Net Change in Fund Balances	\$ 39,930	\$ 178	\$ 40,108
<u>Fund Balance</u> - Beginning of Year	<u>1,602,348</u>	<u>365,962</u>	<u>1,968,310</u>
<u>Fund Balance</u> - End of Year	<u>\$1,642,278</u>	<u>\$366,140</u>	<u>\$2,008,418</u>

See Accompanying Notes and Independent Auditor's Report

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2022**

Net Change in Fund Balances - Governmental Funds	\$ 40,108
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Outlays	\$759,109	
Less: Depreciation Expense	(332,090)	427,019

Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, for government-wide reporting, the issuance and repayment of long-term debt increases and decreases, respectively, the long-term liabilities in the statement of net position. The effect of these transactions in the statement of activities is as follows:

Repayment of Lease Principal	143,144
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In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amounts of financial resources used. These amounts represent the difference between the amounts earned versus the amounts used:

Increase in Compensated Absences	(12,850)
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The reduction in pension expense associated with the Defined Benefit Pension Plan (PSERS) that does not require the use of current financial resources and, therefore, are not reported as expenditures.	210,012
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The additional other post-employment benefit obligation expense that does not require the use of current financial resources and, therefore, are not reported as a reduction of expenditures.	(18,384)
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The net effect of various miscellaneous transactions involving capital assets (i.e., disposals) is to decrease net assets.	(<u>2,005</u>)
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Change in Net Position - Governmental Activities	\$787,044
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See Accompanying Notes and Independent Auditor's Report

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2022**

	<u>Custodial Fund</u> <u>(Student Activity)</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$188,526
	<u> </u>
<u>Liabilities</u>	
Due to Other Funds	\$ 7,334
Other Current Liabilities	<u>137,940</u>
Total Liabilities	\$145,274
	<u> </u>
<u>Net Position</u>	
Net Position	\$ 43,252
	<u> </u>

See Accompanying Notes and Independent Auditor's Report

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Custodial Funds</u>
<u>Additions</u>	
Student Payments	\$26,364
Interest Income	<u>152</u>
Total Additions	\$26,516
	<u> </u>
<u>Deductions</u>	
Other Deductions	\$ 4,260
	<u> </u>
Change in Net Position	\$22,256
<u>Net Position</u> - Beginning	<u>20,996</u>
<u>Net Position</u> - Ending	\$43,252
	<u> </u>

See Accompanying Notes and Independent Auditor's Report

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Academy. All fiduciary activities are reported only in the fund financial statements. *Governmental activities* normally are supported by receipts from the member district, intergovernmental revenues, investment income, charges for services, and other nonexchange transactions.

B. Reporting Entity

The Mifflin County Academy of Science and Technology (the Academy) was established on April 1, 1966 under the provisions of the Pennsylvania Public School Code. The Academy operates under a four-member Operating Committee (OC), which is appointed by Mifflin County School District. The Academy provides instruction, support services, and certain non-instructional services. The accompanying financial statements present only the Academy.

The Academy is considered to be a component unit of the Mifflin County School District. As a discretely presented component unit of the Mifflin County School District, the Academy is reported in a separate column in the government-wide financial statements of the Mifflin County School District to emphasize that it is legally separate from the Academy. The Mifflin County School District has all four members on the board. The Mifflin County School District has an on-going financial responsibility for the Academy.

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. Separate financial statements are provided for governmental 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 Academy's funds, including its fiduciary funds. Separate statements for each relevant fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Academy reports the following major governmental funds:

- The *general fund* is the Academy's primary operating fund. It accounts for all financial resources of the Academy, except those specifically required to be accounted for in another fund.

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

Note 1: Summary of Significant Accounting Policies (Continued)

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

- The *capital project fund* is used to account for the acquisition or construction of the Academy's major capital equipment and facilities.

Additionally, the Academy reports the following fund types:

- The *agency funds* account for assets held by the Academy as an agent for the students and school organizations.

During the course of operations, the Academy 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.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end).

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

Note 1: Summary of Significant Accounting Policies (Continued)

E. Measurement Focus and Basis of Accounting (Continued)

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 Academy.

The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

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

1. Cash and Cash Equivalents

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

Pennsylvania statutes provide for investment of Academy funds into certain authorized investments, such as United States 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 or the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund 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 therefore shall be pledged by the depository, and obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the 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.

2. Inventories and Prepaid Items

Inventories consist of books and supplies held by the Academy and used for a period of more than one year. An annual physical count of all books is taken and priced at original cost less an allowance for wear and tear.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

3. Capital Assets

Capital assets, which include land, buildings, building improvements, equipment and improvements other than buildings are reported in the governmental activities column in the government-wide financial statements. As of July 1, 2018, the Academy defines capital assets as assets with an initial, individual cost of more

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

Note 1: Summary of Significant Accounting Policies (Continued)

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

3. Capital Assets (Continued)

than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

Buildings, building improvements, equipment and improvements other than buildings of the Academy are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Building Improvements	15 – 30
Equipment	3 – 15
Improvements other than buildings	20

4. Deferred Outflows/Inflows of Resources

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

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

Note 1: Summary of Significant Accounting Policies (Continued)

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

4. Deferred Outflows/Inflows of Resources (Continued)

between expected and actual experience, changes in proportion, net difference between projected and actual investments earnings, and changes in assumptions and are reported in the government-wide statement of net position. These amounts are deferred and amortized over the next five years.

5. Net Position Flow Assumption

Sometimes the Academy will fund outlays for a particular purpose from both restricted (e.g., restricted 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

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

6. Fund Balance Flow Assumptions

Sometimes the Academy 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 Academy's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

7. Fund Balance Policies

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

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

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

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

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

Note 1: Summary of Significant Accounting Policies (Continued)

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

7. Fund Balance Policies (Continued)

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

Assigned - amounts that are intended for a particular purpose, such as a rate stabilization fund or segregation of an amount intended to be used at some time in the future. Assigned fund balance is established by the OC through adoption or amendment of the budget as intended for a specific purpose, such as the purchase of capital assets, construction, debt service, or other purposes.

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Compensated Absences

Under the terms of its personnel policies and union contracts, the Academy employees accumulate earned, but unused sick, personal, and/or vacation leave in varying amounts according to length of service and employee type. These benefits may be available for subsequent use or for payment upon termination or retirement. Accumulated sick, personal and vacation expense to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for amounts that have become due but are not yet paid.

Note 2: Detailed Notes on All Activities and Funds

A. Cash Deposits With Financial Institutions

The Academy's carrying amount of bank deposits at June 30, 2022 is \$2,601,795 and the bank balance is \$2,634,348. Of the bank balance, \$250,000 is covered by federal depository insurance and \$2,142,138 is covered by collateral held in the pledging bank's trust department, but not in the Academy's name. In addition, \$242,209 of the bank balance and book balance is invested in an external investment pool from which the Academy 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 Academy.

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

A. Cash Deposits With Financial Institutions (Continued)

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

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

B. Capital Assets

Capital assets activity for the year ended June 30, 2022, was as follows:

	<u>Balance</u> <u>06/30/21</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/22</u>
<u>Governmental Activities</u>				
Capital Assets, not being depreciated:				
Land	\$ 32,035	\$ 0	\$ 0	\$ 32,035
Construction in Progress	<u>0</u>	<u>492,176</u>	<u>0</u>	<u>492,176</u>
Total Capital Assets, not being depreciated	<u>\$ 32,035</u>	<u>\$492,176</u>	<u>\$ 0</u>	<u>\$ 524,211</u>
Capital Assets, being depreciated:				
Buildings and Improvements	\$4,986,370	\$ 0	\$ 0	\$4,986,370
Machinery and Equipment	<u>2,718,384</u>	<u>266,933</u>	<u>(134,734)</u>	<u>2,850,583</u>
Total Capital Assets, being depreciated	<u>\$7,704,754</u>	<u>\$266,933</u>	<u>(\$134,734)</u>	<u>\$7,836,953</u>
Less Accumulated Depreciation:				
Building	(\$3,539,322)	(\$158,261)	\$ 0	(\$3,697,583)
Machinery and Equipment	<u>(1,633,257)</u>	<u>(173,829)</u>	<u>132,728</u>	<u>(1,674,358)</u>
Total Accumulated Depreciation	<u>(\$5,172,579)</u>	<u>(\$332,090)</u>	<u>\$132,728</u>	<u>(\$5,371,941)</u>
Total Capital Assets, being depreciated, net	<u>\$2,532,175</u>	<u>(\$ 65,157)</u>	<u>(\$ 2,006)</u>	<u>\$2,465,012</u>
Governmental Activities, Capital Assets, Net	<u>\$2,564,210</u>	<u>\$427,019</u>	<u>(\$ 2,006)</u>	<u>\$2,989,223</u>

