

Peters Township School District

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023



ANNUAL COMPREHENSIVE FINANCIAL REPORT

**PETERS TOWNSHIP
SCHOOL DISTRICT**
PETERS TOWNSHIP, PA

FISCAL YEAR ENDED JUNE 30, 2023



ANNUAL COMPREHENSIVE FINANCIAL REPORT

of

PETERS TOWNSHIP SCHOOL DISTRICT

Peters Township, Pennsylvania

Fiscal Year Ended June 30, 2023

BOARD OF SCHOOL DIRECTORS

Thomas McMurray, President
Rebecca Bowman, Vice President
Minna Allison
Lisa Anderson
Rolf Breigel
Ronald Dunleavy
Jennifer Grossman
Shari Payne
Daniel Taylor

Dr. Jeannine French, Superintendent of Schools

Report Issued by the Peters Township School District Business Office

Brad Rau, Business Manager
Andrew Thomas, CPA, Assistant Business Manager

PETERS TOWNSHIP SCHOOL DISTRICT

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INTRODUCTORY SECTION



Dr. Jeannine L. French, Superintendent
Dr. Jennifer L. Murphy, Assistant Superintendent
Mr. Michael Fisher, Asst. to the Superintendent for Curriculum, Instruction and Assessment
Mr. Brad H. Rau, Business Manager
Mrs. Patricia Kelly, Director of Pupil Services

February 9, 2024

To the Board of School Directors and Citizens of the Peters Township School District:

We are pleased to present the Annual Comprehensive Financial Report ("ACFR") for the Peters Township School District (the "District") for the fiscal year ended June 30, 2023. The ACFR provides a snapshot of the School District's finances through narrative, financial statements, charts and graphs. In addition, the ACFR provides summarized and detailed information for the school year and includes information from the previous ten fiscal years.

The District's Business Office prepared this Annual Comprehensive Financial Report to provide the highest level of reporting. Responsibility for the accuracy, completeness and fairness of the data presented in this report, including all disclosures, rests with the management of the District. We believe the data as presented is accurate in all material respects. It is presented in a manner designed to fairly present the financial position and results of operations of the District as measured by the financial activity of the various governmental funds. All disclosures have been included to enable the reader to gain a clear understanding of the District's financial affairs.

The organization, form, financial statement content and statistical tables were prepared in accordance with the standards established by the Governmental Accounting Standards Board ("GASB"), the Government Finance Officers Association ("GFOA"), the American Institute of Certified Public Accountants ("AICPA"), and the Public School Code of 1949, as amended.

Hosack, Specht, Muetzel and Wood LLP, Certified Public Accountants, have issued an unmodified opinion on the School District's financial statements for the year ended June 30, 2023. Their independent auditor's report is located within this report.

Management's Discussion and Analysis ("MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A.

Profile of the District

The Peters Township School District is a suburban public school district located in southwestern Pennsylvania. The School District provides a comprehensive educational system from kindergarten through grade twelve, including regular instruction, special instruction and necessary support services.

During the 2022-23 school year, the district educated 3,933 students residing in Peters Township; a 19 square mile municipality located 13 miles south of Pittsburgh. A nine-member board of school directors governs the School District. The School District educates students in grades kindergarten through twelve and operates five schools - a high school, middle school and three elementary schools. Instructional areas include regular education, special education, vocational education and all necessary support services.

Profile of the District (Continued)

Vocational education is provided through a jointure agreement with nine other districts with the Western Area Career and Technology Center as described in Note 1, Part D "Joint Venture."

During the 2022-23 school year the district employed 265 teachers, 53 paraprofessionals, 46 maintenance/custodial staff, 29 secretarial/administrative professional staff, 28 administrators, 27 food service staff and 74 other staff.

Mission Statement:

Peters Township School District will promote academic excellence, build leadership, and inspire character as a prominent Pennsylvania School District measured by state and national standards.

Vision Statement:

Peters Township School District, as a public school entity, will enable students to realize their potential to learn, live, lead and succeed.

Budget Development

The development of the School District budget is nearly a year-round process. The District's fiscal year begins July 1 and the next year's budget planning begins shortly thereafter with a review of the prior year's process and implementation of necessary changes. In November, the Superintendent and the Business Manager establish a budget calendar for the upcoming year. After the budget calendar is established, tentative allocations are developed for each of the building level administrator budgets, along with allocations for technology, textbooks and athletics. These allocations are based on a per pupil amount with an additional weighting for the pupils at the secondary level. However, all administrators are required to prepare their budgets utilizing a zero-based budgeting approach. Rationale for all projected expenditures is presented to and reviewed by the Superintendent, Deputy Superintendent, Assistant Superintendent and Business Manager. In February, a Preliminary Budget is presented to the School Board along with other projected demographic information for the upcoming year. At the same meeting, the estimated budget (including projected millage requirements) and the allocations are discussed and reviewed.

Upon completion of all items outlined above, a preliminary budget is generated and reviewed by the Superintendent and administration. After these meetings, adjustments are made if necessary and a proposed final budget is finalized and presented to the Board of School Directors and the public in April. After discussion of the budget in public, any further changes deemed necessary are made and the final proposed final budget is considered by the Board of School Directors in May. The proposed final budget is then available for public review and comment. Any final changes are then incorporated into the final budget that is adopted by the Board of School Directors in June. The budget process will be accelerated by four months in years that the District will need to seek Act 1 exceptions or voter referendum approval for any millage increase that exceeds the State Act 1 Index. The administration has established procedures to monitor the use of budgeted funds after the board has approved the annual operating budget and authorized the expenditure of funds. The procedures have been categorized as budget responsibility, expenditure controls, budgetary transfers and management reporting. Initially, each administrator is assigned responsibility for spending within his/her area. Expenditure controls are established through a requisition/purchase order system within the School District's financial accounting software. Budgetary transfers are required by each administrator to ensure program budgets are not overspent. Finally, administrators are provided with monthly budget reports from the Business Office to monitor the progress of spending in their area of responsibility.

Internal Controls

Internal controls within the School District are developed by the Business Office administrators to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, as well as to provide reliability of the financial records. These controls and procedures are documented in the Business Office Procedures Manual. Additionally, modifications to internal controls evolve from a variety of other sources, including other School District administrators, the audit professionals and the Board of School Directors. The goal of the School District's internal accounting control system is to adequately safeguard assets and to provide reasonable assurance as to the proper recording and tracking of financial activity. The School District's financial data are subject to a comprehensive audit at the end of each fiscal year by a firm of independent certified public accountants in accordance with U.S. generally accepted governmental auditing standards.

Local Economy

The School District is coterminous with Peters Township, a suburban community located south of the City of Pittsburgh. The School District encompasses 19 square miles and is made up mainly of residential housing, along with light industrial and retail enterprises. Enrollment has remained steady from 3,925 students in the 2013-14 year to 3,933 students in the 2022-23 year. This is unlike many school districts in the region that have declined in student enrollment.

Peters Township's current 2023-24 real estate tax millage rate is 15.37 mills. When preparing the annual budget for the District, the School Board and Administration carefully consider the burden imposed on the School District taxpayers along with the expectations of the District's parents and students to continue providing a high-quality education.

Long-Term Financial Planning

Pennsylvania School Employees' Retirement System Contributions

Actuarial projections for employer contributions to the Pennsylvania School Employees' Retirement System predict sustained high employer contribution rates. Details of the impact on the School District are included in the Management Discussion & Analysis Section under "Future Economic Considerations."

Under the Taxpayer Relief Act, through Act 1 of 2006 and Act 25 of 2011, Pennsylvania School Districts became subject to a change in their taxing structure. Details of Act 1 and Act 25 are included in the "Management Discussion & Analysis" Section under "Future Economic Considerations."

Fund Balance

The School District ended the 2022-23 fiscal year with an unassigned general fund balance of \$1,400,452. The unassigned fund balance is 1.82% of the 2022-23 general fund budget, which is within the 8% maximum amount of unassigned fund balance permitted by the Pennsylvania Department of Education for a district requesting to raise its tax rate.

District Awards and Accomplishments

- In 2023, Bower Hill Elementary School was ranked the #1 Pennsylvania Elementary School by U.S. News & World Report. The ranking is based on the number of students who scored proficient or advanced on PSSA exams from the 2020-21 School Year. Half of their proprietary ranking formula was the results themselves; the other half was the results in the context of socioeconomic demographics.
- In their 2023 regional rankings for area high schools, U.S. News & World Report named Peters Township High School the best high school in the region. Schools are ranked based on their performance on state-required tests, graduation rates and how well they prepare students for college. PTHS is also ranked 7th in Pennsylvania and 312th in the Nation according to the report. PTHS first earned this recognition in April of 2022.
- In their 2023 Annual Guide to Schools, the Pittsburgh Business Times has ranked Peters Township 3rd in our region and 6th overall across the state. The regional ranking includes the seven counties in Southwestern PA and the statewide ranking includes the nearly 500 districts across Pennsylvania.
- Peters Township High School has earned the College Board's AP Computer Science Female Diversity Award for expanding young women's access to AP Computer Science Principles. The award acknowledges 1,105 schools for their work toward equal gender representation during the 2021-22 school year.
- Peters Township High School has been recognized by The College Board with an AP School Honor Roll Gold Award. The Honor Roll recognizes schools whose AP programs are delivering results for students while broadening access. Among the criteria for the Honor Roll are: 40% or more of the graduating cohort took at least 1 AP Exam during high school, 25% or more of the graduating cohort scored a 3 or higher on at least 1 AP Exam during high school and 2% or more of the graduating cohort took 5 or more AP Exams during high school.
- The Peters Township High School Class of 2023 included three National Merit Finalists and 11 National Merit Commended Students, and 40 students who graduated as PT Scholars with a grade point average of 5.0 or above. Overall, the Class of 2023 earned \$4 million in scholarships.
- In 2023, 196 students earned AP Scholar Awards for their performance on Advanced Placement Exams. Additionally, 87 students earned the AP Scholar with Distinction Award by earning an average score of at least 3.5 on all AP Exams and scores of 3 or higher on five or more of these exams.
- Released in December 2023, the PSSA score results (all grades and subjects combined) Peters Township ranked 6th in Pennsylvania for the number of students scoring Advanced or Proficient on the exams. All PT tested grades and subjects are ranked within the top 4% in the state.
- In 2023, Peters Township High School ranked 4th overall in Keystone scores, all subjects combined; and 1st in Pennsylvania in Biology. Keystone Exams are given across the state to students in the subjects of Algebra, Biology and Literature as a requirement of graduation.

Acknowledgements

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the efforts of Andrew Thomas, Assistant Business Manager and the entire Business Office staff.

Without the leadership and support of the School Board, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in blue ink, appearing to read 'BR R', is positioned below the word 'Sincerely,'.

Brad Rau
Business Manager

PETERS TOWNSHIP SCHOOL DISTRICT

BOARD OF SCHOOL DIRECTORS

Thomas McMurray, President

Rebecca Bowman, Vice President

Minna Allison

Lisa Anderson

Rolf Breigel

Ronald Dunleavy

Jennifer Grossman

Shari Payne

Daniel Taylor

Jocelyn Kramer, Solicitor (Non-Member)

Nan Campbell, Treasurer (Non-Member)

Hosack, Specht, Muetzel and Wood, External Auditor (Non-Member)

CENTRAL OFFICE ADMINISTRATION

Dr. Jeannine French, Superintendent

Dr. Jennifer Murphy, Deputy Superintendent

Dr. Michael Fisher, Assistant Superintendent

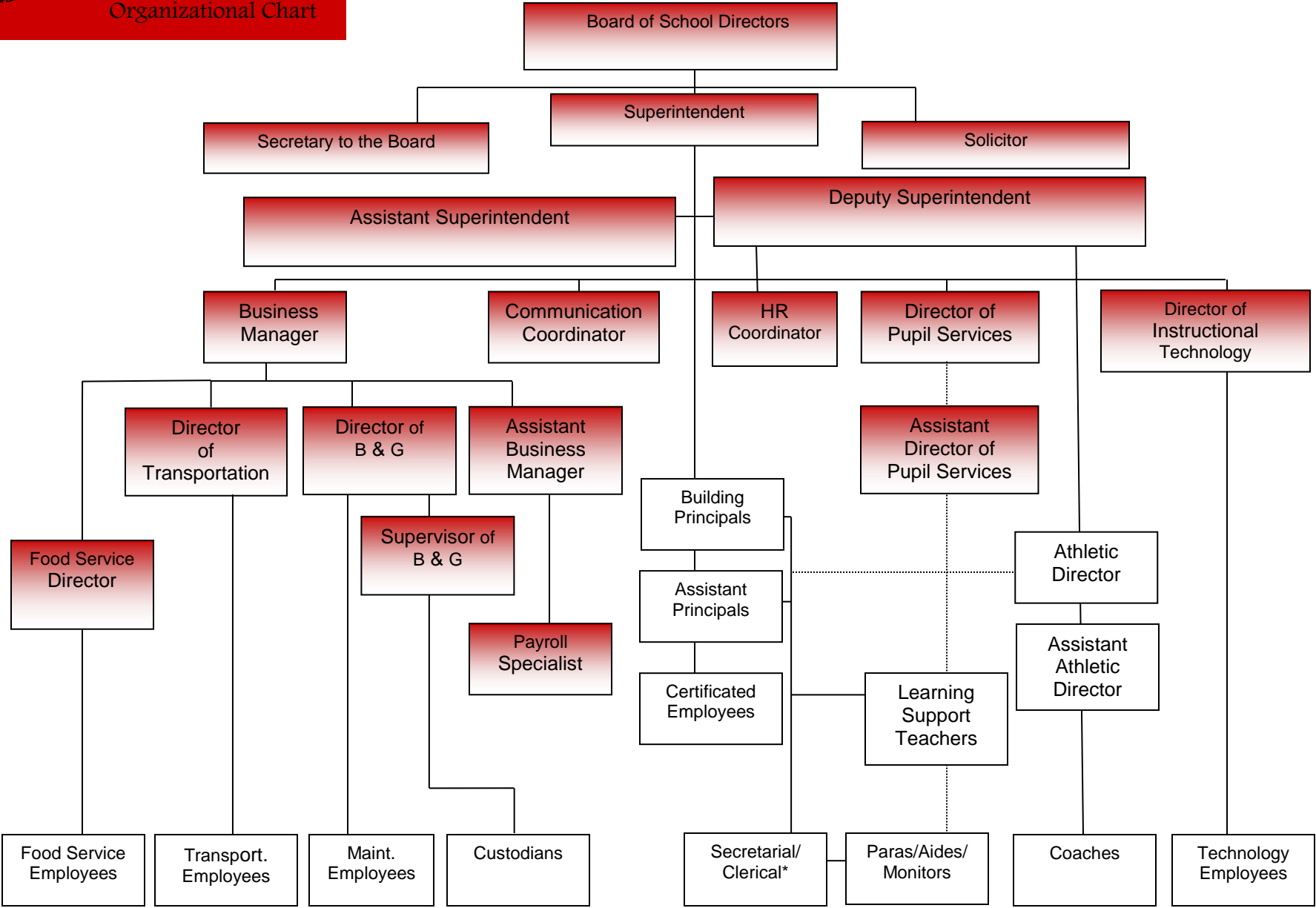
Mr. Brad Rau, Business Manager

Mr. Andrew Thomas, CPA, Assistant Business Manager

Mrs. Patricia Kelly, Director of Pupil Services



**Peters Township
School District**
Organizational Chart



FINANCIAL SECTION

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Independent Auditor's Report

Members of the Board
Peters Township School District
McMurray, 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 Peters Township School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Peters Township 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 Peters Township School District, as of June 30, 2023, 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 Peters Township 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 Peters Township 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 the expressing an opinion on the effectiveness of Peters Township 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 Peters Township 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 Peters Township 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2024, on our consideration of Peters Township 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 Peters Township 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 Peters Township School District's internal control over financial reporting and compliance.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
February 9, 2024

**Peters Township School District
Management's Discussion and Analysis
June 30, 2023**

The discussion and analysis of Peters Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. 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. Comparative information has been obtained from audited financial reports.

Financial Highlights

During the 2022/2023 fiscal year, Peters Township School District experienced a decrease in student population of 20 students. In 2007, the District embarked on a facility study that included a demographic study component. These projections show a leveling of enrollment, approximately 3,800 students in 2019/2020. While the District has seen a decline in enrollment it has been at a lesser rate than projections. Current District enrollment projections show a leveling of 3,900 to 4,000 students through 2026-2027.

During the 2022/2023 fiscal year, Capital Projects Fund expenditures include \$505,718 related to the construction of the New High School, \$280,321 for the Middle School projects and \$141,306 in a Bower Hill Elementary camera upgrade project. The District also purchased a new seventy-two passenger school bus for \$88,000.

Expenditures in the General Fund increased by \$2,906,743 compared to the 2021/2022 school year. This increase is attributed to an increase in salary, benefits and debt service. Employee salary costs increased by \$1,081,912 or 3.28%, while benefit costs increased by \$530,499 or 2.55%. The benefit increase was driven by the increased employer retirement contribution and healthcare premium cost. With the additional debt service attributed to the construction of the New High School and Middle School Renovation Project, debt service increased by \$484,270 in 2022/2023.

Peters Township School District revenues increased by \$4,967,224 compared to the 2021/2022 school year. Earned Income Tax collection increased by \$264,372. Local assessed value grew generating additional local property taxes, but less than the historic average of the past fifteen years (15). Local real estate tax collections increased by \$2,055,524, as a direct result of a 0.49 mill tax increase. Earnings on Investments increased \$978,140 as a result of increased interest rates.

Using the Annual Financial Report

The Annual Financial Report consists of a financial section and a single audit section which is issued to comply with federal guidelines as required in the Government Auditing Standards and the Uniform Grant Guidance. Within the financial section 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 Peters Township School District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

**Peters Township School District
Management's Discussion and Analysis
June 30, 2023**

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.

