Chartiers Valley School District

Single Audit

June 30, 2023

MaherDuessel

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CHARTIERS VALLEY SCHOOL DISTRICT

YEAR ENDED JUNE 30, 2023

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Independent Auditor's Report

Board of Directors
Chartiers Valley School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Chartiers Valley School District (School District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The supplementary information listed in the table of contents 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

Maher Duessel

Pittsburgh, Pennsylvania
March 19, 2024

CHARTIERS VALLEY SCHOOL DISTRICT
PITTSBURGH, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2023

Our Management's Discussion and Analysis of Chartiers Valley School District's (District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

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

FINANCIAL HIGHLIGHTS

District-Wide

- Total end of year net position (deficit) of $(60,417,330) in government and business-type activities represent a decrease in the deficit of $6,806,507 from fiscal year 2021-2022.
- As evident on the Statement of Activities, total general revenue of $63,105,930 account for 77.60% of total revenues from both governmental and business-type activities. Program specific revenues of $18,189,651 account for 22.40%.
- Capital assets, net of accumulated depreciation for governmental activities decreased $18,872 from fiscal year 2021-2022. Capital assets, net of accumulated depreciation for business-type activities increased by $40,367 from fiscal year 2021-2022.
- Total long-term debt (includes general obligation bonds, extended term financing, other long-term liabilities, net pension liability, and net OPEB obligation) increased by $1,461,188 due to net pension liability increases netted with the bond repayments.

Fund-Level

- The District has General Fund revenues of $77,595,027 and expenditures of $77,271,192, including other financing sources and uses, resulting in an increase of $323,835 to the fund balance for the year.
- The ending fund balance in the General Fund was $7,116,095. Of that fund balance, the District had non-spendable fund balance of $733,343 related to prepaid expenditures, and has committed $1,380,643 to OPEB Benefits. The total fund balance at the end of the year for all governmental funds was $27,160,319.

CHARTIERS VALLEY SCHOOL DISTRICT
PITTSBURGH, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

OVERVIEW OF FINANCIAL STATEMENTS

This annual financial report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary 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- the Statement of Net Position and the Statement of Activities that provide both short-term and long-term information about the district's overall financial position.

- 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 government fund statements tell how basic services were financed in the short-term, as well as what remains for future spending.
- Proprietary fund statements offer short-and long-term financial information about the activities the district operates like businesses, such as food services.
- Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data for better understanding of the information provided. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the year.

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, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 position and how they have changed. Net position, the difference between the District's assets, deferred outflows, liabilities, and deferred inflows, are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indication of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base, condition of school buildings and other facilities, and the performance of the students.

The district-wide financial statements of the District are divided into two categories:

- *Governmental activities* - All of the District's basic services are included here, such as instruction, administration and maintenance of property, plant and equipment. Property taxes, state and federal subsidies, and grants finance most of these activities.

- *Business type activities* – The District operates a food service operation and charges fees to staff, students, and visitors to cover the costs of the food service operation.

Fund Financial Statements

The District's fund financial statements provide detailed information about the most significant funds or "major" funds - 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 (such as for the purchase of capital assets or the payment of long-term debt).

The district has three 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 that 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 fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. Because the information does not encompass the additional long-term focus of the district-wide statements, additional information is provided with the governmental fund statements that explain the relationship (or differences) 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. The Food Service Fund is the District's proprietary fund and is the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows.

Fiduciary funds - The District is the trustee, or fiduciary, for assets that belong to others, such as the Student Activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide statements because it cannot use these assets to finance its operations. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted above, net position may serve over time as a useful indicator of the District's financial position. At the close of the 2022-2023 fiscal year, the District's liabilities and deferred inflows exceeded assets and deferred outflows by $61,237,349. At the close of the 2021-2022 fiscal year, liabilities and deferred inflows exceeded assets and deferred outflows by $67,223,837.

Table A-1
Fiscal Year Ended June 30,
Net Position

	2023 Governmental Activities	2023 Business-Type Activities	2023 Total	2022 Governmental Activities	2022 Business-Type Activities	2022 Total
Current and other assets	$41,134,127	$ 456,895	$41,591,022	$41,001,613	$ 365,748	$41,367,361
Capital assets	110,276,642	399,216	110,675,858	110,295,514	358,849	110,654,363
Deferred outflows	20,182,154	-	20,182,154	21,296,414	-	21,296,414
Total Assets and Deferred outflows	$171,592,923	$ 856,111	$172,449,034	$172,593,541	$ 724,597	$173,318,138
Current and other liabilities	$13,454,070	$ 36,092	$13,490,162	$13,381,910	$ 79,535	$13,461,445
Long-term liabilities	211,453,143	-	211,453,143	210,021,747	-	210,021,747
Deferred inflows	7,923,059	-	7,923,059	17,058,783	-	17,058,783
Total Liabilities and Deferred inflows	$232,830,272	$ 36,092	$232,866,364	$240,462,440	$ 79,535	$240,541,975
Net investment in capital assets, net of related debt	$30,466,016	$ 399,216	$30,865,232	$29,255,027	$ 358,849	$29,613,876
Unrestricted	(91,703,365)	420,803	(91,282,562)	(97,123,926)	286,213	(96,837,713)
Total Net Position	$(61,237,349)	$ 820,019	$(60,417,330)	$(67,868,899)	$ 645,062	$(67,223,837)

- The District's total net position (deficit) was $(60,417,330) at June 30, 2023. Net position showed an increase of $6,806,507; or 10.0% over that for fiscal year 2021-2022.

- The District's total assets and deferred outflows as of June 30, 2023 were $172,449,034 of which $31,701,863 or 18.38% consisted of cash and $110,675,858 or 64.18% consisted of the District's investment in capital assets.

- The District's liabilities and deferred inflows as of June 30, 2023 were $232,866,364 of which $96,663,588 or 41.51% consisted of general obligation bonds from prior capital projects and $97,231,000 or 41.75% consisted of the net pension liability.

- Most of the District's net position is invested in capital assets (buildings, land and equipment) which reflects its investment in capital assets, net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- The remaining unrestricted net position is a combination of committed, assigned and unassigned amounts. Any restricted balances are amounts set-aside to fund future purchases or capital projects as planned by the district.

The following table presents information for the Statement of Activities of the District for 2023 and 2022.

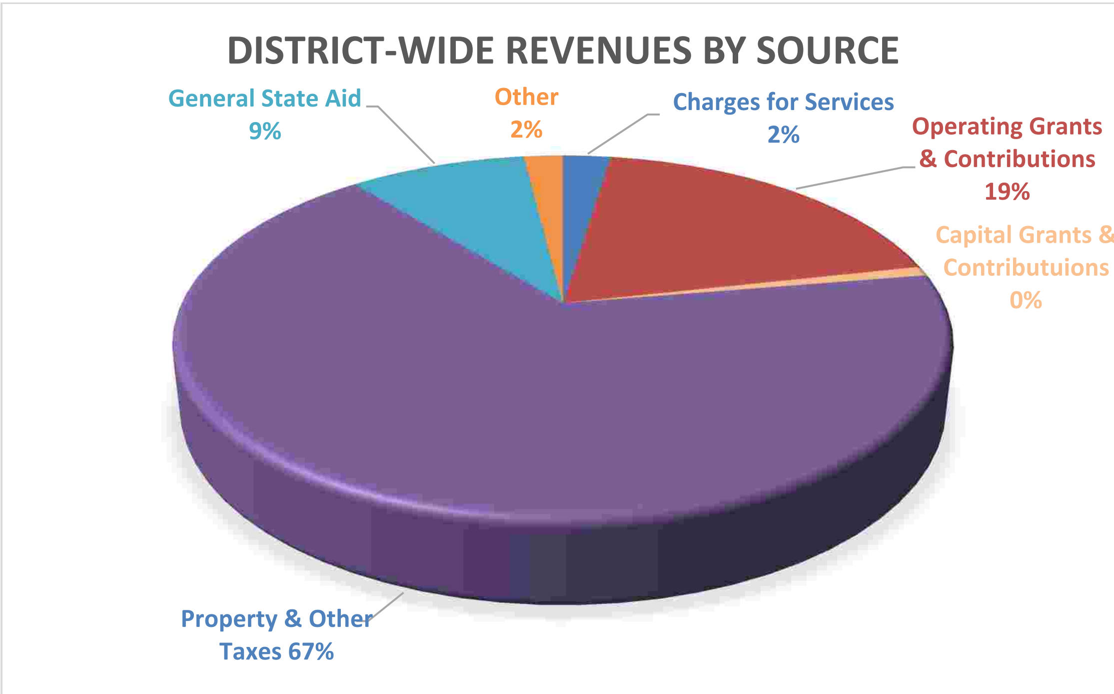
Table A-2
Year ended June 30,

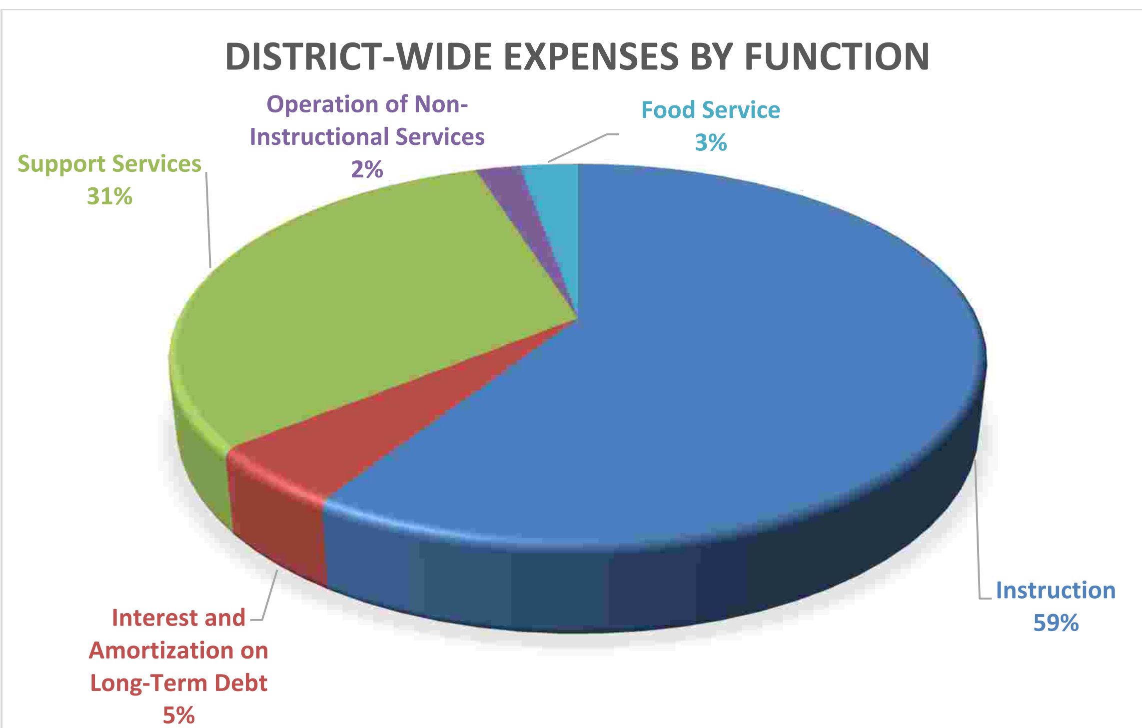
	2023			2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues						
Program revenues						
Charges for services	$ 1,228,326	$ 706,730	$ 1,935,056	$ 1,173,080	$ 236,451	$ 1,409,531
Operating grants and contributions	14,114,207	1,463,409	15,577,616	12,136,349	2,199,549	14,335,898
Capital grants and contributions	600,687	76,292	676,979	164,968	-	164,968
General revenues						
Property and other taxes	54,317,514	-	54,317,514	51,733,931	-	51,733,931
Grants, subsidies and contributions, unrestricted	7,199,715	-	7,199,715	6,448,207	-	6,448,207
Investment earnings	1,463,069	-	1,463,069	1,153	-	1,153
Other	125,632	-	125,632	248,847	-	248,847
Total Revenues	$79,049,150	$2,246,431	$81,295,581	$71,906,535	$2 436 000	$74,342,535

	2023			2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Expenses						
Instruction	$ 43,991,803	$ -	$ 43,991,803	$ 41,444,737	$ -	$ 41,444,737
Support services	23,091,751	-	23,091,751	23,686,772	-	23,686,772
Operation of non-instructional services	1,577,479	-	1,577,479	1,482,468	-	1,482,468
Interest on long-term debt	3,756,567	-	3,756,567	2,885,488	-	2,885,488
Food services	-	2,071,474	2,071,474	-	2,056,139	2,056,139
Total Expenses	72,417,600	2,071,474	74,489,074	69,499,465	2,056,139	71,555,604
Increase (decrease) in net position	6,631,550	174,957	6,806,507	2,407,070	379,861	2,786,931
Beginning net position	(67,868,899)	645,062	(67,223,837)	(70,275,969)	265,201	(70,010,768)
Ending net position	$(61,237,349)	$ 820,019	$(60,417,330)	$(67,868,899)	$ 645,062	$(67,223,837)

Overall, the District's financial position has been stable, but challenges such as the following rising expenditures have a potential to impact future years: collective bargaining, pension contributions, security costs, special education needs and outplacements, charter school tuition, state-mandated programs, and aging buildings. Management of the District continues to aggressively implement cost efficiencies and leverage grant opportunities to combat these factors. In addition, a court case challenging Allegheny County's Common Level Ratio could impact the District's real estate revenue. In the governmental activities, the District's assessed property tax base drives the majority of the revenue generated. The District includes four municipalities: Bridgeville Borough, Collier Township, Heidelberg Borough and Scott Township. A majority of the District's tax base is in the form of residential housing which has seen growth in recent years.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)





The *Statement of Activities* provides detail that focuses on how the District finances its services. The Statement of Activities compares the costs of the District functions and programs - instruction, support services, operation of non-instructional services and interest on long-term debt with the resources those functions and programs generate themselves in the form of program revenues to determine the final amount of the District's activities that are supported by other general revenues.

