

A.W. BEATTIE CAREER CENTER

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**A. W. BEATTIE CAREER CENTER**  
ALLEGHENY COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS  
WITH REPORT OF  
CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED  
JUNE 30, 2021**

**A. W. BEATTIE CAREER CENTER**  
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# **Mark C. Turnley**

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**To the Joint Operating Committee  
A.W. Beattie Career Center**

## **Independent Auditor's Report**

### **Report on Financial Statements**

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the A.W. Beattie Career Center (AWBCC) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the AWBCC's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the AWBCC's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the AWBCC's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the AWBCC as of June 30, 2021 and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 14 to the financial statements, the AWBCC adopted new accounting guidance GASB Statement No. 84, *'Fiduciary Activities'*. My opinions are not modified with respect to this matter.

## **Other Matters**

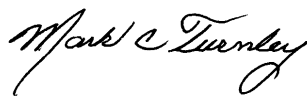
### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iv-xii, and the other required supplementary information on pages 39-44, be presented to supplement the basic financial statements. Such information, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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.

## **Other Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the AWBCC's basic financial statements. The accompanying supplementary information (Schedules 1 and 2,) is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information (Schedules 1 and 2), is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 my opinion, the supplementary information (Schedules 1 and 2), is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink, reading "Mark C. Turnley". The signature is written in a cursive style with a large, stylized initial "M".

Mark C. Turnley, CPA

January 27, 2022  
New Brighton, Pennsylvania

**A.W. BEATTIE CAREER CENTER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 20, 2021**

The Management's Discussion and Analysis (MD & A) of A.W. Beattie Career Center's ("AWBCC") financial performance is designed to:

- (a) assist the reader in understanding significant financial issues,
- (b) provide an overview of AWBCC's financial performance as a whole,
- (c) identify changes in AWBCC's financial position,
- (d) identify any material deviations from the approved budget, and
- (e) identify individual fund issues or concerns.

Since the MD&A focuses primarily on current year activities and information, please read it in conjunction with AWBCC's financial statements beginning on page 1.

The MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments issued June 1999. The MD&A includes comparative information between the current year and the prior year to assist the reader in analyzing changes in AWBCC's financial position and results of operations over the past two fiscal years.

## **OVERVIEW**

AWBCC is a joint venture operating under Joint Articles of Agreement established by nine member school districts that are located in the northern suburbs of Allegheny County, Pittsburgh, Pennsylvania; these member districts are: Avonworth, Deer Lakes, Fox Chapel Area, Hampton Township, North Allegheny, North Hills, Northgate, Pine-Richland, and Shaler Area. AWBCC is located in Allison Park and provides vocational education, technical training, and college preparatory coursework to secondary level students in member districts, cyber, charter, private and other non-consortium entities. AWBCC receives funding primarily from member districts, state, and federal sources.

## ***INDEPENDENT OPERATIONS***

The Kiddie Tech Early Learning Center (KTELC) provides care for children from six weeks to six years of age during the school year and up to age ten in the summer. Funding is provided by patrons and assistance subsidies.



## A.W. BEATTIE CAREER CENTER

### MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 20, 2021

#### FINANCIAL HIGHLIGHTS

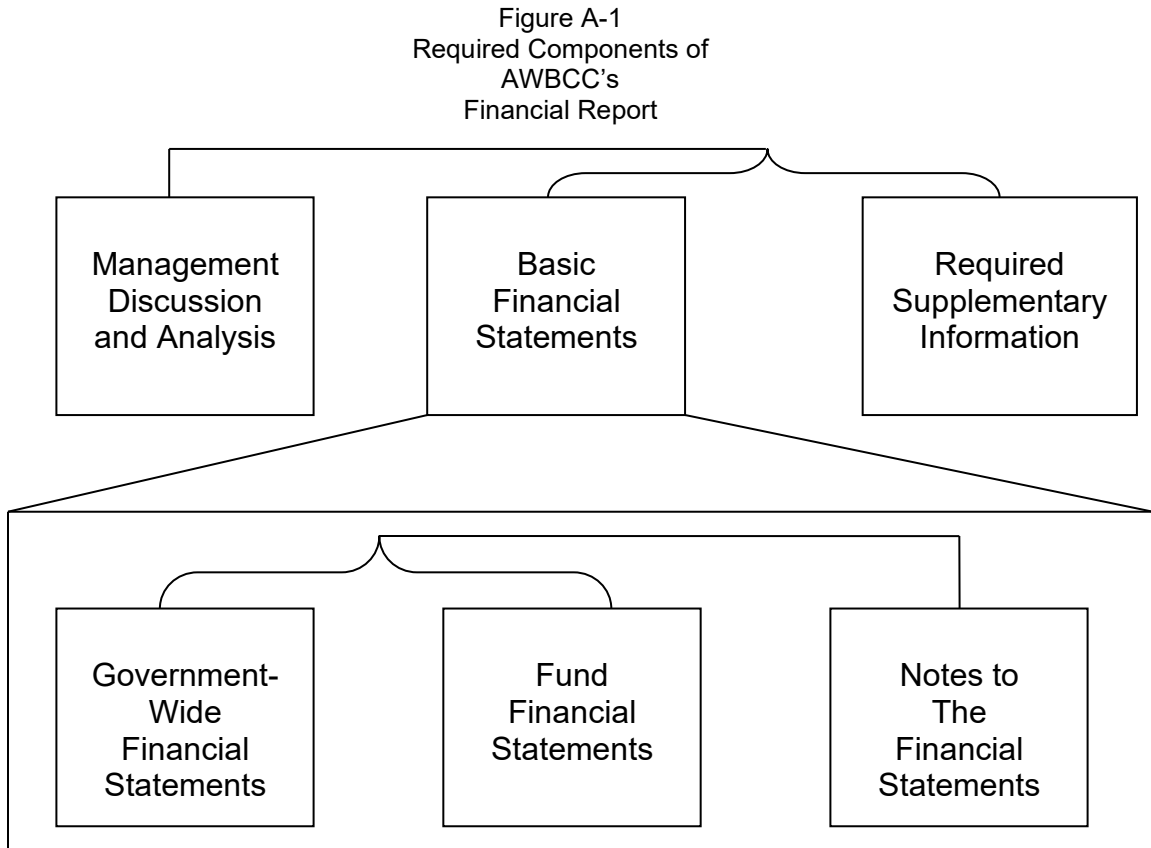
- AWBCC's total governmental activities liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources as of June 20, 2021 by \$3,090,926 (net position - deficit). This was an increase in net position of \$963,043 over June 30, 2020. The negative net position is mainly the result of AWBCC's required implementation of GASB 75, '*Accounting and Financial Reporting for Postemployment Benefits other than Pensions*', which started with the June 30, 2018 fiscal year, and GASB 68, '*Accounting and Financial Reporting for Pensions*', which was originally implemented at June 30, 2015. AWBCC is now required to recognize a liability for their proportionate share of the Pennsylvania School Employees Retirement System (PSERS) overall net healthcare obligation, and to recognize its proportionate share of the (PSERS) overall net pension obligation. For AWBCC, these liabilities stand at \$14,279,000 and \$627,000, respectively, as of June 20, 2021. AWBCC's early retirement incentive program, which pays for health insurance premiums for employee under a program approved periodically by the Joint Operating Committee (JOC), is not required to be reported under GASB 75.
- Government-wide revenues totaled \$10,727,700 for the 2020-21 fiscal year, which represents a \$353,603 (3.4%) increase from fiscal year 2019-2020. Total revenues are comprised of \$2,795,940 (26.1%) in program related revenues, and \$7,931,760 (73.9%) in general revenues, which mainly includes receipts from member school districts.
- Government-wide expenses totaled \$9,764,657 for the 2020-21 fiscal year, which represents a \$440,146 (4.7%) increase from the previous fiscal year.

#### USING THE BASIC FINANCIAL STATEMENT REPORT

The Basic Financial Statement Report consists of the Management's Discussion and Analysis and a series of financial statements and notes to those statements. The Statement of Net Position and Statement of Activities, on pages 1 and 2, provide information about the activities of AWBCC, as a whole, and present a longer-term view of financial position. Fund Financial Statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The Fund Financial Statements also look at AWBCC's most significant funds with all other non-major funds presented in total in one column. For AWBCC, the General Fund is the most significant fund. Lastly, the financial statements include notes that explain some of the information in the financial statements and provide more detailed data.

**A.W. BEATTIE CAREER CENTER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 20, 2021**

Figure A-1 shows how the required parts of the Financial Section are arranged and relate to one another.



**A.W. BEATTIE CAREER CENTER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 20, 2021**

**OVERVIEW OF FINANCIAL STATEMENTS**

**Government-Wide Statements**

The government-wide statements report information about AWBCC, 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 AWBCC's net position and how it has changed. Net position, the difference between AWBCC assets and liabilities, is one way to measure AWBCC's financial health or position.

Over time, increases or decreases in AWBCC's net position can be an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the AWBCC, the reader should consider additional non-financial factors, such as the academic achievement, or success, of students.

**Fund Financial Statements**

Fund financial statements provide detailed information about the most significant funds—not AWBCC as a whole. Some funds are required by state law and by bond requirements.

Governmental funds – Most of AWBCC'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 AWBCC'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 AWBCC'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 reflected in reconciliations on pages 4 and 6.

Fiduciary funds – AWBCC is the trustee, or fiduciary, for assets that belong to others, such as the AWBCC's custodial student activities funds. The AWBCC is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The AWBCC excludes these activities from the district-wide statements because it cannot use these assets to finance its operations.

**A.W. BEATTIE CAREER CENTER**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED JUNE 20, 2021**

**FINANCIAL ANALYSIS OF AWBCC AS A WHOLE**

A comparison of AWBCC governmental and business-type activities assets, liabilities and net position for the years ended June 20, 2021 and June 30, 2020 is as follows:

**Table A-1  
Statement of Net Position**

|                                                 | -----Governmental Activities----- |                              |
|-------------------------------------------------|-----------------------------------|------------------------------|
|                                                 | <u>6/30/2021</u>                  | <u>6/30/2020</u>             |
| Current and other assets                        | \$ 4,984,779                      | \$ 4,208,487                 |
| Capital assets                                  | 16,449,589                        | 16,928,775                   |
| Deferred outflows of resources                  | 2,866,307                         | 2,214,864                    |
| <b>Total Assets &amp; Deferred Outflows</b>     | <b><u>\$ 24,300,675</u></b>       | <b><u>\$ 23,352,126</u></b>  |
| <br>                                            |                                   |                              |
| Current and other liabilities                   | \$ 2,171,295                      | \$ 2,168,984                 |
| Long-term liabilities                           | 24,803,306                        | 24,844,161                   |
| Deferred inflows of resources                   | 417,000                           | 606,000                      |
| <b>Total Liabilities &amp; Deferred Inflows</b> | <b><u>\$ 27,391,601</u></b>       | <b><u>\$ 27,619,145</u></b>  |
| <br>                                            |                                   |                              |
| Net Position:                                   |                                   |                              |
| Net investment in capital assets                | \$ 5,776,688                      | \$ 5,127,253                 |
| Restricted                                      | 213,115                           | -                            |
| Unrestricted (Deficit)                          | (9,080,729)                       | (9,394,272)                  |
| <b>Total Net Position</b>                       | <b><u>\$ (3,090,926)</u></b>      | <b><u>\$ (4,267,019)</u></b> |

The change in deferred outflows of resources, long-term liabilities, and deferred inflows of resources, is attributed to the aforementioned implementation of GASB 75 and GASB 68 (Net Pension Liability and Net OPEB Liability – See Notes 8 and 9), which required AWBCC to recognize its proportionate share of the Pennsylvania School Employees Retirement System (PSERS) overall net pension and net OPEB obligations. For AWBCC, this totals \$14,279,000 and \$627,000, respectively, for governmental activities.

