

**SELINGROVE AREA SCHOOL DISTRICT**  
**SELINGROVE, PENNSYLVANIA**  
**FINANCIAL STATEMENTS AND SINGLE AUDIT REPORT**  
**YEAR ENDED JUNE 30, 2024**

SELINGROVE AREA SCHOOL DISTRICT

YEAR ENDED JUNE 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

Board of School Directors  
Selinsgrove Area School District  
Selinsgrove, Pennsylvania

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

#### ***Opinions***

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

830 Sir Thomas Court, Suite 100, Harrisburg, PA 17109  
3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237  
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929  
420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401  
210 Tollgate Hill Road, Greensburg, PA 15601



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Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

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

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

### ***Adoption of New Governmental Accounting Standards Board Pronouncements***

As described in Note 1 to the financial statements, in 2024 the District adopted the required provisions of Governmental Accounting Standards Board's Statements GASB Statement No. 99, "*Omnibus 2022*" and GASB Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*". Our opinion is not modified with respect to these matters.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of revenues, expenditures, and changes in fund balance budget and actual – General Fund, the schedule of changes in the total OPEB liability and related ratios – District other postemployment benefits plan, the schedule of the District's proportionate share of the net OPEB liability – PSERS plan, the schedule of the District's OPEB contributions – PSERS plan, the schedule of the District's proportionate share of the net pension liability, and the schedule of District contributions – pension plan on pages 4 through 16 and pages 60 through 65 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



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knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The statistical schedules on pages 67 through 71 and the Schedule of Expenditures of Federal Awards, 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards 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 Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Zelenkofske Axlerod LLC*

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania  
December 19, 2024

# SELINSGROVE AREA SCHOOL DISTRICT

## Management's Discussion & Analysis Year Ended June 30, 2024

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

The Management Discussion & Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2023-24) and the prior year (2022-23) is required to be presented in the MD&A.

### **FINANCIAL HIGHLIGHTS**

- The General Fund final surplus for the year was \$1,336,196.
- The District was able to transfer an additional \$1.0 million to the Capital Reserve Fund and \$500,000 to the Debt Service Fund from the initial General Fund surplus.
- Total General Fund Reserves (total fund balances) at year-end were \$13.3 million representing 26.3% of 2024-25 budgeted expenses.
- Total combined General Fund, Debt Service Fund, and Capital Reserve Fund reserves increased \$599 thousand to \$18.72 million.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This report consists of four parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about the activities the District operates as a business, such as food service.

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

# SELINSGROVE AREA SCHOOL DISTRICT

## Management's Discussion & Analysis Year Ended June 30, 2024

### **District-wide Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District'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 district-wide statements report the District's net assets and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position.

In the district-wide financial statements, the District's activities are divided into two categories:

- Governmental activities - Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- Business-type activities - The District charges fees to help cover the costs of certain services it provides. The District's food service is included here.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds and not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District has two kinds of funds:

- Governmental funds – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the long-term focus of the district-wide statements, we provide additional information with the governmental funds statements to explain the relationship between them.
- Proprietary funds – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.



SELINGROVE AREA SCHOOL DISTRICT

Management's Discussion & Analysis  
Year Ended June 30, 2024

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net position.** The District's combined net position was (\$34,675,900), on June 30, 2024. (See Table A-1).

**Table A-1  
Selinsgrove Area School District  
Net Position as of  
June 30, 2024**

	Governmental		Business-type			
	Activities		Activities		Total	
	2023	2024	2023	2024	2023	2024
Current and other assets	\$25,070,296	\$26,343,854	\$1,191,574	\$1,318,697	\$26,261,870	\$27,652,551
Capital assets	34,454,453	33,650,434	532,305	475,860	34,986,758	34,126,294
<b>Total Assets</b>	<b>\$59,524,749</b>	<b>\$59,994,288</b>	<b>\$1,723,879</b>	<b>\$1,794,557</b>	<b>\$61,248,628</b>	<b>\$61,788,845</b>
<b>Deferred Outflow of Resources</b>	<b>\$12,890,870</b>	<b>\$12,983,491</b>	\$0	\$0	<b>\$12,890,870</b>	<b>\$12,983,491</b>
Long term debt outstanding	\$38,134,553	\$34,691,638	\$0	0	\$38,134,553	\$34,691,638
Other liabilities	7,862,588	9,134,252	87,412	49,725	7,950,000	9,183,977
Net Pension Liability	57,707,000	57,254,000	0	0	57,707,000	57,254,000
<b>Total Liabilities</b>	<b>\$103,704,141</b>	<b>\$101,079,890</b>	<b>\$87,412</b>	<b>\$49,725</b>	<b>\$103,791,553</b>	<b>\$101,129,615</b>
<b>Deferred Inflow of Resources</b>	<b>\$10,314,480</b>	<b>\$8,318,621</b>	\$0	\$0	<b>\$10,314,480</b>	<b>\$8,318,621</b>
Net investment in capital assets	\$10,481,526	\$12,394,127	\$532,305	\$475,860	\$11,013,831	\$12,869,987
Restricted net assets	6,968,698	6,295,588	0	0	6,968,698	6,295,588
Unrestricted net assets	(59,053,226)	(55,110,447)	1,104,162	1,268,972	(57,949,064)	(53,841,475)
<b>Total Net Position</b>	<b>\$(41,603,002)</b>	<b>\$(36,420,732)</b>	<b>\$1,636,467</b>	<b>\$1,744,832</b>	<b>\$(39,966,535)</b>	<b>\$(34,675,900)</b>

SELINGROVE AREA SCHOOL DISTRICT

Management's Discussion & Analysis  
Year Ended June 30, 2024

**Table A-2**  
**Selinsgrove Area School District**  
**Fiscal Year Ended June 30, 2024**  
**Change in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
	Revenues					
Program Revenues						
Charges for services	\$456,586	\$509,410	\$548,017	\$513,386	\$1,004,603	\$1,022,796
Operating Grants & Contributions	12,255,781	20,343,277	1,132,113	1,156,751	13,387,894	21,500,028
Capital Grants & Contributions	821,260	669,956	0	0	821,260	669,956
General Revenues						
Property Taxes	18,250,419	18,373,752	0	0	18,250,419	18,373,752
Other Taxes	9,222,232	9,818,529	0	0	9,222,232	9,818,529
State formula aid	9,681,703	870,830	0	0	9,681,703	870,830
Investment earnings	634,124	992,084	24,213	44,211	658,337	1,036,295
Other	17,817	9,875	0	0	17,817	9,875
<b>Total Revenues</b>	<b>51,339,922</b>	<b>51,587,713</b>	<b>1,704,343</b>	<b>1,714,348</b>	<b>53,044,265</b>	<b>53,302,061</b>
Expenses						
Instruction	26,851,220	28,654,677	0	0	26,851,220	28,654,677
Instruction Student Support	4,132,927	5,024,967	0	0	4,132,927	5,024,967
Administration	4,203,967	4,383,600	0	0	4,203,967	4,383,600
Operation & Maint of facilities	4,223,312	3,648,966	0	0	4,223,312	3,648,966
Pupil Transportation	2,274,625	2,339,395	0	0	2,274,625	2,339,395
Student Activities	1,415,216	1,634,214	0	0	1,415,216	1,634,214
Community Services	39,562	45,593	0	0	39,562	45,593
Interest on Long term debt	733,358	674,031	0	0	733,358	674,031
Food Service	0	0	1,582,657	1,605,983	1,582,657	1,605,983
<b>Total Expenses</b>	<b>43,874,187</b>	<b>46,405,443</b>	<b>1,582,657</b>	<b>1,605,983</b>	<b>45,456,844</b>	<b>48,011,426</b>
<b>Increase/(Decrease) in Net Position</b>	<b>\$7,465,735</b>	<b>\$5,182,270</b>	<b>\$121,686</b>	<b>\$108,365</b>	<b>\$7,587,421</b>	<b>\$5,290,635</b>

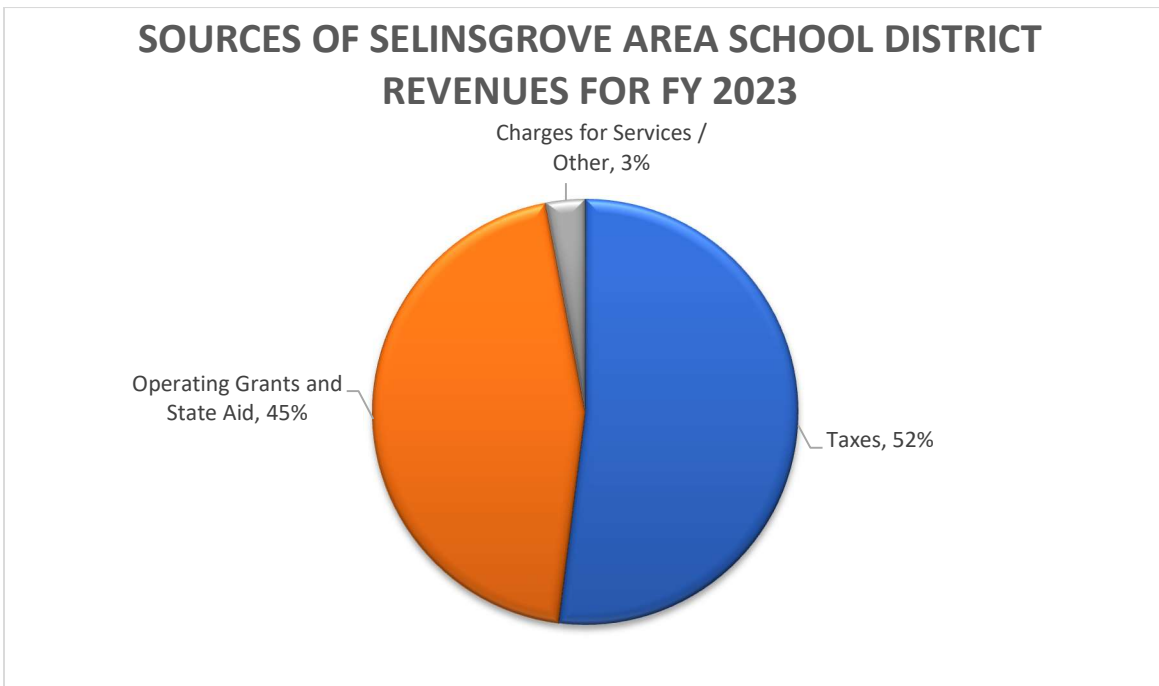
# SELINGROVE AREA SCHOOL DISTRICT

## Management's Discussion & Analysis Year Ended June 30, 2024

**Changes in net position.** The District's total revenues were \$53,302,061 for the year ended June 30, 2024 (see Table A-2). Property taxes and other taxes levied for general purposes continue to account for most of the District's revenue in the amount of \$28,192,281 or 52.9% of total revenues. Another 42.0% or \$22,370,858 came from operating grants, contributions, and the state formula aid, which includes basic education, special education, and transportation subsidies.

The total cost of all programs and services was \$48,011,426 (see Table A-2). The District's costs related to educating and servicing students were \$37,653,253 or 78.4% of total expenses (Instruction, Instructional Student support, Pupil transportation, Student Activities). Administrative costs accounted for 9.1% of total expenses or \$4,383,600 and operation of the District's facilities accounted for 7.6% of total expenses or \$ 3,648,966. Finally, food service costs made up 3.3% of total costs or \$1,605,983 and all other expenses (including interest on long-term debt) accounted for 1.6% or \$719,624.

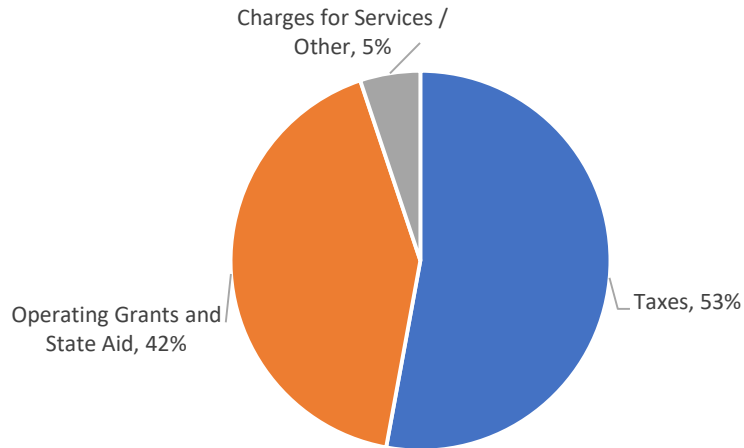
Total revenues exceeded expenses, increasing net position by \$5,290,635.



