A. W. BEATTIE CAREER CENTER
ALLEGHENY COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANT

FOR THE YEAR ENDED
JUNE 30, 2023

A. W. BEATTIE CAREER CENTER
TABLE OF CONTENTS

A. W. BEATTIE CAREER CENTER
TABLE OF CONTENTS

PAGE

REQUIRED SUPPLEMENTARY INFORMATION:

Mark C. Turnley

Certified Public Accountant

1000 3rd Avenue
New Brighton, Pennsylvania 15066
(724) 384-1081
FAX (724) 384-8908

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

Independent Auditor's Report

Opinions

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, Allegheny County, Pennsylvania as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the A.W. Beattie Career Center's basic financial statements as listed in the table of contents.

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 A.W. Beattie Career Center as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof 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.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the A.W. Beattie Career Center, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

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

American Institute of Certified Public Accountants

Pennsylvania Institute of Certified Public Accountants

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, I:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iv-xii and the other required supplementary information on pages 38-43 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise A.W. Beattie Career Center's basic financial statements. The supplementary information (Schedules 1 and 2), on pages 36-37 is presented for purposes of additional analysis and is not a required part of the basic 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.

Mark C. Turnley

Mark C. Turnley, CPA

February 13, 2024
New Brighton, Pennsylvania

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.

FINANCIAL HIGHLIGHTS

- AWBCC's total governmental activities liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources as of June 30, 2023 by $857,871 (net position - deficit). This was an increase in net position of $909,869 over June 30, 2022. 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 pension obligation and to recognize a liability for their proportionate share of the (PSERS) net healthcare obligation. For AWBCC, these liabilities stand at $13,427,000 and $558,000, respectively, as of June 30, 2023. 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 $11,287,689 for the 2022-23 fiscal year, which represents a $339,848 (3.1%) increase from fiscal year 2021-2022. Total revenues are comprised of $3,090,770 (27.4%) in program related revenues, and $8,196,919 (72.6%) in general revenues, which mainly includes receipts from member school districts.

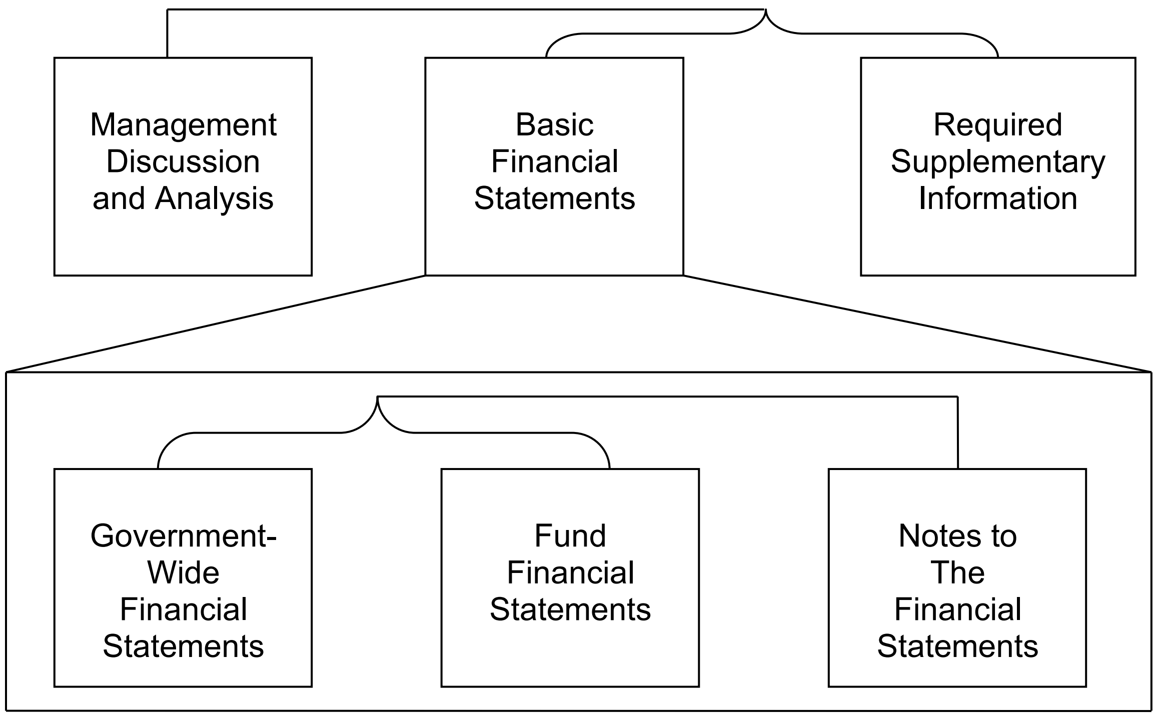
- Government-wide expenses totaled $10,377,820 for the 2022-23 fiscal year, which represents a $753,165 (7.8%) increase from the previous fiscal year.

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.

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

Figure A-1
Required Components of
AWBCC's
Financial Report



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.

