

**Allegheny Valley School District  
Financial Statements  
June 30, 2024**



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***CERTIFIED PUBLIC ACCOUNTANTS***

**Allegheny Valley School District  
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**Independent Auditor's Report**

Members of the Board  
Allegheny Valley School District  
Cheswick, Pennsylvania

**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 Allegheny Valley School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Allegheny Valley 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 Allegheny Valley School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Allegheny Valley 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 Allegheny Valley 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 judgement 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 Allegheny Valley 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Allegheny Valley School District's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, post-employment benefit information and pension information as shown 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 Allegheny Valley School District's basic financial statements. The accompanying 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*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2025 on our consideration of Allegheny Valley 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 Allegheny Valley 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 Allegheny Valley School District's internal control over financial reporting and compliance.

*Hosack, Specht, Muetzel & Wood LLP*

HOSACK, SPECHT, MUETZEL & WOOD LLP  
Pittsburgh, Pennsylvania  
February 12, 2025

**Allegheny Valley School District**  
**Management's Discussion and Analysis**  
**June 30, 2024**

The discussion and analysis of Allegheny Valley School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

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

**Financial Highlights**

The School District saw an increase of various costs as they relate to the support of public education. As projected, expenses such as employer retirement contributions and health insurance premiums continue to outpace increases in revenues. Overall revenues increased by just 0.3% over the prior year. Local revenues constitute the main source of funding for the School District. The 2023/24 local revenues for the School District were up by a minimal 0.7%. The major contributor was earned income in 2023/24 that was up 3.29% higher than the previous year. Higher wages impacted the earned income collections positively. However collections for real estate decreased by 0.2%, and delinquent tax collection decreased by 19%. State funding increased for Basic Education and Special Education funding with overall state revenues decreased by 0.01% over the previous year. Federal grants though not normally a significant source of funding for the School District decreased by 3%.

The Board of Directors and administration closely scrutinized all expenses throughout the school year. Expenditures in the School District continued to rise by 6.15% without a corresponding increase in student enrollment in the School District. The big driver was personnel costs that comprised 62% or \$15.25 million of the expenditures. Salaries and benefits increased 2% compared to the prior year. Retirement rates decrease to 33.9% of eligible salaries in this fiscal year. Other major cost drivers were special education at \$3.48 million, debt service at \$2.95 million and transportation at \$1.26 million. Another significant expenditure increase of 370% was tax refunds because of the change with reassessments by Allegheny County. This impacted local real estate tax collections.

**Using the Annual Financial Report**

The Annual Financial Report consists of a financial section and a single audit section which issued to comply with federal guidelines as required in the Government Auditing Standards and the Uniform Grant Guidance. Within the financial statements are the management's discussion and analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand Allegheny Valley School District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the statement of net position and the statement of activities. These provide both long-term and short-term information about the School District's overall financial status.

**Allegheny Valley School District  
Management's Discussion and Analysis  
June 30, 2024**

The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements. The governmental funds statements tell how general School District services were financed in the short term as well as what remains for future spending. Proprietary fund statements offer short and long-term financial information about the activities that the School District operates like a business. For this School District, this is our food service fund. Fiduciary fund statements provide information about financial relationships where the School District acts solely as a trustee or custodian for the benefit of others, to whom the resources in question belong.

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

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

Figure A – 1  
Required Components of  
Allegheny Valley School District's  
Financial Report

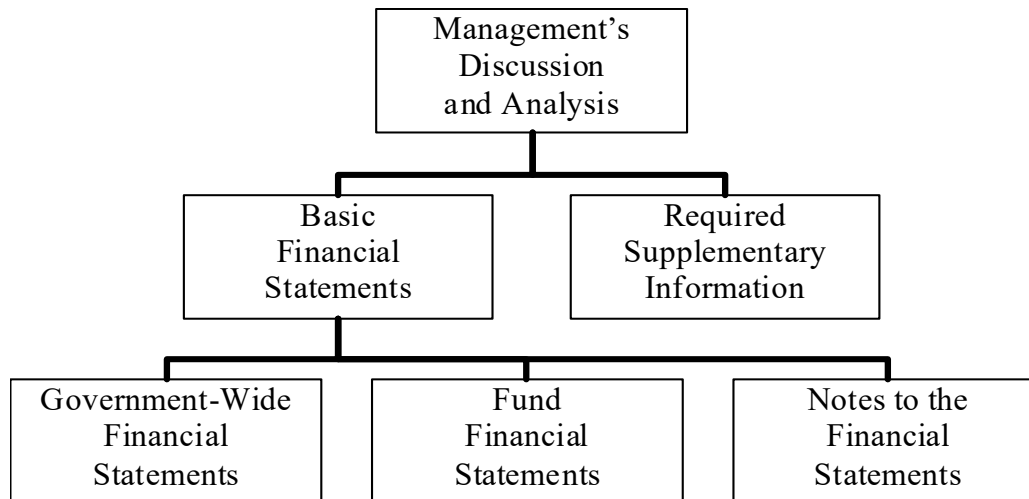


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents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



**Allegheny Valley School District**  
**Management's Discussion and Analysis**  
**June 30, 2024**

Figure A – 2  
Major Features of Allegheny Valley School District's  
Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire School District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as education, administration and community services	Activities the School District operates similar to private business - food services	Instances in which the School District is the trustee or agent to someone else's resources
Required financial statements	Statement of net position; statement of activities	Balance sheet; statement of revenues, expenditures, and changes in fund balance	Statement of net position; statement of revenues, expenses and changes in net position; statement of cash flows	Statement of fiduciary net position; statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of in-flow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

**Allegheny Valley School District**  
**Management's Discussion and Analysis**  
**June 30, 2024**

**Overview of Financial Statements**

Government-Wide Statements

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

The two government-wide statements report the School District's net position and how they have changed. Net assets, the difference between the School District's assets and liabilities, are one way to measure the School District's financial health or position.

Over time, increases or decreases in the School District's net position are an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the School District, you need to consider additional non-financial factors, such as changes in the School District's property tax base and the performance of the students.

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

- Governmental activities - All of the School District's basic services are included here, such as instruction, administration and community services. Property taxes and state and federal subsidies and grants finance most of these activities.
- Business type activities - The School District operates a food service operation and charges fees to staff, students and visitors to help it cover the costs of the food service operation.

Fund Financial Statements

The School District's fund financial statements, which begin with Exhibit 3, provide detailed information about the most significant funds - not the School District as a whole. Some funds are required by state law and by bond requirements.

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

*Proprietary funds* - These funds are used to account for the School District activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding through user charges. When the School District charges customers for services it provides - whether to outside customers or to other units in the School District - these services are generally reported in proprietary funds.

**Allegheny Valley School District**  
**Management's Discussion and Analysis**  
**June 30, 2024**

The food service fund is the School 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 School District is the trustee, or fiduciary, for student activity funds and scholarship funds. All of the School District's fiduciary activities are reported in separate statements of fiduciary net position on Exhibit 10 and statement of changes in net position on Exhibit 11. These funds are excluded from the School District's other financial statements as the funds cannot be used to finance its operations.

**Financial Analysis of the School District as a Whole**

The School District's total net position was a surplus \$8,724,408 at June 30, 2024 and a surplus \$5,364,503 at June 30, 2023.

Table A - 1  
Years Ended June 30, 2024 and 2023  
Net Position

	<b>2024</b>			<b>2023</b>		
	Governmental	Business-		Governmental	Business-	
	Activities	Type	Totals	Activities	Type	Totals
		Activities			Activities	
Current and Other Assets	\$ 27,239,030	\$ 191,155	\$ 27,430,185	\$ 26,065,899	\$ 223,491	\$ 26,289,390
Capital Assets	<u>34,262,384</u>	<u>5,261</u>	<u>34,267,645</u>	<u>34,160,010</u>	<u>6,390</u>	<u>34,166,400</u>
Total Assets	<u>61,501,414</u>	<u>196,416</u>	<u>61,697,830</u>	<u>60,225,909</u>	<u>229,881</u>	<u>60,455,790</u>
Deferred Outflows of Resources	<u>5,443,093</u>	<u>117,650</u>	<u>5,560,743</u>	<u>4,949,833</u>	<u>93,572</u>	<u>5,043,405</u>
Current and Other Liabilities	3,498,870	(285)	3,498,585	2,528,689	59,671	2,588,360
Noncurrent Liabilities						
Due Within One Year	1,773,154	-	1,773,154	1,692,705	-	1,692,705
Due in More Than One Year	<u>50,480,438</u>	<u>628,274</u>	<u>51,108,712</u>	<u>52,731,249</u>	<u>611,032</u>	<u>53,342,281</u>
Total Liabilities	<u>55,752,462</u>	<u>627,989</u>	<u>56,380,451</u>	<u>56,952,643</u>	<u>670,703</u>	<u>57,623,346</u>
Deferred Inflows of Resources	<u>2,111,519</u>	<u>42,195</u>	<u>2,153,714</u>	<u>2,465,442</u>	<u>45,904</u>	<u>2,511,346</u>

**Allegheny Valley School District  
Management's Discussion and Analysis  
June 30, 2024**

Table A - 1  
Years Ended June 30, 2024 and 2023  
Net Position

	<b>2024</b>			<b>2023</b>		
	Governmental	Business-		Governmental	Business-	
	Activities	Type		Activities	Type	
		Activities	Totals		Activities	Totals
Net Position						
Net Investment in Capital Assets	12,857,326	5,261	12,862,587	10,990,465	6,390	10,996,855
Unrestricted	<u>(3,776,800)</u>	<u>(361,379)</u>	<u>(4,138,179)</u>	<u>(5,232,808)</u>	<u>(399,544)</u>	<u>(5,632,352)</u>
Total Net Position	<u>\$ 9,080,526</u>	<u>\$ (356,118)</u>	<u>\$ 8,724,408</u>	<u>\$ 5,757,657</u>	<u>\$ (393,154)</u>	<u>\$ 5,364,503</u>

Most of the School District's net position is invested in capital assets (buildings, land, and equipment). The remaining unrestricted net position is combined of designated and undesignated amounts. The designated balances are amounts set aside to fund future purchases or capital projects as planned by the School District.

The results of this year's operations as a whole are reported in the statement of activities on Exhibit 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the School District's activities that are supported by other general revenues. The largest general revenues are the local taxes (property and earned income) assessed to community taxpayers.

Table A-2 takes the information from that statement, rearranges it slightly, so you can see our total revenues for the year.

Table A - 2  
Years Ended June 30, 2024 and 2023  
Change in Net Position

	<b>2024</b>			<b>2023</b>		
	Governmental	Business-		Governmental	Business-	
	Activities	Type		Activities	Type	
		Activities	Totals		Activities	Totals
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ 66,416	\$ 66,416	\$ -	\$ 62,936	\$ 62,936
Operating Grants and Contribs.	4,430,796	760,810	5,191,606	4,738,645	778,015	5,516,660
Capital Grants and Contribs.	293,922	-	293,922	311,235	-	311,235

**Allegheny Valley School District**  
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Table A - 2  
Years Ended June 30, 2024 and 2023  
Change in Net Position

	<b>2024</b>			<b>2023</b>		
	Governmental	Business-		Governmental	Business-	
	Activities	Type	Totals	Activities	Type	Totals
		Activities			Activities	
General Revenues						
Property Taxes	14,969,153	-	14,969,153	15,463,728	-	15,463,728
Other Taxes	1,726,634	-	1,726,634	1,865,249	-	1,865,249
Grants, Subsidies and Contribs.						
Unrestricted	3,693,700	-	3,693,700	3,399,007	-	3,399,007
Investment Earnings	1,317,112	-	1,317,112	793,150	-	793,150
Other	128,165	-	128,165	91,625	-	91,625
Total Revenues	<u>26,559,482</u>	<u>827,226</u>	<u>27,386,708</u>	<u>26,662,639</u>	<u>840,951</u>	<u>27,503,590</u>
Expenses						
Instruction	13,458,283	-	13,458,283	12,870,429	-	12,870,429
Instructional Student Support	3,660,682	-	3,660,682	1,422,444	-	1,422,444
Admin. and Fin. Support Svcs.	2,660,719	-	2,660,719	2,477,588	-	2,477,588
Operation and Maintenance						
of Plant Services	855,740	-	855,740	2,211,088	-	2,211,088
Pupil Transportation	1,259,458	-	1,259,458	1,293,786	-	1,293,786
Student Activities	816,900	-	816,900	812,406	-	812,406
Community Services	5,500	-	5,500	7,072	-	7,072
Interest on Long-Term Debt	519,331	-	519,331	594,787	-	594,787
Food Service	-	790,190	790,190	-	663,419	663,419
Total Expenses	<u>23,236,613</u>	<u>790,190</u>	<u>24,026,803</u>	<u>21,689,600</u>	<u>663,419</u>	<u>22,353,019</u>
Increase (Decrease) in Net Position	3,322,869	37,036	3,359,905	4,973,039	177,532	5,150,571
Beginning Net Position	<u>5,757,657</u>	<u>(393,154)</u>	<u>5,364,503</u>	<u>784,618</u>	<u>(570,686)</u>	<u>213,932</u>
Ending Net Position	<u>\$ 9,080,526</u>	<u>\$ (356,118)</u>	<u>\$ 8,724,408</u>	<u>\$ 5,757,657</u>	<u>\$ (393,154)</u>	<u>\$ 5,364,503</u>

**Allegheny Valley School District**  
**Management's Discussion and Analysis**  
**June 30, 2024**

The tables below present the expenses of both the governmental activities and the business-type activities of the School District.