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

B. Capital Assets (Continued)

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

Depreciation - Unallocated	\$124,193
Instructional Services	184,529
Supporting Services:	
Administrative and Financial Support	1,585
Operation and Maintenance of Plant Services	<u>21,783</u>
Total Depreciation Expense, Governmental Activities	<u>\$332,090</u>

C. Retirement Plans

Pensions

1. Summary of Significant Accounting Policies Relative to Pension

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

General Information about the Pension Plan

Plan Description

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

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

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

C. Retirement Plans (Continued)

Pensions (Continued)

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

Benefits Provided (Continued)

must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 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. For members, whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

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

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

Contributions

Member Contributions:

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

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

C. Retirement Plans (Continued)

Pensions (Continued)

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

Contributions (Continued)

Member Contributions: (Continued)

Member Contribution Rates

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

Shared Risk Program Summary

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

Employer Contributions:

The Academy's contractually required contribution rate for fiscal year ended June 30, 2022 was 33.99% 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 Academy were \$529,650 for the year ended June 30, 2022.

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

C. Retirement Plans (Continued)

Pensions (Continued)

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

At June 30, 2022, the Academy reported a liability of \$3,781,350 for its proportionate share of the net pension liability, reduced by contributions of \$529,650 subsequent to the measurement date. The net pension liability was measured as of June 30, 2021, 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, 2020 to June 30, 2021. The Academy'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, 2021, the Academy's proportion was .0105%, which was a decrease of .0004% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Academy recognized pension expense of \$319,638. At June 30, 2022, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Expected and Actual Experience	\$ 0	\$ 9,264
Net Difference Between Projected and Actual Investment Earnings	0	516,035
Change in Proportions	<u>12,000</u>	<u>96,500</u>
Total	<u>\$12,000</u>	<u>\$621,799</u>

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 Ending June 30</u>	<u>Amount</u>
2023	(\$188,223)
2024	(199,876)
2025	(221,700)
2026	0
2027	<u>0</u>
	<u>(\$609,799)</u>

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

C. Retirement Plans (Continued)

Pensions (Continued)

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

Changes in Actuarial Assumptions

The Total Pension Liability as of June 30, 2021 was determined by rolling forward the System's Total Pension Liability as of June 30, 2020 to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date - June 30, 2020
- 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 decreased from 7.25% as of June 30, 2020 to 7.00% as of June 30, 2021
- 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, 2021 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

C. Retirement Plans (Continued)

Pensions (Continued)

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

Changes in Actuarial Assumptions (Continued)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Public Equity	27.0%	5.2%
Private Equity	12.0%	7.3%
Fixed Income	35.0%	1.8%
Commodities	10.0%	2.0%
Absolute Return	8.0%	3.1%
Infrastructure/MLPs	8.0%	5.1%
Real Estate	10.0%	4.7%
Cash	3.0%	0.1%
Leverage	(13.0%)	0.1%
	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, 2021.

Discount Rate

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

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

C. Retirement Plans (Continued)

Pensions (Continued)

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

Sensitivity of the Academy'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:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Academy's Proportionate Share of the Net Pension Liability	\$5,658,000	\$4,311,000	\$3,174,000

Pension Plan Fiduciary Net Position

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

Condensed summary information of the Academy's proportionate share of the PSERS assets, liabilities, and net position from the PSERS Comprehensive Annual Financial Report for the year ended June 30, 2021 is as follows:

Assets	\$8,607,450
Liabilities	(<u>1,050,875</u>)
Net Position Held in Trust for Benefits	<u>\$7,556,575</u>

Pension Plan Fiduciary Net Position

In addition, as of June 30, 2022, the Academy had a payable of \$168,205 to the PSERS Pension Plan, of which \$127,462 represents the second quarter 2022 required contribution, while \$40,743 represents the liability related to accrued payroll as of June 30, 2022.

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

D. Other Postemployment Benefits - PSERS

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

General Information about the Health Insurance Premium Assistance Program

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2021, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

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

- Have 24½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program.

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.

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

D. Other Postemployment Benefits - PSERS (Continued)

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2021, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions

The Academy's contractually required contribution rate for the fiscal year ended June 30, 2022 was 0.80% 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 Academy were \$12,961 for the year ended June 30, 2022.

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

At June 30, 2022, the Academy reported a liability of \$239,039 for its proportionate share of the net OPEB liability, reduced by contributions of \$12,961 made subsequent to the measurement date. The net OPEB liability was measured as of June 30, 2021, 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, 2020 to June 30, 2021. The Academy'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, 2021, the Academy's proportion was .0106%, which was a decrease of .0003% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Academy recognized OPEB expense of \$34,142. At June 30, 2022, the Academy reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,163	\$ 0
Changes in Assumptions	5,670	1,500
Net Difference Between Projected and Actual Investment Earnings	105	0
Changes in Proportions	<u>11,893</u>	<u>0</u>
Total	<u>\$18,831</u>	<u>\$1,500</u>

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

D. Other Postemployment Benefits - PSERS (Continued)

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

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

<u>Year Ended June 30</u>	<u>Amount</u>
2023	\$5,134
2024	6,607
2025	4,560
2026	1,030
2027	0
Thereafter	0

Actuarial Assumptions

The Total OPEB Liability as of June 30, 2021, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2020 to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 2.18% - 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 Retirees 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, 2020 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2015.

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

D. Other Postemployment Benefits - PSERS (Continued)

Actuarial Assumptions (Continued)

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2019 determined the employer contribution rate for fiscal year 2021.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

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 Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	79.8%	0.1%
US Core Fixed Income	17.5%	0.7%
Non-US Development Fixed	<u>2.7%</u>	<u>(0.3%)</u>
	100.0%	
	<u>=====</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2021.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.18%. 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.

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

D. Other Postemployment Benefits - PSERS (Continued)

Discount Rate (Continued)

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 2.18%, which represents the S&P 20 year Municipal Bond Rate at June 30, 2021, was applied to all projected benefit payments to measure the total OPEB liability.

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2021, 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, 2021, 93,392 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2021, 611 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, 2021, 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:

Dollar Amounts in Thousands

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
System Net OPEB Liability	\$2,369,814	\$2,370,083	\$2,370,295

Sensitivity of the Academy'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 2.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.66%) or 1-percentage-point higher (3.66%) than the current rate:

	<u>1% Decrease 1.66%</u>	<u>Current Discount Rate 2.66%</u>	<u>1% Increase 3.66%</u>
Academy's Proportionate Share of the Net OPEB Liability	\$289,000	\$252,000	\$221,000

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

D. Other Postemployment Benefits - PSERS (Continued)

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.

Condensed summary information of the Academy's proportionate share of the PSERS assets, liabilities, and net position from the PSERS Comprehensive Annual Financial Report for the year ended June 30, 2021 is as follows:

Assets	\$61,875
Liabilities	(<u>8,525</u>)
Net Position Held in Trust for Benefits	<u>\$53,350</u>

In addition, as of June 30, 2022, the Academy had a payable of \$4,116 to the PSERS OPEB plan, of which \$3,119 represents the second quarter 2022 required contribution, while \$997 represents the liability related to accrued payroll as of June 30, 2022.