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 30, 2023 and June 30, 2022 is as follows:

Table A-1
Statement of Net Position

	------Governmental Activities-------	
	6/30/2023	**6/30/2022**
Current and other assets	$ 4,893,183	$ 5,004,385
Capital assets	16,075,815	16,487,031
Deferred outflows of resources	2,671,033	2,722,208
Total Assets & Deferred Outflows	**$ 23,640,031**	**$ 24,213,624**
Current and other liabilities	$ 2,548,954	$ 2,379,841
Long-term liabilities	21,467,948	21,515,523
Deferred inflows of resources	481,000	2,086,000
Total Liabilities & Deferred Inflows	**$ 24,497,902**	**$ 25,981,364**
Net Position:		
Net investment in capital assets	$ 7,713,400	$ 6,876,199
Restricted	222,161	243,629
Unrestricted (Deficit)	(8,793,432)	(8,887,568)
Total Net Position	**$ (857,871)**	**$ (1,767,740)**

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 $13,427,000 and $558,000, 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.

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, 2023	June 30, 2022
Program revenues:		
Charges for services	$ 516,726	$ 486,953
Operating grants and contributions	2,574,044	2,430,954
General revenues:		
Receipts from member school districts	7,929,451	7,854,653
Investment earnings/Miscellaneous	267,468	175,281
TOTAL REVENUES	**$ 11,287,689**	**$ 10,947,841**
Expenses:		
Instruction	$ 6,324,155	$ 5,771,644
Instructional student support	925,581	922,853
Administrative & financial support	1,403,590	1,356,190
Operation & maintenance of plant	1,072,680	938,323
Community activities/scholarships	501,513	432,768
Interest on long-term debt	150,301	202,877
TOTAL EXPENSES	**10,377,820**	**9,624,655**
Increase (decrease) in net position	$ 909,869	$ 1,323,186

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.

FINANCIAL ANALYSIS OF AWBCC AS A WHOLE - CONTINUED

Table A-3
Fiscal Year Ended June 30, 2023 and June 30, 2022
Governmental Activities

	-----June 30, 2023 -----		-----June 30, 2022 -----	
	TOTAL COST OF SERVICE	NET COST OF SERVICE	TOTAL COST OF SERVICE	NET COST OF SERVICE
EXPENSES				
Instruction	$ 6,324,155	$ 4,021,619	$ 5,771,644	$ 3,582,386
Instructional Student Support	925,581	847,637	922,853	845,163
Administrative and Financial Support	1,403,590	1,253,365	1,356,190	1,212,162
Operation Maintenance of Plant	1,072,680	993,448	938,323	868,779
Community Services/Scholarships	501,513	20,680	432,768	(4,619)
Interest on long-term debt	150,301	150,301	202,877	202,877
TOTAL EXPENSES	$ 10,377,820	$ 7,287,050	$ 9,624,655	$ 6,706,748
Less:				
Investment Earnings and Miscellaneous		267,468		175,281
TOTAL NEEDS FROM MEMBER SCHOOL DISTRICTS AND OTHER REVENUES		$ 7,019,582		$ 6,531,467

The dependence upon payments from member school districts to cover the cost of governmental activities expenditures is apparent. For the fiscal year 2022-23, payments from member districts amounted to approximately 70.2% of the total governmental activities revenues. These payments which totaled $7,929,451 for the 2022-23 fiscal year, were approximately $75,000 higher than the 2021-22 fiscal year amounts received of $7,854,653. 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 $3,589,162. The total assigned fund balance of $729,029 is comprised of $173,317 assigned for future capital expenses $76,551 assigned for technology advancement $40,000 assigned for future PSERS employer payments, $18,000 assigned for the purchase of a lawn tractor, $65,000 assigned for the purchase of a snowplow, $42,961 assigned for Kiddie Tech surplus, $49,700 assigned for new program development, $171,700 assigned for future physical plant/infrastructure expenses, and $91,800 assigned for future healthcare costs. The $222,161 in restricted fund balance in the nongovernmental funds represents scholarship money. The total unassigned fund balance is $2,637,972.

Actual revenues totaling $11,273,808 (not including other financing sources) for AWBCC were higher than budgeted revenues totaling $10,565,565 by $708,243 which was due to an increase in local and state revenues.

Actual expenditures totaling $11,370,908 (not including other financing uses) were more than budgeted expenditures totaling $11,173,060 by $197,848. The Capital Project Fund transfer (other financing uses) totaling $87,449 was not budgeted.

There were $314,747 in fixed asset additions during 2022-2023 which were comprised of various furniture and equipment.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, AWBCC Governmental Activities had $16,075,815 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 $411,216 or 2.5% from last year.

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

	2023	2022
Land	$ 517,574	$ 517,574
Buildings and Improvements	14,088,172	14,579,403
Furniture and Equipment	1,376,573	1,273,184
Intangible Right-To-Use Asset	93,496	116,870
	$ 16,075,815	**$ 16,487,031**

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. 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 30, 2023, the principal balance on the bonds was $7,735,000.

In May of 2022, the AWBCC entered into a 5-year lease agreement with ComDoc for copier equipment totaling $116,870. The terms of the lease agreement call for 60 monthly principal and interest payments of $2,100. The principal balance on the lease as of June 30, 2023 was $94,875.

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, 7, 8, and 9 to the financial statements.

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 14.0% for the year ending June 20, 2023 from the 2021-22 rate.

Budget Comparison

The revenue budget for the 2022-23 year was $278,393 (2.7%) more than the prior year budget. The expenditure budget for the 2022-23 year was $412,428 (3.8%) more than the prior year budget.