Most of AWBCC's positive net position is invested in capital assets net of depreciation (buildings, land, and equipment). The decrease in capital assets represents current year depreciation of fixed assets partially offset by additions of equipment.

**A.W. BEATTIE CAREER CENTER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 20, 2021**

**FINANCIAL ANALYSIS OF AWBCC AS A WHOLE – CONTINUED**

The so as to results of this year's governmental and business-type activities operations are reported in the Statement of Activities on Page 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 AWBCC activities supported by other general revenues. The largest governmental activities general revenues are payments provided by member school districts to finance the general operations of AWBCC. The following comparison takes the information from the Statement of Activities and rearranges it slightly present total revenues, expenses and changes in net position for the past two fiscal years:

**Table A-2**  
**Changes in Net Position**

|                                            | -----Governmental Activities----- |                      |
|--------------------------------------------|-----------------------------------|----------------------|
|                                            | June 30, 2021                     | June 30, 2020        |
| <b><u>Program revenues:</u></b>            |                                   |                      |
| Charges for services                       | \$ 464,885                        | \$ 441,698           |
| Operating grants and contributions         | 2,331,055                         | 2,068,934            |
| <b><u>General revenues:</u></b>            |                                   |                      |
| Receipts from member school districts      | 7,831,210                         | 7,772,789            |
| Investment earnings/Miscellaneous          | 100,550                           | 90,676               |
| <b>TOTAL REVENUES</b>                      | <b>\$ 10,727,700</b>              | <b>\$ 10,374,097</b> |
| <b><u>Expenses:</u></b>                    |                                   |                      |
| Instruction                                | \$ 5,937,315                      | \$ 5,484,932         |
| Instructional student support              | 826,525                           | 785,836              |
| Administrative & financial support         | 1,447,417                         | 1,339,601            |
| Operation & maintenance of plant           | 860,081                           | 977,152              |
| Community activities                       | 437,327                           | 430,421              |
| Interest on long-term debt                 | 255,992                           | 306,569              |
| <b>TOTAL EXPENSES</b>                      | <b>9,764,657</b>                  | <b>9,324,511</b>     |
| <b>Increase (decrease) in net position</b> | \$ 963,043                        | \$ 1,049,586         |

Table A-2 shows AWBCC's largest functions – instruction for programs, instructional student support, administrative, operation and maintenance of plant, community activities and interest on long term debt, as well as program net cost (total cost less revenues generated by the activities). For the current and prior fiscal years, this table compares the net costs offset by other unrestricted grants, subsidies and contributions to show the remaining financial needs, if any, supported by payments from member school districts and other miscellaneous revenues.

**A.W. BEATTIE CAREER CENTER**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED JUNE 20, 2021**

**FINANCIAL ANALYSIS OF AWBCC AS A WHOLE - CONTINUED**

**Table A-3  
Fiscal Year Ended June 20, 2021 and June 30, 2020  
Governmental Activities**

|                                                                    | -----June 30, 2021 ----- |                     | -----June 30, 2020 ----- |                     |
|--------------------------------------------------------------------|--------------------------|---------------------|--------------------------|---------------------|
|                                                                    | <u>TOTAL COST</u>        | <u>NET COST</u>     | <u>TOTAL COST</u>        | <u>NET COST</u>     |
|                                                                    | <u>OF SERVICE</u>        | <u>OF SERVICE</u>   | <u>OF SERVICE</u>        | <u>OF SERVICE</u>   |
| <b>EXPENSES</b>                                                    |                          |                     |                          |                     |
| Instruction                                                        | \$ 5,937,315             | \$ 3,940,518        | \$ 5,484,932             | \$ 3,725,543        |
| Instructional Student Support                                      | 826,525                  | 761,615             | 785,836                  | 695,850             |
| Administrative and Financial Support                               | 1,447,417                | 1,305,482           | 1,339,601                | 1,227,443           |
| Operation Maintenance of Plant                                     | 860,081                  | 655,915             | 977,152                  | 794,417             |
| Community Services                                                 | 437,327                  | 49,195              | 430,421                  | 64,057              |
| Interest on long-term debt                                         | 255,992                  | 255,992             | 306,569                  | 306,569             |
| <b>TOTAL EXPENSES</b>                                              | <u>\$ 9,764,657</u>      | <u>\$ 6,968,717</u> | <u>\$ 9,324,511</u>      | <u>\$ 6,813,879</u> |
| <b>Less:</b>                                                       |                          |                     |                          |                     |
| Investment Earnings and Miscellaneous Transfers                    |                          | 100,550             |                          | 90,676              |
|                                                                    |                          | <u>-</u>            |                          | <u>-</u>            |
| <b>TOTAL NEEDS FROM MEMBER SCHOOL DISTRICTS AND OTHER REVENUES</b> |                          | <u>\$ 6,868,167</u> |                          | <u>\$ 6,723,203</u> |

The dependence upon payments from member school districts for governmental activities is apparent. For the fiscal year 2020-21, approximately 80.2% of governmental activities are supported through payments from school districts which is 3.2% lower than in the 2019-20 fiscal year. The member school districts, as a whole, are the primary sources of support for AWBCC.

**AWBCC FUNDS**

AWBCC Balance Sheet – governmental funds reflect fund balances totaling \$3,956,707. The total assigned fund balance of \$429,926 is comprised of \$255,116 assigned for capital projects, \$35,000 assigned for future PSERS employer payments, \$25,000 assigned for future compensated absences payments, \$73,397 assigned for technology advancement, \$19,699 assigned for new program development, and \$21,714 assigned for future physical plant/infrastructure expenses/. The total unassigned fund balance is \$3,313,666.

Total revenues for AWBCC were higher than budgeted amounts by \$22,887 which was due to an increase in all revenue categories. As actual operating costs were less than planned expenditures, by \$629,665, fewer funds were needed for general operations.

Expenditures were budgeted at \$10,696,267 while actual expenditures were \$10,163,665 which includes a \$119,063 transfer to the Capital Project Fund. The transfer to the Capital Project Fund was not budgeted.

There were \$169,283 in fixed asset additions during 2020-2021 which were comprised of various furniture and equipment.

**A.W. BEATTIE CAREER CENTER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 20, 2021**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 20, 2021, AWBCC Governmental Activities had \$16,449,589 invested in a broad range of capital assets, including land, buildings, furniture and equipment. This amount represents a net decrease (including additions, deletions and depreciation) of \$479,186 or 2.8% from last year.

The following provides a comparison of AWBCC capital assets, net of depreciation, for the past two fiscal years:

|                            | <b>2021</b>          | <b>2020</b>          |
|----------------------------|----------------------|----------------------|
| Land                       | \$ 517,574           | \$ 517,574           |
| Buildings and Improvements | 15,070,633           | 15,515,017           |
| Furniture and Equipment    | 861,382              | 896,184              |
|                            | <b>\$ 16,449,589</b> | <b>\$ 16,928,775</b> |

**Debt Administration**

In July of 2016, AWBCC issued \$ 14,765,000 in revenue bonds through the Washington County Industrial Development Authority. The proceeds from the bond issue were used to currently refund the State Public School Building Authority's School Revenue Bonds, Series of 2008, and pay for the 2016 bond issuance costs.

The historic benchmark for savings as a percentage of principal on a current refunding is 2%. The actual savings with the 2016 refunding was 10.74%, more than five times the historic benchmark. In 2018-19 AWBCC and its member districts realized a net savings of \$ 124,775. Over the life of the bond, the aggregate savings will exceed \$ 1.6 million.

The bond issue has various maturity dates through the year 2028. Interest rates range from .50% to 5.0%. Principal and interest payments are due in October and April of each fiscal year. As of June 20, 2021, the principal balance on the bonds was \$9,930,000.

In May of 2017, the AWBCC entered into a 5-year lease agreement with Laurel Capital in the amount of \$36,044.52, for the purchase of a telephone system. The terms of the lease agreement call for five (5) annual principal and interest payment of \$7,847 with an interest rate of 2.8945%. The equipment purchased serves as collateral on the lease. As of June 20, 2021, the principal balance on the lease was \$7,515.

Other obligations include accrued and compensated vacation pay and sick leave pay for qualifying employees of AWBCC. More detailed information about our long-term liabilities is included in Notes 1 and 7 to the financial statements.

**A.W. BEATTIE CAREER CENTER**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED JUNE 20, 2021**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Although in recent years there has been an overall downward trend in member district student enrollment at the high school level, AWBCC's enrollment has continued to increase and this will impact future budgets.

Like all schools in the Commonwealth, AWBCC continues to face growing health care insurance rates and retirement contribution rates. The health care medical premium rate increased approximately 2.20% for the year ending June 20, 2021 from the 2019-20 rate. The PSERS retirement contribution rate for employers for the year ending June 20, 2021 increased by 0.60% from the 2019-20 rate. The trend of annual increases in employer health care insurance premiums and PSERS contribution rates is expected to continue well into the future.

**Budget Comparison**

The revenue budget for the 2020-21 year was \$958,467 (9.8%) more than the prior year budget. The expenditure budget for the 2020-21 year was \$369,986 (3.6%) more than the prior year budget.

The comparison of revenue and expenditure categories is as follows:

**BUDGETED REVENUES**

|         | <u>2020-2021</u>     | <u>2019-2020</u>    |
|---------|----------------------|---------------------|
| Local   | \$ 8,968,267         | \$ 8,285,300        |
| State   | 1,441,000            | 1,192,500           |
| Federal | 287,000              | 260,000             |
| Total   | <u>\$ 10,696,267</u> | <u>\$ 9,737,800</u> |

**BUDGETED EXPENDITURES**

|                                  | <u>2020-2021</u>     | <u>2019-2020</u>     |
|----------------------------------|----------------------|----------------------|
| Instruction                      | \$ 5,363,909         | \$ 5,212,210         |
| Support Services                 | 3,493,151            | 3,169,405            |
| Non-Instructional/Community      | 429,557              | 437,266              |
| Debt Service/Interfund Transfers | 1,387,650            | 1,387,400            |
| Budgetary Reserve                | 22,000               | 120,000              |
| Total                            | <u>\$ 10,696,267</u> | <u>\$ 10,326,281</u> |

**CONTACTING AWBCC MANAGEMENT**

This financial report is designed to provide a general overview of AWBCC's finances. If you have questions about this report, please contact Ryan Neely, Business Manager, A.W. Beattie Career Center, 9600 Babcock Boulevard, Allison Park, PA 15101.



