

**Peters Township School District
Financial Statements
June 30, 2022**

**Peters Township School District
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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, 2022, 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, 2022, 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.

Change in Accounting Principle

As described in Note 18 to the financial statements, Peters Township School District adopted new accounting guidance, GASB Statement No. 87 "*Leases*". Our opinions are not modified with respect to that matter.

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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2023, 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, Muetzl & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
March 22, 2023

**Peters Township School District
Management's Discussion and Analysis
June 30, 2022**

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, 2022. 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 2021/2022 fiscal year, Peters Township School District experienced a decrease in student population of 12 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 2021/2022 fiscal year, Capital Projects Fund expenditures include \$956,577 related to the construction of the New High School and \$4,298,670 for the Middle School renovation project. The District also purchased two new seventy-two passenger school buses for \$174,060.

Expenditures in the General Fund increased by \$4,269,868 compared to the 2020/2021 school year. This increase is attributed to an increase in salary, benefits and debt service. Employee salary costs increased by \$780,077 or 2.42%, while benefit costs increased by \$976,042 or 4.93%. 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 \$4,384,563 in 2021/2022.

Peters Township School District revenues increased by \$3,765,648 compared to the 2020/2021 school year. Earned Income Tax collection increased by \$735,144. 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 \$2,277,433, as a direct result of a 0.42 mill tax increase.

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, 2022**

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

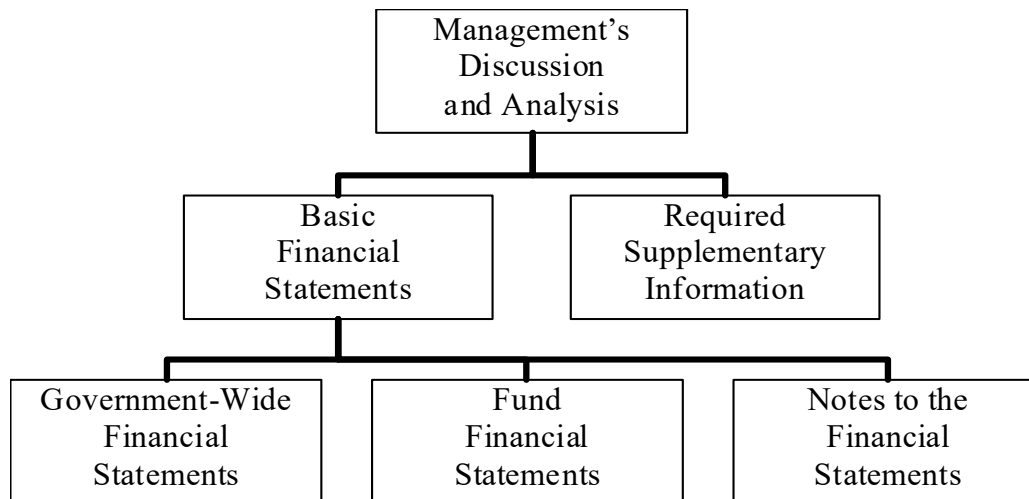


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents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

**Peters Township School District
Management's Discussion and Analysis
June 30, 2022**

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

	Government-Wide	Fund Statements		
	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, 2022**

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.

**Peters Township School District
Management's Discussion and Analysis
June 30, 2022**

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 \$(82,561,854) at June 30, 2022 and a deficit \$(88,452,611) at June 30, 2021.

Table A - 1
Years Ended June 30, 2022 and 2021
Net Position

	2022			2021		
	Governmental Activities	Business- Type Activities	Totals	Governmental Activities	Business- Type Activities	Totals
Current and Other Assets	\$ 28,126,862	\$ 756,237	\$ 28,883,099	\$ 36,577,790	\$ 247,956	\$ 36,825,746
Capital Assets	<u>151,238,219</u>	<u>54,855</u>	<u>151,293,074</u>	<u>150,828,429</u>	<u>64,282</u>	<u>150,892,711</u>
Total Assets	<u>179,365,081</u>	<u>811,092</u>	<u>180,176,173</u>	<u>187,406,219</u>	<u>312,238</u>	<u>187,718,457</u>
Deferred Outflows of Resources	<u>24,374,478</u>	<u>229,610</u>	<u>24,604,088</u>	<u>18,483,473</u>	<u>173,688</u>	<u>18,657,161</u>
Current and Other Liabilities	14,106,528	219,089	14,325,617	16,661,274	228,464	16,889,738
Noncurrent Liabilities						
Due Within One Year	5,311,359	-	5,311,359	4,115,000	-	4,115,000
Due in More Than One Year	<u>248,137,067</u>	<u>943,724</u>	<u>249,080,791</u>	<u>267,795,865</u>	<u>1,308,161</u>	<u>269,104,026</u>
Total Liabilities	<u>267,554,954</u>	<u>1,162,813</u>	<u>268,717,767</u>	<u>288,572,139</u>	<u>1,536,625</u>	<u>290,108,764</u>

**Peters Township School District
Management's Discussion and Analysis
June 30, 2022**

Table A - 1
Years Ended June 30, 2022 and 2021
Net Position

	2022			2021		
	Governmental Activities	Business- Type Activities	Totals	Governmental Activities	Business- Type Activities	Totals
Deferred Inflows of Resources	<u>18,468,907</u>	<u>155,441</u>	<u>18,624,348</u>	<u>4,679,367</u>	<u>40,098</u>	<u>4,719,465</u>
Net Position						
Net Investment in Capital Assets	13,302,103	54,855	13,356,958	14,359,608	64,282	14,423,890
Unrestricted	<u>(95,586,405)</u>	<u>(332,407)</u>	<u>(95,918,812)</u>	<u>(101,721,422)</u>	<u>(1,155,079)</u>	<u>(102,876,501)</u>
Total Net Position	<u>\$ (82,284,302)</u>	<u>\$ (277,552)</u>	<u>\$ (82,561,854)</u>	<u>\$ (87,361,814)</u>	<u>\$ (1,090,797)</u>	<u>\$ (88,452,611)</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.

**Peters Township School District
Management's Discussion and Analysis
June 30, 2022**

Table A - 2
Years Ended June 30, 2022 and 2021
Change in Net Position

	2022			2021		
	Governmental Activities	Business- Type Activities	Totals	Governmental Activities	Business- Type Activities	Totals
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ 274,094	\$ 274,094	\$ -	\$ 94,437	\$ 94,437
Operating Grants and Contribs.	11,537,443	1,757,390	13,294,833	11,509,650	771,436	12,281,086
Capital Grants and Contribs.	634,042	-	634,042	464,136	-	464,136
General Revenues						
Property Taxes	46,771,674	-	46,771,674	44,263,211	-	44,263,211
Other Taxes	8,796,176	-	8,796,176	7,962,881	-	7,962,881
Grants, Subsidies and Contribs.						
Unrestricted	6,466,447	-	6,466,447	6,359,524	-	6,359,524
Investment Earnings	228,478	788	229,266	704,660	82	704,742
Miscellaneous Income	111,636	-	111,636	110,216	-	110,216
Total Revenues	<u>74,545,896</u>	<u>2,032,272</u>	<u>76,578,168</u>	<u>71,374,278</u>	<u>865,955</u>	<u>72,240,233</u>
Expenses						
Instruction	42,856,242	-	42,856,242	47,934,554	-	47,934,554
Instructional Student Support	5,036,832	-	5,036,832	5,563,441	-	5,563,441
Admin. and Fin. Support Svcs.	6,245,427	-	6,245,427	5,828,038	-	5,828,038
Operation and Maintenance of Plant Services	5,554,537	-	5,554,537	5,869,614	-	5,869,614
Pupil Transportation	3,243,465	-	3,243,465	2,766,699	-	2,766,699
Student Activities	1,779,612	-	1,779,612	1,868,673	-	1,868,673
Community Services	6,220	-	6,220	3,121	-	3,121
Interest on Long-Term Debt	4,731,566	-	4,731,566	4,943,632	-	4,943,632
Food Service	-	1,219,027	1,219,027	-	1,055,282	1,055,282
Total Expenses	<u>69,453,901</u>	<u>1,219,027</u>	<u>70,672,928</u>	<u>74,777,772</u>	<u>1,055,282</u>	<u>75,833,054</u>
Increase (Decrease) in Net Position	5,091,995	813,245	5,905,240	(3,403,494)	(189,327)	(3,592,821)
Beginning Net Position						
(Restated - See Note 18)	<u>(87,376,297)</u>	<u>(1,090,797)</u>	<u>(88,467,094)</u>	<u>(83,958,320)</u>	<u>(901,470)</u>	<u>(84,859,790)</u>
Ending Net Position	<u>\$ (82,284,302)</u>	<u>\$ (277,552)</u>	<u>\$ (82,561,854)</u>	<u>\$ (87,361,814)</u>	<u>\$ (1,090,797)</u>	<u>\$ (88,452,611)</u>