E. Other Postemployment Benefits - Single Employer

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

<u>Summary of Plan Provisions</u>			
<u>Group</u>	<u>Eligibility</u>	<u>Coverage and Premium Sharing</u>	<u>Duration</u>
I. Administrative Staff	All employees are eligible for this benefit upon retirement with 30 years of PSERS service or upon superannuation retirement.	<ul style="list-style-type: none"> Coverage: Medical, Prescription Drug, Dental and Vision Premium Sharing: If the employee retires before the age of 65 or Medicare age, whichever comes first, the retiree will receive one-half year of single health insurance paid for by the Academy for ever year of Administrative experience as the Academy. <p>If the Retiree does not yet reach the age of 65 or Medicare age when the above coverage terminates, the retiree may remain a part of the health insurance group until that age by paying the full amount for coverage. The Academy will also contribute \$2,400 annually to the monthly premium for those retirees who are no longer eligible for full coverage.</p> <p>Life Insurance is available at a face value of 2.5 times the retiree's annual salary at the time of retirement. Retiree pays 100% of the premium for Life Insurance.</p>	<ul style="list-style-type: none"> Member is eligible for coverage until Medicare age. Spouse Coverage ceases at the earlier of member or spouse Medicare age. In the case of premature death, this benefit will continue until the date of the retiree's 65th birthday or that of the surviving spouse, whichever comes first. Life Insurance coverage continues until the age of 65.

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

E. Other Postemployment Benefits - Single Employer (Continued)

<u>Summary of Plan Provisions</u>			
<u>Group</u>	<u>Eligibility</u>	<u>Coverage and Premium Sharing</u>	<u>Duration</u>
II. All Employees	All employees are eligible for this benefit upon retirement with 30 years of PSERS service or upon superannuation retirement.	<ul style="list-style-type: none"> Retired employees are allowed to continue coverage for themselves and their dependent in the District group health plan until the retired employee reaches Medicare age. To obtain coverage, the retired employee must provide payment equal to the premium determined for the purpose of COBRA. 	<ul style="list-style-type: none"> Member is eligible for coverage until Medicare age. Spouse Coverage ceases at the earlier of member or spouse Medicare age

Valuation Date

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

Asset Valuation Method

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

Actuarial Assumptions

a. Discount Rate

2.28%, based on S&P Municipal Bond 20-year High Grade Rate Index at July 1, 2021.

b. Salary

Salary increases are composed of a 2.5% cost of living adjustment, 1% real wage growth, and for teachers and administrators, a merit increase which varies by age from 2.75% to 0%.

c. Withdrawal

Rates of withdrawal vary by age, gender, and years of service. Sample rates for employees with more than 10 years of service are shown below. Rates for new employees start at 22.9% for both men and 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	2.5700%	5.0200%	45	1.3700%	1.6500%
30	2.5700%	4.0200%	50	1.9200%	2.0600%
35	1.5000%	2.8500%	55	3.3800%	3.1100%
40	1.3400%	1.6000%	60	5.5700%	6.4000%

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

E. Other Postemployment Benefits - Single Employer (Continued)

Actuarial Assumptions (Continued)

d. Mortality

Separate rates are assumed preretirement and postretirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation.

Incorporated into the table are rates projected generationally by the Buck Modified 2016 projection scale 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.

	Special Early Retirement		Superannuation	
<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
55	19%	19%	27%	10%
56	17%	17%	32%	30%
57	17%	17%	32%	30%
58	17%	17%	32%	35%
59	22%	21%	31%	36%
60	14%	17%	31%	36%
61	29%	30%	29%	31%
62	51%	61%	51%	61%
63	26%	26%	26%	26%
64	21%	22%	21%	22%
65	100%	100%	100%	100%

g. Percent of Eligible Retirees Electing Coverage in Plan

100% of Administrative staff eligible for subsidized coverage are assumed to elect coverage. 50% of employees eligible for unsubsidized coverage are assumed to elect coverage. 0% of Administrative staff are assumed to elect Life Insurance coverage.

h. Percent Married at Retirement

80% of retirees are assumed to be married and 15% of spouses elect coverage in the plan at retirement. Non-spouse dependents are deemed to be immaterial.

i. Spouse Age

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

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

E. Other Postemployment Benefits - Single Employer (Continued)

Actuarial Assumptions (Continued)

j. Per Capita Claims Cost

The per capita claims cost for medical and prescription drug is based on the expected portion of the groups 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 Rate</u>	<u>Females Rate</u>
45-49	\$ 7,236	\$10,450
50-54	\$ 9,583	\$11,810
55-59	\$11,672	\$12,358
60-64	\$15,231	\$14,196

*The claims cost is adjusted by a factor of .9985 for Steelworkers.

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

5.5% in 2021 through 2023. Rates gradually decrease from 5.4% in 2024 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

m. Life Insurance

It is assumed that the annual cost to provide life insurance varies by age. The assumed cost is equal to the amount of coverage times the applicable mortality factor contained in the valuation mortality table.

n. Actuarial Value of Assets

Equal to the Market Value of Assets

o. 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.

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

E. Other Postemployment Benefits - Single Employer (Continued)

Actuarial Assumptions (Continued)

p. Participant Data

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

Plan Descriptions, Contribution Information, and Funding Policies

a. Memberships of the plan are as follows:

	<u>As of</u> <u>06/30/22</u>
Active Members	28
Retirees and Beneficiaries Currently Receiving Benefits	1
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	<u>0</u>
Total	29
	<u>==</u>

b. Reserves

There are no assets legally reserved for providing this benefit.

c. Components of Net OPEB Liability as of June 30, 2022 Measurement Date

Total OPEB Liability	\$ 127,200
Plan Fiduciary Net Position	<u>0</u>
Net OPEB Liability	<u>\$ 127,200</u>
	<u>==</u>
Fiduciary Net Position as a Percentage of Total OPEB Liability	0%
Estimated Covered Payroll	\$1,490,766
Net Liability as a Percentage of Covered Payroll	8.53%

d. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate as of June 30, 2022

	1% Decrease <u>1.28%</u>	Current Discount Rate <u>2.28%</u>	1% Increase <u>3.28%</u>
Net OPEB Liability	<u>\$134,850</u>	<u>\$127,200</u>	<u>\$119,907</u>

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

E. Plan Descriptions, Contribution Information, and Funding Policies (Continued)

e. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates as of June 30, 2022

	1% Decrease <u>4.5%</u>	Current Healthcare Cost Trend Rates <u>5.5%</u>	1% Increase <u>6.5%</u>
Net OPEB Liability	\$114,590	\$127,200	\$141,916

f. Changes in Net OPEB Liability

	----- Increase (Decrease) -----		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2021	\$ 191,579	\$0	\$ 191,579
Changes for the Year:			
Service Cost	\$ 1,749	\$0	\$ 1,749
Interest	6,506	0	6,506
Differences Between Expected and Actual Experience	(57,971)	0	(57,971)
Changes in Assumptions	(1,513)	0	(1,513)
Benefit Payments	(13,150)	0	(13,150)
Net Changes	(\$ 64,379)	\$0	(\$ 64,379)
Balances at June 30, 2022	\$ 127,200	\$0	\$ 127,200

g. Deferred Outflows of Resources and Deferred Inflows of Resources

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$ 9,183	\$53,140
Changes of Assumptions	<u>16,654</u>	<u>1,387</u>
Total	<u>\$25,837</u>	<u>\$54,527</u>

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

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

E. Plan Descriptions, Contribution Information, and Funding Policies (Continued)

g. Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

<u>Year Ended June 30</u>	<u>Amount</u>
2023	\$11,395
2024	4,528
2025	(4,957)
2026	(4,957)
2027	(4,957)
Thereafter	(29,742)

h. Annual OPEB Expense

Components of OPEB expense for the year ended June 30, 2022:

Service Cost	\$ 1,749
Interest	6,506
Difference Between Expected and Actual Experience	(7,891)
Changes of Assumptions	<u>5,917</u>
Total OPEB Expense	<u>\$ 6,281</u>

i. Academy Contributions

The Academy's contributions for the year ended June 30, 2022 were \$6,734.

j. Plan Related Financial Statement Items

As of June 30, 2022 and for the year then ended, the Plan's had the following:

Plan Related Assets	\$ 0
Deferred Outflows of Resources	25,837
Net OPEB Liability	(127,200)
Deferred Inflows of Resources	(54,527)
OPEB Expense	6,281
OPEB Expenditures	6,734

F. Risk Management

The Academy 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 Academy carries commercial insurance.