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 agent 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
Peters Township School District's
Financial Report

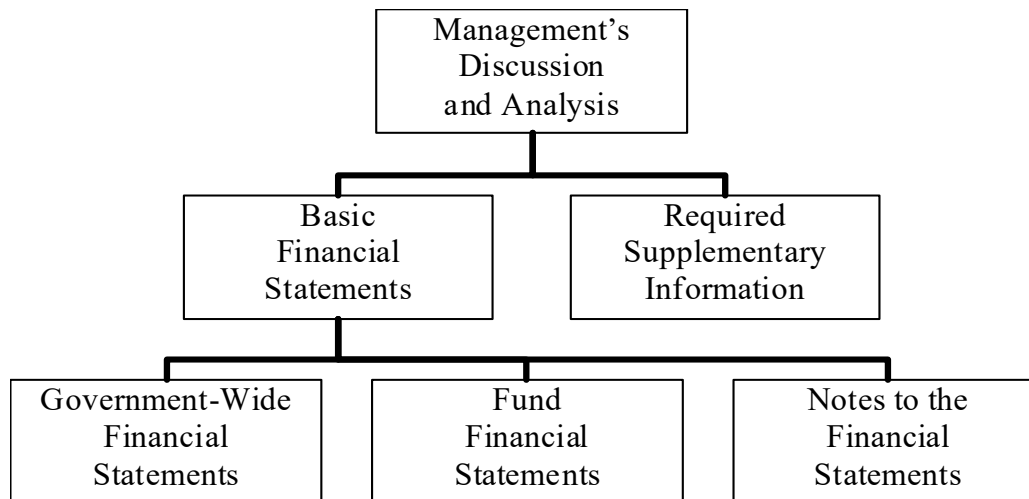


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents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

**Peters Township School District
Management's Discussion and Analysis
June 30, 2023**

Figure A – 2
Major Features of Peters Township 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

**Peters Township School District
Management's Discussion and Analysis
June 30, 2023**

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 position, the difference between the School District's assets and liabilities, is 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 of the annual financial report, 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.

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Proprietary funds - These funds are used to account for the School District activities that are similar to business operation 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. 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 certain student activity funds. All of the School District's fiduciary activities are reported in separate statements of fiduciary net position on Exhibit 10 and changes in net position on Exhibit 11. We exclude these activities from the School District's other financial statement because the School District cannot use these assets to finance its operations.

Financial Analysis of the School District as a Whole

The School District's total net position was a deficit \$(79,127,061) at June 30, 2023 and a deficit \$(82,561,854) at June 30, 2022.

Table A - 1
Years Ended June 30, 2023 and 2022
Net Position

	2023			2022		
	Governmental	Business-		Governmental	Business-	
	Activities	Type	Totals	Activities	Type	Totals
		Activities			Activities	
Current and Other Assets	\$ 29,258,255	\$ 911,425	\$ 30,169,680	\$ 28,126,862	\$ 756,237	\$ 28,883,099
Capital Assets	<u>145,181,324</u>	<u>75,461</u>	<u>145,256,785</u>	<u>151,238,219</u>	<u>54,855</u>	<u>151,293,074</u>
Total Assets	<u>174,439,579</u>	<u>986,886</u>	<u>175,426,465</u>	<u>179,365,081</u>	<u>811,092</u>	<u>180,176,173</u>
Deferred Outflows of Resources	<u>21,065,437</u>	<u>202,711</u>	<u>21,268,148</u>	<u>24,374,478</u>	<u>229,610</u>	<u>24,604,088</u>
Current and Other Liabilities	14,947,391	74,380	15,021,771	14,106,528	219,089	14,325,617
Noncurrent Liabilities						
Due Within One Year	5,772,234	-	5,772,234	5,311,359	-	5,311,359
Due in More Than One Year	<u>246,848,483</u>	<u>1,067,134</u>	<u>247,915,617</u>	<u>248,137,067</u>	<u>943,724</u>	<u>249,080,791</u>
Total Liabilities	<u>267,568,108</u>	<u>1,141,514</u>	<u>268,709,622</u>	<u>267,554,954</u>	<u>1,162,813</u>	<u>268,717,767</u>

**Peters Township School District
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Table A - 1
Years Ended June 30, 2023 and 2022
Net Position

	2023			2022		
	Governmental	Business-		Governmental	Business-	
	Activities	Type	Totals	Activities	Type	Totals
		Activities			Activities	
Deferred Inflows of Resources	<u>7,066,491</u>	<u>45,561</u>	<u>7,112,052</u>	<u>18,468,907</u>	<u>155,441</u>	<u>18,624,348</u>
Net Position						
Net Investment in Capital Assets	12,422,346	75,461	12,497,807	13,302,103	54,855	13,356,958
Unrestricted	<u>(91,551,929)</u>	<u>(72,939)</u>	<u>(91,624,868)</u>	<u>(95,586,405)</u>	<u>(332,407)</u>	<u>(95,918,812)</u>
Total Net Position	<u>\$ (79,129,583)</u>	<u>\$ 2,522</u>	<u>\$ (79,127,061)</u>	<u>\$ (82,284,302)</u>	<u>\$ (277,552)</u>	<u>\$ (82,561,854)</u>

Most of the School District's net position is invested in capital assets (buildings, land, and equipment). The remaining unrestricted net position is a combination of designated and undesignated amounts. The designated balances are amounts set aside to fund future purchases, debt service, 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.

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Management's Discussion and Analysis
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Table A - 2
Years Ended June 30, 2023 and 2022
Change in Net Position

	2023			2022		
	Governmental	Business-		Governmental	Business-	
	Activities	Type	Totals	Activities	Type	Totals
	Activities	Activities		Activities	Activities	
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ 1,175,999	\$ 1,175,999	\$ -	\$ 274,094	\$ 274,094
Operating Grants and Contribs.	12,806,742	645,557	13,452,299	11,537,443	1,757,390	13,294,833
Capital Grants and Contribs.	667,912	-	667,912	634,042	-	634,042
General Revenues						
Property Taxes	49,036,164	-	49,036,164	46,771,674	-	46,771,674
Other Taxes	8,826,956	-	8,826,956	8,796,176	-	8,796,176
Grants, Subsidies and Contribs.						
Unrestricted	7,007,096	-	7,007,096	6,466,447	-	6,466,447
Investment Earnings	1,250,075	21,153	1,271,228	228,478	788	229,266
Miscellaneous Income	170,598	-	170,598	111,636	-	111,636
Total Revenues	<u>79,765,543</u>	<u>1,842,709</u>	<u>81,608,252</u>	<u>74,545,896</u>	<u>2,032,272</u>	<u>76,578,168</u>
Expenses						
Instruction	47,272,142	-	47,272,142	42,856,242	-	42,856,242
Instructional Student Support	5,936,057	-	5,936,057	5,036,832	-	5,036,832
Admin. and Fin. Support Svcs.	6,825,710	-	6,825,710	6,245,427	-	6,245,427
Operation and Maintenance						
of Plant Services	6,444,541	-	6,444,541	5,554,537	-	5,554,537
Pupil Transportation	3,629,117	-	3,629,117	3,243,465	-	3,243,465
Student Activities	1,966,528	-	1,966,528	1,779,612	-	1,779,612
Community Services	3,474	-	3,474	6,220	-	6,220
Interest on Long-Term Debt	4,533,255	-	4,533,255	4,731,566	-	4,731,566
Food Service	-	1,562,635	1,562,635	-	1,219,027	1,219,027
Total Expenses	<u>76,610,824</u>	<u>1,562,635</u>	<u>78,173,459</u>	<u>69,453,901</u>	<u>1,219,027</u>	<u>70,672,928</u>
Increase (Decrease) in Net Position	3,154,719	280,074	3,434,793	5,091,995	813,245	5,905,240
Beginning Net Position	<u>(82,284,302)</u>	<u>(277,552)</u>	<u>(82,561,854)</u>	<u>(87,376,297)</u>	<u>(1,090,797)</u>	<u>(88,467,094)</u>
Ending Net Position	<u>\$ (79,129,583)</u>	<u>\$ 2,522</u>	<u>\$ (79,127,061)</u>	<u>\$ (82,284,302)</u>	<u>\$ (277,552)</u>	<u>\$ (82,561,854)</u>

**Peters Township School District
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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 long-term 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, 2023 and 2022
Governmental Activities

	2023		2022	
	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Functions/Programs				
Instruction	\$ 47,272,142	\$38,052,539	\$ 42,856,242	\$34,537,526
Instructional Student Support	5,936,057	5,096,814	5,036,832	4,370,634
Admin. and Fin. Support Svcs.	6,825,710	6,243,820	6,245,427	5,701,627
Operation and Maintenance of Plant Services	6,444,541	5,999,415	5,554,537	5,120,528
Pupil Transportation	3,629,117	2,494,543	3,243,465	2,327,069
Student Activities	1,966,528	1,415,455	1,779,612	1,156,359
Community Services	3,474	3,474	6,220	6,220
Interest on Long-Term Debt	<u>4,533,255</u>	<u>3,830,110</u>	<u>4,731,566</u>	<u>4,062,453</u>
Total Governmental Activities	<u>\$ 76,610,824</u>	63,136,170	<u>\$ 69,453,901</u>	57,282,416
Less:				
Unrestricted Grants, Subsidies		<u>(7,007,096)</u>		<u>(6,466,447)</u>
Total Needs from Local Taxes and Other Revenues		<u>\$56,129,074</u>		<u>\$50,815,969</u>

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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, 2023 and 2022
Business-Type Activities

	2023		2022	
	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Functions/Programs				
Food Service	<u>\$1,562,635</u>	\$ (258,921)	<u>\$1,219,027</u>	\$ 812,457
Add/Less:				
Investment Earnings		<u>(21,153)</u>		<u>(788)</u>
Total Business-Type Activities		<u>\$ (280,074)</u>		<u>\$ 811,669</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

On June 30, 2023, the School District's General Fund reported a fund balance of \$10,602,421, which is an increase of \$69,723 from the previous year's balance. Overall expenditures were greater than budgeted amounts by \$2,690,688 while revenues exceeded budget by \$3,207,880.

General Fund Budget

During the fiscal year, the administration recommends that the Board of School Directors authorize revisions to the original budget to accommodate actual expenditures. These budget transfers reallocate unencumbered funds designated for one purpose to another part of the budget to be used for a different purpose. Subsequent to June 30, 2023, year-end budget transfers, not prohibited by state law, were approved. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the supplementary information section of the financial statements.

The School District received \$258,891 more than the budgeted amount for real estate transfer taxes, \$863,330 more in earned income taxes than the budgeted amount, and \$982,651 more than budgeted amount for earnings on investments. Local revenues outperformed budgeted amounts by \$2,216,309.

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The School District received \$37,627 less than budgeted for State Social Security and Retirement reimbursement due to lower than anticipated salary expenditures. The District received \$101,655 more than budgeted for Transportation Reimbursement, \$349,827 greater than budgeted Basic Instructional Subsidy, and \$526,326 greater than budgeted Other State Revenues. Overall, the District received \$1,018,595 more in state revenue than the budgeted amounts and increased \$1,615,181 from 2021/2022.

The budgetary reserve account includes amounts funded by the assigned fund balances for future debt service, retirement and healthcare related expenditure increases. These amounts are normally only appropriated into expenditure categories if the fiscal results of the prior year end with a positive addition to the fund balance, or if one-time revenues are realized during the fiscal year. The School Board has historically not been required to utilize its fund balance to balance the budget. Without a significant improvement in the local economy or increases in state funding, tax increases will be needed in future budgets.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2023, the School District's governmental funds had \$144,625,964 invested in a broad range of capital assets, including land, land improvements, buildings, furniture and equipment. The amount represents a net decrease (including additions, deletions, and depreciation) of \$5,381,964 from June 30, 2022 as outlined in Table A-5.

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

	2023	2022
Land and Land Improvements	\$ 6,742,568	\$ 6,742,568
Buildings and Building Improvements	135,803,297	140,916,257
Furniture and Equipment	2,080,099	2,349,103

Debt Administration

As of July 1, 2022, the School District had total outstanding bond and note principal of \$128,690,000. The School District retired debt of \$4,565,000 during the year resulting in a total outstanding bond and note principal balance as of June 30, 2023, of \$124,125,000 as outlined in Table A-6.

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Table A - 6
Outstanding Debt

General Obligation Bonds/Notes	As of 06/30/23	As of 06/30/22
Series of B 2010	\$ 275,000	\$ 330,000
Series of 2012	11,680,000	14,905,000
Series of 2017 Bonds	42,095,000	42,230,000
Series of 2017 Notes	890,000	1,125,000
Series of 2018A	1,345,000	1,545,000
Series of 2018B	1,880,000	1,975,000
Series of 2018C	40,215,000	40,220,000
Series of 2020A	15,840,000	16,215,000
Series of 2020B	9,905,000	10,145,000

Other obligations include capital leases and accrued vacation pay and 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 is a stand-alone unsecured Moodys Aa2. Security for the bonds is provided by the Commonwealth of Pennsylvania Act 150 School District Intercept Program and an insurance policy provided by Financial Security Assurance, Inc. The Act provides for undistributed state aid to be diverted to bond holders in the event of default.

Economic Factors and Next Year's Budget and Rates

At the time these financial statements were prepared and audited, the School District was aware of the following circumstances that could significantly affect its financial health in the future:

- Enrollment - The School District expects enrollment to level out over the next year with projected increases in the future. Enrollment has decreased by more than 366 students over the past ten (10) years, from 4,299 in June 2014 to 3,933 in June 2023. Student population decline in specific grade levels will impact staffing, current building utilization, future building needs and programming and may require building alterations or additions. Enrollment will continue to be monitored to identify future needs. Enrollment declines in the elementary program could result in staff reductions and savings in the future. The School District had a demographics study done in 2016/2017 to help guide the decisions regarding future facility needs. The "most likely scenario" showed continued decline to an eventual leveling of School District enrollment around 3,800 students. Current District projections have District enrollment fluctuating between 3,900 and 4,000 students.
- Staffing - The School District projects reduction in both professional and support staff to adjust for enrollment changes while maintaining a quality educational program. The School District's teachers' contract expires in June 2024, custodial/maintenance contract that will expire in August 2025 and the clerical/paraprofessional/bus driver contract will expire in June 2024.

**Peters Township School District
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- Facilities - The School District has opened the new high school building in January 2021. The old high school building has been approved to be renovated and converted to a middle school for the 2021/2022 school year.
- Act 1 Real Estate Tax - Act 1 limits the School District's ability to increase real estate taxes above a state imposed index. This restricts the School District's ability to replace revenues lost from state funding cuts. The School District will have to seriously consider increasing the millage rate to balance future budgets.
- Earned Income Tax collections are expected to increase over the next several years as a result of strong economic conditions increasing per capita personal income greater than the regional average income.

The School District expects the historical trend for greater local tax effort to fund instructional programs and services to continue as state and federal funding for public education are expected to decline. The Commonwealth of Pennsylvania provided only 23.2% of total revenue sources to fund costs supporting the School District's educational programs during the 2022/2023 school year. Local sources of revenue, primarily property taxes, now support 75.6% of the costs for educational programs and services in Peters Township School District. The federal government provided 1.2% of the funds to support general operations.

Securities and Exchange Commission Continued Disclosure

In accordance with the Securities and Exchange Commission Rule 15c2-12, the School District must annually disclose certain financial information and operating data.

Real Estate Tax Collection Data

Year	Assessed Valuation	Current Levy	Current Collections	Total Collections	Total Collections as a % of Levy
2013-2014	\$ 335,437,888	\$ 34,214,665	\$ 32,480,832	\$ 33,210,133	97.1%
2014-2015	339,595,594	36,384,951	34,713,972	35,446,858	97.4%
2015-2016	345,534,706	38,267,969	36,491,895	37,221,766	97.3%
2016-2017	348,925,348	39,568,134	37,702,466	38,378,500	97.0%
2017-2018	3,089,723,092	40,658,273	39,286,363	40,109,832	98.6%
2018-2019	3,109,626,148	41,979,953	40,614,891	41,169,200	98.1%
2019-2020	3,123,572,701	43,136,539	42,055,614	42,367,246	98.2%
2020-2021	3,160,614,806	44,754,311	43,475,187	44,312,435	99.0%
2021-2022	3,214,268,278	46,864,031	45,752,620	46,967,338	98.5%
2022-2023	3,284,844,829	48,512,559	48,338,449	49,214,089	99.6%

Tax Anticipation Borrowing

The School District has not recently issued tax and revenue anticipation notes.

**Peters Township School District
Management's Discussion and Analysis
June 30, 2023**

Contacting the School District Financial Management

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Business Office, Peters Township School District, 631 East McMurray Road, McMurray, PA 15317.