**Peters Township School District
Management's Discussion and Analysis
June 30, 2022**

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, 2022 and 2021
Governmental Activities

	2022		2021	
	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Functions/Programs				
Instruction	\$ 42,856,242	\$ 34,537,526	\$ 47,934,554	\$ 39,751,436
Instructional Student Support	5,036,832	4,370,634	5,563,441	4,572,238
Admin. and Fin. Support Svcs.	6,245,427	5,701,627	5,828,038	5,306,109
Operation and Maintenance of Plant Services	5,554,537	5,120,528	5,869,614	5,469,532
Pupil Transportation	3,243,465	2,327,069	2,766,699	1,819,663
Student Activities	1,779,612	1,156,359	1,868,673	1,437,425
Community Services	6,220	6,220	3,121	3,121
Interest on Long-Term Debt	4,731,566	4,062,453	4,943,632	4,444,462
Total Governmental Activities	\$ 69,453,901	57,282,416	\$ 74,777,772	62,803,986
Less:				
Unrestricted Grants, Subsidies		(6,466,447)		(6,359,524)
Total Needs from Local Taxes and Other Revenues		\$ 50,815,969		\$ 56,444,462

**Peters Township School District
Management's Discussion and Analysis
June 30, 2022**

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, 2022 and 2021
Business-Type Activities

	2022		2021	
	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>\$1,219,027</u>	\$ 812,457	<u>\$1,055,282</u>	\$ 189,409
Add/Less:				
Investment Earnings		<u>(788)</u>		<u>(82)</u>
Total Business-Type Activities		<u>\$ 811,669</u>		<u>\$ 189,327</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, 2022, the School District's General Fund reported a fund balance of \$10,532,698, which is a decrease of \$507,213 from the previous year's balance. Overall expenditures were more than budgeted amounts by \$844,405 while revenues exceeded budget by \$1,953,498.

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, 2022, 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 \$587,208 more than the budgeted amount for real estate transfer taxes and \$873,879 more in earned income taxes than the budgeted amount. Local revenues outperformed budgeted amounts by \$2,288,675.

**Peters Township School District
Management's Discussion and Analysis
June 30, 2022**

The School District received \$124,484 less than budgeted for State Social Security and Retirement reimbursement due to lower than anticipated salary expenditures. The District received \$108,340 less than budgeted for Transportation Reimbursement and \$109,396 greater than budgeted for the Basic Instructional Subsidy. Overall, the District received \$86,149 less in state revenue than the budgeted amount, but increased \$430,597 from 2020/2021.

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, 2022, the School District's governmental funds had \$150,007,928 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 \$820,501 from June 30, 2021 as outlined in Table A-5.

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

	2022	2021
Land and Land Improvements	\$ 6,742,568	\$ 6,742,568
Buildings and Building Improvements	140,916,257	128,165,932
Furniture and Equipment	2,349,103	2,605,194
Construction in Progress	-	13,314,735

Debt Administration

As of July 1, 2021, the School District had total outstanding bond and note principal of \$132,655,000. The School District retired debt of \$3,965,000 during the year resulting in a total outstanding bond and note principal balance as of June 30, 2022, of \$128,690,000 as outlined in Table A-6.

**Peters Township School District
Management’s Discussion and Analysis
June 30, 2022**

Table A - 6
Outstanding Debt

General Obligation Bonds/Notes	As of 06/30/22	As of 06/30/21
Series of B 2010	\$ 330,000	\$ 385,000
Series of 2012	14,905,000	18,055,000
Series of 2017 Bonds	42,230,000	42,665,000
Series of 2017 Notes	1,125,000	1,175,000
Series of 2018A	1,545,000	1,800,000
Series of 2018B	1,975,000	1,980,000
Series of 2018C	40,220,000	40,225,000
Series of 2020A	16,215,000	16,220,000
Series of 2020B	10,145,000	10,150,000

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 uninsured 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 75 students over the past ten (10) years, from 4,028 in June 2012 to 3,953 in June 2022. 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
Management's Discussion and Analysis
June 30, 2022**

- 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 22.6% of total revenue sources to fund costs supporting the School District's educational programs during the 2021/2022 school year. Local sources of revenue, primarily property taxes, now support 76.6% of the costs for educational programs and services in Peters Township School District. The federal government provided 0.8% 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
2012-2013	\$ 330,313,614	\$ 33,130,458	\$ 31,477,139	\$ 31,986,179	96.5%
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%

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, 2022**

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
Net Position
June 30, 2022

Exhibit 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 22,972,173	\$ 361,843	\$ 23,334,016
Taxes Receivable, Net	1,847,115	-	1,847,115
Due From Other Governments	2,703,230	360,817	3,064,047
Other Receivables	4,012	-	4,012
Inventories	-	33,577	33,577
Prepaid Items	600,332	-	600,332
Capital Assets not Being Depreciated			
Land	6,742,568	-	6,742,568
Capital Assets, Net of Accumulated Depreciation			
Building & Building Improvements	140,916,257	-	140,916,257
Furniture & Equipment	2,349,103	54,855	2,403,958
Intangible Right-to-Use Asset, net of Amortization	1,230,291	-	1,230,291
TOTAL ASSETS	179,365,081	811,092	180,176,173
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	122,475	-	122,475
Amounts Related to OPEB - District	1,386,566	-	1,386,566
Amounts Related to OPEB - PSERS	1,149,298	11,304	1,160,602
Amounts Related to Pension	21,716,139	218,306	21,934,445
TOTAL DEFERRED OUTFLOWS OF RESOURCES	24,374,478	229,610	24,604,088
LIABILITIES			
Internal Balances	(139,135)	139,135	-
Accounts Payable	3,977,441	6,453	3,983,894
Contracts Payable	2,350,593	-	2,350,593
Accrued Salaries and Benefits	5,470,391	-	5,470,391
Payroll Deductions and Withholdings	142,376	-	142,376
Unearned Revenues	116,200	2,536	118,736
Accrued Interest	1,991,853	-	1,991,853
Other Current Liabilities	196,809	70,965	267,774
Noncurrent Liabilities:			
Due Within One Year	5,311,359	-	5,311,359
Due in More Than One Year:			
Notes Payable	15,795,000	-	15,795,000
Termination Payments	702,720	-	702,720
Compensated Absences	3,234,119	5,408	3,239,527
Bonds Payable	121,510,673	-	121,510,673
Leases Payable	671,650	-	671,650
Other Post-Employment Benefits - District	9,160,221	-	9,160,221
Other Post-Employment Benefits - PSERS	5,366,150	51,850	5,418,000
Net Pension Liability	91,696,534	886,466	92,583,000
TOTAL LIABILITIES	267,554,954	1,162,813	268,717,767
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to OPEB - District	2,389,931	-	2,389,931
Amounts Related to OPEB - PSERS	148,978	1,439	150,417
Amounts Related to Pension	15,929,998	154,002	16,084,000
TOTAL DEFERRED INFLOWS OF RESOURCES	18,468,907	155,441	18,624,348
NET POSITION			
Net Investment in Capital Assets	13,302,103	54,855	13,356,958
Unrestricted	(95,586,405)	(332,407)	(95,918,812)
TOTAL NET POSITION	\$ (82,284,302)	\$ (277,552)	\$ (82,561,854)

