

**Carlynton School District
Financial Statements
June 30, 2024**

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Independent Auditor's Report

Members of the Board
Carlynton School District
Carnegie, Pennsylvania

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carlynton School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Carlynton School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carlynton School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Carlynton School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, post-employment benefit information and pension information as shown in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carlynton School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2025, on our consideration of Carlynton School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Carlynton School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Carlynton School District's internal control over financial reporting and compliance.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
March 21, 2025

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

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

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

Financial Highlights

Carlynton School District's general fund balance at June 30, 2024 is \$9,454,022, which is a decrease from the June 30, 2023 general fund balance in the amount of \$22,262.

Actual revenues exceeded budgeted revenues by \$837,641. This was the result of better than expected collections of earned income and earnings on investments.

Actual expenditures were higher than final budgeted expenditures by \$860,102. This variance between final budgeted expenditures and actual is about 2.6%.

Using the Annual Financial Report

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

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

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

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

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

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
Carlynton School District's
Financial Report

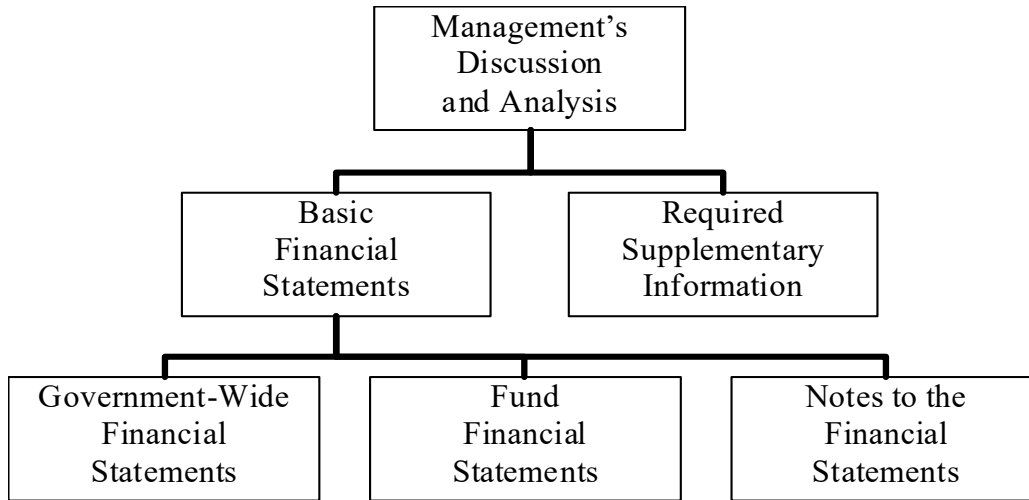


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents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

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

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

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

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

Overview of Financial Statements

Government-Wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

Proprietary funds - These funds are used to account for the School District activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding through user charges.

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

When the School District charges customers for services it provides - whether to outside customers or to other units in the School District - these services are generally reported in proprietary funds. The food service fund is the School District's proprietary fund and is the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows.

Fiduciary funds - The School District is the trustee, or fiduciary, for its activity funds. All of the School District's fiduciary activities are reported in separate statements of fiduciary net position on Exhibit 10 and statement of change in net position on Exhibit 11. We exclude these activities from the School District's other financial statement because the School District cannot use these assets to finance its operations.

Financial Analysis of the School District as a Whole

The School District's total net position was a deficit \$(18,544,310) at June 30, 2024 and a deficit \$(20,446,447) at June 30, 2023.

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

	2024			2023		
	Governmental Activities	Business- Type Activities	Totals	Governmental Activities	Business- Type Activities	Totals
Current and Other Assets	\$ 17,863,039	\$ 705,853	\$ 18,568,892	\$ 17,939,048	\$ 495,041	\$ 18,434,089
Capital Assets	<u>12,319,904</u>	<u>59,977</u>	<u>12,379,881</u>	<u>12,257,250</u>	<u>85,255</u>	<u>12,342,505</u>
Total Assets	<u>30,182,943</u>	<u>765,830</u>	<u>30,948,773</u>	<u>30,196,298</u>	<u>580,296</u>	<u>30,776,594</u>
Deferred Outflows of Resources	<u>9,612,433</u>	<u>90,611</u>	<u>9,703,044</u>	<u>9,912,345</u>	<u>87,117</u>	<u>9,999,462</u>
Current and Other Liabilities	4,353,093	8,488	4,361,581	5,172,103	28,480	5,200,583
Noncurrent Liabilities						
Due Within One Year	304,762	-	304,762	296,352	-	296,352
Due in More Than One Year	<u>50,715,212</u>	<u>497,462</u>	<u>51,212,674</u>	<u>52,055,748</u>	<u>458,188</u>	<u>52,513,936</u>
Total Liabilities	<u>55,373,067</u>	<u>505,950</u>	<u>55,879,017</u>	<u>57,524,203</u>	<u>486,668</u>	<u>58,010,871</u>
Deferred Inflows of Resources	<u>3,293,661</u>	<u>23,449</u>	<u>3,317,110</u>	<u>3,188,592</u>	<u>23,040</u>	<u>3,211,632</u>

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

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

	2024			2023		
	Governmental Activities	Business- Type Activities	Totals	Governmental Activities	Business- Type Activities	Totals
Net Position						
Net Investment in Capital Assets	8,584,471	59,977	8,644,448	8,263,927	85,255	8,349,182
Unrestricted	<u>(27,455,823)</u>	<u>267,065</u>	<u>(27,188,758)</u>	<u>(28,868,079)</u>	<u>72,450</u>	<u>(28,795,629)</u>
Total Net Position	<u>\$ (18,871,352)</u>	<u>\$ 327,042</u>	<u>\$ (18,544,310)</u>	<u>\$ (20,604,152)</u>	<u>\$ 157,705</u>	<u>\$ (20,446,447)</u>

Most of the School District's net position is invested in capital assets (buildings, land, and equipment).

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

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

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

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

	2024			2023		
	Governmental Activities	Business- Type Activities	Totals	Governmental Activities	Business- Type Activities	Totals
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ 64,975	\$ 64,975	\$ -	\$ 21,549	\$ 21,549
Operating Grants and Contribs.	6,444,156	1,141,051	7,585,207	8,303,612	994,268	9,297,880
General Revenues						
Property Taxes	18,512,050	-	18,512,050	18,751,710	-	18,751,710
Other Taxes	2,813,729	-	2,813,729	2,680,271	-	2,680,271
Grants, Subsidies and Contribs.						
Unrestricted	5,931,046	-	5,931,046	5,730,865	-	5,730,865
Other	1,201,936	19,080	1,221,016	843,009	109,500	952,509
Total Revenues	34,902,917	1,225,106	36,128,023	36,309,467	1,125,317	37,434,784
Expenses						
Instruction	21,977,437	-	21,977,437	20,301,279	-	20,301,279
Instructional Student Support	3,048,807	-	3,048,807	3,473,282	-	3,473,282
Admin. and Fin. Support Svcs.	2,381,984	-	2,381,984	2,219,532	-	2,219,532
Operation and Maintenance						
of Plant Services	2,339,212	-	2,339,212	4,950,484	-	4,950,484
Pupil Transportation	2,475,444	-	2,475,444	2,411,810	-	2,411,810
Student Activities	765,162	-	765,162	692,894	-	692,894
Community Services	60,434	-	60,434	66,619	-	66,619
Interest on Long-Term Debt	121,637	-	121,637	131,037	-	131,037
Food Service	-	1,055,769	1,055,769	-	934,409	934,409
Total Expenses	33,170,117	1,055,769	34,225,886	34,246,937	934,409	35,181,346
Increase (Decrease) in Net Position	1,732,800	169,337	1,902,137	2,062,530	190,908	2,253,438
Beginning Net Position	(20,604,152)	157,705	(20,446,447)	(22,666,682)	(33,203)	(22,699,885)
Ending Net Position	<u>\$ (18,871,352)</u>	<u>\$ 327,042</u>	<u>\$ (18,544,310)</u>	<u>\$ (20,604,152)</u>	<u>\$ 157,705</u>	<u>\$ (20,446,447)</u>

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

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

Table A-3 shows the School District's largest functions - instructional programs, instructional student support, administrative, operation and maintenance of plant, pupil transportation, student activities, community services, interest on debt, as well as each program's net cost (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants, subsidies and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues.

Table A - 3
Years Ended June 30, 2024 and 2023
Governmental Activities

	2024		2023	
	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Functions/Programs				
Instruction	\$ 21,977,437	\$ 17,486,279	\$ 20,301,279	\$ 15,739,508
Instructional Student Support	3,048,807	2,434,451	3,473,282	2,013,728
Admin. and Fin. Support Svcs.	2,381,984	2,176,803	2,219,532	1,974,664
Operation and Maintenance of Plant Services	2,339,212	1,856,168	4,950,484	3,550,541
Pupil Transportation	2,475,444	1,889,119	2,411,810	1,836,260
Student Activities	765,162	708,369	692,894	635,966
Community Services	60,434	53,135	66,619	61,619
Interest on Long-Term Debt	121,637	121,637	131,037	131,037
Total Governmental Activities	<u>\$ 33,170,117</u>	26,725,961	<u>\$ 34,246,937</u>	25,943,323
Less:				
Unrestricted Grants, Subsidies		<u>(5,931,046)</u>		<u>(5,730,865)</u>
Total Needs from Local Taxes and Other Revenues		<u>\$20,794,915</u>		<u>\$20,212,458</u>

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

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

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

	2024		2023	
	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Functions/Programs				
Food Service	<u>\$1,055,769</u>	\$ (150,257)	<u>\$ 934,409</u>	\$ (81,408)
Add/Less:				
Investment Earnings		<u>(19,080)</u>		<u>(8,155)</u>
Total Business-Type Activities		<u>\$ (169,337)</u>		<u>\$ (89,563)</u>

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

School District Funds

General Fund Budget

During the fiscal year, the Board of School Directors (The Board) may authorize revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the School District. All adjustments are again confirmed at the time the annual audit is accepted, which is after the end of the fiscal year, which is not prohibited by state law. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided as part of these financial statements. Transfers between specific categories of expenditures/financing uses may occur during the year.