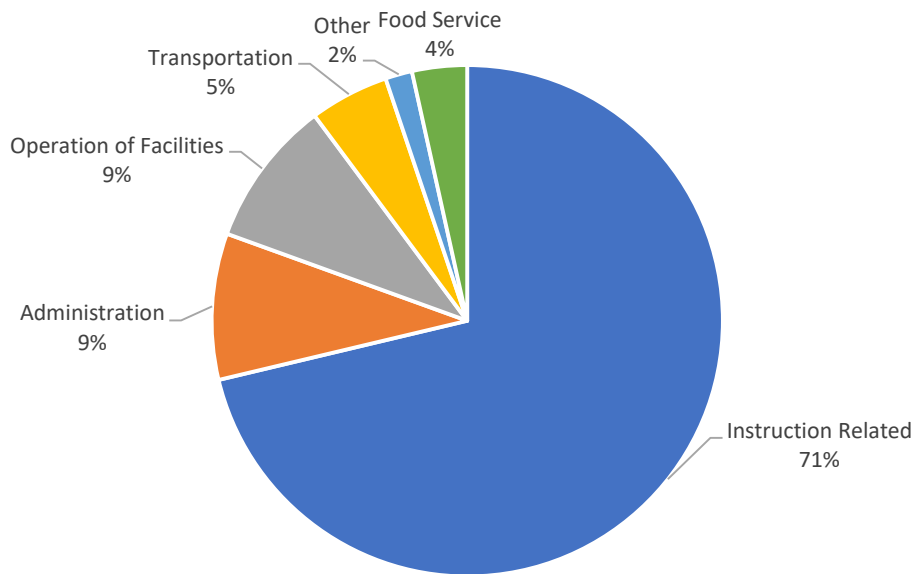
SELINGROVE AREA SCHOOL DISTRICT

Management's Discussion & Analysis  
Year Ended June 30, 2024

**SOURCES OF SELINGROVE AREA SCHOOL DISTRICT  
REVENUES FOR FY 2024**

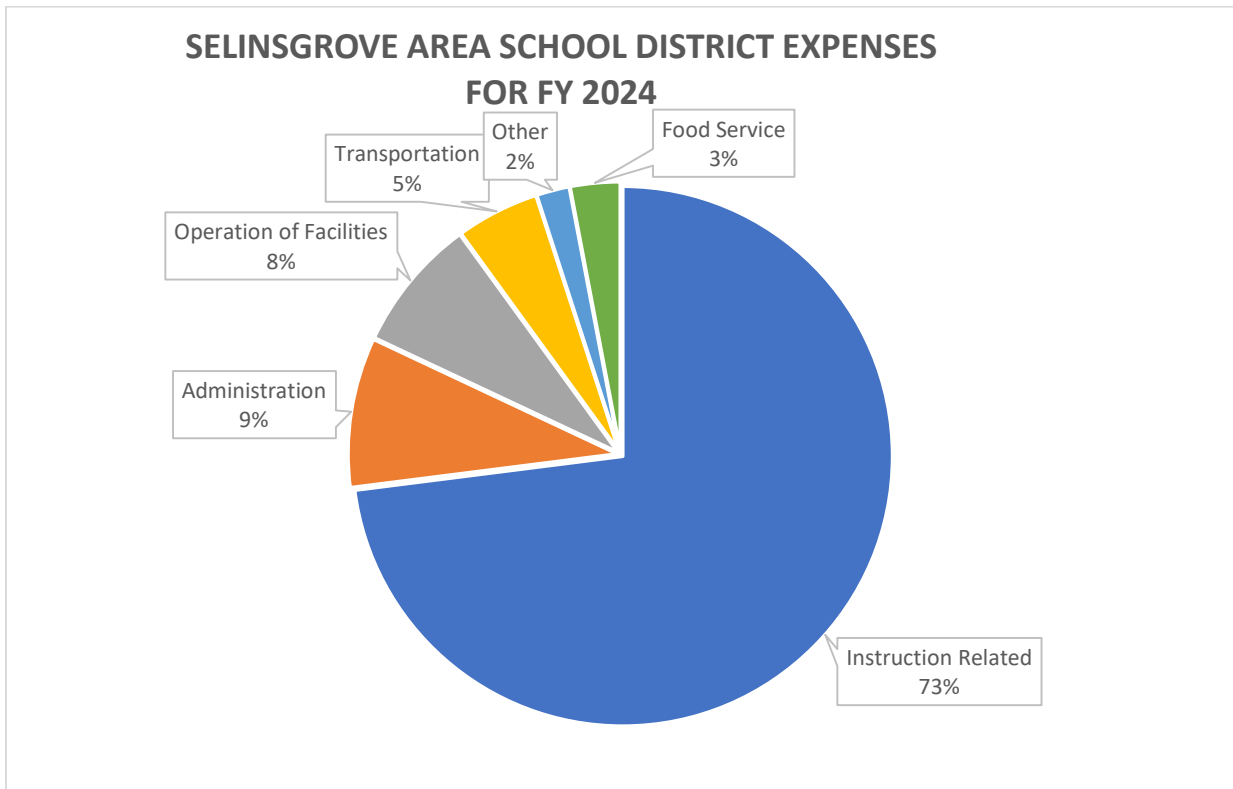


**SELINGROVE AREA SCHOOL DISTRICT EXPENSES FOR  
FY 2023**



# SELINGROVE AREA SCHOOL DISTRICT

## Management's Discussion & Analysis Year Ended June 30, 2024



The cost of all District activities was \$48,011,426. (See Table A-2).

- Some of the cost was paid by the users of the District's programs (\$1,022,796).
- Federal and state governments subsidized certain programs with grants and contributions (\$22,169,984).
- Most of the District's costs (\$24,818,646), however, were paid for by District taxpayers and taxpayers of our state.

This portion of governmental activities was paid for with \$28,192,281 in Taxes and \$1,917,000 of investment earnings and other general revenues.

This resulted in a surplus of revenue over expenses that increased the overall net position by \$5,290,635.

SELINGROVE AREA SCHOOL DISTRICT

Management’s Discussion & Analysis  
Year Ended June 30, 2024

**Table A-3**  
**Selinsgrove Area School District**  
**Net Cost of Governmental Activities**

	Total Cost		Percentage	Net Cost		Percentage
	of Services		Change	of Services		Change
	2023	2024	2023-24	2023	2024	2023-24
Instruction	\$26,851,220	\$28,654,677	6.7%	\$17,375,625	\$10,919,324	(37.2%)
Instruction Student Support	4,132,927	5,024,967	21.6%	3,241,774	4,497,674	38.7%
Administration	4,203,967	4,383,600	4.3%	3,759,487	4,015,421	6.8%
Operation & Maint of facilities	4,223,312	3,648,966	(13.6%)	3,462,342	3,085,909	(10.9%)
Pupil Transportation	2,274,625	2,339,395	2.8%	1,322,922	1,185,239	(10.4%)
Student Activities	1,415,216	1,634,214	15.5%	971,141	1,134,149	16.8%
Community Services	39,562	45,593	15.2%	37,702	41,009	8.8%
Interest on Long term debt	733,358	674,031	(8.1%)	169,567	4,075	(97.6%)
Food Service	1,582,657	1,605,983	1.5%	(97,473)	(64,154)	(34.2%)
<b>Total Expenses</b>	<b>\$45,456,844</b>	<b>\$48,011,426</b>	<b>5.6%</b>	<b>\$30,243,087</b>	<b>\$24,818,646</b>	<b>(17.9%)</b>

**FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS**

The District’s governmental funds reported a combined fund balance of \$19,024,201 a net increase of \$570,734 from the prior year. The schedule below summarizes the fund balances and the total changes in fund balances as of June 30, 2023 and 2024.

	Fund Balance	Fund Balance	Increase/
	6/30/2023	6/30/2024	(Decrease)
General	\$11,992,036	\$13,328,232	\$1,336,196
Capital Projects	4,182,482	2,952,571	(1,229,911)
Debt Service	1,942,911	2,435,973	493,062
Special Revenue	336,038	307,425	(28,613)
<b>Total Fund Balances</b>	<b>\$18,453,467</b>	<b>\$19,024,201</b>	<b>\$570,734</b>

SELINGROVE AREA SCHOOL DISTRICT

Management’s Discussion & Analysis  
Year Ended June 30, 2024

Revenues and net other financing sources/uses for the District’s governmental funds were \$51,370,248 while Expenses were \$50,799,514 producing a net change in fund balances of \$570,734.

**GENERAL FUND**

The following schedule provides a summary of General Fund revenues:

	2023	2024	Increase/ (Decrease)	% Change
Local Sources	\$28,680,622	\$29,581,577	\$900,955	3.1%
State Sources	17,710,483	18,465,018	754,535	4.3%
Federal Sources	4,576,321	2,875,661	(1,700,660)	(37.2%)
Financing Sources:				
Bond/Lease Proceeds	0	0	0	
Transfer in from Other Funds	0	0	0	
Other Financing Sources	17,817	9,875	(7,942)	(44.6%)
<b>Total Revenue</b>	<b>\$50,985,243</b>	<b>\$50,932,131</b>	<b>(\$53,112)</b>	<b>(.1%)</b>

Total General Fund revenue decreased by \$53,112 or .1% from the previous year. Local revenue sources increased \$900,955 or 3.1% from the previous year mainly due to an increase in earned income tax and real estate tax collections. State sources were up by 754,535 or 4.3% due to an increase in basic education funding and special education funding. Federal sources decreased by \$1,700,660 or 37.2% because of ESSER (COVID Relief) funds being exhausted.

The following schedule presents a summary of General Fund expenditures and other financing uses:

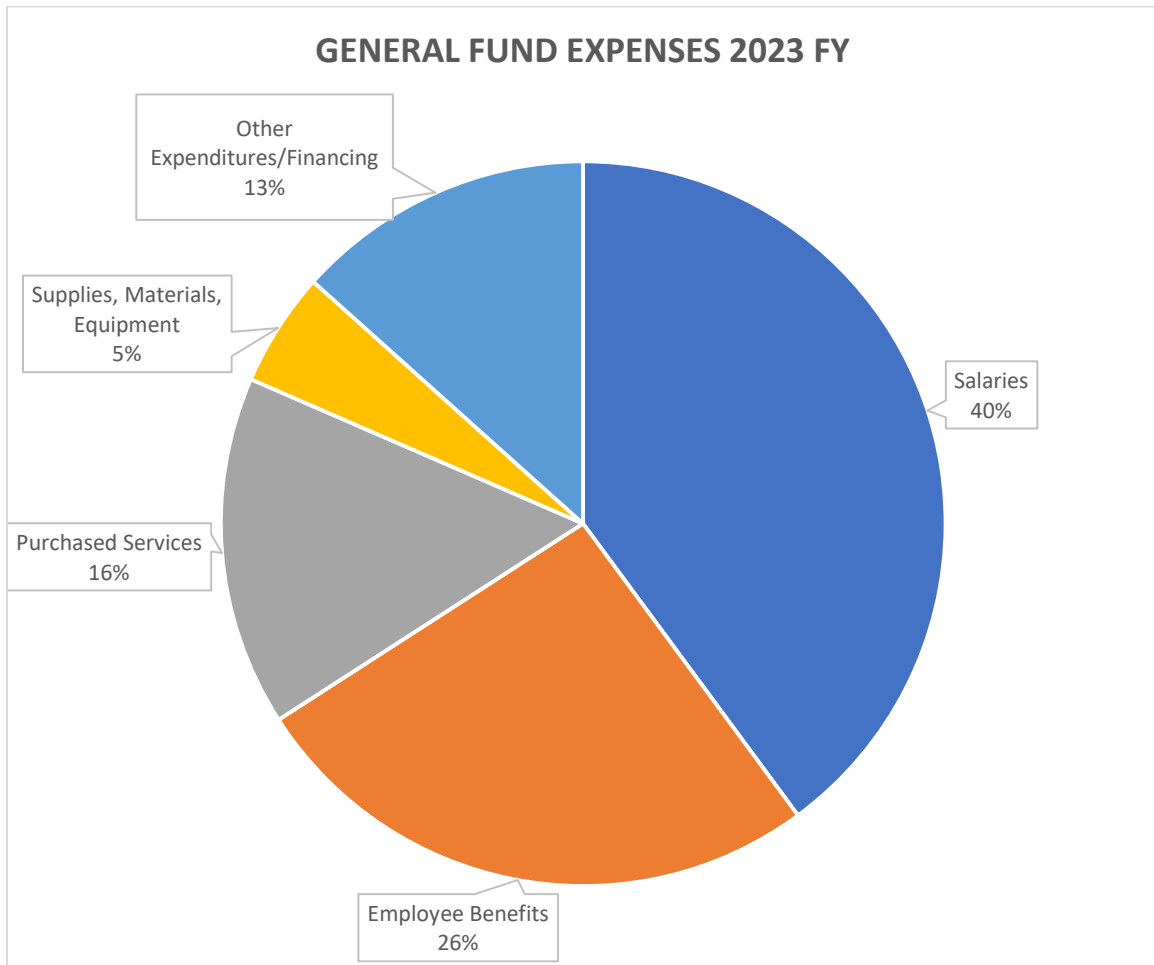
	2023	2024	Increase/ (Decrease)	% Change
Salaries	\$20,022,219	\$20,376,064	\$353,845	1.8%
Employee Benefits	13,049,278	13,417,818	368,540	2.8%
Purchased Services	7,843,002	8,220,379	377,377	4.8%
Supplies, Materials, Equipment	2,564,644	2,456,530	(108,114)	(4.2%)
Debt Service	0	0		
Other Expenditures/Financing Uses	6,710,420	5,125,144	(1,585,276)	(23.6%)
<b>Total Expenditures/Financing Uses</b>	<b>\$50,189,563</b>	<b>\$49,595,935</b>	<b>(\$593,628)</b>	<b>(1.2%)</b>

# SELINGROVE AREA SCHOOL DISTRICT

## Management's Discussion & Analysis Year Ended June 30, 2024

Total General Fund expenditures and financing uses decreased \$593,628 or 1.2% from the previous year. Salary costs increased by \$353,845 or 1.8% from 2022-23. This was due to contractual increases by employee groups. Employee benefits increased by \$368,540 or 2.8% due to an increase in medical insurance costs and fringe benefit costs (retirement and social security) associated with the increase in salaries. Purchased service costs increased by \$377,377 or 4.8% because of an increase in costs for student tuition expenses for cyber charter school, pupil transportation, repairs and maintenance, and special education costs through the Central Susquehanna Intermediate Unit. Expenses for Supplies, Materials, and Equipment decreased by a total of \$108,114 or 4.2% because of a decrease in spending for technology and curriculum/software funded through federal grant funds. Other Costs/Financing Uses were \$1,585,276 or 23.6% less than the prior year. There were less transfers out to the capital reserve and debt service funds from the General Fund this year.

