BALDWIN-WHITEHALL SCHOOL DISTRICT

PITTSBURGH, PENNSYLVANIA

JUNE 30, 2025



INDEPENDENT AUDIT REPORT

BALDWIN-WHITEHALL SCHOOL DISTRICT

PITTSBURGH, PENNSYLVANIA

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PITTSBURGH, PENNSYLVANIA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Baldwin-Whitehall School District

Report on the Audit of the Financial Statements

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 Baldwin-Whitehall School District as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the 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 the Baldwin-Whitehall School District as of June 30, 2025 and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison information for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 the Baldwin-Whitehall School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 15 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Baldwin-Whitehall 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 judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Baldwin-Whitehall 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Baldwin-Whitehall 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 on pages i – xi and, other post-employment benefits and pension information on pages 54-58 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 the Baldwin-Whitehall 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* 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 December 18, 2025, on our consideration of the Baldwin-Whitehall 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, not to provide an opinion on the effectiveness of the Baldwin-Whitehall 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 Baldwin-Whitehall School District's internal control over financial reporting and compliance.

Butler, Agnew & Associates

Butler, Agnew & Associates
Beaver, PA
December 18, 2025

BALDWIN-WHITEHALL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

JUNE 30, 2025

Required Supplementary Information (RSI)

The discussion and analysis of Baldwin-Whitehall School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the 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 District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999.

FINANCIAL HIGHLIGHTS

As a result of the passage of Act 72 of 2004 by the Pennsylvania State Legislature, school districts were forced to complete their Preliminary Budget by February 15 of each year. Revenue and expense estimates had to be projected months earlier than was customary using much less factual information. Raising the real estate tax rate was now based on an index furnished by the State and the ability to qualify for certain specific exemptions. The future ramifications of raising or not raising the rate had to be considered because the index each year would be tied to the millage rate in effect the previous year. A significant change that occurred with the passage of Act 1, which replaced Act 72, was that school districts may now elect to pass a referendum 110 days prior to the next primary election of each year notifying the Pennsylvania Department of Education that they do not intend to raise the real estate tax millage beyond the level of the state mandated index which is provided to each District every year by the Department. This resolution allows Districts to revert to the former budget schedule of passing a preliminary budget by May 30 and a final budget by June 30.

- Total liabilities of the District exceeded its assets at the close of the most recent year by $7,650,305 (net deficit). Of this amount, $51,134,922 (unrestricted net deficit) may be used to meet the government's ongoing obligations to its citizens and creditors.
- The District's total net position increased from the 2024 restated net position by $11,052,961 or 59.10%.
- Unrestricted net position increased by $11,248,928 in 2025.
- Net investment in capital assets was $38,070,877 at June 30, 2025, an increase of $3,008,044.
- The District's real property tax rate increased from 23.85 in 2024 mils to 25.00 mils in 2025.
- At June 30, 2025, the District had $86,740,000 of bond debt outstanding. This represents a decrease of $7,035,000 or 7.5% from the previous year.
- The total fund balance of the General Fund at June 30, 2025 was $30,888,651 of which $7,070,775 was unassigned.
- The District remained at an investment grade bond rating of A1 from Moody's Investors Service for all related bond issuances and activities.

USING THE ANNUAL FINANCIAL AUDIT REPORT

The annual financial audit report consists of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. The statements are organized so that the reader can understand Baldwin-Whitehall School District as an entire operating entity.

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 District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail than the government-wide statements. The governmental funds statements tell how general 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 District operates as a private enterprise. For Baldwin-Whitehall, this is the Food Service Fund. Fiduciary fund or Agency fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others to whom the resources in question belong. For Baldwin-Whitehall, these are the Student Activity Funds.

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

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

Figure A-1
Required components of
Baldwin-Whitehall School District's
Financial Report

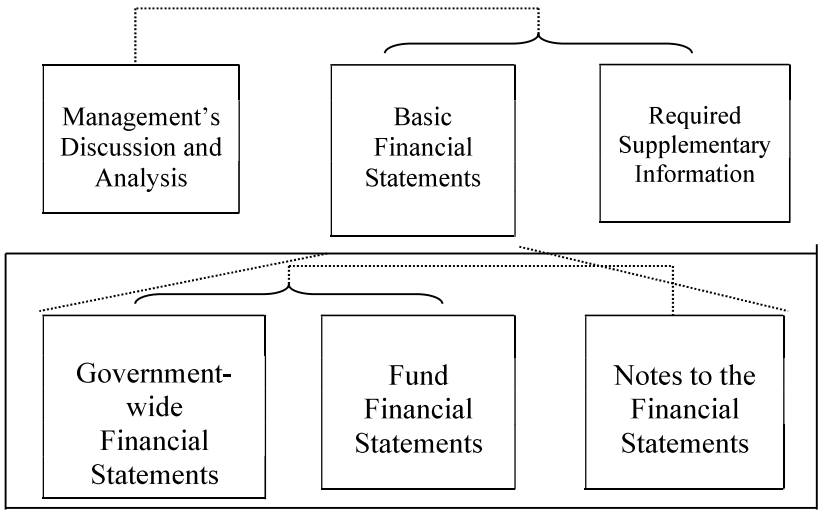


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain. The remainder of this overview

section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2
Major Features of Baldwin-Whitehall School District's
Government-wide and Fund Financial Statements

		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as education, administration, and community services	Activities the District operates similar to private business – Food Services	Instances in which the District is the trustee or agent to someone else's resources – Activity Funds
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 inflow-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

OVERVIEW OF FINANCIAL STATEMENTS

Government-wide Statements

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

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

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

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

- Governmental activities – All of the 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 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 District's fund financial statements, which begin on page 6, provide detailed information about the most significant funds – not the District as a whole. Some funds are required by state law and by bond requirements.

Governmental funds – Most of the 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 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 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. The General Fund and Capital Projects Fund are reported as Governmental Funds.

Proprietary funds – These funds are used to account for the 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. When the District charges customers for services it provides – whether to outside customers or to other units in the District – these services are generally reported in proprietary funds. The Food Service Fund is the District's proprietary fund and is the same as the business-type activities reported in the government-wide statements but provides more detail and additional information, such as cash flows.

Fiduciary funds - The District is the trustee, or fiduciary, for the Student Activity Funds. The District's fiduciary activities are reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on Pages 13 and 14. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's total net position was a deficit of $7,650,305 at June 30, 2025.