**A. W. BEATTIE CAREER CENTER**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

|                                                                               | <b>Governmental<br/>Activities</b> |
|-------------------------------------------------------------------------------|------------------------------------|
| <b>ASSETS</b>                                                                 |                                    |
| <b>Current Assets:</b>                                                        |                                    |
| Cash and Cash Equivalents                                                     | \$ 3,976,552                       |
| Investments                                                                   | 469,814                            |
| Due from Other Governments                                                    | 524,697                            |
| Other Receivables                                                             | 13,716                             |
| <b>Total Current Assets</b>                                                   | <b>\$ 4,984,779</b>                |
| <b>Noncurrent Assets:</b>                                                     |                                    |
| Land                                                                          | \$ 517,574                         |
| Buildings and Building Improvements (net)                                     | 15,070,633                         |
| Furniture and Equipment (net)                                                 | 861,382                            |
| <b>Total Noncurrent Assets</b>                                                | <b>\$ 16,449,589</b>               |
| <b>TOTAL ASSETS</b>                                                           | <b>\$ 21,434,368</b>               |
| <b>Deferred Outflows of Resources:</b>                                        |                                    |
| Deferred Outflows Related to Pensions                                         | \$ 2,755,440                       |
| Deferred Outflows Related to OPEB                                             | 110,867                            |
| <b>Total Deferred Outflows of Resources</b>                                   | <b>\$ 2,866,307</b>                |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS<br/>OF RESOURCES</b>                    | <b>\$ 24,300,675</b>               |
| <b>LIABILITIES</b>                                                            |                                    |
| <b>Current Liabilities:</b>                                                   |                                    |
| Accounts Payable                                                              | \$ 53,356                          |
| Accrued Salaries and Benefits                                                 | 450,530                            |
| Payroll Withholdings                                                          | 439,637                            |
| Unearned Revenue                                                              | 84,549                             |
| Bonds Payable - Current Portion                                               | 1,070,000                          |
| Leases Payable - Current Portion                                              | 7,515                              |
| Accrued Interest                                                              | 65,708                             |
| <b>Total Current Liabilities</b>                                              | <b>\$ 2,171,295</b>                |
| <b>Noncurrent Liabilities:</b>                                                |                                    |
| Bonds Payable - Long-Term Portion (Net)                                       | \$ 9,595,388                       |
| Net Pension Liability                                                         | 14,279,000                         |
| Net OPEB Liability                                                            | 627,000                            |
| Compensated Absences                                                          | 301,918                            |
| <b>Total Noncurrent Liabilities</b>                                           | <b>\$ 24,803,306</b>               |
| <b>TOTAL LIABILITIES</b>                                                      | <b>\$ 26,974,601</b>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                          |                                    |
| Deferred Inflows Related to Pensions                                          | \$ 397,000                         |
| Deferred Inflows Related to OPEB                                              | 20,000                             |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                    | <b>\$ 417,000</b>                  |
| <b>NET POSITION</b>                                                           |                                    |
| Net Investment in Capital Assets                                              | \$ 5,776,688                       |
| Restricted                                                                    | 213,115                            |
| Unrestricted (Deficit)                                                        | (9,080,729)                        |
| <b>TOTAL NET POSITION (Deficit)</b>                                           | <b>\$ (3,090,926)</b>              |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND NET POSITION</b> | <b>\$ 24,300,675</b>               |

The accompanying notes are an integral part of these financial statements

**A. W. BEATTIE CAREER CENTER**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

| Functions/Programs                            | Expenses                   | Program Revenues         |                                          |                                        | Governmental<br>Activities   |
|-----------------------------------------------|----------------------------|--------------------------|------------------------------------------|----------------------------------------|------------------------------|
|                                               |                            | Charges for<br>Services  | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |                              |
| <b>Governmental Activities:</b>               |                            |                          |                                          |                                        |                              |
| Instruction                                   | \$ 5,937,315               | \$ 122,091               | \$ 1,874,706                             | \$ -                                   | \$ (3,940,518)               |
| Instructional Student Support                 | 826,525                    | -                        | 64,910                                   | -                                      | (761,615)                    |
| Administrative and Financial Support Services | 1,447,417                  | -                        | 141,935                                  | -                                      | (1,305,482)                  |
| Operation and Maintenance of Plant Services   | 860,081                    | -                        | 204,166                                  | -                                      | (655,915)                    |
| Community Activities                          | 437,327                    | 342,794                  | 45,338                                   | -                                      | (49,195)                     |
| Interest on Long-Term Debt                    | 255,992                    | -                        | -                                        | -                                      | (255,992)                    |
| <b>Total Governmental Activities</b>          | <b><u>\$ 9,764,657</u></b> | <b><u>\$ 464,885</u></b> | <b><u>\$ 2,331,055</u></b>               | <b><u>\$ -</u></b>                     | <b><u>\$ (6,968,717)</u></b> |
| <b>Total Primary Government</b>               | <b><u>\$ 9,764,657</u></b> | <b><u>\$ 464,885</u></b> | <b><u>\$ 2,331,055</u></b>               | <b><u>\$ -</u></b>                     | <b><u>\$ (6,968,717)</u></b> |

**General Revenues:**

|                                                  |                              |
|--------------------------------------------------|------------------------------|
| Investment Earnings                              | \$ 5,823                     |
| Receipts from Member Districts                   | 7,831,210                    |
| Miscellaneous                                    | 94,727                       |
| <b>Total General Revenues</b>                    | <b><u>\$ 7,931,760</u></b>   |
| <b>Change in Net Position</b>                    | <b><u>\$ 963,043</u></b>     |
| Net Position - July 1, 2020 (Deficit) - Restated | (4,053,969)                  |
| <b>Net Position - June 30, 2021 (Deficit)</b>    | <b><u>\$ (3,090,926)</u></b> |

The accompanying notes are an integral part of these financial statements

**A. W. BEATTIE CAREER CENTER**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

|                                                | <b>GENERAL<br/>FUND</b> | <b>NONMAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|------------------------------------------------|-------------------------|--------------------------------------------|-----------------------------------------|
| <b>ASSETS:</b>                                 |                         |                                            |                                         |
| Cash and Cash Equivalents                      | \$ 3,691,268            | \$ 285,284                                 | \$ 3,976,552                            |
| Investments                                    | 256,699                 | 213,115                                    | 469,814                                 |
| Due From Other Governments                     | 524,697                 | -                                          | 524,697                                 |
| Other Receivables                              | 13,716                  | -                                          | 13,716                                  |
| <b>TOTAL ASSETS</b>                            | <b>\$ 4,486,380</b>     | <b>\$ 498,399</b>                          | <b>\$ 4,984,779</b>                     |
| <br><b>LIABILITIES AND FUND BALANCES</b>       |                         |                                            |                                         |
| <b>LIABILITIES:</b>                            |                         |                                            |                                         |
| Accounts Payable                               | \$ 23,188               | \$ 30,168                                  | \$ 53,356                               |
| Accrued Salaries and Benefits                  | 450,530                 | -                                          | 450,530                                 |
| Payroll Withholdings                           | 439,637                 | -                                          | 439,637                                 |
| Unearned Revenue                               | 84,549                  | -                                          | 84,549                                  |
| <b>TOTAL LIABILITIES</b>                       | <b>\$ 997,904</b>       | <b>\$ 30,168</b>                           | <b>\$ 1,028,072</b>                     |
| <br><b>FUND BALANCES:</b>                      |                         |                                            |                                         |
| Restricted                                     | \$ -                    | \$ 213,115                                 | \$ 213,115                              |
| Assigned                                       | 174,810                 | 255,116                                    | 429,926                                 |
| Unassigned                                     | 3,313,666               | -                                          | 3,313,666                               |
| <b>TOTAL FUND BALANCES</b>                     | <b>\$ 3,488,476</b>     | <b>\$ 468,231</b>                          | <b>\$ 3,956,707</b>                     |
| <br><b>TOTAL LIABILITIES AND FUND BALANCES</b> | <br><b>\$ 4,486,380</b> | <br><b>\$ 498,399</b>                      | <br><b>\$ 4,984,779</b>                 |

The accompanying notes are an integral part of these financial statements

**A. W. BEATTIE CAREER CENTER**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

**Total Fund Balances - Governmental Funds** **\$ 3,956,707**

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 \$27,028,894, and the accumulated depreciation is \$10,579,305. 16,449,589

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

Deferred outflows of resources related to pensions 2,755,440  
 Deferred outflows of resources related to OPEB 110,867

Deferred inflows of resources related to pensions (397,000)  
 Deferred inflows of resources related to OPEB (20,000)

Long term liabilities, including notes payable and retirement incentives, are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:

|                          |               |              |
|--------------------------|---------------|--------------|
| Bonds payable (Net)      | \$ 10,665,388 |              |
| Leases payable           | 7,515         |              |
| Accrued interest on debt | 65,708        |              |
| Net OPEB liability       | 627,000       |              |
| Net pension liability    | 14,279,000    |              |
| Compensated absences     | 301,918       | (25,946,529) |
|                          |               |              |

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (Deficit)** **\$ (3,090,926)**

The accompanying notes are an integral part of these financial statements

**A. W. BEATTIE CAREER CENTER**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

|                                                      | <b><u>GENERAL<br/>FUND</u></b> | <b><u>NONMAJOR<br/>GOVERNMENTAL<br/>FUNDS</u></b> | <b><u>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</u></b> |
|------------------------------------------------------|--------------------------------|---------------------------------------------------|------------------------------------------------|
| <b><u>REVENUES</u></b>                               |                                |                                                   |                                                |
| Local Sources                                        | \$ 8,403,467                   | \$ 8,545                                          | \$ 8,412,012                                   |
| State Sources                                        | 1,800,572                      | -                                                 | 1,800,572                                      |
| Federal Sources                                      | 515,115                        | -                                                 | 515,115                                        |
| <b>TOTAL REVENUE</b>                                 | <b><u>\$ 10,719,154</u></b>    | <b><u>\$ 8,545</u></b>                            | <b><u>\$ 10,727,699</u></b>                    |
| <b><u>EXPENDITURES</u></b>                           |                                |                                                   |                                                |
| Instruction                                          | \$ 5,432,920                   | \$ 500                                            | \$ 5,433,420                                   |
| Support Services                                     | 2,831,507                      | -                                                 | 2,831,507                                      |
| Noninstructional Services                            | 384,678                        | -                                                 | 384,678                                        |
| Capital Outlay                                       | -                              | 82,232                                            | 82,232                                         |
| Debt Service                                         | 1,395,497                      | -                                                 | 1,395,497                                      |
| <b>TOTAL EXPENDITURES</b>                            | <b><u>\$ 10,044,602</u></b>    | <b><u>\$ 82,732</u></b>                           | <b><u>\$ 10,127,334</u></b>                    |
| <b>EXCESS REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b><u>\$ 674,552</u></b>       | <b><u>\$ (74,187)</u></b>                         | <b><u>\$ 600,365</u></b>                       |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>         |                                |                                                   |                                                |
| Operating Transfers In                               | \$ -                           | \$ 119,063                                        | \$ 119,063                                     |
| Operating Transfers Out                              | (119,063)                      | -                                                 | (119,063)                                      |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>          | <b><u>\$ (119,063)</u></b>     | <b><u>\$ 119,063</u></b>                          | <b><u>\$ -</u></b>                             |
| <b>NET CHANGE IN FUND BALANCES</b>                   | <b><u>\$ 555,489</u></b>       | <b><u>\$ 44,876</u></b>                           | <b><u>\$ 600,365</u></b>                       |
| FUND BALANCE - JULY 1, 2020 (Restated)               | 2,932,987                      | 423,355                                           | 3,356,342                                      |
| <b>FUND BALANCE - JUNE 30, 2021</b>                  | <b><u>\$ 3,488,476</u></b>     | <b><u>\$ 468,231</u></b>                          | <b><u>\$ 3,956,707</u></b>                     |

The accompanying notes are an integral part of these financial statements

**A. W. BEATTIE CAREER CENTER**  
**RECONCILIATION OF THE GOVERNMENT FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 600,365**

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 depreciation expense (\$648,467) exceeds capital outlays (\$169,283) in the period. (479,184)

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. (365,401)

Repayment of principal on bonds and leases payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,027,195

Bond premiums are reported in governmental funds as revenues. However, in the statement of activities, this amount is capitalized and is accreted over the life of the bond issue as interest expense. 101,424

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. 10,885

In the statement of activities, certain operating expenses - compensated absences and retiree benefits - are measured by the amounts earned during the year. In the governmental funds, however, these expenditures are measured by the amount of financial resources used (paid). This is the amount by which compensated absences and retiree benefits paid exceeded the amount earned. 67,759