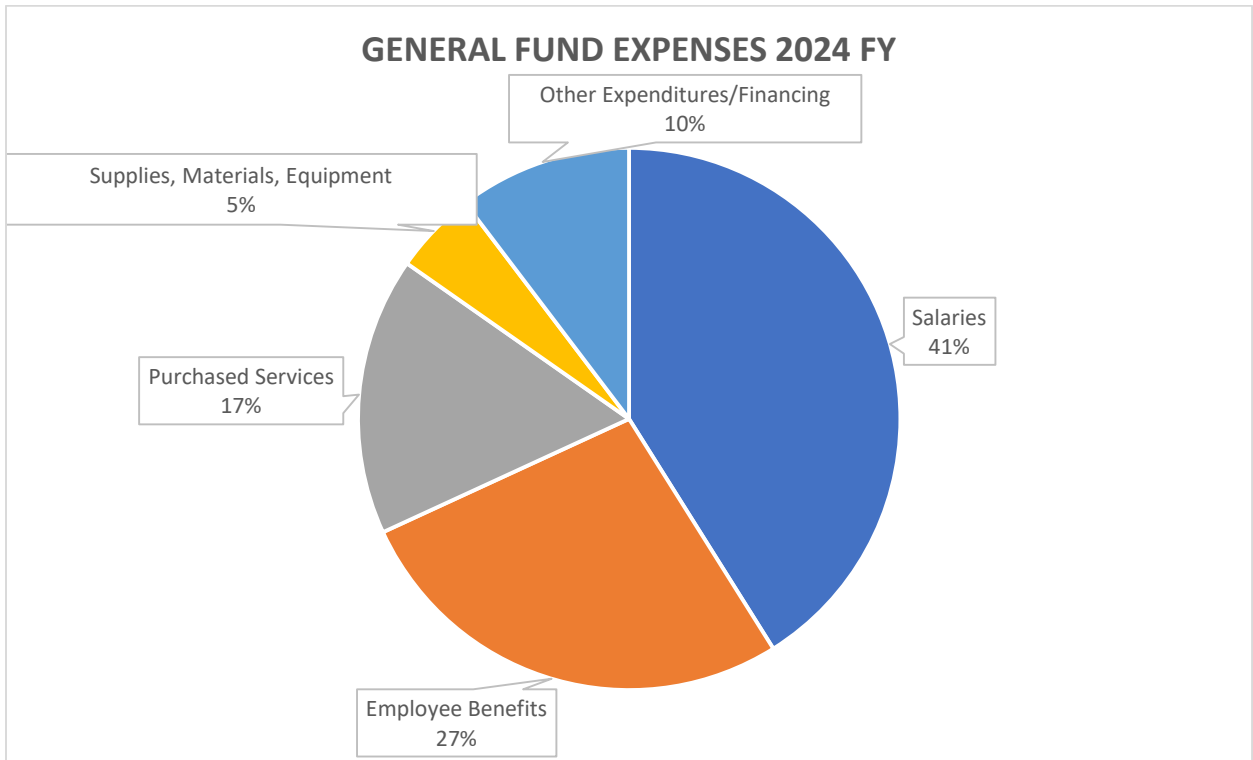
In 2023-24, General Fund revenues and financing sources exceeded expenditures and financing uses by \$ 1,336,196. This increased the fund balance to \$13,328,232 at June 30, 2024. This number represents a healthy 26.3% of 2024-25 budgeted expenses.





# SELINGROVE AREA SCHOOL DISTRICT

## Management's Discussion & Analysis Year Ended June 30, 2024



### General Fund Budgetary Highlights

Over the course of the year, the District reviews expenditures and makes appropriate adjustments to cover unexpected expenditures in the annual operating budget due to increases in appropriations of significant budgeted costs. While the District's original budget for the General Fund anticipated that expenditures and other financing uses and revenues and other financing sources would balance, actual results show that revenues and other financing sources exceeded expenditures and other financing uses by \$1,336,196. Overall expenses came in \$1,025,239 or 2.2% under the adjusted budget. Major variances occurred in salary costs, which were \$342,964 or 1.7% under budget. Employee benefits were \$953,568 or 6.7% under budget. Purchased services were \$468,461 or 6.0% over budget. Supplies and Equipment were \$204,505 or 7.7% under budget. Other expenses/budgetary reserve were \$7,337 or 6.2% over budget. Transfers out to the Capital Reserve and Debt Service Funds were \$1,500,000 or 42.9% over budget because of the extra year end transfers from the General Fund surplus. General Fund revenues and financing sources came in \$1,947,353 or 4.0% over budget. Local sources (including the sale of fixed assets) were \$309,387 or 1.1% over budget. State sources were \$1,193,824 or 6.9% over budget. Federal sources were \$444,142 or 18.3% over budget.

## SELINGSGROVE AREA SCHOOL DISTRICT

### Management's Discussion & Analysis Year Ended June 30, 2024

#### CAPITAL ASSETS

The District has invested \$98,450,430 in a broad range of capital assets, including land, school buildings, athletic facilities, library resources, computer and audio-visual equipment, and construction in progress (see table A-4). Accumulated depreciation expenses year to date June 30, 2024 totaled \$64,324,136.

Current year investments in fixed assets included computers and related hardware, improvements to school buildings, and campus site improvements.

Table A-4  
Selingsgrove Area School District  
Capital Assets

	2023	2024	Increase/ (Decrease)	% Change
Land	\$501,269	\$501,269	\$0	0%
Building and Building Improvements	68,328,848	69,243,834	914,986	1.3%
Furniture and Equipment	18,732,701	19,284,885	552,184	2.9%
Site Improvements	7,941,827	9,115,157	1,173,330	14.8%
Construction in Progress	94,621	305,285	210,664	222.6%
Less: Accumulated Depreciation	(60,612,508)	(64,324,136)	(3,711,628)	6.1%
<b>Total</b>	<b>\$34,986,758</b>	<b>\$34,126,294</b>	<b>(\$860,464)</b>	<b>(2.5%)</b>

#### LONG-TERM LIABILITIES

At year-end, the District had \$20,865,000 in debt outstanding, \$17,300,230 of accrued compensated absences and other post-employment benefits (OPEB), and net pension liability of \$57,254,000, a decrease of \$2,943,577 from the previous year (see table A-5).

Table A-5  
Selingsgrove Area School District  
Outstanding Long-term Liabilities

	2023	2024	Increase/ (Decrease)	% Change
General Obligation Bonds/Other Debt	\$23,810,000	\$20,865,000	\$(2,945,000)	(12.4%)
Compensated Absences/OPEB	16,845,807	17,300,230	454,423	2.7%
Net Pension Liability	57,707,000	57,254,000	(453,000)	(0.8%)
<b>Total</b>	<b>\$98,362,807</b>	<b>\$95,419,230</b>	<b>(\$2,943,577)</b>	<b>(3.0%)</b>

# SELINGROVE AREA SCHOOL DISTRICT

## Management's Discussion & Analysis Year Ended June 30, 2024

### **FACTORS INFLUENCING THE DISTRICT'S FINANCIAL FUTURE**

The District will face many financial challenges in the future.

Act 1, The Tax Payer Relief Act, will continue to limit the district's ability to raise real estate taxes in order to generate additional revenue to fund the budget. Increases are based upon an inflation factor that is provided by the Department of Education each year. Current projections show a 3%-5% increase over the next few years.

Another factor that will have a major impact is the projected employer contribution into the Pennsylvania School Employees' Retirement System (PSERS). That rate decreased to 33.90% in 2024-25 then projected to increase to 34.72% in 2025-26 and gradually rising to 38.26% by 2031-32. These high contribution rates will continue to have a major impact on future district budgets.

A final factor that will have an impact on the district's budget in the near term is the loss of the additional federal ESSER funds that were used to offset the effects of learning loss due to COVID. The use of those funds ends 9/30/24. The district had hired additional professional personnel with those funds and plans to continue those programs after the funds run out.

The district maintains a five-year fiscal plan that deals with these factors by using a combination of revenue enhancements, expenditure reductions, and the use of reserves in order to balance future budgets.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

The financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Business Office, Selingsrove Area School District, 329 Seals Avenue., Selingsrove, PA 17870.

# **BASIC FINANCIAL STATEMENTS**

**SELINGROVE AREA SCHOOL DISTRICT**

**STATEMENT OF NET POSITION**

**JUNE 30, 2024**

<b>ASSETS</b>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 12,574,818	\$ 1,269,814	\$ 13,844,632
Restricted cash	4,005,077	-	4,005,077
Investments	1,869,876	-	1,869,876
Taxes receivable, net	4,155,203	-	4,155,203
Due from other governments	3,344,852	3,384	3,348,236
Internal balances	29,733	(29,733)	-
Other receivables	102,327	-	102,327
Inventories	31,659	75,232	106,891
Prepaid expenses	230,309	-	230,309
<b>TOTAL CURRENT ASSETS</b>	<u>26,343,854</u>	<u>1,318,697</u>	<u>27,662,551</u>
<b>NON-CURRENT ASSETS</b>			
Land	501,269	-	501,269
Building and building improvements (net of acc. dep.)	27,333,289	311,088	27,644,377
Furniture and equipment (net of acc. dep.)	2,267,725	164,772	2,432,497
Construction in progress	305,285	-	305,285
Site Improvements (net of acc. dep.)	3,242,866	-	3,242,866
<b>TOTAL NON-CURRENT ASSETS</b>	<u>33,650,434</u>	<u>475,860</u>	<u>34,126,294</u>
<b>TOTAL ASSETS</b>	<u>\$ 59,994,288</u>	<u>\$ 1,794,557</u>	<u>\$ 61,788,845</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	\$ 9,081,218	\$ -	\$ 9,081,218
Other postemployment benefits	3,751,967	-	3,751,967
Deferred charge on refunding	150,306	-	150,306
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 12,983,491</u>	<u>\$ -</u>	<u>\$ 12,983,491</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 3,526,588	\$ 80	\$ 3,526,668
Accrued salaries and benefits	1,335,090	-	1,335,090
Payroll deductions and withholdings	185,184	-	185,184
Accrued interest	208,232	-	208,232
Current portion of bonds payable, net	3,756,169	-	3,756,169
Current portion of compensated absences	32,500	-	32,500
Unearned revenue	90,489	49,645	140,134
<b>TOTAL CURRENT LIABILITIES</b>	<u>9,134,252</u>	<u>49,725</u>	<u>9,183,977</u>
<b>NON-CURRENT LIABILITIES</b>			
Bonds payable, net	17,423,908	-	17,423,908
Long-term portion of compensated absences	853,500	-	853,500
Other postemployment benefits	16,414,230	-	16,414,230
Net pension liability	57,254,000	-	57,254,000
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>91,945,638</u>	<u>-</u>	<u>91,945,638</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 101,079,890</u>	<u>\$ 49,725</u>	<u>\$ 101,129,615</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	\$ 2,421,000	\$ -	\$ 2,421,000
Other postemployment benefits	5,897,621	-	5,897,621
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 8,318,621</u>	<u>\$ -</u>	<u>\$ 8,318,621</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 12,394,127	\$ 475,860	\$ 12,869,987
Restricted	6,295,588	-	6,295,588
Unrestricted	(55,110,447)	1,268,972	(53,841,475)
<b>TOTAL NET POSITION</b>	<u>\$ (36,420,732)</u>	<u>\$ 1,744,832</u>	<u>\$ (34,675,900)</u>

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

**SELINGROVE AREA SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense)/Revenue Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
Instruction	\$ 28,654,677	\$ 20,023	\$ 17,715,330	\$ -	\$ (10,919,324)	\$ -	\$ (10,919,324)
Instructional Student Support	5,024,967	-	527,293	-	(4,497,674)	-	(4,497,674)
Administrative & Financial Support Svcs	4,383,600	-	368,179	-	(4,015,421)	-	(4,015,421)
Operation & Maintenance of Plant Svcs	3,648,966	126,580	436,477	-	(3,085,909)	-	(3,085,909)
Pupil Transportation	2,339,395	-	1,154,156	-	(1,185,239)	-	(1,185,239)
Student Activities	1,634,214	362,807	137,258	-	(1,134,149)	-	(1,134,149)
Community Services	45,593	-	4,584	-	(41,009)	-	(41,009)
Interest on Long Term Debt	674,031	-	-	669,956	(4,075)	-	(4,075)
<b>Total Governmental Activities</b>	<b>46,405,443</b>	<b>509,410</b>	<b>20,343,277</b>	<b>669,956</b>	<b>(24,882,800)</b>	<b>-</b>	<b>(24,882,800)</b>
<b>Business-Type Activities:</b>							
Food Service	1,605,983	513,386	1,156,751	-	-	64,154	64,154
<b>Total</b>	<b>\$ 48,011,426</b>	<b>\$ 1,022,796</b>	<b>\$ 21,500,028</b>	<b>\$ 669,956</b>	<b>(24,882,800)</b>	<b>64,154</b>	<b>(24,818,646)</b>
<b>General Revenues</b>							
<b>Taxes:</b>							
Property Taxes Levied for General Purposes, net					18,373,752	-	18,373,752
Other Taxes					9,818,529	-	9,818,529
Grants, Subsidies, & Contributions Not Restricted					870,830	-	870,830
Investment Earnings					992,084	44,211	1,036,295
Sale of Capital Assets					9,875	-	9,875
<b>Total General Revenues</b>					<b>30,065,070</b>	<b>44,211</b>	<b>30,109,281</b>
Change in Net Position					5,182,270	108,365	5,290,635
Net Position, Beginning					(41,603,002)	1,636,467	(39,966,535)
<b>Net Position, Ending</b>					<b>\$ (36,420,732)</b>	<b>\$ 1,744,832</b>	<b>\$ (34,675,900)</b>