Table A-1
Fiscal Year ended June 30, 2025 and June 30, 2024
Net Position

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current & other assets	$ 53,946,729	$ 4,462,760	$ 58,409,489	$ 60,792,993	$ 4,054,088	$ 64,847,081
Capital assets	122,370,538	275,799	122,646,337	116,631,854	334,990	116,966,844
Deferred Outflows of Resources	17,105,643	415,274	17,520,917	20,073,648	404,807	20,478,455
Total Assets and Deferred Outflows of Resources	$ 193,422,910	$ 5,153,833	$ 198,576,743	$ 197,498,495	$ 4,793,885	$ 202,292,380
Current & other liabilities	$ 27,297,389	$ 341,654	$ 27,639,043	$ 29,665,695	$ 275,065	$ 29,940,760
Long-term liabilities	172,383,395	2,077,842	174,461,237	179,333,777	1,832,729	181,166,506
Deferred Inflows of Resources	4,028,957	97,811	4,126,768	3,358,595	67,756	3,426,351
Total Liabilities and Deferred Inflows of Resources	$ 203,709,741	$ 2,517,307	$ 206,227,048	$ 212,358,067	$ 2,175,550	$ 214,533,617
Net Position						
Net Investment in Capital Assets	$ 37,795,078	$ 275,799	$ 38,070,877	$ 34,727,843	$ 334,990	$ 35,062,833
Restricted	5,413,740	0	5,413,740	15,079,780	0	15,079,780
Unrestricted	(53,495,649)	2,360,727	(51,134,922)	(64,667,195)	2,283,345	(62,383,850)
Total net position	$ (10,286,831)	$ 2,636,526	$ (7,650,305)	$ (14,859,572)	$ 2,618,335	$ (12,241,237)
Total Liabilities and Net Position	$ 193,422,910	$ 5,153,833	$ 198,576,743	$ 197,498,495	$ 4,793,885	$ 202,292,380

Capital assets increased by $5.7 million as the District spent bond proceeds on capital projects. Long-term liabilities decreased by $6.7 million mainly due to the District issuing no new bonds and repayments on current bonds.

Most of the District's net position is invested in capital assets (buildings, land, and equipment). The remaining unrestricted net position is combined as designated and undesignated amounts. The designated balances are amounts set aside to fund future purchases or capital projects as planned by the District.

The results of this year's operations as a whole are reported in the Statement of Activities on Page 5. 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 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 assessed to community taxpayers.

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

Table A-2
Fiscal Year ended June 30, 2025 and 2024

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues						
Program revenues:						
Charges for services	$ 374,966	$ 714,405	$ 1,089,371	$ 358,429	$ 635,933	$ 994,362
Operating grants & contributions	21,097,207	2,320,599	23,417,806	22,290,944	2,451,267	24,742,211
Capital grants & contrib.	1,258,363	0	1,258,363	1,322,290	0	1,322,290
General revenues:						
Property taxes	47,216,763	0	47,216,763	45,964,316	0	45,964,316
Other taxes	7,098,764	0	7,098,764	6,801,891	0	6,801,891
Grants, subsidies and contributions, unrestricted	13,733,059	0	13,733,059	13,181,349	0	13,181,349
Other	4,324,397	83,961	4,408,358	3,428,935	90,473	3,519,408
Total Revenues	$ 95,103,519	$ 3,118,965	$ 98,222,484	$ 93,348,154	$ 3,177,673	$ 96,525,827

Table A-2 - Continued

	2025			2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
EXPENSES						
Instruction	$ 46,876,018	$ 0	$ 46,876,018	$ 48,454,440	$ 0	$ 48,454,440
Instructional student support	4,539,486	0	4,539,486	4,990,074	0	4,990,074
Administrative and financial support	6,814,781	0	6,814,781	7,579,988	0	7,579,988
Operation and maintenance of plant	7,489,581	0	7,489,581	8,703,681	0	8,703,681
Pupil transportation	5,598,689	0	5,598,689	5,662,107	0	5,662,107
Student activities	1,454,819	0	1,454,819	1,685,438	0	1,685,438
Community services	423	0	423	2,477	0	2,477
Interest on long-term debt	3,321,763	0	3,321,763	2,635,169	0	2,635,169
Capital expenditures not subject to depreciation	0	0	0	0	0	0
Unallocated Depreciation & Amortization	8,083,180					
Food services	0	2,990,783	2,990,783	0	2,406,919	2,406,919
Total expenses	$ 84,178,740	$ 2,990,783	$ 79,086,343	$ 79,713,374	$ 2,406,919	$ 82,120,293
Increase (decrease) in net position before transfers	$ 10,924,779	$ 128,182	$ 11,052,961	$ 13,634,780	$ 770,754	$ 14,405,534
Transfers	0	0	0	0	0	0
Increase (decrease) in net position	$ 10,924,779	$ 128,182	$ 11,052,961	$ 13,634,780	$ 770,754	$ 14,405,534
Net position - Beginning	(14,859,572)	2,618,335	(12,241,237)	(28,570,037)	1,923,266	(26,646,771)
Prior Period Adjustment	(6,352,038)	(109,991)	(6,462,029)	75,685	(75,685)	0
Net Position - Ending	$ (10,286,831)	$ 2,636,526	$ (7,650,305)	$ (14,859,572)	$ 2,618,335	$ (12,241,237)

The tables below present the expenses of both the Governmental Activities and the Business-type Activities of the District.

Table A-3 shows the District's eight largest functions – instructional programs, instructional student support, administrative, operation and maintenance of plant, pupil transportation, student activities, interest on long-term debt, community service and food service 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, subsides, and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues.

Table A-3
Fiscal Year ended June 30, 2025 and 2024
Governmental Activities

	June 30, 2025		June 30, 2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Functions/Programs				
Instruction	$ 46,876,018	$ 30,334,298	$ 48,454,440	$ 30,033,850
Instructional student support	4,539,486	3,560,950	4,990,074	4,415,068
Administrative & financial support	6,814,781	5,976,394	7,579,988	6,669,680
Operation & Maintenance	7,489,581	6,590,569	8,703,681	7,877,104
Pupil transportation	5,598,689	3,651,707	5,662,107	4,018,417
Student activities	1,454,819	1,187,283	1,685,438	1,412,314
Community services	423	423	2,477	2,399
Interest on long-term debt	3,321,763	2,063,400	2,635,169	1,312,879
Capital expenditures not subject to depreciation	0	0	0	0
Unallocated Depreciation & Amortization	8,083,180	8,083,180	0	0
Total governmental activities	$ 84,178,740	$ 61,448,204	$ 79,713,374	$ 55,741,711
Less:				
Unrestricted grants, subsidies		$ 13,733,059		$ 13,181,349
Total need from local taxes & other revenues		$ 47,715,145		$ 42,560,362

Table A-4 reflects the activities of the Food Service program, the only Business-type activity of the District.