Table A-3 shows the School District's largest functions - instructional programs, instructional student support, administrative, operation and maintenance of plant, pupil transportation, student activities, community services, and interest on debt, 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  
Years Ended June 30, 2024 and 2023  
Governmental Activities

	2024		2023	
	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Functions/Programs				
Instruction	\$ 13,458,283	\$10,461,760	\$ 12,870,429	\$ 9,980,506
Instructional Student Support	3,660,682	3,078,498	1,422,444	915,941
Admin. and Fin. Support Svcs.	2,660,719	2,412,857	2,477,588	2,217,640
Operation and Maintenance of Plant Services	855,740	658,023	2,211,088	1,967,185
Pupil Transportation	1,259,458	911,775	1,293,786	514,179
Student Activities	816,900	758,573	812,406	755,717
Community Services	5,500	5,000	7,072	5,000
Interest on Long-Term Debt	<u>519,331</u>	<u>225,409</u>	<u>594,787</u>	<u>283,552</u>
Total Governmental Activities	<u>\$ 23,236,613</u>	18,511,895	<u>\$ 21,689,600</u>	16,639,720
Less:				
Unrestricted Grants, Subsidies		<u>(3,693,700)</u>		<u>(3,399,007)</u>
Total Needs from Local Taxes and Other Revenues		<u>\$14,818,195</u>		<u>\$13,240,713</u>

**Allegheny Valley School District  
Management's Discussion and Analysis  
June 30, 2024**

Table A-4 reflects the activities of the food service program, the only business-type activity of the School District.

Table A - 4  
Years Ended June 30, 2024 and 2023  
Business-Type Activities

	<b>2024</b>		<b>2023</b>	
Functions/Programs	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Food Service	<u>\$ 790,190</u>	<u>\$ (37,036)</u>	<u>\$ 663,419</u>	<u>\$ (177,532)</u>

The statement of revenues, expenses and changes in fund net position for this proprietary fund shown on Exhibit 8 will further detail the actual results of operations.

**School District Funds**

At June 30, 2024, the School District's general fund reported a fund balance of \$10,065,642.

**General Fund Budget**

A schedule showing the School District's original and final budget amounts, compared with amounts actually paid and received, is provided in the required supplementary information section.

**Capital Assets and Debt Administration**

**Capital Assets**

At June 30, 2024, the School District's governmental funds had \$34,211,512 invested in a broad range of capital assets, including land, land improvements, buildings, furniture and equipment. This amount represents a net increase (including additions, deletions and depreciation) of \$127,809, or 0.4% from last year.

**Allegheny Valley School District  
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June 30, 2024**

Table A - 5  
Governmental Activities  
Capital Assets - Net of Depreciation

	2024	2023
Land	\$ 791,812	\$ 791,812
Land Improvements	600,139	643,453
Buildings and Building Improvements	32,386,785	32,158,194
Furniture and Equipment	432,776	490,244

**Debt Administration**

As of July 1, 2023, the School District had total outstanding bond and note principal of \$22,685,000. During the year, the School District made payments against principal of \$1,640,000 leaving a balance of \$21,045,000 at June 30, 2024.

Table A - 6  
Outstanding Debt

General Obligation Bonds	As of 06/30/24	As of 06/30/23
Series of 2021	\$ 8,690,000	\$ 8,715,000
Series of 2020	5,450,000	5,875,000
Series of 2014	6,905,000	8,095,000

Other obligations include capital lease obligations and accrued sick leave for specific employees of the School District. More detailed information about our long-term liabilities is included in the notes to the financial statements.

**Bond Rating**

The School District's general obligation bond rating assigned by Moody's is A1 underlying and an A3 enhanced rating. The Commonwealth of Pennsylvania also provides additional security for the bonds through the Act 150 School District Intercept Program. The Act provides for undistributed state aid to be diverted to bond holders in the event of default.

**Economic Factors and Next Year's Budgets and Rates**

The School District increased the millage rate by 2.65% for the 2024/25 budget. At the local level, there is an increase in real estate transactions with higher assessment appeals. The lowering of the Common Level Ratio by Allegheny County adversely affects revenue collections. There is no anticipated increase in state or federal revenues to the district. There is still one contract in negotiations that expired at the end of the 2023/24 school year for the custodial maintenance staff. The expiration of the professional staff contract is June 30, 2027 and the administrative assistants and paraprofessionals is 2029. Higher wages and benefits continue to impact the district expenditures.



**Allegheny Valley School District  
Management's Discussion and Analysis  
June 30, 2024**

The economic projections for the school year are higher wages and higher prices for energy and commodities. The impact of higher wages impacts the overall economy with inflation. Student enrollment is flat and the district does not anticipate growth in the upcoming years.

The comparison of revenue and expenditure categories is as follows:

Table A - 7

	Budgeted Revenues 2024/2025	Actual Revenues 2023/2024
Local	68.2%	69.1%
State	30.4%	27.7%
Federal	1.4%	3.2%

	Budgeted Expenditures 2024/2025	Actual Expenditures 2023/2024
Instruction	52.3%	49.2%
Support Services	35.0%	31.7%
Noninstructional Services	3.1%	2.4%
Fund Transfers/Debt/Other	9.6%	16.7%

**Contacting the School District Financial Management**

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the School District's finances and to show the Board and administration's accountability for the money it receives. All correspondence regarding this report can be sent to either Ms. Janice Zastawniak, Public Relations or Mrs. Hamsini Rajgopal, Business Manager at Allegheny Valley School District, 300 Pearl Avenue, Cheswick, PA 15024, 724-274-5300.

**Allegheny Valley School District**  
**Statement of Net Position**  
**June 30, 2024**

**Exhibit 1**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 24,388,513	\$ 169,689	\$ 24,558,202
Taxes Receivable, Net	1,659,860	-	1,659,860
Due From Other Governments	1,162,521	-	1,162,521
Other Receivables	17,471	7,454	24,925
Inventories	-	14,012	14,012
Prepaid Items	10,665	-	10,665
Capital Assets not Being Depreciated			
Land	791,812	-	791,812
Capital Assets, Net			
Land Improvements	600,139	-	600,139
Building & Building Improvements	32,386,785	-	32,386,785
Furniture & Equipment	432,776	5,261	438,037
Intangible Right-to-Use Assets	50,872	-	50,872
<b>TOTAL ASSETS</b>	<b>61,501,414</b>	<b>196,416</b>	<b>61,697,830</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	557,369	-	557,369
Amounts Related to OPEB - District	580,142	-	580,142
Amounts Related to OPEB - PSERS	159,831	4,095	163,926
Amounts Related to Pension	4,145,751	113,555	4,259,306
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,443,093</b>	<b>117,650</b>	<b>5,560,743</b>
<b>LIABILITIES</b>			
Internal Balances	10,333	(10,333)	-
Accounts Payable	721,423	2,422	723,845
Accrued Interest	98,787	-	98,787
Accrued Salaries and Benefits	2,199,206	-	2,199,206
Unearned Revenues	10,174	7,626	17,800
Other Current Liabilities	458,947	-	458,947
Noncurrent Liabilities:			
Due Within One Year	1,773,154	-	1,773,154
Due in More Than One Year:			
Compensated Absences	244,514	-	244,514
Bonds Payable	20,189,825	-	20,189,825
Lease Payable	26,616	-	26,616
Other Post-Employment Benefits - District	3,660,757	-	3,660,757
Other Post-Employment Benefits - PSERS	1,026,533	24,467	1,051,000
Net Pension Liability	25,332,193	603,807	25,936,000
<b>TOTAL LIABILITIES</b>	<b>55,752,462</b>	<b>627,989</b>	<b>56,380,451</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Amounts Related to OPEB - District	341,316	-	341,316
Amounts Related to OPEB - PSERS	292,039	6,961	299,000
Amounts Related to Pension	1,478,164	35,234	1,513,398
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,111,519</b>	<b>42,195</b>	<b>2,153,714</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	12,857,326	5,261	12,862,587
Unrestricted	(3,776,800)	(361,379)	(4,138,179)
<b>TOTAL NET POSITION</b>	<b>\$ 9,080,526</b>	<b>\$ (356,118)</b>	<b>\$ 8,724,408</b>

See Accompanying Notes

**Allegheny Valley School District  
Statement of Activities  
Year Ended June 30, 2024**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
Instruction	\$ 13,458,283	\$ -	\$ 2,996,523	\$ -	\$ (10,461,760)	\$ -	\$ (10,461,760)
Instructional Student Support	3,660,682	-	582,184	-	(3,078,498)	-	(3,078,498)
Administrative and Financial Support Services	2,660,719	-	247,862	-	(2,412,857)	-	(2,412,857)
Operation and Maintenance of Plant Services	855,740	-	197,717	-	(658,023)	-	(658,023)
Pupil Transportation	1,259,458	-	347,683	-	(911,775)	-	(911,775)
Student Activities	816,900	-	58,327	-	(758,573)	-	(758,573)
Community Services	5,500	-	500	-	(5,000)	-	(5,000)
Interest on Long-Term Debt	519,331	-	-	293,922	(225,409)	-	(225,409)
Total Governmental Activities	23,236,613	-	4,430,796	293,922	(18,511,895)	-	(18,511,895)
Business-type Activities:							
Food Service	790,190	66,416	760,810	-	-	37,036	37,036
Total Primary Government	\$ 24,026,803	\$ 66,416	\$ 5,191,606	\$ 293,922	(18,511,895)	37,036	(18,474,859)
General Revenues							
Taxes							
Property Taxes Levied for General Purposes, Net					14,969,153	-	14,969,153
Earned Income Taxes					1,428,653	-	1,428,653
Real Estate Transfer Taxes					247,886	-	247,886
Other Taxes Levied for General Purposes, Net					50,095	-	50,095
Grants, Subsidies and Contributions not Restricted					3,693,700	-	3,693,700
Investment Earnings					1,317,112	-	1,317,112
Miscellaneous Income					128,165	-	128,165
Total General Revenues					21,834,764	-	21,834,764
Change in Net Position					3,322,869	37,036	3,359,905
Net Position - July 1, 2023					5,757,657	(393,154)	5,364,503
Net Position - June 30, 2024					\$ 9,080,526	\$ (356,118)	\$ 8,724,408