Peters Township School District
Statement of Net Position
June 30, 2023

Exhibit 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 23,842,536	\$ 590,738	\$ 24,433,274
Taxes Receivable, Net	1,844,555	-	1,844,555
Due From Other Governments	2,930,642	8,630	2,939,272
Other Receivables	34,189	1,725	35,914
Inventories	-	36,508	36,508
Prepaid Items	701,969	-	701,969
Capital Assets not Being Depreciated			
Land	6,742,568	-	6,742,568
Capital Assets, Net of Accumulated Depreciation			
Building & Building Improvements	135,803,297	-	135,803,297
Furniture & Equipment	2,004,638	75,461	2,080,099
Intangible Right-to-Use Asset, net of Amortization	630,821	-	630,821
TOTAL ASSETS	174,535,215	713,062	175,248,277
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	100,539	-	100,539
Amounts Related to OPEB - District	1,236,495	-	1,236,495
Amounts Related to OPEB - PSERS	953,979	9,884	963,863
Amounts Related to Pension	18,774,424	192,827	18,967,251
TOTAL DEFERRED OUTFLOWS OF RESOURCES	21,065,437	202,711	21,268,148
LIABILITIES			
Internal Balances	273,824	(273,824)	-
Due to Other Governments	95,636	-	95,636
Accounts Payable	6,712,704	21,297	6,734,001
Accrued Salaries and Benefits	5,665,705	-	5,665,705
Payroll Deductions and Withholdings	145,510	-	145,510
Unearned Revenues	3,793	3,364	7,157
Accrued Interest	1,942,401	-	1,942,401
Other Current Liabilities	203,454	49,719	253,173
Noncurrent Liabilities:			
Due Within One Year	5,772,234	-	5,772,234
Due in More Than One Year:			
Notes Payable	12,080,000	-	12,080,000
Termination Payments	726,165	-	726,165
Compensated Absences	3,446,260	-	3,446,260
Bonds Payable	119,046,365	-	119,046,365
Leases Payable	54,416	-	54,416
Other Post-Employment Benefits - District	9,134,411	-	9,134,411
Other Post-Employment Benefits - PSERS	4,064,616	42,384	4,107,000
Net Pension Liability	98,296,250	1,024,750	99,321,000
TOTAL LIABILITIES	267,663,744	867,690	268,531,434
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to OPEB - District	2,696,538	-	2,696,538
Amounts Related to OPEB - PSERS	1,133,692	11,822	1,145,514
Amounts Related to Pension	3,236,261	33,739	3,270,000
TOTAL DEFERRED INFLOWS OF RESOURCES	7,066,491	45,561	7,112,052
NET POSITION			
Net Investment in Capital Assets	12,422,346	75,461	12,497,807
Unrestricted	(91,551,929)	(72,939)	(91,624,868)
TOTAL NET POSITION	\$ (79,129,583)	\$ 2,522	\$ (79,127,061)

See Accompanying Notes

**Peters Township School District
Statement of Activities
Year Ended June 30, 2023**

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	\$ 47,272,142	\$ -	\$ 9,219,603	\$ -	\$ (38,052,539)	\$ -	\$ (38,052,539)
Instructional Student Support	5,936,057	-	839,243	-	(5,096,814)	-	(5,096,814)
Administrative and Financial Support Services	6,825,710	-	581,890	-	(6,243,820)	-	(6,243,820)
Operation and Maintenance of Plant Services	6,444,541	-	445,126	-	(5,999,415)	-	(5,999,415)
Pupil Transportation	3,629,117	-	1,134,574	-	(2,494,543)	-	(2,494,543)
Student Activities	1,966,528	-	551,073	-	(1,415,455)	-	(1,415,455)
Community Services	3,474	-	-	-	(3,474)	-	(3,474)
Interest on Long-Term Debt	4,533,255	-	35,233	667,912	(3,830,110)	-	(3,830,110)
Total Governmental Activities	76,610,824	-	12,806,742	667,912	(63,136,170)	-	(63,136,170)
Business-type Activities:							
Food Service	1,562,635	1,175,999	645,557	-	-	258,921	258,921
Total Primary Government	\$ 78,173,459	\$ 1,175,999	\$ 13,452,299	\$ 667,912	(63,136,170)	258,921	(62,877,249)
General Revenues							
Taxes							
Property Taxes Levied for General Purposes, Net					49,036,164	-	49,036,164
Earned Income Taxes					7,466,956	-	7,466,956
Real Estate Transfer Taxes					1,258,891	-	1,258,891
Other Taxes Levied for General Purposes, Net					101,109	-	101,109
Grants, Subsidies and Contributions not Restricted					7,007,096	-	7,007,096
Investment Earnings					1,250,075	21,153	1,271,228
Miscellaneous Income					170,598	-	170,598
Total General Revenues					66,290,889	21,153	66,312,042
Change in Net Position					3,154,719	280,074	3,434,793
Net Position - July 1, 2022					(82,284,302)	(277,552)	(82,561,854)
Net Position - June 30, 2023					\$ (79,129,583)	\$ 2,522	\$ (79,127,061)

See Accompanying Notes

Peters Township School District
Balance Sheet
Governmental Funds
June 30, 2023

Exhibit 3

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 17,293,244	\$ 6,549,292	\$ 23,842,536
Taxes Receivable, Net	1,844,555	-	1,844,555
Due from Other Funds	1,508	1,000,000	1,001,508
Due from Other Governments	2,835,006	-	2,835,006
Other Receivables	34,189	-	34,189
Prepaid Items	701,969	-	701,969
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 22,710,471</u>	<u>\$ 7,549,292</u>	<u>\$ 30,259,763</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Due to Other Funds	\$ 1,273,824	\$ -	\$ 1,273,824
Accounts Payable	4,319,419	112,602	4,432,021
Contracts Payable	-	2,280,683	2,280,683
Accrued Salaries and Benefits	5,665,705	-	5,665,705
Payroll Deductions and Withholdings	145,510	-	145,510
Unearned Revenues	3,793	-	3,793
Other Current Liabilities	204,962	-	204,962
	<hr/>	<hr/>	<hr/>
Total Liabilities	11,613,213	2,393,285	14,006,498
	<hr/>	<hr/>	<hr/>
Deferred Inflows of Resources			
Unavailable Revenues - Property Taxes	494,837	-	494,837
	<hr/>	<hr/>	<hr/>
Fund Balances			
Nonspendable	701,969	-	701,969
Restricted	-	4,156,007	4,156,007
Assigned	8,500,000	1,000,000	9,500,000
Unassigned	1,400,452	-	1,400,452
	<hr/>	<hr/>	<hr/>
Total Fund Balances	10,602,421	5,156,007	15,758,428
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 22,710,471</u>	<u>\$ 7,549,292</u>	<u>\$ 30,259,763</u>

See Accompanying Notes

**Peters Township School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023**

Exhibit 4

Total Fund Balances - Governmental Funds	\$ 15,758,428
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is \$249,937,460 and the accumulated depreciation is \$105,386,957.	144,550,503
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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 \$2,644,716 and the accumulated amortization is \$2,013,895.	630,821
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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.	494,837
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Premiums and discounts on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net position.	(12,006,365)
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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.	100,539
---	---------

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	\$ (108,330,000)	
Accrued Interest on the Bonds	(1,942,401)	
Termination Payments	(776,165)	
Leases Payable	(671,650)	
Notes Payable	(15,795,000)	
Compensated Absences	(3,546,260)	(131,061,476)

**Peters Township School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023**

Exhibit 4

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

OPEB Liability - District	(9,134,411)	
OPEB Liability - PSERS	(4,064,616)	
Net Pension Liability	<u>(98,296,250)</u>	(111,495,277)

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	18,774,424	
Deferred Inflows of Resources Related to Pensions	(3,236,261)	
Deferred Outflows of Resources Related to OPEB - District	1,236,495	
Deferred Inflows of Resources Related to OPEB - District	(2,696,538)	
Deferred Outflows of Resources Related to OPEB - PSERS	953,979	
Deferred Inflows of Resources Related to OPEB - PSERS	<u>(1,133,692)</u>	<u>13,898,407</u>

Total Net Position - Governmental Activities		<u><u>\$ (79,129,583)</u></u>
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See Accompanying Notes

**Peters Township School District
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023**

Exhibit 5

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues				
Local Sources	\$ 60,110,181	\$ 187,804	\$ 9,620	\$ 60,307,605
State Sources	18,467,737	-	-	18,467,737
Federal Sources	965,264	-	-	965,264
	<u>79,543,182</u>	<u>187,804</u>	<u>9,620</u>	<u>79,740,606</u>
Total Revenues				
	<u>79,543,182</u>	<u>187,804</u>	<u>9,620</u>	<u>79,740,606</u>
Expenditures				
Instruction	43,494,823	-	-	43,494,823
Support Services	22,157,514	100,559	-	22,258,073
Noninstructional Services	1,863,802	-	-	1,863,802
Capital Outlay	-	1,011,329	-	1,011,329
Debt Service (Principal & Interest)	637,307	-	10,259,131	10,896,438
Refunds of Prior Year's Receipts	82,137	-	-	82,137
	<u>68,235,583</u>	<u>1,111,888</u>	<u>10,259,131</u>	<u>79,606,602</u>
Total Expenditures				
	<u>68,235,583</u>	<u>1,111,888</u>	<u>10,259,131</u>	<u>79,606,602</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>11,307,599</u>	<u>(924,084)</u>	<u>(10,249,511)</u>	<u>134,004</u>
Other Financing Sources (Uses)				
Transfers In	-	1,000,000	10,249,511	11,249,511
Sale/Compensation for Fixed Assets	11,635	-	-	11,635
Transfers Out	(11,249,511)	-	-	(11,249,511)
	<u>(11,237,876)</u>	<u>1,000,000</u>	<u>10,249,511</u>	<u>11,635</u>
Total Other Financing Sources (Uses)				
	<u>(11,237,876)</u>	<u>1,000,000</u>	<u>10,249,511</u>	<u>11,635</u>
Net Change in Fund Balances	69,723	75,916	-	145,639
Fund Balances - July 1, 2022	<u>10,532,698</u>	<u>5,080,091</u>	<u>-</u>	<u>15,612,789</u>
Fund Balances - June 30, 2023	<u>\$ 10,602,421</u>	<u>\$ 5,156,007</u>	<u>\$ -</u>	<u>\$ 15,758,428</u>

See Accompanying Notes

**Peters Township School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
June 30, 2023**

Exhibit 6

Total Net Change in Fund Balances - Governmental Funds	\$	145,639
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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 and capital outlays in the period.

Depreciation Expense	\$	(6,263,114)	
Amortization Expense		(599,470)	
Capital Outlays		805,689	(6,056,895)

Because some property taxes and other revenues 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.

95,439

Repayment of bond and note payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

5,161,359

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		(212,141)	
Termination Payments		(23,445)	
Other Post-Employment Benefits - District		(430,868)	
Other Post-Employment Benefits - PSERS		121,501	(544,953)

**Peters Township School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
June 30, 2023**

Exhibit 6

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	49,452
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Bond issuance cost, discount, and premium 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	1,152,372
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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	11,405,863	
Cost of Benefits Earned	<u>(8,253,557)</u>	<u>3,152,306</u>

Change in Net Position of Governmental Activities	<u>\$ 3,154,719</u>
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See Accompanying Notes

Peters Township School District
Statement of Net Position
Proprietary Funds
June 30, 2023

Exhibit 7

	Food Service Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 590,738
Due From Other Funds	273,824
Due From Other Governments	8,630
Other Receivables	1,725
Inventories	<u>36,508</u>
Total Current Assets	<u>911,425</u>
Noncurrent Assets	
Machinery and Equipment, Net	<u>75,461</u>
TOTAL ASSETS	<u>986,886</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts Related to OPEB	9,884
Amounts Related to Pensions	<u>192,827</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>202,711</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	21,297
Unearned Revenues	3,364
Other Current Liabilities	<u>49,719</u>
Total Current Liabilities	<u>74,380</u>
Noncurrent Liabilities	
OPEB Liability	42,384
Net Pension Liability	<u>1,024,750</u>
Total Noncurrent Liabilities	<u>1,067,134</u>
TOTAL LIABILITIES	<u>1,141,514</u>
DEFERRED INFLOWS OF RESOURCES	
Amounts Related to OPEB	11,822
Amounts Related to Pensions	<u>33,739</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>45,561</u>
NET POSITION	
Invested in Capital Assets	75,461
Unrestricted	<u>(72,939)</u>
TOTAL NET POSITION	<u>\$ 2,522</u>

See Accompanying Notes

Peters Township School District
Statement of Revenues, Expenses and Changes
in Net Position
Proprietary Funds
Year Ended June 30, 2023

Exhibit 8

	Food Service Fund
Operating Revenues	
Food Service Revenue	<u>\$ 1,175,999</u>
Operating Expenses	
Salaries	362,882
Employee Benefits	197,304
Other Purchased Services	876,024
Supplies	115,734
Depreciation	<u>10,691</u>
Total Operating Expenses	<u>1,562,635</u>
Operating Income (Loss)	<u>(386,636)</u>
Nonoperating Revenues (Expenses)	
Earnings on Investments	21,153
State Sources	98,524
Federal Sources	<u>547,033</u>
Total Nonoperating Revenues (Expenses)	<u>666,710</u>
Change in Net Position	280,074
Net Position - July 1, 2022	<u>(277,552)</u>
Net Position - June 30, 2023	<u><u>\$ 2,522</u></u>

See Accompanying Notes

**Peters Township School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023**

Exhibit 9

	Food Service Fund
Cash Flows From Operating Activities	
Cash Received from Users	\$ 1,153,028
Cash Payments to Employees for Services	(932,716)
Cash Payments to Suppliers for Goods and Services	<u>(861,180)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(640,868)</u>
Cash Flows From Non-Capital Financing Activities	
State Sources	105,650
Federal Sources	<u>774,257</u>
Net Cash Provided by Non-Capital Financing Activities	<u>879,907</u>
Cash Flows From Capital and Related Financing Activities	
Facilities Acquisition/Const./Imp.Serv	<u>(31,297)</u>
Cash Flows From Investing Activities	
Earnings on Investments	<u>21,153</u>
Net Increase (Decrease) in Cash and Cash Flows	228,895
Cash and Cash Equivalents - July 1, 2022	<u>361,843</u>
Cash and Cash Equivalents - June 30, 2023	<u><u>\$ 590,738</u></u>

**Peters Township School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023**

Exhibit 9

	Food Service Fund
Operating Income (Loss)	\$ (386,636)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation and Net Amortization	10,691
Change in Pension and OPEB Liabilities	45,837
Donated Commodities	117,837
(Increase) Decrease in Accounts Receivable	(1,725)
(Increase) Decrease in Inventories	(2,931)
Increase (Decrease) in Accounts Payable	14,844
Increase (Decrease) in Accrued Salaries Benefits	(5,408)
Increase (Decrease) in Advances from Other Funds	(412,959)
Increase (Decrease) in Deferred Revenue	828
Increase (Decrease) in Other Current Liabilities	<u>(21,246)</u>
Total Adjustments	<u>(254,232)</u>
Cash Provided by (Used for) Operating Activities	<u>\$ (640,868)</u>

Noncash Non-Capital Financing Activities

During the year ended June 30, 2023, the School District received \$118,665 of U.S.D.A Donated Commodities in the food service fund.

See Accompanying Notes

Peters Township School District
Statement of Net Position
Fiduciary Funds
June 30, 2023

Exhibit 10

	Private Purpose Trust Fund	Custodial Fund
ASSETS		
Cash and Cash Equivalents	<u>\$ 27,269</u>	<u>\$ 191,917</u>
LIABILITIES		
Due to Other Funds	<u>\$ -</u>	<u>\$ 1,508</u>
NET POSITION		
Restricted for Scholarships	27,269	-
Restricted for Student Groups	<u>-</u>	<u>190,409</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 27,269</u>	<u>\$ 191,917</u>

See Accompanying Notes

Peters Township School District
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2023

Exhibit 11

	Private Purpose Trust Fund	Custodial Fund
Additions		
Interest Earnings	\$ 23	\$ 6,922
Revenue from Student Activities	-	263,522
	<hr/>	<hr/>
Total Additions	79	270,444
Deductions		
Student Activity Program Expenses	-	253,803
	<hr/>	<hr/>
Change in Net Position	23	16,641
Net Position - July 1, 2022	<hr/> 27,246	<hr/> 173,768
Net Position - June 30, 2023	<hr/> <u>\$ 27,269</u>	<hr/> <u>\$ 190,409</u>

See Accompanying Notes

Peters Township School District
Notes to Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies

Peters Township School District, located in Washington County, Pennsylvania, provides public education, kindergarten through twelfth grade, to the residents of Peters Township. 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 Peters Township 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 these major governmental funds and fund types:

Peters Township School District
Notes to Financial Statements
June 30, 2023

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 projects fund* accounts for financial resources to be used for the acquisition of construction and finance other capital improvements in the School District.

The *debt service fund* accounts for bond proceeds received and for bond payments made.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

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 trust fund* is used to account for resources of monies contributed to the School District for scholarships. The Esther Baird Scholarship Fund is considered a private purpose trust fund.

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

Peters Township School District
Notes to Financial Statements
June 30, 2023

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, 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.

Peters Township School District
Notes to Financial Statements
June 30, 2023

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

D. Joint Venture

The School District is one of nine member school districts of the Western Area Career and Technology Center (“Western”). Western provides vocational-technical training and education to participating students of the member districts. Western is controlled and governed by the Joint Board, which is composed of all the school board members of all the member districts. Western’s operations are 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 Western. The School District’s share of annual operating and capital costs for Western fluctuates, based on the percentage of enrollment of each member district in the school. The School District’s financial obligation to Western for the year ended June 30, 2023 was \$301,630, which was paid in the year ended June 30, 2023 to Western and reported in the School District’s general fund. The School District has no equity interest in Western as of June 30, 2023. Complete financial statements for Western can be obtained from the administrative offices at R.D. #1, Box 178A, Canonsburg, PA 15317.

In addition, the School District is one of six member school districts participating in the Washington County Alternative School (“Washington”). Washington provides a complete education to at-risk students of the member districts. Washington is controlled and governed by the Joint Board, which is composed of all the school board members of all the member districts. Direct oversight of Washington’s 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 Washington. The School District’s share of annual operating and capital costs for Washington fluctuates, based on the number of reserved enrollment slots of each member district in the school. The School District’s financial obligation to Washington for the year ended June 30, 2023 was approximately \$50,000 which has been reported in the School District’s general fund. The School District has no equity interest in Washington as of June 30, 2023. Complete financial statements for Washington can be obtained from the administrative offices at 524 East Beau Street; Washington, Pennsylvania 15301.

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.

Peters Township School District
Notes to Financial Statements
June 30, 2023

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. The School Board approved various budget transfers throughout the school year. There were no supplemental budgetary appropriations made during the year ended June 30, 2023.

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, 2023.

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, 2023 are reported as unearned revenue.

Peters Township School District
Notes to Financial Statements
June 30, 2023

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 \$5,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated 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.

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
Building Improvements	20
Land Improvements	40
Furniture	20
Vehicles	10-15
Equipment	10
Computers/Software	5-7

Proprietary fund equipment purchases are capitalized in the proprietary fund at cost and depreciated on a straight-line basis over 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 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 lease/subscription 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.

Peters Township School District
Notes to Financial Statements
June 30, 2023

M. 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 four 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 ones in the government-wide statement of net position are related to the participation in the cost-sharing defined benefit pension plan and defined OPEB 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 three items reported in the government-wide statement of net position relating to the cost-sharing defined benefit pension plan and defined OPEB plans. The School District also has an item, which arises only under the modified accrual basis of accounting, which qualifies 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.

N. 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.

O. Compensated Absences

The School District's policies regarding vacation and sick time are 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. 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.

Peters Township School District
Notes to Financial Statements
June 30, 2023

P. 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.

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.

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.

Peters Township School District
Notes to Financial Statements
June 30, 2023

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 nonspendable fund balance of \$701,969 in the General Fund is for prepaid expenses.