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 963,043**

The accompanying notes are an integral part of these financial statements

**A. W. BEATTIE CAREER CENTER**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2021**

|                                                               | Budgeted Amounts     |                      | Actual<br>(Budgetary Basis) | Variance with<br>Final Budget<br>Positive<br><Negative> |
|---------------------------------------------------------------|----------------------|----------------------|-----------------------------|---------------------------------------------------------|
|                                                               | Original             | Final                |                             |                                                         |
| <b>REVENUES</b>                                               |                      |                      |                             |                                                         |
| Local Sources                                                 | \$ 8,968,267         | \$ 8,968,267         | \$ 8,403,467                | \$ (564,800)                                            |
| State Sources                                                 | 1,441,000            | 1,441,000            | 1,800,572                   | 359,572                                                 |
| Federal Sources                                               | 287,000              | 287,000              | 515,115                     | 228,115                                                 |
| <b>Total Revenues</b>                                         | <b>\$ 10,696,267</b> | <b>\$ 10,696,267</b> | <b>\$ 10,719,154</b>        | <b>\$ 22,887</b>                                        |
| <b>EXPENDITURES</b>                                           |                      |                      |                             |                                                         |
| Special Programs                                              | \$ 678,033           | \$ 678,033           | \$ 640,786                  | \$ 37,247                                               |
| Vocational Programs                                           | 4,685,876            | 4,685,876            | 4,792,134                   | (106,258)                                               |
| Pupil Personnel Services                                      | 209,905              | 209,905              | 111,568                     | 98,337                                                  |
| Instructional Staff Services                                  | 723,868              | 723,868              | 639,577                     | 84,291                                                  |
| Administrative Services                                       | 921,970              | 921,970              | 908,605                     | 13,365                                                  |
| Business Services                                             | 456,137              | 456,137              | 369,399                     | 86,738                                                  |
| Operation & Maintenance of Plant Services                     | 1,139,571            | 1,139,571            | 797,772                     | 341,799                                                 |
| Central Services                                              | 41,700               | 41,700               | 4,586                       | 37,114                                                  |
| Noninstructional Services                                     | 429,557              | 429,557              | 384,678                     | 44,879                                                  |
| Debt Service                                                  | 1,387,650            | 1,387,650            | 1,395,497                   | (7,847)                                                 |
| <b>Total Expenditures</b>                                     | <b>\$ 10,674,267</b> | <b>\$ 10,674,267</b> | <b>\$ 10,044,602</b>        | <b>\$ 629,665</b>                                       |
| <b>Excess ( Deficiency) of Revenues<br/>over Expenditures</b> | <b>\$ 22,000</b>     | <b>\$ 22,000</b>     | <b>\$ 674,552</b>           | <b>\$ 652,552</b>                                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                      |                      |                             |                                                         |
| Operating Transfers Out                                       | \$ -                 | \$ -                 | \$ (119,063)                | \$ (119,063)                                            |
| Budgetary Reserve                                             | (22,000)             | (22,000)             | -                           | 22,000                                                  |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ (22,000)</b>   | <b>\$ (22,000)</b>   | <b>\$ (119,063)</b>         | <b>\$ (97,063)</b>                                      |
| <b>NET CHANGE IN FUND BALANCES</b>                            | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ 555,489</b>           | <b>\$ 555,489</b>                                       |
| FUND BALANCE - JULY 1, 2020                                   | 2,585,306            | 2,585,306            | 2,932,987                   | 347,681                                                 |
| <b>FUND BALANCE - JUNE 30, 2021</b>                           | <b>\$ 2,585,306</b>  | <b>\$ 2,585,306</b>  | <b>\$ 3,488,476</b>         | <b>\$ 903,170</b>                                       |

The accompanying notes are an integral part of these financial statements

**A.W. BEATTIE CAREER CENTER**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUND**  
**JUNE 30, 2021**

|                                     | <b>STUDENT<br/>ACTIVITY<br/>CUSTODIAL<br/>FUNDS</b> |
|-------------------------------------|-----------------------------------------------------|
|                                     |                                                     |
| <b>ASSETS</b>                       |                                                     |
| Cash and Cash Equivalents           | \$ 66,689                                           |
| <b>TOTAL ASSETS</b>                 | <b>\$ 66,689</b>                                    |
| <b>LIABILITIES AND NET POSITION</b> |                                                     |
| <b>LIABILITIES:</b>                 |                                                     |
| Other Current Liabilities           | \$ -                                                |
| <b>TOTAL LIABILITIES</b>            | <b>\$ -</b>                                         |
| <b>NET POSITION:</b>                |                                                     |
| Retricted                           | \$ 66,689                                           |
| <b>TOTAL NET POSITION</b>           | <b>\$ 66,689</b>                                    |

The accompanying notes are an integral part of these financial statements



**A.W. BEATTIE CAREER CENTER**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2021**

|                                         | <u>STUDENT<br/>ACTIVITY<br/>CUSTODIAL<br/>FUND</u> |
|-----------------------------------------|----------------------------------------------------|
| <b>ADDITIONS</b>                        |                                                    |
| Interest                                | \$ 114                                             |
| Student Club Organization Receipts      | 34,184                                             |
| <b>TOTAL ADDITIONS</b>                  | <u>\$ 34,298</u>                                   |
| <b>DEDUCTIONS</b>                       |                                                    |
| Student Club Organization Disbursements | \$ 25,472                                          |
| <b>TOTAL DEDUCTIONS</b>                 | <u>\$ 25,472</u>                                   |
| <br><b>CHANGE IN NET POSITION</b>       | <br>\$ 8,826                                       |
| NET POSITION - JULY 1, 2020 (Restated)  | <u>57,863</u>                                      |
| <b>NET POSITION - JUNE 30, 2021</b>     | <u><u>\$ 66,689</u></u>                            |

The accompanying notes are an integral part of these financial statements

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

The A.W. Beattie Career Center (AWBCC) is a joint school system, operating under the authority of the Pennsylvania Public School Code, established to provide vocational programs in secondary vocational education, secondary academic education, adult vocational education, adult basic education and general education degree programming for the following member School Districts:

|                         |                      |
|-------------------------|----------------------|
| <b>Avonworth</b>        | <b>North Hills</b>   |
| <b>Deer Lakes</b>       | <b>Northgate</b>     |
| <b>Fox Chapel Area</b>  | <b>Pine-Richland</b> |
| <b>Hampton Township</b> | <b>Shaler Area</b>   |
| <b>North Allegheny</b>  |                      |

The Board of Joint School Directors (called the Joint Operating Committee) of the AWBCC is comprised of eighteen representatives from each of the member School Districts. Each of the AWBCC's nine-member School Districts in Allegheny County appoints two of their elected board members to serve on the Joint Operating Committee. Board members, in conjunction with the Superintendent of Record and Director of Vocational Education, have complete authority over the operations and administration of the AWBCC's activities. AWBCC has no power to levy taxes. Revenues which finance the cost of basic instruction are derived mainly from its' member School Districts.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the AWBCC consists of all funds, departments, boards and agencies that are not legally separate from the AWBCC. Generally accepted accounting principles define component units as legally separate entities that are included in the AWBCC's reporting entity because of the significance of their operating or financial relationships with the AWBCC. Based on the application of these criteria, the AWBCC has no component units.

As described in Note 11, the AWBCC is associated with one public entity risk pool (Allegheny County Schools Health Insurance Consortium).

The financial statements of the AWBCC have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The most significant of the AWBCC's accounting policies are as follows:

**FINANCIAL STATEMENT PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** – The statement of net position (Exhibit A) and the statement of activities (Exhibit B) display information about the AWBCC as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the AWBCC that are governmental and those that are considered business-type activities. The government-wide statements are prepared using the economic resources measurement focus. That is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations (Exhibit D and F) with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FINANCIAL STATEMENT PRESENTATION (Continued)**

The government-wide statement of activities (Exhibit B) presents a comparison between direct expenses and program revenues for each function of the AWBCC's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the AWBCC. The most significant source of general revenue for the AWBCC is the operating contributions received from member School Districts. The comparison of direct expenses with program revenues identifies the extent to which the government function is self-financing or draws from the general revenues of the AWBCC.

**FUND FINANCIAL STATEMENTS** – Fund financial statements report detailed information about the AWBCC. Under generally accepted accounting standards, the focus of the fund financial statements is on major funds rather than reporting funds by type. Major funds represent the AWBCC's most important funds and are determined based on percentages of assets, liabilities, revenues, and expenditures/expenses. For the AWBCC, the General Fund is always considered a major fund. Each major fund is presented in a separate column. Non-major funds, if any, would be segregated and presented in a single column. Fiduciary funds are reported by fund type.

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Fiduciary funds are reported using the economic resources measurement focus.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the AWBCC, available means expected to be received within sixty days of fiscal year-end.

Revenue resulting from non-exchange transactions, in which the AWBCC receives value without directly giving equal value in return, includes mainly, grants. Revenues from grants are recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be 'available' before it can be recognized.

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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (Continued)**

The management of the AWBCC has determined that the revenues most susceptible to accrual (measurable and available) at June 30, 2021 under the modified accrual basis are federal and state subsidies, and other miscellaneous revenues, earned during fiscal year 2020-2021 but received subsequent to June 30, 2021.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. The primary expenditures deemed susceptible to accrual at June 30, 2021 under the modified accrual basis are **1)** salaries and benefits budgeted and pertaining to the 2020-2021 fiscal year, but which were paid in July and August of 2021 in accordance with labor agreements and **2)** utility costs and purchase orders for supplies and operations obligated prior to June 30, 2021.

**FUND ACCOUNTING**

The AWBCC uses funds to report on its financial position and the results of its operations during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain AWBCC functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds for the AWBCC are classified into two categories: governmental and fiduciary. Fund categories are defined as follows:

**Governmental Funds** – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the AWBCC's major and non-major governmental funds:

**MAJOR GOVERNMENTAL FUND:**

**GENERAL FUND** - The general fund is used to account for all financial resources not required to be accounted for in some other fund. The general fund balance is available for any purpose provided it is expended according to the Commonwealth of Pennsylvania Public School Code.

**NON-MAJOR GOVERNMENTAL FUNDS:**

**CAPITAL RESERVE FUND** - The capital reserve fund was established to account for monies transferred from the General Fund to be used for planned and unplanned future capital expenditures that are outside the usual operating budget.

**SCHOLARSHIP FUND** - The scholarship fund was established to provide scholarships to eligible AWBCC students by private contribution from the general public.

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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**Fiduciary Funds** – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the AWBCC under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the AWBCC's own programs. Custodial funds report fiduciary activities that are not held in a Trust or equivalent arrangement that meets specific criteria. The AWBCC reports one student activity custodial fund to account for various student organization activity accounts administered by the AWBCC on behalf of the various student organizations.

**BUDGETS**

On June 24, 2020, the A.W. Beattie Career Center adopted its fiscal year June 30, 2021 annual budget for the General Fund totaling \$10,696,267 In accordance with the provisions of the Pennsylvania School Code. The budget is prepared utilizing the modified accrual basis of accounting in accordance with generally accepted accounting principles. The original and final budgetary amounts are reflected in these financial statements (Exhibit G). All annual appropriations of the General Fund lapse at year-end.

The AWBCC uses the following procedures in establishing this budgetary data:

- a. Prior to May of the preceding fiscal year, AWBCC prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the revenues and other sources of funds used to finance these expenditures.
- b. At least 20 days prior to the date set for budget adoption, the budget is made available for public inspection.
- c. A meeting of the Board of Directors is then held for the purpose of adopting the proposed budget. The meeting may only be held after 10 days of public notification.
- d. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board of Directors.
- e. The budget must be filed with the Commonwealth of Pennsylvania, Department of Education by July 15 of the fiscal year or within 30 days of adoption.
- f. Budgetary transfers are permitted after the first 90 days of the AWBCC's fiscal year.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include amounts in demand deposit accounts and any other highly liquid, short-term investments, with original maturity terms of less than three months.

**INVESTMENTS**

Under Section 440.1 of the Pennsylvania Public School Code of 1949, as amended, and PA Act 10 of 2016, AWBCC is permitted to invest funds consistent with sound business practices in the following types of investments:

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**INVESTMENTS (Continued)**

- I. Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- II. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.
- III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.