Table A-4
Fiscal Year ended June 30, 2025 and 2024
Business-type Activities

	June 30, 2025		June 30, 2024	
Functions/Programs	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Food Services	$ 2,990,783	$ (44,221)	$ 2,406,919	$ (680,281)
Less:				
Transfers In		0		0
Investment Earnings		(83,961)		(90,473)
Total business-type activities		$ (128,182)		$ (770,754)

The Statement of Revenues, Expenses, and Changes in Fund Net Position for this proprietary fund will further detail the actual results of operations.

THE DISTRICT FUNDS

At June 30, 2025, the District governmental funds reported a combined total fund balance of $36,302,391, which is a decrease of $6,307,550. The main reason for the decrease in fund balance is attributable to the Capital Projects fund decreasing by $9.67 million due to funding various projects throughout the District.

General Fund Budget

During the fiscal year, the Board authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District in accordance with state law. Transfers between specific categories of expenditures/financing uses occur during the year. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided on Page 15.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets and Right to Use Assets

At June 30, 2025, the Governmental Activities reported $122,136,353 invested in a broad range of capital assets and right to use assets, including land, buildings, furniture, and equipment.

Table A-5
Governmental Activities
Capital assets - net of depreciation

	2025	2024
Land	$ 1,350,777	$ 1,350,777
Site Improvements	34,734,257	26,935,383
Buildings	73,249,467	78,425,740
Furniture & Equipment	12,034,551	9,659,954
Construction in Progress	767,301	0
Right to Use Assets	234,185	260,000
	$ 122,370,538	$ 116,631,854

DEBT ADMINISTRATION

During the 2024-2025 fiscal-year, the District issued no new bonds and made payments against bond principal of $7,035,000 resulting in ending outstanding bond debt of $86,740,000 as of June 30, 2025. Table A-6 below depicts the District’s total outstanding debt by bond issue.

Table A-6
Outstanding Debt

General Obligation Bonds	2025	2024
Series 2018	$ 8,580,000	$ 8,725,000
Series 2019	9,585,000	9,730,000
Series 2020	9,665,000	9,670,000
Series 2021	8,990,000	8,995,000
Series 2021A	0	6,725,000
Series 2022	30,305,000	30,310,000
Series 2023	9,990,000	9,995,000
Series 2024	9,625,000	9,625,000
	$ 86,740,000	$ 93,775,000

Other obligations include the following:

	2025	2024
Other Post-Employment Benefits	$ 6,169,528	$ 5,573,959
Compensated Absences	7,974,012	1,292,178
Net Pension Liability	87,309,001	95,067,000
Leases	280,537	410,258
Total	$ 101,733,078	$ 102,343,395

More detailed information about our long-term liabilities is included in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The revenue budget for the 2025-2026 year is $2,222,700 more than the original budget for 2024-2025. This represents a 2.51% increase in budgeted revenues. The expenditure budget for the 2025-2026 year is $2,525,703 more than the original budget for 2024-2025, which is a 2.86% increase.

The comparison of revenue and expenditure categories is as follows:

Table A-7

BUDGETED REVENUES

	2025-2026	2024-2025
Local	58.56%	61.30%
State	39.80%	37.03%
Federal/Other	1.64%	1.67%

BUDGETED EXPENDITURES

	2025-2026	2024-2025
Instruction	56.55%	54.90%
Support Services	26.12%	26.54%
Non-Instruction/Community	1.33%	1.43%
Facilities Construction	6.32%	5.33%
Fund Transfers/Debt	9.68%	11.80%

FUTURE IMPLICATIONS

Budgeting in fiscal year 2025-2026 brought significant challenges. None of the state funding was in place at the time that the District was assembling and passing its 2025-2026 budget. The District maintained millage at 25.00 mills for the 2025-2026 school year. Funding requirements for school districts have been very challenging with the required increases to health care costs. For 2024-2025, there was an increase of 5.7% for health care that negatively impacted the District's forecasts as well as increasing costs in every area of the District. An ever-increasing deterioration of the District's facilities is also a concern as the District attempts to manage the capital expenditures and debt service required to upgrade the buildings. There are future plans to renovate both Whitehall and McAnnulty elementary schools as well as other projects throughout the District that will require additional funding on the part of the District through a combination of fund balance and bond issuances. The next bond issuance is scheduled for December of 2025.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Mark Cherpak, Business Manager at:

4900 Curry Road
Pittsburgh, PA 15236
412-884-6300

BALDWIN-WHITEHALL SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 33,658,188	$ 3,369,059	$ 37,027,247
Restricted Cash	6,143,123	0	6,143,123
Taxes Receivable	9,331,564	0	9,331,564
Internal Balances	(723,132)	723,132	0
Due From Other Governments	4,561,738	339,596	4,901,334
Other Receivables	155,316	6,195	161,511
Prepaid Expenses	819,932	0	819,932
Inventories	0	24,778	24,778
Total Current Assets	$ 53,946,729	$ 4,462,760	$ 58,409,489
Noncurrent Assets			
Right of Use Assets (net of amortization)	$ 234,185	$ 0	$ 234,185
Capital Assets:			
Land	$ 1,350,777	$ 0	$ 1,350,777
Site Improvements (net of depreciation)	34,734,257	0	34,734,257
Building & Building Improvements (net of depreciation)	73,249,467	0	73,249,467
Furniture & Equipment (net of depreciation)	12,034,551	275,799	12,310,350
Construction in Progress	767,301	0	767,301
Total Capital Assets	$ 122,136,353	$ 275,799	$ 122,412,152
Total Noncurrent Assets	$ 122,370,538	$ 275,799	$ 122,646,337
TOTAL ASSETS	$ 176,317,267	$ 4,738,559	$ 181,055,826
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pensions	$ 13,856,938	$ 336,405	$ 14,193,343
Deferred Outflows of Resources Related to Other Post-Employment Benefits	3,248,705	78,869	3,327,574
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 17,105,643	$ 415,274	$ 17,520,917
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 1,716,549	$ 4,728	$ 1,721,277
Short-Term Payables	362,039	0	362,039
Accrued Salaries and Benefits	8,009,275	4,737	8,014,012
Unearned Revenues	21,655	44,358	66,013
Current Portion of Bonds Payable	5,195,000	0	5,195,000
Current Portion of Leases Payable	136,766	0	136,766
Current Portion of Net Pension Liability	11,632,931	282,413	11,915,344
Current Portion of Other Post-Employment Benefits	223,174	5,418	228,592
Total Current Liabilities	$ 27,297,389	$ 341,654	$ 27,639,043
Noncurrent Liabilities			
Long-term Portion of Bonds Payable (net)	$ 81,545,000	$ 0	$ 81,545,000
Unamortized bond discount/premium	3,463,861	0	3,463,861
Long-term Portion of Leases Payable	143,771	0	143,771
Long-term Net Pension Liability	73,606,707	1,786,950	75,393,657
Long-term Portion of Other Post-Employment Benefits	5,800,126	140,810	5,940,936
Long-term Portion of Compensated Absences	7,823,930	150,082	7,974,012
Total Noncurrent Liabilities	$ 172,383,395	$ 2,077,842	$ 174,461,237
TOTAL LIABILITIES	$ 199,680,784	$ 2,419,496	$ 202,100,280
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	$ 2,952,326	$ 71,674	$ 3,024,000
Deferred Inflows of Resources Related to Other Post-Employment Benefits	1,076,631	26,137	1,102,768
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 4,028,957	$ 97,811	$ 4,126,768
NET POSITION			
Net Investment in capital assets	$ 37,795,078	$ 275,799	$ 38,070,877
Restricted for:			
Capital Projects	5,413,740	0	5,413,740
Unrestricted (deficit)	(53,495,649)	2,360,727	(51,134,922)
TOTAL NET POSITION	$ (10,286,831)	$ 2,636,526	$ (7,650,305)