Table A-3 below shows the District's functions, as well as each program's net cost (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants, subsidies and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues.

Table A-3
Year Ended June 30,

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Functions/Programs				
Instruction	$ 43,991,803	$ 32,517,999	$ 41,444,737	$ 31,705,747
Support Services	23,091,751	19,606,713	23,686,772	20,498,020
Operation of non-instructional services	1,577,479	1,193,794	1,482,468	1,100,780
Interest on long-term debt	3,756,567	3,155,880	2,885,488	2,720,520
Total governmental activities	$ 72,417,600	$ 56,474,380	$ 69,499,465	$ 56,025,068
Less:				
Unrestricted grants, subsidies		7,199,715		6,448,207
Total needs from local taxes and other revenue		$49,274,665		$49,576,861

Business-Type Activities

The Food Service Operation is considered a business activity rather than a government activity, and as such are separately recorded. The Food Service operations are self-funding operations which include the routine replacement of equipment. In 2022-2023, the Food Service revenue exceeded the cost of operations and reported a gain of $174,957. The District continues to review opportunities to improve and grow the financial operations of food service.

Table A-4
Year Ended June 30,

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Functions/Programs				
Food Service	$ 2,071,474	$ 174,957	$ 2,056,139	$ 379,861
Total Business-Type Activities, net of transfer		$174,957		$379,861

The Statement of Revenues, Expenses and Changes in Fund Net Position for this proprietary fund will further detail the actual results of operations.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

General Fund

The General Fund is the District's primary operating fund. The District's General Fund is prepared according to Pennsylvania law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. At the conclusion of the 2022-2023 fiscal year, the General Fund's fund balance was $7,116,095. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2022-2023 fiscal year.

Revenues

Revenues for the 2022-2023 fiscal year were $77,506,253 compared to $71,694,340 for the previous fiscal year. The revenues are derived from three main sources as follows:

Table A-5
Revenues

	2023 Amount	2022 Amount	Increase (Decrease)	% Change
Local sources	$ 56,132,150	$ 53,583,212	$ 2,548,938	4.76%
State sources	18,564,680	16,466,689	2,097,991	12.74%
Federal sources	2,809,423	1,644,439	1,164,984	70.84%
Total	$ 77,506,253	$ 71,694,340	$ 5,637,018	7.84%

Local revenues are derived mostly from levying taxes such as real estate tax, earned income tax and real estate transfer tax. Local revenues increased by $2,548,938 or 4.76%. The increase was due to the tax increase of 0.6107 millage points from 18.7850 to 19.3957 from 2022 to 2023, respectively.

The General 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 measurable and available. Revenues are considered available if it is 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 sixty (60) days of the end of the current fiscal period, June 30.

State revenues are derived mostly from state subsidies for basic education, special education and transportation. State revenues also include an approximate 50% reimbursement from the state for social security and retirement costs as well as percentage reimbursement for principal and interest payments for outstanding bond issues. In fiscal year 2022-2023, the District received $5,979,152 in basic education funding, an increase of $543,836 from 2021-2022. The District also noted an increase of $433,101 as a result of an increase in the PSERS employer contribution rate from 34.94% in 2021-2022 to 35.26% in 2022-2023. Additional rental and sinking payments were received in 2022-2023 for an increase of $435,719 from 2021-2022.

The District received allocations for federal programs including Title I, Title II, III, IV, IDEA, Medical Assistance Reimbursement for Access and Elementary and Secondary School Emergency Relief Fund (ESSER). The ESSER funding was a direct result of the covid-19 pandemic. The District received $1,766,231 in ESSER III funds, which are available through September 30, 2024. This is an increase of $1,575,881 from 2021-2022 due to timing of eligible construction projects.

Expenditures

Expenditures for the General Fund for the 2022-2023 fiscal year were $72,417,600 compared to the 2021-2022 fiscal year were $72,652,629. The following table shows the expenditures by object area:

Table A-5
Expenditures

	2023 Amount	2022 Amount	Increase (Decrease)	% Change
Salaries	$ 32,899,263	$ 33,334,546	$ (435,283)	-1.31%
Fringe benefits	20,958,875	20,889,864	69,011	.33%
Professional service	3,531,202	2,986,134	545,068	18.25%
Purchased property Service	518,507	540,319	(21,812)	-4.04%
Other purchased Services	4,781,836	4,566,521	215,315	4.72%
Supplies	3,213,225	2,979,665	233,560	7.84%
Property	237,952	444,928	(206,976)	-46.52%
Other objects	3,420,752	3,803,881	(383,129)	-10.06%
Other uses of funds	2,855,988	3,106,771	(250,783)	-8.07%
Total	$ 72,417,600	$ 72,652,629	$ (235,029)	-0.32%

Salaries decreased by a total of ($435,283) due to not replacing or replacing positions at a lower rate of pay.

Fringe benefits only increased by a total of $69,011 primarily due to not replacing positions or replacing them at lower pay while the increase in the employer retirement fund and the cost of health insurance through the Allegheny County Schools Health Insurance Consortium increased.

Professional services increased by $545,068 primarily due to increased tuition of students with disabilities in other settings. Purchased property services decreased by $21,812 due to less repair costs. Other purchased service increased by $215,315 due to tuition to other approved private schools, charter schools and technology centers and contracted transportation. Supplies increased due to inflationary prices of utilities (electricity and natural gas), fuel for transportation, maintenance, custodial and curriculum supplies needed for daily operations.

Property decreased by ($206,976) due to budgetary constraints. Other objects decreased by (383,129) and Other uses of Funds decreased by ($250,783) due to savings of a refinanced bond and leases being termed.

General Fund Budgetary Highlights

The District prepares a budget each year for its General Fund according to Pennsylvania law. The budget complied with all applicable state laws and financial policies approved by the School Board of Directors. During the fiscal year, the Board of Education (The Board) may authorize revisions to the original budget to accommodate differences from the original budget to actual expenditures of the District. A schedule showing the District's original and final budget amounts compared with actual expenditures and receipts is provided in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget vs. Actual – General Fund.

The General Fund's originally approved budget for 2021-2022 included $74,383,412 of revenues not including transfers in from other funds.

Actual revenues for 2023 were $3,122,841 more than the final budget. Local revenues were more than budgeted due to increased EIT collections and interest rate rising throughout the year. State Basic Education Subsidy and Rental & Sinking fund payments were more than budgeted due to PA legislative action and receipt of past due funding, respectively.

The final actual expenses were $2,199,879 more than budget. This increase can be primarily attributed to increased costs for contracted transportation for outplaced students, fuel, utilities, tuition placements and curricular purchases.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

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

Table A-6
Governmental and Business Type Activities
Capital assets - net of depreciation

	Governmental Activities	Business-Type Activities	Total
Land, buildings and improvements	$ 149,905,566	$ -	$ 149,905,556
Equipment and other capital assets	7,110,805	852,646	7,963,451
Total	157,016,371	852,646	157,869,017
Accumulated depreciation	(46,739,729)	(453,430)	(47,193,159)
Net	$ 110,276,642	$ 399,216	$ 110,675,858

Long-Term Liabilities

At June 30, 2023, the District's long-term debt (including the current portion of bonds payable) was $214,589,625. This includes compensated absences and retiree obligations of $18,955,236, net pension liability of $97,231,000, financed purchase obligations of $1,739,701 and general bond obligations of $94,560,000. Net pension liability saw an increase of $4,155,000 and the District's net OPEB obligation decrease of $594,524 as a result of changes related to reporting under GASB 75. More detailed information about the District's long-term liabilities and the effects of changes due to GASB 75 is included in the notes to the financial statements.

Table A-7
Outstanding Debt

	2023
General Obligation Notes/Bonds	
Bonds, Series of 2015A	$ 7,200,000
Bonds, Series of 2015B	24,500,000
Bonds, Series of 2016	14,390,000
Bonds, Series of 2021	31,640,000
Bonds, Series of 2021A	16,830,000
Unamortized Balance	2,103,588
Financed purchase agreements	1,739,701
Compensated absences	3,565,948
Other post-employment benefits	15,389,388
Net pension liability	97,231,000
Total	$ 214,589,625

FUTURE ECONOMIC FACTORS

Act 1 of 2006

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

One significant change contained in the legislation is the expansion of property tax rate limits to all school districts in the state. Beginning in the 2007-2008 fiscal year, school districts were required to hold tax rate increases to an annual index based on the average increase in the statewide average weekly wage and the employment cost index for schools. The index is adjusted upward for school districts whose aid ratios are above .4, a group that represents 80% of all districts in the state. The District's index for 2022-23 was 3.4%.

In the event a school district wishes to increase the property tax millage rate by more than the index annually prescribed by the state, the school district must seek voter approval (known commonly as a "back-end referendum") prior to implementing the millage rate increase. In the event voters do not approve the millage rate increase, the school district must limit its millage rate increase to the index. Certain exceptions are provided under Act 1 that, if approved by the appropriate authority, may permit increases above the Act 1 index without the need for a back-end referendum. Typically, these exceptions relate to emergencies and cost increases in excess of the Act 1 index (e.g., retirement system contribution and special education expenditures) over which the school district has no control. Any revenues distributed under the provisions of Act 1 are to be used for the purpose of reducing property taxes for homesteaders and farmsteaders. Gaming revenue of $1,145,809 was received in 2022-23 from state-wide funds to reduce property taxes. The portion of gaming revenue significantly increased by $234,284 from 2021-2022.

Expenditure impacts for the District are similar to those faced by most districts. Due to economic factors expenses such as insurance benefits, fuel and utilities continue to rise, retirement contributions mandated by the Commonwealth of Pennsylvania, increased enrollment in Cyber and Charter Schools, and special education costs continue to add stress to school budgets. The increased expenditures combined with restrictions on revenue sources make it more difficult to balance the budget. Close attention to spending for all programs is a necessity.

Pennsylvania School Employment Retirement System (PSERS)

PSERS costs to the District continue to rise as the Pennsylvania pension system remains underfunded. The employer's rate for 2022-23 was 35.26% and the rate for 2021-22 was 34.94% as set by the state. The increasing pension costs continue to erode any new sources of revenue and impact core educational programs as the District balances the budget on an annual basis.

Charter School Tuition

Charter schools and related funding are common in the state. According to state law, a Chartiers Valley School District resident can send their child to an approved charter school and the District must pay the tuition (regular education rate of $14,374.56; special education rate $28,156.16 per child for 2022-23 to the receiving school and must provide the transportation if the school is within ten miles of the Chartiers Valley School District border. During 2022-23, the District sent approximately 87 students to charter/cyber schools with a total tuition of $1,388,435 paid to the receiving schools. There are proposed bills in the senate and house to improve the impact to school districts.

Capital Improvement Plan

The District issued a bond for $17,000,000 to improve secondary athletic facilities, the High School auditorium and the Primary School HVAC system. Secondary athletics were not improved during the High School renovation and are being upgraded for safety and ADA compliance. The District also used $2,000,000 of ARP ESSER III funding to support the Primary School HVAC project. The Intermediate School needs major upgrades and renovations to mechanical systems, envelope and general modernization. The District's capital plan is to support the projects associated with athletics and the auditorium and the PS and then concentrate on the Intermediate School and its renovations to support elementary age students in grades three to five.

Future Budgets

The Chartiers Valley School District, as with many school districts statewide, feels the impact of inflation. We continue to face financial adversity with flat or declining revenues while being challenged to pay for unexpected or uncontrollable costs. While we continue to maintain an adequate fund balance that provides a sense of financial security, we must plan for future upgrades to aging facilities, higher special education costs, increased charter school tuition, increased healthcare and retirement costs, unfunded state and federal mandates, and changes to the funding levels for the school district that could impact subsidy revenue and potential real estate tax reform.

Collaborative solutions have been key to our success and achieving a new mindset of what is essential. The effort to balance budgets will continue to require innovative and collaborative thinking to continue the overall success and financial well-being of the Chartiers Valley School District to ensure a quality education is provided to our students.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to show the Board's accountability for the funds it manages. If you have questions about this report or wish to request additional financial information, please contact Patricia Connolly, Director of Finance and Operations, at Chartiers Valley School District, 2030 Swallow Hill Road, Pittsburgh, PA 15220, (412) 429-2204.