Investments of the AWBCC include deposits pooled for investment purposes with Pennsylvania the AWBCC Liquid Asset Fund (PSDLAF) and the Pennsylvania Local Government Investment Trust (PLGIT). Investments are reported at fair value.

There were no deposit and investment transactions during the year that were in violation of state statutes.

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the governmental funds balance sheet. For the purposes of the government-wide statement of net position, governmental inter-fund receivables and payables have been eliminated.

**INVENTORIES**

The cost of instructional and maintenance supplies purchased by governmental funds is recorded as an expenditure in the governmental funds and an expense in the government-wide statement of activities at the time of purchase. The Center does not inventory these items.

**CAPITAL ASSETS AND DEPRECIATION**

Capital assets are reported on the government-wide statement of net position. All capital assets are recorded at cost (or estimated historical cost). Donated fixed assets are recorded at fair value at the time of receipt. The AWBCC maintains a capitalization threshold of \$5,000. The cost of infrastructure is included as part of site improvements in the government-wide statement of net position. Routine repair and maintenance costs that do not add to the value of the asset or extend its useful life are charged as an expense in the government-wide statement of activities.

All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the following useful lives:

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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**CAPITAL ASSETS AND DEPRECIATION (Continued)**

| <u>CATEGORY</u>            | <u>GOVERNMENTAL<br/>ACTIVITIES</u> |
|----------------------------|------------------------------------|
| Buildings and Improvements | 50 years                           |
| Land Improvements          | 20 years                           |
| Furniture                  | 10 to 20 years                     |
| Vehicles                   | 10 years                           |
| Equipment                  | 5 to 15 years                      |
| Computers                  | 5 years                            |

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets purchased by governmental funds are recorded as expenditures in the fund financial statements (Exhibit E). The results of capitalizing fixed assets net of depreciation on the government-wide statement of net position and statement of activities, as opposed to recording these same assets as an expenditure in the fund financial statements, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

**COMPENSATED ABSENCES**

The AWBCC reports compensated absences in accordance with the provisions of applicable GASB Statements. Sick leave benefits (unused sick days) are accrued as a liability to the AWBCC in accordance with the terms of the collective bargaining agreement between the Board of Directors and the AWBCC Educational Association. Employees are allowed unlimited accumulation of unused sick days. Upon retirement or termination of service, employees who reach age 62, or a combined age and seniority equaling 72, can elect to receive compensation as follows:

|                                          | <u>Sick Pay<br/>Rate/Day</u> | <u>Maximum<br/>Days</u> | <u>Maximum<br/>Benefit</u> |
|------------------------------------------|------------------------------|-------------------------|----------------------------|
| Administrators                           | \$ 100                       | 150                     | \$15,000                   |
| Professional Educators                   | \$ 100                       | 150                     | \$15,000                   |
| Support Personnel &<br>Daycare Personnel | \$ 30                        | 150                     | \$3,000                    |

The current and long-term portion of the compensated absences liability is shown in the government-wide statement of net position. For governmental fund financial statements, compensated absences are recorded as an expenditure when paid rather than accrued when earned as the likelihood of payment in the immediate fiscal year with available expendable resources is not assured.

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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENSIONS**

For the 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's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment assets are reported at fair value. More information on pension activity is included in Note 8.

**OTHER POSTEMPLOYMENT BENEFITS**

For the 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's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment assets are reported at fair value. More information on other postemployment benefits activity is included in Note 9.

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion of compensated absences and retiree health benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment within 60 days of the end of the fiscal year-end, are considered to be paid with current available financial resources. Other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. The AWBCC's General Fund is typically used to liquidate long-term liability obligations.

The results of recognizing these long-term obligations as liabilities on the government-wide statement of net position and statement of activities, as opposed to recording these same obligations as an expenditure in the fund financial statements only when paid, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

**NET POSITION**

Net position is classified into four categories according to external donor or legal restrictions or availability of assets to satisfy AWBCC obligations. Net position is classified as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets net of accumulated depreciation, and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets.
- Restricted-Nonexpendable – Net position subject to externally imposed restrictions which are required to be maintained in perpetuity.



**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**NET POSITION (Continued)**

- Restricted-Expendable – Net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the AWBCC or by the passage of time.
- Unrestricted – Consists of net position that do not meet the definition of ‘restricted’ or ‘invested in capital assets, net of related debt’.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the AWBCC’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

**FUND EQUITY**

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity’s fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation. As of June 30, 2021 the AWBCC’s Scholarship Fund maintains a restricted fund balance of \$213,115.
- Committed fund balance – amounts constrained to specific purposes by the AWBCC itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the AWBCC takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts the AWBCC intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. At June 30, 2021, AWBCC had a total assigned fund balance of \$429,926, (\$174,810 for the General Fund and \$255,116 for the Capital Reserve Fund).
- Unassigned fund balance – amounts that are available for any purpose

The AWBCC establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. The Board of Directors has given authority to assign fund balance to AWBCC management.

When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the AWBCC’s general policy to spend the committed resources first, followed by assigned amounts and then unassigned amounts.

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the AWBCC's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

In addition to assets, the financial statements 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The AWBCC has two items that qualify for reporting in this category. They are deferred outflows related to the AWBCC's pension and OPEB plans, reported on the governmental funds statement of net position (Exhibit A).

In addition to liabilities, the financial statements 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The AWBCC has two items that qualify for reporting in this category. They are deferred inflows related to the AWBCC's pension and OPEB plans, reported on the governmental funds statement of net position (Exhibit A).

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statement were adopted for the AWBCC's 2020-2021 financial statements:

**GASB issued Statement No. 84, 'Fiduciary Activities'.** The primary objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries (see Note 14).

**PENDING GASB PRONOUNCEMENTS**

**GASB issued Statement No. 87, 'Leases'.** The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The provisions of this Statement are effective for the AWBCC's June 30, 2022 financial statements.

**GASB issued Statement No. 89, 'Accounting for Interest Cost Incurred before the end of a Construction Period'.** The primary objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and, (b) to simplify accounting for certain interest costs. The provisions of this Statement are effective for the AWBCC's June 30, 2022 financial statements.

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS (Continued)**

**GASB issued Statement No. 90, 'Majority Equity Interests (an amendment of GASB Statements No. 14 and No. 61)'.** The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. The provisions of this Statement are effective for the AWBCC's June 30, 2021 financial statements.

**GASB issued Statement No. 91, 'Conduit Debt Obligations'.** The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement are effective for the AWBCC's June 30, 2023 financial statements.

**GASB issued Statement No. 92, 'Omnibus 2020'.** The primary objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of GASB Statement Nos. 73, 74, 84, and 87. In addition the Statement addresses various topics and includes specific provisions concerning the following:

- Measurement of liabilities (and assets, if any) related to asset retirement obligations (ARO) in a government acquisition
- Reporting by entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The provisions of this Statement are effective for the AWBCC's June 30, 2022 financial statements.

**GASB issued Statement No. 93, 'Replacement of Interbank Offered Rates'.** The primary objectives of this Statement are to address the accounting and financial reporting implications that result from the replacement of an interbank offering rate (IBOR). The provisions of this Statement are effective for the AWBCC's June 30, 2022 financial statements.

**GASB issued Statement No. 94, 'Public-Private and Public-Public Partnerships and Availability Payment Arrangements'.** The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and provide guidance for accounting and financial reporting for availability payment arrangements (APAs). The provisions of this Statement are effective for the AWBCC's June 30, 2023 financial statements.

**GASB issued Statement No. 96, 'Subscription-Based Information Technology Arrangements'.** The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The provisions of this Statement are effective for the AWBCC's June 30, 2023 financial statements.

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS (Continued)**

**GASB issued Statement No. 97**, ‘*Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*’. The primary objectives of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensations plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement are effective for the AWBCC’s June 30, 2022 financial statements.

**GASB issued Statement No. 98**, ‘*The Annual Comprehensive Financial Report*’. This Statement establishes the term *annual comprehensive financial report and its acronym ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for the AWBCC’s June 30, 2022 financial statements.

The effects of implementing these Statements on the AWBCC’s financial statements have not yet been determined.

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS:**

The AWBCC had the following bank deposit balances and carrying values on its cash and cash equivalents at June 30, 2021:

|                       | <b>BANK<br/>BALANCE</b> | <b>CARRYING<br/>VALUE</b> |
|-----------------------|-------------------------|---------------------------|
| Governmental Funds    | \$ 4,034,499            | \$ 3,976,552              |
| Agency/Fiduciary Fund | 66,789                  | 66,689                    |
|                       | <b>\$ 4,101,288</b>     | <b>\$ 4,043,241</b>       |

The difference between the bank balance and carrying value represents year-end reconciling items such as deposits in transit and outstanding checks, and petty cash. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government accounts is \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposits accounts, and certificates of deposit.

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**CASH DEPOSITS: (Continued)**

**Custodial Credit Risk:**

Custodial credit risk is the risk that in the event of a bank failure, the AWBCC's deposits may not be returned to it. The Center's investment policy complies with Section 440.1 of the Public School Code of 1949 with the primary objectives being safety, liquidity and yield. As of June 30, 2021, \$3,851,288 of the bank balance total is exposed to custodial credit risk as the bank balance totals exceed the \$250,000 FDIC insurance limit. This amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the AWBCC's name. The AWBCC's investment policy requires a written safe keeping agreement and/or Act 72 agreement with each financial institution acting as depository.

**INVESTMENTS:**

The fair value and maturity term of the A.W. Beattie Career Center's investments as of June 30, 2021 is as follows:

|                            | <u>Fair Value</u> | <u>No Stated<br/>Maturity</u> | <u>Credit<br/>Rating</u> |
|----------------------------|-------------------|-------------------------------|--------------------------|
| <b>Governmental Funds:</b> |                   |                               |                          |
| PSDLAF                     | \$ 56,668         | \$ 56,668                     | AAAm                     |
| PLGIT                      | 413,146           | 413,146                       | AAAm                     |
|                            | <u>\$ 469,814</u> | <u>\$ 469,814</u>             |                          |

The purpose of the Pennsylvania AWBCC Liquid Asset Fund (PSDLAF) and the Pennsylvania Local Government Investment Trust (PLGIT) is to enable governmental units to pool their available funds for investments authorized under the Intergovernmental Cooperation Act of 1972. The funds operate in a manner consistent with the SEC's Rule 2(a) 7 of the Investment Company Act of 1940. The funds use amortized cost to report net position to compute share prices. These funds maintain net asset values of \$1 per share. Accordingly, the fair value of the position in these funds is the same as the value of these shares. These funds are rated by a nationally recognized statistical rating organization (Standard & Poors). PSDLAF and PLGIT do not put any limitations or restrictions on withdrawals.

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that in the event of the counterparty, the AWBCC will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The PSDLAF and PLGIT investments have the characteristics of an open-end mutual fund, and is not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The AWBCC does not have a policy that would limit its investment choices to those with certain credit ratings.

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS: (Continued)**

**Credit Risk:**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The AWBCC has no formal investment policy that limits its investment choices based on credit ratings by nationally recognized rating organizations.

**Interest Rate Risk:**

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The AWBCC does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Concentration of Credit Risk:**

The AWBCC places no limit on the amount it may invest in any one issuer.

**Fair Value Measurements:**

The A. W. Beattie Career Center's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes
- Level 2 – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data
- Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

Investments held in external investment pools such as PSDLAF and PLGIT are not subject to the provisions of fair value measurements as they are recorded at amortized cost.