See Accompanying Notes

**Allegheny Valley School District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

**Exhibit 3**

	General Fund	Capital Reserve Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 16,991,487	\$ 5,581,101	\$ 1,815,925	\$ 24,388,513
Taxes Receivable, Net	1,659,860	-	-	1,659,860
Due from Other Funds	-	5,351,729	-	5,351,729
Due from Other Governments	1,162,521	-	-	1,162,521
Other Receivables	17,471	-	-	17,471
Prepaid Items	10,665	-	-	10,665
<b>TOTAL ASSETS</b>	<b><u>\$ 19,842,004</u></b>	<b><u>\$ 10,932,830</u></b>	<b><u>\$ 1,815,925</u></b>	<b><u>\$ 32,590,759</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Due to Other Funds	\$ 5,211,062	\$ -	\$ 151,000	\$ 5,362,062
Accounts Payable	494,757	226,666	-	721,423
Accrued Salaries and Benefits	2,199,206	-	-	2,199,206
Unearned Revenues	10,174	-	-	10,174
Other Current Liabilities	458,947	-	-	458,947
<b>Total Liabilities</b>	<b><u>8,374,146</u></b>	<b><u>226,666</u></b>	<b><u>151,000</u></b>	<b><u>8,751,812</u></b>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenues - Property Taxes	1,402,216	-	-	1,402,216
<b>Fund Balances</b>				
Nonspendable	10,665	-	-	10,665
Committed	-	10,706,164	1,664,925	12,371,089
Assigned	8,700,000	-	-	8,700,000
Unassigned	1,354,977	-	-	1,354,977
<b>Total Fund Balances</b>	<b><u>10,065,642</u></b>	<b><u>10,706,164</u></b>	<b><u>1,664,925</u></b>	<b><u>22,436,731</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 19,842,004</u></b>	<b><u>\$ 10,932,830</u></b>	<b><u>\$ 1,815,925</u></b>	<b><u>\$ 32,590,759</u></b>

See Accompanying Notes

**Allegheny Valley School District  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2024**

**Exhibit 4**

Total Fund Balances - Governmental Funds	\$ 22,436,731
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. The cost of assets is \$74,415,000, and the accumulated depreciation is \$40,203,488.	34,211,512
Intangible right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The value of these assets is \$127,179 and the accumulated amortization is \$76,307.	50,872
Property taxes receivable will be collected in the future, but are not available soon enough to pay for the current period's expenditures, and, therefore, are not reported as assets in governmental funds.	1,402,216
Premiums and discounts on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net position.	(864,825)
Deferred charges on refunding bonds issued are amortized over the life of the bonds as deferred outflows of resources in the statement of net position.	557,369
Long-term liabilities, including bonds and capital leases payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Bonds Payable	\$ (21,045,000)
Accrued Interest on the Bonds	(98,787)
Leases Payable	(52,602)
Compensated Absences	(271,682)
	(21,468,071)

**Allegheny Valley School District**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2024**

**Exhibit 4**

Some liabilities including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

OPEB Liability - District	(3,660,757)	
OPEB Liability - PSERS	(1,026,533)	
Net Pension Liability	<u>(25,332,193)</u>	(30,019,483)

Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred Outflows of Resources Related to Pensions	4,145,751	
Deferred Inflows of Resources Related to Pensions	(1,478,164)	
Deferred Outflows of Resources Related to OPEB - District	580,142	
Deferred Inflows of Resources Related to OPEB - District	(341,316)	
Deferred Outflows of Resources Related to OPEB - PSERS	159,831	
Deferred Inflows of Resources Related to OPEB - PSERS	<u>(292,039)</u>	<u>2,774,205</u>

Total Net Position - Governmental Activities		<u>\$ 9,080,526</u>
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See Accompanying Notes

**Allegheny Valley School District**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2024**

**Exhibit 5**

	General Fund	Capital Reserve Fund	Nonmajor Funds	Total Governmental Funds
Revenues				
Local Sources	\$ 18,317,597	\$ 353,866	\$ 91,340	\$ 18,762,803
State Sources	7,340,364	-	-	7,340,364
Federal Sources	<u>853,949</u>	<u>-</u>	<u>-</u>	<u>853,949</u>
Total Revenues	<u>26,511,910</u>	<u>353,866</u>	<u>91,340</u>	<u>26,957,116</u>
Expenditures				
Instruction	12,857,783	8,826	-	12,866,609
Support Services	8,293,604	2,284,759	-	10,578,363
Noninstructional Services	626,392	-	-	626,392
Capital Outlay	1,350	-	-	1,350
Debt Service (Principal & Interest)	2,295,884	-	-	2,295,884
Refunds of Prior Year's Receipts	<u>571,375</u>	<u>-</u>	<u>-</u>	<u>571,375</u>
Total Expenditures	<u>24,646,388</u>	<u>2,293,585</u>	<u>-</u>	<u>26,939,973</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,865,522</u>	<u>(1,939,719)</u>	<u>91,340</u>	<u>17,143</u>
Other Financing Sources (Uses)				
Transfers In	-	1,500,000	-	1,500,000
Transfers Out	<u>(1,500,000)</u>	<u>-</u>	<u>-</u>	<u>(1,500,000)</u>
Total Other Financing Sources (Uses)	<u>(1,500,000)</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	365,522	(439,719)	91,340	17,143
Fund Balances - July 1, 2023	<u>9,700,120</u>	<u>11,145,883</u>	<u>1,573,585</u>	<u>22,419,588</u>
Fund Balances - June 30, 2024	<u>\$ 10,065,642</u>	<u>\$ 10,706,164</u>	<u>\$ 1,664,925</u>	<u>\$ 22,436,731</u>

See Accompanying Notes

**Allegheny Valley School District  
Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
to the Statement of Activities  
Year Ended June 30, 2024**

**Exhibit 6**

Total Net Change in Fund Balances - Governmental Funds	\$	17,143
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the difference between depreciation/amortization and capital outlays in the period.

Depreciation Expense	\$ (1,644,302)		
Intangible Right-to-Use Assets Amortization	(25,435)		
Capital Outlays	<u>1,772,111</u>		102,374

Because some property taxes will not be collected within the current financial resources measurement focus period, they are not considered as "available" revenues in the governmental funds. Unavailable revenues increased by this amount this year.		173,741
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Repayment of bond, financing agreements, and lease payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,665,371
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In the statement of activities, certain operating expenses-compensated absences (sick pay and vacations) and other post-employment benefits (OPEB)-are measured by the amounts earned during the year. In governmental funds, however, expenditures for the items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Compensated Absences	1,660		
Other Post-Employment Benefits - District	(154,901)		
Other Post-Employment Benefits - PSERS	<u>50,580</u>		(102,661)

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

Net Change in Accrued Interest on Bonds		12,066
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**Allegheny Valley School District  
Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
to the Statement of Activities  
Year Ended June 30, 2024**

**Exhibit 6**

Bond discount, premium and deferred charges on bonds are reported in the statement of revenues and expenditures of governmental funds as expenditures but are capitalized and amortized over the life of the bonds in the statement of activities.

Amortization of Discount, Premium and Deferred Loss on Refunding	99,116
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Governmental funds report School District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense.

District Pension Contributions to PSERS	3,044,989	
Cost of Benefits Earned	(1,689,270)	1,355,719

Change in Net Position of Governmental Activities	\$ 3,322,869
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See Accompanying Notes

**Allegheny Valley School District**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2024**

**Exhibit 7**

	Food Service Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 169,689
Due From Other Funds	10,333
Other Receivables	7,454
Inventories	<u>14,012</u>
Total Current Assets	<u>201,488</u>
Noncurrent Assets	
Furniture and Equipment, Net	<u>5,261</u>
TOTAL ASSETS	<u>206,749</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts Related to OPEB	4,095
Amounts Related to Pensions	<u>113,555</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>117,650</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	2,422
Unearned Revenues	<u>7,626</u>
Total Current Liabilities	<u>10,048</u>
Noncurrent Liabilities	
OPEB Liability	24,467
Net Pension Liability	<u>603,807</u>
Total Noncurrent Liabilities	<u>628,274</u>
TOTAL LIABILITIES	<u>638,322</u>
DEFERRED INFLOWS OF RESOURCES	
Amounts Related to OPEB	6,961
Amounts Related to Pensions	<u>35,234</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>42,195</u>
NET POSITION	
Invested in Capital Assets	5,261
Unrestricted	<u>(361,379)</u>
TOTAL NET POSITION	<u><u>\$ (356,118)</u></u>

See Accompanying Notes

**Allegheny Valley School District**  
**Statement of Revenues, Expenses and Changes**  
**in Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2024**

**Exhibit 8**

	Food Service Fund
Operating Revenues	
Food Service Revenue	<u>\$ 66,416</u>
Operating Expenses	
Salaries	269,892
Employee Benefits	115,137
Other Purchased Services	1,140
Supplies	401,457
Depreciation	2,068
Other Operating Expenditures	<u>496</u>
Total Operating Expenses	<u>790,190</u>
Operating Income (Loss)	<u>(723,774)</u>
Nonoperating Revenues (Expenses)	
State Sources	136,342
Federal Sources	<u>624,468</u>
Total Nonoperating Revenues (Expenses)	<u>760,810</u>
Change in Net Position	37,036
Net Position - July 1, 2023	<u>(393,154)</u>
Net Position - June 30, 2024	<u><u>\$ (356,118)</u></u>

See Accompanying Notes

**Allegheny Valley School District**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2024**

**Exhibit 9**

	Food Service Fund
Cash Flows From Operating Activities	
Cash Received from Users	\$ 66,599
Cash Payments to Employees for Services	(458,127)
Cash Payments to Suppliers for Goods and Services	(353,347)
Cash Payments for Other Operating Expenses	<u>(496)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(745,371)</u>
Cash Flows From Non-Capital Financing Activities	
State Sources	136,342
Federal Sources	<u>575,971</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>712,313</u>
Cash Flows From Capital and Related Financing Activities	
Facilities Acquisition/Const./Imp.Serv	<u>(939)</u>
Net Increase (Decrease) in Cash and Cash Flows	(33,997)
Cash and Cash Equivalents - July 1, 2023	<u>203,686</u>
Cash and Cash Equivalents - June 30, 2024	<u>\$ 169,689</u>

**Allegheny Valley School District**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2024**

**Exhibit 9**

	Food Service Fund
Operating Income (Loss)	<u>\$ (723,774)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation and Net Amortization	2,068
Change in Pensions and OPEB Liability	(10,545)
Donated Commodities	48,497
(Increase) Decrease in Accounts Receivable	183
(Increase) Decrease in Inventories	(2,339)
(Increase) Decrease in Prepaid Items	495
Increase (Decrease) in Accounts Payable	(104)
Increase (Decrease) in Advances from Other Funds	(62,553)
Increase (Decrease) in Unearned Revenue	<u>2,701</u>
Total Adjustments	<u>(21,597)</u>
Cash Provided by (Used for) Operating Activities	<u><u>\$ (745,371)</u></u>

**Noncash Non-Capital Financing Activities**

During the year ended June 30, 2024, the School District received \$50,819 of U.S.D.A Donated Commodities in the food service fund.

See Accompanying Notes

**Allegheny Valley School District**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2024**

**Exhibit 10**

	Private Purpose Trust Fund	Custodial Fund
ASSETS		
Cash and Cash Equivalents	<u>\$          41,296</u>	<u>\$          62,670</u>
LIABILITIES		
Other Current Liabilities	<u>                6,790</u>	<u>                    -</u>
NET POSITION		
Restricted for Scholarships	34,506	-
Student Groups	<u>                    -</u>	<u>                62,670</u>
TOTAL NET POSITION	<u><u>\$          34,506</u></u>	<u><u>\$          62,670</u></u>

See Accompanying Notes

**Allegheny Valley School District**  
**Statement of Change in Net Position**  
**Fiduciary Funds**  
**Year Ended June 30, 2024**

**Exhibit 11**

	Private Purpose Trust Fund	Custodial Fund
Additions		
Gifts and Contributions	\$ 18,020	\$ -
Student Activities Revenue	-	52,985
Interest Earnings	1,100	1,213
	<hr/>	<hr/>
Total Additions	19,120	54,198
	<hr/>	<hr/>
Deductions		
Scholarships Awarded	10,000	-
Student Activities Program Expenditures	-	41,745
Service Charges	105	136
	<hr/>	<hr/>
Total Deductions	10,105	41,881
	<hr/>	<hr/>
Change in Net Position	9,015	12,317
	<hr/>	<hr/>
Net Position - July 1 , 2023	25,491	50,353
	<hr/>	<hr/>
Net Position - June 30, 2024	\$ 34,506	\$ 62,670
	<hr/>	<hr/>

See Accompanying Notes

**Allegheny Valley School District**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 1 - Summary of Significant Accounting Policies**

Allegheny Valley School District, located in Allegheny County, Pennsylvania, provides public education, kindergarten through twelfth grade, to the residents of the Boroughs of Cheswick and Springdale and the Townships of Harmar and Springdale. The School District operates under a nine-person elected Board of Directors.