**Carlynton School District
Management’s Discussion and Analysis
June 30, 2024**

Capital Assets and Debt Administration

Capital Assets

At June 30, 2024, the School District had \$12,332,364 invested in a broad range of capital assets, including land, buildings, furniture and equipment.

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

	2024	2023
Land and Site Improvements	\$2,309,957	\$1,851,133
Buildings and Building Improvements	9,741,625	10,152,467
Furniture and Equipment	280,782	158,618

Debt Administration

As of July 1, 2023, the School District had general obligation 2018 bonds which had an outstanding balance of \$3,900,000. During the 2023/2024 fiscal year, payments against principal decreased outstanding long-term debt by \$210,000. At June 30, 2024, the School District’s general obligation 2018 bonds had an outstanding balance of \$3,690,000.

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

Economic Factors and Next Year’s Budget and Rates

Major Financial and Program Issues

Healthcare

Health insurance costs remain a major concern for the School District. The School District recognized an increase in health insurance costs of approximately 8.0% in 2021-22, 15.0% 2022-23 and 9.0% in 2023-24 fiscal years, respectively. The anticipated rate increase for 2024-25 school year is 9.0%. The District is a member of the Allegheny County Schools Health Insurance Consortium. The consortium spreads the risk of potential shock claims over a larger pool of members. It is anticipated that this will result in much more stable and lower premium rate increases over time.

Retirement Contribution

The District’s contribution rate to the state retirement system increased from 1.15% of compensation to 3.77% in 2003/2004, to 4.23% in 2004/2005, to 4.69% in 2005/2006, to 6.46% in 2006/2007, to 7.13% in 2007/2008 and 4.76% in 2008/2009. For the 2009/2010 school year, the contribution rate was 4.78% of eligible compensation and it was 5.64% for 2010/2011 and 8.65% for 2011/2012. The increases over this time period have resulted in the District’s contribution increasing over 300%. The contribution rate for the 2022/23 school year was 35.26%, and 34.00% for the 2023/24 year. The employer contribution rate for 2024/2025 is a small decrease to 33.90%.

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

The cost for retirement payments exceeds \$4.5 million annually which represents over 13% of the total budgeted expenditures.

Labor Relations

The District's teachers are represented by the Carlynton Federation of Teachers, Local #2120, an affiliation of the American Federation of Teachers, AFL-CIO. This group has the responsibility of bargaining for all District teachers, librarians, counselors, psychologists, nurses and long-term substitutes. The current contract runs through the 2025/2026 school year. Negotiations for a new collective bargaining agreement will commence no later than January 2026.

The District's secretarial and support personnel are represented by the Carlynton Federation of Teachers, Local #2120, an affiliation of the American Federation of Teachers, AFL-CIO. This group has the responsibility of bargaining for the School District secretaries, school aides, and cafeteria workers. A current contract runs through June 30, 2029. Negotiations for a new collective bargaining agreement will commence no later than January 2029.

The District's custodial and maintenance personnel are represented by Carlynton Custodial/Maintenance Association, an affiliation of ESPA/PSEA/NEA. The current contract runs through June 30, 2029. Negotiations for a new collective bargaining agreement will commence no later than January 2029.

The Future

Security

- The School District will be seeking grant funds to expand security cameras, upgrade security backbone, and provide additional programming for students and staff in crisis prevention.
- The School District will be investigating and implementing new security protocols and software for communication with staff and first responders.

Capital Planning

The District is undertaking significant enhancements to our facilities, guided by an established capital improvements plan. In the summer of 2025, we will initiate a comprehensive renovation of Carnegie Elementary School, addressing ADA compliance issues and upgrading key systems, including electrical, mechanical, and safety infrastructure. This project will also improve the educational environment by adding classrooms and modernizing educational spaces.

Furthermore, we are expanding the learning possibilities for our junior and senior high school students through the construction of a new production studio and the creation of a Macintosh Apple computer lab. These projects are essential components of our five-year year capital strategy, and we are dedicated to exploring and securing additional funding sources to support these initiatives.

Federal Elementary and Secondary School Emergency Relief Fund (ESSER)

The District expended approximately \$785,000 of ESSER funds strategically allocated through the 2023/2024 school year. These funds were used to address student learning loss expenditures that improve services during the COVID-19 pandemic. The District is also using the funds for upgrades to HVAC systems, windows, and technology infrastructure across the District. The District ESSER projects are on pace to be completed in 2024/25 within the deadlines of PDE.

**Carlynton School District
Management’s Discussion and Analysis
June 30, 2024**

Five-Year Budget Projections

The District is utilizing a five-year budgeting model to better project revenue and expenditures trends, and develop staffing models that fall in line with projected enrollments. This will assist the board of directors in considering possible future tax increases that may be required to support instructional and extra-curricular programs for students.

Budgeted revenues of \$35,983,734 for 2024/2025 have increased by \$2,026,954 over budgeted revenues of \$33,956,780, for 2023/2024.

Budgeted expenditures for 2024/2025 are \$35,983,734. This is an increase of \$2,026,954 over the 2023/2024 budget of \$33,956,780. The School District built the 2024/2025 budget by using an estimated beginning fund balance of \$7,528,979.

The comparison of revenue and expenditure categories is as follows:

Table A - 6

	Budgeted Revenue 2024/2025	Actual Revenue 2023/2024
Local	65.0%	65.3%
State	32.0%	30.6%
Federal	3.0%	4.1%
	Budgeted Expenditures 2024/2025	Actual Expenditures 2023/2024
Instruction	62.3%	62.5%
Support Services	30.5%	31.2%
Noninstructional Services	2.4%	2.4%
Fund Transfers/Debt/Other	4.8%	3.9%

Taxpayer Relief Act - Special Session Act 1

In June 2006, Pennsylvania Governor Ed Rendell signed into law Special Session Act 1, also known as the Taxpayer Relief Act. The purpose of the act is to provide school district property tax reduction by providing funding from anticipated gaming revenue.

In May 2024, the Department of Education informed the School District that its property tax allocation for the school year is \$845,007. Property owners with a certified homestead/farmstead exclusion will receive an assessment reduction that will result in a decrease in real estate tax of \$267.32 for the 2024/2025 school year.

One significant change contained in the new legislation is that beginning with the 2007/2008 fiscal year, school districts will have limits on property tax rate increases. School districts may raise property tax rates above the limits by seeking voter approval or by seeking a variety of exemptions to the limits that must be approved by the Pennsylvania Department of Education.

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

Contacting the School District Financial Management

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the School District's finances and to show the Board's accountability for the money it receives. If you have questions about this report or wish to request additional information, please contact Mr. Keith Bielby, Director of Fiscal Affairs and Budget, Carlynton School District, 435 Kings Highway, Carnegie, PA 15106, 412-429-8400.

**Carlynton School District
Statement of Net Position
June 30, 2024**

Exhibit 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 12,221,168	\$ 681,033	\$ 12,902,201
Taxes Receivable, Net	3,976,233	-	3,976,233
Due From Other Governments	832,952	-	832,952
Other Receivables	378,281	3,218	381,499
Inventories	-	21,602	21,602
Prepaid Items	454,405	-	454,405
Capital Assets not Being Depreciated			
Land	1,509,080	-	1,509,080
Capital Assets, Net			
Site Improvements	800,877	-	800,877
Building & Building Improvements	9,741,625	-	9,741,625
Furniture & Equipment	220,805	59,977	280,782
Intangible Right-to-Use Assets	47,517	-	47,517
TOTAL ASSETS	30,182,943	765,830	30,948,773
DEFERRED OUTFLOWS OF RESOURCES			
Amounts Related to OPEB - District	2,542,923	-	2,542,923
Amounts Related to OPEB - PSERS	281,259	3,598	284,857
Amounts Related to Pension	6,788,251	87,013	6,875,264
TOTAL DEFERRED OUTFLOWS OF RESOURCES	9,612,433	90,611	9,703,044
LIABILITIES			
Internal Balances	28,588	(28,588)	-
Accounts Payable	433,402	28,024	461,426
Accrued Salaries and Benefits	3,637,941	-	3,637,941
Payroll Deductions and Withholdings	238,674	-	238,674
Unearned Revenues	-	9,052	9,052
Accrued Interest	14,488	-	14,488
Noncurrent Liabilities:			
Due Within One Year	304,762	-	304,762
Due in More Than One Year:			
Compensated Absences	356,380	-	356,380
Bonds Payable	3,466,514	-	3,466,514
Lease Payable	4,198	-	4,198
Other Post-Employment Benefits - District	7,947,582	-	7,947,582
Other Post-Employment Benefits - PSERS	1,516,631	19,369	1,536,000
Net Pension Liability	37,423,907	478,093	37,902,000
TOTAL LIABILITIES	55,373,067	505,950	55,879,017
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to OPEB - District	1,458,110	-	1,458,110
Amounts Related to OPEB - PSERS	391,006	4,994	396,000
Amounts Related to Pension	1,444,545	18,455	1,463,000
TOTAL DEFERRED INFLOWS OF RESOURCES	3,293,661	23,449	3,317,110
NET POSITION			
Net Investment in Capital Assets	8,584,471	59,977	8,644,448
Unrestricted	(27,455,823)	267,065	(27,188,758)
TOTAL NET POSITION	\$ (18,871,352)	\$ 327,042	\$ (18,544,310)