G. Lease Obligations

The Academy has entered into operating leases which contain cancellation provisions and are subject to annual appropriations. These leases support governmental activities.

Rent expense for the year was \$30,778.

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

H. Long-Term Liabilities

The following is a summary of changes in long-term debt and other liabilities for the fiscal year ended June 30, 2022:

	Beginning Balance <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance <u>June 30, 2022</u>	Due Within <u>One Year</u>
<u>Governmental Activities</u>					
Net Pension Liability	\$4,870,951	\$ 0	(\$1,089,601)	\$3,781,350	\$ 0
Capital Lease	475,524	0	(143,144)	332,380	149,528
Other Long-Term Obligations:					
Compensated Absences	95,205	12,850	0	108,055	0
Other Postemployment Benefit	<u>410,546</u>	<u>0</u>	(<u>44,307</u>)	<u>366,239</u>	<u>0</u>
Total Governmental Activities	<u>\$5,852,226</u>	<u>\$12,850</u>	<u>(\$1,277,052)</u>	<u>\$4,588,024</u>	<u>\$149,528</u>

Capital Lease

On January 13, 2009, the Academy entered into a performance based energy savings master lease agreement. Under this agreement, the lessor installed and implemented recommended energy conservation measures that will yield guaranteed energy savings to the Academy. In turn, the Academy will pay the lessor annual lease payments of \$161,084 (including interest at 4.371%) for 15 years. Based on the Academy's energy use analysis performed by the lessor, the lessor guarantees that the Academy will realize total energy conservation savings during each contract year. The equipment installation was financed through a short-term loan. Once the equipment installation under the lease agreement was installed and accepted, the loan used to finance the installation was converted to a capital lease.

At June 30, 2022, the cost and accumulated depreciation of assets recorded under the capital lease were \$1,687,363 and \$1,054,602, respectively.

The Academy's future minimum lease payments under the capital lease, the present value of the net minimum lease payment, and the guaranteed savings are as follows:

June 30, 2022	\$161,084
June 30, 2023	161,084
June 30, 2024	<u>26,801</u>
June 30, 2025	\$348,969
Less: Amount Representing Interest	(<u>16,589</u>)
Present Value of Net Minimum Lease Payment	\$332,380
Less: Current Portion of Capital Lease Obligation	(<u>149,528</u>)
Long-Term Portion of Capital Lease Obligation	<u>\$182,852</u>

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

I. Fund Balances

As of June 30, 2022, the governmental fund financial statements fund balances are comprised of the following:

<u>Nonspendable Fund Balance</u>	
Inventories	\$7,698
	<u> </u>

J. Interfund Receivables and Payables

Interfund balances as of June 30, 2022, consisted of the following:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Agency Fund	\$ 7,334
Capital Projects Fund	General Fund	<u>8,948</u>
		\$16,282
		<u> </u>

K. Economic Dependency

The Academy is economically dependent on the Commonwealth of Pennsylvania to provide both pass-through federal funds and direct state funds, as well as Mifflin County School District.

L. On-Behalf Payments

The amount recognized from revenues and expenditures for on-behalf payments relative to social security and retirement for the year ended June 30, 2022 were \$96,896 and \$340,811, respectively.

M. Contingencies

The Academy participates in various federal and state grant programs, the principal of which are subject to program compliance audits. Accordingly, the Academy's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Academy anticipates such amounts, if any, will be immaterial.

N. Agreement

On May 7, 2013, the Mifflin County School District agreed to purchase, and the Juniata County School District agreed to sell its ownership interest in the real estate and non-real estate assets of the Academy. As part of the agreement, the Mifflin County School District agreed to assume all long-term and short-term debt of the Academy as of July 1, 2013 and to pay Juniata County School District a lump sum of \$26,081 for its portion of the Academy's net assets.

MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022
(CONTINUED)

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

N. Agreement (Continued)

In the event the Academy and/or the Mifflin County School District and the Juniata County School District are sued for cause of actions which occurred prior to July 1, 2013, the Mifflin County School District and the Juniata County School District will cooperate with the Academy's insurance carrier to jointly defend against the allegations, and the Mifflin County School District, the Juniata County School District, and the Academy are responsible for their own legal defense and any resultant liability beyond the insurance coverage limits.

The Mifflin County School District and the Juniata County School District agree that through the end of the 2018-2019 school year, the Juniata County School District will pay tuition on an annual basis to Mifflin County School District at a rate equal to the actual per pupil cost incurred by Mifflin County School District for its students who attend the Academy, based on a consistent methodology. This agreement will be automatically extended for an addition (5) five-year term, unless subsequently amended or modified by the Board.

O. Transactions with Primary Government

During the 2021-2022 fiscal year, the Academy recognized \$2,069,745 revenues from the Mifflin County School District.

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Local Sources	\$3,375,328	\$3,375,328	\$3,125,838	(\$ 249,490)
State Sources	940,477	940,477	942,304	1,827
Federal Sources	<u>294,419</u>	<u>294,419</u>	<u>428,547</u>	<u>134,128</u>
Total Revenues	<u>\$4,610,224</u>	<u>\$4,610,224</u>	<u>\$4,496,689</u>	<u>(\$ 113,535)</u>
<u>Expenditures</u>				
Special Programs	\$ 137,244	\$ 137,244	\$ 128,601	\$ 8,643
Vocational Programs	1,532,443	1,532,443	1,571,924	(39,481)
Adult Education Programs	1,196,248	1,196,248	926,268	269,980
Administrative Services	592,887	592,887	519,933	72,954
Pupil Health	49,700	49,700	43,522	6,178
Business Services	221,672	221,672	212,872	8,800
Operation and Maintenance of Plant Services	766,194	766,194	823,524	(57,330)
Central Support Services	105,000	105,000	66,677	38,323
Student Activities	18,255	18,255	8,291	9,964
Debt Service (Principal and Interest)	<u>161,084</u>	<u>161,084</u>	<u>161,084</u>	<u>0</u>
Total Expenditures	<u>\$4,780,727</u>	<u>\$4,780,727</u>	<u>\$4,462,696</u>	<u>\$ 318,031</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$ 170,503)</u>	<u>(\$ 170,503)</u>	<u>\$ 33,993</u>	<u>\$ 204,496</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recoveries	\$ 0	\$ 0	\$ 5,937	\$ 5,937
Transfers In	<u>170,503</u>	<u>170,503</u>	<u>0</u>	<u>(170,503)</u>
Total Other Financing Sources (Uses)	<u>\$ 170,503</u>	<u>\$ 170,503</u>	<u>\$ 5,937</u>	<u>(\$ 164,566)</u>
Net Change in Fund Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 39,930</u>	<u>\$ 39,930</u>
<u>Fund Balance</u> - Beginning of Year	<u>1,347,652</u>	<u>1,347,652</u>	<u>1,602,348</u>	<u>254,696</u>
<u>Fund Balance</u> - End of Year	<u>\$1,347,652</u>	<u>\$1,347,652</u>	<u>\$1,642,278</u>	<u>\$ 294,626</u>

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022**

Budgetary Data

Budgets are presented on the modified accrual basis of accounting for the General Fund. All annual appropriations lapse at fiscal yearend with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- Throughout the year, the Director and project supervisors use financial status reports and established Academy's objectives to develop financial projections for the coming year.
- The Treasurer assembles the information and presents it to the Academy's Operating Committee for approval or revision.
- During April of each year, the Academy's Operating Committee adopts a tentative budget. The budget is also submitted to the Mifflin County School District for approval.
- Copies of the proposed budget are made available for public inspection and review.
- The final budget is approved by the Academy's Operating Committee in June and the required budget report is filed with the Commonwealth of Pennsylvania by June 30.
- In accordance with the Pennsylvania School Code, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Minor interim adjustments in estimated revenue and appropriations, if any, during the year ended June 30, 2022, have been included in the final budget approved by the Academy's Operating Committee, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Positive variances in total revenues and the positive variances in total expenditures are largely a result of actual expenditures. 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. Revenues related to the general operations of the Academy are required to match expenditures.