See Accompanying Notes to Financial Statements

BALDWIN-WHITEHALL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

Function/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:							
Regular Instruction	$ 34,314,879	$ 0	$ 10,274,757	$ 0	$ (24,040,122)	$ 0	$ (24,040,122)
Special Instruction	10,081,269	0	6,063,326	0	(4,017,943)	0	(4,017,943)
Vocational Instruction	2,466,902	0	194,844	0	(2,272,058)	0	(2,272,058)
Other Instructional Programs	12,968	0	8,793	0	(4,175)	0	(4,175)
Total Instructional Services	$ 46,876,018	$ 0	$ 16,541,720	$ 0	$ (30,334,298)	$ 0	$ (30,334,298)
Support Services:							
Pupil Personnel	$ 2,252,384	$ 0	$ 350,069	$ 0	$ (1,902,315)	$ 0	$ (1,902,315)
Instructional Staff	2,047,138	0	122,559	0	(1,924,579)	0	(1,924,579)
Administration	4,979,081	0	642,047	0	(4,337,034)	0	(4,337,034)
Pupil Health	239,964	0	505,908	0	265,944	0	265,944
Business Services	1,081,887	0	85,415	0	(996,472)	0	(996,472)
Operation of Plant and Maintenance Services	7,489,581	294,617	604,395	0	(6,590,569)	0	(6,590,569)
Student Transportation Services	5,598,689	0	1,946,982	0	(3,651,707)	0	(3,651,707)
Central	695,284	0	110,925	0	(584,359)	0	(584,359)
Other Support Services	58,529	0	0	0	(58,529)	0	(58,529)
Total Support Services	$ 24,442,537	$ 294,617	$ 4,368,300	$ 0	$ (19,779,620)	$ 0	$ (19,779,620)
Non-Instructional Services:							
Student Activities	$ 1,454,819	$ 80,349	$ 187,187	$ 0	$ (1,187,283)	$ 0	$ (1,187,283)
Community Services	423	0	0	0	(423)	0	(423)
Interest on Long-Term Debt	3,321,763	0	0	1,258,363	(2,063,400)	0	(2,063,400)
Capital Expenditures not subject to capitalization	0	0	0	0	0	0	0
Unallocated Depreciation & Amortization	8,083,180	0	0	0	(8,083,180)	0	(8,083,180)
Total Non-Instructional Services	$ 12,860,185	$ 80,349	$ 187,187	$ 1,258,363	$ (11,334,286)	$ 0	$ (11,334,286)
Total Governmental Activities	$ 84,178,740	$ 374,966	$ 21,097,207	$ 1,258,363	$ (61,448,204)	$ 0	$ (61,448,204)
Business-Type Activities:							
Food Services	2,990,783	714,405	2,320,599	0	0	44,221	44,221
Total Primary Government	$ 87,169,523	$ 1,089,371	$ 23,417,806	$ 1,258,363	$ (61,448,204)	$ 44,221	$ (61,403,983)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					$ 47,216,763	$ 0	$ 47,216,763
Other taxes levied for general purposes, net					7,098,764	0	7,098,764
Property Tax Relief					2,517,109	0	2,517,109
Grants, subsidies & contributions not restricted					13,733,059	0	13,733,059
Investment earnings					2,114,221	83,961	2,198,182
Gain (Loss) from Disposal of Fixed Assets					(49,146)	0	(49,146)
Refunds of prior year expenditures					153,350	0	153,350
Refunds of prior year revenues					(411,137)	0	(411,137)
Total general revenues and transfers					$ 72,372,983	$ 83,961	$ 72,456,944
Change in Net Position					$ 10,924,779	$ 128,182	$ 11,052,961
Net Position - June 30, 2024					$ (14,859,572)	$ 2,618,335	$ (12,241,237)
Prior Period Adjustment (Note 15)					(6,352,038)	(109,991)	(6,462,029)
Net Position -June 30, 2024, restated					$ (21,211,610)	$ 2,508,344	$ (18,703,266)
Net Position - June 30, 2025					$ (10,286,831)	$ 2,636,526	$ (7,650,305)

See Accompanying Notes to Financial Statements

BALDWIN-WHITEHALL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2025

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 33,658,188	$ 0	$ 33,658,188
Restricted Cash	0	6,143,123	6,143,123
Taxes Receivable	9,331,564	0	9,331,564
Interfund Receivables	0	37,919	37,919
Intergovernmental Receivables	4,561,738	0	4,561,738
Other Receivables	155,316	0	155,316
Prepaid Expenditures	819,932	0	819,932
TOTAL ASSETS	$ 48,526,738	$ 6,181,042	$ 54,707,780
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 949,247	$ 767,302	$ 1,716,549
Accrued Salaries & Benefits	8,009,275	0	8,009,275
Interfund Payables	761,051	0	761,051
Unearned Revenue	21,655	0	21,655
TOTAL LIABILITIES	$ 9,741,228	$ 767,302	$ 10,508,530
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	$ 7,896,859	$ 0	$ 7,896,859
FUND BALANCES			
Nonspendable Fund Balance			
Prepaid Expenses	$ 819,932	$ 0	$ 819,932
Restricted Fund Balance			
Capital Projects	0	5,413,740	5,413,740
Committed Fund Balance			
Facility Improvements	2,000,000	0	2,000,000
Assigned Fund Balance			
Next Year's Budget	236,944	0	236,944
Access	700,000	0	700,000
Construction Projects	20,061,000	0	20,061,000
Unassigned Fund Balance	7,070,775	0	7,070,775
TOTAL FUND BALANCES	$ 30,888,651	$ 5,413,740	$ 36,302,391
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 48,526,738	$ 6,181,042	$ 54,707,780