CHARTIERS VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 16,113,723	$ -	$ 16,113,723
Restricted cash and cash equivalents	15,588,140	-	15,588,140
Investments	25,095	-	25,095
Taxes receivable	4,448,991	-	4,448,991
Intergovernmental receivables	3,893,681	-	3,893,681
Other receivables	774,559	9,995	784,554
Internal balances	(443,405)	443,405	-
Inventories	-	3,495	3,495
Prepaid expenses/expenditures	733,343	-	733,343
Capital assets:			
Non-depreciable	5,059,595	-	5,059,595
Depreciable, net of accumulated depreciation	105,217,047	399,216	105,616,263
Total capital assets	110,276,642	399,216	110,675,858
Total Assets	151,410,769	856,111	152,266,880
Deferred Outflows of Resources			
Deferred charge on refunding	3,009,439	-	3,009,439
Deferred outflows of resources for pension	14,617,486	-	14,617,486
Deferred outflows of resources for OPEBs	2,555,229	-	2,555,229
Total Deferred Outflows of Resources	20,182,154	-	20,182,154
Liabilities			
Accounts payable	294,361	30,854	325,215
Accrued salaries and benefits	9,284,095	-	9,284,095
Accrued interest payable	633,001	-	633,001
Unearned revenue	57,098	5,238	62,336
Other current liabilities	49,033	-	49,033
Non-current liabilities:			
Portions due or payable within one year:			
Bonds payable	2,220,000	-	2,220,000
Financed purchases	528,215	-	528,215
Compensated absences	388,267	-	388,267
Portions due or payable after one year:			
Bonds payable - net	94,443,588	-	94,443,588
Financed purchases	1,211,486	-	1,211,486
Net pension liability	97,231,000	-	97,231,000
Net OPEB liability	15,389,388	-	15,389,388
Compensated absences	3,177,681	-	3,177,681
Total Liabilities	224,907,213	36,092	224,943,305
Deferred Inflows of Resources			
Deferred inflows of resources for pension	5,257,000	-	5,257,000
Deferred inflows of resources for OPEBs	2,666,059	-	2,666,059
Total Deferred Inflows of Resources	7,923,059	-	7,923,059
Net Position			
Net investment in capital assets	30,466,016	399,216	30,865,232
Unrestricted	(91,703,365)	420,803	(91,282,562)
Total Net Position	$ (61,237,349)	$ 820,019	$ (60,417,330)

The notes to basic financial statements are an integral part of this statement.

CHARTIERS VALLEY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expense) Revenue and Change in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction	$ 43,991,803	$ 889,281	$ 10,584,529	$ -	$ (32,517,993)	$ -	$ (32,517,993)
Support services	23,091,751	115,658	3,369,380	-	(19,606,713)	-	(19,606,713)
Operation of non-instructional services	1,577,479	223,387	160,298	-	(1,193,794)	-	(1,193,794)
Interest and amortization on long-term debt	3,756,567	-	-	600,687	(3,155,880)	-	(3,155,880)
Total governmental activities	72,417,600	1,228,326	14,114,207	600,687	(56,474,380)	-	(56,474,380)
Business-Type Activities:							
Food service	2,071,474	706,730	1,463,409	76,292	-	174,957	174,957
Total business-type activities	2,071,474	706,730	1,463,409	76,292	-	174,957	174,957
Total Primary Government	$ 74,489,074	$ 1,935,056	$ 15,577,616	$ 676,979	(56,474,380)	174,957	(56,299,423)
General revenues:							
Taxes:							
Property taxes					46,342,647	-	46,342,647
Earned income taxes					6,239,050	-	6,239,050
Other taxes					1,735,817	-	1,735,817
Grants, subsidies, and contributions not restricted					7,199,715	-	7,199,715
Investment earnings					1,463,069	-	1,463,069
Miscellaneous					125,632	-	125,632
Total general revenues					63,105,930	-	63,105,930
Change in Net Position					6,631,550	174,957	6,806,507
Net Position:							
Beginning of year					(67,868,899)	645,062	(67,223,837)
End of year					$ (61,237,349)	$ 820,019	$ (60,417,330)

The notes to basic financial statements are an integral part of this statement.

CHARTIERS VALLEY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	Capital Improvement Fund	Non-Major Funds	Total
Assets				
Cash and cash equivalents	$ 9,790,659	$ 2,326,810	$ 3,996,254	$ 16,113,723
Restricted cash and cash equivalents	-	15,588,140	-	15,588,140
Investments	-	-	25,095	25,095
Taxes receivable	4,448,991	-	-	4,448,991
Due from other funds	3,031,583	500,000	110,751	3,642,334
Intergovernmental receivables	3,893,681	-	-	3,893,681
Other receivables	774,559	-	-	774,559
Prepaid expenses	733,343	-	-	733,343
Total Assets	$ 22,672,816	$ 18,414,950	$ 4,132,100	$ 45,219,866
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$ 291,550	$ -	$ 2,811	$ 294,361
Accrued salaries and benefits	9,284,095	-	-	9,284,095
Unearned revenue	57,098	-	-	57,098
Other current liabilities	49,033	-	-	49,033
Due to other funds	1,585,724	1,861,655	638,360	4,085,739
Total Liabilities	11,267,500	1,861,655	641,171	13,770,326
Deferred Inflows of Resources:				
Unavailable revenue - real estate taxes	4,289,221	-	-	4,289,221
Fund Balances:				
Non-spendable:				
Prepaid expenditures	733,343	-	-	733,343
Restricted:				
Capital projects	-	15,583,224	-	15,583,224
Committed:				
Capital projects	-	970,071	-	970,071
Debt stabilization	-	-	3,357,894	3,357,894
Designated purposes	-	-	133,035	133,035
OPEB benefits	1,380,643	-	-	1,380,643
Unassigned	5,002,109	-	-	5,002,109
Total Fund Balance	7,116,095	16,553,295	3,490,929	27,160,319
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 22,672,816	$ 18,414,950	$ 4,132,100	$ 45,219,866

The notes to basic financial statements are an integral part of this statement.

CHARTIERS VALLEY SCHOOL DISTRICT

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

JUNE 30, 2023

Total Fund Balance - Governmental Funds		$ 27,160,319
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.		110,276,642
Property taxes receivable received after 60 days are not considered available soon enough to pay for the current year's expenditures and, therefore, are reported as unavailable in the funds.		4,289,221
Governmental funds report the effect of deferred charge on refunding when debt is first issued, whereas this amount is a deferred outflow and amortized in the statement of activities.		3,009,439
Accrued interest payable is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds.		(633,001)
The actuarially accrued net OPEB liability, net pension liability, and deferred inflows and outflows of resources for OPEBS and pension for the School District's employees are not recorded on the fund financial statements.		(103,370,732)
Long-term liabilities, including bonds payable, are not due and payable in the current year and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds payable	$ (94,560,000)	
Financed purchases	(1,739,701)	
Bond discount	172,747	
Bond premium	(2,276,335)	
Compensated absences	(3,565,948)	(101,969,237)
Total Net Position - Governmental Activities		$ (61,237,349)

The notes to basic financial statements are an integral part of this statement.

CHARTIERS VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

	General Fund	Capital Improvement Fund	Non-Major Funds	Total
Revenues:				
Local sources	$ 56,132,150	$ 664,550	$ 291,952	$ 57,088,652
State sources	18,564,680	-	-	18,564,680
Federal sources	2,809,423	-	-	2,809,423
Total revenues	77,506,253	664,550	291,952	78,462,755
Expenditures:				
Instruction	46,484,732	-	265	46,484,997
Support services	21,780,015	-	-	21,780,015
Operation of non-instructional services	1,609,439	-	137,773	1,747,212
Capital outlay	1,285,195	2,215,559	-	3,500,754
Debt service	5,495,227	546,208	-	6,041,435
Total expenditures	76,654,608	2,761,767	138,038	79,554,413
Excess (Deficiency) of Revenues over Expenditures	851,645	(2,097,217)	153,914	(1,091,658)
Other Financing Sources (Uses):				
Proceeds from extended term financing	-	577,285	-	577,285
Refund of prior year revenues	(116,584)	-	-	(116,584)
Refund of prior year expenditures	88,774	-	-	88,774
Transfers in	-	500,000	-	500,000
Transfers out	(500,000)	-	-	(500,000)
Total other financing sources (uses)	(527,810)	1,077,285	-	549,475
Net Change in Fund Balance	323,835	(1,019,932)	153,914	(542,183)
Fund Balance:				
Beginning of year	6,792,260	17,573,227	3,337,015	27,702,502
End of year	$ 7,116,095	$ 16,553,295	$ 3,490,929	$ 27,160,319

The notes to basic financial statements are an integral part of this statement.

CHARTIERS VALLEY SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2023

Net Change in Fund Balance - Governmental Funds		$ (542,183)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current year:		
Capital asset additions	$ 3,450,691	
Less: depreciation expense	(3,469,563)	(18,872)
Certain taxes will not be collected for several months until after year-end; they are not considered "available" revenues in the governmental funds. The unavailable revenue changed by this amount during the year.		614,205
Interest on long-term obligations in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The difference between interest accrued in the statement of activities over the amount due is shown here.		18,124
The issuance of long-term obligations (e.g., bonds, financed purchases, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.		2,266,744
In the statement of activities, certain operating expenses (compensated absences, other postemployment benefits, and pension benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.		4,293,532
Change in Net Position of Governmental Activities		$ 6,631,550

The notes to basic financial statements are an integral part of this statement.

CHARTIERS VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

YEAR ENDED JUNE 30, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Local sources	$ 54,249,202	$ 54,249,202	$ 56,132,150	$ 1,882,948
State sources	16,889,452	16,889,452	18,564,680	1,675,228
Federal sources	3,244,758	3,244,758	2,809,423	(435,335)
Total revenues	74,383,412	74,383,412	77,506,253	3,122,841
Expenditures:				
Instruction:				
Regular programs	34,872,446	34,872,446	36,646,417	(1,773,971)
Special programs	10,187,296	10,187,296	8,912,456	1,274,840
Vocation programs	904,896	904,896	909,065	(4,169)
Other instructional programs	-	-	8,438	(8,438)
Nonpublic school programs	18,604	18,604	8,356	10,248
Total instruction	45,983,242	45,983,242	46,484,732	(501,490)
Support services:				
Pupil personnel	1,273,406	1,273,406	1,853,904	(580,498)
Instructional staff	2,146,614	2,146,614	1,992,445	154,169
Administration	3,838,281	3,838,281	3,935,594	(97,313)
Pupil health	666,135	666,135	619,214	46,921
Business office	917,677	917,677	828,339	89,338
Operation and maintenance of plant	5,645,333	5,645,333	6,207,273	(561,940)
Transportation	4,643,546	4,643,546	5,312,339	(668,793)
Support services - central	-	-	46,453	(46,453)
Other support services	665,300	665,300	984,454	(319,154)
Total support services	19,796,292	19,796,292	21,780,015	(1,983,723)
Operation of non-instructional services:				
Student activities	1,439,585	1,439,585	1,594,086	(154,501)
Community services	12,875	12,875	15,353	(2,478)
Total operation of non-instructional services	1,452,460	1,452,460	1,609,439	(156,979)
Capital outlay	2,000,000	2,000,000	1,285,195	714,805
Debt service:				
Principal and interest	5,222,735	5,222,735	5,495,227	(272,492)
Total debt service	5,222,735	5,222,735	5,495,227	(272,492)
Total expenditures	74,454,729	74,454,729	76,654,608	(2,199,879)
Excess (Deficiency) of Revenues over Expenditures	(71,317)	(71,317)	851,645	922,962
Other Financing Sources (Uses):				
Refund of prior year revenues	-	-	(116,584)	(116,584)
Refund of prior year expenditures	-	-	88,774	88,774
Sale of assets	-	-	-	-
Transfers in	246,445	246,445	-	(246,445)
Transfers out	(175,128)	(175,128)	(500,000)	(324,872)
Total other financing sources (uses)	71,317	71,317	(527,810)	(599,127)
Net Change in Fund Balance	-	-	323,835	323,835
Fund Balance:				
Beginning of year	6,792,260	6,792,260	6,792,260	-
End of year	$ 6,792,260	$ 6,792,260	$ 7,116,095	$ 323,835

The notes to basic financial statements are an integral part of this statement.

CHARTIERS VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUND

JUNE 30, 2023

	Business-type Activities
	Food Service Fund
Assets	
Current assets:	
Cash and cash equivalents	$ -
Due from other funds	975,147
Other receivable	9,995
Inventory	3,495
Total current assets	988,637
Non-current assets:	
Food service equipment, net of depreciation	399,216
Total Assets	1,387,853
Liabilities	
Current liabilities:	
Accounts payable	30,854
Due to other funds	531,742
Unearned revenue	5,238
Total Liabilities	567,834
Net Position	
Net investment in capital assets	399,216
Unrestricted	420,803
Total Net Position	$ 820,019

The notes to basic financial statements are an integral part of this statement.

CHARTIERS VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND

YEAR ENDED JUNE 30, 2023

	Business-type Activities
	Food Service Fund
Operating Revenues:	
Food service revenue	$ 706,006
Other operating revenue	724
Total operating revenues	706,730
Operating Expenses:	
Salaries	487,491
Employee benefits	352,625
Purchased property services	8,952
Other purchased services	970,730
Supplies	213,789
Other objects	1,962
Depreciation expense	35,925
Total operating expenses	2,071,474
Operating Income (Loss)	(1,364,744)
Non-operating Revenues (Expenses):	
State subsidies	285,800
Federal subsidies	1,152,486
Donated commodities	101,415
Total non-operating revenues (expenses)	1,539,701
Change in Net Position	174,957
Net Position:	
Beginning of year	645,062
End of year	$ 820,019

The notes to basic financial statements are an integral part of this statement.