The comparison of revenue and expenditure categories is as follows:

BUDGETED REVENUES

	2022-2023	2021-2022
Local	$ 8,559,157	$ 8,447,264
State	1,708,368	1,554,868
Federal	298,000	285,000
Total	**$ 10,565,525**	**$ 10,287,132**

BUDGETED EXPENDITURES

	2022-2023	2021-2022
Instruction	$ 5,802,124	$ 5,446,473
Support Services	3,503,417	3,510,768
Non-Instructional/Community	481,994	417,991
Debt Service/Interfund Transfers	1,385,525	1,385,400
Total	**$ 11,173,060**	**$ 10,760,632**

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, 2023

		Governmental Activities
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$	2,046,008
Investments		2,465,036
Due from Other Governments		381,749
Other Receivables		390
Total Current Assets	**$**	**4,893,183**
Noncurrent Assets:		
Land (non-depreciable)	$	517,574
Buildings and Building Improvements (net)		14,088,172
Furniture and Equipment (net)		1,376,573
Intangible Right-To-Use Asset (net)		93,496
Total Noncurrent Assets	**$**	**16,075,815**
TOTAL ASSETS	**$**	**20,968,998**
Deferred Outflows of Resources:		
Deferred Outflows Related to Pensions	$	2,518,085
Deferred Outflows Related to OPEB		152,948
Total Deferred Outflows of Resources	**$**	**2,671,033**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$**	**23,640,031**
LIABILITIES		
Current Liabilities:		
Accounts Payable	$	196,847
Accrued Salaries and Benefits		525,409
Payroll Withholdings		496,431
Unearned Revenue		85,334
Bonds Payable - Current Portion		1,180,000
Lease Payable - Current Portion		22,663
Accrued Interest		42,270
Total Current Liabilities	**$**	**2,548,954**
Noncurrent Liabilities:		
Bonds Payable - Long-Term Portion (Net)	$	7,087,540
Lease Payable - Long-Term Portion		72,212
Net Pension Liability		13,427,000
Net OPEB Liability		558,000
Compensated Absences		323,196
Total Noncurrent Liabilities	**$**	**21,467,948**
TOTAL LIABILITIES	**$**	**24,016,902**
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pensions	$	344,000
Deferred Inflows Related to OPEB		137,000
TOTAL DEFERRED INFLOWS OF RESOURCES	**$**	**481,000**
NET POSITION		
Net Investment in Capital Assets	$	7,713,400
Restricted		222,161
Unrestricted (Deficit)		(8,793,432)
TOTAL NET POSITION (Deficit)	**$**	**(857,871)**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$**	**23,640,031**

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, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	$ 6,324,155	$ 96,985	$ 2,205,551	$ -	$ (4,021,619)
Instructional Student Support	925,581	-	77,944	-	(847,637)
Administrative and Financial Support Services	1,403,590	-	150,225	-	(1,253,365)
Operation and Maintenance of Plant Services	1,072,680	-	79,232	-	(993,448)
Community Activities/Scholarships	501,513	419,741	61,092	-	(20,680)
Interest on Long-Term Debt	150,301	-	-	-	(150,301)
Total Governmental Activities	**$ 10,377,820**	**$ 516,726**	**$ 2,574,044**	**$ -**	**$ (7,287,050)**
Total Primary Government	**$ 10,377,820**	**$ 516,726**	**$ 2,574,044**	**$ -**	**$ (7,287,050)**

General Revenues:	
Investment Earnings	$ 125,355
Receipts from Member Districts	7,929,451
Miscellaneous	142,113
Total General Revenues	**$ 8,196,919**
Change in Net Position	**$ 909,869**
Net Position - July 1, 2022 (Deficit)	(1,767,740)
Net Position - June 30, 2023 (Deficit)	**$ (857,871)**

The accompanying notes are an integral part of these financial statements

A. W. BEATTIE CAREER CENTER
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:			
Cash and Cash Equivalents	$ 1,813,553	$ 232,455	$ 2,046,008
Investments	2,242,875	222,161	2,465,036
Due From Other Governments	381,749	-	381,749
Other Receivables	390	-	390
TOTAL ASSETS	**$ 4,438,567**	**$ 454,616**	**$ 4,893,183**
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts Payable	$ 159,444	$ 37,403	$ 196,847
Accrued Salaries and Benefits	525,409	-	525,409
Payroll Withholdings	496,431	-	496,431
Unearned Revenue	63,599	21,735	85,334
TOTAL LIABILITIES	**$ 1,244,883**	**$ 59,138**	**$ 1,304,021**
FUND BALANCES:			
Restricted	$ -	$ 222,161	$ 222,161
Assigned	555,712	173,317	729,029
Unassigned	2,637,972	-	2,637,972
TOTAL FUND BALANCES	**$ 3,193,684**	**$ 395,478**	**$ 3,589,162**
TOTAL LIABILITIES AND FUND BALANCES	**$ 4,438,567**	**$ 454,616**	**$ 4,893,183**

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, 2023

Total Fund Balances - Governmental Funds		**$ 3,589,162**
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 $28,079,770, and the accumulated depreciation is $12,003.955.		16,075,815
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		2,518,085
Deferred outflows of resources related to OPEB		152,948
Deferred inflows of resources related to pensions		(344,000)
Deferred inflows of resources related to OPEB		(137,000)
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)	$ 8,267,540	
Lease payable	94,875	
Accrued interest on debt	42,270	
Net OPEB liability	558,000	
Net pension liability	13,427,000	
Compensated absences	323,196	(22,712,881)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (Deficit)		**$ (857,871)**