**NOTE 3 – DUE FROM OTHER GOVERNMENTS/DUE FROM MEMBER AWBCCS**

The amount of 'due from other governments', totaling \$524,697, as reflected on the government-wide statement of net position and the governmental funds balance sheet, represents **1)** \$326,737 in social security and retirement subsidy due from the Commonwealth of Pennsylvania, **2)** \$142,944 due from the Department of Education in connection with the Perkins grant program, and **3)** \$55,016 in connection with the GEER funded Initiatives grant as of June 30, 2021. There was no amount due from member School Districts at June 30, 2021.

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 – INTER-FUND TRANSFERS**

A transfer was made from the General Fund to the Capital Project Fund in the amount of \$119,063 for future capital expenses.

**NOTE 5 – OTHER RECEIVABLES**

The amount of 'other receivables', totaling \$13,716, as reflected on the government-wide statement of net position (Exhibit A) and the governmental funds balance sheet (Exhibit C), is comprised of miscellaneous revenues due the AWBCC.

**NOTE 6 - CAPITAL ASSETS**

A summary of the governmental fixed asset activity for the 2020-2021 fiscal year was as follows:

|                                                        | <u>Balance<br/>7/1/2020</u> | <u>Additions</u>           | <u>Deductions</u>  | <u>Balance<br/>6/30/2021</u> |
|--------------------------------------------------------|-----------------------------|----------------------------|--------------------|------------------------------|
| <b>Governmental Activities</b>                         |                             |                            |                    |                              |
| Land                                                   | \$ 517,574                  | \$ -                       | \$ -               | \$ 517,574                   |
| Buildings and Improvements                             | 23,973,477                  | -                          | -                  | 23,973,477                   |
| Furniture and Equipment                                | 2,368,562                   | 169,283                    | -                  | 2,537,845                    |
|                                                        | <u>\$ 26,859,613</u>        | <u>\$ 169,283</u>          | <u>\$ -</u>        | <u>\$ 27,028,894</u>         |
| <b>Less: Accumulated depreciation</b>                  |                             |                            |                    |                              |
| Buildings and Improvements                             | \$ (8,458,459)              | \$ (444,384)               | -                  | \$ (8,902,843)               |
| Furniture and Equipment                                | (1,472,379)                 | (204,083)                  | -                  | (1,676,462)                  |
|                                                        | <u>\$ (9,930,838)</u>       | <u>\$ (648,467)</u>        | <u>\$ -</u>        | <u>\$ (10,579,305)</u>       |
| <b>Governmental Activities<br/>Capital Assets, Net</b> | <u><u>\$ 16,928,775</u></u> | <u><u>\$ (479,184)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 16,449,589</u></u>  |

Depreciation expense was charged to governmental functions as follows:

|                                               |                          |
|-----------------------------------------------|--------------------------|
| Instruction                                   | \$ 422,454               |
| Instructional Student Support                 | 47,969                   |
| Administrative and Financial Support Services | 104,889                  |
| Operation and Maintenance of Plant Services   | 39,651                   |
| Community Activities                          | 33,504                   |
|                                               | <u><u>\$ 648,467</u></u> |

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 7 - LONG-TERM LIABILITIES**

**SCHOOL REVENUE BONDS – SERIES OF 2016**

On June 23, 2016, revenue bonds were issued by the State Public School Building Authority. The AWBCC entered into a loan agreement with the Authority for the proceeds of the bonds totaling \$14,765,000. The purpose of the bonds was to currently refund the State Public School Building Authority's School Revenue Bonds, Series of 2008 and to pay for the bond issuance costs. The bonds were issued in denominations of \$5,000 with interest payable on April 15 and October 15 each year through maturity. Interest rates range between .50% and 5.0% with the bonds maturing on October 15, 2028. The bonds provide for early redemption options for the AWBCC for those bonds maturing on or after October 15, 2025 as detailed in the official statement of issue.

**DEFAULT PROVISIONS – SCHOOL REVENUE BONDS – SERIES OF 2016**

In an event of default, the Authority may, in addition to its other rights and remedies as may be provided in the Loan Agreement or may exist at the time at law or in equity, exercise any one or more of the following remedies: **1)** upon notice to the AWBCC, declare all sums due or to become due under the Loan Agreement and under the Notes to be immediately due and payable, or **2)** by suit, action or proceeding at law or in equity, enforce all rights of the Authority, and may require the AWBCC and the Joint Operating Committee to carry out any agreements with or for the benefit of the owners of the Bonds and to perform their duties under the Pennsylvania Local Government Debt Act, the Loan Agreement and the Notes.

A summary of the AWBCC's debt service requirements for the note outstanding at June 30, 2021 is as follows:

| <b>YEAR END</b>        | <b>PRINCIPAL</b>           | <b>INTEREST</b>            | <b>TOTAL</b>                |
|------------------------|----------------------------|----------------------------|-----------------------------|
| <b><u>JUNE 30,</u></b> |                            |                            |                             |
| 2022                   | \$ 1,070,000               | \$ 315,400                 | \$ 1,385,400                |
| 2023                   | 1,125,000                  | 260,525                    | 1,385,525                   |
| 2024                   | 1,180,000                  | 202,900                    | 1,382,900                   |
| 2025                   | 1,240,000                  | 142,400                    | 1,382,400                   |
| 2026                   | 1,290,000                  | 98,500                     | 1,388,500                   |
| 2027-2029              | 4,025,000                  | 132,925                    | 4,157,925                   |
|                        | <b><u>\$ 9,930,000</u></b> | <b><u>\$ 1,152,650</u></b> | <b><u>\$ 11,082,650</u></b> |

**DIRECT BORROWING - CAPITAL LEASE OBLIGATION**

In May of 2017, the AWBCC entered into a lease agreement with Laurel Capital in the amount of \$36,044.52, for the purchase of a telephone system. The terms of the lease agreement call for five (5) annual principal and interest payments of \$7,847 with an interest rate of 2.8945%. The lease is scheduled to expire on May 4, 2022. The equipment purchased serves as collateral on the lease. The principal balance on the lease as of June 30, 2021 is \$7,515 with interest due totaling \$188.



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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 - LONG-TERM LIABILITIES (Continued)**

**DEFAULT PROVISIONS – CAPITAL LEASE OBLIGATION**

The terms of the lease agreement provide for a 'Non-appropriation clause' in the event that sufficient funds are not available in the AWBCC's budget to make contract payments for the calendar year. In the event of non-appropriation by the AWBCC, the equipment is required to be returned to Laurel Capital Corporation. In the event of default by the AWBCC, Laurel Capital Corporation may exercise any and all remedies as provided for in the Master Lease Purchase Agreement. In addition, the AWBCC will remain liable for all covenants and indemnities under this lease and for all legal fees and other costs and expenses, including court costs, incurred by Laurel Capital Corporation with respect to the enforcement of any of the remedies listed in Master Lease Purchase Agreement or any other remedy available

The following represents the changes in the AWBCC's long-term liabilities during the 2020-2021 fiscal year:

|                          | <b><u>Balance</u></b><br><b><u>7/1/2020</u></b> | <b><u>Additions</u></b>    | <b><u>Reductions</u></b>   | <b><u>Balance</u></b><br><b><u>6/30/2021</u></b> | <b><u>Due Within</u></b><br><b><u>One Year</u></b> |
|--------------------------|-------------------------------------------------|----------------------------|----------------------------|--------------------------------------------------|----------------------------------------------------|
| General Obligation Bonds | \$ 10,950,000                                   | \$ -                       | \$ 1,020,000               | \$ 9,930,000                                     | \$ 1,070,000                                       |
| Direct Borrowing:        |                                                 |                            |                            |                                                  |                                                    |
| Capital Lease Obligation | 14,710                                          | -                          | 7,195                      | 7,515                                            | 7,515                                              |
| Net Pension Liability    | 13,099,000                                      | 1,180,000                  | -                          | 14,279,000                                       | -                                                  |
| Net OPEB Liability       | 596,000                                         | 31,000                     | -                          | 627,000                                          | -                                                  |
| Compensated Absences     | 396,169                                         | -                          | 94,251                     | 301,918                                          | -                                                  |
|                          | <b><u>\$ 25,055,879</u></b>                     | <b><u>\$ 1,211,000</u></b> | <b><u>\$ 1,121,446</u></b> | <b><u>\$ 25,145,433</u></b>                      | <b><u>\$ 1,077,515</u></b>                         |

**NOTE 8 - PENSION PLAN**

The AWBCC participates in the Public School Employees' Retirement System (PSERS). PSERS is a component unit of the Commonwealth of Pennsylvania. A brief description of the plan, and summary of the plan's provisions, are as follows:

**Plan Description**

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

**Benefits Provided**

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with a 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.

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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 – PENSION PLAN (Continued)**

**Benefits Provided (Continued)**

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 three years of service or attain a total combination of age and service that is equal to or greater than ninety-two with a minimum of thirty-five 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.

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.

**Contribution Rates**

**Member Contributions** - Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class T-C) or at 6.5% (Membership Class T-D) of the member's qualifying compensation. Members who joined the System on or after July 22, 1983 and who were active or inactive as of July 1, 2001, contribute 6.25% (Membership Class T-C) or at 7.5% (Membership Class T-D) of the members qualifying compensation. Members who joined the System after June 30, 2001 and before June 1, 2011, contribute at 7.5% (automatic Membership Class T-D).

For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002. Members who joined the System after June 30, 2011 automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.30% (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a 'shared risk' provision in Act 120 of 2010 that in future years could cause the Membership Class T-E contribution rate to fluctuate between 7.50% and 9.50% and Membership Class T-F contribution rate to fluctuate between 10.30% and 12.30%.

**Employer Contributions** – Contributions required of employers are based upon an actuarial valuation. For fiscal year ended June 30, 2021, the rate of employer's contribution was 33.69% (33.51% employer pension rate and .18% Act 5 defined contribution rate) 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 employer were \$1,391,440 for the year ended June 30, 2021.

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 – PENSION PLAN (Continued)**

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

At June 30, 2021, the AWBCC reported a liability of \$14,279,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2019 to June 30, 2020. The AWBCC's proportion of the net pension 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, 2020 (the measurement date), the AWBCC's proportion was .0290% which was an increase of .0010% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the AWBCC recognized pension expense of \$1,772,728. At June 30, 2021, the AWBCC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                 | <b><u>Deferred Outflows<br/>of Resources</u></b> | <b><u>Deferred Inflows<br/>of Resources</u></b> |
|-----------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| Difference between expected and actual experience               | \$ 37,000                                        | \$ 342,000                                      |
| Changes in assumptions                                          | -                                                | -                                               |
| Net difference between projected and actual investment earnings | 628,000                                          | -                                               |
| Changes in proportion                                           | 699,000                                          | 55,000                                          |
| Contributions subsequent to the measurement date                | 1,391,440                                        | -                                               |
|                                                                 | <b><u>\$ 2,755,440</u></b>                       | <b><u>\$ 397,000</u></b>                        |

The \$1,391,440 reported as deferred outflows of resources related to pensions resulting from AWBCC contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b><u>Measurement<br/>Date<br/>Year ended<br/>June 30,</u></b> | <b><u>Reporting<br/>Date<br/>Year ended<br/>June 30,</u></b> | <b><u>Amortization<br/>Amount</u></b> |
|----------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------|
| 2021                                                           | 2022                                                         | \$ 213,000                            |
| 2022                                                           | 2023                                                         | 263,000                               |
| 2023                                                           | 2024                                                         | 305,000                               |
| 2024                                                           | 2025                                                         | 186,000                               |

**Actuarial Assumptions**

The total pension liability as of June 30, 2020 was determined by rolling forward the System's total pension liability as of the June 30, 2019 to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 – PENSION PLAN (Continued)**

**Actuarial Assumptions (Continued)**

- Actuarial cost method – Entry Age Normal – level % of pay
- Investment return – 7.25%, includes inflation at 2.75%
- Salary growth – Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases
- Mortality rates were 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

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.