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

**SELINGROVE AREA SCHOOL DISTRICT**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2024**

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 12,574,818	\$ -	\$ -	\$ -	\$ 12,574,818
Restricted cash	-	815,960	2,899,473	289,644	4,005,077
Investments	1,869,876	-	-	-	1,869,876
Taxes receivable, net	4,155,203	-	-	-	4,155,203
Due from other funds	1,013,053	2,363,307	500,000	12,837	3,889,197
Due from other governments	3,344,852	-	-	-	3,344,852
Other receivables	91,271	-	-	11,056	102,327
Inventories	31,659	-	-	-	31,659
Prepaid expenses	230,309	-	-	-	230,309
<b>TOTAL ASSETS</b>	<b>\$ 23,311,041</b>	<b>\$ 3,179,267</b>	<b>\$ 3,399,473</b>	<b>\$ 313,537</b>	<b>\$ 30,203,318</b>
 <b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ 2,895,885	\$ 79	\$ 963,500	\$ -	\$ 3,859,464
Accounts payable	3,293,859	226,617	-	6,112	3,526,588
Accrued salaries and benefits	1,335,090	-	-	-	1,335,090
Payroll deductions and withholdings	185,184	-	-	-	185,184
Unearned revenue	90,489	-	-	-	90,489
<b>TOTAL LIABILITIES</b>	<b>7,800,507</b>	<b>226,696</b>	<b>963,500</b>	<b>6,112</b>	<b>8,996,815</b>
 <b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenue - taxes	2,182,302	-	-	-	2,182,302
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>2,182,302</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,182,302</b>
 <b>FUND BALANCE</b>					
Nonspendable					
Inventories	31,659	-	-	-	31,659
Prepaid expenses	230,309	-	-	-	230,309
Restricted					
Special education ACCESS	599,619	-	-	-	599,619
Capital projects	-	2,952,571	-	-	2,952,571
Debt service	-	-	2,435,973	-	2,435,973
Scholarships	-	-	-	96,497	96,497
Student Activities	-	-	-	210,928	210,928
Committed					
Retiree healthcare	1,607,045	-	-	-	1,607,045
Real estate tax appeals	146,125	-	-	-	146,125
PSERS	2,214,716	-	-	-	2,214,716
Instructional support positions	2,825,000	-	-	-	2,825,000
Technology	371,000	-	-	-	371,000
Future capital projects	2,250,223	-	-	-	2,250,223
Assigned					
Student educational projects	69,369	-	-	-	69,369
Unassigned	2,983,167	-	-	-	2,983,167
<b>TOTAL FUND BALANCE</b>	<b>13,328,232</b>	<b>2,952,571</b>	<b>2,435,973</b>	<b>307,425</b>	<b>19,024,201</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 23,311,041</b>	<b>\$ 3,179,267</b>	<b>\$ 3,399,473</b>	<b>\$ 313,537</b>	<b>\$ 30,203,318</b>

**SELINGROVE AREA SCHOOL DISTRICT**

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2024**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** \$ 19,024,201

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

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

Cost of capital assets	97,223,920	
Less: accumulated depreciation	(63,573,486)	
		33,650,434

Long-term liabilities and deferred inflows and outflows applicable to the District's governmental activities are applicable to future periods and, therefore are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Long term liabilities and deferred inflows and outflows reported at June 30, 2024 are:

General obligation debt	(20,865,000)	
Less: Deferred charge on refunding	150,306	
Unamortized bond (premiums)/discounts	(315,077)	
Compensated absences	(886,000)	
Accrued interest on bonds	(208,232)	
Net pension liability	(57,254,000)	
Pensions - Deferred Outflows of Resources	9,081,218	
Pensions - Deferred Inflows of Resources	(2,421,000)	
Other postemployment benefits (OPEB)	(16,414,230)	
OPEB - Deferred Outflows of Resources	3,751,967	
OPEB - Deferred Inflows of Resources	(5,897,621)	
		(91,277,669)

Some of the District's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue - taxes in the funds.

2,182,302

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** \$ (36,420,732)



**SELINGROVE AREA SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES**

**ALL GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local sources	\$ 29,581,577	\$ 41,112	\$ 131,000	\$ 266,005	\$ 30,019,694
State sources	18,465,018	-	-	-	18,465,018
Federal sources	<u>2,875,661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,875,661</u>
<b>TOTAL REVENUES</b>	<u>50,922,256</u>	<u>41,112</u>	<u>131,000</u>	<u>266,005</u>	<u>51,360,373</u>
<b>EXPENDITURES</b>					
Instruction	28,168,517	-	-	-	28,168,517
Support services	14,499,387	-	-	152	14,499,539
Operation of non-instructional services	1,275,730	-	-	274,725	1,550,455
Capital outlay	652,301	2,271,023	-	19,741	2,943,065
Debt service					
Principal	-	-	2,945,000	-	2,945,000
Interest	<u>-</u>	<u>-</u>	<u>692,938</u>	<u>-</u>	<u>692,938</u>
<b>TOTAL EXPENDITURES</b>	<u>44,595,935</u>	<u>2,271,023</u>	<u>3,637,938</u>	<u>294,618</u>	<u>50,799,514</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	6,326,321	(2,229,911)	(3,506,938)	(28,613)	560,859
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of fixed assets	9,875	-	-	-	9,875
Transfers in	-	1,000,000	4,000,000	-	5,000,000
Transfers out	<u>(5,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000,000)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(4,990,125)</u>	<u>1,000,000</u>	<u>4,000,000</u>	<u>-</u>	<u>9,875</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>1,336,196</u>	<u>(1,229,911)</u>	<u>493,062</u>	<u>(28,613)</u>	<u>570,734</u>
<b>FUND BALANCES - BEGINNING</b>	<u>11,992,036</u>	<u>4,182,482</u>	<u>1,942,911</u>	<u>336,038</u>	<u>18,453,467</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 13,328,232</u>	<u>\$ 2,952,571</u>	<u>\$ 2,435,973</u>	<u>\$ 307,425</u>	<u>\$ 19,024,201</u>

**SELINGROVE AREA SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2024**

**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** \$ 570,734

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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and net book value of disposed capital assets in the current period.

Capital outlays	\$ 2,943,065	
Depreciation expense	<u>(3,747,084)</u>	(804,019)

Under the modified accrual basis of accounting used in governmental funds, revenues are not reported until they become available. In the statement of activities, however, revenues are recorded regardless of when financial resources are available. This is the change in unearned tax revenue from 6/30/23 to 6/30/24. 217,465

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting.

Compensated absences expense	\$ (6,900)	
Other postemployment benefits expense	(17,004)	
Amortization of debt premium/discount	141,169	
Amortization of deferred interest from refunding	(147,126)	
Pension benefit expense	2,258,087	
Accrued interest on long-term debt	<u>24,864</u>	2,253,090

Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Principal payments	<u>2,945,000</u>
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**CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES** \$ 5,182,270

SELINGROVE AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUND

JUNE 30, 2024

	<u>Food Service</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,269,814
Due from other governments	3,384
Inventories	<u>75,232</u>
<b>TOTAL CURRENT ASSETS</b>	<b>1,348,430</b>
<b>NON-CURRENT ASSETS</b>	
Building improvements (net)	311,088
Furniture and equipment (net)	<u>164,772</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>475,860</b>
<b>TOTAL ASSETS</b>	<b>\$ <u><u>1,824,290</u></u></b>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 80
Due to other funds	29,733
Unearned revenues	<u>49,645</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>79,458</b>
<b>TOTAL LIABILITIES</b>	<b>\$ <u><u>79,458</u></u></b>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 475,860
Unrestricted	<u>1,268,972</u>
<b>TOTAL NET POSITION</b>	<b><u><u>1,744,832</u></u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ <u><u>1,824,290</u></u></b>

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

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

	Food Service
<b>OPERATING REVENUES</b>	
Food service revenues	\$ 477,537
Other operating revenues	35,849
<b>TOTAL OPERATING REVENUES</b>	513,386
<b>OPERATING EXPENSES</b>	
Salaries	448,451
Employee benefits	203,829
Purchased services	42,501
Supplies	822,753
Depreciation	56,445
Other operating expenses	32,004
<b>TOTAL OPERATING EXPENSES</b>	1,605,983
<b>OPERATING LOSS</b>	(1,092,597)
<b>NON-OPERATING REVENUES</b>	
Earnings on investments	44,211
State sources	198,526
Federal sources	958,225
<b>TOTAL NON-OPERATING REVENUES</b>	1,200,962
<b>CHANGE IN NET POSITION</b>	108,365
<b>NET POSITION - BEGINNING OF YEAR</b>	1,636,467
<b>NET POSITION - END OF YEAR</b>	\$ 1,744,832

**SELINGROVE AREA SCHOOL DISTRICT**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUND**

**FOR THE YEAR ENDED JUNE 30, 2024**

	Food Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from users	\$ 487,555
Cash received from other operating revenue	35,849
Cash payments to employees for services	(683,382)
Cash payments to suppliers for goods and services	(870,902)
<b>NET CASH USED FOR OPERATING ACTIVITIES</b>	(1,030,880)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
State sources	198,526
Federal sources	956,629
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	1,155,155
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Earnings on investments	44,211
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	44,211
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	168,486
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	1,101,328
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,269,814
<b>OPERATING LOSS</b>	\$ (1,092,597)
<b>ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>	
Changes in current assets and current liabilities	
Depreciation	56,445
Decrease in accounts payable	(47,705)
Decrease in inventories	50,189
Decrease in prepaid expenses	23,872
Increase in unearned revenue	10,018
Decrease in due to other funds	(31,102)
<b>TOTAL ADJUSTMENTS</b>	61,717
<b>TOTAL CASH USED FOR OPERATING ACTIVITIES</b>	\$ (1,030,880)
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS</b>	
Donated commodities	\$ 121,672

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

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1: NATURE OF ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations

The Selingsgrove Area School District (the "School District") is governed by the Selingsgrove Area School District Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters.

B. Reporting Entity

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

C. Joint Venture

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

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

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

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

D. Intermediate Unit

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

E. Measurement Focus, Basis of Accounting

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

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

1. Government-wide Financial Statements

Government-wide financial statements (i.e. the statement of net position and the statement of activities) report on all the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities which are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements which incorporates noncurrent assets as well as long term debt and obligations. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

E. Measurement Focus and Basis of Accounting (Continued)

1. Government-wide Financial Statements (Continued)

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

2. Fund Financial Statements

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

**Governmental Funds**

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

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

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



SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

E. Measurement Focus and Basis of Accounting (Continued)

2. Fund Financial Statements (Continued)

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

**Proprietary Funds**

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

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

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

F. Basis of Presentation

The following are the District's major funds:

Governmental Fund Types

- The General Fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.
- The Capital Projects Fund is used to account for financial resources to be used in acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds.

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

F. Basis of Presentation (Continued)

Governmental Fund Types (Continued)

- The Debt Service Fund accounts for the accumulation of resources for the payment of principal, interest, and related costs of the District's general long-term debt.

Additionally, the District reports the following Other Governmental Funds:

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

Proprietary Fund Type

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

G. Assets, Liabilities, Net Position or Fund Balance

1. Cash and Cash Equivalents

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

2. Restricted Assets

Restricted Assets represent revenues set-aside for liquidation of specific obligations, as detailed in Note 4.

3. Investments

The Pennsylvania School Code and the District's investment policy establish criteria for the type of investments that can be held by the District. The District's investment in external investments pools are valued at amortized cost and the certificates of deposit are valued at fair value.

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

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

4. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding for goods or services rendered at the end of the fiscal year are referred to as "due to/from other funds." All receivables are shown net of an allowance for doubtful accounts.

5. Inventories

Inventories are recorded using the consumption method of accounting and consist of instructional materials, purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method. Surplus commodities are stated at standard costs, as determined by the Department of Agriculture. In the financial statements, commodities received are recorded as deferred until consumed.

6. Prepaid Expenses

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

7. Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the governmental or business-type activity column in the government-wide and the proprietary fund financial statements. The District defines capital assets with an initial, individual cost of more than: equipment - \$5,000, vehicles - \$10,000, and building improvements - \$25,000. Capital assets are recorded at historical costs or estimated historical costs if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Intangible assets, such as computer software, are grouped with furniture and equipment in the financial statements and are being depreciated.

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

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

SELINGROVE AREA SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2024

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

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

7. Capital Assets (Continued)

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Site Improvements	20 years
Building and Building Improvements	10-30 years
Furniture, Equipment, and Vehicles	5-15 years

8. Compensated Absences

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

9. Long-Term Obligations

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

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

10. Unearned Revenues

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

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

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

10. Unearned Revenues (Continued)

In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the governmental funds' balance sheet and revenue is recognized.

11. Fund Balance

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

- Nonspendable fund balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- Restricted fund balance – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of School Directors. These amounts cannot be used for any other purpose unless the Board of School Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.
- Assigned fund balance – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. The Board of School Directors delegated this responsibility to the Business Manager.
- Unassigned fund balance – This classification represents amounts that are available for any purpose.

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

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

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

12. Net Position

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

- *Net Investment in capital assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the School District, not restricted for any project or other purpose.