CHARTIERS VALLEY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

YEAR ENDED JUNE 30, 2023

		Business-type Activities
		Food Service Fund
Cash Flows From Operating Activities:		
Received from customers	$	706,006
Other operating receipts		9,097
Payments to employees		(308,374)
Payments to suppliers		(1,067,308)
Net cash provided by (used in) operating activities		(660,579)
Cash Flows From Non-Capital Financing Activities:		
State and federal subsidies		660,579
Cash Flows From Capital and Related Financing Activities:		
Acquisition of capital assets		(76,292)
Grants		76,292
Net cash provided by (used in) capital and related financing activities		-
Net Increase (Decrease) in Cash and Cash Equivalents		-
Cash and Cash Equivalents:		
Beginning of year		-
End of year	$	-
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Net operating income (loss)	$	(1,364,744)
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense		35,925
Donated commodities		101,415
Change in assets and liabilities:		
Other receivables		8,373
Due to other funds		531,742
Accounts payable		26,710
Total adjustments		704,165
Net cash provided by (used in) operating activities	$	(660,579)

Non-Cash, Non-Capital Financing Activities:

The Food Service Fund received donated commodities from the Department of Agriculture in the amount of $99,372 during the year.

The notes to basic financial statements are an integral part of this statement.

CHARTIERS VALLEY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

		Custodial Funds Student Activities
Assets		
Cash and cash equivalents	$	96,248
Investments		24,265
Other receivables		14,891
Total Assets	$	135,404
Liabilities and Net Position		
Liabilities:		
Accounts payable	$	12,186
Net Position:		
Restricted for student activities		123,218
Total Liabilities and Net Position	$	135,404

The notes to basic financial statements are an integral part of this statement.

CHARTIERS VALLEY SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2023

	Custodial Funds Student Activities
Additions:	
Student contributions	$ 140,090
Total additions	140,090
Deductions:	
Student programs	138,923
Total deductions	138,923
Change in Net Position	1,167
Net Position:	
Beginning of year	122,051
End of year	$ 123,218

The notes to basic financial statements are an integral part of this statement.

1. Summary of Significant Accounting Policies

The Chartiers Valley School District (School District) provides public education to residents of the Boroughs of Bridgeville and Heidelberg and the Townships of Collier and Scott in Allegheny County, Pennsylvania from its three campuses comprising the senior high/middle school, intermediate school, and primary center.

The financial statements are prepared in accordance with the accounting system and procedures prescribed for school districts by the Commonwealth of Pennsylvania, Department of Education, which conforms to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

Reporting Entity

The School District is a public school system operating under the authority of the Pennsylvania School Code of 1949 and is governed by an elected nine-member Board of Directors (Board). The criteria set forth by the Governmental Accounting Standards Board (GASB) are followed by the School District to determine which governmental organizations should be included or excluded from the reporting entity. Criteria for inclusion of any entity (component unit) into a primary governmental unit's financial statements include but are not limited to legal standing, fiscal dependency, imposition of will, financial benefit or burden, and appointment of a voting majority of the governing Board. The School District presently has no component units that meet the above criteria.

The School District is, however, a participant in two jointly governed organizations: Parkway West Career and Technology Center (Technology Center) and its related authority and the South Central Area Special School (Special School) and its related authority. The Technology Center and the Special School are not considered part of the reporting entity, as the School District is not financially accountable for them. See Note 9 for details on operating information about these entities.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the School District. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally 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.

The statement of net position presents the financial condition of the governmental and business-type activities of the School District at year-end. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered program-related revenues are reported as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

State and federal 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.

Deferred inflows of resources reported on the governmental funds balance sheet arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the unavailable revenue is removed as a deferred inflow of resources and the revenue is recognized.

Unearned revenues arise when resources are received by the School District before it has legal claim to them, such as when intergovernmental funds are received prior to the occurrence of qualifying expenditures. During subsequent periods, when the School District has a legal claim to the resources, the unearned revenue is removed as a liability and the revenue is recognized.

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types" as follows:

The School District reports the following major governmental funds:

The *General Fund* is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Normal debt service payments for general long-term debt are recorded in the General Fund by the School District.

The *Capital Improvement* Fund is the School District's construction and capital reserve funds and accounts for funds which are typically borrowed and used for major capital improvements.

Additionally, the School District reports the following non-major governmental funds:

The non-major governmental funds of the School District account for specific resources that are restricted, committed or assigned for particular purposes. They include the *District Activities Fund and Debt Stabilization Fund* whose uses are restricted to particular purposes. Expendable trust funds are also accounted for as governmental funds. These are funds in which both the principal and earnings are available for expenditures. The School District maintains one of these funds: *Designated Trust Fund*.

Additionally, the School District reports the following proprietary fund:

The *Food Service Fund* is authorized under Section 504 of the Public School Code of 1949 to account for all revenues and expenses pertaining to cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (i.e., expenses, including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the School District's enterprise fund are food service charges. Operating expenses for the School District's enterprise fund include food production costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

Additionally, the School District reports the following fiduciary fund:

The High School and Middle School Student Activity Funds (*Custodial Funds*) are utilized to account for monies authorized by Section 511 of the Public School Code of 1949 for student activities, publications, and organizations. These organizations exist with the explicit approval of and are subject to revocation by the Board of Directors (Board).

Budgetary Process

The operating budget is prepared on a modified accrual basis of accounting. In accordance with state law, an annual budget prepared by function and object is formally adopted for the General Fund. The School District is not required to legally adopt budgets for other funds.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the budget when the original appropriations were adopted.

The appropriation resolution is subject to budget transfer amendments between functions, as allowed by the Public School Code, throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts in the budgetary financial statement reflects the first appropriation resolution for the general fund that covered the entire fiscal year. The amounts reported as the final budgeted amounts represent the final appropriation and includes budget transfer amendments as passed by the Board during the fiscal year. There were no budget transfer amendments passed during fiscal year 2023. The measurement level of control over expenditures for all budgeted funds is the surplus or deficit of the fund as a whole.

Act 1 requires a school district to file for an exception with the Court of Common Pleas or PDE if it wants to raise taxes by more than its adjusted base index. The exception then must be approved by voter referendum.

The School District's expenditures exceeded budget in all functions except capital outlay. The excess was covered by revenues in excess of budget.

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

- The School District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.

- A school district seeking a tax increase exception must make its Preliminary Budget available for public inspection at the end of January. School districts not seeking an exception must pass a resolution stating that they will not raise taxes by more than the index.

- During the month of February of the preceding year, a school district planning to raise taxes beyond the index must file a public notice of the intent to file for an exception.

- If an exception has been denied during March, a school district filing for an exception must file a petition with the Court of Common Pleas or PDE. If approved, the school district must submit a referendum request for the primary election ballet in May.

- If voters reject the referendum in May, the school district cannot increase taxes above its index.

- The proposed final budget is adopted by the end of May.

- Prior to July 1, the Board of School Directors legally enacts the budget through passage of a resolution. This resolution may only be passed after 20 days of public inspection.

- The budget must be filed with the Pennsylvania Department of Education by July 15 of the fiscal year.

Deposits and Investments

For the purposes of the statement of cash flows, the School District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition and pooled funds investments subject to daily withdrawal.

Investments are stated at fair value except that treasury and agency obligations that have a remaining maturity at the time of purchase of one year or less are shown at amortized cost. The School District categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Inventory and Prepaid Items

Inventories of the Food Service Fund, consisting of food and paper supplies, are carried at cost using the first-in, first-out method. Federal donated commodities are valued at their estimated value as determined by the U.S. Department of Agriculture at the date of donation.

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All capital assets, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives.

Description	Estimated Lives
Land improvements	10 - 20 years
Buildings and building improvements	20 - 50 years
Vehicles	3 - 10 years
Machinery and equipment	3 - 10 years

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability. The liability includes the employees who are currently eligible to receive termination benefits. The amount is based on accumulated sick leave and the various rates stated in the labor contracts. The School District records a liability for accumulated unused sick leave for all employees.

Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Under various employment agreements, accumulated unused vacation and sick days at the date of termination will be paid at specified rates.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt, financed purchases and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the related bonds. Bonds are reported net of the applicable bond premium or discount.

The governmental fund financial statements recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued and financed purchases are 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 expenditures in the year incurred.

In the government-wide financial statements, long-term liabilities related to postemployment benefits, including pensions, health insurance, and life insurance, are calculated based on actuarial valuations as described in Notes 6, 7, and 8.

Refunding Transactions

In accordance with applicable guidance, the excess of the reacquisition price over the net carrying amount of refunded debt is recorded as a deferred outflow of resources on the statements of net position and amortized as a component of interest expense over the shorter of the term of the refunding issue or the refunded bonds.

Deferred Inflows and Outflows of Resources Related to Pensions and Other Post-Employment Benefits (OPEB)

In conjunction with pension and OPEB accounting requirements, differences between expected and actual experience, changes in assumptions, the effect of the change in the School District’s proportion, the net difference between expected and actual investment earnings, and payments made to the plans subsequent to the measurement date are recorded as a deferred inflow or outflow of resources related to pensions or OPEBs on the government-wide financial statements. These amounts are determined based on actuarial valuation performed for each plan. Notes 6 through 8 present additional information about the School District’s pension and OPEB plans.

Fund Balances

In the fund financial statements, governmental funds report fund balance in categories based on the level of restriction placed upon the funds. These levels are as follows:

- Nonspendable – This category represents funds that are not in spendable form and includes prepaid expenditures.

- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties. The School District's restricted fund balance at June 30, 2023, relates to bond proceeds received for capital projects that have not yet been completed.

- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the Board. Such commitment is made via a Board resolution and must be made prior to the end of the fiscal year. Removal of this commitment requires a Board resolution. Fund balance was committed at June 30, 2023 within the Capital Improvement Fund, Debt Stabilization Fund and Designated Trust Fund for specific projects related to each fund, and within the General Fund for OPEB Benefits.

- Assigned – This category represents intentions of the Board to use the funds for specific purposes. Such assignments are made by the Director of Finance and Operations, but approval is obtained from the Board for all such assignments. The School District has no assigned fund balance at June 30, 2023.

- Unassigned – This category represents all other funds not otherwise defined.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

The government-wide and proprietary fund financial statements are required to report three components of net position:

Net investment in capital assets - The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.

Restricted - The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. The School District has no restricted net position at June 30, 2023.

Unrestricted - The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

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 the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Adopted Pronouncements

The following GASB Statements were adopted for the year ended June 30, 2023: Statement Nos. 91 (Conduit Debt Obligations), 94 (Public-Private and Public-Public Partnerships and Availability Payment Arrangements), and 96 (Subscription-Based Information Technology Arrangements). These statements had no significant impact on the School District’s financial statements for the year ended June 30, 2023.

Pending Pronouncements

GASB has issued statements that will become effective in future years including 100 (Accounting Changes and Error Corrections), 101 (Compensated Absences) and 102 (Certain Risk Disclosures). Management has not yet determined the impact of these statements on the financial statements.

2. Cash and Cash Equivalents and Investments

Under Section 440.1 of the Pennsylvania Public School Code for 1949, as amended, the School District is permitted to invest funds consistent with sound business practices in the following types of investments:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, (c) any political subdivision of the Commonwealth or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision, and (d) shares of an investment company registered under the Investment Company Act of 1940, provided that the instruments are those types of investments listed above, and the investment company is managed so as to maintain its shares at a constant net asset value and the investment company is rated in the highest category by a nationally recognized rating agency. Pursuant to Act 72 of the Pennsylvania State Legislature, a depository must pledge assets to secure state and municipal deposits. The pledged assets must at least be equal to the total amount of such assets required to secure all of the public deposits at the depository and may be on a pooled basis. Additionally, all such pledged assets must be delivered to a legal custodian.

Deposits in interest-bearing checking accounts, savings accounts, time deposits, or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.

In March 2016, Act 10 was passed which expanded the scope of investment options available to school districts including repurchase agreements, commercial paper, negotiable certificates of deposit, and banker's acceptances. The School District elected to maintain its current investment policy due to the additional risk and oversight associated with the expanded investment options under Act 10.

The deposit and investment policy of the School District adheres to state statutes and prudent business practice. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the School District.

Governmental and Business-Type Activities

The following is a description of the School District's deposit and investment risks:

Credit Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The School District's policy in regard to credit risk states that investments not backed by the "full faith and credit" of the federal or state governments shall be limited to those with the highest credit rating available for such instruments. As of June 30, 2023, investments in Pennsylvania School District Liquid Asset Fund (PSDLAF) (described below) has received an AAA rating from Standard & Poor's.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. The School District does not have a formal deposit policy for custodial credit risk, as there is an existing requirement under Act 72 of the Pennsylvania state legislature whereby banking institutions are required to pool collateral for all governmental deposits, and have the collateral held by an approved custodian in the institution’s name. As of June 30, 2023, $1,409,601 of the School District’s bank balance of $1,659,601 was exposed to custodial credit risk. Deposits are collateralized in accordance with Act 72 of the Pennsylvania state legislature. These deposits have a carrying amount of $531,065 as of June 30, 2023.

Interest Rate Risk - The School District’s policy in regard to interest rate risk places limits on investment maturities as a means of managing its exposure to fair value losses arising from changes to interest rates. All of the School District’s investments in PSDLAF have a maturity of less than one year.