See Accompanying Notes

**Peters Township School District
Statement of Activities
Year Ended June 30, 2022**

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	\$ 42,856,242	\$ -	\$ 8,318,716	\$ -	\$ (34,537,526)	\$ -	\$ (34,537,526)
Instructional Student Support	5,036,832	-	666,198	-	(4,370,634)	-	(4,370,634)
Administrative and Financial Support Services	6,245,427	-	543,800	-	(5,701,627)	-	(5,701,627)
Operation and Maintenance of Plant Services	5,554,537	-	434,009	-	(5,120,528)	-	(5,120,528)
Pupil Transportation	3,243,465	-	916,396	-	(2,327,069)	-	(2,327,069)
Student Activities	1,779,612	-	623,253	-	(1,156,359)	-	(1,156,359)
Community Services	6,220	-	-	-	(6,220)	-	(6,220)
Interest on Long-Term Debt	4,731,566	-	35,071	634,042	(4,062,453)	-	(4,062,453)
Total Governmental Activities	69,453,901	-	11,537,443	634,042	(57,282,416)	-	(57,282,416)
Business-type Activities:							
Food Service	1,219,027	274,094	1,757,390	-	-	812,457	812,457
Total Primary Government	\$ 70,672,928	\$ 274,094	\$ 13,294,833	\$ 634,042	(57,282,416)	812,457	(56,469,959)
General Revenues							
Taxes							
Property Taxes Levied for General Purposes, Net					46,771,674	-	46,771,674
Earned Income Taxes					7,212,342	-	7,212,342
Real Estate Transfer Taxes					1,487,208	-	1,487,208
Other Taxes Levied for General Purposes, Net					96,626	-	96,626
Grants, Subsidies and Contributions not Restricted					6,466,447	-	6,466,447
Investment Earnings					228,478	788	229,266
Miscellaneous Income					111,636	-	111,636
Total General Revenues					62,374,411	788	62,375,199
Change in Net Position					5,091,995	813,245	5,905,240
Net Position - July 1, 2021 (Restated - See Note 18)					(87,376,297)	(1,090,797)	(88,467,094)
Net Position - June 30, 2022					\$ (82,284,302)	\$ (277,552)	\$ (82,561,854)

See Accompanying Notes

**Peters Township School District
Balance Sheet
Governmental Funds
June 30, 2022**

Exhibit 3

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 15,441,211	\$ 7,530,962	\$ 22,972,173
Taxes Receivable, Net	1,847,115	-	1,847,115
Due from Other Funds	140,643	-	140,643
Due from Other Governments	2,703,230	-	2,703,230
Other Receivables	2,504	-	2,504
Prepaid Items	600,332	-	600,332
	<u>\$ 20,735,035</u>	<u>\$ 7,530,962</u>	<u>\$ 28,265,997</u>
TOTAL ASSETS			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 3,877,163	\$ 100,278	\$ 3,977,441
Contracts Payable	-	2,350,593	2,350,593
Accrued Salaries and Benefits	5,470,391	-	5,470,391
Payroll Deductions and Withholdings	142,376	-	142,376
Unearned Revenues	116,200	-	116,200
Other Current Liabilities	196,809	-	196,809
	<u>9,802,939</u>	<u>2,450,871</u>	<u>12,253,810</u>
Total Liabilities			
Deferred Inflows of Resources			
Unavailable Revenues - Property Taxes	399,398	-	399,398
	<u>399,398</u>	<u>-</u>	<u>399,398</u>
Fund Balances			
Nonspendable	600,332	-	600,332
Restricted	-	5,080,091	5,080,091
Assigned	8,500,000	-	8,500,000
Unassigned	1,432,366	-	1,432,366
	<u>10,532,698</u>	<u>5,080,091</u>	<u>15,612,789</u>
Total Fund Balances			
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
	<u>\$ 20,735,035</u>	<u>\$ 7,530,962</u>	<u>\$ 28,265,997</u>

See Accompanying Notes

**Peters Township School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022**

Exhibit 4

Total Fund Balances - Governmental Funds \$ 15,612,789

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 \$249,131,771 and the accumulated depreciation is \$99,123,843. 150,007,928

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 \$1,414,425. 1,230,291

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. 399,398

Premiums and discounts on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net position. (13,180,673)

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. 122,475

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	\$ (109,140,000)	
Accrued Interest on the Bonds	(1,991,853)	
Termination Payments	(752,720)	
Leases Payable	(1,268,009)	
Notes Payable	(19,550,000)	
Compensated Absences	<u>(3,334,119)</u>	(136,036,701)

**Peters Township School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022**

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	(9,160,221)	
OPEB Liability - PSERS	(5,366,150)	
Net Pension Liability	(91,696,534)	(106,222,905)

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	21,716,139	
Deferred Inflows of Resources Related to Pensions	(15,929,998)	
Deferred Outflows of Resources Related to OPEB - District	1,386,566	
Deferred Inflows of Resources Related to OPEB - District	(2,389,931)	
Deferred Outflows of Resources Related to OPEB - PSERS	1,149,298	
Deferred Inflows of Resources Related to OPEB - PSERS	(148,978)	5,783,096

Total Net Position - Governmental Activities		\$ (82,284,302)
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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, 2022**

Exhibit 5

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues				
Local Sources	\$ 57,148,598	\$ 145,072	\$ 8,895	\$ 57,302,565
State Sources	16,852,556	-	-	16,852,556
Federal Sources	579,139	-	-	579,139
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	74,580,293	145,072	8,895	74,734,260
Expenditures				
Instruction	42,314,849	-	-	42,314,849
Support Services	20,514,817	174,060	-	20,688,877
Noninstructional Services	1,790,355	-	-	1,790,355
Capital Outlay	-	5,255,247	-	5,255,247
Debt Service (Principal & Interest)	637,307	-	9,774,861	10,412,168
Refunds of Prior Year's Receipts	71,512	-	-	71,512
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	65,328,840	5,429,307	9,774,861	80,533,008
Excess (Deficiency) of Revenues Over Expenditures				
	<hr/>	<hr/>	<hr/>	<hr/>
	9,251,453	(5,284,235)	(9,765,966)	(5,798,748)
Other Financing Sources (Uses)				
Transfers In	-	-	9,765,966	9,765,966
Sale/Compensation for Fixed Assets	7,300	-	-	7,300
Transfers Out	(9,765,966)	-	-	(9,765,966)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(9,758,666)	-	9,765,966	7,300
Net Change in Fund Balances				
	<hr/>	<hr/>	<hr/>	<hr/>
	(507,213)	(5,284,235)	-	(5,791,448)
Fund Balances - July 1, 2021				
	<hr/>	<hr/>	<hr/>	<hr/>
	11,039,911	10,364,326	-	21,404,237
Fund Balances - June 30, 2022				
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 10,532,698	\$ 5,080,091	\$ -	\$ 15,612,789

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, 2022**

Exhibit 6

Total Net Change in Fund Balances - Governmental Funds \$ (5,791,448)

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 amount by which capital outlays exceed depreciation in the period.

Depreciation Expense	\$ (6,249,808)	
Amortization Expense	(599,470)	
Capital Outlays	5,429,307	(1,419,971)

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 decreased by this amount this year. (134,552)

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. 4,541,235

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	(90,476)	
Termination Payments	(96,445)	
Other Post-Employment Benefits - District	(484,737)	
Other Post-Employment Benefits - PSERS	(101,757)	(773,415)

**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, 2022**

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	29,818
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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	1,119,949
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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	11,042,136	
Cost of Benefits Earned	<u>(3,521,757)</u>	<u>7,520,379</u>

Change in Net Position of Governmental Activities	<u>\$ 5,091,995</u>
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See Accompanying Notes

Peters Township School District
Statement of Net Position
Proprietary Funds
June 30, 2022

Exhibit 7

	Food Service Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 361,843
Due From Other Governments	360,817
Inventories	<u>33,577</u>
Total Current Assets	<u>756,237</u>
Noncurrent Assets	
Machinery and Equipment, Net	<u>54,855</u>
TOTAL ASSETS	<u>811,092</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts Related to OPEB	11,304
Amounts Related to Pensions	<u>218,306</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>229,610</u>
LIABILITIES	
Current Liabilities	
Due to Other Funds	139,135
Accounts Payable	6,453
Unearned Revenues	2,536
Other Current Liabilities	<u>70,965</u>
Total Current Liabilities	<u>219,089</u>
Noncurrent Liabilities	
Long-Term Portion of Compensated Absences	5,408
OPEB Liability	51,850
Net Pension Liability	<u>886,466</u>
Total Noncurrent Liabilities	<u>943,724</u>
TOTAL LIABILITIES	<u>1,162,813</u>
DEFERRED INFLOWS OF RESOURCES	
Amounts Related to OPEB	1,439
Amounts Related to Pensions	<u>154,002</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>155,441</u>
NET POSITION	
Invested in Capital Assets	54,855
Unrestricted	<u>(332,407)</u>
TOTAL NET POSITION	<u>\$ (277,552)</u>

See Accompanying Notes

Peters Township School District
Statement of Revenues, Expenses and Changes
in Net Position
Proprietary Funds
Year Ended June 30, 2022