**A. Basic Financial Statements - Government-Wide Statements**

The School District's basic financial statements include both government-wide (reporting the School District as a whole) and fund financial statements (reporting the School District's major funds). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of Allegheny Valley School District. *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. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. In the government-wide statement of net position, governmental activities are represented on a consolidated basis by column.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payment-in-lieu of taxes and other charges between various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**B. Basic Financial Statements - Fund Financial Statements**

Fund financial statements of the School District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into three categories: governmental; proprietary; and fiduciary.

The emphasis in fund financial statements is on the major funds in the governmental category. Nonmajor funds are summarized in a single column. The nonmajor funds are combined in a column in the fund financial statements.

**1. Governmental Funds**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses, and balances of financial resources) rather than upon net income. The School District reports the following major governmental funds and fund types:



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

The *capital reserve fund*, a capital projects fund type, accounts for the resources accumulated from surplus monies in the general fund which is to be used for capital improvements.

The School District also reports the following nonmajor governmental funds:

The *capital projects fund* accounts for financial resources to be used for the acquisition of construction of major capital facilities or equipment (other than those financed by proprietary funds).

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The School District reports the following proprietary fund type:

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. The activities reported in these funds are reported as business-type activities in the government-wide financial statements. The *food service fund* accounts for the revenues, food purchases and other costs and expenses for providing meals to students and/or faculty during the school year.

3. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and are therefore not available to support School District programs. The reporting focus is on net position and changes in net position. The School District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust funds, investment trust funds, private purpose trust funds, or custodial funds). The School District reports the following fiduciary fund types:

The *private purpose fund* is used to account for resources of monies contributed to the School District for scholarships. The scholarship funds are considered private purpose trust funds.

The *custodial fund* represents the School District's student activity funds. These funds account for student activities in the high school.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

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Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e. the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

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

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

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

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

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

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

**D. Joint Ventures**

The School District is one of nine member school districts of the Forbes Road East Area Vocational-Technical School ("Forbes"). Forbes provides vocational-technical training and education to participating students of the member districts. Forbes is controlled and governed by the Joint Board, which is composed of all the school board members of all of the member districts. Direct oversight of Forbes' operations is the responsibility of the Joint Committee, which consists of one representative from each participating school district. No member of the Jointure exercises specific control over the fiscal policies or operations of Forbes. The School District's share of annual operating and capital costs for Forbes fluctuates, based on the percentage of enrollment of each member district in the school. The School District's financial obligation to Forbes for the year ended June 30, 2024 was \$231,107 which has been reported in the School District's general fund. The School District has no equity interest in Forbes as of June 30, 2024. Complete financial statements for Forbes can be obtained from the administrative offices at 607 Beatty Road; Monroeville, Pennsylvania 15146.

**E. Cash and Cash Equivalents**

The School District's policy is to maintain cash balances in interest-bearing accounts such as money market or flex funds. The market values of the funds approximate cost. For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**F. Investments**

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. Fair value is based on quoted market prices. Funds are invested pursuant to the Public School Code of 1949 and investment policy guidelines established by the School District and approved by the Members of the Board. The School Code states that authorized types of investments shall be: United States Treasury Bills; short-term obligations of the United States Government or its agencies or instrumentalities; deposits in savings accounts, time deposits or share accounts of institutions insured by the FDIC; obligations of the United States or any of its agencies or instrumentalities backed by the full faith and credit of the United States and the Commonwealth of Pennsylvania.

**G. Budgets**

The School Board approves, prior to the beginning of each year, an annual budget on the modified accrual basis of accounting for the general fund. This is the only fund for which a budget is required and for which taxes may be levied. The general fund is the only fund that has an annual budget that has been legally adopted by the School Board. The Public School Code allows the School Board to authorize budget transfer amendments during the year, but only during the last nine months of the fiscal year. There were no supplemental budgetary appropriations made during the year ended June 30, 2024.

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The final budget data reflected in the financial statements includes the effect of approved budget transfer amendments and for comparative purposes the actual amounts have also been presented. The School District expenditures may not legally exceed the revised budget amounts by function. Function is defined as a program area such as instructional services. Management may amend the budget without seeking prior approval of the Board within a function. Amendments between functions require prior Board approval. Excess of expenditures over appropriations in the general fund is presented in the required supplementary information section.

**H. 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 business-type activities are reported in the government-wide financial statements as “internal balances”.

**I. Inventories**

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

Inventories in governmental funds are stated at cost by the first-in, first-out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, an estimated value of inventories is reported as an asset in the general fund, if considered material. There was no material inventory balance as of June 30, 2024.

The inventory of the food service fund consists of food supplies and government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies, both valued at cost using the first-in, first-out (FIFO) method. Any unused commodities donated by the federal government at June 30, 2024 are reported as unavailable revenue.

**J. Prepaid Items**

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

**K. Capital Assets**

Capital assets, which include property, plant, equipment and land improvements 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 \$1,500 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than \$1,500 as composite groups for financial reporting purposes. 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 fair market 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.

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Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Land Improvements	10
Furniture	7
Vehicles	5
Equipment	7
Computer Software	5

Proprietary fund equipment purchases are capitalized in the proprietary fund at cost and depreciated on a straight-line basis over 5-12 years.

**L. Intangible Right-to-Use Assets**

The School District has recorded intangible right-to-use assets as a result of implementing Governmental Accounting Standards Board (GASB) Statements No. 87 and No. 96. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease/subscription liability plus any payment made prior to the term, less any incentives, and plus any ancillary charges necessary to place the asset into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease/subscription. Per review of the information technology arrangements identified by the School District as potential SBITAs, the arrangements were determined to either not meet the definition of a SBITA or were immaterial to the financial statements.

**M. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premium and discount are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premium and discount during the current period. The face amount of debt issued is reported as other financing sources while discount on debt issuances are reported as other financing uses.

**N. Compensated Absences**

The School District's policies regarding vacation and sick time is provided through various contracts. Employees can accumulate sick and/or vacation days which they are paid for upon retirement or termination of service. The amount the employee is compensated and the number of days varies based on their contract and their years of service. The liability for these compensated absences is recorded as long-term debt in the government-wide statements.

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The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the amount of reimbursable unused vacation or sick leave to employees who have terminated their employment as of the end of the fiscal year, while the proprietary funds report the liability as it is incurred.

**O. Defining Operating Revenues and Expenses**

The School District's proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the School District's food service fund consist of charges for meals and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School District has various items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other in the government-wide statement of net position is related to the participation in the cost sharing defined benefit pension plan and other post-employment benefit plans.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The School District has various items reported in the government-wide statement of net position relating to the cost sharing defined benefit pension plan and other post-employment plans. The School District also has items, which arise only under the modified accrual basis of accounting, which qualify for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as inflows of resources in the period that the amount becomes available.

**Q. Equity Classifications**

**Government-Wide Statements**

Equity is classified as net position and displayed in three components:

Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

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Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

**Fund Statements - Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, fund balance reporting and governmental fund type definitions, the School District classifies governmental fund balances as follows:

Nonspendable - amounts that cannot be spent because they are either (1) not in a spendable form or (2) legally or contractually required to remain intact.

Restricted - the part of fund balance that is restricted to be spent for a specific purpose. The constraints on these amounts must be externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or by enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payments and includes a legally enforceable requirement on the use of these funds.

Committed - the portion of fund balance that can only be used for specific purposes as a result of formal action, approval of a motion by the majority of the School Board. Once the item is committed, it cannot be used for any other purpose unless changed by the same procedures used to initially commit the money.

Assigned - reflects the School District's intent to use the money for a specific purpose but is not considered restricted or committed. The assignment of fund balance can be assigned by management in the business office.

Unassigned - represents the part of spendable fund balance that has not been categorized as restricted, committed or assigned. The general fund is the only fund permitted to have a positive unassigned fund balance.

The School District's policy is that it considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. It also considers committed amounts to be spent first when an expenditure is incurred for purposes for which both committed and unassigned fund balance could be used.

The purposes of the restricted, committed and assigned fund balance as of June 30, 2024, are as follows:

1. The nonspendable fund balance in the general fund of \$10,665 is for prepaid items.
2. The assigned fund balance in the general fund of \$8,700,000 is assigned for future employer retirement costs of \$1,900,000, for future employer healthcare costs of \$1,100,000, and for future capital improvements of \$5,700,000.
3. The committed fund balance in the capital reserve fund of \$10,706,164 is committed for future technology capital expenditures of \$709,078 and for future capital projects of \$9,997,086.
4. The committed fund balance in the capital projects fund of \$1,664,925 is committed for future capital needs of the School District.

**Allegheny Valley School District**  
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**Note 2 - Deposits and Investments**

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.

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution's name. As of June 30, 2024, \$4,594,112 of the School District's bank balance of \$4,844,112 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging	
Bank's Agent not in the School District's Name	<u>\$4,594,112</u>

As of June 30, 2024, the School District had the following investments:

Investments	Fair Value
PLGIT	\$ 257,559
PSDLAF	<u>19,752,869</u>
	<u>\$ 20,010,428</u>

**Interest Rate Risk** - The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates except for its capital projects bond fund. This fund's investments in U. S. Obligations are permitted but only to the extent that the obligation is within six months from its retirement (due) date.

**Credit Risks** - The Pennsylvania Public School Code authorizes the types of investments allowed. These are described in Note 1F. The School District has no investment policy that would further limit its investment choices. The School District's investments in Pennsylvania School District Liquid Asset Fund (PSDLAF) and the Pennsylvania Local Government Investment Trust (PLGIT) were rated AAAM by Standard & Poor's.

Credit risk is the risk the School District will have exposure to a swap counterparty under the swap. Credit Risk is mitigated by several factors, including minimum credit rating criteria and ratings downgrade triggers in the swap documents. The credit ratings for the counterparty are noted above.

**Concentration of Credit Risks** - The School District places no limit on the amount it may invest in any one issue.



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**Investments**

The Pennsylvania School District Liquid Asset Fund (PSDLAF) and the Pennsylvania Local Government Investment Trust (PLGIT) were established as common law trusts, organized under laws of the Commonwealth of Pennsylvania. Shares of the funds are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools and municipalities. The purpose of the funds is to enable such governmental units to pool their available funds for investments authorized by Section 440.1 of the Pennsylvania Public School Code of 1949, as amended.

PSDLAF and PLGIT are governed by an elected board of trustees who are responsible for the overall management of the funds. The trustees are elected from the several classes of local governments participating in the funds. The funds are audited annually by independent auditors. PSDLAF and PLGIT are local government investment pools and are exempt from the requirement with the SEC's Rule 2(a)7 of the Investment Company Act of 1940. The funds measure, for financial reporting purposes, its assets at amortized cost and maintain a stable net asset value of \$1 per share. Accordingly, the fair values of the position in PSDLAF and PLGIT are the same as the values of PSDLAF and PLGIT shares. There are no limitations or restrictions on withdrawals.

**Note 3 - Real Estate Taxes**

The elected tax collectors bill and collect real estate taxes on behalf of the School District based upon assessed values provided by the County. The School District's tax rate for all purposes in 2023/2024 was 20.8377 mills (\$20.84 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied for 2023/2024 is as follows:

Tax Levy Date	July 1, 2023
2% Discount Period	Through August 31, 2023
Face Payment Period	September 1 - October 31, 2023
10% Penalty Period	November 1 Until Liened
Lien Filing Date	July 1, 2024

Taxpayers may also pay these taxes in three equal installments due at face on or before the following dates: August 31, October 31, and November 30.