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, 2023

	GENERAL FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Local Sources	$ 8,699,764	$ 13,881	$ 8,713,645
State Sources	2,020,786	-	2,020,786
Federal Sources	553,258	-	553,258
TOTAL REVENUE	**$ 11,273,808**	**$ 13,881**	**$ 11,287,689**
EXPENDITURES			
Instruction	$ 6,157,867	$ 153,434	$ 6,311,301
Support Services	3,326,685	-	3,326,685
Noninstructional Services	475,631	-	475,631
Debt Service	1,410,725	-	1,410,725
TOTAL EXPENDITURES	**$ 11,370,908**	**$ 153,434**	**$ 11,524,342**
EXCESS REVENUES OVER (UNDER) EXPENDITURES	**$ (97,100)**	**$ (139,553)**	**$ (236,653)**
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	$ -	$ 87,449	$ 87,449
Operating Transfers Out	(87,449)	-	(87,449)
TOTAL OTHER FINANCING SOURCES (USES)	**$ (87,449)**	**$ 87,449**	**$ -**
NET CHANGE IN FUND BALANCES	**$ (184,549)**	**$ (52,104)**	**$ (236,653)**
FUND BALANCE - JULY 1, 2022	3,378,233	447,582	3,825,815
FUND BALANCE - JUNE 30, 2023	**$ 3,193,684**	**$ 395,478**	**$ 3,589,162**

The accompanying notes are an integral part of these financial statements

A. W. BEATTIE CAREER CENTER
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	**$**	**(236,653)**
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 ($725,964) exceeds capital outlays ($314,747) in the period.		(411,217)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		285,211
Repayment of principal on bonds and leases payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,146,995
Bond premiums are reported in governmental funds as revenues. However, in the statement of activities, this amount is capitalized and is accreted over the life of the bond issue as interest expense.		101,424
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		12,005
In the statement of activities, certain operating expenses - compensated absences and retiree benefits - are measured by the amounts earned during the year. In the governmental funds, however, these expenditures are measured by the amount of financial resources used (paid). This is the amount by which compensated absences and retiree benefits earned exceeded the amount paid.		12,104
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	**$**	**909,869**

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, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual (Budgetary Basis)	Variance with Final Budget Positive <Negative>
REVENUES				
Local Sources	$ 8,559,157	$ 8,559,197	$ 8,699,764	$ 140,567
State Sources	1,708,368	1,708,368	2,020,786	312,418
Federal Sources	298,000	298,000	553,258	255,258
Total Revenues	**$ 10,565,525**	**$ 10,565,565**	**$ 11,273,808**	**$ 708,243**
EXPENDITURES				
Special Programs	$ 704,462	$ 704,462	$ 612,278	$ 92,184
Vocational Programs	5,097,662	5,097,662	5,536,303	(438,641)
Other Instructional Programs	-	-	9,286	(9,286)
Pupil Personnel Services	203,069	203,069	201,131	1,938
Instructional Staff Services	743,692	743,692	744,409	(717)
Administrative Services	1,011,986	1,011,986	994,798	17,188
Pupil Health Services	-	-	191	(191)
Business Services	343,619	343,619	337,347	6,272
Operation & Maintenance of Plant Services	1,159,351	1,159,351	1,041,010	118,341
Central Services	41,700	41,700	7,799	33,901
Noninstructional Services	481,994	481,994	475,631	6,363
Debt Service	1,385,525	1,385,525	1,410,725	(25,200)
Total Expenditures	**$ 11,173,060**	**$ 11,173,060**	**$ 11,370,908**	**$ (197,848)**
Excess (Deficiency) of Revenues over Expenditures	**$ (607,535)**	**$ (607,495)**	**$ (97,100)**	**$ 510,395**
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out	$ -	$ -	$ (87,449)	$ (87,449)
Total Other Financing Sources (Uses)	**$ -**	**$ -**	**$ (87,449)**	**$ (87,449)**
NET CHANGE IN FUND BALANCES	**$ (607,535)**	**$ (607,495)**	**$ (184,549)**	**$ 422,946**
FUND BALANCE - JULY 1, 2022	2,894,330	2,894,330	3,378,233	483,903
FUND BALANCE - JUNE 30, 2023	**$ 2,286,795**	**$ 2,286,835**	**$ 3,193,684**	**$ 906,849**

The accompanying notes are an integral part of these financial statements

A.W. BEATTIE CAREER CENTER
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2023

	STUDENT ACTIVITY CUSTODIAL FUNDS
ASSETS	
Cash and Cash Equivalents	$ 51,857
TOTAL ASSETS	**$ 51,857**
LIABILITIES AND NET POSITION	
LIABILITIES:	
Other Current Liabilities	$ -
TOTAL LIABILITIES	**$ -**
NET POSITION:	
Retricted	$ 51,857
TOTAL NET POSITION	**$ 51,857**

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, 2023

		STUDENT ACTIVITY CUSTODIAL FUND
ADDITIONS		
Interest	$	458
Student Club Organization Receipts		119,465
TOTAL ADDITIONS	**$**	**119,923**
DEDUCTIONS		
Student Club Organization Disbursements	$	141,760
TOTAL DEDUCTIONS	**$**	**141,760**
CHANGE IN NET POSITION	**$**	**(21,837)**
NET POSITION - JULY 1, 2022		73,694
NET POSITION - JUNE 30, 2023	**$**	**51,857**

NOTE 1 – SUMMARY OF SIGNICIANT 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:

Avonworth	**North Hills**
Deer Lakes	**Northgate**
Fox Chapel Area	**Pine-Richland**
Hampton Township	**Shaler Area**
North Allegheny	

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.