Exhibit 8

	Food Service Fund
Operating Revenues	
Food Service Revenue	\$ 274,094
	<hr/>
Operating Expenses	
Salaries	366,437
Employee Benefits	151,847
Purchased Prof. and Tech. Services	64,230
Other Purchased Services	786,314
Supplies	131,634
Depreciation	9,427
	<hr/>
Total Operating Expenses	1,509,889
	<hr/>
Operating Income (Loss)	(1,235,795)
	<hr/>
Nonoperating Revenues (Expenses)	
Earnings on Investments	788
State Sources	105,148
Federal Sources	1,652,262
Change in Pension and OPEB Liabilities	290,842
	<hr/>
Total Nonoperating Revenues (Expenses)	2,049,040
	<hr/>
Change in Net Position	813,245
Net Position - July 1, 2021	(1,090,797)
	<hr/>
Net Position - June 30, 2022	\$ (277,552)
	<hr/> <hr/>

See Accompanying Notes

**Peters Township School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2022**

Exhibit 9

	Food Service Fund
Cash Flows From Operating Activities	
Cash Received from Users	\$ 255,141
Cash Payments to Employees for Services	(532,458)
Cash Payments to Suppliers for Goods and Services	<u>(858,710)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(1,136,027)</u>
Cash Flows From Non-Capital Financing Activities	
State Sources	100,988
Federal Sources	<u>1,295,663</u>
Net Cash Provided by Non-Capital Financing Activities	<u>1,396,651</u>
Cash Flows From Investing Activities	
Earnings on Investments	<u>788</u>
Net Increase (Decrease) in Cash and Cash Flows	261,412
Cash and Cash Equivalents - July 1, 2021	<u>100,431</u>
Cash and Cash Equivalents - June 30, 2022	<u><u>\$ 361,843</u></u>

**Peters Township School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2022**

Exhibit 9

		Food Service Fund
Operating Income (Loss)	\$	(1,235,795)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation and Net Amortization		9,427
Donated Commodities		131,634
(Increase) Decrease in Inventories		(17,745)
Increase (Decrease) in Accounts Payable		(16,883)
Increase (Decrease) in Accrued Salaries Benefits		(14,174)
Increase (Decrease) in Advances from Other Funds		26,480
Increase (Decrease) in Deferred Revenue		(19)
Increase (Decrease) in Other Current Liabilities		<u>(18,952)</u>
 Total Adjustments		 <u>99,768</u>
 Cash Provided by (Used for) Operating Activities	 \$	 <u><u>(1,136,027)</u></u>

Noncash Non-Capital Financing Activities

During the year ended June 30, 2022, the School District received \$131,615 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, 2022**

Exhibit 10

	Private Purpose Trust Fund	Custodial Fund
ASSETS		
Cash and Cash Equivalents	<u>\$ 27,246</u>	<u>\$ 175,276</u>
LIABILITIES		
Due to Other Funds	<u>\$ -</u>	<u>\$ 1,508</u>
NET POSITION		
Restricted for Scholarships	27,246	-
Restricted for Student Groups	<u>-</u>	<u>173,768</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 27,246</u></u>	<u><u>\$ 175,276</u></u>

See Accompanying Notes

**Peters Township School District
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2022**

Exhibit 11

	Private Purpose Trust Fund	Custodial Fund
Additions		
Interest Earnings	\$ 79	\$ 413
Revenue from Student Activities	<u>-</u>	<u>260,754</u>
Total Additions	79	261,167
Deductions		
Student Activity Program Expenses	<u>-</u>	<u>271,804</u>
Change in Net Position	79	(10,637)
Net Position - July 1, 2021	<u>27,167</u>	<u>184,405</u>
Net Position - June 30, 2022	<u>\$ 27,246</u>	<u>\$ 173,768</u>

See Accompanying Notes

Peters Township School District
Notes to Financial Statements
June 30, 2022

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, 2022

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, 2022

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, 2022

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, 2022 was \$295,610, which was paid in the year ended June 30, 2022 to Western and reported in the School District’s general fund. The School District has no equity interest in Western as of June 30, 2022. 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, 2022 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, 2022. 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, 2022

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, 2022.

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, 2022.

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, 2022 are reported as unearned revenue.

Peters Township School District
Notes to Financial Statements
June 30, 2022

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) Statement No. 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payment made prior to the lease term, less any lease incentives, and plus any ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Peters Township School District
Notes to Financial Statements
June 30, 2022

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, 2022

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, 2022

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 \$600,332 in the General Fund is for prepaid expenses.

The purpose of the restricted fund balance of \$5,080,091 in the Capital Projects Fund is for future capital projects from unspent bond proceeds.

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, 2022, \$24,304,446 of the School District's bank balance of \$24,581,692 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>\$24,304,446</u>

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.

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.

Peters Township School District
Notes to Financial Statements
June 30, 2022

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 2021/2022 was 14.58 mills (\$14.58 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied is as follows:

Tax Levy Date	July 1, 2021
2% Discount Period	Through August 31, 2021
Face Payment Period	September 1 - October 31, 2021
10% Penalty Period	Beginning November 1, 2021
Lien Filing Date	January 15, 2022

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 \$399,398 net of estimated uncollectible amounts of \$70,482, along with other taxes receivable of \$1,447,717.

Note 4 - Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the School District. At June 30, 2022, the following amounts are due from other governmental units:

	Governmental Funds	Business-Type Funds	Totals
Federal (through the state)	\$ 7,191	\$ 353,078	\$ 360,269
State	<u>2,696,039</u>	<u>7,739</u>	<u>2,703,778</u>
	<u>\$ 2,703,230</u>	<u>\$ 360,817</u>	<u>\$3,064,047</u>

Peters Township School District
Notes to Financial Statements
June 30, 2022

Note 5 - Capital Assets

For the year ended June 30, 2022, capital asset activity was as follows:

	Balance 07/01/21	Additions	Transfers	Balance 06/30/22
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 6,742,568	\$ -	\$ -	\$ 6,742,568
Construction in Progress	<u>13,314,735</u>	<u>5,255,247</u>	<u>(18,569,982)</u>	<u>-</u>
Total Capital Assets not Being Depreciated	<u>20,057,303</u>	<u>5,255,247</u>	<u>(18,569,982)</u>	<u>6,742,568</u>
Capital Assets Being Depreciated				
Buildings and Building Improv.	212,684,551	-	18,569,982	231,254,533
Furniture and Equipment	<u>10,960,610</u>	<u>174,060</u>	<u>-</u>	<u>11,134,670</u>
Total Capital Assets Being Depreciated	<u>223,645,161</u>	<u>174,060</u>	<u>18,569,982</u>	<u>242,389,203</u>
Less Accumulated Depreciation				
Buildings and Building Improv.	84,518,619	5,819,657	-	90,338,276
Furniture and Equipment	<u>8,355,416</u>	<u>430,151</u>	<u>-</u>	<u>8,785,567</u>
Total Accumulated Depreciation	<u>92,874,035</u>	<u>6,249,808</u>	<u>-</u>	<u>99,123,843</u>
Total Capital Assets Being Depreciated, Net	<u>130,771,126</u>	<u>(6,075,748)</u>	<u>18,569,982</u>	<u>143,265,360</u>
Governmental Activities Capital Assets, Net	<u>\$ 150,828,429</u>	<u>\$ (820,501)</u>	<u>\$ -</u>	<u>\$ 150,007,928</u>
Business-Type Activities				
Furniture and Equipment	\$ 272,016	\$ -	\$ -	\$ 272,016
Less Accumulated Depreciation and Equipment	<u>207,734</u>	<u>9,427</u>	<u>-</u>	<u>217,161</u>
Business-Type Activities Capital Assets, Net	<u>\$ 64,282</u>	<u>\$ (9,427)</u>	<u>\$ -</u>	<u>\$ 54,855</u>
Governmental Activities				
Intangible Right-to-Use Assets:				
Leased Equipment	\$ 2,644,716	\$ -	\$ -	\$ 2,644,716
Less Accumulated Amortization	<u>814,955</u>	<u>599,470</u>	<u>-</u>	<u>1,414,425</u>
Net Intangible Right-to-use Assets	<u>\$ 1,829,761</u>	<u>\$ (599,470)</u>	<u>\$ -</u>	<u>\$ 1,230,291</u>

Peters Township School District
Notes to Financial Statements
June 30, 2022

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

Instruction	\$ 5,355,460
Instructional Student Support	266,867
Administration and Financial Support Services	54,373
Operation and Maintenance of Plant Services	101,247
Student Activities Services	198,119
Pupil Transportation	<u>273,742</u>

Total Depreciation Expense	<u>\$ 6,249,808</u>
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Business-Type Activities - Food Service	<u>\$ 9,427</u>
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Governmental Activities

Intangible Right-to-use Assets:

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

At June 30, 2022, interfund balances were:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 140,643	\$ -
Proprietary Fund		
Food Service	-	139,135
Agency Fund	<u>-</u>	<u>1,508</u>
	<u>\$ 140,643</u>	<u>\$ 140,643</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, 2022

Note 7 - Interfund Transfers

For the year ended June 30, 2022, interfund transfers consisted of the following:

<u>Transfers To</u>	<u>Transfer From</u> General Fund
Debt Service Fund	<u>\$ 9,765,966</u>

The transfer of \$9,765,966 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, 2022:

	Balance 07/01/21	Additions	Reductions	Balance 06/30/22	Due Within One Year
Governmental Activities					
Bonds Payable					
General Obligation Bonds	\$ 109,645,000	\$ -	\$ 505,000	\$ 109,140,000	\$ 810,000
Plus: Bond Premium	14,386,682	-	1,179,419	13,207,263	-
Less: Bond Discount	<u>(31,701)</u>	<u>-</u>	<u>(5,111)</u>	<u>(26,590)</u>	<u>-</u>
Total Bonds Payable	<u>123,999,981</u>	<u>-</u>	<u>1,679,308</u>	<u>122,320,673</u>	<u>810,000</u>
Notes Payable					
General Obligation Notes	23,010,000	-	3,460,000	19,550,000	3,755,000
Termination Payments	656,275	96,445	-	752,720	50,000
Compensated Absences	<u>3,243,643</u>	<u>114,793</u>	<u>24,317</u>	<u>3,334,119</u>	<u>100,000</u>
Governmental Activities					
Long-Term Liabilities	<u>\$ 150,909,899</u>	<u>\$ 211,238</u>	<u>\$ 5,163,625</u>	<u>\$ 145,957,512</u>	<u>\$ 4,715,000</u>
Lease Liabilities	<u>\$ 1,844,244</u>	<u>\$ -</u>	<u>\$ 576,235</u>	<u>\$ 1,268,009</u>	<u>\$ 596,359</u>
Total Long-Term Obligations as Reported in the Statement of Net Position				<u>\$ 147,225,521</u>	<u>\$ 5,311,359</u>

Peters Township School District
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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%	\$ 330,000
Series of 2017 - Due in semi-annual installments through September 1, 2035; interest at 3.00% to 5.00%	42,230,000
Series of 2018C - Due in semi-annual installments through September 1, 2040; interest at 3.00% to 5.00%	40,220,000
Series of 2020A - Due in semi-annual installments through January 15, 2038; interest at 4.00% to 5.00%	16,215,000
Series of 2020B - Due in semi-annual installments through September 15, 2028; interest at 4.00% to 5.00%	<u>10,145,000</u>
	<u>\$ 109,140,000</u>

General Obligation Notes

Series of 2012 - Due in semi-annual installments through September 1, 2026; interest at 1.210% to 3.310%	\$ 14,905,000
Series of 2017 - Due in semi-annual installments through September 1, 2025; interest at 3.00% to 5.00%	1,125,000
Series of 2018A - Due in semi-annual installments through September 1, 2028; interest at 3.028% to 3.796%	1,545,000
Series of 2018B - Due in semi-annual installments through September 1, 2030; interest at 3.00% to 5.00%	<u>1,975,000</u>
	<u>\$ 19,550,000</u>

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

Peters Township School District
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The annual requirements of School District funds to amortize all debt outstanding (excluding compensated absences) as of June 30, 2022, including interest, are as follows:

Year Ended June 30,	General Obligation Bonds			General Obligation Notes		Totals
	Principal	Interest	Build America Bonds Credit	Principal	Interest	
2023	\$ 810,000	\$ 5,094,050	\$ (37,191)	\$ 3,755,000	\$ 600,081	\$ 10,221,940
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
2028-2032	30,330,000	19,955,619	(18,596)	1,715,000	147,168	52,129,191
2033-2037	39,135,000	12,117,050	-	-	-	51,252,050
2038-2041	31,635,000	3,250,475	-	-	-	34,885,475
	<u>\$109,140,000</u>	<u>\$60,180,544</u>	<u>\$ (204,551)</u>	<u>\$19,550,000</u>	<u>\$ 1,990,849</u>	<u>\$ 190,656,842</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, 2022, the value of the lease liability recorded for the above leases was \$1,268,009. As a result, the School District has recorded an Intangible Right-to-Use asset with a net book value of \$1,230,291 as of June 30, 2022. Future minimum lease payments under these leases are as follows:

Year Ended June 30,	Lease Payable		Totals
	Principal	Interest	
2023	\$ 596,359	\$ 40,948	\$ 637,307
2024	617,234	20,073	637,307
2025	41,569	630	42,199
2026	12,847	104	12,951
	<u>\$ 1,268,009</u>	<u>\$ 61,755</u>	<u>\$ 1,329,764</u>

Peters Township School District
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Note 10 - Public School Employees' Retirement System (PSERS)

A. Summary of Significant Accounting Policies

Pensions

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

B. General Information about the Pension Plan

1. Plan Description

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

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. Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

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

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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	7.50%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	10.30%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	8.25%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	7.50%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Shared Risk Program Summary				
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, 2022 was 34.14% 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 \$11,157,251 for the year ended June 30, 2022.

Peters Township School District
Notes to Financial Statements
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C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the School District reported a liability of \$92,583,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2020 to June 30, 2021. The 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, 2022, the School District's proportion was 0.2255%, which was an increase of 0.0069% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the School District recognized pension expense of \$3,354,024. At June 30, 2022, 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	\$ 68,000	\$ 1,216,000
Net difference between projected and actual investment earnings	-	14,738,000
Changes in assumptions	4,491,000	-
Changes in proportions	2,682,000	130,000
Difference between employer contributions and proportionate share of total contributions	3,536,194	-
Contributions subsequent to the measurement date	<u>11,157,251</u>	<u>-</u>
	<u>\$21,934,445</u>	<u>\$ 16,084,000</u>

\$11,157,251 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, 2023. 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,	
2023	\$ (1,371,657)
2024	5,750
2025	(73,305)
2026	<u>(3,867,594)</u>
	<u>\$ (5,306,806)</u>

Peters Township School District
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1. Changes in Actuarial Assumptions

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

- Valuation Date – June 30, 2020
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.50%.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability decreased from 7.25% as of June 30, 2020 to 7.00% as of June 30, 2021.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
 - Salary growth rate – decreased from 5.00% to 4.50%.
 - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
 - Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

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

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

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	27.0%	5.2%
Private equity	12.0%	7.3%
Fixed income	35.0%	1.8%
Commodities	10.0%	2.0%
Absolute return	8.0%	3.1%
Infrastructure/MLPs	8.0%	5.1%
Real estate	10.0%	4.7%
Cash	3.0%	0.1%
Leverage	<u>-13.0%</u>	0.1%
	<u>100%</u>	

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

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.

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%	Current	1.00%
	Decrease	Discount Rate	Increase
	6.00%	7.00%	8.00%
School District's proportionate share of the net pension liability	\$ 121,518	\$ 92,583	\$ 68,174

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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, 2022 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.

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

Peters Township School District
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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 \$9,160,221 was measured at June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020. 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, 2020 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	3.54%
Healthcare Cost Trend Rates	5.50% for 2021/2022, 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.

The actuarial assumptions used in the July 1, 2020 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, 2021	\$ 9,990,545
Changes for the year:	
Service Cost	461,009
Interest	224,512
Differences (Expected vs. Actual)	(1,400,919)
Benefit Payments	<u>(114,926)</u>
Net Changes	<u>(830,324)</u>
Balance at June 30, 2022	<u>\$ 9,160,221</u>

Peters Township School District
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E. Changes of Assumptions and Other Inputs

- Changed the discount rate from 2.16% to 3.54%

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	Current Discount Rate	1.00% Increase
	2.54%	3.54%	4.54%
Total OPEB Liability	\$ 10,103,652	\$ 9,160,221	\$ 8,293,330

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	\$ 7,872,129	\$ 9,160,221	\$ 10,685,290

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

For the year ended June 30, 2022, the School District recognized OPEB Expense of \$599,663. At June 30, 2022, 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	\$ -	\$ 282,198
Differences between expected and actual experience	1,386,566	2,107,733
	\$ 1,386,566	\$ 2,389,931

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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,	
2023	\$ (85,858)
2024	(85,858)
2025	(85,858)
2026	(85,858)
2027	(85,858)
Thereafter	<u>(574,075)</u>
	<u>\$ (1,003,365)</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.