See Accompanying Notes

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
Instruction	\$ 21,977,437	\$ -	\$ 4,491,158	\$ -	\$ (17,486,279)	\$ -	\$ (17,486,279)
Instructional Student Support	3,048,807	-	614,356	-	(2,434,451)	-	(2,434,451)
Administrative and Financial Support Services	2,381,984	-	205,181	-	(2,176,803)	-	(2,176,803)
Operation and Maintenance of Plant Services	2,339,212	-	483,044	-	(1,856,168)	-	(1,856,168)
Pupil Transportation	2,475,444	-	586,325	-	(1,889,119)	-	(1,889,119)
Student Activities	765,162	-	56,793	-	(708,369)	-	(708,369)
Community Services	60,434	-	7,299	-	(53,135)	-	(53,135)
Interest on Long-Term Debt	121,637	-	-	-	(121,637)	-	(121,637)
Total Governmental Activities	33,170,117	-	6,444,156	-	(26,725,961)	-	(26,725,961)
Business-type Activities:							
Food Service	1,055,769	64,975	1,141,051	-	-	150,257	150,257
Total Primary Government	\$ 34,225,886	\$ 64,975	\$ 7,585,207	\$ -	(26,725,961)	150,257	(26,575,704)
General Revenues							
Taxes							
Property Taxes Levied for General Purposes, Net					18,512,050	-	18,512,050
Earned Income Taxes					2,488,913	-	2,488,913
Real Estate Transfer Taxes					305,425	-	305,425
Other Taxes Levied for General Purposes, Net					19,391	-	19,391
Grants, Subsidies and Contributions not Restricted					5,931,046	-	5,931,046
Investment Earnings					902,990	19,080	922,070
Miscellaneous Income					298,946	-	298,946
Total General Revenues					28,458,761	19,080	28,477,841
Change in Net Position					1,732,800	169,337	1,902,137
Net Position - July 1, 2023					(20,604,152)	157,705	(20,446,447)
Net Position - June 30, 2024					\$ (18,871,352)	\$ 327,042	\$ (18,544,310)

See Accompanying Notes

**Carlynton School District
Balance Sheet
Governmental Funds
June 30, 2024**

Exhibit 3

	General Fund	Non Major Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 11,528,025	\$ 693,143	\$ 12,221,168
Taxes Receivable, Net	3,976,233	-	3,976,233
Due from Other Governments	832,952	-	832,952
Other Receivables	378,281	-	378,281
Prepaid Items	<u>454,405</u>	<u>-</u>	<u>454,405</u>
TOTAL ASSETS	<u>\$ 17,169,896</u>	<u>\$ 693,143</u>	<u>\$ 17,863,039</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Due to Other Funds	\$ 28,588	\$ -	\$ 28,588
Accounts Payable	385,293	48,109	433,402
Accrued Salaries and Benefits	3,637,941	-	3,637,941
Payroll Deductions and Withholdings	<u>238,674</u>	<u>-</u>	<u>238,674</u>
Total Liabilities	<u>4,290,496</u>	<u>48,109</u>	<u>4,338,605</u>
Deferred Inflows of Resources			
Unavailable Revenues - Property Taxes	<u>3,425,378</u>	<u>-</u>	<u>3,425,378</u>
Fund Balances			
Nonspendable	454,405	-	454,405
Assigned	622,500	645,034	1,267,534
Unassigned	<u>8,377,117</u>	<u>-</u>	<u>8,377,117</u>
Total Fund Balances	<u>9,454,022</u>	<u>645,034</u>	<u>10,099,056</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 17,169,896</u>	<u>\$ 693,143</u>	<u>\$ 17,863,039</u>

See Accompanying Notes

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

Exhibit 4

Total Fund Balances - Governmental Funds		\$ 10,099,056
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>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 \$36,399,184, and the accumulated depreciation is \$24,126,797</p>		12,272,387
<p>Intangible right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The value of these assets is \$237,577 and the accumulated amortization is \$190,060.</p>		47,517
<p>Property taxes receivable will be collected in the future, but are not available soon enough to pay for the current period's expenditures and, therefore, are not reported as assets in governmental funds.</p>		3,425,378
<p>Discounts on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net position</p>		8,486
<p>Long-term liabilities, including bonds and leases payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:</p>		
Bonds Payable	\$ (3,690,000)	
Accrued Interest on the Bonds	(14,488)	
Lease Payable	(53,919)	
Other Post-Employment Benefits Payable - District	(7,947,582)	
Other Post-Employment Benefits Payable - PSERS	(1,516,631)	
Net Pension Liability	(37,423,907)	
Compensated Absences	(396,421)	(51,042,948)
<p>Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred Outflows of Resources Related to Pensions	6,788,251	
Deferred Inflows of Resources Related to Pensions	(1,444,545)	
Deferred Outflows of Resources Related to OPEB - PSERS	281,259	
Deferred Inflows of Resources Related to OPEB - PSERS	(391,006)	
Deferred Outflows of Resources Related to OPEB - District	2,542,923	
Deferred Inflows of Resources Related to OPEB - District	(1,458,110)	6,318,772
Total Net Position - Governmental Activities		\$ (18,871,352)

See Accompanying Notes

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

Exhibit 5

	General Fund	Non Major Fund	Total Governmental Funds
Revenues			
Local Sources	\$ 22,708,004	\$ 57,727	\$ 22,765,731
State Sources	10,653,518	-	10,653,518
Federal Sources	1,432,897	-	1,432,897
	34,794,419	57,727	34,852,146
Total Revenues			
Expenditures			
Instruction	21,770,912	-	21,770,912
Support Services	10,857,764	-	10,857,764
Noninstructional Services	838,238	-	838,238
Capital Outlay	313,475	-	313,475
Debt Service (Principal & Interest)	380,577	-	380,577
Refunds of Prior Year's Receipts	270,915	-	270,915
	34,431,881	-	34,431,881
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	362,538	57,727	420,265
Other Financing Sources (Uses)			
Transfers In	-	385,000	385,000
Sale/Compensation for Fixed Assets	200	-	200
Transfers Out	(385,000)	-	(385,000)
	(384,800)	385,000	200
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(22,262)	442,727	420,465
Fund Balances - July 1, 2023	9,476,284	202,307	9,678,591
Fund Balances - June 30, 2024	\$ 9,454,022	\$ 645,034	\$ 10,099,056

See Accompanying Notes

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

Exhibit 6

Total Net Change in Fund Balances - Governmental Funds \$ 420,465

Amounts reported for governmental activities in the statement of activities are different because:

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

Depreciation Expense	\$ (953,121)	
Intangible Right-to-Use Assets Amortization	(47,515)	
Net Book Value of Assets Retired	(72,076)	
Capital Outlays	1,135,366	62,654

Because some property taxes and other revenues will not be collected within the current financial resources measurement focus period, they are not considered as "available" revenues in the governmental funds. Unavailable revenues increased by this amount this year.

321,486

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

258,543

In the statement of activities, certain operating expenses-compensated absences (sick pay and vacations) and other post-employment benefits (OPEB)-are measured by the amounts earned during the year. In governmental funds, however, expenditures for the items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Compensated Absences	(245,187)	
Other Post-Employment Benefits - PSERS	50,008	
Other Post-Employment Benefits - District	(356,136)	(551,315)

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

Exhibit 6

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

Net Change in Accrued Interest on Bonds		1,050
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Bond discount on bonds is reported in the statement of revenues and expenditures of governmental funds as expenditures but are capitalized and amortized over the life of the bonds in the statement of activities.

Amortization of Discount		(653)
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Governmental funds report School District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense.

District Pension Contributions to PSERS	4,400,837		
Cost of Benefits Earned	<u>(3,180,267)</u>	<u>1,220,570</u>	

Change in Net Position of Governmental Activities		<u>\$ 1,732,800</u>
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See Accompanying Notes

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

Exhibit 7

	Food Service Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 681,033
Due From Other Funds	28,588
Other Receivables	3,218
Inventories	<u>21,602</u>
Total Current Assets	<u>734,441</u>
Noncurrent Assets	
Furniture and Equipment, Net	<u>59,977</u>
TOTAL ASSETS	<u><u>794,418</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts Related to OPEB	3,598
Amounts Related to Pensions	<u>87,013</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>90,611</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	28,024
Unearned Revenues	<u>9,052</u>
Total Current Liabilities	<u>37,076</u>
Noncurrent Liabilities	
OPEB Liability	19,369
Net Pension Liability	<u>478,093</u>
Total Noncurrent Liabilities	<u>497,462</u>
TOTAL LIABILITIES	<u><u>534,538</u></u>
DEFERRED INFLOWS OF RESOURCES	
Amounts Related to OPEB	4,994
Amounts Related to Pensions	<u>18,455</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>23,449</u>
NET POSITION	
Invested in Capital Assets	59,977
Unrestricted	<u>267,065</u>
TOTAL NET POSITION	<u><u>\$ 327,042</u></u>

See Accompanying Notes

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

Exhibit 8

	Food Service Fund
Operating Revenues	
Food Service Revenue	<u>\$ 64,975</u>
Operating Expenses	
Salaries	167,371
Employee Benefits	131,979
Other Purchased Services	599,881
Supplies	131,260
Depreciation	<u>25,278</u>
Total Operating Expenses	<u>1,055,769</u>
Operating Income (Loss)	<u>(990,794)</u>
Nonoperating Revenues (Expenses)	
Earnings on Investments	19,080
State Sources	94,864
Federal Sources	<u>1,046,187</u>
Total Nonoperating Revenues (Expenses)	<u>1,160,131</u>
Change in Net Position	169,337
Net Position - July 1, 2023	<u>157,705</u>
Net Position - June 30, 2024	<u>\$ 327,042</u>

See Accompanying Notes

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

Exhibit 9

	Food Service Fund
Cash Flows From Operating Activities	
Cash Received from Users	\$ 64,974
Cash Payments to Employees for Services	(271,903)
Cash Payments to Suppliers for Goods and Services	<u>(649,691)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(856,620)</u>
Cash Flows From Non-Capital Financing Activities	
State Sources	94,863
Federal Sources	<u>954,689</u>
Net Cash Provided by Non-Capital Financing Activities	<u>1,049,552</u>
Cash Flows From Investing Activities	
Earnings on Investments	<u>19,080</u>
Net Increase (Decrease) in Cash and Cash Flows	212,012
Cash and Cash Equivalents - July 1, 2023	<u>469,021</u>
Cash and Cash Equivalents - June 30, 2024	<u><u>\$ 681,033</u></u>

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

Exhibit 9

		Food Service Fund
Operating Income (Loss)	\$	(990,794)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation and Net Amortization		25,278
Change in Pensions and OPEB Liability		36,189
Donated Commodities		91,498
(Increase) Decrease in Accounts Receivable		(1)
(Increase) Decrease in Inventories		1,201
Increase (Decrease) in Accounts Payable		(5,894)
Increase (Decrease) in Advances from Other Funds		(8,742)
Increase (Decrease) in Deferred Revenue		<u>(5,355)</u>
Total Adjustments		<u>134,174</u>
Cash Provided by (Used for) Operating Activities	\$	<u>(856,620)</u>

Noncash Non-Capital Financing Activities

During the year ended June 30, 2024, the School District received \$87,896 of U.S.D.A Donated Commodities in the food service fund.