Investments

PSDLAF was established as common law trusts organized under laws of the Commonwealth of Pennsylvania. Shares of the fund are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools, and municipalities. The purpose of these funds is to enable such governmental units to pool available funds for investment in instruments authorized by Section 440.1 of the Pennsylvania Public School Code of 1949, as amended. PSDLAF issues separately audited financial statements that are available to the public. The School District's deposits in this pooled fund are not subject to direct custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The fair value of the School District’s position in the external investment pools is the same as the value of the pool shares and is reported at amortized cost, which approximates market. All investments in an external investment pool that are not SEC-registered are subject to oversight by the Commonwealth of Pennsylvania. The School District can withdraw funds from PSDLAF without limitations or fees upon adequate notice.

The School District’s pooled investment funds consist of the above-noted PSDLAF accounts. The School District’s PSDLAF investments have a maturity of less than 90 days, and a fair market value of $31,596,243 as of June 30, 2023. The carrying amount of the School District’s investments in PSDLAF is $31,170,798 as of June 30, 2023. These investments are reflected as cash and cash equivalents on the statement of net position and the balance sheet.

Included in investments on the statement of net position and balance sheet is a certificate of deposit of $25,095 which matures in October 2023. The certificate of deposit is valued at amortized cost, which approximates fair value and is considered a level 2 investment.

Fiduciary Funds

The School District maintains bank accounts for the various student activities funds. The balance of these accounts is reflected in the statement of fiduciary net position. The carrying amount of deposits and certificates of deposit for the fiduciary funds was $120,513 and the bank balance was $124,128. The entire bank balance was not covered by federal depository insurance. This uninsured bank balance is collateralized in accordance with Act 72 of the Pennsylvania State Legislature.

3. Property Taxes

Property taxes attach as an enforceable lien on property as of July 1st of the year following levy. Taxes are levied on July 1. The School District bills and collects its own property taxes through locally elected tax collectors. Collection of delinquent property taxes is contracted to a private collection agency. The tax levy for fiscal year 2023 was based on assessed values on January 1, 2022 of $2.4 billion. The School District tax rate for the year ended June 30, 2023 was 19.3957 mills as levied by the Board.

Taxes may be paid at a 2% discount until August 31st, at face until October 31st' and at a 10% penalty until the lien date. Taxes may also be paid in four equal installments if the annual tax on the parcel exceeds $100. The installment payment dates are October, December, February, and April 15th at face only and with a 10% penalty for any untimely installments. The School District has not recorded an allowance for doubtful accounts as of June 30, 2023.

4. Capital Assets

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

	Balance at July 1, 2022	Additions	Deletions/ Transfers	Balance at June 30, 2023
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 1,675,961	$ -	$ -	$ 1,675,961
Construction in Progress	759,274	2,624,360	-	3,383,634
Total capital assets, not being depreciated	2,435,235	2,624,360	-	5,059,595
Capital assets, being depreciated:				
Land improvements	4,588,425	728,895	-	5,317,320
Building and improvements	139,498,789	29,862	-	139,528,651
Equipment and vehicles	7,043,231	67,574	-	7,110,805
Total capital assets, being depreciated	151,130,445	826,331	-	151,956,776
Less: accumulated depreciation for:				
Land improvements	(3,936,400)	(123,426)	-	(4,059,826)
Building and improvements	(34,782,509)	(2,791,554)	-	(37,574,063)
Equipment and vehicles	(4,551,257)	(554,583)	-	(5,105,840)
Total accumulated depreciation	(43,270,166)	(3,469,563)	-	(46,739,729)
Governmental activities, capital assets, net	$ 110,295,514	$ (18,872)	$ -	$ 110,276,642

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Business-Type Activities:				
Equipment	$ 776,354	$ 76,292	$ -	$ 852,646
Less: accumulated depreciation	(417,505)	(35,925)	-	(453,430)
Business-type activities capital assets, net	$ 358,849	$ 40,367	$ -	$ 399,216

Included in equipment and vehicles above are assets acquired through financed purchase agreements of $3,907,386 and accumulated depreciation of $2,167,685.

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

Governmental Activities:	
Instruction	$ 688,468
Support services	2,779,857
Operation of non-instructional services	1,238
Total depreciation expense - governmental activities	$ 3,469,563
Business-type activities:	
Food services	$ 35,925

5. Long-Term Liabilities

Changes to the School District's long-term liabilities were as follows:

	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Due within one year
Governmental activities:					
General Obligation Bonds, net:					
Series of 2015A	$ 8,765,000	$ -	$ (1,565,000)	$ 7,200,000	$ 1,645,000
Series of 2015B	24,500,000	-	-	24,500,000	-
Series of 2016	14,560,000	-	(170,000)	14,390,000	175,000
Series of 2021	32,035,000	-	(395,000)	31,640,000	395,000
Series of 2021A	16,830,000	-	-	16,830,000	5,000
Bond discount	(180,258)	-	7,511	(172,747)	-
Bond premium	2,586,502	-	(310,167)	2,276,335	-
Total General Obligation Bonds, net	99,096,244	-	(2,432,656)	96,663,588	2,220,000
Other liabilities:					
Financed purchases	1,773,978	577,285	(611,562)	1,739,701	528,215
Net pension liability	93,076,000	4,155,000	-	97,231,000	-
Net OPEB liability	15,983,912	-	(594,524)	15,389,388	-
Compensated absences	3,198,303	367,645	-	3,565,948	388,267
Total other liabilities	114,032,193	5,099,930	(1,206,086)	117,926,037	916,482
Total long-term liabilities	$ 213,128,437	$ 5,099,930	$ (3,638,742)	$ 214,589,625	$ 3,136,482

General Obligation Bonds

General Obligation Bonds, Series A of 2015 were issued in the amount of $18,240,000 to current refund the School District's Series A of 2004 Bonds. The Series A Bonds have variable rate interest from 1.00% to 5.00% with final payment due in fiscal year 2028.

General Obligation Bonds, Series B of 2015 were issued in the amount of $51,870,000 to be used for the renovations, additions and improvements to the Middle/Senior High School Complex. The Series B Bonds have variable rate interest from 3.125% to 5.00% with final payment due in fiscal year 2045.

General Obligation Bonds, Series of 2016 were issued in the amount of $15,350,000 to be used for the renovations, additions and improvements to the Middle/Senior High School Complex. The Bonds have variable rate interest from 1.05% to 4.00% with final payment due in fiscal year 2047.

During June 2021, the School District issued Series 2021 General Obligation Bonds in the amount of $32,530,000 to currently refund a portion of the Series B of 2015 Bonds. The Series 2021 General Obligation Bonds bear interest at rates ranging from 0.20% to 2.96%. Payments are due semi-annually on the Series 2021 General Obligation Bonds through October 2040.

During November 2021, the School District issued Series 2021A General Obligation Bonds in the amount of $16,830,000. The bond proceeds will be used to pay the costs of acquiring and constructing repairs, renovations, alteration, and improvements to the School District's High School Complex, Primary Center, and Intermediate School. The Series 2021A General Obligation Bonds bear interest at rates ranging from 2.00% to 3.00%. Payments are due semi-annually on the Series 2021A General Obligation Bonds through October 2050.

The General Fund has been used in prior years to liquidate the liability for long-term debt. The School District has established a debt stabilization fund to assist with long-term debt payments as needed.

The amounts necessary to amortize outstanding debt for the next five years and to maturity are:

Fiscal year Ending June 30,	Principal	Interest	Total
2024	$ 2,220,000	$ 3,038,404	$ 5,258,404
2025	2,295,000	2,969,100	5,264,100
2026	2,360,000	2,895,451	5,255,451
2027	2,465,000	2,794,134	5,259,134
2028	2,575,000	2,715,677	5,290,677
2029-2033	13,935,000	12,535,096	26,470,096
2034-2038	16,105,000	10,368,474	26,473,474
2039-2043	18,875,000	7,751,830	26,626,830
2044-2048	22,740,000	3,756,875	26,496,875
2049-2051	10,990,000	392,850	11,382,850
	$ 94,560,000	$ 49,217,891	$ 143,777,891

Financed Purchase Obligations

On July 13, 2018, the School District entered into a financed purchase agreement with PNC Equipment Finance, LLC for the purchase of seven 72 passenger busses and three 24 passenger vans. The agreement consisted of an original principal balance of $950,000 with final payment due July 13, 2025. The balance at June 30, 2023 was $307,905.

On August 1, 2019, the School District entered into a financed purchase agreement with PNC Equipment Finance, LLC for the purchase of Chromebooks and Chrome OS Management Console Licenses. The agreement consisted of an original principal balance of $110,284, interest at the rate of 7.65%, with final payment due on August 1, 2024. The balance at June 30, 2023 was $29,056.

On August 1, 2019, the School District entered into a financed purchase agreement with PNC Equipment Finance, LLC for the purchase of buses. The agreement consisted of an original principal balance of $1,151,130, interest at the rate of 10.08%, with final payment due on August 8, 2026. The balance at June 30, 2023 was $561,460.

On May 21, 2020, the School District entered into a financed purchase agreement with Municipal Leasing Consultants, LLC for the purchase of technology equipment. The agreement consisted of an original principal balance of $335,067, interest rate of 2.22%, with final payment due July 15, 2024. The balance at June 30, 2023 was $135,900.

On May 21, 2020, the School District entered into a financed purchase agreement with Municipal Leasing Consultants, LLC for the purchase of buses. The agreement consisted of an original principal balance of $383,764, interest rate of 2.22%, with final payment due July 15, 2026. The balance at June 30, 2023 was $222,308.

On March 1, 2023, the School District entered into a financed purchase agreement with CN Financing, Inc. for the purchase of buses. The agreement consisted of an original principal balance of $577,285, interest at the rate of 4.684%, with final payment due on March 1, 2029. The balance at June 30, 2023 was $483,072.

The amounts necessary to amortize outstanding financed purchase payable to maturity are:

Fiscal Year ending June 30,	Principal	Interest	Total
2024	$ 528,215	$ 53,264	$ 581,479
2025	526,813	36,856	563,669
2026	324,205	22,529	346,734
2027	184,499	13,665	198,164
2028	85,971	8,242	94,213
2029	89,998	4,215	94,213
	$ 1,739,701	$ 138,771	$ 1,878,472

6. Public School Employees' Retirement System (PSERS)

Plan Description

PSERS administers a governmental cost-sharing, multi-employer defined benefit pension plan (Pension Plan) and a governmental cost-sharing, multi-employer defined benefit Health Insurance Premium Assistance Program OPEB plan (Premium Assistance), to public school employees of the Commonwealth of Pennsylvania. In addition, PSERS administers the Health Options Program (HOP) for its retirees. The HOP is a PSERS sponsored voluntary health insurance program for the sole benefit of PSERS retirees, spouses of retirees, and survivor annuitants and their dependents who participate in HOP. The HOP is funded exclusively by the premiums paid by participants for the benefit coverage they elect. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Employees eligible for PSERS benefits 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.

Retirees who participate in the HOP or a Commonwealth public school employer-sponsored health insurance program are eligible for Premium Assistance 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 service and retired after reaching superannuation age.

For Class DC members (as defined below) 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.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions or OPEBs, pension expense, and OPEB expense, information about the fiduciary net position of PSERS and additions to/deductions from PSERS' fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information about PSERS' fiduciary net position related to pension and OPEBs is available in the PSERS Annual Comprehensive Financial Report, which can be found on the PSERS website at www.psers.pa.gov.

The net pension liability and the net OPEB liability are recorded as governmental activities expected to be paid from the General Fund.

Benefits Provided – Pension Plan

Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011 through June 30, 2019. 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 three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and 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.

Act 5 of 2017 (Act 5) eliminated the stand-alone defined benefit plan, introduced a hybrid benefit, and introduced a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of three years of credited service. Class T-G members may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits Provided – Premium Assistance

Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible annuitants are entitled to receive Premium Assistance payments equal to the lesser of $100 per month or their eligible out-of-pocket monthly health insurance premium. As of June 30, 2021, there were no assumed future benefit increases to participating eligible retirees.

Member Contributions

The following illustrates the member's contribution as a percent of the member's qualifying compensation:

- Active members who joined PSERS prior to July 22, 1983:
  - Membership Class T-C 5.25%
  - Membership Class T-D 6.50%

- Members who joined PSERS on or after July 22, 1983, and who were active or inactive as of July 1, 2001:
  - Membership Class T-C 6.25%
  - Membership Class T-D 7.50%

- Members who joined PSERS after June 30, 2001, and before July 1, 2011:
  - Membership Class T-D 7.50%

- Members who joined PSERS after June 30, 2011 and before June 30, 2019:
  - Membership Class T-E* 8.00%
  - Membership Class T-F* 10.80%

- Members who joined PSERS on or after July 1, 2019:
  - Membership Class T-G (hybrid)** 9.00% (combined rate)
  - Membership Class T-H (hybrid)** 8.25% (combined rate)
  - Defined Contribution only 7.50%

*Includes shared risk provision of +0.50% as of July 1, 2021.
** Includes shared risk provision of +0.75% as of July 1, 2021

Employer Contributions

The School District's contractually required PSERS contribution rate for fiscal year ended June 30, 2023 was 35.26% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. This rate is composed of a 34.31% rate for the Pension Plan, a 0.75% rate for the Premium Assistance, and a 0.20% rate for Act 5 Defined Contribution.

The combined rate for the fiscal year ended June 30, 2023 was an increase from the fiscal year ended June 30, 2022 combined rate of 34.94%. The combined contribution rate will decrease to 34.00% in fiscal year 2024 and is projected to grow to 38.35% by fiscal year 2031.