**Investment Asset Allocation**

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

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

| <b><u>Asset Class</u></b> | <b><u>Target<br/>Allocation</u></b> | <b><u>Long-Term<br/>Expected Real<br/>Rate of Return</u></b> |
|---------------------------|-------------------------------------|--------------------------------------------------------------|
| Global public equity      | 15.0%                               | 5.20%                                                        |
| Private equity            | 15.0%                               | 7.20%                                                        |
| Fixed Income              | 36.0%                               | 1.10%                                                        |
| Commodities               | 8.0%                                | 1.80%                                                        |
| Absolute return           | 10.0%                               | 2.50%                                                        |
| Infrastructure/MLP's      | 6.0%                                | 5.70%                                                        |
| Real estate               | 10.0%                               | 5.50%                                                        |
| Risk parity               | 8.0%                                | 3.30%                                                        |
| Cash                      | 6.0%                                | -1.00%                                                       |
| Financing (LIBOR)         | -14.0%                              | -0.70%                                                       |
|                           | <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, 2020.

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**NOTE 8 – PENSION PLAN (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the AWBCC'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 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

|                                                             | <b>1%<br/>Decrease<br/>6.25%</b> | <b>Current<br/>Discount<br/>Rate<br/>7.25%</b> | <b>1%<br/>Increase<br/>8.25%</b> |
|-------------------------------------------------------------|----------------------------------|------------------------------------------------|----------------------------------|
| AWBCC's proportionate share of<br>the net pension liability | \$ 17,667,000                    | \$ 14,279,000                                  | \$ 11,410,000                    |

**Pension plan fiduciary net position**

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

**NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION**

**PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM**

**General Information about the Health Insurance Premium Assistance Program**

PSERS 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's Health Options Program. As of June 30, 2020 there were no assumed future benefit increases to participating eligible retirees.

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)**

**Premium Assistance Eligibility Criteria**

Retirees of the System (PSERS) can participate in the Premium Assistance program if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program

**Plan Description**

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

**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 coverage through either their school employer or PSER's Health Options Program. As of June 30, 2020, there were no assumed future benefit increases to participating eligible retirees.

**Contributions**

The AWBCC's contractually required contribution for the fiscal year ended June 30, 2021 was 0.82% 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. During the 2020-2021 fiscal year, the AWBCC contributed \$33,867 to the premium assistance program.

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

At June 30, 2021, the AWBCC reported a liability of \$627,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, 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, 2019 to June 30, 2020. The AWBCC'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, 2020 (the measurement date), the AWBCC's proportion was 0.0290%, which is an increase of .0010% from its proportion measured as of June 30, 2019.

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)**

**OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

For the year ended June 30, 2021, AWBCC recognized OPEB expense of \$39,410. At June 30, 2021, the AWBCC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                             | <b><u>Deferred Outflows<br/>of Resources</u></b> | <b><u>Deferred Inflows<br/>of Resources</u></b> |
|-------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| Difference between expected and actual experience           | \$ 6,000                                         | \$ -                                            |
| Changes in assumptions                                      | 26,000                                           | 14,000                                          |
| Difference between projected and actual investment earnings | 1,000                                            | -                                               |
| Changes in proportion                                       | 44,000                                           | 6,000                                           |
| Contributions subsequent to the measurement date            | 33,867                                           | -                                               |
|                                                             | <b><u>\$ 110,867</u></b>                         | <b><u>\$ 20,000</u></b>                         |

The \$33,867 reported as deferred outflows of resources related to OPEB resulted from AWBCC contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the measurement year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <b>Measurement<br/>Date<br/>Year ended<br/>June 30,</b> | <b>Reporting<br/>Date<br/>Year ended<br/>June 30,</b> | <b>Amortization<br/>Amount</b> |
|---------------------------------------------------------|-------------------------------------------------------|--------------------------------|
| 2021                                                    | 2022                                                  | \$ 9,000                       |
| 2022                                                    | 2023                                                  | 9,000                          |
| 2023                                                    | 2024                                                  | 9,000                          |
| 2024                                                    | 2025                                                  | 15,000                         |
| 2025                                                    | 2026                                                  | 10,000                         |
| Thereafter                                              | Thereafter                                            | 5,000                          |

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**NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)**

**Actuarial Assumptions**

The Total OPEB liability as of June 30, 2020, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2019 to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial Cost Method – Entry Age Normal – level % of pay
- Investment Return – 2.79% based on the S&P 20 Year Municipal Bond Rate.
- Salary Increases – Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on 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.
- 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, 2019 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2015.

**Investment Asset Allocation**

Investments consist primarily of short-term assets designed to protect the principal of 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.

| <u>Asset Class</u>     | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------|--------------------------|-----------------------------------------------|
| Cash                   | 50.3%                    | -1.00%                                        |
| US Core Fixed Income   | 46.5%                    | -0.10%                                        |
| Non-US Developed Fixed | 3.2%                     | -0.10%                                        |
|                        | <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, 2020.



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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)**

**Discount Rate**

The discount rate used to measure the Total OPEB Liability was 2.66%. 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 2.66% which represents the S&P 20-year Municipal Bond Rate at June 30, 2020, was applied to all projected benefit payments to measure the total OPEB liability.

**Sensitivity of the Net OPEB liability to changes in the Healthcare Cost Trend Rates**

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2020, 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, 2020, 93,693 retirees were receiving the maximum amount allowed of \$1,200 per year and 688 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 net OPEB liability of the AWBCC as of the June 30, 2020 measurement date, calculated using current Healthcare cost trends as well as what the AWBCC net OPEB liability would be if its health cost trends were 1-percentage point lower or 1-percentage-point higher than the current healthcare cost trend rate:

|                    | <b>1%<br/>Decrease</b> | <b>Current<br/>Trend<br/>Rates</b> | <b>1%<br/>Increase</b> |
|--------------------|------------------------|------------------------------------|------------------------|
| Net OPEB Liability | \$ 627,000             | \$ 627,000                         | \$ 627,000             |

**Sensitivity of the Net OPEB liability to changes in the Discount Rate**

The following presents the net OPEB liability, calculated using the discount rate of 2.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.66%) or 1-percentage-point higher (3.66%) than the current rate:

|                    | <b>1%<br/>Decrease<br/>1.66%</b> | <b>Current Discount<br/>Rate<br/>2.66%</b> | <b>1%<br/>Increase<br/>3.66%</b> |
|--------------------|----------------------------------|--------------------------------------------|----------------------------------|
| Net OPEB Liability | \$ 714,000                       | \$ 627,000                                 | \$ 554,000                       |

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)**

**OPEB plan fiduciary net position**

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

**NOTE 10 – EMPLOYEE CONTRIBUTION RETIREMENT PLAN**

The AWBCC offers to all employees a 403(b)(7) non-ERISA retirement plan (the Plan) that began on June 4, 2007. Immediately upon employment, employees may enter the Plan and may defer a minimum of 1% up to 100% of compensation in increments of 1% not to exceed the IRS maximum. Plan participants who are age 50 or older are allowed to make additional catch-up contributions currently at \$5,500. There are no employer contributions and employees are always 100% vested in the salary deferrals. The current plan does have a written, employer-level plan document. A written plan was adopted to comply with the new IRS regulations effective January 1, 2009.

**NOTE 11 - RISK MANAGEMENT**

**GENERAL INSURANCE**

The AWBCC is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.<sup>1</sup>

**HEALTH INSURANCE**

The AWBCC is one of forty-six members of the Allegheny County Schools Health Insurance Consortium (ACSHIC) which purchases health benefits on behalf of participating public-AWBCCs and career centers. The AWBCC 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 \$915,719 for the year ended June 30, 2021.

Participating school districts and career centers 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's net position, as determined on the fiscal year-end date after withdrawal. As of June 30, 2021, the net assets available for benefits of the Consortium were \$63,689,030 of which \$187,735 is attributable to the AWBCC.

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 12 – CONTINGENCIES**

**STATE AND FEDERAL SUBSIDIES**

The AWBCC's state and federally funded programs are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The AWBCC is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**LEGAL MATTERS**

The AWBCC, in the normal course of operations, is party to various legal matters normally associated with career centers, such as personnel wages and benefits, student education, construction projects, and other miscellaneous legal matters. The AWBCC is not aware of any current claims, litigation, or assessments against the AWBCC that would adversely impact the financial position of the AWBCC as of the date of this report.

**COVID-19 IMPLICATIONS**

Early in 2020, a new strain of the coronavirus (COVID-19) began its global pandemic spread, including to the United States, negatively affecting many aspects of society and the economy. The impact of the virus is on-going and varies from region to region and from day to day, and any significant additional spreading of the virus could adversely affect the AWBCC's operations and finances. The outbreak of the COVID-19 virus is likely to have a negative impact in 2021-2022 on the global and local economy and, might impact the AWBCC's financial results in 2021-2022 and beyond. Given the dynamic nature of this pandemic, however, the extent to which the COVID-19 virus impacts the AWBCC's results will depend on future developments, which remain highly uncertain and cannot be predicted at this time.

**NOTE 13 – ECONOMIC DEPENDENCY**

The AWBCC is a joint venture of nine-member School Districts. AWBCC derives a substantial portion of its revenue from the member School Districts. For the year ended June 30, 2021, revenue from member School Districts was 73.1% of AWBCC's total General Fund revenue. Member School District contributions have been recognized as follows for the year ended June 30, 2021:

|                  | <b>Operating<br/>Budget</b> | <b>Debt Service<br/>Budget</b> | <b>Tota Member<br/>School District<br/>Contributions</b> |
|------------------|-----------------------------|--------------------------------|----------------------------------------------------------|
| Avonworth        | \$ 329,616                  | \$ 51,412                      | \$ 381,028                                               |
| Deer Lakes       | 754,418                     | 69,868                         | 824,286                                                  |
| Fox Chapel Area  | 449,732                     | 215,918                        | 665,650                                                  |
| Hampton Township | 593,871                     | 119,546                        | 713,417                                                  |
| North Allegheny  | 860,756                     | 336,921                        | 1,197,677                                                |
| North Hills      | 965,369                     | 203,152                        | 1,168,521                                                |
| Northgate        | 638,019                     | 44,405                         | 682,424                                                  |
| Pine-Richland    | 520,532                     | 156,250                        | 676,782                                                  |
| Shaler Area      | 1,331,247                   | 190,178                        | 1,521,425                                                |
| Totals           | <b>\$ 6,443,560</b>         | <b>\$ 1,387,650</b>            | <b>\$ 7,831,210</b>                                      |

**A. W. BEATTIE CAREER CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 14 – IMPACT OF GASB 84 IMPLEMENTATION**

As noted in Note 1, the AWBCC adopted the provisions of **GASB Statement No. 84, 'Fiduciary Activities'** during the 2020-2021 fiscal year, effective July 1, 2020. The primary objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement is also intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. The impact of the AWBCC's implementation of this new standard resulted in the following:

- Student Activity Fund continues to be reported as a fiduciary fund-type, however under the new GASB Statement No. 84 category of fiduciary 'custodial funds' – Student Activity Custodial Fund.
- The Student Activity Custodial Fund requires the presentation of a statement of changes in net position. Prior to July 1, 2020, the Student Activity Fund net position was \$0. Accordingly, to conform with the requirements of GASB Statement No. 84, the July 1, 2020 net position for the Student Activity Custodial Fund was restated to \$57,863 (Exhibit I).
- The AWBCC's Scholarship Fund was determined to meet criteria of a Special Revenue Fund (governmental fund), and not a private-purpose trust fund (fiduciary fund) as described in GASB Statement No. 84. Accordingly, the financial information related to the AWBCC's Scholarship is now reported as a nonmajor governmental fund in the accompanying financial statements.