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

13. Accounting Estimates

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

14. Interfund Transactions

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

15. Deferred Inflows/Outflows of Resources

The Statements of Net Position and Balance Sheet report separate sections for deferred outflows and deferred inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources (expense/revenue) until then.

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

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

15. Deferred Inflows/Outflows of Resources (Continued)

The District has four items that qualify for reporting in these categories: deferred outflows related to refunding bonds, deferred outflows and inflows related to pensions, deferred outflows and inflows related to other postemployment benefits, and unavailable tax revenue.

Deferred outflows on refunding bonds are the result of differences in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows and inflows of resources related to pensions are described further in Note 10 and deferred outflows and inflows of resources related to other postemployment benefits are described further in Note 11. The components of deferred outflows of resources and deferred inflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expense over a closed period, which reflects the weighted average remaining service life of all PSERS members beginning the year in which the deferred amount occurs (current year). The annual difference between the projected and actual earnings on PSERS investments is amortized over a five-year closed period beginning the year in which the difference occurs (current year). *Unavailable tax revenue*, which arises under the modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

16. PSERS Pension and OPEB

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

H. Adoption of Governmental Accounting Standards Board Statements

The District adopted the required provisions of GASB Statement No. 99, "Omnibus 2022". The adoption of this statement did not result in modification of previously reported amounts.

The District adopted the provisions of GASB Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". The adoption of this statement did not result in modification of previously reported amounts.

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

I. Pending Changes in Accounting Principles

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

In December 2023, the GASB issued Statement No. 102, "*Certain Risk Disclosures*". The District is required to adopt the provisions of Statement No. 102 for its fiscal year 2025 financial statements.

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

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

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

NOTE 2: BUDGETS AND BUDGETARY ACCOUNTING

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

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

NOTE 3: DEPOSIT AND INVESTMENT RISK

The District's investment policy is in accordance with the Public School Code of 1949, Section 440.1 which requires monies to be invested in the following types of investments: U.S. Treasury bills, short-term obligations of the U.S. government or its agencies or instrumentalities, savings or time accounts, or share accounts of institutions insured by the FDIC, FSLIC, or NCUSIF to the extent such accounts are so insured and, for any amounts above the insured maximum provided that approved collateral as provided by law therefore shall be pledged by the depository, obligations of the United States of America or any of its agencies or instrumentalities, obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities, or obligations of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities.

*Custodial Credit Risk* – For deposits, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its deposits or collateral securities that are in the possession of an outside party. As of June 30, 2024, the District's cash balances for its governmental activities and business-type activities were \$17,849,709 and its bank balances were \$18,158,835. Of these bank balances, \$8,662,818 were exposed to custodial credit risk and they were collateralized by the pledging of pooled assets held by the pledging financial institutions and uninsured.



SELINGSGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 3: DEPOSIT AND INVESTMENT RISK (CONTINUED)

*Participation in External Investment Pools.* At June 30, 2024, the District had investments classified as cash equivalents in money market holdings and other short-term investments through the Pennsylvania School District Liquid Asset Fund (PSDLAF) of \$4,064,366 and the Pennsylvania Local Government Investment Trust (PLGIT) of \$4,428,179. The remaining PSDLAF balance of \$1,869,876 are investments classified as certificates of deposit and treasury bills.

PSDLAF and PLGIT were established to enable school districts and other local government agencies to pool funds for investments in instruments authorized by section 440.1 of the Pennsylvania Public School Code of 1949, as amended.

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

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

*Restrictions on Qualified Investment Pool Withdrawals.* There are no restrictions on the number of withdrawals per calendar month from the PLGIT account. The PSDLAF investments are limited to one withdrawal per week.

As of June 30, 2024, the District had the following debt instruments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
Governmental Activities – Treasury Bills	\$ 949,876	\$ 949,876	\$ -
Governmental Activities – Certificates of Deposit	920,000	-	920,000
Total	\$ 1,869,876	\$ 949,876	\$ 920,000

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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

Investment Type	Market	Net Asset Value
Treasury Bills	\$ 949,876	\$ 949,876
Certificates of Deposit	920,000	920,000
Total	\$ 1,869,876	\$ 1,869,876

*Interest Rate Risk.* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

SELINGSGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 4: RESTRICTED CASH

Assets whose use is limited to a specific purpose have been classified as “restricted” in the balance sheet. Restricted assets are composed of the following:

Governmental Funds

<u>Restricted Cash</u>	
Cash Restricted for Scholarship	\$ 72,604
Cash Restricted for Student Activities	217,040
Cash Restricted for Future Capital Projects	815,960
Cash Restricted for Debt Service Payments	<u>2,899,473</u>
Total Restricted Cash	<u>\$ 4,005,077</u>

NOTE 5: TAXES ASSESSED

The following is a listing of the taxes assessed along with their respective tax levy:

<u>Tax Type</u>	<u>Millage/Rate</u>	<u>Tax Levied</u>
Real Estate – Snyder County	71.50 mills	\$ 19,116,139

Real estate taxes are assessed on August 1, of each year and become due and payable on that date. Taxpayers are given a two percent discount if they pay their taxes by September 30. All taxes levied on August 1, become delinquent on December 1, and are charged a ten percent penalty. On December 31, of the following year, all delinquent taxpayers are turned over for collection. Uncollected real estate taxes attach as an enforceable lien on property when recorded in January.

Taxes which remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent taxes that is not collected within 60 days of year-end is deferred in the fund financial statements because it is not known to be available to finance the operations of the District in the current year. Delinquent taxes receivable at June 30, 2024 were \$695,014. An allowance has been established to recognize the uncollectible portion in the amount of \$7,974.

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

NOTE 6: DUE FROM OTHER GOVERNMENTS

The following table summarizes the amounts due from other governments at June 30, 2024 as related to the District’s governmental activities and business-type activities:

Governmental Activities:	
State Sources	\$ 1,866,693
Federal Sources	1,103,107
Local Government	<u>375,052</u>
Total	<u>\$ 3,344,852</u>
Business-Type Activities:	
Federal Sources	<u>\$ 3,384</u>
Total	<u>\$ 3,384</u>

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 7: CAPITAL ASSETS

A summary of capital assets for governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<b>Governmental Activities:</b>				
Capital assets not being depreciated				
Land	\$ 501,269	\$ -	\$ -	\$ 501,269
Construction in Progress	94,621	305,285	94,621	305,285
Total capital assets, not being depreciated	595,890	305,285	94,621	806,554
<b>Capital assets being depreciated</b>				
Site Improvements	7,941,827	1,173,330	-	9,115,157
Buildings and Building Improvements	67,712,892	914,986	-	68,627,878
Furniture, Equipment, and Vehicles	18,122,147	644,085	91,901	18,674,331
Total capital assets being depreciated	93,776,866	2,732,401	91,901	96,417,366
<b>Less accumulated depreciation:</b>				
Site Improvements	5,351,470	520,821	-	5,872,291
Buildings and Building Improvements	38,902,271	2,392,318	-	41,294,589
Furniture, Equipment, and Vehicles	15,664,562	833,945	91,901	16,406,606
Total accumulated depreciation	59,918,303	3,747,084	91,901	63,573,486
Total capital assets being depreciated, net	33,858,563	(1,014,683)	-	32,843,880
Governmental activities, capital assets, net	<u>\$ 34,454,453</u>	<u>\$ (709,398)</u>	<u>\$ 94,621</u>	<u>\$ 33,650,434</u>
	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<b>Business-Type Activities:</b>				
Capital assets being depreciated				
Building and Building Improvements	\$ 615,956	\$ -	\$ -	\$ 615,956
Furniture and Equipment	610,554	-	-	610,554
Total capital assets being depreciated	1,226,510	-	-	1,226,510
<b>Less accumulated depreciation:</b>				
Building and Building Improvements	280,481	24,387	-	304,868
Furniture and Equipment	413,724	32,058	-	445,782
Total accumulated depreciation	694,205	56,445	-	750,650
Total capital assets being depreciated, net	532,305	(56,445)	-	475,860
Business-type activities, capital assets, net	<u>\$ 532,305</u>	<u>\$ (56,445)</u>	<u>\$ -</u>	<u>\$ 475,860</u>

SELINGSGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 7: CAPITAL ASSETS (CONTINUED)

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

Government Activities:	
Instruction	\$ 2,387,005
Instructional Student Support	418,592
Administrative and Financial Support Service	342,448
Operation and Maintenance of Plan Service	285,058
Pupil Transportation	182,754
Student Activities	127,665
Community Services	3,562
Total Depreciation Expense	<u>\$ 3,747,084</u>

NOTE 8: LONG TERM OBLIGATIONS

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

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 23,810,000	\$ -	\$ 2,945,000	\$ 20,865,000	\$ 3,615,000
Less: Bond Premium/(Discount)	456,246	-	141,169	315,077	141,169
Compensated Absences	879,100	6,900	-	886,000	32,500
Net Pension Liability	57,707,000	-	453,000	57,254,000	-
Other Post Employment Benefits	15,966,707	447,523	-	16,414,230	-
Total Long Term Obligations	<u>\$ 98,819,053</u>	<u>\$ 454,423</u>	<u>\$ 3,539,169</u>	<u>\$ 95,734,307</u>	<u>\$ 3,788,669</u>

The net pension liability and other postemployment benefits liability are paid from the general fund.

SELINGSGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 8: LONG TERM OBLIGATIONS (CONTINUED)

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

General Obligation Debt:	Purpose	Amounts Issued	Amounts Outstanding
Series of 2018	In 2018, the District issued General Obligation Bonds Series of 2018 for the purpose of financing capital projects. The bonds mature serially through 2030 with interest rates of 2.375% to 4.000%.	\$9,995,000	\$8,865,000
Series A of 2019	In 2019, the District issued General Obligation Bonds Series A of 2019 for the purpose of currently refunding the General Obligation Bonds Series A of 2012 and paying the costs and expenses of issuing the Series A Bonds. The bonds mature serially through 2025 with interest rates of 1.20% to 1.45%.	2,295,000	475,000
Series B of 2019	In 2019, the District issued General Obligation Bonds Series B of 2019 for the purpose of currently refunding the General Obligation Bonds Series B of 2012 and paying the costs and expenses of issuing the Series B Bonds of 2019. The bonds mature serially through 2027 with interest rates of 1.20% to 1.63%.	5,090,000	4,630,000
Series C of 2019	In 2019, the District issued General Obligation Bonds Series C of 2019 for the purpose of currently refunding all of the General Obligation Bonds Series of 2013 and paying the costs and expenses of issuing the Series C Bonds. The bonds mature serially through 2028 with interest rates of 1.30% to 1.60%.	7,910,000	6,895,000
Total			<u>\$ 20,865,000</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 3,615,000	\$ 633,300	\$ 4,248,300
2026	4,150,000	501,400	4,651,400
2027	4,095,000	359,000	4,454,000
2028	3,025,000	263,950	3,288,950
2029	2,955,000	179,400	3,134,400
2030	3,025,000	90,750	3,115,750
	<u>\$ 20,865,000</u>	<u>\$ 2,027,800</u>	<u>\$ 22,892,800</u>

SELINSGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 9: COMPENSATED ABSENCES

The changes in the District’s compensated absences in 2024 are summarized as follows:

	Governmental Activities	Total
Balance, July 1, 2023	\$ 879,100	\$ 879,100
Additions/(Reductions)	6,900	6,900
Balance, June 30, 2024	\$ 886,000	\$ 886,000

Compensated absences are paid from the General Fund.

NOTE 10: PENSION BENEFITS

**General Information about the Pension Plan**

Plan Description

The Pennsylvania Public School Employees’ Retirement System (“PSERS”) is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania.

The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania.

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

Each ex officio member of the Board and each legislative member of the Board may appoint a duly authorized designee to act in their stead.

PSERS was established on July 18, 1917 under the provisions of Pamphlet Law, No. 343. Benefit payments to members and contribution provision by employers and employees are specified in the Pennsylvania Public School Employees’ Retirement Code (“Code”). The Commonwealth General Assembly has the authority to amend the benefit terms of the PSERS by passing a bill in the Senate and House of Representatives and sending the bills to the Governor for approval. PSERS issues a publicly available financial report that can be obtained at [www.pfers.state.pa.us](http://www.pfers.state.pa.us).

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 10: PENSION BENEFITS (CONTINUED)

**General Information about the Pension Plan (Continued)**

Benefits Provided

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

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service. The current stand-alone defined benefit plan is no longer available to new members after June 30, 2019.

Benefits are generally equal to 1% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and 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.

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 10: PENSION BENEFITS (CONTINUED)

**General Information about the Pension Plan (Continued)**

Contributions

Member Contributions:

Member contribution rates are set by law (redefined with the provisions of Act 9 of 2001 and Act 120) and are dependent upon membership class. Member contribution rates are as follows:

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit Contribution Rate	Defined Contribution Rate	Total Contribution Rate
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% *	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% *	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.80%
T-G	On or after July 1, 2019	5.50% *	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% *	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

\* This contribution rate is subject to a shared risk provision as follows:

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

Employer Contributions:

The contribution policy is set by the Code. The District's contractually required contribution rate for fiscal year ended June 30, 2024 was 33.36% of covered payroll, which includes 0.27% for the Act 5 defined contribution plan members, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$6,594,218 for the year ended June 30, 2024.



SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 10: PENSION BENEFITS (CONTINUED)

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

At June 30, 2024, the District reported a liability of \$57,254,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2024, the District's proportion was 0.1287 percent, which was a decrease of 0.000011 from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$4,322,000. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 1,620,000	\$ -
Changes in proportion	-	1,637,000
Changes in assumptions	854,000	-
Difference between expected and actual experience	13,000	784,000
Contributions subsequent to the measurement date	6,594,218	-
<b>Total</b>	<b>\$ 9,081,218</b>	<b>\$ 2,421,000</b>

\$6.594 million reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2025	\$ (514,000)
2026	(1,559,000)
2027	1,598,000
2028	541,000
<b>Total</b>	<b>\$ 66,000</b>

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 10: PENSION BENEFITS (CONTINUED)

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

Actuarial Assumptions

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

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

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

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

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 10: PENSION BENEFITS (CONTINUED)

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

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.5%	2.7%
Absolute return	4.0%	4.1%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Cash	3.0%	1.2%
Leverage	(10.5%)	1.2%
	100.0%	

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

Discount Rate

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

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

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

	<b>1% Decrease 6.00%</b>	<b>Current discount rate 7.00%</b>	<b>1% Increase 8.00%</b>
District's proportionate share of the net pension liability	\$ 74,217,000	\$ 57,254,000	\$ 42,942,000

SELINGROVE AREA SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2024

NOTE 10: PENSION BENEFITS (CONTINUED)

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

Pension Plan Fiduciary Net Position

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

The District reported a payable of \$2,381,103 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

NOTE 11: POSTEMPLOYMENT BENEFITS PLAN

**District Specific Plan**

Plan Description

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

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

Active Participants	246
Retired Participants	40
Total	286

*Benefits Provided.* The Plan provides healthcare benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer and vary depending on employee classification and years of service of the retiree. The District provides medical and prescription coverage for a retired assistant superintendent and eligible dependents but requires the retiree to contribute 4% of the plan premium, which may be reduced by 1% for every 40 unused sick days accumulated. The District pays the full premium for medical and prescription drugs for administrators who retired prior to 7/1/16 with at least 10 years of district service and requires participants who retire after 9/1/2000 to pay a supplemental amount of \$100 per month. Administrators retiring after 7/1/16 through PSERS with at least 8 years of district service are provided with medical and prescription drug coverage with a premium share, which can be reduced by 1% for every 40 unused sick days accumulated, as follows based on Single, H/W, and Family, respectively: retired 2016-2017 (6.5%, 10%, and 23%); retired 2017-2018 (4.5%, 8%, and 23%); retired 2018-2019 (6.5%, 10%, and 23%); and retiring after 2019 (10%, 13.5%, and 23%).

SELINGROVE AREA SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2024

NOTE 11: POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**District Specific Plan (Continued)**

Plan Description (Continued)

*Benefits Provided (Continued)*

Teachers retiring after 7/1/16 are provided with medical and prescription drug coverage with a premium share, which can be reduced by 1% for every 40 unused sick days accumulated, as follows:

<b>Retirement</b>	<b>Eligibility</b>	<b>Premium Share</b>
2016-2017	Age 52, 15 years district service OR Age 60 with 10 years district service	Age 52: 6.5% single, 40% others Age 53: 6.5% single, 35% others Age 54: 6.5% single, 30% others Age 55+: 6.5% single, 23% others
2017-2018	Age 53, 15 years of district service OR Age 60 with 10 years of district service	Age 53: 4.5% single, 35% others Age 54: 4.5% single, 30% others Age 55+: 4.5% single, 23% others
2018-2019	Age 54, 15 years of district service OR Age 60 with 10 years of district service	Age 54: 6.5% single, 30% others Age 55+: 6.5% single, 23% others
After 2019	Age 55, 15 years of district service OR Age 60 with 10 years of district service	Age 55+: 10% single, 23% others

Classified employees who have 30 years of PSERS service or reach PSERS superannuation retirements are entitled to receive medical and prescription drug coverage for a premium. The School Board of Directors has the authority to periodically negotiate the benefit terms established in the bargaining agreements.

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

Total OPEB Liability

The District's total OPEB liability of \$14,100,230 was measured as of July 1, 2023 and was rolled forward using the actuarial assumptions from the actuarial valuation date of July 1, 2022, subject to adjustments.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	4.00% average, including inflation
Discount Rate	4.13% (adjusted at 7/1/2023)
Healthcare Cost Trend Rates	7.00% for 2023 with 0.5% decrease per year until 5.5% in 2026. Rates gradually decrease from 5.40% in 2027 to 4.10% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 11: POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**District Specific Plan (Continued)**

Total OPEB Liability (Continued)

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index at July 1, 2023.

Mortality rates are assumed using the PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers, and PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees with projections incorporated based on Scale MP-2021 to reflect mortality improvement.

The actuarial assumptions used in the July 1, 2022 valuation were based on historical results, as a recent experience study was not completed.

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

	Total OPEB Liability
Beginning Balance	\$ 13,588,707
Service Cost	640,594
Interest	588,199
Changes in Assumptions	199,845
Benefit Payments	(887,115)
Net Changes	511,523
Ending Balance	\$ 14,100,230

Changes in assumptions reflect a change in the discount rate from 4.06% to 4.13% and trend assumptions being updated.

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.*  
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (6.0%) or 1-percentage higher (8.0%) than the current discount rate:

	1% Decrease 6.0%	Current trend rate 7.0%	1% Increase 8.0%
District's total OPEB liability	\$ 12,586,397	\$ 14,100,230	\$ 15,867,792

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 11: POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**District Specific Plan (Continued)**

Total OPEB Liability (Continued)

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

	<b>1% Decrease 3.13%</b>	<b>Current discount rate 4.13%</b>	<b>1% Increase 5.13%</b>
District's total OPEB liability	\$ 15,150,122	\$ 14,100,230	\$ 13,113,703

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$1,024,337. At June 30, 2024, the District reported deferred outflows related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 1,550,829	\$ 3,447,592
Difference between expected and actual experience	945,693	1,860,029
Contributions subsequent to the measurement date	894,937	-
<b>Total</b>	<b>\$ 3,391,459</b>	<b>\$ 5,307,621</b>

The \$894,937 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended June 30, 2025. Other deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended June 30:**

2025	\$ (174,456)
2026	(174,456)
2027	(174,456)
2028	(174,456)
2029	(193,581)
Thereafter	(1,919,694)
<b>Total</b>	<b>\$ (2,811,099)</b>

**PSERS Healthcare Insurance Premium Assistance Plan**

Plan Description

In addition, the Pennsylvania Public School Employees' Retirement System ("PSERS") provides a Health Insurance Premium Assistance Plan ("PSERS Plan"). The PSERS Plan is a governmental cost-sharing multi-employer postretirement benefits plan that provides premium assistance to eligible public school employees of the Commonwealth of Pennsylvania.

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 11: POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**PSERS Healthcare Insurance Premium Assistance Plan (Continued)**

Plan Description (Continued)

Under the PSERS Plan, employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of premium assistance benefits for each succeeding year.

The administrative staff of PSERS administers the PSERS Plan. The control and management of PSERS, including the investment of its assets, is vested in the 15 member Board of Trustees (Board). The Commonwealth General Assembly has the authority to amend the benefit terms of the PSERS Plan by passing a bill in the Senate and House of Representatives and sending the bills to the Governor for approval. PSERS issues a publicly available financial report that can be obtained at [www.psers.state.pa.us](http://www.psers.state.pa.us).

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

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

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

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

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

*Employer Contributions.* The school districts' contractually required contribution rate for fiscal year ended June 30, 2024 was 0.64% of covered payroll, an actuarially determined amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PSERS Plan from the District were \$126,508 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$2,314,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023.



SELINGROVE AREA SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2024

NOTE 11: POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**PSERS Healthcare Insurance Premium Assistance Plan (Continued)**

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

The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll of all School Districts in the PSERS Plan. At June 30, 2024, the District's proportion was 0.1279 percent, which was a decrease of 0.000013 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized OPEB expense of \$14,000. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 5,000	\$ -
Difference between expected and actual experience	15,000	23,000
Changes in assumptions	200,000	438,000
Changes in proportion	14,000	129,000
Contributions subsequent to the measurement date	126,508	-
Total	\$ 360,508	\$ 590,000

\$126,508 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended June 30:**

2025	\$ (63,000)
2026	(83,000)
2027	(95,000)
2028	(105,000)
2029	(10,000)
Total	\$ (356,000)

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

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 4.13% - S&P 20 Year Municipal Bond Rate.
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit and seniority increases.

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 11: POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**PSERS Healthcare Insurance Premium Assistance Plan (Continued)**

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

*Actuarial Assumptions (Continued)*

- Premium assistance reimbursement capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females adjusted to reflect PSERS' experience and projected using a modified version of the RP-2020 Mortality Improvement Scale.
- Participation rate:
  - Eligible retirees will elect to participate pre age 65 at 50%.
  - Eligible retirees will elect to participate post age 65 at 70%.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

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.

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

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

SELINGROVE AREA SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2024

NOTE 11: POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**PSERS Healthcare Insurance Premium Assistance Plan (Continued)**

*Discount rate.* The discount rate used to measure the total OPEB liability was 4.13%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.13% which represents the S&P 20-year Municipal Bond Rate at June 30, 2023, was applied to all projected benefit payments to measure the Total OPEB liability.

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

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

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

	<b>1% Decrease 4% to 6%</b>	<b>Current discount rate 5% to 7%</b>	<b>1% Increase 6% to 8%</b>
District's proportionate share of the net OPEB liability	\$ 2,314,000	\$ 2,314,000	\$ 2,314,000

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 11: POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

**PSERS Healthcare Insurance Premium Assistance Plan (Continued)**

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

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

	<b>1% Decrease 3.13%</b>	<b>Current discount rate 4.13%</b>	<b>1% Increase 5.13%</b>
District's proportionate share of net OPEB liability	\$ 2,616,000	\$ 2,314,000	\$ 2,061,000

OPEB plan fiduciary net position

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

At June 30, 2024, the District reported a payable of \$45,172 for the outstanding amount of contributions to the OPEB plan.

NOTE 12: RISK MANAGEMENT

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

NOTE 13: COMMITMENTS AND CONTINGENCIES

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

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

SELINGROVE AREA SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

NOTE 13: COMMITMENTS AND CONTINGENCIES (CONTINUED)

The District has contractual obligations with various contractors for playground equipment and paving of approximately \$315,923 as of June 30, 2024. The District expects to finance these outstanding commitments from the capital projects fund.

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

The District has entered into subscription-based information technology agreements with various vendors to provide electronic educational programs as well as administrative storage and operating systems. These agreements are for a maximum term of twelve months or include a provision that either party can terminate with a reasonable amount of notice and, as such, the District has not recorded a liability in the financial statements for these agreements in accordance with GASB 96.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

Interfund balances at June 30, 2024 are as follows:

	Interfund Receivable	Interfund Payable	Transfer In	Transfer Out
General Fund	\$ 1,013,053	\$ 2,895,885	\$ -	\$ 5,000,000
Capital Projects Fund	2,363,307	79	1,000,000	-
Debt Service Fund	500,000	963,500	4,000,000	-
Scholarship Fund	12,837	-	-	-
Food Service Fund	-	29,733	-	-
Total	<u>\$ 3,889,197</u>	<u>\$ 3,889,197</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided, (2) reimbursable expenditures occur and (3) payments between funds are made. Transfers from the general fund are used to reimburse other funds for debt service payments and finance additional capital outlay.

NOTE 15: SUBSEQUENT EVENTS

The District had evaluated all subsequent events through the report issue date of December 19, 2024. No events have taken place that effect the financial statements or require disclosure.

## **REQUIRED SUPPLEMENTAL INFORMATION**

**SELINGROVE AREA SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources	\$ 29,282,065	\$ 29,282,065	\$ 29,581,577	\$ 299,512
State sources	17,271,194	17,271,194	18,465,018	1,193,824
Federal sources	2,431,519	2,431,519	2,875,661	444,142
<b>TOTAL REVENUES</b>	48,984,778	48,984,778	50,922,256	1,937,478
<b>EXPENDITURES</b>				
Instruction:				
Regular programs	20,105,482	20,105,482	19,633,327	472,155
Special programs	5,825,164	5,825,164	5,891,138	(65,974)
Vocational programs	2,731,539	2,731,539	2,476,406	255,133
Other instructional programs	140,473	140,473	167,646	(27,173)
Nonpublic school programs	8,192	8,192	-	8,192
Total Instruction	28,810,850	28,810,850	28,168,517	642,333
Support Services:				
Pupil personnel services	2,621,631	2,621,631	2,489,380	132,251
Instructional staff services	1,969,175	1,969,175	1,975,189	(6,014)
Administrative services	2,551,463	2,554,463	2,693,102	(138,639)
Pupil health	570,837	570,837	475,144	95,693
Business services	536,206	533,206	573,222	(40,016)
Operation and maintenance of plant services	4,161,554	4,145,554	3,363,908	781,646
Student transportation services	2,167,032	2,167,032	2,156,641	10,391
Central and other support services	958,123	958,123	772,801	185,322
Total Support Services	15,536,021	15,520,021	14,499,387	1,020,634
Operation of non-instructional services:				
Student activities	1,110,542	1,126,542	1,233,699	(107,157)
Community services	43,761	43,761	42,031	1,730
Debt service	120,000	120,000	-	120,000
Total Operation of non-instructional service	1,274,303	1,290,303	1,275,730	14,573
Facilities acquisition, construction, and improvement services	-	-	652,301	(652,301)
<b>TOTAL EXPENDITURES</b>	45,621,174	45,621,174	44,595,935	1,025,239
<b>EXCESS REVENUES OVER EXPENDITURES</b>	3,363,604	3,363,604	6,326,321	2,962,717
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers	(3,500,000)	(3,500,000)	(5,000,000)	(1,500,000)
Budgetary reserve	(245,616)	(245,616)	-	245,616
Proceeds from sale of fixed assets	-	-	9,875	9,875
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(3,745,616)	(3,745,616)	(4,990,125)	(1,244,509)
<b>NET CHANGE IN FUND BALANCES</b>	(382,012)	(382,012)	1,336,196	1,718,208
<b>FUND BALANCE - BEGINNING OF YEAR</b>	10,950,402	10,950,402	11,992,036	1,041,634
<b>FUND BALANCE - END OF YEAR</b>	\$ 10,568,390	\$ 10,568,390	\$ 13,328,232	\$ 2,759,842