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.

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, 2023 under the modified accrual basis are federal and state subsidies, and other miscellaneous revenues, earned during fiscal year 2022-2023 but received subsequent to June 30, 2023.

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, 2023 under the modified accrual basis are **1)** salaries and benefits budgeted and pertaining to the 2022-2023 fiscal year, but which were paid in July and August of 2023 in accordance with labor agreements and **2)** utility costs and purchase orders for supplies and operations obligated prior to June 30, 2023.

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.

CONROY D. GUYER FOX CHAPEL CHARITABLE TRUST FUND - The Conroy D. Guyer Fox Chapel Charitable Trust Fund was established to provide scholarships to eligible Fox Chapel Area High School students by contributions from the trust.

MEMORIAL FUND - The Memorial Fund was established to provide funds for building and program equipment purchases and/or scholarships to eligible AWBCC students by private contribution from a particular person.

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 May 26, 2022, the A.W. Beattie Career Center adopted its fiscal year June 30, 2023 annual budget for the General Fund totaling $11,173,060 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). Actual expenses exceeded budgeted expenses during 2022-2023. 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:

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. The intangible right-to-use assets are initially measured at an amount equal to the present value of future lease payments. The intangible right-to-use assets are amortized on a straight-line basis over the life of the related lease. 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:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS AND DEPRECIATION (Continued)

CATEGORY	GOVERNMENTAL ACTIVITIES
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
Right-To-Use Assets	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:

	Sick Pay Rate/Day	Maximum Days	Maximum Benefit
Administrators	$ 100	200	$20,000
Teachers	100	200	20,000
Support personnel, custodial/ maintenance & secretarial staff hired prior to July 1, 2016	60	100	6,000
Support personnel, custodial/ maintenance & secretarial staff hired after to July 1, 2016	25	50	1,250

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.

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.

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 prepaid expenses, if applicable) 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, 2023 the AWBCC's Memorial Fund maintains a restricted fund balance of $221,161.

- 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, 2023, AWBCC had a total assigned fund balance of $729,029, ($555,712 for the General Fund and $173,317 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.

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 Statements were adopted for the AWBCC's 2022-2023 financial statements. Except where noted, the adoption of these pronouncements did not have a significant impact on A.W. Beattie Career Center's financial statements.

- **GASB issued Statement No. 91***, 'Conduit Debt Obligations'*.
- **GASB issued Statement No. 94***, 'Public-Private and Public-Public Partnerships and Availability Payment Arrangements'*.
- **GASB issued Statement No. 96**, *'Subscription-Based Information Technology Arrangements'.*

PENDING GASB PRONOUNCEMENTS

- **GASB issued Statement No 99**, *'Omnibus 2022.* The provisions of this Statement related to financial guarantees and the classification and reporting of derivative instruments are effective for the School's June 30, 2024 financial statements.
- **GASB issued Statement No 100**, *'Accounting Changes and Error Correction'.* The provisions of this Statement are effective for the School's June 30, 2024 financial statements.
- **GASB issued Statement No 101**, *'Compensated Absences'.* The provisions of this Statement are effective for the School's June 30, 2025 financial statements.

The effects of implementing these Statements on 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, 2023:

	BANK BALANCE	CARRYING VALUE
Governmental Funds	$ 2,125,616	$ 2,046,008
Agency/Fiduciary Fund	51,857	51,857
	$ 2,177,473	**$ 2,097,865**

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.

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, 2023, $1,927,473 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, 2023 is as follows:

	Fair Value	No Stated Maturity	Credit Rating
Governmental Funds:			
PSDLAF	$ 58,775	$ 58,775	AAAm
PLGIT	2,406,261	2,406,261	AAAm
	$ 2,465,036	**$ 2,465,036**	

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.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

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.

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 SCHOOL DISTRICTS

The amount of 'due from other governments', totaling $381,749, as reflected on the government-wide statement of net position and the governmental funds balance sheet, represents **1)** $370,887 in social security and retirement subsidy due from the Commonwealth of Pennsylvania, **2)** $4,482 in PCCD funds due from the Commonwealth of Pennsylvania, and **3)** $6,380 in connection with the ARP ESSER grant as of June 30, 2023. There was no amount due from member School Districts at June 30, 20232.

NOTE 4 – INTER-FUND TRANSFERS

A transfer was made from the General Fund to the Capital Project Fund in the amount of $87,449 for future capital expenses.

NOTE 5 – OTHER RECEIVABLES

The amount of 'other receivables', totaling $390, 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 2022-2023 fiscal year was as follows:

	Balance 7/1/2022	Additions	Deductions	Balance 6/30/2023
Governmental Activities:				
Capital Assets, not being depreciated				
Land	$ 517,574	$ -	$ -	$ 517,574
Total Capital Assets, not being depreciated	**$ 517,574**	**$ -**	**$ -**	**$ 517,574**
Capital Assets, being depreciated				
Buildings and Improvements	$ 23,973,477	$ -	$ -	$ 23,973,477
Furniture and Equipment	3,157,102	314,747	-	3,471,849
Intangible Right-To-Use Asset	116,870	-	-	116,870
Total Capital Assets, being depreciated	**$ 27,247,448**	**$ 314,747**	**$ -**	**$ 27,562,196**
Less: Accumulated depreciation				
Buildings and Improvements	$ (9,394,074)	$ (491,230)	$ -	$ (9,885,304)
Furniture and Equipment	(1,883,917)	(211,360)	-	(2,095,277)
Intangible Right-To-Use Asset	-	(23,374)	-	(23,374)
Total Accumulated Depreciation	**$ (11,277,991)**	**$ (725,964)**	**$ -**	**$ (12,003,955)**
Governmental Activities Capital Assets, Net	**$ 16,487,031**	**$ (411,217)**	**$ -**	**$ 16,075,815**