See Accompanying Notes

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

Exhibit 10

	Custodial Fund
ASSETS	
Cash and Cash Equivalents	<u>\$ 103,489</u>
NET POSITION	
Restricted for Student Groups	<u>\$ 103,489</u>

See Accompanying Notes

**Carlynton School District
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2024**

Exhibit 11

	Custodial Fund
Additions	
Revenue from Student Activities	\$ 109,600
Interest	<u>5,387</u>
Total Additions	114,987
Deductions	
Student Activities Program Expenses	<u>103,808</u>
Change in Net Position	11,179
Net Position - July 1, 2023	<u>92,310</u>
Net Position - June 30, 2024	<u><u>\$ 103,489</u></u>

See Accompanying Notes

Carlynton School District
Notes to Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies

Carlynton School District, located in Allegheny County, Pennsylvania, provides public education, kindergarten through twelfth grade, to the residents of the Boroughs of Carnegie, Crafton, and Rosslyn Farms. The School District operates under a nine-person elected Board of Directors.

A. Basic Financial Statements - Government-Wide Statements

The School District's basic financial statements include both government-wide (reporting the School District as a whole) and fund financial statements (reporting the School District's major funds). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of Carlynton School District. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. In the government-wide statement of net position, governmental activities are represented on a consolidated basis by column.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

B. Basic Financial Statements - Fund Financial Statements

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

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

1. Governmental Funds

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

Carlynton School District
Notes to Financial Statements
June 30, 2024

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

The School District reported one nonmajor governmental fund at June 30, 2024:

The *capital projects fund* accounts for financial resources to be used for the acquisition of construction of major capital facilities or equipment.

2. Proprietary Funds

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

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

3. Fiduciary Funds

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

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

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e. the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in in the preparation of the government-wide financial statements.

Carlynton School District
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Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

D. Joint Ventures

The School District is one of twelve member school districts of the Parkway West Career and Technology Center (Parkway). Parkway provides vocational-technical training and education to participating students of the member districts. Parkway is controlled and governed by the Joint Board, which is composed of all the school board members of all the member districts.

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Direct oversight of Parkway's operations is the responsibility of the Joint Committee, which consists of one representative from each participating school district. No member of the Jointure exercises specific control over the fiscal policies or operations of Parkway.

The School District's share of annual operating and capital costs for Parkway fluctuates, based on the percentage of enrollment of each member district in the school. The School District's financial obligation to Parkway for the year ended June 30, 2024 was \$476,670, which has been reported in the School District's general fund. The School District has no equity interest in Parkway as of June 30, 2024. Complete financial statements for Parkway can be obtained from the administrative offices at 7101 Steubenville Pike, Oakdale, Pennsylvania 15071-9406.

The School District is also one of five member school districts of the South Central Area Special Schools Jointure (South Central). South Central provides special education services to participating students of the member districts. South Central is controlled and governed by the Joint Board, which is composed of all the school board members of all the member districts. Direct oversight of South Central's operations is the responsibility of the Joint Committee, which consists of one representative from each participating school district. No member of the Jointure exercises specific control over the fiscal policies or operations of South Central. The School District's share of annual operating and capital costs for South Central fluctuates, based on the percentage of enrollment of each member district in the school, and there were no payments made in the year ended June 30, 2024. The School District has no equity interest in South Central as of June 30, 2024. Complete financial statements for South Central can be obtained from the administrative offices at Donati Road, Bethel Park, PA 15102.

E. Cash and Cash Equivalents

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

F. Investments

Investments are stated at fair value except that treasury and agency obligations that have a remaining maturity at the time of purchase of one year or less are shown at amortized cost. Fair value is based on quoted market prices. Funds are invested pursuant to the Public School Code of 1949 and investment policy guidelines established by the School District and approved by the Members of the Board. The School Code states that authorized types of investments shall be: United States Treasury Bills; short-term obligations of the United States Government or its agencies or instrumentalities; deposits in savings accounts, time deposits or share accounts of institutions insured by the FDIC; obligations of the United States or any of its agencies or instrumentalities backed by the full faith and credit of the United States and the Commonwealth of Pennsylvania.

G. Budgets

The School Board approves, prior to the beginning of each year, an annual budget on the modified accrual basis of accounting for the general fund. This is the only fund for which a budget is required and for which taxes may be levied. The general fund is the only fund that has an annual budget that has been legally adopted by the School Board.

Carlynton School District
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The Public School Code allows the School Board to authorize budget transfer amendments during the year, but only during the last nine months of the fiscal year. There were no supplemental budgetary appropriations made during the year ended June 30, 2024.

H. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

I. Inventories

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

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

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

J. Prepaid Items

In both the government-wide and fund financial statements, prepaid expenses are recorded as assets in the specific governmental fund in which future benefits will be derived. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

K. Capital Assets

Capital assets, which include property, plant, equipment and land improvements are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than \$1,500 as composite groups for financial reporting purposes. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

Assets	Years
Buildings	50
Building Improvements	20-30
Land Improvements	20
Furniture	20
Vehicles	8
Equipment	5-15
Computer Software	6
Textbooks	6
Library/Workbooks	6

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

L. Intangible Right-to-Use Assets

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

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School District has various items that qualify for reporting in this category in the government-wide statement of net position relating to the participation in the cost sharing defined benefit pension plan and participation in two other post-employment benefit plans.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The School District has only one type of item, which arises only under the modified accrual basis of accounting which qualifies for reporting in this category.

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Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes.

The School District has various items reported in the government-wide statement of net position relating to the cost sharing defined benefit pension plan and two other post-employment benefit plans. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

N. Long-Term Obligations

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

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

O. Compensated Absences

The School District's policies regarding vacation and sick time under various contracts, provide for employees to accumulate sick and/or vacation days which they are paid for upon retirement or termination of service. The amount the employee is compensated and the number of days varies based on their contract and their years of service. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

P. Defining Operating Revenues and Expenses

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

Q. Equity Classifications

Government-Wide Statements

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

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

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

Carlynton School District
Notes to Financial Statements
June 30, 2024

Fund Statements - Fund Balance

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

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

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

Committed - the portion of fund balance that can only be used for specific purposes as a result of formal action by the School District's highest level of authority, school board. Once the item is committed, it cannot be used for any other purpose unless changed by the same procedures used to initially constrain the money.

Assigned - reflects the School District's intent to use the money for a specific purpose but is not considered restricted or committed. Fund balance may be assigned by the superintendent or business manager.

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

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

The nonspendable fund balance of \$454,405 in the general fund is for prepaid items.

The assigned fund balance of \$645,034 in the capital projects fund is for future capital projects.

The assigned fund balance of \$622,500 in the general fund is for future expenditures related to PSERS, healthcare benefits and technology.

Note 2 - Deposits and Investments

The deposit and investment policy of the School District adheres to state statutes and prudent business practice. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the School District.

**Carlynton School District
Notes to Financial Statements
June 30, 2024**

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in an event of a bank failure, the government’s deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution’s name. As of June 30, 2024, \$10,758,880 of the School District’s bank balance of \$11,258,880 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging	
Bank’s Agent not in the School District’s Name	<u>\$10,758,880</u>

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

Investments	Fair Value
PLGIT	\$ 34,893
PSDLAF	<u>3,121,630</u>
	<u>\$ 3,156,523</u>

Interest Rate Risk - The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risks - The Pennsylvania Public School Code authorizes the types of investments allowed. These are described in Note 1F. The School District has no investment policy that would further limit its investment choices.

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

Investments

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

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

Carlynton School District
Notes to Financial Statements
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Fair Value of Investments

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School District had no investments that required disclosure as of June 30, 2024 under this hierarchy.

Note 3 - Real Estate Taxes

The municipal tax collectors bill and collect real estate taxes on behalf of the School District based upon assessed values provided by the County. The School District's tax rate for all purposes in 2023/2024 was 26.7432 mills (\$26.74 per \$1,000 assessed valuation).

The tax calendar for real estate taxes levied for 2023/2024 is as follows:

Tax Levy Date	August 1, 2023
2% Discount Period	Through September 30, 2023
Face Payment Period	October 1 - November 30, 2023
10% Penalty Period	Beginning December 1, 2023
Lien Filing Date	Turned over to Tax Claim Bureau December 31, 2023

The amounts shown as delinquent real estate taxes receivable have not been recorded as revenue on the fund statements. These taxes are, however, recorded as deferred revenue on the balance sheet until they are received. The amounts reported for this receivable net of uncollectible amounts are reported on the balance sheet in the amount of \$3,425,378 along with other taxes receivable of \$550,855.