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, 2021, 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

Peters Township School District
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- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program

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. As of June 30, 2021, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2022 was 0.80% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were \$262,602 for the year ended June 30, 2022.

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

At June 30, 2022, the School District reported a liability of \$5,418,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2020 to June 30, 2021. The 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, 2022, the School District's proportion was 0.2286%, which was an increase of 0.0128% from its proportion measured as of June 30, 2021.

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For the year ended June 30, 2022, the School District recognized OPEB expense of \$356,365. At June 30, 2022, 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	\$ 50,000	\$ -
Net difference between projected and actual investment earnings	11,000	-
Changes in assumptions	577,000	72,000
Changes in proportions	260,000	74,000
Difference between employer contributions and proportionate share of total contributions	-	4,417
Contributions subsequent to the measurement date	<u>262,602</u>	<u>-</u>
	<u>\$ 1,160,602</u>	<u>\$ 150,417</u>

\$262,602 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, 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,	
2023	\$ 121,377
2024	120,832
2025	141,443
2026	133,931
2027	120,000
Thereafter	<u>110,000</u>
	<u>\$ 747,583</u>

1. Actuarial Assumptions

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

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 2.18%, S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.

Peters Township School District
Notes to Financial Statements
June 30, 2022

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

The following assumptions were used to determine the contribution rate:

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

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	79.8%	0.10%
US Core Fixed Income	17.5%	0.70%
Non-US Developed Fixed	<u>2.7%</u>	-0.30%
	<u><u>100%</u></u>	

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

Peters Township School District
Notes to Financial Statements
June 30, 2022

2. Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.18%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 2.18% which represents the S&P 20 year Municipal Bond Rate at June 30, 2021, was applied to all projected benefit payments to measure the total OPEB liability.

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, 2021, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2021, 93,392 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2021, 611 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the System net OPEB liability for June 30, 2021, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if its health cost trends were 1 percentage point lower or 1 percentage point higher than the current rate:

	(In Thousands)		
	1.00%	Current	1.00%
	Decrease	Trend Rate	Increase
System net OPEB Liability	\$ 5,417	\$ 5,418	\$ 5,419

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 2.18%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.18%) or 1 percentage point higher (3.18%) than the current rate:

	(In Thousands)		
	1.00%	Current	1.00%
	Decrease	Rate	Increase
	1.18%	2.18%	3.18%
School District's proportionate share of the net OPEB liability	\$ 6,218	\$ 5,418	\$ 4,759

Peters Township School District
Notes to Financial Statements
June 30, 2022

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 \$6,884,239 and \$6,643,242 for the years ended June 30, 2022 and 2021, respectively.

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

Withdrawing participants are entitled to or responsible for a proportionate share of the Consortium net position or deficiency in net position, respectively, as determined on the fiscal year-end date after withdrawal. As of June 30, 2022, the net position of the Consortium was \$51,449,149 of which \$806,229 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, 2022, were \$6,977,638.

This includes \$5,748,065 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 \$1,229,573 to the federal government for social security and Medicare taxes for the year ended June 30, 2022. The School District pays these on-behalf payments directly to PSERS and the government and is reimbursed by the Commonwealth for their appropriate share.

Peters Township School District
Notes to Financial Statements
June 30, 2022

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 2021/2022 school year, the rate was \$500. As of June 30, 2022, sixty-nine (69) employees were eligible to receive these benefits for a total liability of \$752,720.

Note 17 - Construction Commitment

As of June 30, 2022, the School District had construction commitments of approximately \$240,000 remaining relating to the construction of the new high school.

Note 18 - Prior Period Restatement

As a result of the implementation of GASB Statement No. 87 "*Leases*", the School District made a prior period adjustment to record the value of the right-to-use asset, net of accumulated amortization, \$1,829,761 and the associated lease liability, (\$1,844,244) as of July 1, 2021. This prior period adjustment and its effect on net position at July 1, 2021 was a decrease in the governmental activities net position of \$14,483, restating the net position reported in the prior period financial statements of (\$87,361,814) to (\$87,376,297).

**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, 2022**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Sources				
Taxes				
Current Real Estate Taxes	\$ 45,483,731	\$ 45,483,731	\$ 45,752,620	\$ 268,889
Interim Real Estate Taxes	200,000	200,000	338,514	138,514
Public Utility Realty Taxes	45,000	45,000	49,646	4,646
Local Services Taxes	45,000	45,000	46,980	1,980
Earned Income Taxes	6,328,705	6,328,705	7,202,584	873,879
Real Estate Transfer Taxes	900,000	900,000	1,487,208	587,208
Delinquencies on Taxes	579,327	579,327	885,962	306,635
Earnings on Investments	70,000	70,000	74,511	4,511
Other Local Revenues				
Revenue from Student Activities	335,009	335,009	408,354	73,345
Other School District Activity Income	-	-	27,325	27,325
Federal Revenues from IU	515,000	515,000	668,787	153,787
Contributions & Donations from Private Sources	10,000	10,000	-	(10,000)
Rentals	55,000	55,000	46,119	(8,881)
Tuition from other LEAs	160,000	160,000	88,271	(71,729)
Transportation Fees	10,000	10,000	13,500	3,500
Refund of Prior Year's Expenditures	89,151	89,151	18,315	(70,836)
Miscellaneous Revenue	34,000	34,000	39,902	5,902
Total Revenues from Local Sources	<u>54,859,923</u>	<u>54,859,923</u>	<u>57,148,598</u>	<u>2,288,675</u>
State Sources				
Basic Instructional & Oper. Subsidies				
Basic Instructional Subsidy	5,630,083	5,630,083	5,739,479	109,396
Subsidies for Spec. Educ. Programs				
Special Education of Excep. Pupils	1,657,860	1,657,860	1,673,325	15,465
Subsidies for Noneduc. Programs				
Transportation (Regular & Additional)	850,000	850,000	741,660	(108,340)
Rentals & Sinking Fund Payments	634,042	634,042	634,042	-
Ready to Learn Block Grant	335,813	335,813	335,813	-
Health Services	75,000	75,000	69,572	(5,428)
State Property Tax Reduction	726,968	726,968	726,968	-
Social Security Payments	1,226,290	1,226,290	1,215,557	(10,733)
State Retirement Revenue	5,802,649	5,802,649	5,688,898	(113,751)
Other State Revenue	-	-	27,242	27,242
Total Revenues from State Sources	<u>16,938,705</u>	<u>16,938,705</u>	<u>16,852,556</u>	<u>(86,149)</u>

**Peters Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Federal Sources				
Restricted Grants-In-Aid from the Fed. Gov't. through the Commonwealth				
Title I	100,733	100,733	92,835	(7,898)
Title II	53,277	53,277	52,084	(1,193)
Title IV	10,000	10,000	10,000	-
Elementary and Secondary Emergency Relief Fund (ESSER II)				
ARP ESSER 7% Learning Loss	371,457	371,457	371,976	519
ARP ESSER 7% After School	-	-	4,362	4,362
ARRA Build America Bonds	-	-	2,625	2,625
ARRA Build America Bonds	35,000	35,000	35,071	71
Title XIX	-	-	10,186	10,186
School Based Access	250,000	250,000	-	(250,000)
Total Revenues from Federal Sources	<u>820,467</u>	<u>820,467</u>	<u>579,139</u>	<u>(241,328)</u>
Total Revenues	<u>72,619,095</u>	<u>72,619,095</u>	<u>74,580,293</u>	<u>1,961,198</u>
Other Financing Sources				
Sale of Capital Assets	15,000	15,000	7,300	(7,700)
Total Revenues and Other Financing Sources	<u>72,634,095</u>	<u>72,634,095</u>	<u>74,587,593</u>	<u>1,953,498</u>
Expenditures				
Instruction				
Regular Programs				
Personal Services				
Salaries	20,110,357	20,460,357	20,449,912	10,445
Employee Benefits	12,456,213	12,981,213	12,974,945	6,268
Purchased Prof. and Tech. Services	53,250	53,250	45,685	7,565
Purchased Property Services	588,849	48,849	34,591	14,258
Other Purchased Services	586,586	584,586	712,613	(128,027)
Supplies	288,415	254,415	243,774	10,641
Property	448,945	398,445	389,846	8,599
Other Objects	20,950	20,950	15,485	5,465
Total Regular Programs	<u>34,553,565</u>	<u>34,802,065</u>	<u>34,866,851</u>	<u>(64,786)</u>