The amounts shown as delinquent real estate taxes receivable have not been recorded as revenue on the fund statements. These taxes are, however, recorded as unavailable revenue on the balance sheet until they are received. The amounts reported for this receivable are reported on the balance sheet in the amount of \$1,402,216 along with other taxes receivable of \$257,644.

**Note 4 - Due from Other Governments**

Amounts due from other governments represent receivables for revenues earned by the School District. At June 30, 2024, the following amounts are due from other governmental units:

	Governmental Funds
Federal (through the state)	\$ 425,607
State	736,914
	<u>\$ 1,162,521</u>

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**Note 5 - Capital Assets**

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

	Balance 07/01/23	Additions	Disposals	Balance 06/30/24
<b>Governmental Activities</b>				
Capital Assets not Being Depreciated				
Land	<u>\$ 791,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 791,812</u>
Capital Assets Being Depreciated/Amortized				
Land Improvements	4,996,538	155,086	-	5,151,624
Buildings and Building Improvements	60,123,503	1,565,641	-	61,689,144
Furniture and Equipment	6,731,036	51,384	-	6,782,420
Intangible Right-to-use Assets	<u>127,179</u>	<u>-</u>	<u>-</u>	<u>127,179</u>
Total Capital Assets Being Depreciated/Amortized	<u>71,978,256</u>	<u>1,772,111</u>	<u>-</u>	<u>73,750,367</u>
Less Accumulated Depreciation/Amortization				
Land Improvements	4,353,085	198,400	-	4,551,485
Buildings and Building Improvements	27,965,309	1,337,050	-	29,302,359
Furniture and Equipment	6,240,792	108,852	-	6,349,644
Intangible Right-to-use Assets	<u>50,872</u>	<u>25,435</u>	<u>-</u>	<u>76,307</u>
Total Accumulated Depreciation/Amortization	<u>38,610,058</u>	<u>1,669,737</u>	<u>-</u>	<u>40,279,795</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>33,368,198</u>	<u>102,374</u>	<u>-</u>	<u>33,470,572</u>
Governmental Activities Capital Assets, Net	<u>\$ 34,160,010</u>	<u>\$ 102,374</u>	<u>\$ -</u>	<u>\$ 34,262,384</u>
<b>Business-Type Activities</b>				
Furniture and Equipment	\$ 485,236	\$ 939	\$ -	\$ 486,175
Less Accumulated Depreciation and Equipment	<u>478,846</u>	<u>2,068</u>	<u>-</u>	<u>480,914</u>
Business-Type Activities Capital Assets, Net	<u>\$ 6,390</u>	<u>\$ (1,129)</u>	<u>\$ -</u>	<u>\$ 5,261</u>

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

Governmental Activities

Instruction	\$ 1,360,105
Administration and Financial Support Services	41,988
Operation and Maintenance of Plant Services	20,681
Central	12,580
Student Activities	<u>234,383</u>
Total Depreciation/Amortization Expense	<u>\$ 1,669,737</u>

Business-Type Activities - Food Service	<u>\$ 2,068</u>
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**Note 6 - Interfund Balances**

At June 30, 2024, interfund balances were:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 5,211,062
Capital Reserve Fund	5,351,729	-
Non-Major Fund		
Capital Projects Fund	-	151,000
Proprietary Fund		
Food Service Fund	<u>10,333</u>	<u>-</u>
	<u>\$ 5,362,062</u>	<u>\$ 5,362,062</u>

Balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All the balances above are expected to be collected in the subsequent year.

**Note 7 - Interfund Transfers**

For the year ended June 30, 2024, the School District had the following interfund transfers:

	<u>Transfer From</u>
	General Fund
<u>Transfers To</u>	
Capital Reserve Fund	<u>\$ 1,500,000</u>

The transfer from the General Fund to the Capital Reserve Fund in the amount of \$1,500,000 was to fund future capital needs of the School District.

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**Note 8 - Long-Term Liabilities**

Long-term liability for the year ended June 30, 2024 was as follows:

	Balance 07/01/23	Additions	Reductions	Balance 06/30/24	Due Within One Year
Governmental Activities					
Bonds Payable					
General Obligation Bonds	\$ 22,685,000	\$ -	\$ 1,640,000	\$ 21,045,000	\$ 1,720,000
Plus: Bond Premium	<u>1,014,740</u>	<u>-</u>	<u>149,915</u>	<u>864,825</u>	<u>-</u>
Total Bonds Payable	<u>23,699,740</u>	<u>-</u>	<u>1,789,915</u>	<u>21,909,825</u>	<u>1,720,000</u>
Compensated Absences	<u>273,342</u>	<u>-</u>	<u>1,660</u>	<u>271,682</u>	<u>27,168</u>
Governmental Activities					
Long-Term Liabilities	<u>\$ 23,973,082</u>	<u>\$ -</u>	<u>\$ 1,791,575</u>	<u>\$ 22,181,507</u>	<u>\$ 1,747,168</u>
Lease Liabilities	<u>\$ 77,973</u>	<u>\$ -</u>	<u>\$ 25,371</u>	<u>\$ 52,602</u>	<u>\$ 25,986</u>
Total Long-Term Obligations as Reported in the Statement of Net Position				<u>\$ 22,234,109</u>	<u>\$ 1,773,154</u>

**General Obligation Bonds**

Series of 2014 - \$15,320,000 due serially through November 1, 2028; interest payable semi-annually from 3.0% to 5.0%	\$ 6,905,000
Series of 2020 - \$6,755,000 due serially through November 1, 2034; interest payable semi-annually from 2.0% to 3.0%	5,450,000
Series of 2021 - \$8,750,000 due serially through November 1, 2034; interest payable semi-annually from 0.6% to 2.0%	<u>8,690,000</u>
	<u>\$ 21,045,000</u>

The source for the above payments is the general fund.

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The annual requirements of School District funds to amortize all debt outstanding (excluding compensated absences) as of June 30, 2024, including interest, are as follows:

Year Ended June 30,	General Obligation Bonds		Totals
	Principal	Interest	
2025	\$ 1,720,000	\$ 554,610	\$ 2,274,610
2026	1,800,000	476,450	2,276,450
2027	1,875,000	403,900	2,278,900
2028	1,940,000	337,700	2,277,700
2029	2,005,000	269,050	2,274,050
2030-2034	10,780,000	640,300	11,420,300
2035	925,000	9,250	934,250
	<u>\$21,045,000</u>	<u>\$ 2,691,260</u>	<u>\$ 23,736,260</u>

**Note 9 – Lease Liability**

The School District has entered into an agreement to lease copiers. The term of the lease is for five years requiring monthly payments of \$2,247. The lease agreement qualifies as other than short-term lease under GASB 87 and, therefore, has been recorded at present value of the future minimum lease payments as of the date of its inception. For purposes of discounting future payments, the School District determined an interest rate of 2.9% to be an appropriate discount rate.

As of June 30, 2024, the value of the lease liability recorded for the above lease was \$52,602. As a result, the School District has recorded an Intangible Right-to-Use asset with a net book value of \$50,872 as of June 30, 2024.

	Balance 07/01/23	Additions	Disposals	Balance 06/30/24
Governmental Activities				
Intangible Right-to-use Assets:				
Leased Equipment	\$ 127,179	\$ -	\$ -	\$ 127,179
Less Accumulated Amortization	50,872	25,435	-	76,307
Net Intangible Right-to-use Assets	<u>\$ 76,307</u>	<u>\$ (25,435)</u>	<u>\$ -</u>	<u>\$ 50,872</u>

Future minimum lease payments under this lease are as follows:

Year Ended June 30,	Lease Payable		Totals
	Principal	Interest	
2025	\$ 25,986	\$ 978	\$ 26,964
2026	26,616	347	26,963
	<u>\$ 52,602</u>	<u>\$ 1,325</u>	<u>\$ 53,927</u>

**Allegheny Valley School District**  
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**Note 10 - Public School Employees' Retirement System (PSERS)**

**A. Summary of Significant Accounting Policies**

**Pensions**

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

**B. General Information about the Pension Plan**

**1. Plan Description**

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

**2. Benefits Provided**

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

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

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

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

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

### 3. Contributions

#### Member Contributions

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

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%/6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.80%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

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

**Employer Contributions**

The School District's contractually required contribution rate for fiscal year ended June 30, 2024 was 33.36% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School District were \$3,132,306 for the year ended June 30, 2024.

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

At June 30, 2024, the School District reported a liability of \$25,936,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2024, the School District's proportion was 0.0583%, which was a decrease of 0.0017% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of \$1,765,825. At June 30, 2024, 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
Difference between expected and actual experience	\$ 6,000	\$ 355,000
Net difference between projected and actual investment earnings	734,000	-
Changes in assumptions	387,000	-
Changes in proportions	-	1,150,000
Difference between employer contributions and proportionate share of total contributions	-	8,398
Contributions subsequent to the measurement date	3,132,306	-
	<u>\$ 4,259,306</u>	<u>\$ 1,513,398</u>



**Allegheny Valley School District**  
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\$3,132,306 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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 Ended June 30,	
2025	\$ (333,708)
2026	(889,142)
2027	591,227
2028	<u>245,225</u>
	<u>\$ (386,398)</u>

1. Changes in Actuarial Assumptions

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	5.2%
Private Equity	12.0%	7.9%
Fixed Income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	<u>-10.5%</u>	1.2%
	<u>100%</u>	

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

**2. Discount Rate**

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

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

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

	(In Thousands)		
	1.00% Decrease 6.00%	Current Discount Rate 7.00%	1.00% Increase 8.00%
School District's proportionate share of the net pension liability	\$ 33,620	\$ 25,936	\$ 19,453

4. Pension Plan Fiduciary Net Position

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

**Note 11 - Contingent Liabilities**

Allegheny Valley School District participates in a number of federally assisted grant programs, principal of which are Education Stabilization Fund and National School Lunch Program. The programs are subject to program compliance audits by the grantors or their representatives. The audits of some of these programs for and including the year ended June 30, 2024 have not yet been conducted. Accordingly, the School District's compliance with applicable grant requirements 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, if any, to be immaterial.

**Note 12 - Other Post-Employment Benefit Plan**

A. Plan Description

Allegheny Valley School District administers a single-employer defined benefit healthcare plan ("the Supplemental Health Plan"). The plan provides medical benefits for teachers and administrators/supervisors. The benefits provided are for the eligible retirees and their spouses through the School District group health insurance plan which covers both active and retired members. Benefit provisions are mostly established through negotiations between the School District and union or group representing the employees. The plan does not issue a publicly available financial report.

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The eligibility and the benefits for each group are as follows:

1) Retirement Plan Eligibility

Normal Retirement	Age 62, age 60 with 30 years of service or 35 years of service.
Early Retirement	Age 55 with 25 years of Service.

2) Supplemental Health Insurance Plan (SHI)

Eligibility for Benefit

Teachers	Age 53 with 30 years, 55 with 25 years or age 62 or disability retirement.
Administrators	Age 53 with 15 years of service.
Support Personnel	Age 62 with 9 years of service.
Service Employees	Age 62 with 20 years of service or at time attained age plus service are at least 90.

Benefit at Retirement

Teachers	School District pays the premium for individual coverage for the medical insurance plan at time of retirement. For each year of service to the School District, the retiree will receive 3.5 months of SHI coverage at retirement. Retirees are permitted to purchase dental and vision insurance at group rates.
Administrators, Support Personnel and Service Employees	For employees hired after 12/31/1990, the School District pays the premium for individual coverage for the medical insurance plan at time of retirement until the retiree is age 65 or eligible for Medicare. Retirees are permitted to purchase dental and vision insurance at group rates. For employees hired before 01/01/1990, the School District pays the premium for husband/wife coverage for the medical insurance at the time of retirement until the retiree is age 65 or eligible for Medicare. Retirees are permitted to purchase dental and vision insurance at group rates. Any increases in rates after retirement are paid by the retiree.