The School District remits contributions to PSERS on a quarterly basis. Approximately $3.3 million is owed to PSERS as of June 30, 2023, which represents the School District's required contribution for the end of year payroll. The School District's contributions which were recognized by PSERS for the year ended June 30, 2023 were as follows:

Pension Plan	$ 11,213,486
Act 5 Defined Contribution	65,366
Premium Assistance	245,121
Total	$ 11,523,973

In accordance with Act 29, the Commonwealth reimburses school districts for approximately one-half of contributions made to PSERS. The School District recorded reimbursements from the Commonwealth approximating $5.97 million during the current year. Because the Commonwealth payments are received as a reimbursement, and are not made directly to PSERS, they do not qualify as a special funding situation.

Proportionate Share

The School District's proportion of PSERS' net pension liability was calculated utilizing the School District's one-year reported contributions as it relates to PSERS' total one-year reported contributions. This method was changed beginning with PSERS' fiscal year ended June 30, 2020. In prior years, the proportion of PSERS' net pension liability was calculated utilizing the School District's one-year reported covered payroll as it related to PSERS' total one-year reported covered payroll. At June 30, 2022 (measurement date), the School

District's proportion was .2187%, which was an decrease of .0080% from its proportion measured as of June 30, 2021.

The School District's proportion of PSERS' net OPEB liability continues to be calculated utilizing the School District's one-year reported covered payroll as it relates to PSERS' total one-year reported covered payroll. At June 30, 2022 (measurement date), the School District's proportion was .2185%, which was an decrease of .0083% from its proportion measured as of June 30, 2021.

7. Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2023, the School District reported a liability of $97,231,000 for its proportionate share of PSERS' net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by rolling forward PSERS' total pension liability as of June 30, 2021 to June 30, 2022.

For the year ended June 30, 2023, the School District recognized pension expense of $5,980,253.

At June 30, 2023, the School 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
Differences between expected and actual experience	$ 44,000	$ 841,000
Changes in assumptions	2,903,000	-
Net difference between projected and actual earnings on pension plan investments		1,649,000
Changes in proportion	457,000	2,767,000
School District contributions subsequent to the measurement date	11,213,486	-
Total	$ 14,617,486	$ 5,257,000

$11,213,486 reported as deferred outflows of resources resulting from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2024	$ (317,000)
2025	(383,000)
2026	(3,455,000)
2027	2,302,000
Total	$ (1,853,000)

Actuarial Assumptions

The actuarial valuation used for the June 30, 2022 measurement date contained the following methods and assumptions:

- Actuarial valuation date – June 30, 2021
- Actuarial cost method – Entry Age Normal – level % of pay
- Investment return – 7.00%, includes inflation at 2.50%
- Salary growth – Effective average of 4.50%, comprised of 2.50% for inflation and 2.00% for real wage growth and merit or seniority increases
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale
- Experience study – July 1, 2015 through June 30, 2020

Changes in Assumptions

There were no changes in assumptions affecting the June 30, 2022 measurement date.

Changes in Benefit Terms

There were no changes in benefit terms affecting the June 30, 2022 measurement date.

Pension Plan Investments

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 PSERS 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.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public entity	28.00%	5.30%
Private equity	12.00%	8.00%
Fixed income	33.00%	2.30%
Commodities	9.00%	2.30%
Absolute return	6.00%	3.50%
Infrastructure/MLPs	9.00%	5.40%
Real estate	11.00%	4.60%
Cash	3.00%	0.50%
Leverage	-11.00%	0.50%
	100.00%	

For PSERS' year ended June 30, 2022, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expenses, was 2.4%.

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 the contributions from plan members will be made at the current contribution rate and that the 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 PSERS' Net Pension Liability to Changes in the Discount Rate

The following presents the School District's proportionate share of PSERS' net pension liability calculated using the discount rates described above, as well as what the School District's proportionate share of PSERS' net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.0%)
School District's proportionate share of PSERS' net pension liability	$ 125,762,000	$ 97,231,000	$ 73,176,000

8. Net OPEB Liability, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

The School District maintains two separate OPEB plans – the Premium Assistance previously described in Note 6 and the School District’s retiree plan (retiree plan) described below. At June 30, 2023, the School District reported a net OPEB liability composed of the following:

School District's proportionate share of PSERS' net OPEB liability	$	4,022,000
School District's total OPEB liability for its retiree plan		11,367,388
Net OPEB liability	$	15,389,388

PSERS’ net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate PSERS’ net OPEB liability was determined by rolling forward PSERS’ total OPEB liability as of June 30, 2021 to June 30, 2022. The School District’s retiree plan’s total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation performed as of June 30, 2023.

For the year ended June 30, 2023, the School District recognized OPEB expense as follows:

OPEB expense related to PSERS Premium Assistance	$	77,999
OPEB expense related to School District's retiree plan		1,349,563
Total OPEB expense	$	1,427,562

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources:	PSERS Premium Assistance	School District's Retiree Plan	Total Deferred Outflows of Resources
Differences between expected and actual experience	$ 37,000	$ 1,047,450	$ 1,084,450
Changes in assumptions	447,000	716,464	1,163,464
Net difference between projected and actual earnings on OPEB plan investments	11,000	18,194	29,194
Changes in proportion	33,000	-	33,000
School District contributions subsequent to the measurement date	245,121	-	245,121
Total	$ 773,121	$ 1,782,108	$ 2,555,229

Deferred Inflows of Resources:	PSERS Premium Assistance	School District's Retiree Plan	Total Deferred Inflows of Resources
Differences between expected and actual experience	$ 22,000	$ 444,158	$ 466,158
Changes in assumptions	950,000	1,064,901	2,014,901
Net difference between projected and actual earnings on OPEB plan investments	-	-	-
Changes in proportion	185,000	-	185,000
Total	$ 1,157,000	$ 1,509,059	$ 2,666,059

$245,121 reported as deferred outflows of resources resulting from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	PSERS Premium Assistance	School District's Retiree Plan
2024	$ (143,000)	$ 39,137
2025	(105,000)	32,901
2026	(113,000)	26,922
2027	(125,000)	30,408
2028	(142,000)	44,339
Thereafter	(1,000)	99,342
Total	$ (629,000)	$ 273,049

Additional Required Disclosures for PSERS Premium Assistance

Actuarial Assumptions

The actuarial valuation used for the June 30, 2022 measurement date contained the following methods and assumptions:

- Actuarial valuation date – June 30, 2021
- Actuarial cost method – Entry Age Normal – level % of pay
- Investment return – 4.09% - S&P 20-year Municipal Bond Rate
- Salary increases – Effective average of 4.50%, comprised of 2.50% for inflation and 2.00% for real wage growth and merit or seniority increases
- Premium Assistance reimbursement is capped at $1,200 per year
- Assumed healthcare cost trends were applied to retirees with less than $1,200 in Premium Assistance per year
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale
- Experience study – July 1, 2015 through June 30, 2020
- Participation rate –
    - Eligible retirees will elect to participate pre-age 65 at 50%
    - Eligible retirees will elect to participate post-age 65 at 70%.

Changes in Assumptions

The discount rate increased from 2.18% to 4.09% for the June 30, 2022 measurement date.

Changes in Benefit Terms

There were no changes in benefit terms affecting the June 30, 2022 measurement date.

OPEB Plan Investments

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 PSERS Board. Employer contribution rates are established to provide reserves in the Health Insurance Account that are sufficient for the payment of the Premium Assistance for each succeeding year. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.00%	0.50%
	100.00%	

For PSERS' year ended June 30, 2022, the annual money-weighted rate of return on the Premium Assistance plan investments, net of plan investment expenses, was .35%.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.09%. Under the Premium Assistance plan's funding policy, contributions are structured for short-term funding of the Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of the Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of the Premium Assistance benefits for each succeeding year.

Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments; therefore, the plan is considered a "pay-as-you-go" plan. A discount rate of 4.09%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2022, was applied to all projected benefit payments to measure the total OPEB liability. The discount rate used to measure the Total OPEB liability increased from 2.18% as of June 30, 2021 to 4.09% as of June 30, 2022.

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

The following presents the School District's proportionate share of PSERS' net OPEB liability calculated using the discount rates described above, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
School District's proportionate share of PSERS' net OPEB liability	$ 4,549,000	$ 4,022,000	$ 3,582,000

Sensitivity of the School District's Proportionate Share of PSERS' Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

Healthcare cost trend rates were applied to retirees receiving less than $1,200 in annual Premium Assistance. As of June 30, 2022, retirees' Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of $1,200. 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 the healthcare cost trends as depicted below.

The following presents the School District's proportionate share of PSERS' net OPEB liability calculated using current healthcare cost trend rates as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease	Current Trend	1% Increase
School District's proportionate share of PSERS' net OPEB liability	$ 4,022,000	$ 4,022,000	$ 4,022,000

Additional Required Disclosures for the School District's Retiree Plan

Plan Description

The School District administers a single-employer defined benefit healthcare plan to provide additional postemployment benefits to eligible retirees (retiree plan). The School District has not accumulated assets for the retiree plan in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The School District benefits are paid on a pay-as-you-go basis.

Benefits Provided

The benefit limits and employee and employer contributions are established through employee contracts and past practices. Details of the benefits provided are as follows:

Superintendent, Group I and II Administrators, Assistant Superintendent of Curriculum and Assessment, and Director of Communication and Strategic Partnerships

The above full-time employees are eligible for post-retirement benefits upon attainment of age 55 with at least 25 years of service with PSERS or retiring under the "30 and out" provision of PSERS. Eligible retirees are able to receive medical, dental and vision insurance coverage. The School District will contribute an annual amount according to the retiree's PSERS service at retirement and their coverage level. Any costs in excess of the maximum annual benefit amount paid by the School District must be paid by the retiree. The maximum annual benefit amounts are $120, $375 and $400 per year of service for single, employee and spouse, and family, respectively. Coverage shall continue until the retiree attains Medicare eligibility or becomes eligible for employer paid benefits from other employment or their spouse's employment. If the spouse becomes eligible for Medicare before the retiree does, then Medicare will be the primary coverage. Retirees will receive a $50,000 group life insurance policy until age 70. The premium is included in the maximum annual benefit above. Surviving spouses are eligible to continue benefits until the earlier of the surviving spouse's Medicare eligibility or the time that retiree's coverage would have ended. If the surviving spouse is not yet eligible for Medicare when coverage ends, then they may elect to continue coverage thereafter by paying the full monthly premium to the School District.

Director of Finance and Operations

The Director of Finance and Operations shall be eligible for postretirement benefits if the employee retires under PSERS after 5 satisfactory years of service in the School District. The Director of Finance and Operations shall be entitled to one year of single health insurance coverage for every two years served in the School District, provided that this benefit shall not extend past the date which the Director of Finance and Operations reaches the age of 65 and provided further that such benefit shall cease if the Director of Finance and Operations (following retirement from the School District) becomes employed in a position which offers employer paid health insurance benefits to the Director of Finance and Operations. Spouses are not eligible for coverage.

Professional Employees and Group III Administrators

Full time employees from these groups are eligible for postretirement benefits upon attainment of at least 15 years of continuous service with the School District and prior to or in the year of normal retirement through PSERS. Normal retirement under PSERS for members hired prior to July 1, 2011 is either: age 62 and 1 year of service, 35 years of service, or age 60 with 30 years of service. For members hired after July 1, 2011, normal retirement from PSERS is either: age 65 with 3 years of service, or a combination of age and service that sums to at least 92 with a minimum of 35 years of service. The service requirement for PSERS applies to the service within PSERS.

Eligible retirees are able to receive medical, dental and vision insurance coverage. The School District will contribute an annual amount according to the retiree's total service within the School District and the year of retirement. Any costs in excess of the maximum annual benefit amount paid by the School District must be paid by the retiree. If the retiree qualifies for the PSERS $100 per month medical stipend, then the retiree must also submit the stipend to the School District. The maximum annual benefit amounts range from $310 per year of service for 2010/2011 retirement years to $500 per year of service for July 1, 2023 through June 30, 2026 retirement years. Coverage shall continue until the retiree attains Medicare eligibility or becomes eligible for employer paid benefits from other employment or their spouse's employment. If the spouse becomes eligible for Medicare before the retiree does, then Medicare will be the primary coverage. Retirees will receive a $32,000 group life insurance policy until age 70. The premium is included in the maximum annual benefit above. Surviving spouses are eligible to continue benefits until the earlier of the surviving spouse's Medicare eligibility or the time that retiree's coverage would have ended. If the surviving spouse is not yet eligible for Medicare when coverage ends, then they may elect to continue coverage thereafter by paying the full monthly premium to the School District.

Transportation, Maintenance, Support and Campus Safety Employees

Full time employees from these groups are eligible for postretirement benefits upon retirement from PSERS due to disability, with 30 years of PSERS service or through normal retirement. Eligible retirees are able to receive medical insurance coverage. Retirees must contribute the full monthly premium. Coverage shall continue until the retiree attains Medicare eligibility or becomes eligible for employer paid benefits from other employment or their spouse's employment. If the spouse becomes eligible for Medicare before the retiree does, then Medicare will be the primary coverage. Retired Transportation and Maintenance employees may choose to pay the annual premium for life insurance coverage that ranges from $25,000 to $50,000.