Note 4 - Due from Other Governments

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

	Governmental Funds
Federal (through the state)	\$ (297,153)
State	<u>1,130,105</u>
	<u>\$ 832,952</u>

Carlynton School District
Notes to Financial Statements
June 30, 2024

Note 5 - Capital Assets

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

	Balance 07/01/23	Additions	Disposals	Balance 06/30/24
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 1,509,080	\$ -	\$ -	\$ 1,509,080
Capital Assets Being Depreciated/Amortized				
Land Improvements	1,826,287	507,082	-	2,333,369
Buildings and Building Improv.	29,526,186	509,020	110,500	29,924,706
Furniture and Equipment	2,522,360	119,264	9,595	2,632,029
Intangible Right-to-use Assets	237,577	-	-	237,577
Total Capital Assets Being Depreciated/Amortized	<u>34,112,410</u>	<u>1,135,366</u>	<u>120,095</u>	<u>35,127,681</u>
Less Accumulated Depreciation/Amortization				
Land Improvements	1,484,234	48,258	-	1,532,492
Buildings and Building Improv.	19,373,719	849,878	40,516	20,183,081
Furniture and Equipment	2,363,742	54,985	7,503	2,411,224
Intangible Right-to-use Assets	142,545	47,515	-	190,060
Total Accumulated Depreciation/Amortization	<u>23,364,240</u>	<u>1,000,636</u>	<u>48,019</u>	<u>24,316,857</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>10,748,170</u>	<u>134,730</u>	<u>72,076</u>	<u>10,810,824</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,257,250</u>	<u>\$ 134,730</u>	<u>\$ 72,076</u>	<u>\$ 12,319,904</u>
Business-Type Activities				
Furniture and Equipment	\$ 340,331	\$ -	\$ -	\$ 340,331
Less Accumulated Depreciation and Equipment	<u>255,076</u>	<u>25,278</u>	<u>-</u>	<u>280,354</u>
Business-Type Activities Capital Assets, Net	<u>\$ 85,255</u>	<u>\$ (25,278)</u>	<u>\$ -</u>	<u>\$ 59,977</u>

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

Governmental Activities	
Instruction	\$ 878,499
Administration and Financial Support Services	82,115
Operation and Maintenance of Plant Services	26,614
Pupil Transportation	3,813
Student Activities	9,595
Total Depreciation/Amortization Expense	<u>\$ 1,000,636</u>
Business-Type Activities - Food Service	<u>\$ 25,278</u>

Carlynton School District
Notes to Financial Statements
June 30, 2024

Note 6 - Interfund Balances

At June 30, 2024, interfund balances were:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 28,588
Food Service	<u>28,588</u>	<u>-</u>
	<u>\$ 28,588</u>	<u>\$ 28,588</u>

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

There was a transfer from the General Fund to the Capital Projects Fund in the amount of \$385,000 during the School year. This transfer was to help fund future capital needs of the District.

Note 7 - Long-Term Liabilities

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

	Balance 07/01/23	Additions	Reductions	Balance 06/30/24	Due Within One Year
Governmental Activities					
Bonds Payable					
General Obligation Bonds	\$ 3,900,000	\$ -	\$ 210,000	\$ 3,690,000	\$ 215,000
Less: Bond Discount	<u>(9,139)</u>	<u>-</u>	<u>(653)</u>	<u>(8,486)</u>	<u>-</u>
Total Bonds Payable	<u>3,890,861</u>	<u>-</u>	<u>209,347</u>	<u>3,681,514</u>	<u>215,000</u>
Compensated Absences	<u>151,234</u>	<u>245,187</u>	<u>-</u>	<u>396,421</u>	<u>40,041</u>
Governmental Activities					
Long-Term Liabilities	<u>\$ 4,042,095</u>	<u>\$ 245,187</u>	<u>\$ 209,347</u>	<u>\$ 4,077,935</u>	<u>\$ 255,041</u>
Lease Liabilities	<u>\$ 102,462</u>	<u>\$ -</u>	<u>\$ 48,543</u>	<u>\$ 53,919</u>	<u>\$ 49,721</u>
Total Long-Term Obligations as Reported in the Statement of Net Position				<u>\$ 4,131,854</u>	<u>\$ 304,762</u>

Carlynton School District
Notes to Financial Statements
June 30, 2024

General Obligation Bonds

Series of 2018 in the amount of \$4,590,000; due serially through November 2037; interest due semi-annually ranging from 2.0% to 4.0%

\$ 3,690,000

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

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

Year Ended June 30,	General Obligation Bonds		Totals
	Principal (On Issuance Amount)	Interest	
2025	\$ 215,000	\$ 113,219	\$ 328,219
2026	220,000	107,644	327,644
2027	225,000	101,381	326,381
2028	235,000	94,481	329,481
2029	240,000	87,356	327,356
2030-2034	1,325,000	318,996	1,643,996
2035-2038	<u>1,230,000</u>	<u>87,456</u>	<u>1,317,456</u>
	<u>\$ 3,690,000</u>	<u>\$ 910,533</u>	<u>\$ 4,600,533</u>

Note 8 – Lease Liabilities

The School District has entered into an agreement to lease copiers. The term of the lease is for five years requiring monthly payments of \$4,206. The lease agreement qualifies as other than short-term lease under GASB 87 and, therefore, has been recorded at present value of the future minimum lease payments as of the date of its inception. For purposes of discounting future payments, the School District determined an interest rate of 2.9% to be an appropriate discount rate.

As of June 30, 2024, the value of the lease liability recorded for the above lease was \$53,919. As a result, the School District has recorded an Intangible Right-to-Use asset with a net book value of \$47,517 as of June 30, 2024.

	Balance 07/01/23	Additions	Disposals	Balance 06/30/24
Governmental Activities				
Intangible Right-to-Use Assets:				
Leased Equipment	<u>\$ 237,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,577</u>
Less Accumulated Amortization	<u>142,545</u>	<u>47,515</u>	<u>-</u>	<u>190,060</u>
Net Intangible Right-to-use Assets	<u>\$ 95,032</u>	<u>\$ (47,515)</u>	<u>\$ -</u>	<u>\$ 47,517</u>

Carlynton School District
Notes to Financial Statements
June 30, 2024

Future minimum lease payments under this lease are as follows:

Year Ended June 30,	Lease Payable		Totals
	Principal	Interest	
2025	\$ 49,721	\$ 750	\$ 50,471
2026	4,198	8	4,206
	\$ 53,919	\$ 758	\$ 54,677

Note 9 - Public School Employees' Retirement System (PSERS)

A. Summary of Significant Accounting Policies

Pensions

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

B. General Information about the Pension Plan

1. Plan Description

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

2. Benefits Provided

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

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

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

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

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3. Contributions

Member Contributions

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

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

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

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2024 was 33.36% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School District were \$4,457,350 for the year ended June 30, 2024.

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

At June 30, 2024, the School District reported a liability of \$37,902,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2024, the School District's proportion was 0.0852%, which was a decrease of 0.0023% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of \$3,271,255. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,000	\$ 519,000
Net difference between projected and actual investment earnings	1,072,000	-
Changes in assumptions	566,000	-
Changes in proportions	738,000	944,000
Difference between employer contributions and proportionate share of total contributions	32,914	-
Contributions subsequent to the measurement date	<u>4,457,350</u>	<u>-</u>
	<u>\$ 6,875,264</u>	<u>\$ 1,463,000</u>

\$4,457,350 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2025	\$ 328,427
2026	(627,792)
2027	894,379
2028	<u>359,900</u>
	<u>\$ 954,914</u>

Carlynton School District
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1. Changes in Actuarial Assumptions

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

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

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

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.

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

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

2. Discount Rate

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

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

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

	(In Thousands)		
	1.00%	Current	1.00%
	Decrease 6.00%	Discount Rate 7.00%	Increase 8.00%
School District's proportionate share of the net pension liability	\$ 49,132	\$ 37,902	\$ 28,428

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4. Pension Plan Fiduciary Net Position

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

Note 10 - Contingent Liabilities

Carlynton School District participates in a number of federally assisted grant programs, principal of which are Education Stabilization Fund and National School Lunch Program. The programs are subject to program compliance audits by the grantors or their representatives. The audits of some of these programs for and including the year ended June 30, 2024 have not yet been conducted. Accordingly, the School District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

Note 11 - Other Post-Employment Benefit Plan

A. Plan Description

Carlynton School District administers a single-employer defined benefit healthcare plan ("the Supplemental Health Plan"). The plan provides medical, and in some cases dental and vision, for four groups of employees: teachers; administrators; secretaries; and custodians. The benefits provided are for the eligible retirees and their spouses through the School District group health insurance plan which covers both active and retired members.

Benefit provisions are mostly established through negotiations between the School District and union or group representing the employees. The plan does not issue a publicly available financial report.

The eligibility and the benefits for each group are as follows

1) Eligibility for Healthcare Coverage

Hired prior to July 1, 2011

Employees are eligible for postretirement coverage provided they meet the criteria for either early or normal retirement under PSERS. Employees are eligible for early retirement upon attaining age 55 with at least 25 years of service under PSERS. Normal retirement eligibility occurs upon attaining 35 years of service, age 60 with 30 years of service, or age 62 with 1 year of service.

Hired on or after July 1, 2011

Employees are eligible for postretirement coverage provided that they meet at least one of the following criteria: age 65 with 3 years of service, or a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

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2) Benefit at Retirement

Teachers	Eligible retirees have the option to continue enrollment in the medical program provided they pay the required contributions until age 65. Retirees are also eligible for dental and/or vision benefits if they paid the contribution for the medical program.
Administrators	Eligible retirees have the option to continue enrollment in the medical program provided they pay the required contributions until age 65. Retirees are also eligible for dental and/or vision benefits if they paid the contribution for the medical program.
Secretaries	Eligible for one year of retiree medical coverage for every 6 years worked.
Custodians/Maintenance	Eligible for one year of retiree medical coverage for every 7 years worked.

Employees Covered by Benefit Terms

At July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	14
Active employees	<u>179</u>
	<u>193</u>

B. Total OPEB Liability

The School District's total OPEB liability of \$7,947,582 was measured as of July 1, 2023, and was determined by an actuarial valuation as of July 1, 2022. Standard roll-forward techniques were used to roll-forward the liability from the valuation date to the measurement date using updated assumptions.

C. Actuarial Methods and Assumptions

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

Inflation	3.00%
Salary Increases	2.50%
Discount Rate	4.13%
Healthcare Cost Trend Rates	7.00% for 2023/2024, decreasing 0.25% per year until 4.50% for 2032 & later

Carlynton School District
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The discount rate was based on the Bond Buyers 20-Bond Index.

Mortality rates were based on the Pri.H-2012 Total Dataset Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale MP-2021.