The purpose of the restricted fund balance of \$4,156,007 in the Capital Projects Fund is for future capital projects from unspent bond proceeds.

The purpose of the assigned fund balance of \$1,000,000 in the Capital Projects Fund is for future capital projects from general fund transfers.

The assigned fund balance of \$8,500,000 in the General Fund is broken down as \$4,500,000 assigned for future debt service obligations, \$2,000,000 for future retirement obligations, and \$2,000,000 for future healthcare related expenditures.

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.

It is the policy of the School District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the School District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

Deposits with Financial Institutions

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. 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, 2023, \$25,092,164 of the School District's bank balance of \$25,369,433 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>\$25,092,164</u>
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Investments

Interest Rate Risk - In accordance with its investment policy, the School District limits its exposure by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed. The policy requires the School District to remain sufficiently liquid to meet all the operating requirements that are reasonably anticipated.

Peters Township School District
Notes to Financial Statements
June 30, 2023

Credit Risks - The Pennsylvania Public School Code authorizes the types of investments allowed. These are described in Note 1F. The School District's investment policy limits its investment choices to those as limited by law.

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

Note 3 - Real Estate Taxes

The municipal 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 2022/2023 was 15.07 mills (\$15.07 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied is as follows:

Tax Levy Date	July 1, 2022
2% Discount Period	Through August 31, 2022
Face Payment Period	September 1 - October 31, 2022
10% Penalty Period	Beginning November 1, 2022
Lien Filing Date	January 15, 2023

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 deferred 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 \$494,837 net of estimated uncollectible amounts of \$87,324, along with other taxes receivable of \$1,349,718.

Note 4 - Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the School District. At June 30, 2023, the following amounts are due from other governmental units:

	Governmental Funds	Business-Type Funds	Totals
Federal (through the state)	\$ 5,150	\$ 8,017	\$ 13,167
State	<u>2,925,492</u>	<u>613</u>	<u>2,926,105</u>
	<u>\$ 2,930,642</u>	<u>\$ 8,630</u>	<u>\$2,939,272</u>

Peters Township School District
Notes to Financial Statements
June 30, 2023

Note 5 - Capital Assets

For the year ended June 30, 2023, capital asset activity was as follows:

	Balance 07/01/22	Additions	Transfers	Balance 06/30/23
Governmental Activities				
Capital Assets not Being Depreciated				
Land	<u>\$ 6,742,568</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,742,568</u>
Capital Assets Being Depreciated				
Buildings and Building Improv.	231,254,533	717,689	-	231,972,222
Furniture and Equipment	<u>11,134,670</u>	<u>88,000</u>	<u>-</u>	<u>11,222,670</u>
Total Capital Assets Being Depreciated	<u>242,389,203</u>	<u>805,689</u>	<u>-</u>	<u>243,194,892</u>
Less Accumulated Depreciation				
Buildings and Building Improv.	90,338,276	5,830,649	-	96,168,925
Furniture and Equipment	<u>8,785,567</u>	<u>432,465</u>	<u>-</u>	<u>9,218,032</u>
Total Accumulated Depreciation	<u>99,123,843</u>	<u>6,263,114</u>	<u>-</u>	<u>105,386,957</u>
Total Capital Assets Being Depreciated, Net	<u>143,265,360</u>	<u>(5,457,425)</u>	<u>-</u>	<u>137,807,935</u>
Governmental Activities Capital Assets, Net	<u>\$ 150,007,928</u>	<u>\$ (5,457,425)</u>	<u>\$ -</u>	<u>\$ 144,550,503</u>
Business-Type Activities				
Furniture and Equipment	<u>\$ 272,016</u>	<u>\$ 31,297</u>	<u>\$ -</u>	<u>\$ 303,313</u>
Less Accumulated Depreciation and Equipment	<u>217,161</u>	<u>10,691</u>	<u>-</u>	<u>227,852</u>
Business-Type Activities Capital Assets, Net	<u>\$ 54,855</u>	<u>\$ 20,606</u>	<u>\$ -</u>	<u>\$ 75,461</u>
Governmental Activities				
Intangible Right-to-Use Assets:				
Leased Equipment	<u>\$ 2,644,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,644,716</u>
Less Accumulated Amortization	<u>1,414,425</u>	<u>599,470</u>	<u>-</u>	<u>2,013,895</u>
Net Intangible Right-to-use Assets	<u>\$ 1,230,291</u>	<u>\$ (599,470)</u>	<u>\$ -</u>	<u>\$ 630,821</u>

Peters Township School District
Notes to Financial Statements
June 30, 2023

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

Instruction	\$ 5,386,278
Instructional Student Support	250,525
Administration and Financial Support Services	62,631
Operation and Maintenance of Plant Services	125,262
Student Activities Services	187,893
Pupil Transportation	<u>250,525</u>
 Total Depreciation Expense	 <u><u>\$ 6,263,114</u></u>
 Business-Type Activities - Food Service	 <u><u>\$ 10,691</u></u>

Governmental Activities

Intangible Right-to-use Assets:

Administration and Financial Support Services	<u><u>\$ 599,470</u></u>
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Note 6 - Interfund Balances

At June 30, 2023, interfund balances were:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 1,508	\$ 1,273,824
Capital Projects Fund	1,000,000	-
Proprietary Fund		
Food Service	273,824	-
Agency Fund	<u>-</u>	<u>1,508</u>
	<u><u>\$ 1,275,332</u></u>	<u><u>\$ 1,275,332</u></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.

Peters Township School District
Notes to Financial Statements
June 30, 2023

Note 7 - Interfund Transfers

For the year ended June 30, 2023, interfund transfers consisted of the following:

	<u>Transfer From</u>
	General Fund
<u>Transfers To</u>	
Capital Projects Fund	\$ 1,000,000
Debt Service Fund	<u>10,249,511</u>
	<u>\$ 11,249,511</u>

The transfer of \$1,000,000 from the general fund to the capital projects fund is to fund future capital needs of the District. The transfer of \$10,249,511 from the general fund to the debt service fund was to pay for the principal and interest on general obligation bonds and notes.

Note 8 - Long-Term Debt

The following are changes in the long-term liabilities for the year ended June 30, 2023:

	Balance 07/01/22	Additions	Reductions	Balance 06/30/23	Due Within One Year
Governmental Activities					
Bonds Payable					
General Obligation Bonds	\$ 109,140,000	\$ -	\$ 810,000	\$ 108,330,000	\$ 1,290,000
Plus: Bond Premium	13,207,263	-	1,179,419	12,027,844	-
Less: Bond Discount	<u>(26,590)</u>	<u>-</u>	<u>(5,111)</u>	<u>(21,479)</u>	<u>-</u>
Total Bonds Payable	<u>122,320,673</u>	<u>-</u>	<u>1,984,308</u>	<u>120,336,365</u>	<u>1,290,000</u>
Notes Payable					
General Obligation Notes	19,550,000	-	3,755,000	15,795,000	3,715,000
Termination Payments	752,720	23,445	-	776,165	50,000
Compensated Absences	<u>3,334,119</u>	<u>212,141</u>	<u>-</u>	<u>3,546,260</u>	<u>100,000</u>
Governmental Activities					
Long-Term Liabilities	<u>\$ 145,957,512</u>	<u>\$ 235,586</u>	<u>\$ 5,739,308</u>	<u>\$ 140,453,790</u>	<u>\$ 5,155,000</u>
Lease Liabilities	<u>\$ 1,268,009</u>	<u>\$ -</u>	<u>\$ 596,359</u>	<u>\$ 671,650</u>	<u>\$ 617,234</u>
Total Long-Term Obligations as Reported in the Statement of Net Position				<u>\$ 141,125,440</u>	<u>\$ 5,772,234</u>

Peters Township School District
Notes to Financial Statements
June 30, 2023

General Obligation Bonds

State Public School Building Authority QSCB Series B of 2010, due in annual installments of \$41,893; interest at 6.495%; BAB Credit of 86%	\$ 275,000
Series of 2017 - Due in semi-annual installments through September 1, 2035; interest at 3.00% to 5.00%	42,095,000
Series of 2018C - Due in semi-annual installments through September 1, 2040; interest at 3.00% to 5.00%	40,215,000
Series of 2020A - Due in semi-annual installments through January 15, 2038; interest at 4.00% to 5.00%	15,840,000
Series of 2020B - Due in semi-annual installments through September 15, 2028; interest at 4.00% to 5.00%	<u>9,905,000</u>
	<u>\$ 108,330,000</u>

General Obligation Notes

Series of 2012 - Due in semi-annual installments through September 1, 2026; interest at 1.210% to 3.310%	\$ 11,680,000
Series of 2017 - Due in semi-annual installments through September 1, 2025; interest at 3.00% to 5.00%	890,000
Series of 2018A - Due in semi-annual installments through September 1, 2028; interest at 3.028% to 3.796%	1,345,000
Series of 2018B - Due in semi-annual installments through September 1, 2030; interest at 3.00% to 5.00%	<u>1,880,000</u>
	<u>\$ 15,795,000</u>

The debt service source for the above debt is the general fund.

Peters Township School District
Notes to Financial Statements
June 30, 2023

The annual requirements of School District funds to amortize all debt outstanding (excluding compensated absences) as of June 30, 2023, including interest, are as follows:

Year Ended June 30,	General Obligation Bonds			General Obligation Notes		
	Principal	Interest	Build America Bonds Credit	Principal	Interest	Totals
2024	\$ 1,290,000	\$ 5,056,225	\$ (37,191)	\$ 3,715,000	\$ 488,215	\$ 10,512,249
2025	1,555,000	4,991,150	(37,191)	3,650,000	370,940	10,529,899
2026	1,860,000	4,910,375	(37,191)	3,565,000	250,093	10,548,277
2027	2,525,000	4,805,600	(37,191)	3,150,000	134,352	10,577,761
2028	5,520,000	4,587,825	(18,596)	515,000	68,393	10,672,622
2029-2033	32,005,000	18,422,831	-	1,200,000	78,775	51,706,606
2034-2038	39,410,000	10,459,863	-	-	-	49,869,863
2039-2041	24,165,000	1,852,625	-	-	-	26,017,625
	<u>\$108,330,000</u>	<u>\$55,086,494</u>	<u>\$ (167,360)</u>	<u>\$15,795,000</u>	<u>\$ 1,390,768</u>	<u>\$ 180,434,902</u>

The subsidy reflected above on the BABs is the original amount scheduled to be received and has not been adjusted for any possible reduction due to the federal sequestration.

Note 9 – Lease Liabilities

The School District has entered into agreements to lease copiers and computers. The term of the first copier lease is for five years requiring monthly payments of \$19,999. The term of the second copier lease is for five years requiring monthly payments of \$1,850. The term of the first computer lease is for four years requiring yearly payments of \$235,836. The term of the second computer lease is for four years requiring yearly payments of \$139,283. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at present value of the future minimum lease payments as of the date of their 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, 2023, the value of the lease liability recorded for the above leases was \$671,650. As a result, the School District has recorded an Intangible Right-to-Use asset with a net book value of \$630,821 as of June 30, 2023. Future minimum lease payments under these leases are as follows:

Year Ended June 30,	Lease Payable		Totals
	Principal	Interest	
2024	\$ 617,234	\$ 20,073	\$ 637,307
2025	41,569	630	42,199
2026	12,847	103	12,950
	<u>\$ 671,650</u>	<u>\$ 20,806</u>	<u>\$ 692,456</u>

Peters Township School District
Notes to Financial Statements
June 30, 2023

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.

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.

Peters Township School District
Notes to Financial Statements
June 30, 2023

Benefits are generally equal to 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%

Peters Township School District
Notes to Financial Statements
June 30, 2023

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, 2023 was 34.31% 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 \$11,521,872 for the year ended June 30, 2023.

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

At June 30, 2023, the School District reported a liability of \$99,321,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2021 to June 30, 2022. 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, 2023, the School District's proportion was 0.2234%, which was a decrease of 0.0021% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the School District recognized pension expense of \$3,152,306. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 45,000	\$ 859,000
Net difference between projected and actual investment earnings	-	1,685,000
Changes in assumptions	2,966,000	-
Changes in proportions	1,756,000	726,000
Difference between employer contributions and proportionate share of total contributions	2,678,379	-
Contributions subsequent to the measurement date	11,521,872	-
	<u>\$ 18,967,251</u>	<u>\$ 3,270,000</u>

Peters Township School District
Notes to Financial Statements
June 30, 2023

\$11,521,872 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2024	\$ 1,914,382
2025	1,835,327
2026	(1,931,962)
2027	<u>2,357,632</u>
	<u>\$ 4,175,379</u>

1. Changes in Actuarial Assumptions

The total pension liability as of June 30, 2022 was determined by rolling forward the System's total pension liability as of June 30, 2021 to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date – June 30, 2021
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.75%.
- 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, 2021 and as of June 30, 2022.
- 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, 2022 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

Peters Township School District
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June 30, 2023

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	28.0%	5.3%
Private equity	12.0%	8.0%
Fixed income	33.0%	2.3%
Commodities	9.0%	2.3%
Infrastructure/MLPs	9.0%	5.4%
Real estate	11.0%	4.6%
Absolute return	6.0%	3.5%
Cash	3.0%	0.5%
Leverage	<u>-11.0%</u>	0.5%
	<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, 2022.

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.

Peters Township School District
Notes to Financial Statements
June 30, 2023

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	\$ 128,465	\$ 99,321	\$ 74,749

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.

Note 11 - Contingent Liabilities

Peters Township School District participates in a number of federally assisted grant programs, principal of which is the 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, 2023 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

Peters Township School District administers a single-employer defined benefit healthcare plan ("the Supplemental Health Plan").

The plan provides 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.

Peters Township School District
Notes to Financial Statements
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The eligibility and the benefits for each group are as follows:

1) Teacher and Act 93 Administrators Eligibility Requirements

Upon retirement, a teacher or an administrator who has reached the criteria for an unreduced pension benefit under PSERS (age 62, age 60 and 30 years of service, or 35 years of service) and has 10 years of service with the School District shall be eligible to receive health benefits for themselves and their spouses until age 65. The School District will pay for this coverage up to the following amounts based on the year of retirement and the retiring teacher or administrator would be responsible to reimburse the School District \$100 per month for the PSERS benefit or the contract co-pay amount, whichever is greater:

2015-2016	\$48,000
2016-2017	48,000
2017-2018	50,000
2018-2019	50,000
2019-2020	52,000
2020-2021	52,000
2021-2022	54,000
2022-2023	54,000
2023-2024	56,000

2) Clerical, Cafeteria, and SEIU Local No. 3 Eligibility Requirements

Personnel from the above-mentioned groups retiring prior to being Medicare eligible shall have the right to remain the medical insurance group, at no cost to the School District, until such time as they become eligible for Medicare benefits.

B. Total OPEB Liability

The School District's total OPEB liability of \$9,134,411 was measured at June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022. Standard roll-forward techniques were used to roll-forward the liability from the valuation date to the measurement date using updated assumptions.

C. Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuation and the roll-forward was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary Increases	3.00%
Discount Rate	3.65%
Healthcare Cost Trend Rates	6.50% for 2022/2023, decreasing 0.50% per year to ultimate rate of 5.00%

The discount rate was based on the Bond Buyers AA Index.

Mortality rates were based on the RP-2000 Combined Healthy with Scale BB.

Peters Township School District
Notes to Financial Statements
June 30, 2023

The actuarial assumptions used in the July 1, 2022 valuation and the roll-forward were selected using input from the School District based upon actual experience.

D. Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	\$ 9,160,221
Changes for the year:	
Service Cost	324,421
Interest	334,115
Differences (Expected vs. Actual)	(591,633)
Benefit Payments	<u>(92,713)</u>
Net Changes	<u>(25,810)</u>
Balance at June 30, 2023	<u><u>\$ 9,134,411</u></u>

E. Changes of Assumptions and Other Inputs

- Changed the discount rate from 3.54% to 3.65%

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

The following is the total OPEB liability to the School District, as well as the total OPEB liability using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1.00% Decrease 2.65%	Current Discount Rate 3.65%	1.00% Increase 4.65%
Total OPEB Liability	\$ 10,032,116	\$ 9,134,411	\$ 8,306,828

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

The following is the total OPEB liability to the School District, as well as the total OPEB liability using current medical inflation rates that are 1-percentage point lower or 1-percentage point higher than the current medical inflation rates:

	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	\$ 7,988,633	\$ 9,134,411	\$ 10,470,607

Peters Township School District
Notes to Financial Statements
June 30, 2023

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

For the year ended June 30, 2023, the School District recognized OPEB Expense of \$430,868. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ -	\$ 250,843
Differences between expected and actual experience	<u>1,236,495</u>	<u>2,445,695</u>
	<u>\$ 1,236,495</u>	<u>\$ 2,696,538</u>

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

Year Ended June 30,	
2024	\$ (134,956)
2025	(134,956)
2026	(134,956)
2027	(134,956)
2028	(134,956)
Thereafter	<u>(785,263)</u>
	<u><u>\$(1,460,043)</u></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.

Peters Township School District
Notes to Financial Statements
June 30, 2023

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, 2022, 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.

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.

Peters Township School District
Notes to Financial Statements
June 30, 2023

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2023 was 0.75% 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 \$251,863 for the year ended June 30, 2023.

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

At June 30, 2023, the School District reported a liability of \$4,107,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, 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, 2021 to June 30, 2022. 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, 2023, the School District's proportion was 0.2231%, which was a decrease of 0.0055% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the School District recognized OPEB expense of \$121,501. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 38,000	\$ 22,000
Net difference between projected and actual investment earnings	11,000	-
Changes in assumptions	456,000	970,000
Changes in proportions	207,000	152,000
Difference between employer contributions and proportionate share of total contributions	-	1,514
Contributions subsequent to the measurement date	<u>251,863</u>	<u>-</u>
	<u>\$ 963,863</u>	<u>\$ 1,145,514</u>

\$251,863 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, 2024.

Peters Township School District
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June 30, 2023

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,	
2024	\$ (90,847)
2025	(70,236)
2026	(78,748)
2027	(91,680)
2028	<u>(102,003)</u>
	<u>\$ (433,514)</u>

1. Actuarial Assumptions

The total OPEB liability as of June 30, 2022 was determined by rolling forward the System's total OPEB liability as of June 30, 2021 to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return – 4.09%, 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, 2021 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, 2020 determined the employer contribution rate for fiscal year 2022.
- 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 benefitting 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.