Confidential Employees

Full time employees from this groups are eligible for postretirement benefits upon attainment of at least 15 years of continuous service with the School District and retirement from PSERS through normal retirement. Eligible retirees are able to receive medical, dental and vision insurance coverage. Retirees must contribute the full monthly premium. Coverage shall continue until the retiree attains Medicare eligibility or becomes eligible for employer paid benefits from other employment or their spouse's employment. If the spouse becomes eligible for Medicare before the retiree does, then Medicare will be the primary coverage. Retirees may choose to pay the annual premium for life insurance coverage that ranges from $30,000 to $50,000.

Act 100/43 Coverage

If any employee retires and does not meet the eligibility requirements for School District subsidized coverage, then they would be eligible for medical coverage under Act 100/43. To be eligible for this coverage a retiree must meet one of the following requirements: disability retirement from PSERS, retirement with at least 30 years of PSERS service or retirement from PSERS through normal retirement. Coverage is provided until the retiree reaches age 65 and is available to all dependents of the retiree as well. Retirees are eligible for the coverage that was in effect at the time of their retirement. Retirees must pay the full premium in order to receive coverage.

At June 30, 2023 valuation date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	38
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	363
	401

Contributions

For the year ended June 30, 2023, the School District contributed approximately $311,000 and retirees contributed approximately $143,000 to the retiree plan.

Actuarial Assumptions

The total OPEB liability was determined as of the June 30, 2023 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal as level percentage of pay
- Discount rate – 4.13% - Based on the S&P Municipal Bond 20 year High Grade Rate index
- Salary increases – 2.5%
- Assumed healthcare cost trends – 7.50% for fiscal year ended June 30, 2024; Rates gradually decrease from 7.0% in fiscal year ended June 30, 2025 to 4.5% in fiscal year ended June 30, 2033 and later
- Mortality rates – Pri.H-2012 Total Dataset Mortality Table projected using Scale MP-2021

Changes in Assumptions

Updated the discount rate from 2.30% to 4.13%. Updated the assumed medical, dental and vision trend rates. Updated the withdrawal, retirement and mortality rates.

Changes in Benefit Terms

The maximum annual benefit amount for the Professional Employees and Group III Administrators was increased from $400 to $500 per year of service.

Changes in Total OPEB Liability

The changes in the total OPEB liability of the School District for the year ended June 30, 2023 were as follows:

	Total OPEB Liability
Balances at June 30, 2022	$ 10,608,912
Changes for the year:	
Service cost	364,670
Interest	244,005
Changes of benefits	698,164
Differences between expected and actual experience	1,075,862
Changes of assumptions	(1,022,257)
Benefit payments, including refunds	(601,968)
Net changes	758,476
Balance at June 30, 2023	$ 11,367,388

Discount Rate

The discount rate was based on the S&P Municipal Bond 20 year high grade rate index (estimated to be 4.13% per year).

Sensitivity of the School District's Total OPEB Liability to Changes in the Discount Rate

The following presents the School District's total OPEB liability calculated using the discount rate described above, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
School District's total OPEB liability	$ 12,159,421	$ 11,367,388	$ 10,617,573

Sensitivity of the School District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the School District's total OPEB liability calculated using current healthcare cost trend rates as well as what the School District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease	Current Trend	1% Increase
School District's total OPEB liability	$ 10,685,440	$ 11,367,388	$ 12,084,743

9. Jointly Governed Organizations

The School District is one of twelve-member School Districts of the Parkway West Career and Technology Center and related Authority (Parkway). Parkway, which provides vocational technical education and training for high school students, is controlled and governed by the Joint Board, which is composed of all of the school board members of the entire member School Districts. Direct oversight of Parkway's operations is the responsibility of the Joint Committee, which consists of one representative from each participating School District.

In addition, the School District is one of five-member school districts of the South Central Area Special Schools and related authority (Pathfinder). Pathfinder, which provides special education and training programs for exceptional children, is controlled and governed by the South Central Area Special Schools Committee, which is composed of one member from each school board of the member districts.

The School District's share of annual operating and capital costs for Parkway and Pathfinder fluctuates based on the percentage enrollment in the school and is reflected as expenditures of the General Fund. The School District is not required to share in incremental programming expenditures. The amounts paid by the School District in the current fiscal year was approximately $837,000 for Parkway and $72,000 for Pathfinder. The net current assets of Parkway and Pathfinder at June 30, 2023 are to be used to fund future years' operations and are not significant to the School District. Separate audited financial statements are available in their respective business offices.

10. Commitments and Contingencies

The School District participates in a number of state and federally assisted grant programs. While the local audits required for the federal programs in connection with the Single Audit Act have been completed, other programs may be subjected to program compliance audits by auditors of the various grantor agencies or their representatives. Accordingly, the School District's compliance with applicable grant requirements for these other programs will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the School District expects such amounts to be immaterial.

At any given time, the School District is exposed to liability for such matters as property tax appeals. These contingencies are managed through the General Fund.

As of June 30, 2023, the School District has commitments of approximately $5,500,000 related to construction contracts.

11. Interfund Receivables, Payables and Transfers

Interfund receivables payables and transfers at June 30, 2023 are summarized below:

Funds	Interfund Receivables	Interfund Payables	Transfers In	Transfers Out
Major Funds:				
General	$ 3,031,583	$ 1,585,724	$ -	$ 500,000
Capital Improvement	500,000	1,861,655	500,000	-
Other governmental	110,751	638,360	-	-
Food Service	975,147	531,742	-	-
	$ 4,617,481	$ 4,617,481	$ 500,000	$ 500,000

The interfund receivables are primarily the result of reimbursements due for expenditures incurred, transfer to the Capital Improvement Fund, and subsidies received on the other fund's behalf.

The transfers to the Capital Improvement Fund were made to facilitate the payment of expenses for construction projects.

12. Risk Management

The School District is exposed to various risk of loss related to certain torts, thefts, damages, catastrophic loss of assets, errors and omissions, injury to employees and natural disasters. The School District manages most of its risk through the General Fund with the purchase of commercial insurance coverage. Settled claims have not exceeded coverage in any of the past three years, and there has been no significant reduction in coverage from the prior fiscal year.

13. Health Consortium

The School District is one of eighty-nine members of the Allegheny County Schools Health Insurance Consortium (Consortium). The Consortium is a public entity risk pool which affords health care coverage for members' employees on a pooled basis. The School District pays premiums to the Consortium based upon rates established by the trustees of the Consortium. The Consortium establishes rates with the objective of satisfying current costs and claims of covered health care services, as well as maintaining working capital requirements and a Premium Stabilization Fund for periods when actual costs of coverage exceed premiums collected from members. At the end of each fiscal year, actual claims experience is compared with premiums paid. The difference results in either a retroactive refund or charge. Included in the retroactive refund/charge is a calculation for the reserve needed to cover expenses incurred but not yet reported by health providers. Any retroactive charge may be paid from the Premium Stabilization Fund, up to ten percent of total premiums paid. The remainder may be charged to the Schools. At June 30, 2023, the Consortium's net assets available for benefits approximated $43.58 million. The School District's share of this amount is approximately $945,000 million. The Consortium also maintains a portion of the Premium Stabilization Fund to cover potential future catastrophic losses. Independent insurance coverage for catastrophic losses is not maintained by the Consortium or the School District.

The School District paid premiums during the year of approximately $7.9 million. The Consortium's agreement permits participants to withdraw from the Consortium under specified terms. In such an event, the withdrawing member is entitled to or responsible for a proportionate share of the Consortium fund balance or deficit as determined on the date of withdrawal.

REQUIRED SUPPLEMENTARY INFORMATION

CHARTIERS VALLEY SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF PSERS' NET PENSION LIABILITY

Last 10 Fiscal Years[1]

	2023	2022	2021	2020	2019	2018	2017	2016	2015
School District's proportion of PSERS' net pension liability	0.2187%	0.2267%	0.2251%	0.2245%	0.2263%	0.2293%	0.2305%	0.2264%	0.2168%
School District's proportionate share of PSERS' net pension liability	$ 97,231,000	$ 93,076,000	$ 110,837,000	$ 105,027,000	$ 108,635,000	$ 113,198,000	$ 114,228,000	$ 97,286,000	$ 85,811,000
School District's covered payroll	$ 32,133,858	$ 32,150,563	$ 31,564,384	$ 30,956,449	$ 30,470,363	$ 30,519,414	$ 29,855,138	$ 28,892,090	$ 27,671,120
School District's proportionate share of PSERS' net pension liability as a percentage of its covered payroll	302.58%	289.50%	351.15%	339.27%	356.53%	370.90%	382.61%	336.72%	310.11%
PSERS' plan fiduciary net position as a percentage of PSERS' total pension liability	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%

[1] The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the immediately preceding fiscal year. This schedule is intended to illustrate information for 10 years. However, until a full 10-yea trend is compiled, the School District is presenting information for those years only for which information is available.

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS TO THE PSERS PENSION PLAN

Last 10 Fiscal Years[2]

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contributions recognized by PSERS	$ 11,213,486	$ 10,919,523	$ 10,807,446	$ 10,503,404	$ 9,602,651	$ 8,766,689	$ 7,333,215	$ 5,799,428	$ 4,318,838
School District's covered payroll	$ 33,091,565	$ 33,159,721	$ 31,603,929	$ 31,821,356	$ 30,470,363	$ 30,519,414	$ 29,855,138	$ 28,892,090	$ 27,671,120
Contributions as a percentage of covered payroll	33.89%	32.93%	34.20%	33.01%	31.51%	28.72%	24.56%	20.07%	15.61%

[2] The amounts presented for each fiscal year were determined as of the fiscal year-end date. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the School District is presentir information for those years only for which information is available.

See accompanying notes to required supplementary information.

CHARTIERS VALLEY SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF PSERS' NET OPEB LIABILITY

Last 10 Fiscal Years[1]

	2023	2022	2021	2020	2019	2018
School District's proportion of PSERS' net OPEB liability	0.2185%	0.2268%	0.2249%	0.2245%	0.2263%	0.2293%
School District's proportionate share of PSERS' net OPEB liability	$ 4,022,000	$ 5,375,000	$ 4,859,000	$ 4,775,000	$ 4,718,000	$ 4,670,000
School District's covered payroll	$ 32,133,858	$ 32,150,563	$ 31,564,384	$ 30,956,449	$ 30,470,363	$ 30,519,414
School District's proportionate share of PSERS' net OPEB liability as a percentage of its covered payroll	12.52%	16.72%	15.39%	15.42%	15.48%	15.30%
PSERS' plan fiduciary net position as a percentage of PSERS' total OPEB liability	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

[1] The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the immediately preceding fiscal year. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the School District is presenting information for those years only for which information is available.

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS TO THE PSERS PREMIUM ASSISTANCE

Last 10 Fiscal Years[2]

	2023	2022	2021	2020	2019	2018
Contributions recognized by PSERS	$ 245,121	$ 256,999	$ 264,462	$ 264,474	$ 252,831	$ 253,399
School District's covered payroll	$ 33,091,565	$ 33,159,721	$ 31,603,929	$ 31,821,356	$ 30,470,363	$ 30,519,414
Contributions as a percentage of covered payroll	0.74%	0.78%	0.84%	0.83%	0.83%	0.83%

[2] The amounts presented for each fiscal year were determined as of the fiscal year-end date. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the School District is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information.

CHARTIERS VALLEY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY
FOR ITS RETIREE PLAN

Last 10 Fiscal Years[1]

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service cost	$ 364,670	$ 356,471	$ 346,930	$ 306,246	$ 298,050	$ 329,719
Interest	244,005	245,571	246,487	321,180	309,957	259,279
Changes of benefit terms	698,164	-	956,838	-	108,737	-
Differences between expected and actual experience	1,075,862	-	(637,271)	-	160,699	-
Changes of assumptions	(1,022,257)	-	1,027,972	-	(313,966)	-
Benefit payments	(601,968)	(623,792)	(661,506)	(268,173)	(300,376)	(321,199)
Other changes	-	-	285,052	(35,180)	(272,299)	(74,870)
Net Changes in Total OPEB Liability	758,476	(21,750)	1,564,502	324,073	(9,198)	192,929
Total OPEB Liability - Beginning	10,608,912	10,630,662	9,066,160	8,742,087	8,751,285	8,249,757
Total OPEB Liability - Ending	$ 11,367,388	$ 10,608,912	$ 10,630,662	$ 9,066,160	$ 8,742,087	$ 8,442,686
Plan Fiduciary Net Position:						
Net investment income	$ -	$ -	$ 485	$ 35,472	$ 55,132	$ 39,715
Benefit payments	-	-	(661,506)	(268,173)	(278,629)	(321,199)
Transfer to General Fund	-	-	(1,881,715)	-	-	-
Other	-	-	285,052	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	(2,257,684)	(232,701)	(223,497)	(281,484)
Plan Fiduciary Net Position - Beginning	-	-	2,257,684	2,490,385	2,713,882	2,995,366
Plan Fiduciary Net Position - Ending	$ -	$ -	$ -	$ 2,257,684	$ 2,490,385	$ 2,713,882
Net OPEB Liability - Ending	$ 11,367,388	$ 10,608,912	$ 10,630,662	$ 6,808,476	$ 6,251,702	$ 5,728,804
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	24.90%	28.49%	32.14%

[1] The amounts presented for each fiscal year were determined as of the measurement date. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the School District is presenting information for those years only for which information is available.

As of the fiscal year ended June 30, 2021, the School District has closed its OPEB trust fund.

See accompanying notes to required supplementary information.