**Peters Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Programs				
Personal Services				
Salaries	3,743,009	3,323,009	3,304,311	18,698
Employee Benefits	2,208,596	1,978,596	1,970,162	8,434
Purchased Prof. and Tech. Services	1,110,200	785,200	764,629	20,571
Purchased Property Services	25,800	25,800	8,766	17,034
Other Purchased Services	885,000	885,000	1,034,486	(149,486)
Supplies	46,500	26,500	17,773	8,727
Property	23,000	3,000	1,252	1,748
Other Objects	1,600	1,600	310	1,290
Total Special Programs	<u>8,043,705</u>	<u>7,028,705</u>	<u>7,101,689</u>	<u>(72,984)</u>
Vocational Education Programs				
Other Purchased Services	<u>340,000</u>	<u>305,000</u>	<u>296,465</u>	<u>8,535</u>
Other Instructional Programs				
Personal Services				
Salaries	70,787	25,787	14,502	11,285
Employee Benefits	41,252	16,252	8,585	7,667
Other Purchased Services	<u>400</u>	<u>400</u>	<u>34</u>	<u>366</u>
Total Other Instructional Programs	<u>112,439</u>	<u>42,439</u>	<u>23,121</u>	<u>19,318</u>
Nonpublic School Programs				
Purchased Prof. and Tech. Services	<u>1,600</u>	<u>1,600</u>	<u>26,723</u>	<u>(25,123)</u>
Total Instruction	<u>43,051,309</u>	<u>42,179,809</u>	<u>42,314,849</u>	<u>(135,040)</u>

**Peters Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services				
Pupil Personnel				
Personal Services				
Salaries	1,657,673	1,567,673	1,553,754	13,919
Employee Benefits	1,084,603	1,009,603	1,003,351	6,252
Purchased Prof. and Tech. Services	152	500,152	519,862	(19,710)
Other Purchased Services	7,310	7,310	1,299	6,011
Supplies	26,965	26,965	22,667	4,298
Other Objects	2,149	2,149	318	1,831
Total Pupil Personnel	<u>2,778,852</u>	<u>3,113,852</u>	<u>3,101,251</u>	<u>12,601</u>
Instructional Staff				
Personal Services				
Salaries	696,461	792,461	790,668	1,793
Employee Benefits	527,593	512,593	510,343	2,250
Purchased Prof. and Tech. Services	37,500	17,500	3,205	14,295
Purchased Property Services	79,072	79,072	71,662	7,410
Other Purchased Services	2,836	2,836	4,847	(2,011)
Supplies	366,199	206,199	197,488	8,711
Property	3,750	3,750	-	3,750
Other Objects	9,347	9,347	2,537	6,810
Total Instructional Staff	<u>1,722,758</u>	<u>1,623,758</u>	<u>1,580,750</u>	<u>43,008</u>
Administration				
Personal Services				
Salaries	2,135,026	2,090,026	2,074,522	15,504
Employee Benefits	1,340,100	1,320,100	1,313,154	6,946
Purchased Prof. and Tech. Services	304,724	360,724	375,860	(15,136)
Purchased Property Services	5,150	5,150	209	4,941
Other Purchased Services	83,025	43,025	25,589	17,436
Supplies	80,490	81,990	78,571	3,419
Property	2,959	2,959	1,323	1,636
Other Objects	45,669	30,669	25,687	4,982
Total Administration	<u>3,997,143</u>	<u>3,934,643</u>	<u>3,894,915</u>	<u>39,728</u>

**Peters Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil Health				
Personal Services				
Salaries	382,530	382,530	395,757	(13,227)
Employee Benefits	249,018	249,018	253,838	(4,820)
Purchased Prof. and Tech. Services	7,406	7,406	10,210	(2,804)
Purchased Property Services	100	100	282	(182)
Other Purchased Services	400	400	305	95
Supplies	5,101	5,101	3,748	1,353
Property	2,150	2,150	363	1,787
	<u>646,705</u>	<u>646,705</u>	<u>664,503</u>	<u>(17,798)</u>
Total Pupil Health				
Business				
Personal Services				
Salaries	314,820	259,820	251,936	7,884
Employee Benefits	203,195	195,195	190,115	5,080
Purchased Prof. and Tech. Services	10,500	10,500	1,303	9,197
Purchased Property Services	38,222	38,222	24,116	14,106
Other Purchased Services	12,850	12,850	10,670	2,180
Supplies	4,299	4,299	3,808	491
Property	500	500	-	500
Other Objects	2,050	2,050	940	1,110
	<u>586,436</u>	<u>523,436</u>	<u>482,888</u>	<u>40,548</u>
Total Business				
Oper. and Maint. of Plant Svcs.				
Personal Services				
Salaries	2,155,704	2,065,704	2,053,988	11,716
Employee Benefits	1,576,948	1,531,948	1,524,728	7,220
Purchased Prof. and Tech. Services	261,628	261,628	343,688	(82,060)
Purchased Property Services	1,282,150	1,462,150	1,561,260	(99,110)
Other Purchased Services	167,600	243,600	241,273	2,327
Supplies	357,399	337,399	324,895	12,504
Property	10,000	10,000	2,881	7,119
Other Objects	10,000	10,000	6,800	3,200
	<u>5,821,429</u>	<u>5,922,429</u>	<u>6,059,513</u>	<u>(137,084)</u>
Total Oper. and Maint. of Plant Svcs.				

**Peters Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Student Transportation Services				
Personal Services				
Salaries	914,219	799,219	792,648	6,571
Employee Benefits	421,808	386,808	380,997	5,811
Purchased Prof. and Tech. Services	6,500	6,500	3,664	2,836
Purchased Property Services	4,500	4,500	1,140	3,360
Other Purchased Services	1,491,854	1,491,854	1,561,761	(69,907)
Supplies	251,500	251,500	348,820	(97,320)
Property	21,000	46,000	47,227	(1,227)
Other Objects	350	350	241	109
	<u>3,111,731</u>	<u>2,986,731</u>	<u>3,136,498</u>	<u>(149,767)</u>
Total Student Transportation Services				
Central				
Personal Services				
Salaries	373,863	318,863	310,298	8,565
Employee Benefits	261,585	236,585	232,623	3,962
Purchased Prof. and Tech. Services	287,730	287,730	413,901	(126,171)
Purchased Property Services	90,182	90,182	180,176	(89,994)
Other Purchased Services	6,450	6,450	18,915	(12,465)
Supplies	165,059	125,059	114,922	10,137
Property	30,000	30,000	248,014	(218,014)
Other Objects	1,300	1,300	1,614	(314)
	<u>1,216,169</u>	<u>1,096,169</u>	<u>1,520,463</u>	<u>(424,294)</u>
Total Central				
Other				
Purchased Prof. and Tech. Services	-	-	6,961	(6,961)
Other Purchased Services	65,654	65,654	67,075	(1,421)
	<u>65,654</u>	<u>65,654</u>	<u>74,036</u>	<u>(8,382)</u>
Total Other				
Total Support Services	<u>19,946,877</u>	<u>19,913,377</u>	<u>20,514,817</u>	<u>(601,440)</u>

**Peters Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Noninstructional Services				
Student Activities				
Personal Services				
Salaries	854,875	949,875	963,115	(13,240)
Employee Benefits	383,011	398,011	410,924	(12,913)
Purchased Prof. and Tech. Services	59,975	198,773	218,102	(19,329)
Purchased Property Services	34,651	34,651	42,006	(7,355)
Other Purchased Services	25,100	25,100	21,059	4,041
Supplies	99,788	99,596	107,503	(7,907)
Property	9,500	11,268	11,911	(643)
Other Objects	18,080	17,706	9,515	8,191
Total Student Activities	<u>1,484,980</u>	<u>1,734,980</u>	<u>1,784,135</u>	<u>(49,155)</u>
Community Services				
Other Purchased Services	<u>5,000</u>	<u>5,000</u>	<u>6,220</u>	<u>(1,220)</u>
Total Noninstructional Services	<u>1,489,980</u>	<u>1,739,980</u>	<u>1,790,355</u>	<u>(50,375)</u>
Debt Service				
Interest	-	50,000	61,072	(11,072)
Refunds of Prior Year's Receipts	8,000	50,000	71,512	(21,512)
Redemption of Principal	<u>-</u>	<u>563,000</u>	<u>576,235</u>	<u>(13,235)</u>
Total Debt Service	<u>8,000</u>	<u>663,000</u>	<u>708,819</u>	<u>(45,819)</u>
Total Expenditures	<u>64,496,166</u>	<u>64,496,166</u>	<u>65,328,840</u>	<u>(832,674)</u>
Other Financing Uses				
Fund Transfers				
Debt Service Fund	<u>9,754,235</u>	<u>9,754,235</u>	<u>9,765,966</u>	<u>(11,731)</u>
Total Expenditures and Other Financing Uses	<u>74,250,401</u>	<u>74,250,401</u>	<u>75,094,806</u>	<u>(844,405)</u>
Net Change in Fund Balance	(1,616,306)	(1,616,306)	(507,213)	1,109,093
Fund Balance - July 1, 2021	<u>10,101,229</u>	<u>10,101,229</u>	<u>11,039,911</u>	<u>938,682</u>
Fund Balance - June 30, 2022	<u>\$ 8,484,923</u>	<u>\$ 8,484,923</u>	<u>\$ 10,532,698</u>	<u>\$ 2,047,775</u>