Peters Township School District
Notes to Financial Statements
June 30, 2023

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>100.0%</u>	0.5%
	<u>100.0%</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, 2022.

2. Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.09%. 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 4.09% which represents the S&P 20 year Municipal Bond Rate at June 30, 2022, was applied to all projected benefit payments to measure the total OPEB liability.

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, 2022, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2022, 93,293 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2022, 582 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.

Peters Township School District
Notes to Financial Statements
June 30, 2023

The following presents the System net OPEB liability for June 30, 2022, 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%	Current	1.00%
	Decrease	Trend Rate	Increase
System net OPEB Liability	\$ 4,106	\$ 4,107	\$ 4,107

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 4.09%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.09%) or 1 percentage point higher (5.09%) than the current rate:

	(In Thousands)		
	1.00%	Current	1.00%
	Decrease	Rate	Increase
	3.09%	4.09%	5.09%
School District's proportionate share of the net OPEB liability	\$ 4,644	\$ 4,107	\$ 3,657

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.

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 \$7,340,904 and \$6,884,239 for the years ended June 30, 2023 and 2022, respectively.

Participating school districts are permitted to withdraw from the Consortium under terms specified in the agreement.

Peters Township School District
Notes to Financial Statements
June 30, 2023

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, 2023, the net position of the Consortium was \$43,578,886 of which \$603,435 is attributable to the School District. The School District's share would be reduced by amounts due under the applicable joinder agreement.

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 torts; 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, 2023, were \$7,227,366.

This includes \$5,967,884 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 \$1,259,482 to the federal government for social security and Medicare taxes for the year ended June 30, 2023. The School District pays these on-behalf payments directly to PSERS and the government and is reimbursed by the Commonwealth for their appropriate share.

Note 16 - Termination Benefits

The School District has available certain early retirement enhancements to qualified employees. Regular full-time tenured professional employees may be eligible to receive these benefits provided that during the fiscal year of the employee's retirement, they had attained the age of 51 years and have completed 10 years of continuous full-time employment with the School District. The retiring employee shall receive compensation for every year of service in the School District at a rate based upon the year of retirement. For the 2022/2023 school year, the rate was \$500. As of June 30, 2023, seventy-four (74) employees were eligible to receive these benefits for a total liability of \$776,165.

**REQUIRED SUPPLEMENTARY
INFORMATION SECTION**

Peters Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues				
Local Sources				
Taxes				
Current Real Estate Taxes	\$ 48,125,922	\$ 48,125,922	\$ 48,142,139	\$ 16,217
Interim Real Estate Taxes	200,000	200,000	196,311	(3,689)
Public Utility Realty Taxes	45,000	45,000	50,767	5,767
Local Services Taxes	45,000	45,000	50,342	5,342
Earned Income Taxes	6,596,790	6,596,790	7,460,120	863,330
Real Estate Transfer Taxes	1,000,000	1,000,000	1,258,891	258,891
Delinquencies on Taxes	675,000	675,000	691,248	16,248
Earnings on Investments	70,000	70,000	1,052,651	982,651
Other Local Revenues				
Revenue from Student Activities	343,009	343,009	361,140	18,131
Federal Revenues from IU	515,000	515,000	535,721	20,721
Contributions & Donations from Private Sources	10,000	10,000	-	(10,000)
Rentals	55,000	55,000	62,073	7,073
Tuition from other LEAs	70,000	70,000	128,829	58,829
Transportation Fees	10,000	10,000	14,535	4,535
Refund of Prior Year's Expenditures	89,151	89,151	49,872	(39,279)
Miscellaneous Revenue	44,000	44,000	55,542	11,542
Total Revenues from Local Sources	<u>57,893,872</u>	<u>57,893,872</u>	<u>60,110,181</u>	<u>2,216,309</u>
State Sources				
Basic Instructional & Oper. Subsidies				
Basic Instructional Subsidy	5,739,480	5,739,480	6,089,307	349,827
Subsidies for Spec. Educ. Programs				
Special Education of Excep. Pupils	1,671,644	1,671,644	1,749,892	78,248
Subsidies for Noneduc. Programs				
Transportation (Regular & Additional)	850,000	850,000	951,655	101,655
Rentals & Sinking Fund Payments	667,913	667,913	667,912	(1)
Ready to Learn Block Grant	335,813	335,813	335,813	-
Health Services	75,000	75,000	75,167	167
State Property Tax Reduction	917,789	917,789	917,789	-
Social Security Payments	1,287,471	1,287,471	1,245,602	(41,869)
State Retirement Revenue	5,904,032	5,904,032	5,908,274	4,242
Other State Revenue	-	-	526,326	526,326
Total Revenues from State Sources	<u>17,449,142</u>	<u>17,449,142</u>	<u>18,467,737</u>	<u>1,018,595</u>

**Peters Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2023**

	<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	92,835	92,835	91,575	(1,260)
Title II	52,105	52,105	50,624	(1,481)
Title IV	10,000	10,000	10,000	-
ARP ESSER	548,983	548,983	548,984	1
ARP ESSER 7%	-	-	47,707	47,707
ARRA Build America Bonds	35,000	35,000	35,234	234
Title XIX	-	-	7,274	7,274
School Based Access	<u>250,000</u>	<u>250,000</u>	<u>173,866</u>	<u>(76,134)</u>
 Total Revenues from Federal Sources	<u>988,923</u>	<u>988,923</u>	<u>965,264</u>	<u>(23,659)</u>
 Total Revenues	<u>76,331,937</u>	<u>76,331,937</u>	<u>79,543,182</u>	<u>3,211,245</u>
 Other Financing Sources				
Sale of Capital Assets	<u>15,000</u>	<u>15,000</u>	<u>11,635</u>	<u>(3,365)</u>
 Total Revenues and Other Financing Sources	<u>76,346,937</u>	<u>76,346,937</u>	<u>79,554,817</u>	<u>3,207,880</u>
 Expenditures				
Instruction				
Regular Programs				
Personal Services				
Salaries	20,891,532	20,891,532	20,918,680	(27,148)
Employee Benefits	13,107,305	13,107,305	13,347,641	(240,336)
Purchased Prof. and Tech. Services	55,500	55,500	48,616	6,884
Purchased Property Services	588,619	588,619	79,086	509,533
Other Purchased Services	582,936	582,936	531,045	51,891
Supplies	316,095	316,095	293,818	22,277
Property	79,155	79,155	127,770	(48,615)
Other Objects	<u>17,450</u>	<u>17,450</u>	<u>12,272</u>	<u>5,178</u>
 Total Regular Programs	<u>35,638,592</u>	<u>35,638,592</u>	<u>35,358,928</u>	<u>279,664</u>

**Peters Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Special Programs				
Personal Services				
Salaries	3,684,585	3,684,585	3,611,664	72,921
Employee Benefits	2,167,946	2,167,946	2,079,289	88,657
Purchased Prof. and Tech. Services	1,010,200	1,010,200	774,875	235,325
Purchased Property Services	28,000	28,000	9,938	18,062
Other Purchased Services	885,000	885,000	1,311,334	(426,334)
Supplies	43,500	43,500	15,625	27,875
Property	23,000	23,000	1,270	21,730
Other Objects	<u>1,600</u>	<u>1,600</u>	<u>323</u>	<u>1,277</u>
Total Special Programs	<u>7,843,831</u>	<u>7,843,831</u>	<u>7,804,318</u>	<u>39,513</u>
Vocational Education Programs				
Other Purchased Services	<u>340,000</u>	<u>340,000</u>	<u>302,364</u>	<u>37,636</u>
Other Instructional Programs				
Personal Services				
Salaries	71,627	71,627	15,670	55,957
Employee Benefits	42,042	42,042	9,178	32,864
Other Purchased Services	<u>400</u>	<u>400</u>	<u>1,435</u>	<u>(1,035)</u>
Total Other Instructional Programs	<u>114,069</u>	<u>114,069</u>	<u>26,283</u>	<u>87,786</u>
Nonpublic School Programs				
Purchased Prof. and Tech. Services	<u>1,500</u>	<u>1,500</u>	<u>2,930</u>	<u>(1,430)</u>
Total Instruction	<u>43,937,992</u>	<u>43,937,992</u>	<u>43,494,823</u>	<u>443,169</u>

Peters Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Support Services				
Pupil Personnel				
Personal Services				
Salaries	1,661,641	1,661,641	1,550,444	111,197
Employee Benefits	1,053,826	1,053,826	971,470	82,356
Purchased Prof. and Tech. Services	-	-	610,806	(610,806)
Other Purchased Services	800	800	2,540	(1,740)
Supplies	32,199	32,199	28,106	4,093
Other Objects	2,381	2,381	618	1,763
	<u>2,750,847</u>	<u>2,750,847</u>	<u>3,163,984</u>	<u>(413,137)</u>
Total Pupil Personnel				
	<u>2,750,847</u>	<u>2,750,847</u>	<u>3,163,984</u>	<u>(413,137)</u>
Instructional Staff				
Personal Services				
Salaries	898,737	898,737	820,156	78,581
Employee Benefits	507,233	507,233	511,300	(4,067)
Purchased Prof. and Tech. Services	74,422	74,422	15,716	58,706
Purchased Property Services	82,575	82,575	76,293	6,282
Other Purchased Services	1,700	1,700	289	1,411
Supplies	818,343	818,343	714,018	104,325
Property	2,550	2,550	1,137	1,413
Other Objects	17,554	17,554	11,211	6,343
	<u>2,403,114</u>	<u>2,403,114</u>	<u>2,150,120</u>	<u>252,994</u>
Total Instructional Staff				
	<u>2,403,114</u>	<u>2,403,114</u>	<u>2,150,120</u>	<u>252,994</u>
Administration				
Personal Services				
Salaries	2,209,772	2,209,772	2,146,124	63,648
Employee Benefits	1,363,867	1,363,867	1,337,213	26,654
Purchased Prof. and Tech. Services	297,724	297,724	590,615	(292,891)
Purchased Property Services	5,150	5,150	2,328	2,822
Other Purchased Services	82,100	82,100	30,639	51,461
Supplies	71,921	71,921	77,644	(5,723)
Property	5,000	5,000	267	4,733
Other Objects	45,929	45,929	28,584	17,345
	<u>4,081,463</u>	<u>4,081,463</u>	<u>4,213,414</u>	<u>(131,951)</u>
Total Administration				
	<u>4,081,463</u>	<u>4,081,463</u>	<u>4,213,414</u>	<u>(131,951)</u>

**Peters Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Pupil Health				
Personal Services				
Salaries	336,891	336,891	344,196	(7,305)
Employee Benefits	251,406	251,406	235,771	15,635
Purchased Prof. and Tech. Services	8,725	8,725	10,120	(1,395)
Purchased Property Services	400	400	33	367
Other Purchased Services	700	700	862	(162)
Supplies	5,650	5,650	5,560	90
Property	2,150	2,150	1,637	513
	<u>605,922</u>	<u>605,922</u>	<u>598,179</u>	<u>7,743</u>
Total Pupil Health				
	<u>605,922</u>	<u>605,922</u>	<u>598,179</u>	<u>7,743</u>
Business				
Personal Services				
Salaries	323,933	323,933	323,059	874
Employee Benefits	206,890	206,890	223,581	(16,691)
Purchased Prof. and Tech. Services	10,500	10,500	900	9,600
Purchased Property Services	39,159	39,159	27,533	11,626
Other Purchased Services	12,850	12,850	11,185	1,665
Supplies	4,299	4,299	3,449	850
Property	500	500	409	91
Other Objects	2,050	2,050	2,638	(588)
	<u>600,181</u>	<u>600,181</u>	<u>592,754</u>	<u>7,427</u>
Total Business				
	<u>600,181</u>	<u>600,181</u>	<u>592,754</u>	<u>7,427</u>
Oper. and Maint. of Plant Svcs.				
Personal Services				
Salaries	2,255,776	2,255,776	2,107,805	147,971
Employee Benefits	1,500,112	1,500,112	1,540,518	(40,406)
Purchased Prof. and Tech. Services	308,628	308,628	563,660	(255,032)
Purchased Property Services	1,274,150	1,274,150	1,619,121	(344,971)
Other Purchased Services	221,881	221,881	253,523	(31,642)
Supplies	357,399	357,399	360,268	(2,869)
Property	10,000	10,000	43,398	(33,398)
Other Objects	10,000	10,000	7,039	2,961
	<u>5,937,946</u>	<u>5,937,946</u>	<u>6,495,332</u>	<u>(557,386)</u>
Total Oper. and Maint. of Plant Svcs.				
	<u>5,937,946</u>	<u>5,937,946</u>	<u>6,495,332</u>	<u>(557,386)</u>

**Peters Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Student Transportation Services				
Personal Services				
Salaries	894,071	894,071	857,632	36,439
Employee Benefits	366,656	366,656	389,780	(23,124)
Purchased Prof. and Tech. Services	6,500	6,500	4,126	2,374
Purchased Property Services	4,500	4,500	1,293	3,207
Other Purchased Services	1,612,073	1,612,073	1,706,862	(94,789)
Supplies	260,500	260,500	379,657	(119,157)
Property	10,000	10,000	9,991	9
Other Objects	350	350	325	25
	<u>3,154,650</u>	<u>3,154,650</u>	<u>3,349,666</u>	<u>(195,016)</u>
Total Student Transportation Services				
Central				
Personal Services				
Salaries	334,686	334,686	363,817	(29,131)
Employee Benefits	248,600	248,600	223,135	25,465
Purchased Prof. and Tech. Services	558,857	558,857	519,154	39,703
Purchased Property Services	116,898	116,898	258,003	(141,105)
Other Purchased Services	5,700	5,700	15,901	(10,201)
Supplies	200,121	200,121	120,917	79,204
Property	25,000	25,000	25,185	(185)
Other Objects	1,300	1,300	225	1,075
	<u>1,491,162</u>	<u>1,491,162</u>	<u>1,526,337</u>	<u>(35,175)</u>
Total Central				
Other				
Other Purchased Services	65,654	65,654	67,728	(2,074)
	<u>21,090,939</u>	<u>21,090,939</u>	<u>22,157,514</u>	<u>(1,066,575)</u>
Total Support Services				
Noninstructional Services				
Student Activities				
Personal Services				
Salaries	860,196	860,196	978,075	(117,879)
Employee Benefits	363,263	363,263	435,391	(72,128)
Purchased Prof. and Tech. Services	61,550	61,550	237,894	(176,344)
Purchased Property Services	33,695	33,695	39,524	(5,829)
Other Purchased Services	23,475	23,475	22,206	1,269

Peters Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2023

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Supplies	121,649	121,649	125,015	(3,366)
Property	11,426	11,426	14,293	(2,867)
Other Objects	18,090	18,090	7,930	10,160
Total Student Activities	1,493,344	1,493,344	1,860,328	(366,984)
Community Services				
Other Purchased Services	5,000	5,000	3,474	1,526
Total Noninstructional Services	1,498,344	1,498,344	1,863,802	(365,458)
Debt Service				
Interest	-	-	40,948	(40,948)
Refunds of Prior Year's Receipts	8,000	8,000	82,137	(74,137)
Redemption of Principal	-	-	596,359	(596,359)
Total Debt Service	8,000	8,000	719,444	(711,444)
Total Expenditures	66,535,275	66,535,275	68,235,583	(1,700,308)
Other Financing Uses				
Fund Transfers				
Capital Projects Fund	-	-	1,000,000	(1,000,000)
Debt Service Fund	10,259,131	10,259,131	10,249,511	9,620
Total Other Financing Uses	10,259,131	10,259,131	11,249,511	(990,380)
Total Expenditures and Other Financing Uses	76,794,406	76,794,406	79,485,094	(2,690,688)
Net Change in Fund Balance	(447,469)	(447,469)	69,723	517,192
Fund Balance - July 1, 2022	10,074,770	10,074,770	10,532,698	457,928
Fund Balance - June 30, 2023	\$ 9,627,301	\$ 9,627,301	\$ 10,602,421	\$ 975,120

Peters Township School District
Note to the Required Supplementary Information
Budget Comparison
June 30, 2023

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).

Peters Township School District
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability
and Related Ratios
Last Seven Years

	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	\$ 324,421	\$ 461,009	\$ 459,591	\$ 391,428	\$ 374,899	\$ 376,566	\$ -
Interest	334,115	224,512	234,080	303,652	305,111	277,065	-
Change of benefit terms	-	-	-	-	-	(305,207)	-
Differences (Expected vs. Actual)	(591,633)	(1,400,919)	(772,749)	1,267,644	616,564	-	-
Changes of Assumptions	-	-	-	-	(407,620)	-	-
Benefit payments	<u>(92,713)</u>	<u>(114,926)</u>	<u>(125,273)</u>	<u>(104,346)</u>	<u>(123,093)</u>	<u>(280,885)</u>	<u>-</u>
Net Change in Total OPEB Liability	(25,810)	(830,324)	(204,351)	1,858,378	765,861	67,539	-
Total OPEB Liability - Beginning	<u>9,160,221</u>	<u>9,990,545</u>	<u>10,194,896</u>	<u>8,336,518</u>	<u>7,570,657</u>	<u>7,503,118</u>	<u>-</u>
Total OPEB Liability - Ending	<u>\$ 9,134,411</u>	<u>\$ 9,160,221</u>	<u>\$ 9,990,545</u>	<u>\$ 10,194,896</u>	<u>\$ 8,336,518</u>	<u>\$ 7,570,657</u>	<u>\$ 7,503,118</u>
Covered-Employee Payroll	\$ 27,342,923	\$ 28,025,807	\$ 27,274,981	\$ 26,441,485	\$ 25,160,030	\$24,083,545	N/A
Total OPEB Liability as a Percentage of							
Covered-Employee Payroll	33.41%	32.68%	36.63%	38.56%	33.13%	31.43%	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:

2023	3.65%
2022	3.54%

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.