During the current year, the Vocational Programs and Operation and Maintenance of Plant Services functions exceeded their budget amount.

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN INFORMATION
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'
RETIREMENT SYSTEM (PSERS)
SCHEDULE OF ACADEMY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

	<u>As of June 30, 2021 Measurement Date</u>
Academy's Proportion of the Collective Net Pension Liability	.0105%
Academy's Proportionate Share of the Collective Net Pension Liability	\$4,311,000
Academy's Covered Employee Payroll	\$1,505,663
Academy's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	286.32%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	63.67%
	<u>As of June 30, 2020 Measurement Date</u>
Academy's Proportion of the Collective Net Pension Liability	.0109%
Academy's Proportionate Share of the Collective Net Pension Liability	\$5,367,000
Academy's Covered Employee Payroll	\$1,534,017
Academy's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	349.87%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	54.32%
	<u>As of June 30, 2019 Measurement Date</u>
Academy's Proportion of the Collective Net Pension Liability	.0108%
Academy's Proportionate Share of the Collective Net Pension Liability	\$5,052,500
Academy's Covered Employee Payroll	\$1,494,202
Academy's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	338.14%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	55.66%

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN INFORMATION
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'
RETIREMENT SYSTEM (PSERS)
SCHEDULE OF ACADEMY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
(CONTINUED)**

	<u>As of June 30, 2018 Measurement Date</u>
Academy's Proportion of the Collective Net Pension Liability	.0100%
Academy's Proportionate Share of the Collective Net Pension Liability	\$4,801,000
Academy's Covered Employee Payroll	\$1,348,228
Academy's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	356.10%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	54.00%
	<u>As of June 30, 2017 Measurement Date</u>
Academy's Proportion of the Collective Net Pension Liability	.0095%
Academy's Proportionate Share of the Collective Net Pension Liability	\$4,692,000
Academy's Covered Employee Payroll	\$1,267,681
Academy's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	370.12%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	51.84%
	<u>As of June 30, 2016 Measurement Date</u>
Academy's Proportion of the Collective Net Pension Liability	.0093%
Academy's Proportionate Share of the Collective Net Pension Liability	\$4,609,000
Academy's Covered Employee Payroll	\$1,201,763
Academy's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	383.52%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	50.14%

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN INFORMATION
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'
RETIREMENT SYSTEM (PSERS)
SCHEDULE OF ACADEMY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
(CONTINUED)**

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

Academy's Proportion of the Collective Net Pension Liability	.0083%
Academy's Proportionate Share of the Collective Net Pension Liability	\$3,595,000
Academy's Covered Employee Payroll	\$1,070,146
Academy's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	335.94%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	54.4%

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

Academy's Proportion of the Collective Net Pension Liability	.0089%
Academy's Proportionate Share of the Collective Net Pension Liability	\$3,523,000
Academy's Covered Employee Payroll	\$1,135,896
Academy's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	310.15%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	57.2%

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN INFORMATION
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'
RETIREMENT SYSTEM (PSERS)
SCHEDULE OF ACADEMY'S CONTRIBUTION**

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

Contractually Required Employer Contribution	\$ 497,841
Contributions in Relation to the Contractually Required Contribution	(<u>497,841</u>)
Contribution Deficiency (Excess)	\$ 0
	<u> </u>
Academy's Covered Employee Payroll	\$1,505,663
	<u> </u>
Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll	33.51%

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

Contractually Required Employer Contribution	\$ 508,436
Contributions in Relation to the Contractually Required Contribution	(<u>508,436</u>)
Contribution Deficiency (Excess)	\$ 0
	<u> </u>
Academy's Covered Employee Payroll	\$1,534,017
	<u> </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	\$ 486,201
Contributions in Relation to the Contractually Required Contribution	(<u>486,201</u>)
Contribution Deficiency (Excess)	\$ 0
	<u> </u>
Academy's Covered Employee Payroll	\$1,491,414
	<u> </u>
Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll	32.60%

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN INFORMATION
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'
RETIREMENT SYSTEM (PSERS)
SCHEDULE OF ACADEMY'S CONTRIBUTION
(CONTINUED)**

	For the Year Ended <u>June 30, 2018</u>
Contractually Required Employer Contribution	\$ 425,412
Contributions in Relation to the Contractually Required Contribution	(<u>425,412</u>)
Contribution Deficiency (Excess)	\$ 0
Academy's Covered Employee Payroll	<u>\$1,340,302</u>
Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll	31.74%
	For the Year Ended <u>June 30, 2017</u>
Contractually Required Employer Contribution	\$ 375,657
Contributions in Relation to the Contractually Required Contribution	(<u>375,657</u>)
Contribution Deficiency (Excess)	\$ 0
Academy's Covered Employee Payroll	<u>\$1,286,497</u>
Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll	29.20%
	For the Year Ended <u>June 30, 2016</u>
Contractually Required Employer Contribution	\$ 305,347
Contributions in Relation to the Contractually Required Contribution	(<u>305,347</u>)
Contribution Deficiency (Excess)	\$ 0
Academy's Covered Employee Payroll	<u>\$1,221,388</u>
Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll	25.00%

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN INFORMATION
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'
RETIREMENT SYSTEM (PSERS)
SCHEDULE OF ACADEMY'S CONTRIBUTION
(CONTINUED)**

	For the Year Ended <u>June 30, 2015</u>
Contractually Required Employer Contribution	\$ 253,473
Contributions in Relation to the Contractually Required Contribution	(<u>253,473</u>)
Contribution Deficiency (Excess)	\$ 0
	<hr/>
Academy's Covered Employee Payroll	\$1,204,720
	<hr/>
Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll	21.04%

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN INFORMATION RELATED TO THE
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

Change in Benefit Terms

With the passage of Act 5 on June 12, 2017, class T-E & T-F members are now permitted to elect a lump sum payment of member contributions upon retirement.

Change in Assumptions Used in Measurement of the Total Pension Liability beginning June 30, 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% and real wage growth and for merit or seniority increases of 2.50%, to an effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.

Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back 3 years for both males and females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. For disabled annuitants, the RP-2000 Combined Disabled Tables (male and female) with age set back 7 years for males and 3 years for females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Methods and Assumptions Used in Calculation of Actuarially Determined Contributions

The actuarially determined contributions are calculated as of June 30 of the preceding fiscal year in which contributions are made. That is, the contributions calculated as of the June 30, 2019 actuarial valuation will be made during the fiscal year ending June 30, 2021. The following actuarial methods and assumptions were used to determine contribution rates reported:

- The Investment Rate of Return - 7.25%, includes inflation of 2.66% and the real rate of return of 4.50%.
- Salary growth - Effective average of 5.00%, which reflects an allowance for inflation of 2.75% and real wage growth and merit or seniority of 2.25%.
- Benefit payments - No postretirement benefit increases are assumed in the future.
- Mortality rates were 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.

The Total Pension Liability as of June 30, 2021 was determined by rolling forward the System's Total Pension Liability as of June 30, 2020 to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date - June 30, 2020
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment 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.

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN INFORMATION RELATED TO THE
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(CONTINUED)**

Methods and Assumptions Used in Calculation of Actuarially Determined Contributions (Continued)

- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability decreased from 7.25% as of June 30, 2020 to 7.00% as of June 30, 2021.

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.