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

D. Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	\$ 8,155,731
Changes for the year:	
Service Cost	290,634
Interest	288,713
Changes of assumptions or other inputs	(429,783)
Benefit Payments	(357,713)
Net Changes	(208,149)
Balance at June 30, 2024	\$ 7,947,582

E. Changes of Assumptions and Other Inputs

- Changed the discount rate from 3.54% to 4.13%

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

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

	1.00% Decrease 3.13%	Current Discount Rate 4.13%	1.00% Increase 5.13%
Total OPEB Liability	\$ 8,699,234	\$ 7,947,582	\$ 7,272,287

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

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

	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	\$ 7,205,218	\$ 7,947,582	\$ 8,802,931

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

For the year ended June 30, 2024, the School District recognized OPEB expense of \$723,041. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 1,365,451	\$ 1,432,064
Differences between expected and actual experience	810,567	26,046
Benefit payments subsequent to the measurement date	366,905	-
	<u>\$ 2,542,923</u>	<u>\$ 1,458,110</u>

The \$366,905 amount reported as deferred outflows of resources resulting from the School District's benefit payments subsequent to the measurement date will be recognized as a reduction in next year's total OPEB liability.

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

Year Ended June 30,	
2025	\$ 143,694
2026	143,694
2027	143,694
2028	143,694
2029	50,817
Thereafter	92,315
	<u>\$ 717,908</u>

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Note 12 - Other Post-Employment Benefits - PSERS

A. Summary of Significant Accounting Policies

Other Post-Employment Benefits

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

B. General Information about the Health Insurance Premium Assistance Program

1. Health Insurance Premium Assistance Program

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

2. Premium Assistance Eligibility Criteria

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

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age

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

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

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3. Pension Plan Description

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

4. Benefits Provided

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

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2024 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were \$86,210 for the year ended June 30, 2024.

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

At June 30, 2024, the School District reported a liability of \$1,536,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the School District's proportion was 0.0849%, which was a decrease of 0.0025% from its proportion measured as of June 30, 2023.

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For the year ended June 30, 2024, the School District recognized OPEB expense of \$37,917. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 10,000	\$ 15,000
Net difference between projected and actual investment earnings	3,000	-
Changes in assumptions	133,000	291,000
Changes in proportions	51,000	90,000
Difference between employer contributions and proportionate share of total contributions	1,647	-
Contributions subsequent to the measurement date	86,210	-
	\$ 284,857	\$ 396,000

\$86,210 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2025	\$ (35,321)
2026	(48,675)
2027	(49,508)
2028	(50,850)
2029	(12,999)
	\$ (197,353)

1. Actuarial Assumptions

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

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return – 4.13%, S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.

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Notes to Financial Statements
June 30, 2024

- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate pre age 65 at 50%.
 - Eligible retirees will elect to participate post age 65 at 70%.

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

The following assumptions were used to determine the contribution rate:

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	<u>100.0%</u>	1.2%

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

Carlynton School District
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2. Discount Rate

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

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

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

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

	(In Thousands)		
	1.00% Decrease	Current Trend Rate	1.00% Increase
System net OPEB Liability	\$ 1,536	\$ 1,536	\$ 1,536

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

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

	(In Thousands)		
	1.00%	Current	1.00%
	Decrease	Discount Rate	Increase
	3.13%	4.13%	5.13%
School District's proportionate share of the net OPEB liability	\$ 1,737	\$ 1,536	\$ 1,368

5. OPEB Plan Fiduciary Net Position

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

Note 13 - Risk Management

The School District is one of forty-six members of the Allegheny County Schools Health Insurance Consortium (Consortium) which purchases health benefits on behalf of participating public school districts. The School District is billed monthly based on employee count and coverage information at rates established by the Consortium at the beginning of each fiscal year. As the Consortium is self-insured, rates are established with the objective of satisfying estimated claims and other costs, as well as maintaining working capital requirements. Contributions to the Consortium totaled \$3,897,063 and \$3,477,242 the years ended June 30, 2024 and 2023, respectively.

Participating school districts are permitted to withdraw from the Consortium under terms specified in the agreement. Withdrawing participants are entitled to or responsible for a proportionate share of the Consortium net position or deficiency in net position, respectively, as determined on the fiscal year-end date after withdrawal. As of June 30, 2024, the net position of the Consortium was \$64,607,800 of which \$596,759 is attributable to the School District.

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

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

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

Carlynton School District
Notes to Financial Statements
June 30, 2024

Note 14 - On-Behalf Payments

The amounts recognized for revenues and expenditures for on-behalf payments relating to fringe benefits for the year ended June 30, 2024, was \$2,711,837.

This includes \$2,237,188 recognized for revenues and expenditures relating to pension contributions for its employees that the Commonwealth of Pennsylvania paid to the Public School Employees' Retirement System (PSERS) for pension and \$474,649 to the federal government for social security and Medicare taxes for the year ended June 30, 2024. The School District pays these on-behalf payments directly to PSERS and the government and is reimbursed by the Commonwealth for their appropriate share.

**REQUIRED SUPPLEMENTARY
INFORMATION SECTION**

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Sources				
Taxes				
Current Real Estate Taxes	\$ 17,591,152	\$ 17,591,152	\$ 17,572,336	\$ (18,816)
Public Utility Realty Taxes	17,513	17,513	19,162	1,649
Payments in Lieu of Current Taxes	927	927	229	(698)
Earned Income Taxes	2,093,866	2,093,866	2,410,589	316,723
Real Estate Transfer Taxes	296,360	296,360	305,425	9,065
Delinquencies on Taxes	911,405	911,405	967,467	56,062
Earnings on Investments	250,000	250,000	845,263	595,263
Other Local Revenues				
Revenue from Student Activities	21,319	21,319	32,929	11,610
Federal Revenues from IU	271,808	271,808	287,877	16,069
Contributions & Donations from Private Sources	34,553	34,553	106,356	71,803
Rentals	100,000	100,000	115,160	15,160
Tuition from other LEAs	3,300	3,300	-	(3,300)
Svcs. Prov. Other Local Gov't. Units	5,766	5,766	910	(4,856)
Miscellaneous Revenue	90,000	90,000	14,274	(75,726)
Refund of Prior Year's Expenditures	-	-	30,027	30,027
Total Revenues from Local Sources	21,687,969	21,687,969	22,708,004	1,020,035
State Sources				
Basic Instructional & Oper. Subsidies				
Basic Instructional Subsidy	4,867,956	4,867,956	5,227,495	359,539
Tuition	13,560	13,560	27,971	14,411
Subsidies for Spec. Educ. Programs				
Special Education of Excep. Pupils	1,201,617	1,201,617	1,188,974	(12,643)
Subsidies for Noneduc. Programs				
Transportation (Regular & Additional)	480,000	480,000	586,325	106,325
Ready to Learn Block Grant	189,030	189,030	189,030	-
Health Services	27,500	27,500	21,931	(5,569)
State Property Tax Reduction	703,551	703,551	703,551	-
Other State Revenue	25,000	25,000	31,795	6,795
Social Security Payments	519,927	519,927	468,292	(51,635)
State Retirement Revenue	2,323,005	2,323,005	2,208,154	(114,851)
Total Revenues from State Sources	10,351,146	10,351,146	10,653,518	302,372

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Federal Sources				
Restricted Grants-In-Aid from the Fed.				
Gov't. through the Commonwealth				
Title I	512,478	512,478	498,927	(13,551)
Title II	61,671	61,671	54,269	(7,402)
Title IV	37,783	37,783	37,783	-
Title III	5,444	5,444	-	(5,444)
Elementary and Secondary Emergency				
Relief Fund (ESSER III)	991,427	991,427	719,548	(271,879)
ARP ESSER 7%	49,860	49,860	65,918	16,058
Ukrainian Refugee Grant	-	-	54,180	54,180
Medical Assistance	250,000	250,000	-	(250,000)
Title XIX	9,000	9,000	2,272	(6,728)
	<u>1,917,663</u>	<u>1,917,663</u>	<u>1,432,897</u>	<u>(484,766)</u>
Total Revenues from Federal Sources				
	<u>33,956,778</u>	<u>33,956,778</u>	<u>34,794,419</u>	<u>837,641</u>
Other Financing Sources				
Sale of Capital Assets	-	-	200	200
	<u>-</u>	<u>-</u>	<u>200</u>	<u>200</u>
Total Revenues and Other Financing Sources	<u>33,956,778</u>	<u>33,956,778</u>	<u>34,794,619</u>	<u>837,841</u>
Expenditures				
Instruction				
Regular Programs				
Personal Services				
Salaries	8,152,956	8,149,303	8,214,749	(65,446)
Employee Benefits	5,331,110	5,334,492	5,253,187	81,305
Purchased Prof. and Tech. Services	673,330	660,391	831,047	(170,656)
Purchased Property Services	69,019	69,019	8,100	60,919
Other Purchased Services	809,880	809,881	968,884	(159,003)
Supplies	175,764	179,878	154,118	25,760
Property	9,905	3,405	589	2,816
Other Objects	3,510	3,510	6,531	(3,021)
	<u>15,225,474</u>	<u>15,209,879</u>	<u>15,437,205</u>	<u>(227,326)</u>
Total Regular Programs				

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Programs				
Personal Services				
Salaries	1,741,157	1,741,158	1,606,977	134,181
Employee Benefits	1,273,498	1,273,497	1,173,198	100,299
Purchased Prof. and Tech. Services	573,300	573,300	973,104	(399,804)
Other Purchased Services	1,389,082	1,389,082	1,621,974	(232,892)
Supplies	-	-	20,010	(20,010)
Total Special Programs	4,977,037	4,977,037	5,395,263	(418,226)
Vocational Education Programs				
Personal Services				
Salaries	257,305	257,305	259,651	(2,346)
Employee Benefits	139,195	139,195	137,418	1,777
Other Purchased Services	520,652	520,653	476,670	43,983
Supplies	5,580	5,580	2,824	2,756
Total Vocational Education Programs	922,732	922,733	876,563	46,170
Other Instructional Programs				
Personal Services				
Salaries	42,200	42,200	7,167	35,033
Employee Benefits	17,971	17,971	2,995	14,976
Other Purchased Services	35,000	35,000	17,655	17,345
Total Other Instructional Programs	95,171	95,171	27,817	67,354
Nonpublic School Programs				
Personal Services				
Salaries	15,896	15,550	15,550	-
Employee Benefits	6,700	3,318	3,212	106
Purchased Prof. and Tech. Services	-	12,620	10,281	2,339
Supplies	-	-	5,021	(5,021)
Total Nonpublic School Programs	22,596	31,488	34,064	(2,576)
Total Instruction	21,243,010	21,236,308	21,770,912	(534,604)