**Peters Township School District
Required Supplementary Information
Schedule of School District's Contributions
PSERS
Last Nine Years**

	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	\$11,545,009	\$11,126,950	\$10,652,031	\$10,276,282	\$ 9,730,680	\$ 9,272,264	\$ 8,476,411	\$ 6,892,047	\$ 5,740,697
Contributions in Relation to the Contractually Required Contribution	<u>11,545,009</u>	<u>11,126,950</u>	<u>10,652,031</u>	<u>10,276,282</u>	<u>9,730,680</u>	<u>9,272,264</u>	<u>8,476,411</u>	<u>6,892,047</u>	<u>5,740,697</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$33,770,640	\$32,798,631	\$32,407,095	\$30,295,356	\$30,042,068	\$29,477,160	\$29,593,076	\$28,147,771	\$28,739,793
Contributions as a Percentage of Covered Payroll	34.19%	33.93%	32.87%	33.92%	32.39%	31.46%	28.64%	24.49%	19.97%

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, 2022 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2023.

Peters Township 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, 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	June 30, 2013
School District's Proportion of the Net Pension Liability (Asset)	0.2234%	0.2255%	0.2186%	0.2178%	0.2189%	0.2223%	0.2174%	0.2234%	0.2173%	0.2035%
School District's Proportionate Share of the Net Pension Liability (Asset)	\$ 99,321	\$ 92,583	\$107,636	\$101,893	\$105,083	\$109,790	\$107,737	\$ 96,766	\$ 86,009	\$ 83,305
School District's Covered Payroll	\$ 32,799	\$ 32,407	\$ 30,295	\$ 30,042	\$ 29,477	\$ 29,593	\$ 28,148	\$ 28,739	\$ 27,730	\$ 26,110
School District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	302.82%	285.69%	355.29%	339.17%	356.49%	371.00%	382.75%	336.71%	310.17%	319.05%
Plan Fiduciary Net Position as a Percentage of The Total Pension Liability	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%	54.49%

**Peters Township School District
Required Supplementary Information
Schedule of School District's Contributions
PSERS OPEB Plan
Last Six Years**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution	\$ 251,863	\$ 262,602	\$ 260,658	\$ 256,559	\$ 246,945	\$ 242,723
Contributions in Relation to the Contractually Required Contribution	<u>251,863</u>	<u>262,602</u>	<u>260,658</u>	<u>256,559</u>	<u>246,945</u>	<u>242,723</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$33,770,640	\$33,011,872	\$32,407,095	\$30,295,356	\$30,042,068	\$29,477,160
Contributions as a Percentage of Covered Payroll	0.75%	0.80%	0.80%	0.85%	0.82%	0.82%

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, 2022 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2023.

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

	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)	0.2231%	0.2286%	0.2158%	0.2178%	0.2189%	0.2223%
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 4,107	\$ 5,418	\$ 4,663	\$ 4,632	\$ 4,564	\$ 4,529
School District's Covered Payroll	\$ 32,799	\$ 32,407	\$ 30,295	\$ 30,042	\$ 29,477	\$ 29,593
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	12.52%	16.72%	15.39%	15.42%	15.48%	15.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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.

STATISTICAL SECTION

FINANCIAL TREND DATA

These schedules contain trend information to assist the reader in understanding how the School District's financial performance has changed over time.

PETERS TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2014 ¹	2015	2016	2017	2018 ²	2019	2020	2021	2022	2023
Governmental Activities										
Net Investments in Capital Assets	4,323,411	2,806,757	2,287,766	8,888,781	9,156,155	12,598,286	15,528,208	14,359,608	13,302,103	12,422,346
Restricted	6,492,623	13,958,838	8,289,763	3,233,213	91,412,664	1,142,253	1,158,574	-	-	-
Unrestricted	<u>(76,633,272)</u>	<u>(84,847,623)</u>	<u>(80,447,491)</u>	<u>(84,256,829)</u>	<u>(183,728,998)</u>	<u>(97,921,992)</u>	<u>(100,645,102)</u>	<u>(101,721,422)</u>	<u>(95,586,405)</u>	<u>(91,551,929)</u>
Total Governmental Activities Net Position	<u>(65,817,238)</u>	<u>(68,082,028)</u>	<u>(69,869,962)</u>	<u>(72,134,835)</u>	<u>(83,160,179)</u>	<u>(84,181,453)</u>	<u>(83,958,320)</u>	<u>(87,361,814)</u>	<u>(82,284,302)</u>	<u>(79,129,583)</u>
Business-type Activities										
Net Investments in Capital Assets	37,683	31,546	52,291	51,949	47,131	52,953	66,430	64,282	54,855	75,461
Unrestricted	<u>(889,324)</u>	<u>(911,776)</u>	<u>(960,890)</u>	<u>(906,819)</u>	<u>(925,035)</u>	<u>(928,842)</u>	<u>(967,900)</u>	<u>(1,155,079)</u>	<u>(332,407)</u>	<u>(72,939)</u>
Total Business-type Net Position	<u>(851,641)</u>	<u>(880,230)</u>	<u>(908,599)</u>	<u>(854,870)</u>	<u>(877,904)</u>	<u>(875,889)</u>	<u>(901,470)</u>	<u>(1,090,797)</u>	<u>(277,552)</u>	<u>2,522</u>
Total Primary Government										
Net Investments in Capital Assets	4,361,094	2,838,303	2,340,057	8,940,730	9,203,286	12,651,239	15,594,638	14,423,890	13,356,958	12,497,807
Restricted	6,492,623	13,958,838	8,289,763	3,233,213	91,412,664	1,142,253	1,158,574	-	-	-
Unrestricted	<u>(77,522,596)</u>	<u>(85,759,399)</u>	<u>(81,408,381)</u>	<u>(85,163,648)</u>	<u>(184,654,033)</u>	<u>(98,850,834)</u>	<u>(101,613,002)</u>	<u>(102,876,501)</u>	<u>(95,918,812)</u>	<u>(91,624,868)</u>
Total Net Position	<u>(66,668,879)</u>	<u>(68,962,258)</u>	<u>(70,778,561)</u>	<u>(72,989,705)</u>	<u>(84,038,083)</u>	<u>(85,057,342)</u>	<u>(84,859,790)</u>	<u>(88,452,611)</u>	<u>(82,561,854)</u>	<u>(79,127,061)</u>

(1) Restated balance at June 30, 2014 due to implementation of GASB 68

(2) Restated balance at June 30, 2018 due to implementation of GASB 75

PETERS TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction	36,806,819	39,023,840	39,985,197	43,891,666	44,091,077	43,524,997	43,253,398	47,934,554	42,856,242	47,272,142
Instructional Student Support	4,674,717	4,700,593	4,481,330	4,724,105	4,908,543	4,949,099	5,522,957	5,563,441	5,036,832	5,936,057
Admin. and Fin. Support Svcs.	4,233,977	5,057,179	5,157,792	5,521,290	6,245,708	5,779,870	5,438,764	5,828,038	6,245,427	6,825,710
Operation and Maintenance of Plant Services	5,461,051	5,017,747	5,430,254	5,337,887	5,525,287	5,566,461	5,551,595	5,869,614	5,554,537	6,444,541
Pupil Transportation	2,364,875	2,507,530	2,596,022	3,029,233	3,407,494	3,184,322	3,059,409	2,766,699	3,243,465	3,629,117
Student Activities	1,517,512	1,630,312	1,620,925	1,936,392	1,902,034	1,993,036	1,885,786	1,868,673	1,779,612	1,966,528
Community Services	4,100	3,178	4,496	5,433	3,441	4,455	3,694	3,121	6,220	3,474
Interest on Long Term Debt	<u>1,770,794</u>	<u>1,776,725</u>	<u>1,530,649</u>	<u>1,661,996</u>	<u>3,789,465</u>	<u>4,091,625</u>	<u>4,683,484</u>	<u>4,943,632</u>	<u>4,731,566</u>	<u>4,533,255</u>
Total Governmental Activities Expenses	<u>56,833,845</u>	<u>59,717,104</u>	<u>60,806,665</u>	<u>66,108,002</u>	<u>69,873,049</u>	<u>69,093,865</u>	<u>69,399,087</u>	<u>74,777,772</u>	<u>69,453,901</u>	<u>76,610,824</u>
Business-Type Activities										
Food Service	<u>1,050,792</u>	<u>1,088,851</u>	<u>1,099,189</u>	<u>1,092,354</u>	<u>1,166,382</u>	<u>1,242,233</u>	<u>1,146,291</u>	<u>1,055,282</u>	<u>1,219,027</u>	<u>1,562,635</u>
Total Primary Government Expenses	<u>57,884,637</u>	<u>60,805,955</u>	<u>61,905,854</u>	<u>67,200,356</u>	<u>71,039,431</u>	<u>70,336,098</u>	<u>70,545,378</u>	<u>75,833,054</u>	<u>70,672,928</u>	<u>78,173,459</u>
Program Revenue										
Governmental Activities										
Charges for Services	-	-	-	302,625	-	-	-	-	-	-
Operating Grants	6,968,663	8,033,652	8,670,359	9,139,061	9,903,115	10,363,910	10,736,142	11,509,650	11,537,443	12,806,742
Capital Grants and Contributions	<u>591,582</u>	<u>544,765</u>	<u>478,158</u>	<u>647,260</u>	<u>245,727</u>	<u>386,941</u>	<u>662,038</u>	<u>464,136</u>	<u>634,042</u>	<u>667,912</u>
Total Governmental Activities Program Revenues	<u>7,560,245</u>	<u>8,578,417</u>	<u>9,148,517</u>	<u>10,088,946</u>	<u>10,148,842</u>	<u>10,750,851</u>	<u>11,398,180</u>	<u>11,973,786</u>	<u>12,171,485</u>	<u>13,474,654</u>
Business-Type Activities										
Charges for Services	835,169	810,451	782,324	868,305	901,215	924,120	701,034	94,437	274,094	1,175,999
Operating Grants	<u>241,583</u>	<u>249,589</u>	<u>259,179</u>	<u>266,885</u>	<u>288,820</u>	<u>311,370</u>	<u>285,880</u>	<u>771,436</u>	<u>1,757,390</u>	<u>645,557</u>
Total Business-type Revenues	<u>1,076,752</u>	<u>1,060,040</u>	<u>1,041,503</u>	<u>1,135,190</u>	<u>1,190,035</u>	<u>1,235,490</u>	<u>986,914</u>	<u>865,873</u>	<u>2,031,484</u>	<u>1,821,556</u>
Total Primary Government Revenues	<u>8,636,997</u>	<u>9,638,457</u>	<u>10,190,020</u>	<u>11,224,136</u>	<u>11,338,877</u>	<u>11,986,341</u>	<u>12,385,094</u>	<u>12,839,659</u>	<u>14,202,969</u>	<u>15,296,210</u>
Governmental Activities and Business Type Net (Expense)/Revenue	<u>(49,247,640)</u>	<u>(51,167,498)</u>	<u>(51,715,834)</u>	<u>(55,976,220)</u>	<u>(59,700,554)</u>	<u>(58,349,757)</u>	<u>(58,160,284)</u>	<u>(62,993,395)</u>	<u>(56,469,959)</u>	<u>(62,877,249)</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Taxes										
Property Taxes	32,480,833	34,713,972	36,491,895	37,928,578	39,568,081	41,347,653	42,683,857	44,263,211	46,771,674	49,036,164
Earned Income Taxes	5,582,835	5,760,656	5,393,516	5,961,675	6,276,170	6,114,101	6,376,320	6,479,377	7,212,342	7,466,956
Real Estate Transfer Taxes	837,204	798,795	855,468	839,039	942,433	1,009,042	925,047	1,391,912	1,487,208	1,258,891
Other Taxes	752,060	1,054,882	934,189	715,735	772,722	94,145	89,841	91,592	96,626	101,109
Grants and Contributions	5,895,146	5,898,498	6,005,739	6,145,085	6,255,488	6,287,274	6,358,407	6,359,524	6,466,447	7,007,096
Investment Earnings	44,637	50,550	74,067	116,061	980,125	2,338,578	1,771,684	704,660	228,478	1,250,075
Miscellaneous Income	293,901	596,544	141,209	156,312	160,588	130,947	146,116	110,216	111,636	170,598
Transfers	-	-	(28,869)	(9,471)	-	-	(127,232)	-	-	-
Total Governmental Activities	<u>45,886,616</u>	<u>48,873,897</u>	<u>49,867,214</u>	<u>51,853,014</u>	<u>54,955,607</u>	<u>57,321,740</u>	<u>58,224,040</u>	<u>59,400,492</u>	<u>62,374,411</u>	<u>66,290,889</u>
Business-Type Activities										
Investment Earnings	229	222	448	1,422	4,064	8,758	6,564	82	788	21,153
Transfers	-	-	28,869	9,471	-	-	127,232	-	-	-
Total Business-type Activities	<u>229</u>	<u>222</u>	<u>29,317</u>	<u>10,893</u>	<u>4,064</u>	<u>8,758</u>	<u>133,796</u>	<u>82</u>	<u>788</u>	<u>21,153</u>
Total General Revenues and Other Changes in Net Position	<u>45,886,845</u>	<u>48,874,119</u>	<u>49,896,531</u>	<u>51,863,907</u>	<u>54,959,671</u>	<u>57,330,498</u>	<u>58,357,836</u>	<u>59,400,574</u>	<u>62,375,199</u>	<u>66,312,042</u>
Change in Net Position										
Governmental Activities	(3,386,984)	(2,264,790)	(1,790,934)	(4,166,042)	(4,768,600)	(1,021,274)	223,133	(3,403,494)	5,091,995	3,154,719
Business-type Activities	<u>26,189</u>	<u>(28,589)</u>	<u>(28,369)</u>	<u>53,729</u>	<u>27,717</u>	<u>2,015</u>	<u>(25,581)</u>	<u>(189,327)</u>	<u>813,245</u>	<u>280,074</u>
Total Governmental and Business-type Activities	<u>(3,360,795)</u>	<u>(2,293,379)</u>	<u>(1,819,303)</u>	<u>(4,112,313)</u>	<u>(4,740,883)</u>	<u>(1,019,259)</u>	<u>197,552</u>	<u>(3,592,821)</u>	<u>5,905,240</u>	<u>3,434,793</u>

PETERS TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	-	-	-	-	-	541,511	549,483	561,801	600,332	701,969
Assigned	7,800,000	8,000,000	8,500,000	8,000,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
Unassigned	<u>3,375,074</u>	<u>1,953,686</u>	<u>2,058,409</u>	<u>2,809,708</u>	<u>2,434,201</u>	<u>1,922,235</u>	<u>1,963,421</u>	<u>1,978,110</u>	<u>1,432,366</u>	<u>1,400,452</u>
Total General Fund	<u>11,175,074</u>	<u>9,953,686</u>	<u>10,558,409</u>	<u>10,809,708</u>	<u>10,934,201</u>	<u>10,963,746</u>	<u>11,012,904</u>	<u>11,039,911</u>	<u>10,532,698</u>	<u>10,602,421</u>
All Other Governmental Funds										
Nonspendable										
Capital Projects Fund	-	-	-	-	-	1,752,083	927,061	-	-	-
Restricted										
Capital Projects Fund	6,492,545	7,813,525	13,958,837	8,289,762	3,233,212	90,290,965	65,942,763	41,474,917	10,364,326	5,156,007
Debt Service	78	80	1	1	1	1,121,699	1,142,253	1,158,574	-	-
Committed										
Capital Projects Fund	-	-	-	-	-	-	-	1,900,000	-	-
Total All Other Governmental Funds	<u>6,492,623</u>	<u>7,813,605</u>	<u>13,958,838</u>	<u>8,289,763</u>	<u>3,233,213</u>	<u>93,164,747</u>	<u>68,012,077</u>	<u>44,533,491</u>	<u>10,364,326</u>	<u>5,156,007</u>
Fund Balance - All Funds	<u>17,667,697</u>	<u>17,767,291</u>	<u>24,517,247</u>	<u>19,099,471</u>	<u>14,167,414</u>	<u>104,128,493</u>	<u>79,024,981</u>	<u>55,573,402</u>	<u>20,897,024</u>	<u>15,758,428</u>