SELINGROVE AREA SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS -DISTRICT OTHER POSTEMPLOYMENT BENEFITS PLAN  
JUNE 30, 2024

	2018	2019	2020	2021	2022	2023	2024
<b>Total OPEB liability</b>							
Service cost	\$ 887,906	\$ 886,559	\$ 860,240	\$ 848,790	\$ 1,091,119	\$ 1,075,063	\$ 640,594
Interest	374,868	488,691	497,960	558,531	358,361	436,920	558,199
Changes of benefit terms	-	(1,271,961)	-	-	-	-	-
Differences between expected and actual experience	-	1,891,383	-	(28,128)	-	(2,210,555)	-
Changes of assumptions or other inputs	210,373	47,047	(446,894)	1,991,971	(558,704)	(3,336,686)	199,845
Benefit payments	(969,467)	(866,322)	(962,599)	(1,007,600)	(937,664)	(1,012,682)	(887,115)
Net change in total OPEB liability	503,680	1,175,397	(51,293)	2,363,564	(46,888)	(5,047,940)	511,523
Total OPEB liability - beginning	14,692,187	15,195,867	16,371,264	16,319,971	18,683,535	18,636,647	13,588,707
Total OPEB liability - ending	<u>\$ 15,195,867</u>	<u>\$ 16,371,264</u>	<u>\$ 16,319,971</u>	<u>\$ 18,683,535</u>	<u>\$ 18,636,647</u>	<u>\$ 13,588,707</u>	<u>\$ 14,100,230</u>
<b>Covered payroll</b>	\$ 17,071,966	\$ 17,387,037	\$ 17,387,037	\$ 17,040,682	\$ 17,040,682	\$ 17,811,563	\$ 17,811,563
<b>District's total OPEB liability as a percentage of covered payroll</b>	89.01%	94.16%	93.86%	109.64%	109.37%	76.29%	79.16%

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

Benefit changes:

Effective 7/1/18: Teachers and administrators will contribute the greater of the PSERS Supplement or a premium share ranging from 6.5% to 40% based on coverage selected.

Changes in assumptions:

Effective 7/1/18: The discount rate changed from 3.13% to 2.98% and trend assumptions were updated.  
Effective 7/1/19: The discount rate changed from 2.98% to 3.36%.  
Effective 7/1/20: The discount rate changed from 3.36% to 1.86% and trend assumptions were updated.  
Effective 7/1/21: The discount rate changed from 1.86% to 2.28%.  
Effective 7/1/22: The discount rate changed from 2.28% to 4.06% and trend assumptions were updated.  
Effective 7/1/23: The discount rate changed from 4.06% to 4.13% and trend assumptions were updated.



SELINGROVE AREA SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - PSERS PLAN  
 JUNE 30, 2024

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportion of the net OPEB liability	0.1449%	0.1337%	0.1370%	0.1375%	0.1376%	0.1319%	0.1292%	0.1279%
District's proportionate share of the net OPEB liability	\$ 3,121,000	\$ 2,724,000	\$ 2,856,000	\$ 2,924,000	\$ 2,973,000	\$ 3,127,000	\$ 2,378,000	\$ 2,314,000
District's covered payroll	\$ 18,762,341	\$ 17,800,896	\$ 18,454,769	\$ 18,957,745	\$ 19,319,548	\$ 18,702,336	\$ 18,994,224	\$ 19,598,255
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	17%	15%	15%	15%	15%	17%	13%	12%
Plan fiduciary net position as a percentage of the total OPEB liability	5%	6%	6%	6%	6%	5%	7%	7%

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

SELINGSGROVE SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS - PSERS PLAN  
 JUNE 30, 2024

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually determined contribution	\$ 148,000	\$ 153,286	\$ 157,192	\$ 162,036	\$ 153,540	\$ 151,635	\$ 147,112	\$ 126,508
Contributions in relation to the contractually determined contribution	<u>148,000</u>	<u>153,286</u>	<u>157,192</u>	<u>162,036</u>	<u>153,540</u>	<u>151,635</u>	<u>147,112</u>	<u>126,508</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 17,800,896	\$ 18,454,769	\$ 18,957,745	\$ 19,319,548	\$ 18,702,336	\$ 18,994,224	\$ 19,598,255	\$ 19,838,236
Contributions as a percentage of covered payroll	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.6%

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

The covered payroll amount has been revised from prior year presentation to reflect adjustments processed by PSERS.

Selinsgrove Area School District  
Schedule of the District's Proportionate Share of the Net Pension Liability - Last 10 Years  
Required Supplemental Information

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportion of the net pension liability	0.1313%	0.1390%	0.1449%	0.1337%	0.1370%	0.1375%	0.1379%	0.1325%	0.1298%	0.1287%
District's proportionate share of the net pension liability	\$ 53,474,000	\$ 60,208,000	\$ 71,808,000	\$ 66,032,000	\$ 65,767,000	\$ 64,326,000	\$ 67,901,000	\$ 54,400,000	\$ 57,707,000	\$ 57,254,000
District's covered payroll	\$ 17,242,979	\$ 17,886,984	\$ 18,762,341	\$ 17,800,896	\$ 18,454,769	\$ 18,957,745	\$ 19,319,548	\$ 18,702,336	\$ 18,994,224	\$ 19,598,255
District's proportionate share of the net pension liability as a percentage of its covered payroll	310%	337%	383%	371%	356%	339%	351%	291%	304%	292%
Plan fiduciary net position as a percentage of the total pension liability	57%	54%	50%	52%	54%	56%	56%	64%	61%	62%

Selinsgrove Area School District

Schedule of District Contributions - Pension Plan - Last 10 Years

Required Supplemental Information

Fiscal Year End	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 3,622,331	\$ 4,645,586	\$ 5,160,732	\$ 5,821,450	\$ 6,174,035	\$ 6,452,502	\$ 6,308,235	\$ 6,471,013	\$ 6,769,131	\$ 6,594,218
Contributions in relation to the contractually required contribution	<u>3,622,331</u>	<u>4,645,586</u>	<u>5,160,732</u>	<u>5,821,450</u>	<u>6,174,035</u>	<u>6,452,502</u>	<u>6,308,235</u>	<u>6,471,013</u>	<u>6,769,131</u>	<u>6,594,218</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 17,886,984	\$ 18,762,341	\$ 17,800,896	\$ 18,454,769	\$ 18,957,745	\$ 19,319,548	\$ 18,702,336	\$ 18,994,224	\$ 19,598,255	\$ 19,838,236
Contributions as a percentage of covered payroll	20%	25%	29%	32%	33%	33%	34%	34%	35%	33%

The covered payroll has been adjusted to reflect adjustments processed by PSERS.

**OTHER SUPPLEMENTAL INFORMATION  
(STATISTICAL INFORMATION AND SINGLE AUDIT REPORT)**

SELINGSGROVE AREA SCHOOL DISTRICT  
 SCHEDULES OF STATISTICAL INFORMATION (UNAUDITED)  
 OTHER SUPPLEMENTAL INFORMATION  
 FOR THE YEAR ENDED JUNE 30, 2024

**THE ECONOMY**

The trend in total employment rates in Snyder County, compared with the same rates for Pennsylvania and the United States, since 2003, is shown as follows:

<u>Year</u>	<u>Snyder County</u>			<u>Unemployment</u>	
	<u>Civilian Labor Force</u>	<u>Total Employment</u>	<u>Percent</u>	<u>PA</u>	<u>U.S</u>
2003	18,500	17,800	4.0	4.7	5.4
2004	20,000	19,000	4.8	5.7	5.4
2005	19,900	19,000	4.4	4.7	4.9
2006	20,400	19,500	4.4	4.6	4.5
2007	19,900	18,900	5.0	4.3	4.8
2008	20,000	18,400	8.1	6.4	7.1
2009	19,500	17,700	9.1	8.5	9.7
2010	18,900	17,400	8.1	8.1	9.1
2011	19,200	17,800	7.5	7.2	8.3
2012	20,000	18,400	8.0	7.9	7.6
2013	19,500	18,300	6.3	6.2	6.5
2014	19,000	18,100	4.5	4.6	5.4
2015	20,400	19,600	3.9	4.1	4.8
2016	20,200	19,200	5.0	5.7	5.0
2017	20,500	19,600	4.4	4.8	4.2
2018	20,600	19,800	3.9	4.1	3.7
2019	20,500	19,400	5.4	4.2	3.5
2020	19,900	18,900	5.1	7.1	6.9
2021	19,400	18,400	4.9	6.0	4.6
2022	19,600	18,900	3.6	4.1	3.5
2023	19,500	18,800	3.5	3.4	3.9
2024	19,600	19,000	2.9	3.3	3.9

Source: Center for Workforce Information and Analysis, PA Department of Labor and Industry

**Largest Employers in or near the School District**

<u>Company</u>	<u>Business</u>
PA State Government	Government
Wood-Mode LLC	Manufacturer of cabinets
National Beef Packaging Company	Wholesale Trade
Susquehanna University	Educational Services
Selingsgrove Area School District	Public Education
Wal-Mart Association, Inc	Retail Trade
Midd-West School District	Public Education
United Cerebral Palsy of Central PA	Non-Profit
Conestoga Wood Specialties	Hardwood lumber
Professional Building Systems	Manufacturer of modular homes

Source: PA Dept. of Labor & Industry December 2023

SELINGSGROVE AREA SCHOOL DISTRICT  
 SCHEDULES OF STATISTICAL INFORMATION (UNAUDITED)  
 OTHER SUPPLEMENTAL INFORMATION  
 FOR THE YEAR ENDED JUNE 30, 2024

**TAX REVENUES OF THE SCHOOL DISTRICT**

**Market and Assessed Values of Real Property**

Market values of real property in the School District, as reported by the Pennsylvania State Tax Equalization Board, are listed below.

<u>Year</u>	<u>Current Market Value</u>	<u>Assessed Valuation</u>	<u>Ratio</u>
2003	\$ 784,330,200	\$ 172,936,100	22.05
2004	830,670,100	174,823,860	21.05
2005	851,404,400	178,642,920	20.98
2006	919,625,200	181,930,890	19.78
2007	969,490,800	243,204,250	25.09
2008	1,112,979,600	246,650,960	22.16
2009	1,110,100,900	256,296,540	23.09
2010	1,167,883,179	259,335,440	22.21
2011	1,180,839,514	256,938,410	21.79
2012	1,249,532,368	258,023,600	20.65
2013	1,247,008,404	257,071,270	20.62
2014	1,316,720,980	259,669,020	19.72
2015	1,327,129,140	261,102,420	19.67
2016	1,386,295,597	264,045,550	19.05
2017	1,389,771,821	265,007,830	19.07
2018	1,392,136,684	264,505,970	19.00
2019	1,446,739,464	264,072,450	18.25
2020	1,514,457,403	264,574,970	17.47
2021	1,516,776,985	265,772,710	17.52
2022	1,674,736,503	267,358,590	15.96
2023	1,685,113,775	267,358,590	15.87

Source: Pennsylvania State Tax Equalization Board and School District Officials

**Ten Largest Taxpayers in the School District**

The ten largest real estate taxpayers in the School District and their 2023-24 assessed valuation of their real estate are as follows:

<u>Taxpayer</u>	<u>Business</u>	<u>Assessed Value</u>
Monroe Marketplace	Retail	\$6,698,005
Susquehanna Valley Mall, LLC	Retail	3,907,010
Selingsgrove Re Owner, LLC	Nursing home/apts	1,864,890
Wal-Mart	Retail	1,707,200
Weis Markets, Inc	Retail	1,226,925
Target	Retail	1,085,280
Lowe's Home Centers Inc.	Retail	1,037,400
Orchard Hills Shopping	Retail	1,010,950
D & C Realty, Limited Partners	Real Estate	902,840
National Beef Packing Company	Industrial	898,750
TOTAL		\$20,339,250

Source: Snyder County Assessment Office

SELINGSGROVE AREA SCHOOL DISTRICT  
 SCHEDULES OF STATISTICAL INFORMATION (UNAUDITED)  
 OTHER SUPPLEMENTAL INFORMATION  
 FOR THE YEAR ENDED JUNE 30, 2024

**Local Tax Rates for the 2023-24 Fiscal Year**

Real Estate Millage Rates (Based on 100% Assessment)	
Selingsgrove Area School District.....	71.50
Snyder County.....	21.8125
Per Capita .....	\$0
Real Estate Transfer	
Selingsgrove Area School District.....	0.5%
Municipalities.....	0.5%
Earned Income Tax	
Selingsgrove Area School District.....	1.6%
Municipalities.....	0.5%

Source: School District Officials

**Tax Collection Record**

The School District mails tax notices to taxpayers on or about August 1 of each year. The tax collection process of the School District allows taxpayers remitting in full prior to September 30 of each year a 2% discount on their tax obligations. Remittances between October 1 and November 30 are paid at par and taxpayers remitting after December 1st pay a 10% penalty. After December 31, all unpaid real estate taxes are turned over to Snyder County for collection.