10-Year Reporting Requirements

The Required Supplementary Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
AND RELATED RATIOS**

	<u>As of and for Year Ended June 30, 2021</u>
<u>Total OPEB Liability</u>	
Service Cost	\$ 1,749
Interest	6,506
Differences Between Expected and Actual Experience	(57,971)
Change of Assumptions	(1,513)
Benefit Payments	(13,150)
Net Change in Total Pension Liability	(\$ 64,379)
<u>Total Pension Liability</u> - Beginning	<u>191,579</u>
<u>Total Pension Liability</u> - Ending	<u>\$ 127,200</u>
<u>Plan's Fiduciary Net Position</u>	
Net Change in Plan's Fiduciary Net Position	\$ 0
<u>Plan's Fiduciary Net Position</u> - Beginning	<u>0</u>
<u>Plan's Fiduciary Net Position</u> - Ending	<u>\$ 0</u>
<u>Academy's Net OPEB Liability</u> - Ending	<u>\$ 127,200</u>
Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability	0%
Estimated Covered Employee Payroll	\$1,490,766
Net Pension Liability as a Percentage of Covered Employee Payroll	8.53%

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
AND RELATED RATIOS
(CONTINUED)**

	<u>As of and for Year Ended June 30, 2020</u>
<u>Total OPEB Liability</u>	
Service Cost	\$ 1,807
Interest	6,960
Differences Between Expected and Actual Experience	0
Change of Assumptions	0
Benefit Payments	(30,283)
Net Change in Total Pension Liability	(\$ 21,516)
<u>Total Pension Liability</u> - Beginning	<u>213,095</u>
<u>Total Pension Liability</u> - Ending	<u>\$ 191,579</u>
<u>Plan's Fiduciary Net Position</u>	
Net Change in Plan's Fiduciary Net Position	\$ 0
<u>Plan's Fiduciary Net Position</u> - Beginning	<u>0</u>
<u>Plan's Fiduciary Net Position</u> - Ending	<u>\$ 0</u>
<u>Academy's Net OPEB Liability</u> - Ending	<u>\$ 191,579</u>
Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability	0%
Estimated Covered Employee Payroll	\$1,449,600
Net Pension Liability as a Percentage of Covered Employee Payroll	13.22%

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
AND RELATED RATIOS
(CONTINUED)**

	<u>As of and for Year Ended June 30, 2019</u>
<u>Total OPEB Liability</u>	
Service Cost	\$ 1,378
Interest	4,567
Differences Between Expected and Actual Experience	26,616
Change of Assumptions	48,277
Benefit Payments	(38,547)
Net Change in Total Pension Liability	\$ 42,291
<u>Total Pension Liability</u> - Beginning	<u>170,804</u>
<u>Total Pension Liability</u> - Ending	<u>\$ 213,095</u>
<u>Plan's Fiduciary Net Position</u>	
Net Change in Plan's Fiduciary Net Position	\$ 0
<u>Plan's Fiduciary Net Position</u> - Beginning	<u>0</u>
<u>Plan's Fiduciary Net Position</u> - Ending	<u>\$ 0</u>
<u>Academy's Net OPEB Liability</u> - Ending	<u>\$ 213,095</u>
Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability	0%
Estimated Covered Employee Payroll	\$1,414,244
Net Pension Liability as a Percentage of Covered Employee Payroll	15.07%

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
AND RELATED RATIOS
(CONTINUED)**

	<u>As of and for Year Ended June 30, 2018</u>
<u>Total OPEB Liability</u>	
Service Cost	\$ 2,743
Interest	5,400
Benefit Payments	(31,904)
Net Change in Total Pension Liability	(\$ 23,761)
<u>Total Pension Liability</u> - Beginning	<u>194,565</u>
<u>Total Pension Liability</u> - Ending	<u>\$ 170,804</u>
<u>Plan's Fiduciary Net Position</u>	
Net Change in Plan's Fiduciary Net Position	\$ 0
<u>Plan's Fiduciary Net Position</u> - Beginning	<u>0</u>
<u>Plan's Fiduciary Net Position</u> - Ending	<u>\$ 0</u>
<u>Academy's Net OPEB Liability</u> - Ending	<u>\$ 170,804</u>
Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability	0%
Estimated Covered Employee Payroll	\$1,167,618
Net Pension Liability as a Percentage of Covered Employee Payroll	14.63%

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER
SCHEDULES OF EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS**

	Fiscal Year Ending <u>June 30, 2020</u>
Actuarially Determined Contribution	N/A
Academy Contribution	<u>N/A</u>
Contribution Deficiency	N/A
	<hr/>
Covered Employee Payroll	\$1,449,600
	<hr/>
Contributions as a Percentage of Covered Employee Payroll	N/A
	<hr/>

Schedule of Investment Returns

	<u>2020</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	N/A

	Fiscal Year Ending <u>June 30, 2019</u>
Actuarially Determined Contribution	N/A
Academy Contribution	<u>N/A</u>
Contribution Deficiency	N/A
	<hr/>
Covered Employee Payroll	\$1,414,244
	<hr/>
Contributions as a Percentage of Covered Employee Payroll	N/A
	<hr/>

Schedule of Investment Returns

	<u>2019</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	N/A

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER
SCHEDULES OF EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS
(CONTINUED)**

	Fiscal Year Ending <u>June 30, 2018</u>
Actuarially Determined Contribution	N/A
Academy Contribution	<u>N/A</u>
Contribution Deficiency	N/A
	<hr/>
Covered Employee Payroll	\$1,167,618
	<hr/>
Contributions as a Percentage of Covered Employee Payroll	N/A
	<hr/>

Schedule of Investment Returns

	<u>2018</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	N/A

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

Valuation date	07/01/21
Actuarial cost method	Entry Age Normal
Amortization method	Straight-Line
Remaining amortization period	4.58 Years
Actuarial asset valuation method	N/A

Actuarial Assumptions

a. Discount Rate

2.28%, based on S&P Municipal Bond 20-year High Grade Rate Index at July 1, 2021.

b. Salary

Salary increases are composed of a 2.5% cost of living adjustment, 1% real wage growth, and for teachers and administrators, a merit increase which varies by age from 2.75% to 0%.

c. Withdrawal

Rates of withdrawal vary by age, gender, and years of service. Sample rates for employees with more than 10 years of service are shown below. Rates for new employees start at 22.9% for both men and 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	2.5700%	5.0200%	45	1.3700%	1.6500%
30	2.5700%	4.0200%	50	1.9200%	2.0600%
35	1.5000%	2.8500%	55	3.3800%	3.1100%
40	1.3400%	1.6000%	60	5.5700%	6.4000%

d. Mortality

Separate rates are assumed preretirement and postretirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation.

Incorporated into the table are rates projected generationally by the Buck Modified 2016 projection scale to reflect mortality improvement.

e. Disability

No disability was assumed.

f. Retirement

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

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(CONTINUED)**

Actuarial Assumptions (Continued)

f. Retirement (Continued)

	Special Early Retirement		Superannuation	
<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
55	19%	19%	27%	10%
56	17%	17%	32%	30%
57	17%	17%	32%	30%
58	17%	17%	32%	35%
59	22%	21%	31%	36%
60	14%	17%	31%	36%
61	29%	30%	29%	31%
62	51%	61%	51%	61%
63	26%	26%	26%	26%
64	21%	22%	21%	22%
65	100%	100%	100%	100%

g. Percent of Eligible Retirees Electing Coverage in Plan

100% of Administrative staff eligible for subsidized coverage are assumed to elect coverage. 50% of employees eligible for unsubsidized coverage are assumed to elect coverage. 0% of Administrative staff are assumed to elect Life Insurance coverage.

h. Percent Married at Retirement

80% of retirees are assumed to be married and 15% of spouses elect coverage in the plan at retirement. Non-spouse dependents are deemed to be immaterial.

i. Spouse Age

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

j. Per Capita Claims Cost

The per capita claims cost for medical and prescription drug is based on the expected portion of the groups 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 Rate</u>	<u>Females Rate</u>
45-49	\$ 7,236	\$10,450
50-54	\$ 9,583	\$11,810
55-59	\$11,672	\$12,358
60-64	\$15,231	\$14,196

*The claims cost is adjusted by a factor of .9985 for Steelworkers.