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services				
Pupil Personnel				
Personal Services				
Salaries	692,029	692,029	735,924	(43,895)
Employee Benefits	448,444	448,444	495,336	(46,892)
Purchased Prof. and Tech. Services	315,860	315,860	293,937	21,923
Other Purchased Services	750	750	3,353	(2,603)
Supplies	30,170	30,170	10,865	19,305
Property	-	-	12,865	(12,865)
Other Objects	1,710	1,710	2,081	(371)
Total Pupil Personnel	<u>1,488,963</u>	<u>1,488,963</u>	<u>1,554,361</u>	<u>(65,398)</u>
Instructional Staff				
Personal Services				
Salaries	405,008	405,008	399,016	5,992
Employee Benefits	318,738	318,738	351,422	(32,684)
Purchased Prof. and Tech. Services	28,000	28,000	6,014	21,986
Purchased Property Services	10,000	10,000	-	10,000
Other Purchased Services	27,000	27,000	3,386	23,614
Supplies	384,953	379,353	287,790	91,563
Property	105,000	105,000	82,921	22,079
Other Objects	-	-	348	(348)
Total Instructional Staff	<u>1,278,699</u>	<u>1,273,099</u>	<u>1,130,897</u>	<u>142,202</u>
Administration				
Personal Services				
Salaries	906,391	906,391	863,981	42,410
Employee Benefits	650,798	651,441	588,447	62,994
Purchased Prof. and Tech. Services	233,366	233,366	298,794	(65,428)
Purchased Property Services	15,738	15,738	1,292	14,446
Other Purchased Services	25,350	25,350	44,186	(18,836)
Supplies	22,066	22,066	34,806	(12,740)
Other Objects	17,553	17,553	24,702	(7,149)
Total Administration	<u>1,871,262</u>	<u>1,871,905</u>	<u>1,856,208</u>	<u>15,697</u>

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil Health				
Personal Services				
Salaries	156,964	156,964	114,448	42,516
Employee Benefits	98,207	97,562	73,366	24,196
Purchased Prof. and Tech. Services	273,000	273,000	246,995	26,005
Supplies	18,440	18,440	11,807	6,633
Other Objects	-	-	328	(328)
	<u>546,611</u>	<u>545,966</u>	<u>446,944</u>	<u>99,022</u>
Business				
Personal Services				
Salaries	213,744	213,744	191,646	22,098
Employee Benefits	111,163	111,163	109,060	2,103
Purchased Prof. and Tech. Services	30,825	30,825	51,956	(21,131)
Other Purchased Services	12,638	12,638	10,635	2,003
Supplies	34,380	34,380	18,076	16,304
Other Objects	693	693	11,148	(10,455)
	<u>403,443</u>	<u>403,443</u>	<u>392,521</u>	<u>10,922</u>
Oper. and Maint. of Plant Svcs.				
Personal Services				
Salaries	904,597	904,597	904,619	(22)
Employee Benefits	690,419	690,419	674,060	16,359
Purchased Prof. and Tech. Services	12,460	12,460	29,992	(17,532)
Purchased Property Services	401,941	401,941	597,917	(195,976)
Other Purchased Services	125,552	125,552	143,488	(17,936)
Supplies	547,000	547,000	510,088	36,912
Property	-	-	18,708	(18,708)
Other Objects	-	-	1,189	(1,189)
	<u>2,681,969</u>	<u>2,681,969</u>	<u>2,880,061</u>	<u>(198,092)</u>

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Student Transportation Services				
Personal Services				
Other Purchased Services	2,211,717	2,211,717	2,421,848	(210,131)
Supplies	3,691	3,691	49,783	(46,092)
Total Student Transportation Services	2,215,408	2,215,408	2,471,631	(256,223)
Central				
Personal Services				
Salaries	55,927	55,927	53,048	2,879
Employee Benefits	33,235	33,234	45,690	(12,456)
Other Purchased Services	4,169	4,169	2,558	1,611
Supplies	8,832	8,832	2,749	6,083
Other Objects	195	195	520	(325)
Total Central	102,358	102,357	104,565	(2,208)
Other				
Other Purchased Services	20,000	20,000	20,576	(576)
Total Support Services	10,608,713	10,603,110	10,857,764	(254,654)
Noninstructional Services				
Student Activities				
Personal Services				
Salaries	321,364	321,364	328,850	(7,486)
Employee Benefits	133,708	135,016	121,633	13,383
Purchased Prof. and Tech. Services	-	88,825	92,512	(3,687)
Purchased Property Services	-	24,700	6,829	17,871
Other Purchased Services	-	86,600	103,573	(16,973)
Supplies	5,000	91,675	111,294	(19,619)
Other Objects	-	21,600	13,113	8,487
Total Student Activities	460,072	769,780	777,804	(8,024)

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Community Services				
Personal Services				
Salaries	-	4,000	4,300	(300)
Employee Benefits	-	-	1,800	(1,800)
Purchased Prof. and Tech. Services	139,195	49,381	51,323	(1,942)
Purchased Property Services	24,700	-	-	-
Other Purchased Services	86,600	-	-	-
Supplies	80,000	1,311	3,011	(1,700)
Other Objects	21,600	-	-	-
Total Community Services	<u>352,095</u>	<u>54,692</u>	<u>60,434</u>	<u>(5,742)</u>
Total Noninstructional Services	<u>812,167</u>	<u>824,472</u>	<u>838,238</u>	<u>(13,766)</u>
Facilities Acquisition, Construction and Improvement Services				
Purchased Prof. and Tech. Services	300,000	300,000	33,092	266,908
Purchased Property Services	-	-	280,383	(280,383)
Total Facilities Acquisition, Construction and Improvement Services	<u>300,000</u>	<u>300,000</u>	<u>313,475</u>	<u>(13,475)</u>
Debt Service				
Interest	268,277	268,277	122,034	146,243
Refund of Prior Year's Receipts	-	-	270,915	(270,915)
Redemption of Principal	339,612	339,612	258,543	81,069
Total Debt Service	<u>607,889</u>	<u>607,889</u>	<u>651,492</u>	<u>(43,603)</u>
Total Expenditures	<u>33,571,779</u>	<u>33,571,779</u>	<u>34,431,881</u>	<u>(860,102)</u>

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Other Financing Uses				
Fund Transfers				
Capital Projects Fund	385,000	385,000	385,000	-
Total Expenditures and Other Financing Uses	33,956,779	33,956,779	34,816,881	(860,102)
Net Change in Fund Balance	(1)	(1)	(22,262)	(22,261)
Fund Balance - July 1, 2023	7,979,592	7,979,592	9,476,284	1,496,692
Fund Balance - June 30, 2024	\$ 7,979,591	\$ 7,979,591	\$ 9,454,022	\$ 1,474,431

Carlynton School District
Note to the Required Supplementary Information
Budget Comparison
June 30, 2024

Note 1 – Budgetary Information

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

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

Carlynton School District
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability
and Related Ratios
Last Nine Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Total OPEB Liability									
Service cost	\$ 290,634	\$ 356,541	\$ 387,516	\$ 292,263	\$ 252,479	\$ 306,491	\$ 305,046	\$ 343,397	\$ -
Interest	288,713	184,153	183,892	250,388	258,731	241,596	198,043	232,604	-
Difference between expected and actual experience	-	672,592	-	275,908	-	93,675	-	(78,142)	-
Changes of assumptions or other inputs	(429,783)	(1,040,651)	121,812	852,905	461,067	(138,885)	(192,003)	1,192,632	-
Benefit payments	<u>(357,713)</u>	<u>(542,504)</u>	<u>(488,518)</u>	<u>(504,516)</u>	<u>(503,882)</u>	<u>(565,811)</u>	<u>(511,472)</u>	<u>(556,713)</u>	<u>-</u>
Net Change in Total OPEB Liability	(208,149)	(369,869)	204,702	1,166,948	468,395	(62,934)	(200,386)	1,133,778	-
Total OPEB Liability - Beginning	<u>8,155,731</u>	<u>8,525,600</u>	<u>8,320,898</u>	<u>7,153,950</u>	<u>6,685,555</u>	<u>6,748,489</u>	<u>6,948,875</u>	<u>5,815,097</u>	<u>-</u>
Total OPEB Liability - Ending	<u>\$ 7,947,582</u>	<u>\$ 8,155,731</u>	<u>\$ 8,525,600</u>	<u>\$ 8,320,898</u>	<u>\$ 7,153,950</u>	<u>\$ 6,685,555</u>	<u>\$ 6,748,489</u>	<u>\$ 6,948,875</u>	<u>\$ 5,815,097</u>
Covered-Employee Payroll	\$ 12,306,177	\$ 12,006,026	\$ 9,555,827	\$ 9,322,758	\$ 9,925,729	\$ 9,683,638	\$ 9,563,839	\$ 9,330,575	N/A
Total OPEB Liability as a Percentage of Covered-Employee Payroll	64.58%	67.93%	89.22%	89.25%	72.07%	69.04%	70.56%	74.47%	N/A

Notes to Schedule:

GASB 75 was implemented beginning with fiscal year ended June 30, 2017.