Table 4

PETERS TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Local Sources										
Property Taxes Levied	32,772,205	34,981,304	36,791,089	37,928,578	39,565,081	41,343,030	42,513,861	44,381,762	46,967,338	49,022,862
Earned Income Taxes	5,629,430	5,760,656	5,489,738	5,961,675	6,276,170	6,114,101	6,376,320	6,479,377	7,202,584	7,466,956
Real Estate Transfer Taxes	837,204	798,795	855,468	839,039	942,433	1,009,042	925,047	1,391,912	1,496,966	1,258,891
Other Taxes Levied	582,884	841,782	680,573	713,235	772,722	94,145	89,841	91,592	96,626	101,109
Investment Earnings	82,797	50,550	74,066	103,385	980,125	2,338,578	1,771,684	704,660	228,478	1,250,075
Miscellaneous Income	740,898	1,068,040	801,867	1,125,934	1,120,874	1,173,349	1,002,840	967,266	1,310,573	1,207,712
Total Local Sources	<u>40,645,418</u>	<u>43,501,127</u>	<u>44,692,801</u>	<u>46,671,846</u>	<u>49,657,405</u>	<u>52,072,245</u>	<u>52,679,593</u>	<u>54,016,569</u>	<u>57,302,565</u>	<u>60,307,605</u>
State Sources										
Basic Education Subsidy	5,165,846	5,165,611	5,278,828	5,413,904	5,489,147	5,553,247	5,630,083	5,630,079	5,739,479	6,089,307
Special Education Subsidy	1,520,799	1,545,700	1,574,859	1,589,123	1,607,116	1,613,601	1,657,860	1,657,823	1,673,325	1,749,892
Social Security Payments	1,076,918	1,061,153	1,073,170	1,066,056	1,095,585	1,114,692	1,138,742	1,183,767	1,215,557	1,245,602
State Retirement Revenue	2,337,151	3,057,590	3,688,420	4,267,786	4,760,083	4,976,894	5,194,139	5,483,729	5,688,898	5,908,274
Other State Subsidies	2,510,565	2,658,116	2,552,085	2,665,678	2,219,240	2,386,023	2,711,466	2,466,561	2,535,297	3,474,662
Total State Sources	<u>12,611,279</u>	<u>13,488,170</u>	<u>14,167,362</u>	<u>15,002,547</u>	<u>15,171,171</u>	<u>15,644,457</u>	<u>16,332,290</u>	<u>16,421,959</u>	<u>16,852,556</u>	<u>18,467,737</u>
Federal Sources										
Federal Grants	203,696	322,390	323,901	266,240	271,930	350,799	548,637	1,053,441	579,139	965,264
Total Federal Sources	<u>203,696</u>	<u>322,390</u>	<u>323,901</u>	<u>266,240</u>	<u>271,930</u>	<u>350,799</u>	<u>548,637</u>	<u>1,053,441</u>	<u>579,139</u>	<u>965,264</u>
Total Revenues	<u>53,460,393</u>	<u>57,311,687</u>	<u>59,184,064</u>	<u>61,940,633</u>	<u>65,100,506</u>	<u>68,067,501</u>	<u>69,560,520</u>	<u>71,491,969</u>	<u>74,734,260</u>	<u>79,740,606</u>
Expenditures										
Instruction	33,675,218	34,310,850	35,255,243	36,453,157	37,938,762	38,805,542	39,190,811	42,046,133	42,314,849	43,494,823
Support Services	16,392,722	16,274,350	16,548,641	17,237,817	18,660,878	18,737,980	19,393,696	19,501,521	20,688,877	22,258,073
Noninstructional Services	1,244,660	1,294,027	1,383,768	1,561,294	1,602,629	1,682,443	1,603,299	1,606,081	1,790,355	1,863,802
Capital Outlays	1,077,971	2,253,171	6,279,509	6,646,241	5,158,979	28,042,915	46,331,949	33,074,611	5,255,247	1,011,329
Debt Service										
Principal	3,140,714	3,210,000	3,230,000	3,305,000	14,045,000	1,270,000	1,540,000	3,445,000	4,541,235	5,161,359
Interest and Fees	1,344,523	1,343,481	1,431,500	1,352,604	2,481,132	4,619,530	4,976,828	5,889,164	5,870,933	5,735,079
Refund of Prior Year's Receipts	<u>180,533</u>	<u>62,833</u>	<u>96,222</u>	<u>181,623</u>	<u>83,628</u>	<u>32,683</u>	<u>25,272</u>	<u>72,477</u>	<u>71,512</u>	<u>82,137</u>
Total Expenditures	<u>57,056,341</u>	<u>58,748,712</u>	<u>64,224,883</u>	<u>66,737,736</u>	<u>79,971,008</u>	<u>93,191,093</u>	<u>113,061,855</u>	<u>105,634,987</u>	<u>80,533,008</u>	<u>79,606,602</u>
Excess of Revenues over (under) Expenditures	(3,595,948)	(1,437,025)	(5,040,819)	(4,797,103)	(14,870,502)	(25,123,592)	(43,501,335)	(34,143,018)	(5,798,748)	134,004
Other Financing Sources (Uses)										
Transfers Out	-	-	(28,869)	(9,471)	-	-	(127,232)	-	-	-
Proceeds from General										
Long Term Debt	-	10,000,000	-	-	94,400,000	-	26,380,000	-	-	-
Premium on Bonds Issued	-	-	-	-	10,525,586	-	6,359,142	-	-	-
Discount on Bonds Issued	-	(45,307)	-	-	-	-	-	-	-	-
Sale of Capital Assets	1,077	1,048	5,336	1,323	943	467	18,936	860	7,300	11,635
Payment to Refunded Bond Agent	-	-	-	-	-	-	(12,558,939)	-	-	-
Total Other Financing Sources (Uses)	<u>1,077</u>	<u>9,955,741</u>	<u>(23,533)</u>	<u>(8,148)</u>	<u>104,926,529</u>	<u>467</u>	<u>20,071,907</u>	<u>860</u>	<u>7,300</u>	<u>11,635</u>
Net Change in Fund Balance	<u>(3,594,871)</u>	<u>8,518,716</u>	<u>(5,064,352)</u>	<u>(4,805,251)</u>	<u>90,056,027</u>	<u>(25,123,125)</u>	<u>(23,429,428)</u>	<u>(34,142,158)</u>	<u>(5,791,448)</u>	<u>145,639</u>
Fund Balance 7/1	<u>18,988,679</u>	<u>15,393,808</u>	<u>23,912,524</u>	<u>18,848,172</u>	<u>14,042,921</u>	<u>104,098,948</u>	<u>78,975,823</u>	<u>55,546,395</u>	<u>21,404,237</u>	<u>15,612,789</u>
Fund Balance 6/30	<u>15,393,808</u>	<u>23,912,524</u>	<u>18,848,172</u>	<u>14,042,921</u>	<u>104,098,948</u>	<u>78,975,823</u>	<u>55,546,395</u>	<u>21,404,237</u>	<u>15,612,789</u>	<u>15,758,428</u>
Total Noncapital Expenditures	55,682,868	56,417,009	57,808,878	60,318,140	74,915,199	64,879,832	66,159,355	72,388,803	80,533,008	79,606,602
Debt Service as a % of Noncapital Expenditures	8.1%	8.1%	8.1%	7.7%	22.1%	9.1%	9.9%	12.9%	12.9%	13.7%

Table 5

**PETERS TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE¹
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenditures²										
Instruction										
Regular Programs	27,434,689	27,634,694	28,481,734	29,468,038	30,496,444	31,222,332	31,851,637	34,765,300	34,866,851	35,358,928
Special Programs	5,903,479	6,285,173	6,426,711	6,599,387	7,089,092	7,160,668	6,934,929	6,909,482	7,101,689	7,804,318
Vocational Educational Programs	262,031	252,904	209,527	301,066	278,956	356,608	340,815	321,387	296,465	302,364
Other Instructional Programs	42,314	91,508	103,632	83,071	54,088	45,837	41,997	19,900	23,121	26,283
Non-Public School Programs	32,705	46,571	33,639	1,595	20,182	20,097	21,433	30,064	26,723	2,930
Support Personnel										
Pupil Personnel	2,015,935	2,006,599	1,903,026	1,839,297	2,084,033	2,204,675	2,946,979	2,957,186	3,101,251	3,163,984
Instructional Staff	1,831,133	1,764,889	1,608,606	1,955,984	1,885,533	1,844,305	1,723,852	1,669,627	1,580,750	2,150,120
Administration	3,568,632	3,038,857	3,330,757	3,625,752	3,597,230	3,624,049	3,645,441	3,699,577	3,894,915	4,213,414
Pupil Health	576,183	674,357	713,261	596,563	605,731	685,554	715,595	651,067	664,503	598,179
Business	426,834	465,424	482,403	472,822	1,078,762	576,368	678,330	543,014	482,888	592,754
Oper. & Maint. Of Plant Svcs	5,319,604	4,795,526	4,953,624	4,982,040	5,171,600	5,310,288	5,361,312	5,759,292	6,059,513	6,495,332
Student Transportation Services	2,491,232	2,460,200	2,534,705	2,748,980	3,068,438	3,182,791	3,174,120	2,915,818	3,310,558	3,450,225
Central Services	98,181	1,004,524	956,566	946,760	1,105,377	1,246,128	1,084,041	1,239,268	1,520,463	1,526,337
Other Services	64,988	63,974	65,693	69,619	64,174	63,822	64,026	66,672	74,036	67,728
Noninstructional Services										
Student Activities	1,240,560	1,290,849	1,379,273	1,555,861	1,599,188	1,677,988	1,599,605	1,602,960	1,784,135	1,860,328
Community Services	4,100	3,178	4,495	5,433	3,441	4,455	3,694	3,121	6,220	3,474
Capital Outlay	1,077,971	2,253,171	6,279,509	6,646,241	5,158,979	28,042,915	46,331,949	33,074,611	5,255,247	1,011,329
Debt Service										
Principal	3,140,714	3,210,000	3,230,000	3,305,000	14,045,000	1,270,000	1,540,000	3,445,000	4,541,235	5,161,359
Interest	1,344,523	1,343,481	1,431,500	1,352,604	2,481,132	4,619,530	4,976,828	5,889,164	5,870,933	5,735,079
Refund of Prior Year's Receipts	<u>180,533</u>	<u>62,833</u>	<u>96,222</u>	<u>181,623</u>	<u>83,628</u>	<u>32,683</u>	<u>25,272</u>	<u>72,477</u>	<u>71,512</u>	<u>82,137</u>
Total Expenditure	<u>57,056,341</u>	<u>58,748,712</u>	<u>64,224,883</u>	<u>66,737,736</u>	<u>79,971,008</u>	<u>93,191,093</u>	<u>113,061,855</u>	<u>105,634,987</u>	<u>80,533,008</u>	<u>79,606,602</u>

(1) Included General, Debt Service, and Capital Projects Funds

(2) The amounts include operating, as well as, capital expenditures

REVENUE CAPACITY STATISTICS

These schedules contain information to assist the reader in assessing the School District's ability to generate tax revenue.

Table 6

**PETERS TOWNSHIP SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Taxable Assessed Value ¹	Estimated Market Value ²	Total Direct Tax Rate	Ratio of Total Assessed Value to to Estimated Market Value
2014	\$ 336,832,664	\$ 2,152,776,343	102.00 mills	15.6%
2015	341,457,423	2,269,148,667	107.14 mills	15.0%
2016	338,647,732	2,304,326,626	110.75 mills	14.7%
2017	342,410,002	2,447,516,261	113.40 mills	14.0%
2018	3,082,507,456	2,463,130,221	13.19 mills ³	125.1%
2019	3,090,414,699	2,706,837,560	13.50 mills	114.2%
2020	3,123,572,692	2,729,285,862	13.81 mills	114.4%
2021	3,160,614,806	2,931,929,244	14.16 mills	107.8%
2022	3,214,268,278	2,970,098,625	14.58 mills	108.2%
2023	3,284,844,829	3,136,580,094	15.07 mills	104.7%

(1) Source - Washington County Assessment Office. The assessment office does not have data which separates commercial and residential assessment values.

(2) Source - Pennsylvania State Tax Equalization Board

(3) The School District Tax Rate was reduced in 2018 to account for the County-wide Reassessment and overall increase in Taxable Assessed Value. The School District Tax Rate was reduced to achieve a revenue-neutral Tax Rate in compliance with Commonwealth law.

Table 7

**PETERS TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Total Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent & Liened Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
		Amount	Percentage			
2014	\$33,453,536	32,342,878	96.68%	429,327	32,772,205	97.96%
2015	\$35,696,844	34,476,311	96.58%	504,993	34,981,304	98.00%
2016	\$37,505,236	36,284,456	96.75%	506,633	36,791,089	98.10%
2017	\$38,829,294	37,439,552	96.42%	489,026	37,928,578	97.68%
2018	\$40,658,273	39,020,330	95.97%	544,751	39,565,081	97.31%
2019	\$41,720,598	40,788,826	97.77%	554,204	41,343,030	99.10%
2020	\$43,136,539	42,152,959	97.72%	360,902	42,513,861	98.56%
2021	\$44,754,306	43,546,684	97.30%	635,078	44,181,762	98.72%
2022	\$46,864,031	46,091,134	98.35%	576,204	46,667,338	99.58%
2023	\$49,502,613	48,338,449	97.65%	-	48,338,449	97.65%

Table 8

**PETERS TOWNSHIP SCHOOL DISTRICT
TEN LARGEST REAL ESTATE TAXPAYERS
CURRENT AND TEN YEARS AGO**

As of June 30, 2023				As of June 30, 2014			
		Assessed Valuation	Percent of Total Valuation			Assessed Valuation	Percent of Total Valuation
1	Donaldson's Crossroads Associates	35,684,200	1.1%	Waterdam Plaza Associates		3,801,459	1.2%
2	Waterdam Plaza Associates	25,091,500	0.8%	Donaldson's Crossroads Associates		1,709,515	0.5%
3	McDowell Partnership	13,775,100	0.4%	HCRI PA Properties		1,206,738	0.4%
4	HCRI PA Properties	13,427,300	0.4%	HCR Manorcare		1,089,000	0.3%
5	Waters of Peters Township	12,933,100	0.4%	Gallery Shoppes (I,II,III,Ltd.)		1,037,884	0.3%
6	Gallery Shoppes (I,II,III,Ltd.)	11,347,800	0.3%	K-Mart		904,200	0.3%
7	Waterdam Partners	9,577,000	0.3%	Valleybrook Country Club		708,651	0.2%
8	PA Real Estate LLC	8,028,000	0.2%	Gregg Schwotzer		666,079	0.2%
9	HCR Manorcare	6,300,000	0.2%	Lakeview Square Associates		501,854	0.2%
10	Gregg Schwotzer	6,026,000	0.2%	Mark Miller		500,272	0.2%
Total		142,190,000	4.3%	Total		12,125,652	3.7%

Source: Information gathered from Peters Township

Table 9

**PETERS TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(Tax Rate Per \$1,000 of Assessed Valuation)
LAST TEN FISCAL YEARS**

Fiscal Year	Peters Township	Overlapping Rates		Total Direct and Overlapping Rates
		Peters Township School District	Washington County	
2014	13.0	102	24.9	139.9
2015	13.0	107.1	24.9	145.0
2016	13.0	110.75	24.9	148.7
2017	13.0	113.4	24.9	151.3
2018 ¹	1.522	13.19	2.43	17.1
2019	1.622	13.5	2.43	17.6
2020	1.622	13.81	2.43	17.9
2021	1.622	14.16	2.43	18.2
2022	1.622	14.58	2.43	18.6
2023	1.700	15.07	2.43	19.2

Tax rate is expressed in mills. One mill of tax is equal to \$1.00 for every \$1,000 of assessed property value. Used to calculate a tax levied on real estate.
Township tax levy for operating purposes.

(1) Decrease in Tax Rates due to County-wide Reassessment of all taxable property in 2018.

Table 10

**PETERS TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

As of June 30, 2023		As of June 30, 2014	
Name	Type of Business	Name	Type of Business
Peters Township School District	Education	Commercial Employees Inc.	Employment Service
Sunny Days In Home Care LLC	Healthcare	Peters Township School District	Education
Giant Eagle Markets, Inc.	Grocery Store	Giant Eagle Markets, Inc.	Grocery Store
Mancan Inc.	Employment Service	Valleybrook Country Club	Country Club
Compati Home Healthcare, LLC	Healthcare	Heartland Employment Service	Nursing Home
Highmark Health/Allegheny Clinic	Healthcare	Sears Roebuck & Co.	Service Center
Valleybrook Country Club	Country Club	Peters Township	Government
Peters Township	Government	Kmart	Retail Store
PNC Bank NA	Finance	Mancan	Employment Service
Paramount Senior Living	Nursing Home	First Student	Transportation

Source: Information gathered from Peters Township

DEBT CAPACITY STATISTICS

These schedules present information to assist the reader in assessing the amount of the School District's debt and the School District's ability to issue future debt.

Table 11

**PETERS TOWNSHIP SCHOOL DISTRICT
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Outstanding General Obligation Bonds	Outstanding General Obligation Notes	Total Primary Government	Percentage of Earned Income	Ratio of Debt Outstanding to Assessed Value	Total Debt Per Capita ¹	Bonded Debt Per Capita ¹	Ratio of General Bonded Debt Outstanding to Assessed Value
2014	27,090,994	18,135,000	45,225,994	4.0%	13.7%	\$2,159	\$1,293	13.7%
2015	33,679,876	18,125,000	51,804,876	4.5%	15.4%	\$2,455	\$1,595	15.4%
2016	30,338,148	18,115,000	48,453,148	4.4%	14.2%	\$2,193	\$1,373	14.2%
2017	26,969,730	18,105,000	45,074,730	3.8%	13.3%	\$2,036	\$2,036	13.3%
2018	108,524,810	27,060,000	135,584,810	10.8%	39.6%	\$6,157	\$6,157	39.6%
2019	106,695,259	26,980,000	133,675,259	10.9%	4.3%	\$6,060	\$6,060	4.3%
2020	125,528,070	26,100,000	151,628,070	11.9%	4.9%	\$6,878	\$6,878	4.9%
2021	123,999,981	23,010,000	147,009,981	11.3%	4.7%	\$6,407	\$6,407	4.7%
2022	122,320,673	19,550,000	141,870,673	9.8%	4.5%	\$6,161	\$6,161	4.5%
2023	120,336,365	15,795,000	136,131,365	9.1%	4.2%	\$5,853	\$5,853	4.2%

(1) Based on Annual Population Figures in Peters Township Annual Comprehensive Financial Report

Table 12

PETERS TOWNSHIP SCHOOL DISTRICT
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest & Other Fees	Total Debt Service	Total General Expenditures ¹	Ratio of Debt Service to General Expenditures
2014	3,140,714	1,344,523	4,485,237	57,056,341	7.86%
2015	3,210,000	1,343,481	4,553,481	58,748,712	7.75%
2016	3,230,000	1,431,500	4,661,500	64,224,883	7.26%
2017	3,305,000	1,352,604	4,657,604	66,737,736	6.98%
2018	14,045,000	2,481,132	16,526,132	79,971,008	20.67%
2019	1,270,000	4,619,530	5,889,530	93,191,093	6.32%
2020	1,540,000	4,976,828	6,516,828	113,061,855	5.76%
2021	3,445,000	5,889,164	9,334,164	105,634,987	8.84%
2022	4,541,235	5,870,933	10,412,168	80,533,008	12.93%
2023	5,161,359	5,735,079	10,896,438	79,606,602	13.69%

(1) Includes General, Debt Service and Capital Projects Funds

Table 13

**PETERS TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS ¹**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$110,655,818	\$116,445,415	\$122,163,483	\$127,887,217	\$133,608,627	\$140,054,122	\$145,183,522	\$149,397,500	\$154,791,980	\$161,173,869
Outstanding Debt Applicable to the Debt Limit	<u>\$44,325,000</u>	<u>\$51,115,000</u>	<u>\$47,885,000</u>	<u>\$44,580,000</u>	<u>\$124,935,000</u>	<u>\$123,665,000</u>	<u>\$136,100,000</u>	<u>\$132,655,000</u>	<u>\$128,690,000</u>	<u>\$124,125,000</u>
Legal Debt Margin	<u>\$66,330,818</u>	<u>\$65,330,415</u>	<u>\$29,201,583</u>	<u>\$30,994,585</u>	<u>\$8,673,627</u>	<u>\$16,389,122</u>	<u>\$9,083,522</u>	<u>\$16,742,500</u>	<u>\$26,101,980</u>	<u>\$30,666,980</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	40.1%	43.9%	39.2%	34.9%	93.5%	88.3%	93.7%	88.8%	83.1%	77.0%

(1) The nonelectoral debt limit is set forth in the Pennsylvania Local Government Unit Debt Act and is defined as the average net revenues for the three most recent years multiplied by electoral debt limit .percentage (225%). The Act utilizes gross bonds and notes outstanding in the calculation of legal debt margin and excludes financing agreements and lease liabilities from the calculation.