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
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

5.5% in 2021 through 2023. Rates gradually decrease from 5.4% in 2024 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

m. Life Insurance

It is assumed that the annual cost to provide life insurance varies by age. The assumed cost is equal to the amount of coverage times the applicable mortality factor contained in the valuation mortality table.

n. Actuarial Value of Assets

Equal to the Market Value of Assets

o. 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.

p. Participant Data

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

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
OPEB LIABILITY INFORMATION RELATED TO
SINGLE EMPLOYER PLAN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

	<u>Fiscal Year Ending June 30, 2021</u>	<u>Fiscal Year Ending June 30, 2020</u>	<u>Fiscal Year Ending June 30, 2019</u>	<u>Fiscal Year Ending June 30, 2018</u>
<u>Plan Membership</u>				
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1	3	3	3
Inactive Plan Members Entitled to but not yet Receiving Benefits	0	0	0	0
Active Plan Members	<u>28</u>	<u>27</u>	<u>27</u>	<u>23</u>
	29	30	30	26
	==	==	==	==
<u>Components of the Net OPEB Liability</u>				
Total OPEB Liability	\$127,200	\$191,579	\$213,095	\$194,565
Plan Fiduciary Net Position	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net OPEB Liability	<u>\$127,200</u>	<u>\$191,579</u>	<u>\$213,095</u>	<u>\$194,565</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate for the Year Ended June 30, 2021

	1% Decrease <u>1.28%</u>	Current Discount Rate <u>3.28%</u>	1% Increase <u>3.28%</u>
Net OPEB Liability (Asset)	<u>\$134,850</u>	<u>\$127,200</u>	<u>\$119,907</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate for the Year Ended June 30, 2020

	1% Decrease <u>2.50%</u>	Current Discount Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
Net OPEB Liability (Asset)	<u>\$202,125</u>	<u>\$191,579</u>	<u>\$181,983</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate for the Year Ended June 30, 2019

	1% Decrease <u>2.50%</u>	Current Discount Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
Net OPEB Liability (Asset)	<u>\$224,825</u>	<u>\$213,095</u>	<u>\$202,421</u>

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
OPEB LIABILITY INFORMATION RELATED TO
SINGLE EMPLOYER PLAN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(CONTINUED)**

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates for the Year Ended June 30, 2020

	1% Decrease 4.40% Decreasing to <u>3.70%</u>	Current Healthcare Cost Trend Rates 5.4% Decreasing to <u>4.70%</u>	1% Increase 6.40% Decreasing to <u>5.70%</u>
Total OPEB Liability	\$181,516	\$191,579	\$202,531

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates for the Year Ended June 30, 2019

	1% Decrease 4.50% Decreasing to <u>3.70%</u>	Current Healthcare Cost Trend Rates 5.50% Decreasing to <u>4.70%</u>	1% Increase 6.50% Decreasing to <u>5.70%</u>
Total OPEB Liability	\$201,902	\$213,095	\$225,277

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT OPEB PLAN INFORMATION
COST SHARING PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

	Fiscal Year Ending June 30, 2021
Contractually Required Contribution	\$ 12,346
Contributions in Relation to the Contractually Required Contribution	(12,346)
Contribution Deficiency (Excess)	\$ 0
Academy's Covered Employee Payroll	\$1,505,663
Contributions as a Percentage of Covered Employee Payroll	.82%

	Fiscal Year Ending June 30, 2020
Contractually Required Contribution	\$ 12,885
Contributions in Relation to the Contractually Required Contribution	(12,885)
Contribution Deficiency (Excess)	\$ 0
Academy's Covered Employee Payroll	\$1,534,017
Contributions as a Percentage of Covered Employee Payroll	.84%

	Fiscal Year Ending June 30, 2019
Contractually Required Contribution	\$ 12,379
Contributions in Relation to the Contractually Required Contribution	(12,379)
Contribution Deficiency (Excess)	\$ 0
Academy's Covered Employee Payroll	\$1,491,413
Contributions as a Percentage of Covered Employee Payroll	.83%

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT OPEB PLAN INFORMATION
COST SHARING PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(CONTINUED)**

	<u>Fiscal Year Ending June 30, 2018</u>
Contractually Required Contribution	\$ 11,500
Contributions in Relation to the Contractually Required Contribution	(<u>11,500</u>)
Contribution Deficiency (Excess)	\$ 0
	<hr/>
Academy's Covered Employee Payroll	\$1,267,681
	<hr/>
Contributions as a Percentage of Covered Employee Payroll	.83%

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT OPEB PLAN INFORMATION
COST SHARING PLAN
SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY**

	<u>Fiscal Year Ending June 30, 2021</u>
Academy's Proportion of the Net OPEB Liability	.0105%
Academy's Proportionate Share of the Net OPEB Liability	\$ 252,000
Academy's Covered Employee Payroll	\$1,505,663
Academy's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	16.7%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.30%
	<u>Fiscal Year Ending June 30, 2020</u>
Academy's Proportion of the Net OPEB Liability	.0109%
Academy's Proportionate Share of the Net OPEB Liability	\$ 236,000
Academy's Covered Employee Payroll	\$1,534,017
Academy's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	15.4%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.69%
	<u>Fiscal Year Ending June 30, 2019</u>
Academy's Proportion of the Net OPEB Liability	.0108%
Academy's Proportionate Share of the Net OPEB Liability	\$ 230,000
Academy's Covered Employee Payroll	\$1,494,202
Academy's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	15.4%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.56%

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT OPEB PLAN INFORMATION
COST SHARING PLAN
SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
(CONTINUED)**

	<u>Fiscal Year Ending June 30, 2018</u>
Academy's Proportion of the Net OPEB Liability	.0100%
Academy's Proportionate Share of the Net OPEB Liability	\$ 208,000
Academy's Covered Employee Payroll	\$1,348,228
Academy's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	15.4%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.56%
	<u>Fiscal Year Ending June 30, 2017</u>
Academy's Proportion of the Net OPEB Liability	.0095%
Academy's Proportionate Share of the Net OPEB Liability	\$ 194,000
Academy's Covered Employee Payroll	\$1,267,681
Academy's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	15.3%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.73%

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
TOTAL OPEB LIABILITY INFORMATION RELATED TO THE
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

Change in Assumptions Used in Measurement of the Total OPEB Liability beginning June 30, 2021

The Discount Rate decreased from 2.66% to 2.18%.

Change in Assumptions Used in Measurement of the Total OPEB Liability beginning June 30, 2020

The Discount Rate decreased from 2.79% to 2.66%.

Change in Assumptions Used in Measurement of the Total OPEB Liability beginning June 30, 2019

The Discount Rate decreased from 2.98% to 2.79%.

Change in Assumptions Used in Measurement of the Total OPEB Liability beginning June 30, 2018

The Discount Rate decreased from 3.13% to 2.98%.

Change in Assumptions Used in Measurement of the Total OPEB Liability beginning June 30, 2017

The Discount Rate increased from 2.71% to 3.13%.

Change 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% and 2.50% for real wage growth and for merit or seniority increases, 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.

Methods and Assumptions Used in Calculation of Actuarially Determined Contributions

The Total OPEB Liability as of June 30, 2021, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2020 to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 2.18% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.5%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
TOTAL OPEB LIABILITY INFORMATION RELATED TO THE
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(CONTINUED)**

Methods and Assumptions Used in Calculation of Actuarially Determined Contributions (Continued)

- 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, 2020 valuation were based on the results of an actuarial experience study that was performed for the five year the period ending June 30, 2015.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2019 determined the employer contribution rate for fiscal year 2021.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

10-Year Reporting Requirements

The Required Supplementary Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Federal Grantor/Project Title</u>	<u>Source Code</u>	<u>Federal Assistance Listing Number</u>
<u>U.S. Department of Education</u>		
Student Financial Assistance Cluster:		
Federal Direct Student Loans (Direct Loans)	D	84.268
Federal Pell Grant Program	D	84.063
Total Student Financial Assistance Cluster		
HEERF Student Aid Portion	D	84.425E
HEERF II: Institutional Portion Public and Nonprofit Institutions	D	84.425F
Passed Through Pennsylvania Department of Education:		
Governor's Emergency Education Relief Fund	I	84.425C
American Rescue Plan - Elementary and Secondary School Emergency Relief	I	84.425U
Total #84.425 Education Stabilization Fund		
Career and Technology Education - Basic Grants to States	I	84.048
Career and Technology Education - Basic Grants to States	I	84.048
Total #84.048		
Total Federal Expenditures		