NOTE 6 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 466,884
Instructional Student Support	55,476
Administrative and Financial Support Services	106,921
Operation and Maintenance of Plant Services	53,202
Community Activities	43,481
	$ 725,964

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 school revenue bonds outstanding at June 30, 2023 is as follows:

YEAR END JUNE 30,	PRINCIPAL	INTEREST	TOTAL
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	1,315,000	72,450	1,387,450
2028	1,340,000	45,063	1,385,063
2029	1,370,000	15,412	1,385,412
	$ 7,735,000	**$ 576,725**	**$ 8,311,725**

NOTE 7 - LONG-TERM LIABILITIES (Continued)

LEASE AGREEMENT

In May of 2022, the AWBCC entered into a lease agreement for copier equipment with ComDoc. The terms of the lease call for 60 monthly payments of $2,100 beginning in July of 2023. The lease agreement qualifies as other than short-term lease under GASB 87 and, therefore, has been recorded at present value of the future minimum lease payments as of the date of the inception. For purposes of discounting future payments, the AWBCC determined an interest rate of 3.0% to be an appropriate discount rate. An initial lease lability was recorded in the amount of $116,870.

DEFAULT PROVISIONS – LEASE AGREEMENT

The Lease may not be prepaid and is non-cancelable. If payment is not made when due, written notice will be provided. If not remedied within 15 days: **1)** remaining payments will be made immediately and payment will be made in an amount equal to residual interest in the equipment, or **2)** the equipment will be returned to the lessor (ComDoc).

A summary of the AWBCC's debt service requirements for the lease outstanding at June 30, 2023 is as follows:

YEAR END JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2024	$ 22,663	$ 2,537	$ 25,200
2025	23,353	1,847	25,200
2026	24,063	1,137	25,200
2027	24,796	404	25,200
	$ 94,875	**$ 5,925**	**$ 100,800**

The following represents the changes in the AWBCC's long-term liabilities during the 2022-2023 fiscal year:

	Balance 7/1/2022	Additions	Reductions	Balance 6/30/2023	Due Within One Year
General Obligation Bonds	$ 8,860,000	$ -	$ 1,125,000	$ 7,735,000	$ 1,180,000
Lease Agreement	116,870	-	21,995	94,875	22,663
Net Pension Liability	12,030,000	1,397,000	-	13,427,000	-
Net OPEB Liability	695,000	-	137,000	558,000	-
Compensated Absences	326,685	-	3,489	323,196	-
	$ 22,028,555	**$ 1,397,000**	**$ 1,287,484**	**$ 22,138,071**	**$ 1,202,663**

NOTE 8 - PENSION PLAN

A.W. Beattie Career Center 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:

NOTE 8 – PENSION PLAN (Continued)

Plan Description

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

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age.

Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

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

Benefits are generally between 1% 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.

NOTE 8 – PENSION PLAN (Continued)

Contributions

Member Contributions:

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

Member Contribution Rates				
Membership Class	**Continuous Employment Since**	**Defined Benefit (DB) Contribution Rate**	**DC Contribution Rate**	**Total Contribution Rate**
T-C	Prior to July 22, 1983	5.25%	N/A	5.25% / 6.25%
T-C	On or After July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21-7.50% After 7/1/21-8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21-10.30% After 7/1/21-10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21-8.25% After 7/1/21-9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21-7.50% After 7/1/21-8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

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

NOTE 8 – PENSION PLAN (Continued)

Contributions (Continued)

Employer Contributions:

AWBCC's' contractually required contribution rate for the fiscal year ended June 30, 2023 was 34.31%* of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from AWBCC were $1,608,085 for the year ended June 30, 2023.

*The defined contribution rate of 0.20% is an estimated rate. It is recommended employers use the actual defined contributions made to the PSERS defined contribution plan. This may impact contributions made to the pension plan.

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

On June 30, 2023, AWBCC reported a liability of $13,427,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2021, to June 30, 2022. AWBCC's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. On June 30, 2023, AWBCC's proportion was .0302% which was an increase of .0009% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, AWBCC recognized pension expense of $1,368,402. On June 30, 2023, AWBCC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 6,000	$ 116,000
Changes in assumptions	401,000	-
Net difference between projected and actual investment earnings	-	228,000
Changes in proportion	503,000	-
Contributions subsequent to the measurement date	1,608,085	-
	$ 2,518,085	**$ 344,000**

The $1,608,085 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, 2023.

NOTE 8 – PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Measurement Date Year ended June 30,	Reporting Date Year ended June 30,	Amortization Amount
2023	2024	$ 306,000
2024	2025	188,000
2025	2026	(246,000)
2026	2027	318,000

Changes in Actuarial Assumptions

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

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

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

NOTE 8 – PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	28.0%	5.30%
Private equity	12.0%	8.00%
Fixed Income	33.0%	2.30%
Commodities	9.0%	2.30%
Infrastructure/MLP's	9.0%	5.40%
Real estate	11.0%	4.60%
Absolute return	6.0%	3.50%
Cash	3.0%	0.50%
Leverage	-11.0%	0.50%
	100%	

The above table was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2022.