Assumption Changes:

Discount rate used for fiscal year ending:

2024	4.13%
2023	3.54%

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

Carlynton School District
Required Supplementary Information
Schedule of School District's Contributions
PSERS
Last Ten Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution	\$ 4,445,891	\$ 4,452,248	\$ 4,355,822	\$ 3,989,907	\$ 4,011,908	\$ 3,933,572	\$ 3,784,598	\$ 3,340,647	\$ 2,801,786	\$ 2,223,843
Contributions in Relation to the Contractually Required Contribution	<u>4,445,891</u>	<u>4,452,248</u>	<u>4,355,822</u>	<u>3,989,907</u>	<u>4,011,908</u>	<u>3,933,572</u>	<u>3,784,598</u>	<u>3,340,647</u>	<u>2,801,786</u>	<u>2,223,843</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$13,375,626	\$13,000,393	\$12,851,490	\$11,930,748	\$12,057,799	\$12,101,597	\$12,056,589	\$11,645,929	\$11,363,344	\$11,163,709
Contributions as a Percentage of Covered Payroll	33.24%	34.25%	33.89%	33.44%	33.27%	32.50%	31.39%	28.69%	24.66%	19.92%

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

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

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
School District's Proportion of the Net Pension Liability (Asset)	0.0852%	0.0875%	0.0843%	0.0858%	0.0877%	0.0895%	0.0875%	0.0878%	0.0867%	0.0860%
School District's Proportionate Share of the Net Pension Liability (Asset)	\$ 37,902	\$ 38,901	\$ 34,611	\$ 42,247	\$ 41,028	\$ 42,964	\$ 43,215	\$ 43,511	\$ 37,554	\$ 34,039
School District's Covered Payroll	\$ 13,004	\$ 12,851	\$ 11,931	\$ 12,058	\$ 12,102	\$ 12,057	\$ 11,645	\$ 11,363	\$ 11,164	\$ 10,978
School District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	291.46%	302.71%	290.09%	350.36%	339.05%	356.34%	371.10%	382.92%	336.38%	310.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%

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

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution	\$ 86,210	\$ 97,752	\$ 103,707	\$ 97,164	\$ 102,771	\$ 101,193	\$ 100,762
Contributions in Relation to the Contractually Required Contribution	<u>86,210</u>	<u>97,752</u>	<u>103,707</u>	<u>97,164</u>	<u>102,771</u>	<u>101,193</u>	<u>100,762</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 13,375,626	\$ 13,000,393	\$ 12,851,490	\$ 11,930,748	\$ 12,057,799	\$ 12,101,597	\$ 12,056,589
Contributions as a Percentage of Covered Payroll	0.64%	0.75%	0.81%	0.81%	0.85%	0.84%	0.84%

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

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

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

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
School District's Proportion of the Net OPEB Liability (Asset)	0.0849%	0.0874%	0.0842%	0.0859%	0.0877%	0.0895%	0.0875%
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,536	\$ 1,609	\$ 1,995	\$ 1,856	\$ 1,865	\$ 1,866	\$ 1,783
School District's Covered Payroll	\$ 13,004	\$ 12,851	\$ 11,931	\$ 12,058	\$ 12,102	\$ 12,057	\$ 11,645
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	11.81%	12.52%	16.72%	15.39%	15.41%	15.48%	15.31%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

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

SINGLE AUDIT SECTION

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Members of the Board
Carlynton School District
Carnegie, Pennsylvania

Dear Members:

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

- A. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- B. Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- C. Schedule of Findings and Questioned Costs
- D. Schedule of Expenditures of Federal Awards
- E. List of Report Distribution

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
March 21, 2025

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EXHIBIT A

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Members of the Board
Carlynton School District
Carnegie, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carlynton School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Carlynton School District's basic financial statements, and have issued our report thereon dated March 21, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carlynton School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
March 21, 2025

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EXHIBIT B

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

Members of the Board
Carlynton School District
Carnegie, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Carlynton School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Carlynton School District's major federal programs for the year ended June 30, 2024. Carlynton School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. In our opinion, Carlynton School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Carlynton School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Carlynton School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Carlynton School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Carlynton School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Carlynton School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Carlynton School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Carlynton School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Carlynton School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
March 21, 2025

Carlynton School District
Schedule of Findings and Questioned Costs
June 30, 2024

EXHIBIT C

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report was unmodified.

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ yes ✓ no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
84.425	Education Stabilization Fund
10.555, 10.553 & 10.582	Child Nutrition Cluster

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

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

**Carlynton School District
Schedule of Findings and Questioned Costs
June 30, 2024**

EXHIBIT C

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were noted.

Section IV – Status of Prior Year’s Findings

No prior year’s findings.

Carlynton School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

EXHIBIT D

Federal Grantor/ Pass Through Grantor/ Project Title	Source Code	Federal ALN Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 07/01/23	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/24
U.S. Department of Education										
Passed through the Pennsylvania										
Department of Education										
Title I Improving Basic Programs	I	84.010	013-240064	07/31/23-09/30/24	\$ 508,157	\$ 444,148	\$ -	\$ 498,927	\$ 498,927	\$ 54,779
Title I Improving Basic Programs	I	84.010	013-230064	08/17/22-09/30/23	482,634	(11,004)	(11,004)	-	-	-
						433,144	(11,004)	498,927	498,927	54,779
Title II Improving Teacher Quality	I	84.367	020-240064	07/31/23-09/30/24	61,639	61,671	-	54,269	54,269	(7,402)
Title II Improving Teacher Quality	I	84.367	020-230064	08/17/22-09/30/23	59,575	17,011	17,011	-	-	-
						78,682	17,011	54,269	54,269	(7,402)
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-240064	07/31/23-09/30/24	37,783	37,783	-	37,783	37,783	-
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-230064	08/17/22-09/30/23	39,396	1,867	1,867	-	-	-
						39,650	1,867	37,783	37,783	-
COVID-19 Elementary and Secondary School										
Emergency Relief Fund (APR ESSER)	I	84.425U	223-210064	03/13/20-09/30/24	3,789,643	1,378,052	378,940	719,548	719,548	(279,564)
COVID-19 Elementary and Secondary School	I	84.425U	225-210064	03/13/20-09/30/24	294,541	107,106	(19,419)	65,918	65,918	(60,607)
Emergency Relief Fund (ARP ESSER 7%)	I	84.425U	224-210064	03/13/20-09/30/24	35,964	-	(35,964)	-	-	(35,964)
COVID-19 Elementary and Secondary School	I	84.425U	224-210064	03/13/20-09/30/24	35,964	-	(35,964)	-	-	(35,964)
Emergency Relief Fund (ARP ESSER 2.5%)	I	84.425U	224-210064	03/13/20-09/30/24	35,964	-	(35,964)	-	-	(35,964)
						1,485,158	323,557	785,466	785,466	(376,135)
Passed through the Allegheny Intermediate Unit										
IDEA B	I	84.027	062-240003	07/01/23-09/30/24	286,482	174,802	-	286,482	286,482	111,680
IDEA B	I	84.027	062-230003	07/01/22-09/30/23	283,367	75,495	75,495	-	-	-
IDEA B Section 619	I	84.173	131-230003	07/01/23-06/30/24	1,395	1,395	-	1,395	1,395	-
						251,692	75,495	287,877	287,877	111,680
Subtotal Special Education Cluster						251,692	75,495	287,877	287,877	111,680
Subtotal U.S. Department of Education						2,288,326	406,926	1,664,322	1,664,322	(217,078)

Carlynton School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

EXHIBIT D

Federal Grantor/ Pass Through Grantor/ Project Title	Source Code	Federal ALN Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 07/01/23	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/24
U.S. Department of Health and Human Services										
Passed through the Pennsylvania										
Department of Public Welfare										
Medical Assistance Reimb. for Adm. Title 19	I	93.778	N/A	07/01/23-06/30/24	N/A	10,913	8,641	2,272	2,272	-
Ukrainian Refugee School Impact Grant	I	93.566	N/A	10/01/23-09/30/24	54,180	22,575	-	54,180	54,180	31,605
Total U. S. Department of Health and Human Services						<u>33,488</u>	<u>8,641</u>	<u>56,452</u>	<u>56,452</u>	<u>31,605</u>
U.S. Department of Agriculture										
Passed through the Pennsylvania										
Department of Education										
P-EBT Administrative Costs Grant	I	10.649	N/A	07/01/23-06/30/24	N/A	3,256	-	3,256	3,256	-
National School Lunch Program	I	10.555	N/A	07/01/23-06/30/24	N/A	653,217	-	653,217	653,217	-
National School Breakfast Program	I	10.553	N/A	07/01/23-06/30/24	N/A	272,274	-	272,274	272,274	-
Fresh Fruit and Vegetable Program	I	10.582	N/A	07/01/23-06/30/24	N/A	25,942	-	25,942	25,942	-
Passed through the Pennsylvania										
Department of Agriculture										
National School Lunch Program (Donated Commodities Non Cash Assistance)	I	10.555	N/A	07/01/23-06/30/24	N/A	87,896	(7,128)	91,498	91,498	(3,526)
Total Child Nutrition Cluster						<u>1,039,329</u>	<u>(7,128)</u>	<u>1,042,931</u>	<u>1,042,931</u>	<u>(3,526)</u>
Total U.S. Department of Agriculture						<u>1,042,585</u>	<u>(7,128)</u>	<u>1,046,187</u>	<u>1,046,187</u>	<u>(3,526)</u>
Total Federal Financial Assistance						<u>\$ 3,364,399</u>	<u>\$ 408,439</u>	<u>\$ 2,766,961</u>	<u>\$ 2,766,961</u>	<u>\$ (188,999)</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Carlynton School District
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

EXHIBIT D

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Carlynton School District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Carlynton School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Carlynton School District.

Note B - Summary of Significant Accounting Policies

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

Note C - Source Code

The Source Code (I) indicates funds received indirectly.

Note D - Reconciliation with Subsidy Confirmation

Amounts Received Per Schedule	\$ 3,364,399
Less: Commodities Received	(87,896)
Less: Passage Through AIU	(251,692)
Less: Title XIX	(10,913)
Add: State Funding on Confirmation	<u>59,472</u>
Per Subsidy Confirmation	<u><u>\$ 3,073,370</u></u>

Note E - Subrecipients

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

Note F – Prior Period Restatement

Restated the beginning balance for COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II) to \$0 at July 1, 2023.

**Carlynton School District
List of Report Distribution
June 30, 2024**

EXHIBIT E

1 Copy – Bureau of Audits

1 Copy – General Services Administration