D = Direct
I = Indirect

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Pass-Through Grantor Number</u>	<u>Program Award Amount</u>	<u>Total Received This Period</u>	<u>Accrued (Deferred) Revenue 07/01/21</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued (Deferred) Revenue 06/30/22</u>
N/A	\$164,603	\$164,603	\$ 0	\$164,603	\$164,603	\$ 0
N/A	153,125	<u>153,125</u>	<u>0</u>	<u>153,125</u>	<u>153,125</u>	<u>0</u>
		\$317,728	\$ 0	\$317,728	\$317,728	\$ 0
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
N/A	156,441	\$156,441	\$ 0	\$156,441	\$156,441	\$ 0
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
N/A	334,075	\$156,440	(\$118,752)	\$137,596	\$137,596	(\$137,596)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
355-220018	116,123	\$116,123	\$ 0	\$116,123	\$116,123	\$ 0
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
224-211230	252,567	\$ 9,184	\$ 0	\$ 0	\$ 0	(\$ 9,184)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		\$438,188	(\$118,752)	\$410,160	\$410,160	(\$146,780)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
380-220061	174,828	\$174,828	\$ 0	\$174,828	\$174,828	\$ 0
380-210051	175,666	(963)	(963)	<u>0</u>	<u>0</u>	<u>0</u>
		\$173,865	(\$ 963)	\$174,828	\$174,828	\$ 0
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		\$929,781	(\$119,715)	\$902,716	\$902,716	(\$146,780)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Basis of Accounting

The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Revenues were adjusted to balance the expenditures incurred for each project.

Note 2: Major Federal Programs

An extensive compliance test, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) was performed on the Education Stabilization Funds, which represents 45% of the total expenditures reflected on the Schedule of Expenditures of Federal Awards.

The 40% test for a nonlow-risk auditee was satisfied as follows:

<u>Project Title</u>	<u>Assistance Listing Number</u>	<u>Expenditures</u>
Education Stabilization Funds:		
Governor's Emergency Education Relief Fund	84.425C	\$116,123
HEERF Student Aid Portion	84.425E	156,441
HEERF: Institutional Portion Public and Nonprofit Institutions	84.425F	137,596
Student Financial Assistance Cluster:		
Federal Direct Student Loans	84.268	164,603
Federal Pell Grant Program	84.063	153,125
Career and Technology Education - Basic Grants to States	84.048	<u>174,828</u>
		\$902,716
Minimum Amount Which Must Be Tested		<u>40%</u>
		<u>\$361,086</u>

The Education Stabilization Funds exceeds \$361,086 and, therefore, represent the program to which the specific compliance requirements must be applied.

Note 3: Indirect Cost Rate

The Academy has not elected to use the 10% de minimis indirect cost rate.

Note 4: Correction to Prior Year's Schedule of Expenditures of Federal Awards

Grant #33940 from the Pennsylvania Commission on Crime and Delinquency, ALN #21.019 for \$90,000 for the Project Period March 1, 2020 through October 31, 2020, which was fully expended during the 2020-2021 fiscal year, was inadvertently excluded from the 2020-2021 Schedule of Expenditures of Federal Awards.

**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**

Chairman and Members of the Committee
Mifflin County Academy of Science and Technology
MCSD Administration Building
201 Eighth Street
Lewistown, Pennsylvania 17044

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Mifflin County Academy of Science and Technology, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Mifflin County Academy of Science and Technology's basic financial statements, and have issued our report thereon dated November 1, 2022.

Report on Internal Control over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Young, Baker, Brown & Company, P.C.

Altoona, Pennsylvania
November 1, 2022

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

Chairman and Members of the Committee
Mifflin County Academy of Science and Technology
MCSD Administration Building
201 Eighth Street
Lewistown, Pennsylvania 17044

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Mifflin County Academy of Science and Technology'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 Mifflin County Academy of Science and Technology's major federal programs for the year ended June 30, 2022. The Mifflin County Academy of Science and Technology'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 Mifflin County Academy of Science and Technology complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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 Mifflin County Academy of Science and Technology 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 Mifflin County Academy of Science and Technology's compliance with the compliance requirements referred to above.

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

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 Mifflin County Academy of Science and Technology's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Mifflin County Academy of Science and Technology'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 Mifflin County Academy of Science and Technology'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 Mifflin County Academy of Science and Technology'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 Mifflin County Academy of Science and Technology'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 Mifflin County Academy of Science and Technology'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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

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

Other Matters (Continued)

Government Auditing Standards requires the auditor to perform limited procedures on the Mifflin County Academy of Science and Technology's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Mifflin County Academy of Science and Technology's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Mifflin County Academy of Science and Technology's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Mifflin County Academy of Science and Technology's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, Decker, Brown & Company, P.C.

Altoona, Pennsylvania
November 1, 2022

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

A. Summary of Auditors Results

1. An unmodified opinion was issued on the Academy's financial statements.
2. There were no material weaknesses in internal control identified by the audit of the financial statements.
3. The audit did not disclose any noncompliance which is material to the Academy's financial statements.
4. There were no material weaknesses in the internal control over major federal programs identified by the audit.
5. An unmodified opinion was issued on the Academy's compliance for major federal programs.
6. The audit disclosed an audit finding which is required to be reported under 2 CFR Section 200.516(a).
7. The Academy's major program is the Education Stabilization Fund.
8. The amount of \$750,000 was the dollar threshold used to determine Type A and Type B programs.
9. The Academy does not qualify as a low-risk auditee.

B. Financial Statements Findings

No findings noted.

C. Federal Awards Findings and Questioned Cost

2022-001

Condition

For 84.425E, Student portion, it was noted that the 2021 information was not available on the Academy's website. In link the website, takes the individual to old, outdated information from 2020.

For 84.425F, Institution portion, it was noted that the December 2021 and June 2022 quarterly reports were not available or not easily identifiable. Links were incorrectly labeled or linked.

Criteria

In accordance with Section 18004(e) of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the following information must appear in a format and location that is easily accessible to the public. This information must be updated no later than 10 days after the end of each calendar quarter (September 30, December 31, March 31, and June 30) thereafter:

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

C. Federal Awards Findings and Questioned Cost (Continued)

2022-001 (Continued)

Criteria (Continued)

- (1) An acknowledgement that the institution signed and returned to the Department, the Certification and Agreement, and the assurance that the institution has used, or intends to use, no less than 50 percent of the funds received under Section 18004(a)(1) of the CARES Act to provide Emergency Financial Aid Grants to Students.
- (2) The total amount of funds that the institution will receive or has received from the Department pursuant to the institution's Certification and Agreement for Emergency Financial Aid Grants to Students.
- (3) The total amount of Emergency Financial Aid Grants distributed to students under Section 18004(a)(1) of the CARES Act as of the date of submission (i.e., as of the initial report and every calendar quarter thereafter).
- (4) The estimated total number of students at the institution eligible to participate in programs under Section 484 in Title IV of the Higher Education Act of 1965 and, thus, eligible to receive Emergency Financial Aid Grants to Students under Section 18004(a)(1) of the CARES Act.
- (5) The total number of students who have received an Emergency Financial Aid Grant to students under Section 18004(a)(1) of the CARES Act.
- (6) The method(s) used by the institution to determine which students receive Emergency Financial Aid Grants and how much they would receive under Section 18004(a)(1) of the CARES Act.
- (7) Any instructions, directions, or guidance provided by the institution to students concerning the Emergency Financial Aid Grants.

Cause

The incorrect date was entered due to human error.

Effect

The public did not have access to the most up-to-date information pertaining to funds the Academy received and how it was spent.

Question Costs

None

Recommendation

We recommend that the Academy implements procedures to ensure compliance with this regulation to ensure all information on the website is correct.

Response

In order to ensure compliance with CARES Act public reporting, the Business Manager will review all reports prepared by the Supervisor of Adult Education prior to posting on the website beginning with the next quarterly report due by January 10, 2023.

**MIFFLIN COUNTY ACADEMY OF SCIENCE AND TECHNOLOGY
SUMMARY SCHEDULE OF PRIOR YEARS' FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

No prior year finding were noted.