Discount Rate

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Center's proportionate share of the net pension liability	$ 17,366,000	$ 13,427,000	$ 10,105,000

NOTE 8 – PENSION PLAN (Continued)

Pension plan fiduciary net position

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

NOTE 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' Health Options Program. As of June 30, 2022, there were no assumed future benefit increases to participating eligible retirees.

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.

For Class DC members to become eligible for premium assistance, they must satisfy the following criteria:

- Attain Medicare eligibility with 24 ½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions.

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.

NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)

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 PSERS' Health Options Program.

Employer Contributions

AWBCC's contractually required contribution rate for the fiscal year ended June 30, 2023 was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the AWBCC were $34,948 for the year ended June 30, 2023.

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

On June 30, 2023, AWBCC reported a liability of $558,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2021, to June 30, 2022. 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. On June 30, 2023, AWBCC's proportion was 0.0303%, which is an increase of .0010% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, A.W. Beattie Career Center recognized OPEB expense of $27,323. On June 30, 2023, AWBCC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 5,000	$ 3,000
Changes in assumptions	62,000	132,000
Net difference between projected and actual investment earnings	2,000	-
Changes in proportion	49,000	2,000
Contributions subsequent to the measurement date	34,948	-
	$ 152,948	**$ 137,000**

The $34,948 reported as deferred outflows of resources related to OPEB resulting 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, 2023.

NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)

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

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

Measurement Date Year ended June 30,	Reporting Date Year ended June 30,	Amortization Amount
2023	2024	$ (3,000)
2024	2025	4,000
2025	2026	(1,000)
2026	2027	(7,000)
2027	2028	(12,000)
Thereafter	Thereafter	-

Actuarial Assumptions

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

- Actuarial Cost Method – Entry Age Normal – level % of pay.
- Investment Return – 4.09% based on the S&P 20 Year Municipal Bond Rate.
- Salary Increases – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at $1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than $1,200 in premium assistance per year.
- Mortality rates were based a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
  - Eligible retirees will elect to participate Pre age 65 at 50%
  - Eligible retirees will elect to participate Post age 65 at 70%

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

NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)

Actuarial Assumptions (Continued)

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2020 determined the employer contribution rate for fiscal year 2022.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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.

OPEB - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	0.5%
	100.0%	

The above table was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2022.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.09%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.09% which represents the S&P 20-year Municipal Bond Rate at June 30, 2022, was applied to all projected benefit payments to measure the total OPEB liability.

NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)

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

Healthcare cost trends were applied to retirees receiving less than $1,200 in annual Premium Assistance. As of June 30, 2022, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of $1,200. As of June 30, 2022, 93,293 retirees were receiving the maximum amount allowed of $1,200 per year and 582 members were receiving less than the maximum amount allowed of $1,200 per year. The actual number of retirees receiving less than the $1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the net OPEB liability for June 30, 2022, calculated using current Healthcare cost trends as well as what AWBCC's 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:

	1% Decrease	Current Trend Rates	1% Increase
Net OPEB Liability	$ 558,000	$ 558,000	$ 558,000

Sensitivity of the proportionate share of the Net OPEB liability to changes in the Discount Rate

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

	1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
Net OPEB Liability	$ 631,000	$ 558,000	$ 497,000

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.

NOTE 10 – EMPLOYEE CONTRIBUTION RETIRMENT 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 AND UNCERTAINTIES

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.1

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 school districts 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 $1,116,127 for the year ended June 30, 2023.

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, 2023, the net assets available for benefits of the Consortium were $43,578,886 of which $133,736 is attributable to the AWBCC.

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.

NOTE 12 – 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, 2023, revenue from member School Districts was 70.3% of AWBCC's total General Fund revenue. Member School District contributions have been recognized as follows for the year ended June 30, 2023:

	Operating Budget	Debt Service Budget	Tota Member School District Contributions
Avonworth	$ 387,988	$ 51,334	$ 439,322
Deer Lakes	782,445	69,761	852,206
Fox Chapel Area	409,655	215,588	625,243
Hampton Township	690,485	119,363	809,848
North Allegheny	850,167	336,405	1,186,572
North Hills	1,040,757	202,841	1,243,598
Northgate	579,208	44,337	623,545
Pine-Richland	530,923	156,010	686,933
Shaler Area	1,272,298	189,886	1,462,184
Totals	**$ 6,543,926**	**$ 1,385,525**	**$ 7,929,451**

NOTE 13 – SUBSEQUENT EVENTS

Management has determined that there are no events subsequent to June 30, 2023 through the February 13, 2024 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, 2023

SCHEDULE 1

	MEMORIAL FUND	CONROY D. GUYER FOX CHAPEL CHARITABLE TRUST FUND	CAPITAL RESERVE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS:				
Cash and Cash Equivalents	$ -	$ 21,735	$ 210,720	$ 232,455
Investments	222,161	-	-	222,161
TOTAL ASSETS	**$ 222,161**	**$ 21,735**	**$ 210,720**	**$ 454,616**
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts Payable	$ -	$ -	$ 37,403	$ 37,403
Unearned Revenue	-	21,735	-	21,735
TOTAL LIABILITIES	**$ -**	**$ 21,735**	**$ 37,403**	**$ 59,138**
FUND BALANCES:				
Restricted	$ 222,161	$ -	$ -	$ 222,161
Assigned	-	-	173,317	173,317
TOTAL FUND BALANCES	**$ 222,161**	**$ -**	**$ 173,317**	**$ 395,478**
TOTAL LIABILITIES AND FUND BALANCES	**$ 222,161**	**$ 21,735**	**$ 210,720**	**$ 454,616**