The School District's real estate tax collection record is shown below:

<u>Fiscal Year</u>	<u>Total Gross Billing</u>	<u>Current Year Collections</u>	<u>Current Year Collections as a Percent of Total Gross Billing</u>	<u>Current Plus Delinquent Collections</u>	<u>Collections as Percent of Total Gross Billing</u>
2003-04	\$ 9,513,739	\$ 8,960,196	94.2	\$ 9,483,190	99.7
2004-05	10,278,805	9,670,973	94.1	10,138,039	98.6
2005-06	10,959,233	10,362,893	94.6	10,922,729	99.7
2006-07	11,461,646	10,815,193	94.4	11,476,031	100.1
2007-08	12,219,242	11,587,955	94.8	12,152,992	99.5
2008-09	13,033,037	12,570,521	96.5	13,107,716	100.6
2009-10	14,067,527	13,504,081	96.0	14,023,746	99.7
2010-11	14,828,800	13,885,594	93.7	14,524,669	98.0
2011-12	15,213,011	14,578,625	95.9	15,068,444	99.1
2012-13	15,553,243	14,966,263	96.3	15,526,439	99.9
2013-14	15,890,660	15,184,637	95.6	15,846,111	99.8
2014-15	16,465,923	15,702,261	95.4	16,267,190	98.8
2015-16	17,016,525	16,188,072	95.2	16,801,544	98.8
2016-17	17,158,503	16,431,921	95.8	17,062,470	99.5
2017-18	17,430,517	16,738,132	96.1	17,301,691	99.3
2018-19	17,788,019	16,988,353	95.6	17,597,861	98.9
2019-20	18,212,043	17,437,400	95.7	18,073,388	99.2
2020-21	18,220,999	17,570,392	96.4	18,168,850	99.7
2021-22	18,724,289	18,024,527	96.3	18,523,603	98.9
2022-23	19,089,944	18,488,940	96.9	18,900,514	99.0
2023-24	19,161,669	18,483,919	96.5	19,028,447	99.3

*Note: Beginning in Fiscal year 2008-09 amounts include property tax relief money from state gambling monies.*

Source: School District Officials



SELINGSGROVE AREA SCHOOL DISTRICT  
 SCHEDULES OF STATISTICAL INFORMATION (UNAUDITED)  
 OTHER SUPPLEMENTAL INFORMATION  
 FOR THE YEAR ENDED JUNE 30, 2024

**SCHOOL DISTRICT FACILITIES AND ENROLLMENTS**

The School District presently operates two elementary schools, a middle school and a high school, all as described on the following table. Students in grades 10-12 may attend the SUN Tech, Snyder County Career Center. The School District currently owns the former Jackson-Penn Elementary building which is leased to a private company.

<u>School Facility</u>	<u>Original Construction Date</u>	<u>Renovations or Additions</u>	<u>Grades Served</u>	<u>Student Capacity</u>	<u>2023-24 Enrollment</u>
<b>Elementary Schools:</b>					
Selinsgrove Area Elementary	1962	2008	K-2	800	510
Selinsgrove Area Intermediate	1997	none	3-5	925	552
<b>Middle School:</b>					
Selinsgrove Area Middle School	1974	2015/2019	6-8	836	562
<b>Secondary School:</b>					
Selinsgrove Area High School	1936	1942/1954/1968 1969/1983/2008 2019	9-12	1,274	<u>793</u>
Total Enrollment:					2,417

Source: School District Officials

**Pupil Enrollment Historical and Projected**

The following Table presents recent trends in school enrollment and projections of enrollment over the next year, as prepared by School District officials.

<u>School Year</u>	<u>Total</u>
2004-05	2,850
2005-06	2,780
2006-07	2,762
2007-08	2,704
2008-09	2,726
2009-10	2,677
2010-11	2,672
2011-12	2,764
2012-13	2,753
2013-14	2,709
2014-15	2,674
2015-16	2,717
2016-17	2,674
2017-18	2,624
2018-19	2,619
2019-20	2,633
2020-21	2,615
2021-22	2,416
2022-23	2,466
2023-24	2,417
2024-25 est.	2,435

SELINGROVE AREA SCHOOL DISTRICT  
SCHEDULES OF STATISTICAL INFORMATION (UNAUDITED)  
OTHER SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024

**School District Employment**

Type of Personnel	Number
Administrators	14
Professional/Instructional	185
Classified/ Support Staff	127
Total	326

\*employment numbers are as of the  
beginning of the 2024-25 school year

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

Federal Grantor/ Pass Through Grantor/ Program Title	Source Code	Federal AL Number	Pass Through Grantors' Number	Program or Award Amount	Grant Period Beginning/Ending Date	Total Received For Year	Accrued Or (Deferred) Revenue July 1, 2023	Revenue Recognized	Expenditures	Accrued Or (Deferred) Revenue June 30, 2024	Subrecipient Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>											
<b>Passed Through State Department of Education:</b>											
Title I Grants to Local Educational Agencies	(I)	84.010A	013-230377	\$ 638,472	7-1-22 / 9-30-24	\$ 540,246	\$ 508,565	\$ 31,681	\$ 31,681	\$ -	\$ -
Title I Grants to Local Educational Agencies	(I)	84.010A	013-240377	581,701	7-1-23 / 9-30-25	134,239	-	581,701	581,701	447,462	-
Total Title I Grants to Local Educational Agencies						674,485	508,565	613,382	613,382	447,462	-
Title II Improving Teacher Quality State Grants	(I)	84.367	020-230377	90,928	7-1-22 / 9-30-24	76,939	68,791	8,148	8,148	-	-
Title II Improving Teacher Quality State Grants	(I)	84.367	020-240377	77,709	7-1-23 / 9-30-25	17,933	-	72,115	72,115	54,182	-
Total Title II Improving Teacher Quality State Grants						94,872	68,791	80,263	80,263	54,182	-
Title IV Student Support and Academic Enrichment Program	(I)	84.424	144-220377	49,186	7-1-21 / 9-30-23	31,627	(12,744)	22,397	22,397	(21,974)	-
Title IV Student Support and Academic Enrichment Program	(I)	84.424	144-230377	50,787	7-1-22 / 9-30-24	42,974	(7,813)	-	-	(50,787)	-
Title IV Student Support and Academic Enrichment Program	(I)	84.424	144-240377	49,984	7-1-23 / 9-30-25	11,535	-	-	-	(11,535)	-
Total Title IV Student Support and Academic Enrichment Program						86,136	(20,557)	22,397	22,397	(84,296)	-
COVID-19 Education Stabilization Fund (ESSER II)	(I)	84.425D	200-210377	2,415,275	3-13-20 / 9-30-23	617,861	412,976	204,885	204,885	-	-
COVID-19 Education Stabilization Fund (ESSER III ARP)	(I)	84.425U	223-210377	4,885,403	3-13-20 / 9-30-24	2,575,940	722,485	1,853,455	1,853,455	-	-
COVID-19 Education Stabilization Fund (ESSER Homeless Children and Youth)	(I)	84.425U	181-212386	19,117	7-1-21 / 9-30-24	-	(6,949)	755	755	(6,194)	-
Total Education Stabilization Fund						3,193,801	1,128,512	2,059,095	2,059,095	(6,194)	-
<b>Passed Through Central Susquehanna Intermediate Unit</b>											
Special Education-Grants to States:											
Special Education-Grants to States (IDEA B)	(I)	84.027	062-23-0016	330,178	7-1-22 / 6-30-23	330,178	330,178	-	-	-	-
Special Education-Grants to States (IDEA B)	(I)	84.027	062-24-0016	330,178	7-1-23 / 6-30-24	-	-	368,518	368,518	368,518	-
Special Education-Preschool Grants (IDEA 619)	(I)	84.173	131-23-0016	3,077	7-1-22 / 6-30-23	3,077	3,077	-	-	-	-
Special Education-Preschool Grants (IDEA 619)	(I)	84.173	131-24-0016	3,077	7-1-23 / 6-30-24	-	-	6,534	6,534	6,534	-
Total Special Education Cluster						333,255	333,255	375,052	375,052	375,052	-
<b>TOTAL DEPARTMENT OF EDUCATION</b>				<b>\$ 9,525,072</b>		<b>\$ 4,382,549</b>	<b>\$ 2,018,566</b>	<b>\$ 3,150,189</b>	<b>\$ 3,150,189</b>	<b>\$ 786,206</b>	<b>\$ -</b>

See Notes to Schedule of Expenditures of Federal Awards

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

Federal Grantor/ Pass Through Grantor/ Program Title	Source Code	Federal AL Number	Pass Through Grantors' Number	Program or Award Amount	Grant Period Beginning/Ending Date	Total Received For Year	Accrued Or (Deferred) Revenue July 1, 2023	Revenue Recognized	Expenditures	Accrued Or (Deferred) Revenue June 30, 2024	Subrecipient Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>											
<b>Passed Through State Department of Education:</b>											
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	(I)	10.649	1-29-54-080-3	N/A	7-1-23 / 6-30-24	\$ 5,763	\$ -	\$ 5,763	\$ 5,763	\$ -	\$ -
<b>Child Nutrition Cluster</b>											
National School Lunch	(I)	10.555	1-29-54-080-3	N/A	7-1-23 / 6-30-24	623,526	-	623,526	623,526	-	-
National School Lunch	(S)	N/A	1-29-54-080-3	N/A	7-1-23 / 6-30-24	31,554	-	31,554	31,554	-	-
School Breakfast	(I)	10.553	1-29-54-080-3	N/A	7-1-23 / 6-30-24	142,523	-	142,523	142,523	-	-
School Breakfast	(S)	N/A	1-29-54-080-3	N/A	7-1-23 / 6-30-24	88,834	-	88,834	88,834	-	-
Summer Food Service Program for Children	(I)	10.559	1-29-54-080-3	N/A	7-1-23 / 6-30-24	3,363	1,788	4,959	4,959	3,384	-
SNP Emergency Operating Costs	(I)	10.555	1-29-54-080-3	N/A	7-1-23 / 6-30-24	59,782	-	59,782	59,782	-	-
<b>PASSED THROUGH STATE DEPARTMENT OF AGRICULTURE:</b>											
National School Lunch Program	(I)	10.555	1-29-54-080-3	N/A	7-1-23 / 6-30-24	(A) 122,867	(B) 3,278	121,672	(C) 121,672	(D) 2,083	-
<b>LESS: STATE FUNDS</b>						120,388	-	120,388	120,388	-	-
Total Child Nutrition Cluster						952,061	5,066	952,462	952,462	5,467	-
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>						957,824	5,066	958,225	958,225	5,467	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				\$ 9,525,072		\$ 5,340,373	\$ 2,023,632	\$ 4,108,414	\$ 4,108,414	\$ 791,673	\$ -

**Source Code Legend:**

- (I) Indicates indirect funding
- (S) Indicates State matching funding.

\*Denotes tested as a major program

**Other Code Legend:**

- (A) Indicates total commodities received.
- (B) Indicates beginning commodity inventory
- (C) Indicates commodities used.
- (D) Indicates ending commodity inventory

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

NOTE 1: REPORTING ENTITY

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RISK-BASED AUDIT APPROACH

The 2024 threshold for determining Type A and Type B programs is \$750,000.

The following Type A programs were audited as major:

84.425 Education Stabilization Fund

10.553/10.555/10.559 Child Nutrition Cluster

The amount expended under the program audited as a major federal program for the year ended June 30, 2024, totaled \$3,011,557 or 73.3% of total federal awards expended.

NOTE 4: MEDICAL ASSISTANCE

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



# Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## 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

### INDEPENDENT AUDITOR'S REPORT

Board of School Directors  
Selinsgrove Area School District  
Selinsgrove, Pennsylvania

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Selinsgrove Area School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 19, 2024.

#### **Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control 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.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.



# *Zelenkofske Axlerod LLC*

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Board of School Directors  
Selinsgrove Area School District

## **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.

*Zelenkofske Axlerod LLC*

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania  
December 19, 2024



# *Zelenkofske Axlerod LLC*

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH BY THE UNIFORM GUIDANCE

## INDEPENDENT AUDITOR'S REPORT

Board of School Directors  
Selinsgrove Area School District  
Selinsgrove, Pennsylvania

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

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

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

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

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

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

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

#### ***Responsibilities of Management for Compliance***

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

#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.





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The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

### ***Report on Internal Control Over Compliance***

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

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



# *Zelenkofske Axlerod LLC*

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

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

*Zelenkofske Axlerod LLC*

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania  
December 19, 2024

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

SECTION I – SUMMARY OF AUDITOR’S RESULTS:

*Financial Statements*

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ yes \_\_\_X\_\_\_ no
- Significant Deficiency(s) identified that are not considered to be material weaknesses?  
\_\_\_ yes \_\_\_X\_\_\_ none reported

Noncompliance material to financial statements noted? \_\_\_ yes \_\_\_X\_\_\_ no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_ yes \_\_\_X\_\_\_ no
- Significant Deficiency(s) identified that are not considered to be material weaknesses?  
\_\_\_ yes \_\_\_X\_\_\_ none reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_ yes \_\_\_X\_\_\_ no

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	Education Stabilization Fund
10.553/10.555/10.559	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? \_\_\_ yes \_\_\_X\_\_\_ no

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – FEDERAL AWARD FINDINGS

None noted.

SELINGROVE AREA SCHOOL DISTRICT  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024

<u>Program</u>	<u>Prior Year Finding</u>	<u>Description</u>	<u>Current Year Status</u>
Child Nutrition Cluster	2023-001	Activities Allowed	Resolved