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**Benefit Upon Death After Retirement**

If the spouse dies while covered under the SHI, the School District will continue to pay up to the premium at retirement for the retiree. If the retiree dies prior to Medicare eligibility or before coverage would have expired under the Contract, the spouse is no longer covered under the SHI; however, the spouse will be eligible for coverage until the spouse reaches Medicare eligibility if the spouse pays for their coverage.

**Continuation Coverage**

If the retiree is not yet 65 or eligible for Medicare, but the retiree is no longer eligible for SHI, the retiree can purchase coverage until they are Medicare eligible. Retirees may continue medical coverage in the group health plan on a self-pay basis during any period in which the retiree is neither eligible for SHI nor Medicare.

**Employees Covered by Benefit Terms**

At July 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	6
Active employees	<u>137</u>
	<u>143</u>

**B. Total OPEB Liability**

The School District's total OPEB liability of \$3,660,757 was measured at July 1, 2024, and was determined by an actuarial valuation as of July 1, 2024.

**C. Significant Assumptions Used to Measure the Total OPEB Liability**

Salary Increases	3.00%
Discount Rate	4.21%
Healthcare Cost Trend Rates	7.0% in 2024, grading down to 5.6% uniformly over 3 years and then following the Getzen model thereafter

**Allegheny Valley School District**  
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D. Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	\$ 3,205,931
Changes for the year:	
Service Cost	123,484
Interest	131,490
Difference between expected and actual experience	304,171
Changes of assumptions or other inputs	10,174
Benefit Payments	<u>(114,493)</u>
Net Changes	<u>454,826</u>
Balance at June 30, 2024	<u>\$ 3,660,757</u>

E. Changes of Assumptions and Other Inputs

- The discount rate changed from 4.09% to 4.21%.

F. Sensitivity of the Total Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School District, 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 (3.21%) or one percentage point higher (5.21%) than the current discount rate:

	1.00% Decrease 3.21%	Current Rate 4.21%	1.00% Increase 5.21%
Total OPEB Liability	\$ 3,955,113	\$ 3,660,757	\$ 3,382,989

G. Sensitivity of the Total Liability to Changes in the Healthcare Cost Trend Rates

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

	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	\$ 3,310,381	\$ 3,660,757	\$ 4,067,829

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H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the School District recognized OPEB Expense of \$269,394. At June 30, 2024, the School District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 551,621	\$ 112,394
Change in assumptions	<u>28,521</u>	<u>228,922</u>
	<u>\$ 580,142</u>	<u>\$ 341,316</u>

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

Year Ended June 30,	
2025	\$ 14,420
2026	14,420
2027	14,422
2028	45,393
2029	45,388
Thereafter	<u>104,783</u>
	<u>\$ 238,826</u>

**Note 13 - Other Post-Employment Benefits - PSERS**

A. Summary of Significant Accounting Policies

Other Post-Employment Benefits

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

**Allegheny Valley School District**  
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**B. General Information about the Health Insurance Premium Assistance Program**

**1. Health Insurance Premium Assistance Program**

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2023, there were no assumed future benefit increases to participating eligible retirees.

**2. Premium Assistance Eligibility Criteria**

Retirees of the System can participate in the Premium Assistance program 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 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.

**3. Pension Plan Description**

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

**4. Benefits Provided**

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



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**Employer Contributions**

The School District's contractually required contribution rate for fiscal year ended June 30, 2024 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were \$60,583 for the year ended June 30, 2024.

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

At June 30, 2024, the School District reported a liability of \$1,051,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the School District's proportion was 0.0581%, which was a decrease of 0.0018% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized OPEB expense of \$10,220. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 7,000	\$ 10,000
Net difference between projected and actual investment earnings	2,000	-
Changes in assumptions	91,000	199,000
Changes in proportions	3,000	90,000
Difference between employer contributions and proportionate share of total contributions	343	-
Contributions subsequent to the measurement date	<u>60,583</u>	<u>-</u>
	<u>\$ 163,926</u>	<u>\$ 299,000</u>

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\$60,583 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2025	\$ (41,019)
2026	(48,012)
2027	(48,776)
2028	(50,848)
2029	<u>(7,002)</u>
	<u>\$ (195,657)</u>

1. Actuarial Assumptions

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

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return – 4.13%, S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
  - Eligible retirees will elect to participate pre age 65 at 50%.
  - Eligible retirees will elect to participate post age 65 at 70%.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

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

**Allegheny Valley School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	<u>100%</u>	1.2%

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

2. Discount Rate

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

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

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

**Allegheny Valley School District**  
**Notes to Financial Statements**  
**June 30, 2024**

The following presents the System net OPEB liability for June 30, 2023, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if its health cost trends were 1 percentage point lower or 1 percentage point higher than the current rate:

	(In Thousands)		
	1.00% Decrease	Current Trend Rate	1.00% Increase
System net OPEB Liability	\$ 1,051	\$ 1,051	\$ 1,051

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

The following presents the net OPEB liability, calculated using the discount rate of 4.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13%) or 1 percentage point higher (5.13%) than the current rate:

	(In Thousands)		
	1.00% Decrease 3.13%	Current Discount Rate 4.13%	1.00% Increase 5.13%
School District's proportionate share of the net OPEB liability	\$ 1,188	\$ 1,051	\$ 936

5. OPEB Plan Fiduciary Net Position

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

**Note 14 - Risk Management**

The School District is one of forty-six members of the Allegheny County Schools Health Insurance Consortium (Consortium) which purchases health benefits on behalf of participating public school districts. The School District is billed monthly based on employee count and coverage information at rates established by the Consortium at the beginning of each fiscal year. As the Consortium is self-insured, rates are established with the objective of satisfying estimated claims and other costs, as well as maintaining working capital requirements. Contributions to the Consortium totaled \$2,574,984 and \$2,268,142 for the years ended June 30, 2024 and 2023, respectively.

Participating school districts are permitted to withdraw from the Consortium under terms specified in the agreement. Withdrawing participants are entitled to or responsible for a proportionate share of the Consortium net position or deficiency in net position, respectively, as determined on the fiscal year-end date after withdrawal. As of June 30, 2024, the net position of the Consortium was \$64,607,800 of which \$394,337 is attributable to the School District.

**Allegheny Valley School District**  
**Notes to Financial Statements**  
**June 30, 2024**

The School District participates in an insurance program offered by a commercial insurance company. It purchases commercial insurance policies for risks of losses for casualty, workmen's compensation and liability claims.

The School District is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

**Note 15 - On-Behalf Payments**

The amounts recognized for revenues and expenditures for on-behalf payments relating to fringe benefits for the year ended June 30, 2024, was \$1,926,331.

This includes \$1,585,111 recognized for revenues and expenditures relating to pension contributions for its employees that the Commonwealth of Pennsylvania paid to the Public School Employees' Retirement System (PSERS) for pension and \$341,220 to the federal government for social security and Medicare taxes for the year ended June 30, 2024. The School District pays these on-behalf payments directly to PSERS and the government and is reimbursed by the Commonwealth for their appropriate share.

**REQUIRED SUPPLEMENTARY  
INFORMATION SECTION**

**Allegheny Valley School District  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
General Fund – Budget and Actual  
Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues				
Local Sources				
Taxes				
Current Real Estate Taxes	\$ 14,950,662	\$ 14,950,662	\$ 15,024,322	\$ 73,660
Public Utility Realty Taxes	15,930	15,930	15,730	(200)
Payments in Lieu of Current Taxes	6,928	6,928	-	(6,928)
Local Services Taxes	24,500	24,500	34,365	9,865
Earned Income Taxes	1,035,000	1,035,000	1,374,121	339,121
Real Estate Transfer Taxes	110,000	110,000	247,886	137,886
Delinquencies on Taxes	467,000	467,000	396,997	(70,003)
Earnings on Investments	97,000	97,000	871,906	774,906
Other Local Revenues				
Federal Revenues from IU	170,000	170,000	224,105	54,105
Contributions & Donations from Private Sources	1,000	1,000	-	(1,000)
Miscellaneous Revenue	<u>60,000</u>	<u>60,000</u>	<u>128,165</u>	<u>68,165</u>
Total Revenues from Local Sources	<u>16,938,020</u>	<u>16,938,020</u>	<u>18,317,597</u>	<u>1,379,577</u>
State Sources				
Basic Instructional & Oper. Subsidies				
Basic Instructional Subsidy	3,520,540	3,520,540	3,194,142	(326,398)
Tuition	-	-	23,388	23,388
Subsidies for Spec. Educ. Programs				
Special Education of Excep. Pupils	802,136	802,136	814,646	12,510
Subsidies for Noneduc. Programs				
Transportation (Regular & Additional)	310,000	310,000	345,326	35,326
Rentals & Sinking Fund Payments	229,881	229,881	293,922	64,041
Ready to Learn Block Grant	104,493	104,493	104,493	-
Health Services	10,000	10,000	17,911	7,911
State Property Tax Reduction	499,558	499,558	499,558	-
Other State Grants	125,000	125,000	176,208	51,208
Social Security Payments	334,630	334,630	330,631	(3,999)
State Retirement Revenue	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,540,139</u>	<u>40,139</u>
Total Revenues from State Sources	<u>7,436,238</u>	<u>7,436,238</u>	<u>7,340,364</u>	<u>(95,874)</u>

**Allegheny Valley School District  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
General Fund – Budget and Actual  
Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Federal Sources				
Restricted Grants-In-Aid from the Fed.				
Gov't. through the Commonwealth				
Title I	230,000	230,000	199,012	(30,988)
Title II	30,000	30,000	22,270	(7,730)
Title IV	15,000	15,000	11,012	(3,988)
Elementary and Secondary Emergency Relief Fund (ESSER III)	-	-	566,568	566,568
ARP ESSER 7% Learning Loss	-	-	19,999	19,999
ARP ESSER 7% After School	-	-	17,759	17,759
ARP ESSER 7% Summer School	-	-	16,757	16,757
IDEA B	6,000	6,000	-	(6,000)
Title XIX	-	-	572	572
	<u>281,000</u>	<u>281,000</u>	<u>853,949</u>	<u>572,949</u>
Total Revenues from Federal Sources				
	<u>24,655,258</u>	<u>24,655,258</u>	<u>26,511,910</u>	<u>1,856,652</u>
Expenditures				
Instruction				
Regular Programs				
Personal Services				
Salaries	4,640,074	4,640,074	4,665,908	(25,834)
Employee Benefits	3,343,017	3,343,017	3,140,580	202,437
Purchased Prof. and Tech. Services	271,550	271,550	383,350	(111,800)
Purchased Property Services	25,628	25,628	13,227	12,401
Other Purchased Services	378,935	378,935	196,359	182,576
Supplies	288,991	288,991	232,790	56,201
Property	33,171	33,171	17,065	16,106
Other Objects	9,310	9,310	3,983	5,327
	<u>8,990,676</u>	<u>8,990,676</u>	<u>8,653,262</u>	<u>337,414</u>
Total Regular Programs				