1. Factors and Trends in Actuarial Assumptions Used Under GASB No. 68 for the PSERS Pension Plan

Actuarial Valuation Date/ Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
School District Fiscal Year In Which NPL is Recorded	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Discount Rate	7.00%	7.00%	7.25%	7.25%	7.25%	7.25%	7.25%	7.50%	7.50%
Salary Increases	4.50%	4.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.50%	5.50%
Mortality	50% PubT-2010 and 50% PubG-2010	50% PubT-2010 and 50% PubG-2010	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2000	RP-2000
Changes in Benefits	None	None	None	A new hybrid defined benefit/ defined contribution plan is applicable for new PSERS members on July 1, 2019 and thereafter	None	Vested Class T-E and T-F members can withdraw their accumulated contributions and interest	None	None	None
Actuarially Calculated Contribution Rate from Actuarial Date Shown Above	33.09%	34.31%	33.99%	33.51%	33.36%	32.60%	31.74%	29.20%	25.00%
School District Fiscal Year In Which Actuarially Calculated Contribution Rate Is Applied	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016

2. Factors and Trends in Actuarial Assumptions Used Under GASB No. 75 for the PSERS Premium Assistance (OPEBs)

Actuarial Valuation Date/ Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
School District Fiscal Year In Which NOL is Recorded	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Discount Rate	4.09%	2.18%	2.66%	2.79%	2.98%	3.13%
Salary Increases	4.50%	4.50%	5.00%	5.00%	5.00%	5.00%
Mortality	50% PubT-2010 and 50% PubG-2010	50% PubT-2010 and 50% PubG-2010	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015
Changes in Benefits	None	None	None	None	None	None
Actuarially Calculated Contribution Rate from Actuarial Date Shown Above	0.64%	0.75%	0.80%	0.82%	0.84%	0.83%
School District Fiscal Year in Which Actuarially Calculated Contribution Rate Is Applied	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019

3. Factors and Trends in Actuarial Assumptions Used Under GASB Statement No. 75 for the Retiree OPEB Plan

Actuarial Valuation Date	6/30/2023	7/1/2020	7/1/2020	7/1/2018	7/1/2018	7/1/2016
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Discount Rate	4.13%	2.30%	2.30%	3.50%	3.98%	3.13%
Salary Increases	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Mortality	Pri.H-2012 Total Dataset Mortality table projected using Scale MP-2021	MP-2014	MP-2014	MP-2014	MP-2014	MP-2014
Changes in Benefits	The maximum annual benefit amount for the Professional Employees and Group III Administrators was increased from $400 to $500 per year of service.	None	Retirement incentive was offered to professional retirees in 2020 and Group II Administrators are provided the same benefits as Group I Administrators	None	None	None

SUPPLEMENTARY INFORMATION

CHARTIERS VALLEY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

	Debt Stabilization Fund	Designated Trust Fund	District Activities Fund	Total
Assets				
Cash and cash equivalents	$ 3,996,254	$ -	$ -	$ 3,996,254
Investments	-	-	25,095	25,095
Due from other funds	-	34,854	75,897	110,751
Total Assets	$ 3,996,254	$ 34,854	$ 100,992	$ 4,132,100
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	$ -	$ -	$ 2,811	$ 2,811
Due to other funds	638,360	-	-	638,360
Total Liabilities	638,360	-	2,811	641,171
Fund Balances:				
Committed	3,357,894	34,854	98,181	3,490,929
Total Fund Balance	3,357,894	34,854	98,181	3,490,929
Total Liabilities and Fund Balance	$ 3,996,254	$ 34,854	$ 100,992	$ 4,132,100

CHARTIERS VALLEY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

	Debt Stabilization Fund	Designated Trust Fund	District Activities Fund	Total
Revenues:				
Local sources	$ 143,949	$ 140	$ 147,863	$ 291,952
Total revenues	143,949	140	147,863	291,952
Expenditures:				
Instruction	-	265	-	265
Operation of non-instructional services	-	-	137,773	137,773
Total expenditures	-	265	137,773	138,038
Net Change in Fund Balance	143,949	(125)	10,090	153,914
Fund Balance:				
Beginning of year	3,213,945	34,979	88,091	3,337,015
End of year	$ 3,357,894	$ 34,854	$ 98,181	$ 3,490,929

CHARTIERS VALLEY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor / Project Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Program or Award Amount	Total Received For the Year	Accrued (Unearned) Revenue at July 1, 2022	Revenue Recognized	Expenditures	Adjustments	Accrued (Unearned) Revenue at June 30, 2023	Passed Through to Subrecipients
U.S. Department of Education											
Passed through Pennsylvania Department of Education:											
Title I Grants to Local Educational Agencies	84.010	013-220078	7/22/21-9/30/22	$ 384,190	$ 82,052	$ 76,046	$ 6,006	$ 6,006	$ -	$ -	$ -
Title I Grants to Local Educational Agencies	84.010	013-230078	7/22/22-9/30/23	421,082	420,443	-	404,550	404,550	-	(15,893)	-
Total Title I Grants to Local Educational Agencies					502,495	76,046	410,556	410,556	-	(15,893)	-
Supporting Effective Instruction State Grants - Title II	84.367	020-220078	7/22/21-9/30/22	75,555	11,057	11,057	-	-	-	-	-
Supporting Effective Instruction State Grants - Title II	84.367	020-230078	7/22/22-9/30/23	78,331	78,923	-	78,331	78,331	-	(592)	-
Total Supporting Effective Instruction State Grants - Title II					89,980	11,057	78,331	78,331	-	(592)	-
Student Support and Academic Enrichment Program	84.424	144-22-0078	7/22/21-9/30/22	27,212	15	15	-	-	-	-	-
Student Support and Academic Enrichment Program	84.424	144-23-0078	7/22/22-9/30/23	30,145	9,572	-	30,145	30,145	-	20,573	-
Total Student Support and Academic Enrichment Program					9,587	15	30,145	30,145	-	20,573	-
COVID-19 - Education Stabilization Fund - ESSER II	84.425 D	200-210078	3/13/20-9/30/23	1,336,240	215,124	215,124	-	-	-	-	-
COVID-19 - Education Stabilization Fund - ARP ESSER	84.425 U	223-210078	3/13/20-9/30/24	2,702,826	982,846	(50,602)	1,614,443	1,614,443	13,700	594,695	-
COVID-19 - Education Stabilization Fund - ARP ESSER 7%	84.425 U	225-210078	3/13/20-9/30/24	210,070	106,945	16,731	151,788	151,788	-	61,574	-
COVID-19 - Education Stabilization Fund - ARP ESSER Homeless Children and Youth	84.425 W	181-212076	7/1/21-9/30/24	12,374	11,422	11,422	-	-	-	-	-
Passed through Pennsylvania Commission on Crime and Delinquency:											
COVID-19 - Education Stabilization Fund - ESSER Fund	84.425 D	35013	3/13/20-9/30/22	96,825	4,462	4,462	-	-	-	-	-
Total Education Stabilization Fund					1,320,799	197,137	1,766,231	1,766,231	13,700	656,269	-
Passed through the Allegheny Intermediate Unit #3:											
English Language Acquisition State Grants	84.365	n/a	7/1/20-6/30/21	16,734	-	4,000	-	-	-	4,000	-
English Language Acquisition State Grants	84.365	n/a	7/1/21-6/30/22	5,088	4,245	4,245	-	-	-	-	-
English Language Acquisition State Grants	85.365	n/a	7/1/22-6/30/23	72,488	-	-	72,488	72,488	-	72,488	-
Total English Language Acquisition State Grants					4,245	8,245	72,488	72,488	-	76,488	-
Special Education Preschool Grants	84.173	131-23-0-003	7/1/21-6/30/22	8,641	8,641	-	4,736	4,736	-	(3,905)	-
Special Education Grants to States	84.027	RA-062-22-0-003	7/1/21-6/30/22	451,759	451,759	451,759	-	-	-	-	-
Special Education Grants to States	85.027	RA-062-23-0-003	7/1/22-6/30/23	453,388	453,388	-	453,388	453,388	-	-	-
COVID-19 - Special Education Grants to States	84.027	RA-062-22-0-003	7/1/21-6/30/22	114,137	114,137	114,137	-	-	-	-	-
Subtotal ALN 84.027					1,019,284	565,896	453,388	453,388	-	-	-
Total Special Education Cluster (IDEA)					1,027,925	565,896	458,124	458,124	-	(3,905)	-
Total U.S. Department of Education					2,955,031	858,396	2,815,875	2,815,875	13,700	732,940	-

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

CHARTIERS VALLEY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023
(Continued)

Federal Grantor / Pass-Through Grantor / Project Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Program or Award Amount	Total Received For the Year	Accrued (Unearned) Revenue at July 1, 2022	Revenue Recognized	Expenditures	Adjustments	Accrued (Unearned) Revenue at June 30, 2023	Passed Through to Subrecipients
U.S. Department of Agriculture											
Passed through the Pennsylvania Department of Education:											
School Breakfast Program	10.553	n/a	7/1/22-6/30/23	n/a	176,184	-	176,184	176,184	-	-	-
National School Lunch Program	10.555	n/a	7/1/22-6/30/23	n/a	740,317	-	740,317	740,317	-	-	-
COVID -19 - National School Lunch Program - Supply Chain Assistance	10.555	n/a	7/1/21-6/30/22	67,386	-	(67,386)	67,386	67,386	-	-	-
COVID -19 - National School Lunch Program - Supply Chain Assistance	10.555	n/a	7/1/22-6/30/23	91,680	91,680	-	91,680	91,680	-	-	-
Passed through the Pennsylvania Department of Agriculture:											
National School Lunch Program (Donated Commodities)	10.555	n/a	7/1/22-6/30/23	99,372	99,372 a	(5,538) b	101,415	101,415 c	-	(3,495) d	-
Total National School Lunch Program					931,369	(72,924)	1,000,798	1,000,798	-	(3,495)	-
Total Child Nutrition Cluster					1,107,553	(72,924)	1,176,982	1,176,982	-	(3,495)	-
Passed through the Pennsylvania Department of Education:											
Pandemic EBT Administrative Costs	10.649	n/a	7/1/22-6/30/23	628	628	-	628	628	-	-	-
Child Nutrition Discretionary Grants Limited Availability	10.579	CN-NSLPE-V5	3/1/22-6/21/22	38,146	38,146	-	38,146	38,146	-	-	-
Child Nutrition Discretionary Grants Limited Availability	10.579	CN-NSLPE-V5	3/1/22-6/21/22	38,146	38,146	-	38,146	38,146	-	-	-
Total Child Nutrition Discretionary Grants Limited Availability					76,292	-	76,292	76,292	-	-	-
Total U.S. Department of Agriculture					1,184,473	(72,924)	1,253,902	1,253,902	-	(3,495)	-
U.S. Department of Health and Human Services											
Passed through the Pennsylvania Department of Human Services:											
Medical Assistance Program - Medicaid Cluster	93.778	n/a	n/a	n/a	14,348	6,138	8,210	8,210	-	-	-
Total U.S. Department of Health and Human Services and Medicaid Cluster					14,348	6,138	8,210	8,210	-	-	-
U.S. Department of Homeland Security											
Passed through the Pennsylvania Emergency Management Agency:											
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	003-UAKG5-00	n/a	148,462	148,462	-	148,462	148,462	-	-	-
Total U.S. Department of Homeland Security					148,462	-	148,462	148,462	-	-	-
Total Expenditures of Federal Awards					$ 4,302,314	$ 791,610	$ 4,226,449	$ 4,226,449	$ 13,700	$ 729,445	$ -

Notes to Schedule of Expenditures of Federal Awards:

(Concluded)

a Total amount of commodities received from the Department of Agriculture
b Inventory at July 1, 2022
c Total amount of commodities used
d Inventory at June 30, 2023

See accompanying notes to schedule of expenditures of federal awards.

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Chartiers Valley School District (School District) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

2. Summary of Significant Accounting Policies

The accompanying Schedule is presented using the modified accrual basis of accounting. Expenditures are recognized following the cost principles contained in the Uniform Guidance. The School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Chartiers Valley School District

Independent Auditor's Reports
Required by the Uniform Guidance

Year Ended June 30, 2023

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Chartiers Valley School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Chartiers Valley School District (School District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 19, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Maher Duessel

Pittsburgh, Pennsylvania
March 19, 2024

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors
Chartiers Valley School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Chartiers Valley School District (School District)'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School 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 School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Maher Duessel

Pittsburgh, Pennsylvania
March 19, 2024

CHARTIERS VALLEY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified, prepared in accordance with Generally Accepted Accounting Principles

2. Internal control over financial reporting:

   Material weakness(es) identified? ☐ yes ☒ no
   Significant deficiencies identified that are not considered to be material weakness(es)?
   ☐ yes ☒ none reported

3. Noncompliance material to financial statements noted? ☐ yes ☒ no

4. Internal control over major programs:

   Material weakness(es) identified? ☐ yes ☒ no
   Significant deficiencies identified that are not considered to be material weakness(es)?
   ☐ yes ☒ none reported

5. Type of auditor's report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ☐ yes ☒ no

7. Major Programs:

ALN(s)	Name of Federal Program or Cluster
84.425 U	COVID-19 - Education Stabilization Fund

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

9. Auditee qualified as low-risk auditee? ☒ yes ☐ no

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

No matters were reported.

III. Findings and questioned costs for federal awards

No matters were reported.

CHARTIERS VALLEY SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2023

NONE