**NOTE 15 – SUBSEQUENT EVENTS**

Management has determined that there are no events subsequent to June 30, 2021 through the January 27, 2022 date of the 'Independent Auditor's Report', which is the date the financial statements were available to be issued, that required additional disclosure in the financial statements.

***SUPPLEMENTARY***  
***INFORMATION***

**A.W. BEATTIE CAREER CENTER**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

**SCHEDULE 1**

|                                            | <b>SCHOLARSHIP<br/>FUND</b> | <b>CAPITAL<br/>RESERVE<br/>FUND</b> | <b>TOTAL<br/>NONMAJOR GOVERNMENTAL<br/>FUNDS</b> |
|--------------------------------------------|-----------------------------|-------------------------------------|--------------------------------------------------|
| <b>ASSETS:</b>                             |                             |                                     |                                                  |
| Cash and Cash Equivalents                  | \$ -                        | \$ 285,284                          | \$ 285,284                                       |
| Investments                                | 213,115                     | -                                   | 213,115                                          |
| <b>TOTAL ASSETS</b>                        | <b>\$ 213,115</b>           | <b>\$ 285,284</b>                   | <b>\$ 498,399</b>                                |
| <b>LIABILITIES AND FUND BALANCES:</b>      |                             |                                     |                                                  |
| <b>LIABILITIES:</b>                        |                             |                                     |                                                  |
| Accounts Payable                           | \$ -                        | \$ 30,168                           | \$ 30,168                                        |
| <b>TOTAL LIABILITIES</b>                   | <b>\$ -</b>                 | <b>\$ 30,168</b>                    | <b>\$ 30,168</b>                                 |
| <b>FUND BALANCES:</b>                      |                             |                                     |                                                  |
| Restricted                                 | \$ 213,115                  | \$ -                                | \$ 213,115                                       |
| Assigned                                   | -                           | 255,116                             | 255,116                                          |
| <b>TOTAL FUND BALANCES</b>                 | <b>\$ 213,115</b>           | <b>\$ 255,116</b>                   | <b>\$ 468,231</b>                                |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 213,115</b>           | <b>\$ 285,284</b>                   | <b>\$ 498,399</b>                                |

The accompanying notes are an integral part of these financial statements

**A.W. BEATTIE CAREER CENTER**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

|                                                              | <b>SCHOLARSHIP<br/>FUND</b> | <b>CAPITAL<br/>RESERVE<br/>FUND</b> | <b>TOTAL<br/>NONMAJOR GOVERNMENTAL<br/>FUNDS</b> |
|--------------------------------------------------------------|-----------------------------|-------------------------------------|--------------------------------------------------|
| <b><u>REVENUES</u></b>                                       |                             |                                     |                                                  |
| Local Sources                                                | \$ 65                       | \$ 8,480                            | \$ 8,545                                         |
| <b>Total Revenues</b>                                        | <b>\$ 65</b>                | <b>\$ 8,480</b>                     | <b>\$ 8,545</b>                                  |
| <b><u>EXPENDITURES</u></b>                                   |                             |                                     |                                                  |
| Instruction                                                  | \$ -                        | \$ 500                              | \$ 500                                           |
| Capital Outlay                                               | -                           | 82,232                              | 82,232                                           |
| <b>Total Expenditures</b>                                    | <b>\$ -</b>                 | <b>\$ 82,732</b>                    | <b>\$ 82,732</b>                                 |
| <b>Excess ( Deficiency) of Revenue<br/>over Expenditures</b> | <b>\$ 65</b>                | <b>\$ (74,252)</b>                  | <b>\$ (74,187)</b>                               |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                 |                             |                                     |                                                  |
| Operating Transfers In                                       | \$ -                        | \$ 119,063                          | \$ 119,063                                       |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>\$ -</b>                 | <b>\$ 119,063</b>                   | <b>\$ 119,063</b>                                |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>\$ 65</b>                | <b>\$ 44,811</b>                    | <b>\$ 44,876</b>                                 |
| FUND BALANCE - JULY 1, 2020 (Restated)                       | 213,050                     | 210,305                             | 423,355                                          |
| <b>FUND BALANCE - JUNE 30, 2021</b>                          | <b>\$ 213,115</b>           | <b>\$ 255,116</b>                   | <b>\$ 468,231</b>                                |

The accompanying notes are an integral part of these financial statements

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



**A. W. BEATTIE CAREER CENTER**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAREER CENTER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**DEFINED BENEFIT PENSION PLAN**  
**JUNE 30,**

| <b>As of the measurement date of June 30,</b>                                                           | <b>2020</b>   | <b>2019</b>   | <b>2018</b>   | <b>2017</b>   | <b>2016</b>   | <b>2015</b>   | <b>2014</b>   |
|---------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Career Center's proportion of the net pension liability                                                 | 0.0290%       | 0.0280%       | 0.0270%       | 0.0261%       | 0.0267%       | 0.0266%       | 0.0249%       |
| Career Center's proportionate share of the net pension liability                                        | \$ 14,279,000 | \$ 13,099,000 | \$ 12,961,000 | \$ 12,890,000 | \$ 13,232,000 | \$ 11,522,000 | \$ 10,212,000 |
| Career Center's covered payroll                                                                         | \$ 4,067,367  | \$ 3,866,302  | \$ 3,639,239  | \$ 3,481,463  | \$ 3,452,275  | \$ 3,425,727  | \$ 3,295,352  |
| Career Center's proportionate share of the net pension liability as a percentage of its covered payroll | 351.06%       | 338.80%       | 356.15%       | 370.25%       | 383.28%       | 336.34%       | 309.89%       |
| Plan fiduciary net position as a percentage of the total pension liability                              | 54.32%        | 55.66%        | 54.00%        | 51.84%        | 50.14%        | 54.36%        | 57.24%        |

The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the preceding fiscal year. This schedule is intended to illustrate information for a ten (10) year period. Information for that ten year period will be presented as information becomes available.

**A. W. BEATTIE CAREER CENTER**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAREER CENTER'S CONTRACTUALLY REQUIRED CONTRIBUTIONS**  
**DEFINED BENEFIT PENSION PLAN**  
**JUNE 30.**

|                                                                     | <u>2021</u>        | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        | <u>2017</u>        | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      |
|---------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|------------------|------------------|
| Contractually Required Contributions                                | \$ 1,391,440       | \$ 1,354,841       | \$ 1,258,831       | \$ 1,148,427       | \$ 1,035,716       | \$ 880,733       | \$ 722,120       | \$ 548,542       | \$ 392,651       |
| Contribution in relation to the contractually required contribution | <u>(1,391,440)</u> | <u>(1,354,841)</u> | <u>(1,258,831)</u> | <u>(1,148,427)</u> | <u>(1,035,716)</u> | <u>(880,733)</u> | <u>(722,120)</u> | <u>(548,542)</u> | <u>(392,651)</u> |
| Contribution deficiency (excess)                                    | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| Career Center's covered payroll                                     | \$ 4,157,888       | \$ 4,067,367       | \$ 3,866,302       | \$ 3,639,239       | \$ 3,481,463       | \$ 3,452,275     | \$ 3,425,727     | \$ 3,295,352     | \$ 3,194,118     |
| Contributions as a percentage of covered payroll                    | 33.47%             | 33.31%             | 32.56%             | 31.56%             | 29.75%             | 25.51%           | 21.08%           | 16.65%           | 12.29%           |

This schedule is intended to illustrate information for a ten (10) year period. Information for that ten year period will be presented as information becomes available.

Note: Beginning in 2018 with the implementation of GASB 75, contributions as reported above reflect the pension portion of the contribution only. The premium assistance (OPEB) portion of the contribution is reflected on a separate RSI schedule. Prior year contributions reflect both the pension and premium assistance amounts combined.

**A.W. BEATTIE CAREER CENTER**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAREER CENTER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**PSERS PLAN**  
**JUNE 30,**

| <b>As of the measurement date of June 30,</b>                                                        | <b>2020</b>  | <b>2019</b>  | <b>2018</b>  | <b>2017</b>  | <b>2016</b>  |
|------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Career Center's proportion of the net OPEB liability                                                 | 0.0290%      | 0.0280%      | 0.0270%      | 0.0261%      | 0.0267%      |
| Career Center's proportionate share of the net OPEB liability                                        | \$ 627,000   | \$ 596,000   | \$ 563,000   | \$ 532,000   | \$ 575,000   |
| Career Center's covered payroll                                                                      | \$ 4,067,367 | \$ 3,866,302 | \$ 3,639,239 | \$ 3,481,463 | \$ 3,452,275 |
| Career Center's proportionate share of the net OPEB liability as a percentage of its covered payroll | 15.42%       | 15.42%       | 15.47%       | 15.28%       | 16.66%       |
| Plan fiduciary net position as a percentage of the total OPEB liability                              | 5.69%        | 5.56%        | 5.56%        | 5.73%        | N/A          |

The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the preceding fiscal year. This schedule is intended to illustrate information for a ten (10) year period. Information for that ten year period will be presented as information becomes available.

**A.W. BEATTIE CAREER CENTER**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAREER CENTER'S CONTRACTUALLY REQUIRED OPEB CONTRIBUTIONS**  
**PSERS PLAN**  
**JUNE 30,**

|                                                                     | <u>2021</u>     | <u>2020</u>     | <u>2019</u>     | <u>2018</u>     | <u>2017</u>     |
|---------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contractually Required Contributions                                | \$ 33,867       | \$ 34,023       | \$ 32,050       | \$ 30,031       | \$ 28,626       |
| Contribution in relation to the contractually required contribution | <u>(33,867)</u> | <u>(34,023)</u> | <u>(32,050)</u> | <u>(30,031)</u> | <u>(28,626)</u> |
| Contribution deficiency (excess)                                    | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |
| Career Center's covered payroll                                     | \$ 4,157,888    | \$ 4,067,367    | \$ 3,866,302    | \$ 3,639,239    | \$ 3,481,463    |
| Contributions as a percentage of covered payroll                    | 0.81%           | 0.84%           | 0.83%           | 0.83%           | 0.82%           |

This schedule is intended to illustrate information for a ten (10) year period. Information for that ten year period will be presented as information becomes available.

**A.W. BEATTIE CAREER CENTER**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2021**

**NOTE 1 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR PSERS PENSION BENEFITS**

**Changes in Benefit Terms**

None

**Changes in Assumptions used in the Measurement of PSERS' Total Pension Liability Beginning June 30, 2020**

None

**Changes in Assumptions used in the Measurement of PSERS' Total Pension Liability Beginning June 30, 2019**

None

**Changes in Actuarial Assumptions used in Calculations of Actuarially Determined Contributions**

None

**NOTE 2 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR THE PSERS POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)**

**Changes in Benefit Terms**

None

**Changes in Assumptions used in the Measurement of PSERS' Total OPEB Liability Beginning June 30, 2020**

The discount rate decreased from 2.79% to 2.66%.

**A.W. BEATTIE CAREER CENTER**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2021**

**NOTE 2 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR THE PSERS POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)**  
**(Continued)**

**Changes in Assumptions used in the Measurement of PSERS' Total OPEB Liability Beginning June 30, 2019**

The discount rate decreased from 2.98% to 2.79%.

**Changes in Actuarial Assumptions used in Calculations of Actuarially Determined Contributions**

None

**Actuarial Assumptions used in Calculations of Actuarially Determined Contributions**

The following actuarial methods and assumptions were used to determine contribution rates reported in the OPEB required supplementary schedules:

- The results of the actuarial valuation as of June 30, 2018 determined the employer contribution rate for fiscal year 2020.
- 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 rates and retirement ages were based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 for both males and females for healthy annuitants and for dependent beneficiaries. For disabled annuitants, the RP-2000 Combined Disabled Tables with age set back 7 years for males and 3 years for females for disabled annuitants. (A unisex table based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 years for both genders assuming the population consists of 25% males and 75% females is used to determine actuarial equivalent benefits.)