See Accompanying Notes to Financial Statements

BALDWIN-WHITEHALL SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET

TO THE STATEMENT OF NET POSITION

JUNE 30, 2025

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		$ 36,302,391
Amounts reported for ***governmental activities*** in the statement of net position are different because:		
Right of Use assets used in governmental activities are not financial and therefore are not reported as assets in governmental funds.		
Add: Right of Use Asset		641,463
Deduct: Accumulated Amortization		(407,278)
Capital assets used in governmental activities are not financial and therefore are not reported as assets in governmental funds.		
Add: Capital Assets		226,726,746
Deduct: Accumulated Depreciation		(104,590,393)
Certain tax revenues are recognized in the period for which levied than when "available." A portion of certain deferred tax revenues are not available.		
Add: Property Taxes		7,896,859
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds		
Net Pension Liability		(85,239,638)
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds		
Deferred outflows of resources related to pensions and OPEB	$ 17,105,643	
Deferred inflows of resources related to pensions and OPEB	(4,028,957)	
		13,076,686
Long-term liabilities, including bonds 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:		
Deduct: Bonds/Notes Payable	$ (86,740,000)	
Deduct: Leases Payable	(280,537)	
Deduct: Unamortized Discount/Premium	(3,463,861)	
Deduct: Accrued Interest on Debt	(362,039)	
Deduct: Compensated Absences and Other Post-Employment Benefit	(13,847,230)	
		(104,693,667)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		$ (10,286,831)

See Accompanying Notes to Financial Statements

BALDWIN-WHITEHALL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, CHANGES IN FUND BALANCE

GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED JUNE 30, 2025

REVENUES	**General**	**Capital Projects**	**Total Governmental Funds**
Local Sources	$ 57,163,085	$ 479,463	$ 57,642,548
State Sources	35,437,173	0	35,437,173
Federal Sources	1,853,665	0	1,853,665
TOTAL REVENUES	$ 94,453,923	$ 479,463	$ 94,933,386
EXPENDITURES			
Instruction	$ 49,374,671	$ 0	$ 49,374,671
Support Services	25,571,030	0	25,571,030
Non-Instructional Services	1,535,905	0	1,535,905
Capital Outlay	4,326,383	10,145,503	14,471,886
Debt Services	10,029,661	0	10,029,661
TOTAL EXPENDITURES	$ 90,837,650	$ 10,145,503	$ 100,983,153
Excess (Deficiency) of Revenues Over Expenditures	$ 3,616,273	$ (9,666,040)	$ (6,049,767)
OTHER FINANCING SOURCES (USES)			
Refund of Prior Year Receipts	$ (411,136)	$ 0	$ (411,136)
Refund of Prior Year Expenditures	153,353	0	153,353
TOTAL OTHER FINANCING SOURCES (USES)	$ (257,783)	$ 0	$ (257,783)
NET CHANGE IN FUND BALANCES	$ 3,358,490	$ (9,666,040)	$ (6,307,550)
FUND BALANCE - JUNE 30, 2024	27,530,161	15,079,780	42,609,941
FUND BALANCE - JUNE 30, 2025	$ 30,888,651	$ 5,413,740	$ 36,302,391

See Accompanying Notes to Financial Statements

BALDWIN-WHITEHALL SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, CHANGES IN FUND BALANCE

TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS		$ (6,307,550)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the period.		
Capital Outlays	$ 13,871,010	
Depreciation Expense	(8,074,643)	
Net Book Value of Assets Retired	(57,683)	
		$ 5,738,684
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred tax revenues changed by this amount this year.		$ 477,064
Governmental funds report district pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
District pension contributions	$ (7,330,264)	
Cost of benefits earned net of employee contributions	11,632,931	
		$ 4,302,667
The governmental funds report proceeds from debt as an other financing source, while the repayment of debt principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the Statement of Activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of bonds and leases is as follows:		
Repayment of Bond/Note Principal	$ 7,035,000	
Payment of Lease Payable	129,721	
Interest Expense	24,556	
Amortization and Acquisition of Bond Premium/Discount	328,931	
		$ 7,518,208
In the Statement of Activities, certain operating expenses-compensated absences and other post-employment benefits-are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, the total amount of the liability changed by this amount.		$ (804,294)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 10,924,779

See Accompanying Notes to Financial Statements

BALDWIN-WHITEHALL SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUND TYPES

JUNE 30, 2025

	Food Service
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 3,369,059
Due From Other Governments	339,596
Due From Other Funds	723,132
Accounts Receivable	6,195
Inventories	24,778
Total Current Assets	$ 4,462,760
Noncurrent Assets:	
Machinery & Equipment (net)	$ 275,799
Total Noncurrent Assets	$ 275,799
TOTAL ASSETS	$ 4,738,559
DEFERRED OUTFLOWS OF RESOURCES	
Related to Pension	$ 336,405
Related to Other Post-Employment Benefits	78,869
Total Deferred Outflows of Resources	$ 415,274
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 4,728
Accrued Salaries and Benefits	4,737
Current Portion of Net Pension Liability	282,413
Current Portion of OPEB	5,418
Unearned Revenue	44,358
Total Current Liabilities	$ 341,654
Noncurrent Liabilities:	
Compensated Absences Payable	$ 150,082
OPEB	140,810
Net Pension Liability	1,786,950
Total Noncurrent Liabilities	$ 2,077,842
TOTAL LIABILITIES	$ 2,419,496
DEFERRED INFLOWS OF RESOURCES	
Related to Pensions	$ 71,674
Related to OPEB	26,137
Total Deferred Inflows of Resources	$ 97,811
NET POSITION	
Net Investment in capital assets	$ 275,799
Unrestricted	2,360,727
TOTAL NET POSITION	$ 2,636,526