Peters Township School District
Note to the Required Supplementary Information
Budget Comparison
June 30, 2022

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 Six Years**

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability						
Service cost	\$ 461,009	\$ 459,591	\$ 391,428	\$ 374,899	\$ 376,566	\$ -
Interest	224,512	234,080	303,652	305,111	277,065	-
Change of benefit terms	-	-	-	-	(305,207)	-
Differences (Expected vs. Actual)	(1,400,919)	(772,749)	1,267,644	616,564	-	-
Changes of Assumptions	-	-	-	(407,620)	-	-
Benefit payments	(114,926)	(125,273)	(104,346)	(123,093)	(280,885)	-
Net Change in Total OPEB Liability	(830,324)	(204,351)	1,858,378	765,861	67,539	-
Total OPEB Liability - Beginning	9,990,545	10,194,896	8,336,518	7,570,657	7,503,118	-
Total OPEB Liability - Ending	<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	\$ 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	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:

2022	3.54%
2021	2.16%

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 Eight Years**

	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	\$11,126,950	\$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>11,126,950</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>
School District's Covered Payroll	\$33,011,872	\$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	33.71%	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, 2021 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2022.

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

	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)	0.2255%	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)	\$ 92,583	\$107,636	\$101,893	\$105,083	\$109,790	\$107,737	\$ 96,766	\$ 86,009	\$ 83,305
School District's Covered Payroll	\$ 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	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	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%	54.49%

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 OPEB Plan
Last Five Years**

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution	\$ 262,602	\$ 260,658	\$ 256,559	\$ 246,945	\$ 242,723
Contributions in Relation to the Contractually Required Contribution	<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>
School District's Covered Payroll	\$33,011,872	\$32,407,095	\$30,295,356	\$30,042,068	\$29,477,160
Contributions as a Percentage of Covered Payroll	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, 2021 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2022.

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

	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)	0.2286%	0.2158%	0.2178%	0.2189%	0.2223%
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 5,418	\$ 4,663	\$ 4,632	\$ 4,564	\$ 4,529
School District's Covered Payroll	\$ 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	16.72%	15.39%	15.42%	15.48%	15.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.30%	5.69%	5.56%	5.56%	5.73%

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

SINGLE AUDIT SECTION

HOSACK, SPECHT, MUETZEL & WOOD LLP
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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, 2022 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
March 22, 2023

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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, 2022, 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 March 22, 2023.

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
March 22, 2023

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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, 2022. 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, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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, Muetzl & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
March 22, 2023

**Peters Township School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

EXHIBIT C

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report was unmodified.

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ yes ✓ no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.555	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? ✓ yes _____ no

**Peters Township School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

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, 2022**

EXHIBIT D

Federal Grantor/ Pass Through Grantor/ Project Title	Source Code	Federal CFDA Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 07/01/21	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/22
U.S. Department of Education										
Passed through the Pennsylvania										
Department of Education										
Title I Improving Basic Programs	I	84.010	013-210334	07/01/20-09/30/21	\$ 100,733	\$ 6,716	\$ 6,716	\$ -	\$ -	\$ -
Title I Improving Basic Programs	I	84.010	013-220334	07/01/21-09/30/22	92,835	89,859	-	92,835	92,835	2,976
						<u>96,575</u>	<u>6,716</u>	<u>92,835</u>	<u>92,835</u>	<u>2,976</u>
Title II Improving Teacher Quality	I	84.367	020-210334	07/01/20-09/30/21	53,105	10,569	10,569	-	-	-
Title II Improving Teacher Quality	I	84.367	020-220334	07/01/21-09/30/22	52,084	52,906	-	52,084	52,084	(822)
						<u>63,475</u>	<u>10,569</u>	<u>52,084</u>	<u>52,084</u>	<u>(822)</u>
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-220334	07/01/21-09/30/22	10,000	6,000	-	10,000	10,000	4,000
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)	I	84.425D	200-210334	03/13/20-09/30/23	371,976	346,060	(25,916)	371,976	371,976	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	I	84.425U	223-210334	03/13/20-09/30/24	752,399	54,720	-	-	-	(54,720)
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	6,380	-	6,987	6,987	607
						<u>407,160</u>	<u>(25,916)</u>	<u>378,963</u>	<u>378,963</u>	<u>(54,113)</u>
Passed through the Pennsylvania										
Commission on Crime and Delinquency										
COVID-19 Safety and Security Grant	I	84.425D	2020-ES-01-35204	3/13/20-09/30/22	119,639	21,637	21,637	-	-	-
						<u>428,797</u>	<u>(4,279)</u>	<u>378,963</u>	<u>378,963</u>	<u>(54,113)</u>
Special Education Cluster										
Passed through the Pennsylvania										
Department of Education										
COVID-19 SECIM	I	84.027	252-200334	07/01/20-09/30/21	14,962	9,975	9,975	-	-	-
Passed through the Intermediate Unit #1										
IDEA B	I	84.027	062-220001	07/01/21-06/30/22	638,787	619,026	-	638,787	638,787	19,761
Competitive Integrated Employment Grant	I	84.027	062-22-0032	07/01/21-06/30/22	30,000	-	-	30,000	30,000	30,000
Subtotal Special Education Cluster						<u>629,001</u>	<u>9,975</u>	<u>668,787</u>	<u>668,787</u>	<u>49,761</u>
Subtotal U.S. Department of Education						<u>1,223,848</u>	<u>22,981</u>	<u>1,202,669</u>	<u>1,202,669</u>	<u>1,802</u>

**Peters Township School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

EXHIBIT D

Federal Grantor/ Pass Through Grantor/ Project Title	Source Code	Federal CFDA Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 07/01/21	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/22
U.S. Department of Labor Passed through the Washington Greene County Job Training Agency Inc Youth	I	17.259	N/A	07/01/20-09/30/21	3,080	<u>3,080</u>	<u>3,080</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	07/01/21-06/30/22	N/A	<u>10,370</u>	<u>5,573</u>	<u>10,186</u>	<u>10,186</u>	<u>5,389</u>
U.S. Department of Agriculture Passed through the Pennsylvania Department of Education P-EBT Administrative Costs	I	10.649	N/A	07/01/21-06/30/22	N/A	<u>614</u>	<u>-</u>	<u>614</u>	<u>614</u>	<u>-</u>
National School Lunch Program	I	10.555	N/A	07/01/21-06/30/22	N/A	1,295,049	128,113	1,520,014	1,520,014	353,078
Passed through the Pennsylvania Department of Agriculture National School Lunch Program (Donated Commodities Non Cash Assistance)	I	10.555	N/A	07/01/21-06/30/22	N/A	<u>131,615</u>	<u>(2,555)</u>	<u>131,634</u>	<u>131,634</u>	<u>(2,536)</u>
Total Child Nutrition Cluster						<u>1,426,664</u>	<u>125,558</u>	<u>1,651,648</u>	<u>1,651,648</u>	<u>350,542</u>
Total U.S. Department of Agriculture						<u>1,427,278</u>	<u>125,558</u>	<u>1,652,262</u>	<u>1,652,262</u>	<u>350,542</u>
Total Federal Financial Assistance						<u>\$ 2,664,576</u>	<u>\$ 157,192</u>	<u>\$ 2,865,117</u>	<u>\$ 2,865,117</u>	<u>\$ 357,733</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, 2022**

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, 2022. 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	\$ 2,664,575
Less: Commodities Received	(131,615)
Less: Passage Through IU	(619,026)
Less: Title 19	(10,370)
Less: Passage Through PCCD	(21,637)
Less: Washington Job Training Agency	(3,080)
Add: State Funding on Confirmation	<u>27,805</u>
 Per Subsidy Confirmation	 <u><u>\$ 1,906,652</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, 2022**

EXHIBIT E

1 Copy – Bureau of Audits

1 Copy – Bureau of the Census