**Allegheny Valley School District  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
General Fund – Budget and Actual  
Year Ended June 30, 2024**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Programs				
Personal Services				
Salaries	1,217,470	1,217,470	1,093,992	123,478
Employee Benefits	869,363	869,363	770,594	98,769
Purchased Prof. and Tech. Services	482,206	482,206	543,177	(60,971)
Other Purchased Services	713,184	713,184	1,059,930	(346,746)
Supplies	11,456	11,456	11,026	430
Other Objects	3,252	3,252	4,091	(839)
	<u>3,296,931</u>	<u>3,296,931</u>	<u>3,482,810</u>	<u>(185,879)</u>
Total Special Programs				
	<u>3,296,931</u>	<u>3,296,931</u>	<u>3,482,810</u>	<u>(185,879)</u>
Vocational Education Programs				
Other Purchased Services	250,000	250,000	231,107	18,893
	<u>250,000</u>	<u>250,000</u>	<u>231,107</u>	<u>18,893</u>
Other Instructional Programs				
Personal Services				
Salaries	-	-	11,659	(11,659)
Employee Benefits	-	-	4,347	(4,347)
Purchased Prof. and Tech. Services	-	-	3,650	(3,650)
Other Purchased Services	147,000	147,000	273,898	(126,898)
Supplies	-	-	1,853	(1,853)
	<u>147,000</u>	<u>147,000</u>	<u>295,407</u>	<u>(148,407)</u>
Total Other Instructional Programs				
	<u>147,000</u>	<u>147,000</u>	<u>295,407</u>	<u>(148,407)</u>
Nonpublic School Programs				
Purchased Prof. and Tech. Services	-	-	573	(573)
Supplies	4,000	4,000	6,319	(2,319)
	<u>4,000</u>	<u>4,000</u>	<u>6,892</u>	<u>(2,892)</u>
Total Nonpublic School Programs				
	<u>4,000</u>	<u>4,000</u>	<u>6,892</u>	<u>(2,892)</u>
Pre-Kindergarten				
Personal Services				
Salaries	113,416	113,416	96,607	16,809
Employee Benefits	83,933	83,933	64,988	18,945
Purchased Prof. and Tech. Services	-	-	13,922	(13,922)
Other Purchased Services	-	-	736	(736)
Supplies	876	876	11,616	(10,740)
Other Objects	-	-	436	(436)
	<u>198,225</u>	<u>198,225</u>	<u>188,305</u>	<u>9,920</u>
Total Pre-Kindergarten				
	<u>198,225</u>	<u>198,225</u>	<u>188,305</u>	<u>9,920</u>

**Allegheny Valley School District**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**General Fund – Budget and Actual**  
**Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary	Final Budget
			Basis)	Positive
				(Negative)
Total Instruction	12,886,832	12,886,832	12,857,783	29,049
Support Services				
Pupil Personnel				
Personal Services				
Salaries	375,047	375,047	360,781	14,266
Employee Benefits	269,519	269,519	254,975	14,544
Purchased Prof. and Tech. Services	50,500	50,500	44,803	5,697
Purchased Property Services	4,440	4,440	2,837	1,603
Other Purchased Services	7,175	7,175	3,755	3,420
Supplies	10,512	10,512	10,059	453
Other Objects	8,265	8,265	1,669	6,596
Total Pupil Personnel	725,458	725,458	678,879	46,579
Instructional Staff				
Personal Services				
Salaries	374,366	374,366	276,758	97,608
Employee Benefits	301,229	301,229	171,379	129,850
Purchased Prof. and Tech. Services	7,500	7,500	26,893	(19,393)
Purchased Property Services	10,666	10,666	10,909	(243)
Other Purchased Services	1,000	1,000	8,512	(7,512)
Supplies	9,496	9,496	6,198	3,298
Other Objects	758	758	11,639	(10,881)
Total Instructional Staff	705,015	705,015	512,288	192,727
Administration				
Personal Services				
Salaries	767,607	767,607	862,689	(95,082)
Employee Benefits	511,406	511,406	476,743	34,663
Purchased Prof. and Tech. Services	148,000	148,000	171,262	(23,262)
Purchased Property Services	22,191	22,191	14,004	8,187
Other Purchased Services	50,179	50,179	45,450	4,729
Supplies	68,185	68,185	50,231	17,954
Property	7,000	7,000	-	7,000
Other Objects	29,598	29,598	23,124	6,474
Total Administration	1,604,166	1,604,166	1,643,503	(39,337)

**Allegheny Valley School District**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**General Fund – Budget and Actual**  
**Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary	Final Budget
			Basis)	Positive
				(Negative)
<b>Pupil Health</b>				
Personal Services				
Salaries	160,003	160,003	164,562	(4,559)
Employee Benefits	104,213	104,213	86,848	17,365
Purchased Prof. and Tech. Services	5,000	5,000	33,349	(28,349)
Other Purchased Services	1,100	1,100	191	909
Supplies	8,200	8,200	6,851	1,349
Other Objects	400	400	130	270
	<u>278,916</u>	<u>278,916</u>	<u>291,931</u>	<u>(13,015)</u>
<b>Business</b>				
Personal Services				
Salaries	238,565	238,565	237,085	1,480
Employee Benefits	180,441	180,441	167,868	12,573
Purchased Prof. and Tech. Services	21,900	21,900	26,781	(4,881)
Purchased Property Services	12,299	12,299	10,140	2,159
Other Purchased Services	25,570	25,570	18,561	7,009
Supplies	23,720	23,720	21,951	1,769
Other Objects	3,590	3,590	35,407	(31,817)
	<u>506,085</u>	<u>506,085</u>	<u>517,793</u>	<u>(11,708)</u>
<b>Oper. and Maint. of Plant Svcs.</b>				
Personal Services				
Salaries	930,458	930,458	916,773	13,685
Employee Benefits	794,285	794,285	650,605	143,680
Purchased Prof. and Tech. Services	7,950	7,950	58,862	(50,912)
Purchased Property Services	361,037	361,037	379,572	(18,535)
Other Purchased Services	101,419	101,419	93,730	7,689
Supplies	469,346	469,346	446,138	23,208
Property	24,000	24,000	201,531	(177,531)
Other Objects	160	160	669	(509)
	<u>2,688,655</u>	<u>2,688,655</u>	<u>2,747,880</u>	<u>(59,225)</u>

**Allegheny Valley School District**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**General Fund – Budget and Actual**  
**Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Student Transportation Services				
Personal Services				
Salaries	11,309	11,309	11,582	(273)
Employee Benefits	4,262	4,262	4,824	(562)
Other Purchased Services	1,473,781	1,473,781	1,243,996	229,785
Supplies	<u>2,000</u>	<u>2,000</u>	<u>631</u>	<u>1,369</u>
Total Student Transportation Services	<u>1,491,352</u>	<u>1,491,352</u>	<u>1,261,033</u>	<u>230,319</u>
Central				
Personal Services				
Salaries	182,402	182,402	157,722	24,680
Employee Benefits	141,178	141,178	112,639	28,539
Purchased Prof. and Tech. Services	17,150	17,150	8,062	9,088
Purchased Property Services	117,060	117,060	140,863	(23,803)
Other Purchased Services	36,741	36,741	34,922	1,819
Supplies	59,191	59,191	62,534	(3,343)
Property	35,000	35,000	51,287	(16,287)
Other Objects	<u>2,595</u>	<u>2,595</u>	<u>-</u>	<u>2,595</u>
Total Central	<u>591,317</u>	<u>591,317</u>	<u>568,029</u>	<u>23,288</u>
Other				
Personal Services				
Salaries	17,051	17,051	36,441	(19,390)
Employee Benefits	107,480	107,480	15,099	92,381
Other Purchased Services	<u>21,000</u>	<u>21,000</u>	<u>20,728</u>	<u>272</u>
Total Other	<u>145,531</u>	<u>145,531</u>	<u>72,268</u>	<u>73,263</u>
Total Support Services	<u>8,736,495</u>	<u>8,736,495</u>	<u>8,293,604</u>	<u>442,891</u>

**Allegheny Valley School District  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
General Fund – Budget and Actual  
Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Noninstructional Services				
Student Activities				
Personal Services				
Salaries	358,896	358,896	301,506	57,390
Employee Benefits	183,668	183,668	142,745	40,923
Purchased Prof. and Tech. Services	49,349	49,349	80,915	(31,566)
Purchased Property Services	3,700	3,700	6,140	(2,440)
Other Purchased Services	11,100	11,100	48,973	(37,873)
Supplies	37,378	37,378	28,986	8,392
Other Objects	9,120	9,120	11,627	(2,507)
	<u>653,211</u>	<u>653,211</u>	<u>620,892</u>	<u>32,319</u>
Total Student Activities				
Community Services				
Purchased Prof. and Tech. Services	15,000	15,000	-	15,000
Other Purchased Services	1,000	1,000	500	500
Supplies	2,000	2,000	-	2,000
Other Objects	5,000	5,000	5,000	-
	<u>23,000</u>	<u>23,000</u>	<u>5,500</u>	<u>17,500</u>
Total Community Services				
Total Noninstructional Services	<u>676,211</u>	<u>676,211</u>	<u>626,392</u>	<u>49,819</u>
Facilities Acquisition, Construction and Improvement Services				
Purchased Prof. and Tech. Services	-	-	1,350	(1,350)
Debt Service				
Interest	695,720	695,720	630,513	65,207
Refunds of Prior Year's Receipts	-	-	571,375	(571,375)
Redemption of Principal	1,640,000	1,640,000	1,665,371	(25,371)
	<u>2,335,720</u>	<u>2,335,720</u>	<u>2,867,259</u>	<u>(531,539)</u>
Total Debt Service				
Total Expenditures	<u>24,635,258</u>	<u>24,635,258</u>	<u>24,646,388</u>	<u>(11,130)</u>

**Allegheny Valley School District  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
General Fund – Budget and Actual  
Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Other Financing Uses				
Fund Transfers				
Food Service Fund	20,000	20,000	-	20,000
Capital Reserve Fund	-	-	1,500,000	(1,500,000)
Total Other Financing Uses	20,000	20,000	1,500,000	(1,480,000)
Total Expenditures and Other Financing Uses	24,655,258	24,655,258	26,146,388	(1,491,130)
Net Change in Fund Balance	-	-	365,522	365,522
Fund Balance - July 1, 2023	19,622,289	19,622,289	9,700,120	(9,922,169)
Fund Balance - June 30, 2024	<u>\$ 19,622,289</u>	<u>\$ 19,622,289</u>	<u>\$ 10,065,642</u>	<u>\$ (9,556,647)</u>

**Allegheny Valley School District**  
**Note to the Required Supplementary Information**  
**Budget Comparison**  
**June 30, 2024**

**Note 1 – Budgetary Information**

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at year-end.

All budget amounts presented in the accompanying required supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budget during the year).

**Allegheny Valley School District**  
**Required Supplementary Information**  
**Schedule of Changes in the Total OPEB Liability**  
**and Related Ratios**  
**Last Eight Years**

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability								
Service cost	\$ 123,484	\$ 118,632	\$ 151,250	\$ 146,845	\$ 135,088	\$ 143,437	\$ 139,259	\$ -
Interest	131,490	125,970	78,885	77,001	91,739	89,918	88,501	-
Difference between expected and actual experience	304,171	-	449,997	-	(299,724)	-	-	-
Changes of assumptions or other inputs	10,174	-	(366,274)	-	51,942	-	-	-
Benefit payments	<u>(114,493)</u>	<u>(166,869)</u>	<u>(157,424)</u>	<u>(174,535)</u>	<u>(163,883)</u>	<u>(184,404)</u>	<u>(168,306)</u>	<u>-</u>
Net Change in Total OPEB Liability	454,826	77,733	156,434	49,311	(184,838)	48,951	59,454	-
Total OPEB Liability - Beginning	<u>3,205,931</u>	<u>3,128,198</u>	<u>2,971,764</u>	<u>2,922,453</u>	<u>3,107,291</u>	<u>3,058,340</u>	<u>2,998,886</u>	<u>-</u>
Total OPEB Liability - Ending	<u>\$3,660,757</u>	<u>\$3,205,931</u>	<u>\$3,128,198</u>	<u>\$2,971,764</u>	<u>\$2,922,453</u>	<u>\$3,107,291</u>	<u>\$3,058,340</u>	<u>\$2,998,886</u>
Covered-Employee Payroll	\$8,640,513	\$8,905,762	\$8,646,371	\$8,562,628	\$8,313,231	\$8,685,734	\$8,432,751	N/A
Total OPEB Liability as a Percentage of Covered-Employee Payroll	42.37%	36.00%	36.18%	34.71%	35.15%	35.77%	36.27%	N/A

Notes to Schedule:

GASB 75 was implemented beginning with fiscal year ended June 30, 2018.

Assumption Changes:

Discount rate used for fiscal year ending:

2024	4.21%
2023	4.09%

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.