See Accompanying Notes to Financial Statements

BALDWIN-WHITEHALL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUND TYPES

FOR THE YEAR ENDED JUNE 30, 2025

	Food Service
OPERATING REVENUES:	
Food Service Revenue	$ 714,405
TOTAL OPERATING REVENUES	$ 714,405
OPERATING EXPENSES:	
Salaries	$ 799,865
Employee Benefits	691,705
Food Purchases	1,359,891
Supplies	928
Repairs and Maintenance	35,801
Depreciation	59,191
Other Operating Expenses	43,402
TOTAL OPERATING EXPENSES	$ 2,990,783
OPERATING INCOME (LOSS)	$ (2,276,378)
NON-OPERATING REVENUES (EXPENSES):	
Earnings on Investments	$ 83,961
State Sources	549,463
Federal Sources	1,771,136
TOTAL NON-OPERATING REVENUES (EXPENSES)	$ 2,404,560
INCOME (LOSS) BEFORE OPERATING TRANSFERS	$ 128,182
Operating Transfers In (Out)	0
CHANGE IN NET POSITION	$ 128,182
TOTAL NET POSITION - JUNE 30, 2024	2,618,335
PRIOR PERIOD ADJUSTMENT (see Note 15)	(109,991)
TOTAL NET POSITION - JUNE 30, 2024 RESTATED	2,508,344
TOTAL NET POSITION - JUNE 30, 2025	$ 2,636,526

See Accompanying Notes to Financial Statements

BALDWIN-WHITEHALL SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUND TYPES

FOR THE YEAR ENDED JUNE 30, 2025

	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Users	$ 708,210
Cash Payments to Employees for Services	(1,294,798)
Cash Payments to Suppliers for Goods and Services	(1,387,979)
Cash Payments for Other Operating Expenses	(43,402)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (2,017,969)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Sources	$ 570,323
Federal Sources	1,925,135
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	$ 2,495,458
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on Investments	$ 83,961
NET CASH PROVIDED (USED) FROM INVESTING ACTIVITIES	$ 83,961
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 561,450
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,807,609
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,369,059
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	$ (2,276,378)
Depreciation and Net Amortization	$ 59,191
Change in Assets and Liabilities	
(Increase) Decrease in Inventories	4,976
(Increase) Decrease in Accounts Receivable	(6,195)
(Increase) Decrease in Deferred Outflows of Resources	(10,467)
Increase (Decrease) in Accounts Payable	4,728
Increase (Decrease) in Due to/from Other Funds	(20,862)
Increase (Decrease) in Accrued Salaries and Other Payroll Liabilities	3,930
Increase (Decrease) in Compensated Absences	(32,450)
Increase (Decrease) in Other Post-Employment Benefits (OPEB)	35,863
Increase (Decrease) in Deferred Inflows of Resources	30,055
Increase (Decrease) in Net Pension Liability	190,703
Increase (Decrease) in Deferred Revenue	(1,063)
Total Adjustments	$ 258,409
Net Cash Provided (Used) by Operating Activities	$ (2,017,969)

See Accompanying Notes to Financial Statements

BALDWIN-WHITEHALL SCHOOL DISTRICT

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2025

	Student Activities Fund
ASSETS	
Cash and Cash Equivalents	$ 279,084
TOTAL ASSETS	$ 279,084
TOTAL NET POSITION	$ 279,084

See Accompanying Notes to Financial Statements

BALDWIN-WHITEHALL SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUND

FOR THE YEAR ENDED JUNE 30, 2025

	Student Activities Fund
ADDITIONS	
Student Activity Club Revenues	$ 317,689
DEDUCTIONS	
Student Activity Club Expenses	$ 278,419
Net increase (decrease) in fiduciary net position	$ 39,270
NET POSITION - BEGINNING	239,814
NET POSITION - ENDING	$ 279,084

See Accompanying Notes to Financial Statements

BALDWIN-WHITEHALL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budget to GAAP	Actual Amounts
	Original	Final	(Budgetary Basis)	(Negative)	Difference	GAAP Basis
REVENUES						
Local revenues	$ 54,220,708	$ 54,220,708	$ 57,163,085	$ 2,942,377	$ 0	$ 57,163,085
State program revenues	32,755,775	32,755,775	35,437,173	2,681,398	0	35,437,173
Federal program revenues	1,476,331	1,476,331	1,853,665	377,334	0	1,853,665
TOTAL REVENUES	$ 88,452,814	$ 88,452,814	$ 94,453,923	$ 6,001,109	$ 0	$ 94,453,923
EXPENDITURES						
Regular Programs	$ 36,324,973	$ 36,324,973	$ 36,287,683	$ 37,290	$ 0	$ 36,287,683
Special Programs	9,912,714	9,912,714	10,536,603	(623,889)	0	10,536,603
Vocational Programs	2,285,153	2,285,153	2,544,967	(259,814)	0	2,544,967
Other Instructional Programs	0	0	5,418	(5,418)	0	5,418
Pupil Personnel Services	2,238,825	2,238,825	2,397,215	(158,390)	0	2,397,215
Instructional Staff Services	696,828	696,828	2,110,756	(1,413,928)	0	2,110,756
Administrative Services	8,688,970	8,688,970	5,262,366	3,426,604	0	5,262,366
Pupil Health	21,000	21,000	249,972	(228,972)	0	249,972
Business Services	461,844	461,844	1,119,476	(657,632)	0	1,119,476
Operation & Maintenance of Plant Services	6,539,905	6,539,905	7,782,292	(1,242,387)	0	7,782,292
Student Transportation Services	4,754,158	4,754,158	5,846,291	(1,092,133)	0	5,846,291
Central	0	0	744,133	(744,133)	0	744,133
Other Support Services	52,000	52,000	58,529	(6,529)	0	58,529
Student Activities	1,263,092	1,263,092	1,535,482	(272,390)	0	1,535,482
Community Services	5,000	5,000	423	4,577	0	423
Facilities Acquisition and Construction	4,712,632	4,712,632	4,326,383	386,249	0	4,326,383
Debt Services	10,429,661	10,429,661	10,029,661	400,000	0	10,029,661
TOTAL EXPENDITURES	$ 88,386,755	$ 88,386,755	$ 90,837,650	$ (2,450,895)	$ 0	$ 90,837,650
Excess (deficiency) of revenues over expenditures	$ 66,059	$ 66,059	$ 3,616,273	$ 3,550,214	$ 0	$ 3,616,273
OTHER FINANCING SOURCES (USES)						
Refund of Prior Year Expenditures	$ 0	$ 0	$ 153,353	$ 153,353	$ 0	$ 153,353
Refund of Prior Year Receipts	0	0	(411,136)	(411,136)	0	(411,136)
TOTAL OTHER FINANCING SOURCES (USES)	$ 0	$ 0	$ (257,783)	$ (257,783)	$ 0	$ (257,783)
Net change in fund balances	$ 66,059	$ 66,059	$ 3,358,490	$ 3,292,431	$ 0	$ 3,358,490
FUND BALANCE - JUNE 30, 2024			27,530,161	27,530,161	0	27,530,161
FUND BALANCE - JUNE 30, 2025			$ 30,888,651	$ 30,822,592	$ 0	$ 30,888,651

See Accompanying Notes to Financial Statements

NOTE 1 – REPORTING ENTITY

The Baldwin-Whitehall School District (or "School District" or "District") is organized under Title 24 of the Pennsylvania Statutes. It provides educational services as authorized by State statute and/or federal guidelines.