Table 14

**PETERS TOWNSHIP SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN AS OF JUNE 30, 2023**

	Nonelectoral Debt	Lease Rental Debt	Total
Total Gross Debt	\$124,125,000	\$0	\$124,125,000
Less: Debt Minus Exclusions	\$0	\$0	\$0
Gross Debt Minus Exclusions	\$124,125,000	\$0	\$124,125,000
Applicable Debt Limitations (1)			
Nonelectoral Regular			
Borrowing Base (2) x 225%	\$161,173,869		
\$71,632,831			
Nonelectoral Plus Lease Rental			
Borrowing Base (2) x 325%			\$232,806,700
\$71,632,831			
Additional Borrowing Capability			
- Nonelectoral Regular	\$37,048,869		
- Nonelectoral Plus Lease Rental			\$108,681,700

(1) As set forth in the Pennsylvania Local Government Unit Debt Act (LGUDA)

(2) Borrowing based defined in Act as average net revenues for three most recent years

(3) The Pennsylvania Unit Debt Act utilizes gross bonds and notes outstanding in the calculation of legal debt margin and excludes capital leases from the calculation.

Table 15

**PETERS TOWNSHIP SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2023**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Peters Township*	Amount Applicable to Peters Township**
Direct Debt			
Peters Township School District	\$136,131,365	100.0%	\$136,131,365
Total Direct Debt			<u>\$136,131,365</u>
Overlapping Debt			
Peters Township	\$32,918,352 (a)	100.0%	\$32,918,352
Washington County	\$34,455,325 (a)	18.2% (b)	\$6,260,048
Total Overlapping Debt	<u>\$203,505,042</u>		<u>\$39,178,400</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$175,309,765</u></u>

(a) Township and County Outstanding Debt as of December 31, 2023

(b) County Percentage of Overlapping Debt based on the ratio of School District Assessed Value to County Assessed Value. School District Assessed Value data is detailed in Table 6

DEMOGRAPHIC AND ECONOMIC STATISTICS

These schedules offer demographic and economic indicators to assist the reader in understanding the environment in which the School District's financial activities take place.

Table 16

**PETERS TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

Calendar Year	Population (1)	Total Personal Income	Per Capita Personal Income	Median Household Income (2)	Median Age (2)	Unemployment Rate (2)
2014	20,950	\$1,125,886,000	\$53,742	\$107,237	40.9	3.7%
2015	21,100	1,152,131,200	54,603	108,500	42.6	4.0%
2016	22,098	1,097,947,600	49,685	109,713	41.6	4.2%
2017	22,143	1,192,335,000	53,847	115,391	45.6	4.0%
2018	22,021	1,255,234,000	57,002	122,740	49.1	3.8%
2019	22,057	1,222,820,200	55,439	127,837	44	3.2%
2020	22,044	1,275,264,000	57,851	131,771	43.5	2.6%
2021	22,946	1,295,875,400	56,475	134,501	44.4	2.2%
2022	23,029	1,440,516,800	62,552	134,501	44.1	2.2%
2023	23,258	1,493,391,200	64,210	134,501	44.1	2.2%

(1) Information gathered from Peters Township

(2) Source: Census.gov

OPERATING STATISTICS

These schedules contain information about the School District's operations and resources to assist the reader in understanding how the School District's financial information relates to the services that the School District provides.

Table 17

**PETERS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF TOTAL EXPENDITURES PER PUPIL
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Expenditures	Enrollment	Cost Per Pupil	General Fund Expenditures	Cost Per Pupil General Fund	Percent Increase(Decrease) General Fund
2014	\$57,056,341	4,299	\$13,272	\$51,214,596	\$11,913	13.7%
2015	58,748,712	4,217	13,931	51,697,065	12,259	2.9%
2016	64,224,883	4,220	15,219	52,962,316	12,550	2.4%
2017	66,737,736	4,105	16,258	55,024,747	13,404	6.8%
*2018	79,971,008	4,049	19,751	57,763,682	14,266	6.4%
*2019	93,191,093	4,070	22,897	59,014,432	14,500	1.6%
*2020	113,061,855	3,989	28,343	59,702,202	14,967	3.2%
*2021	105,634,987	3,965	26,642	63,043,997	15,900	6.2%
*2022	80,533,008	3,953	20,373	65,328,840	16,526	3.9%
2023	79,606,602	3,933	20,241	68,235,583	17,349	5.0%

*Reflects the new High School building and Middle School renovations.

Source: From the School District's Audit Reports

Table 18

**PETERS TOWNSHIP SCHOOL DISTRICT
PUPIL/TEACHER RATIO AND ATTENDANCE
LAST TEN FISCAL YEARS**

Fiscal Year	Enrollment	Teaching Staff*	Pupil/Teacher Ratio	Student Attendance Percentage	Number of Free & Reduced**	Percentage of Free & Reduced**
2014	4,299	280	15.4	96.8%	188	7.82%
2015	4,217	282	15.0	96.9%	189	9.52%
2016	4,220	278	15.2	96.0%	229	5.43%
2017	4,105	281	14.6	96.0%	283	6.89%
2018	4,049	274	14.8	96.9%	299	7.38%
2019	4,070	274	14.9	96.5%	297	7.30%
2020	3,989	273	14.6	96.0%	298	7.47%
2021	3,965	280	14.2	96.0%	N/A***	N/A***
2022	3,953	272	14.5	97.5%	N/A***	N/A***
2023	3,933	265	14.8	97.5%	388	9.87%

*Reflects full-time equivalents for professional staff excluding Administrators, but including all special subject areas.

**These are students eligible under Federal guidelines for free or reduced price lunches. All numbers were taken from the month of October for the years which information is available.

***Free and Reduced was not tracked as all students received free meals, due to the COVID-19 Pandemic

Table 19

**PETERS TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT EMPLOYEES
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Supervisory										
Administration	14.00	15.00	15.00	15.00	14.00	14.00	15.00	15.00	15.00	15.00
Principals	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Assistant Principals/Athletic Director	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00
Total Supervisory	25.00	26.00	26.00	27.00	26.00	26.00	27.00	27.00	27.00	28.00
Instruction										
Elementary Classroom Teachers	119.00	118.00	116.00	114.00	114.00	118.00	117.00	133.00	138.00	139.00
Secondary Classroom Teachers	155.00	155.00	152.00	151.00	147.00	148.00	147.00	132.00	128.00	126.00
Total Instruction	274.00	273.00	268.00	265.00	261.00	266.00	264.00	265.00	266.00	265.00
Student Services										
Guidance Counselors	11.00	11.00	11.00	12.00	12.00	12.00	13.00	12.00	12.00	11.00
Nurses	4.00	5.00	6.00	5.00	4.00	4.00	4.00	5.00	5.00	4.00
Librarians	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Total Student Services	20.00	21.00	22.00	22.00	21.00	21.00	22.00	22.00	22.00	20.00
Support and Administration										
Clerical/Secretarial	29.00	27.00	26.00	27.00	29.00	26.00	26.00	26.00	24.00	24.00
Administrative Assistant/Specialists	8.00	8.00	6.00	5.00	6.00	6.00	5.00	5.00	5.00	5.00
Other Support Staff*	55.00	57.00	59.00	63.00	69.00	71.00	70.00	68.00	59.00	53.00
Service Workers**	94.00	100.00	102.00	108.00	112.00	111.00	119.00	110.00	124.00	127.00
Total Support and Administration	186.00	192.00	193.00	203.00	216.00	214.00	220.00	209.00	212.00	209.00
TOTAL	<u>505.00</u>	<u>512.00</u>	<u>509.00</u>	<u>517.00</u>	<u>524.00</u>	<u>527.00</u>	<u>533.00</u>	<u>523.00</u>	<u>527.00</u>	<u>522.00</u>

*Other Support Staff = Paraprofessional, Health Aides.

**Service workers = Custodians, Head Custodians, Skilled Trades, Cafeteria.

Source: School District Human Resource Department.

Table 20

**PETERS TOWNSHIP SCHOOL DISTRICT
INFORMATION ON TEACHING STAFF
LAST TEN FISCAL YEARS**

Fiscal Year		Education						Average Salary/ Total
		Bachelors	Bachelors +15	Masters	Masters+20	Masters+55	Ph D	
2014	Salary Range	\$44,700-97,974	\$45,400-98,679	\$47,150-100,383	\$47,600-101,081	\$48,150-101,778	\$48,500-102,564	\$69,021
	Number of Teachers	19	71	167	20	0	2	279
2015	Salary Range	\$45,900-100,274	\$46,600-100,979	\$48,350-102,683	\$48,800-103,381	\$49,350-104,078	\$49,700-104,864	\$71,894
	Number of Teachers	19	69	167	21	0	2	278
2016	Salary Range	\$45,900-100,774	\$46,600-101,479	\$48,350-103,183	\$48,800-103,881	\$48,350-104,578	\$49,700-105,364	\$72,434
	Number of Teachers	18	62	173	18	0	2	273
2017	Salary Range	\$45,900-101,524	\$46,600-102,229	\$48,350-103,933	\$48,800-104,631	\$48,350-105,328	\$49,700-106,114	\$73,340
	Number of Teachers	17	62	171	17	1	2	270
2018	Salary Range	\$46,900-102,524	\$47,600-103,229	\$49,350-104,933	\$49,800-105,631	\$50,350-106,328	\$50,700-107,114	\$75,208
	Number of Teachers	15	60	173	14	1	3	266
2019	Salary Range	\$47,900-103,524	\$48,600-104,229	\$50,350-105,933	\$50,800-106,631	\$51,350-107,328	\$51,700-108,114	\$76,785
	Number of Teachers	13	60	180	14	1	3	271
2020	Salary Range	\$48,900-104,524	\$49,600-105,229	\$51,350-106,933	\$51,800-107,631	\$52,350-108,328	\$52,700-109,114	\$78,975
	Number of Teachers	15	60	177	13	1	3	269
2021	Salary Range	\$49,900-105,524	\$50,600-106,229	\$52,350-107,933	\$52,800-108,631	\$53,350-109,328	\$53,700-110,114	\$82,219
	Number of Teachers	22	57	175	13	0	3	270
2022	Salary Range	\$50,900-106,924	\$51,600-107,629	\$53,350-109,333	\$53,800-110,031	\$54,350-110,728	\$54,700-111,514	\$84,690
	Number of Teachers	20	55	177	16	0	3	271
2023	Salary Range	\$51,900-108,324	\$55,600-109,029	\$54,350-110,733	\$54,800-111,431	\$55,350-112,128	\$55,700-112,914	\$88,176
	Number of Teachers	17	50	178	15	1	4	265

Source: School District Human Resource Department.

Table 21

**PETERS TOWNSHIP SCHOOL DISTRICT
BUILDING INFORMATION
YEAR ENDED JUNE 30, 2023**

Building	Year of Construction		Classrooms	Enrollment	Capacity	Percentage of Capacity Used	Staffing		Building Square Footage	Site Acreage
	Original	Latest Renovation					Professional	Support		
<u>Elementary Schools</u>										
Bower Hill - K-3	1999	2007	30	690	850	81.2%	43	30	84,914	18
Pleasant Valley - K-3	1963	1994	17	471	500	94.2%	28	18	47,923	81 (1)
McMurray - 4-5	1993	2015	41	633	1025	61.8%	44	34	116,000	23.5 (2)
<u>Secondary Schools</u>										
PTSD Middle School - 6-8	1968	2021	64	914	1448	63.1%	69	29	237,230	81 (1)
PTSD High School - 9-12	2021	N/A	73	1216	1680	72.4%	96	34	294,000	90
<u>Other</u>										
District Administration Office	1948	1983					12	5	17,163	18
Maintenance / Bus Garage	2003	N/A					3	35	18,136	23.5 (2)

(1) Pleasant Valley Elementary and the PTSD Middle School share a joint site totaling 81.0 acres.

(2) McMurray Elementary and the Maintenance / Bus Garage share a joint site totaling 23.5 acres.

Source: School District Human Resource Department, Finance Office and Facilities Department.

SINGLE AUDIT SECTION

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Members of the Board
Peters Township School District
McMurray, Pennsylvania

Dear Members:

The reports contained in this single audit section are required in addition to the financial statements. The various reports for Peters Township School District for the period ended June 30, 2023 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 9, 2024

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
Peters Township School District
McMurray, 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 Peters Township School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Peters Township School District's basic financial statements, and have issued our report thereon dated February 9, 2024.

Report on Internal Control Over Financial Reporting

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

Purpose of this Report

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

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
February 9, 2024

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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
Peters Township School District
McMurray, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Peters Township 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 Peters Township 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 Peters Township 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 Peters Township 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 Peters Township 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 Peters Township 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 Peters Township 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 Peters Township 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 9, 2024

**Peters Township School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023**

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 | _____ <input checked="" type="checkbox"/> | no |
| • | Significant deficiency(ies) identified? | _____ | yes | _____ <input checked="" type="checkbox"/> | none reported |

Noncompliance material to financial statements noted?	_____	yes	_____ <input checked="" type="checkbox"/>	no
--	-------	-----	---	----

Federal Awards

Internal control over major programs:

- | | | | | | |
|---|---|-------|-----|---|---------------|
| • | Material weakness(es) identified? | _____ | yes | _____ <input checked="" type="checkbox"/> | no |
| • | Significant deficiency(ies) identified? | _____ | yes | _____ <input checked="" type="checkbox"/> | 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	_____ <input checked="" type="checkbox"/>	no
--	-------	-----	---	----

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?	_____ <input checked="" type="checkbox"/>	yes	_____	no
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**Peters Township School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023**

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.

Peters Township School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

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 07/01/22	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/23
U.S. Department of Education Passed through the Pennsylvania Department of Education										
Title I Improving Basic Programs	I	84.010	013-230334	07/01/22-09/30/23	\$ 91,575	\$ 91,577	\$ -	\$ 91,575	\$ 91,575	\$ (2)
Title I Improving Basic Programs	I	84.010	013-220334	07/01/21-09/30/22	92,835	2,976	2,976	-	-	-
						94,553	2,976	91,575	91,575	(2)
Title II Improving Teacher Quality	I	84.367	020-230334	07/01/22-09/30/23	50,624	50,026	-	50,624	50,624	598
Title II Improving Teacher Quality	I	84.367	020-220334	07/01/21-09/30/22	52,084	(822)	(822)	-	-	-
						49,204	(822)	50,624	50,624	598
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-230334	07/01/22-09/30/23	10,000	10,000	-	10,000	10,000	-
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-220334	07/01/21-09/30/22	10,000	4,000	4,000	-	-	-
						14,000	4,000	10,000	10,000	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	I	84.425U	223-210334	03/13/20-09/30/24	752,399	588,239	(54,720)	548,984	548,984	(93,975)
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER 7%)	I	84.425U	225-210334	03/13/20-09/30/24	58,479	49,973	607	47,707	47,707	(1,659)
						638,212	(54,113)	596,691	596,691	(95,634)
Special Education Cluster Passed through the Intermediate Unit #1										
IDEA B	I	84.027	062-230003	07/01/22-06/30/23	532,391	531,642	-	532,391	532,391	749
IDEA B	I	84.027	062-220003	07/01/21-06/30/22	638,787	19,761	19,761	-	-	-
IDEA B Section 619	I	84.173	131-220003	07/01/22-06/30/23	3,330	3,330	-	3,330	3,330	-
Competitive Integrated Employment Grant	I	84.027	062-220032	07/01/21-06/30/22	30,000	30,000	30,000	-	-	-
Subtotal Special Education Cluster						584,733	49,761	535,721	535,721	749
Subtotal U.S. Department of Education						1,380,702	1,802	1,284,611	1,284,611	(94,289)

**Peters Township School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

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 07/01/22	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/23
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	07/01/22-06/30/23	N/A	<u>8,860</u>	<u>5,389</u>	<u>7,274</u>	<u>7,274</u>	<u>3,803</u>
U.S. Department of Agriculture Passed through the Pennsylvania Department of Education P-EBT Administrative Costs	I	10.649	N/A	07/01/22-06/30/23	N/A	<u>628</u>	<u>-</u>	<u>628</u>	<u>628</u>	<u>-</u>
National School Lunch Program	I	10.555	N/A	07/01/22-06/30/23	N/A	773,629	353,078	428,568	428,568	8,017
Passed through the Pennsylvania Department of Agriculture National School Lunch Program (Donated Commodities Non Cash Assistance)	I	10.555	N/A	07/01/22-06/30/23	N/A	<u>118,665</u>	<u>(2,536)</u>	<u>117,837</u>	<u>117,837</u>	<u>(3,364)</u>
Total Child Nutrition Cluster						<u>892,294</u>	<u>350,542</u>	<u>546,405</u>	<u>546,405</u>	<u>4,653</u>
Total U.S. Department of Agriculture						<u>892,922</u>	<u>350,542</u>	<u>547,033</u>	<u>547,033</u>	<u>4,653</u>
Total Federal Financial Assistance						<u>\$ 2,282,484</u>	<u>\$ 357,733</u>	<u>\$ 1,838,918</u>	<u>\$ 1,838,918</u>	<u>\$ (85,833)</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

**Peters Township School District
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

EXHIBIT D

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Peters Township School District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Peters Township School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Peters Township 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) Peters Township 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	\$2,282,484
Less: Commodities Received	(118,665)
Less: Passage Through IU	(584,734)
Less: Title 19	(8,860)
Add: Medical Assistance	173,866
Add: State Funding on Confirmation	<u>32,161</u>
Per Subsidy Confirmation	<u><u>\$1,776,252</u></u>

Note E - Subrecipients

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

**Peters Township School District
List of Report Distribution
June 30, 2023**

EXHIBIT E

1 Copy – Bureau of Audits

1 Copy – General Services Administration