**Allegheny Valley School District**  
**Required Supplementary Information**  
**Schedule of School District's Contributions**  
**PSERS**  
**Last Ten Years**

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution	\$ 3,092,829	\$ 3,054,011	\$ 2,962,081	\$ 2,880,723	\$ 2,926,926	\$ 2,888,276	\$ 2,778,867	\$ 2,481,059	\$ 2,046,514	\$ 1,670,088
Contributions in Relation to the Contractually Required Contribution	<u>3,092,829</u>	<u>3,054,011</u>	<u>2,962,081</u>	<u>2,880,723</u>	<u>2,926,926</u>	<u>2,888,276</u>	<u>2,778,867</u>	<u>2,481,059</u>	<u>2,046,514</u>	<u>1,670,088</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 9,184,970	\$ 8,907,414	\$ 8,802,642	\$ 8,720,470	\$ 8,879,020	\$ 8,827,329	\$ 8,802,006	\$ 8,592,118	\$ 8,277,023	\$ 8,319,763
Contributions as a Percentage of Covered Payroll	33.67%	34.29%	33.65%	33.03%	32.96%	32.72%	31.57%	28.88%	24.73%	20.07%

The covered-payroll amount reported for June 30, 2023 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2024.

**Allegheny Valley School District**  
**Required Supplementary Information**  
**Schedule of School District's Proportionate Share**  
**of the Net Pension Liability**  
**PSERS**  
**Last Ten Years**  
**(Dollar Amount in Thousands)**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
School District's Proportion of the Net Pension Liability (Asset)	0.0583%	0.0600%	0.0616%	0.0634%	0.0640%	0.0654%	0.0645%	0.0639%	0.0646%	0.0643%
School District's Proportionate Share of the Net Pension Liability (Asset)	\$25,936	\$26,675	\$25,291	\$31,218	\$29,941	\$31,395	\$31,856	\$31,677	\$27,982	\$25,451
School District's Covered Payroll	\$ 8,907	\$ 8,803	\$ 8,720	\$ 8,879	\$ 8,827	\$ 8,802	\$ 8,592	\$ 8,277	\$ 8,320	\$ 8,205
School District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	291.19%	303.02%	290.03%	351.59%	339.20%	356.68%	370.76%	382.71%	336.32%	310.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%

**Allegheny Valley School District  
Required Supplementary Information  
Schedule of School District's Contributions  
PSERS OPEB Plan  
Last Seven Years**

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution	\$ 60,583	\$ 66,759	\$ 70,359	\$ 70,822	\$ 74,964	\$ 74,195	\$ 73,468
Contributions in Relation to the Contractually Required Contribution	<u>60,583</u>	<u>66,759</u>	<u>70,359</u>	<u>70,822</u>	<u>74,964</u>	<u>74,195</u>	<u>73,468</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$9,184,970	\$8,907,414	\$8,802,642	\$8,720,470	\$8,879,020	\$8,827,329	\$8,802,006
Contributions as a Percentage of Covered Payroll	0.66%	0.75%	0.80%	0.81%	0.84%	0.84%	0.83%

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

The covered-payroll amount reported for June 30, 2023 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2024.

**Allegheny Valley School District**  
**Required Supplementary Information**  
**Schedule of School District's Proportionate Share**  
**of the Net OPEB Liability**  
**PSERS OPEB Plan**  
**Last Seven Years**  
**(Dollar Amount in Thousands)**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
School District's Proportion of the Net OPEB Liability (Asset)	0.0581%	0.0599%	0.0615%	0.0633%	0.0640%	0.0654%	0.0645%
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,051	\$ 1,103	\$ 1,458	\$ 1,368	\$ 1,361	\$ 1,364	\$ 1,314
School District's Covered Payroll	\$ 8,907	\$ 8,803	\$ 8,720	\$ 8,879	\$ 8,827	\$ 8,802	\$ 8,592
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	11.80%	12.53%	16.72%	15.41%	15.42%	15.50%	15.29%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

## **SINGLE AUDIT SECTION**

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Members of the Board  
Allegheny Valley School District  
Cheswick, Pennsylvania

Dear Members:

The reports contained in this single audit section are required in addition to the financial statements. The various reports for Allegheny Valley School District for the period ended June 30, 2024 were prepared to fulfill the requirements of the Government Auditing Standards and the Uniform Grant Guidance. A summary of the reports is as follows:

- A. 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*
- B. Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- C. Schedule of Findings and Questioned Costs
- D. Schedule of Expenditures of Federal Awards
- E. List of Report Distribution

Respectfully submitted,

*Hosack, Specht, Muetzel & Wood LLP*

HOSACK, SPECHT, MUETZEL & WOOD LLP  
Pittsburgh, Pennsylvania  
February 12, 2025

**HOSACK, SPECHT, MUETZEL & WOOD LLP**  
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**EXHIBIT A**

**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***

Members of the Board  
Allegheny Valley School District  
Cheswick, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Allegheny Valley School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Allegheny Valley School District's basic financial statements, and have issued our report thereon dated February 12, 2025.

**Report on Internal Control Over Financial Reporting**

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

*Hosack, Specht, Muetzel & Wood LLP*

HOSACK, SPECHT, MUETZEL & WOOD LLP  
Pittsburgh, Pennsylvania  
February 12, 2025



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**EXHIBIT B**

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

Members of the Board  
Allegheny Valley School District  
Cheswick, Pennsylvania

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

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

We have audited Allegheny Valley 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 Allegheny Valley School District's major federal programs for the year ended June 30, 2024. Allegheny Valley 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, Allegheny Valley School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

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

We are required to be independent of Allegheny Valley 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 Allegheny Valley 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 Allegheny Valley 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 Allegheny Valley 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 Allegheny Valley 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 Allegheny Valley 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 Allegheny Valley 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 Allegheny Valley 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.

*Hosack, Specht, Muetzel & Wood LLP*

HOSACK, SPECHT, MUETZEL & WOOD LLP  
Pittsburgh, Pennsylvania  
February 12, 2025

**Allegheny Valley School District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024**

**EXHIBIT C**

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report was unmodified.

Internal control over financial reporting:

- |   |       |     |             |               |
|---|-------|-----|-------------|---------------|
| • Material weakness(es) identified?       | _____ | yes | _____✓_____ | no            |
| • Significant deficiency(ies) identified? | _____ | yes | _____✓_____ | none reported |

Noncompliance material to financial statements noted?	_____	yes	_____✓_____	no
--	-------	-----	-------------	----

*Federal Awards*

Internal control over major programs:

- |   |       |     |             |               |
|---|-------|-----|-------------|---------------|
| • Material weakness(es) identified?       | _____ | yes | _____✓_____ | no            |
| • Significant deficiency(ies) identified? | _____ | yes | _____✓_____ | none reported |

Type of auditor's report issued on compliance for major programs was unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	_____	yes	_____✓_____	no
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Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	_____✓_____	yes	_____	no
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**Allegheny Valley School District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024**

**EXHIBIT C**

**Section II – Financial Statement Findings**

No matters were reported.

**Section III – Federal Award Findings and Questioned Costs**

No matters were noted.

**Section IV – Status of Prior Year's Findings**

No prior year's findings.

**Allegheny Valley School District**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2024**

**EXHIBIT D**

Federal Grantor/ Pass Through Grantor/ Project Title	Source Code	Federal ALN Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 07/01/23	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/24
U.S. Department of Education										
Passed through the Pennsylvania										
Department of Education										
Title I Improving Basic Programs	I	84.010	013-240005	09/02/23-09/30/24	\$ 237,492	\$ 162,588	\$ -	\$ 199,012	\$ 199,012	\$ 36,424
Title I Improving Basic Programs	I	84.010	013-230005	08/10/22-09/30/23	202,141	57,751	57,751	-	-	-
						220,339	57,751	199,012	199,012	36,424
Title II Improving Teacher Quality	I	84.367	020-240005	09/02/23-09/30/24	33,316	17,662	-	22,270	22,270	4,608
Title II Improving Teacher Quality	I	84.367	020-230005	08/10/22-09/30/23	29,768	2,959	2,959	-	-	-
						20,621	2,959	22,270	22,270	4,608
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-240005	09/02/23-09/30/24	15,825	13,390	-	11,012	11,012	(2,378)
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-220005	07/29/21-09/30/22	16,103	-	1	-	-	1
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-230005	08/10/22-09/30/23	16,079	762	762	-	-	-
						14,152	763	11,012	11,012	(2,377)
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	I	84.425U	223-210005	03/13/20-09/30/24	1,599,403	407,121	32,251	566,568	566,568	191,698
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER 7%)	I	84.425U	225-210005	03/13/20-09/30/24	124,310	58,765	50,789	54,515	54,515	46,539
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER HCY)	I	84.425W	181-212505	07/01/21-09/30/24	5,629	2,165	2,165	-	-	-
						468,051	85,205	621,083	621,083	238,237
Special Education Cluster										
Passed through the Allegheny Intermediate Unit										
IDEA B Section 619	I	84.173	131-230003	07/01/23-06/30/24	1,674	1,674	-	1,674	1,674	-
IDEA B	I	84.027	062-240003	07/01/23-09/30/24	222,431	74,076	-	222,431	222,431	148,355
IDEA B	I	84.027	062-230003	07/01/22-09/30/23	211,136	128,559	128,559	-	-	-
Subtotal Special Education Cluster						204,309	128,559	224,105	224,105	148,355
Total U.S. Department of Education						927,472	275,237	1,077,482	1,077,482	425,247

**Allegheny Valley School District**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2024**

**EXHIBIT D**

Federal Grantor/ Pass Through Grantor/ Project Title	Source Code	Federal ALN Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 07/01/23	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/24
U.S. Department of Health and Human Services Passed through the Pennsylvania Department of Public Welfare Medical Assistance Reimb. for Adm. Title 19	I	93.778	N/A	07/01/23-06/30/24	N/A	<u>917</u>	<u>705</u>	<u>572</u>	<u>572</u>	<u>360</u>
U.S. Department of Agriculture Passed through the Pennsylvania Department of Education Pandemic EBT Administrative Costs	I	10.649	N/A	07/01/23-06/30/24	N/A	<u>653</u>	<u>-</u>	<u>653</u>	<u>653</u>	<u>-</u>
National School Lunch Program	I	10.555	N/A	07/01/23-06/30/24	N/A	405,480	-	405,480	405,480	-
National School Breakfast Program	I	10.553	N/A	07/01/23-06/30/24	N/A	169,838	-	169,838	169,838	-
Passed through the Pennsylvania Department of Agriculture National School Lunch Program (Donated Commodities Non Cash Assistance)	I	10.555	N/A	07/01/23-06/30/24	N/A	<u>50,819</u>	<u>(640)</u>	<u>48,497</u>	<u>48,497</u>	<u>(2,962)</u>
Total Child Nutrition Cluster						<u>626,137</u>	<u>(640)</u>	<u>623,815</u>	<u>623,815</u>	<u>(2,962)</u>
Total U.S. Department of Agriculture						<u>626,790</u>	<u>(640)</u>	<u>624,468</u>	<u>624,468</u>	<u>(2,962)</u>
Total Federal Financial Assistance						<u>\$ 1,555,179</u>	<u>\$ 275,302</u>	<u>\$ 1,702,522</u>	<u>\$ 1,702,522</u>	<u>\$ 422,645</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

**Allegheny Valley School District**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2024**

**EXHIBIT D**

**Note A - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Allegheny Valley School District under programs of the federal government for the year ended June 30, 2024. 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 Allegheny Valley School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Allegheny Valley School District.

**Note B - Summary of Significant Accounting Policies**

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Allegheny Valley School District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note C - Source Code**

The Source Code (I) indicates funds received indirectly.

**Note D - Reconciliation with Subsidy Confirmation**

Amounts Received Per Schedule	\$ 1,555,179
Less: Commodities Received	(50,819)
Less: Passage Through AIU	(204,309)
Less: Title 19	(917)
Add: State Funding on Confirmation	<u>182,171</u>
Per Subsidy Confirmation	<u><u>\$ 1,481,305</u></u>

**Note E - Subrecipients**

The School District did not pass through any federal expenditures to subrecipients.



**Allegheny Valley School District  
List of Report Distribution  
June 30, 2024**

**EXHIBIT E**

1 Copy – Bureau of Audits  
1 Copy – General Services Administration