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, 2023

	MEMORIAL FUND	CAPITAL RESERVE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES			
Local Sources	$ 8,532	$ 5,349	$ 13,881
Total Revenues	**$ 8,532**	**$ 5,349**	**$ 13,881**
EXPENDITURES			
Instruction	$ -	$ 153,434	$ 153,434
Total Expenditures	**$ -**	**$ 153,434**	**$ 153,434**
Excess (Deficiency) of Revenue over Expenditures	**$ 8,532**	**$ (148,085)**	**$ (139,553)**
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	$ -	$ 87,449	$ 87,449
Total Other Financing Sources (Uses)	**$ -**	**$ 87,449**	**$ 87,449**
NET CHANGE IN FUND BALANCES	**$ 8,532**	**$ (60,636)**	**$ (52,104)**
FUND BALANCE - JULY 1, 2022	213,629	233,953	447,582
FUND BALANCE - JUNE 30, 2023	**$ 222,161**	**$ 173,317**	**$ 395,478**

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,

As of the measurement date of June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Career Center's proportion of the net pension liability	0.0302%	0.0293%	0.0290%	0.0280%	0.0270%	0.0261%	0.0267%	0.0266%	0.0249%
Career Center's proportionate share of the net pension liability	$ 13,427,000	$ 12,030,000	$ 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	$ 4,450,035	$ 4,157,888	$ 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	301.73%	289.33%	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	61.34%	63.67%	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,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contributions	$ 1,608,085	$ 1,507,874	$ 1,391,440	$ 1,354,841	$ 1,258,831	$ 1,148,427	$ 1,035,716	$ 880,733	$ 722,120	$ 548,542
Contribution in relation to the contractually required contribution	(1,608,085)	(1,507,874)	(1,391,440)	(1,354,841)	(1,258,831)	(1,148,427)	(1,035,716)	(880,733)	(722,120)	(548,542)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 4,775,748	$ 4,450,035	$ 4,157,888	$ 4,067,367	$ 3,866,302	$ 3,639,239	$ 3,481,463	$ 3,452,275	$ 3,425,727	$ 3,295,352
Contributions as a percentage of covered payroll	33.67%	33.88%	33.47%	33.31%	32.56%	31.56%	29.75%	25.51%	21.08%	16.65%

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,

As of the measurement date of June 30,	**2022**	**2021**	**2020**	**2019**	**2018**	**2018**	**2017**	**2016**
Career Center's proportion of the net OPEB liability	0.0303%	0.0293%	0.0290%	0.0280%	0.0270%	0.0270%	0.0261%	0.0267%
Career Center's proportionate share of the net OPEB liability	$ 558,000	$ 695,000	$ 627,000	$ 596,000	$ 563,000	$ 563,000	$ 532,000	$ 575,000
Career Center's covered payroll	$ 4,450,035	$ 4,157,888	$ 4,067,367	$ 3,866,302	$ 3,639,239	$ 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	12.54%	16.72%	15.42%	15.42%	15.47%	15.47%	15.28%	16.66%
Plan fiduciary net position as a percentage of the total OPEB liability	6.86%	5.30%	5.69%	5.56%	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,

	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	$ 34,948	$ 35,334	$ 33,867	$ 34,023	$ 32,050	$ 30,031	$ 28,626
Contribution in relation to the contractually required contribution	(34,948)	(35,334)	(33,867)	(34,023)	(32,050)	(30,031)	(28,626)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 4,775,748	$ 4,450,035	$ 4,157,888	$ 4,067,367	$ 3,866,302	$ 3,639,239	$ 3,481,463
Contributions as a percentage of covered payroll	0.73%	0.79%	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.

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, 2022

None

Changes in Assumptions used in the Measurement of PSERS' Total Pension Liability Beginning June 30, 2021

- Investment return went from 7.25% including inflation at 2.75% to 7.00% including inflation at 2.50%
- Salary growth rate decreased from 5.00% to 4.50%
- Real growth rate and merit or seniority increases (components for salary growth), decreased from 2.75% and 2.25% to 2.50% and 2.00% respectively
- Mortality rates previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate decreased from 7.25% as of June 30, 2020 to 7.00% as of June 30, 2021.

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

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, 2022

- Investment return went from 2.18% S&P 20 Year Municipal Bond Rate to 4.09% S&P 20 Year Municipal Bond Rate
- The discount rate decreased from 2.18% to 4.09%

Changes in Assumptions used in the Measurement of PSERS' Total OPEB Liability Beginning June 30, 2021

- Investment return went from 2.66% S&P 20 Year Municipal Bond Rate to 2.18% S&P 20 Year Municipal Bond Rate
- Salary growth rate decreased from 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases to 4.50%, comprised of 2.50% and 2.00% for real wage growth and for merit or seniority increases
- Mortality rates previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate decreased from 2.66% to 2.18%

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, 2020 determined the employer contribution rate for fiscal year 2022.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset Valuation Method: Market value
- Participation Rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.