A reporting entity comprises the primary government, component units, and other organizations that are included to ensure that the School District's financial statements are not misleading. The primary government comprises all funds, departments, boards, and agencies not legally separate from the School District. For the Baldwin-Whitehall School District, this includes general operations, food service, and student-related activities.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District can significantly influence the programs or services performed or provided by the organization, or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations fiscally dependent on the School District in that the District approves the budget, issuance of debt, or levying taxes. The Baldwin-Whitehall School District does not have any component units.

The Allegheny Intermediate Unit was considered as a possible component unit but was excluded based on the above criteria.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Baldwin-Whitehall School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant accounting policies of the School District are described below.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and fund financial statements, which provide more detailed financial information.

Government-wide financial statements: The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are

considered business-type activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of net position presents the financial condition of the governmental and business-type activities of the School District at year-end. The statement of activities compares direct expenses and program revenues for each program or function of the School District's governmental and business-type activities. Direct expenses are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants required to be used to support a specific program. Revenues not classified as program revenues are presented as general revenues of the School District with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business activity or governmental function is self-financing or draws from the general revenues of the School District.

Fund financial statements: During the year, the School District segregates transactions related to certain School District functions or activities in separate funds to aid financial management and demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if applicable, are aggregated and presented in a single column. The fiduciary funds are reported by type.

B. Measurement Focus/Basis of Accounting

Fund Accounting

The School District uses funds to maintain its financial records throughout the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues 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 and expenditures related to compensated absences, early retirement, arbitrage rebates, and post-employment healthcare benefits are recorded only when payment is due. Property taxes and interest associated with past and current fiscal periods are considered susceptible to accrual and so have been recognized as revenues of the current fiscal period if they are collected within 60 days of the end of the current fiscal period. The governmental fund financial statements defer all other property taxes associated with past and current fiscal periods.

The School District reports the following major governmental funds:

General Fund: The General Fund is the School District's operating fund and accounts for all financial resources except those required to be accounted for in another fund.

Capital Projects Funds: The Capital Projects Funds account for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodeling of facilities, and procurement of equipment necessary for providing educational programs for all students within the School District.

Proprietary funds may be used to account for any activity for which a fee is charged to external users for goods or services. Proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included in the statement of net position. The statement of revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. All proprietary funds are shown on the government-wide statements as business-type activities.

The School District reports its only proprietary fund, the Food Service Fund, as a major fund. This fund accounts for the financial transactions related to the School District's food service operations.

Fiduciary Funds account for assets the School District holds in a trustee capacity or as an agent for individuals, private organizations, or other governments. These include agency funds. Agency funds are purely custodial. Major Fund reporting does not apply to Fiduciary Funds. Accordingly, the School District presents a statement of fiduciary net position and a statement of changes in fiduciary net position for the agency fund.

The School District reports the Student Activity Funds as agency funds. These Fiduciary Funds account for net positions held in a purely custodial capacity for specific other persons, organizations, or governments.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund financial statements. 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.

C. Budgetary Process

The School District passed an appropriated original budget for the year-ending June 30, 2025 with revenues totaling $88,452,814 and expenditures totaling $88,386,755.

State law requires the school district to adopt an annual budget for the General Fund only. The budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles ("GAAP").

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Preliminary Budget: The preliminary budget for each year must be adopted (via Board vote) 90 days prior to the Primary Election unless the School District adopts a Resolution indicating that it will not raise the rate of any tax by more than its index. The Resolution must be adopted 110 days before the Primary Election, and the School District must adopt a Resolution following traditional budget guidelines.

A *proposed* version must be prepared at least 20 days before adoption; this work-in-progress budget, defined as the *proposed preliminary budget*, must be made available for public inspection no later than 110 days prior to the Primary Election. Public notice of the intent to adopt the preliminary budget must be published no later than 10 days before adoption of the preliminary budget (100 days before Primary Election).

Final Budget: The final budget for each year must be adopted (via Board vote) by June 30 of the preceding school fiscal year.

A *proposed* version must be prepared and adopted (via Board vote) no later than May 30 of the preceding school fiscal year (at least 30 days before adoption); this work-in-progress budget, defined as the *proposed final budget*, must be made available for public inspection no later than June 10 of the preceding school fiscal year (20 days before adoption on June 30). Public notice of the intent to adopt the final budget must be published no later than June 20 of the preceding school fiscal year (10 days before adoption on June 30).

Note: The school board must take action for the adopted preliminary budget to become the proposed final budget.

Once the budget is approved, it can be amended at the Function and Fund level only by approval of a majority of the Board members. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end, as dictated by law.

Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board of Directors. All budget appropriations lapse at year-end unless the School District utilizes encumbrance accounting. Encumbrances (e.g., purchase orders and contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

D. Deposits and Investments

The School District's cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Pennsylvania School District Liquid Asset Fund (PSDLAF).

The School District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists that guarantees a higher value. The term "short-term" refers to investments with a remaining term of one year or less at the time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

E. Interfund Balances

On fund financial statements, receivables, and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are offset against each other in the governmental and business-type activities columns of the statement of net position, except for amounts due to/from other funds, which are not presented in the statement of net position.

F. Inventories

On government-wide financial statements, inventories are stated at cost using the purchase method. The purchase method means food products, materials, and supplies are charged as expenditures when acquired. At the end of the period, inventory is then recorded as an asset by offsetting the appropriate expense account. Inventories for governmental activities are not reported as of June 30, 2025, due to their immaterial balance.

On fund financial statements, inventories are stated at cost using the purchase method for proprietary funds. The inventory for Business-type Activities at June 30, 2025 is $24,778. Inventories are not maintained in governmental funds for fund financial statement reporting.

G. Capital Assets

General capital assets are not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported in the business-type activities column of the government-wide statement of net position and the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at fair market values as of the date received. The School District capitalizes all purchases from debt service funds and maintains a capitalization threshold of $11,300. Improvements are capitalized; routine

maintenance and repair costs that do not add to the asset's value or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Site Improvements	15-20 years	N/A
Buildings and Improvements	10-50 years	10-50 years
Furniture and Equipment	5-20 years	5-20 years

H. Right of Use Assets

The School District has recorded the right to use lease assets as a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 87. The right of use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and ancillary charges necessary to place the lease into service. The right of use assets are amortized on a straight-line basis over the life of the related lease.

I. Bond Premiums and Discounts

Bond premiums and discounts are deferred and accreted over the bonds' terms. They are presented as an addition or reduction to the bonds' face amount.

J. Compensated Absences/Retirement Incentives

Compensated Absences

The School District has agreed to pay unused sick leave for all employees, including business-type employees, who have attained twenty years of service in PSERS and ten years with Baldwin-Whitehall School District. For teachers, the value of unused sick days is measured as follows:

Days of Unused Sick Leave	Rate
1-75 days	$53/day
76-150 days	$63/day
151-200 days	$75/day

Accrued sick days cannot exceed 200 days

The School District's governmental liability is as follows:

Compensated absences liability at 6/30/24	$	1,219,637
Prior period adjustment		6,352,038
Increase in liability		252,255
Compensated absences liability at 6/30/25	$	7,823,930

The School District's liability for business-type employees is as follows:

Compensated absences liability at 6/30/24	$	72,541
Prior period adjustment		109,991
Increase in liability (decrease)		(32,450)
Compensated absences liability at 6/30/25	$	150,082

Retirement Incentives

The School District measured and recognized an "other post-employment benefit" (OPEB) liability in accordance with provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions.* This statement guides accounting and financial reporting for "other post-employment benefits" accounted for in the financial statements of plan sponsors and employers. OPEB refers to non-pension benefits provided after the termination of employment. One example of this type of benefit is healthcare insurance premiums paid by employers on behalf of former employees. Governmental entities have traditionally accounted for OPEB on a pay-as-you-go basis. The guidance in this statement rests on the assumption that OPEB should be accrued as employees provide service. More information on these liabilities is included later in these notes.

The liabilities for the above items are reported on the government-wide financial statements. For governmental funds, the current portion of the liabilities is the amount normally expected to be paid using expendable financial resources. If applicable, proprietary funds report the entire liability amount as a fund liability.

K. Accrued Liabilities and Long-Term Obligations

The government-wide financial statements report all payables, accrued liabilities, and long-term obligations. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid timely and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and capital leases are recognized as a liability on the governmental fund financial statements when due.

L. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for acquiring, constructing, or improving those assets. Net position is reported as restricted when limitations are imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The restricted net position of the School District's Governmental Activities and Business-type Activities of the District as of June 30, 2025, is $5,413,740 and $0, respectively. All other net positions are reported as unrestricted.

The School District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

M. Fund Balance

The GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), effective for reporting periods after June 15, 2010. The GASB Statement intends to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. GASB 54 provides for two major types of fund balances: non-spendable and spendable. Non-spendable fund balances cannot be spent because they are not expected to be converted to cash or are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories.

In addition to the non-spendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances based on a hierarchy of spending constraints.

Restricted: Fund balances constrained by external parties, constitutional provisions, or enabling legislation.

Committed: Fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority, the Baldwin-Whitehall School District Board of Directors, through board action to commit funds.

Assigned: Fund balances that contain government self-imposed constraints to be used for a particular purpose. The Board of Directors and the Business Manager retain authority to designate portions of the fund balance.

Unassigned: Fund balance of the general fund that is not constrained for any particular purpose.

The School District considers the use of funds in the order of the most restrictive to the least restrictive based on the fund balance hierarchy.

According to District policy, the School District will strive to maintain an unassigned general fund balance of not less than three percent and not more than eight percent of the budgeted expenditures for that fiscal year.

N. Use of Estimates

Preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet includes a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District reported $17,105,643 in Governmental Activities and $415,274 in Business-type Activities as deferred outflows of resources.

In addition to liabilities, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The School District reported $7,896,859 in the Governmental Funds, $4,028,957 in the Governmental Activities, and $97,811 in the Business-type Activities as deferred inflows of resources.

P. 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's fiduciary net position have been determined on the same basis as PSERS reports them. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Q. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*

GASB 68 establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements in which:

- Contributions from employers and non-employer contributing entities to the pension plan and earnings on those contributions are irrevocable.

- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets are also legally protected from the creditors of the plan members.

R. Nonmonetary Transactions

The School District received donated commodities during the year-ended June 30, 2025. These donations exclusively consist of food supplies. The fair value of the donated commodities is estimated at $91,467.

S. Subscription-Based Information Technology Arrangements (SBITAs)

The School District has implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which establishes accounting and financial reporting requirements for subscription-based contracts for information technology (IT) services. The Statement is effective for fiscal years beginning after June 15, 2022. The District adopted this standard during the fiscal year ended June 30, 2024.

NOTE 3 – CASH AND CASH EQUIVALENTS

A. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2025, $5,911,922 of the School District's bank balance of $6,161,922 was exposed to custodial credit risk as:

Uninsured and uncollateralized	$	0
Collateralized with securities held by the pledging financial institution	$	0
Uninsured and collateral held by the pledging bank's trust department not in the District's name	$	5,911,922

B. Other Deposits

As of June 30, 2025, the School District had the following deposits in the Pennsylvania Local Government Investment Trust (PLGIT) and the Pennsylvania School Liquid Asset Fund (PSDLAF), which were established as common law trusts organized under the laws of the Commonwealth of Pennsylvania. Shares of the fund are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools, and municipalities. The fund aims 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. These funds have the characteristics of open-end mutual funds and are not subject to credit risk classification. PLGIT and PSDLAF are governed by an elected board of trustees responsible for the overall management of the funds. The trustees are elected from the several classes of local governments participating in them. Each fund is audited annually by independent auditors. The Funds

operate consistent with the SEC's Rule 2(a)7 of the Investment Company Act of 1940. The funds use amortized cost to report net position to compute share prices. The Funds maintain a net asset value of $1 per share. Accordingly, the fair value of the position in PLGIT and PSDLAF is the same as the value of PLGIT and PSDLAF shares.

C. Credit Risk

The value of the funds as of June 30, 2025, is as follows:

Type	Fair Value	Standard & Poor's Rating
PA Local Government Investment Trust	$ 15,626,427	AAAm
PA School District Liquid Asset Fund	21,147,280	AAAm
Total	$ 36,773,707	

D. Reconciliation to Financial Statements

Uncollateralized Amount Above	$ 5,911,922
Collateralized Amount Above	250,000
Other Deposits Above	36,773,707
Carrying Amount - Bank Balances	$ 42,935,629
Plus: Deposits in transit	513,825
Less: Fiduciary Funds	(279,084)
Total	$ 43,170,370

E. Interest Rate Risk

The School District does not have a formal investment policy that limits investment maturities to manage its exposure to fair value losses arising from increasing interest rates.

F. Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the School District will not be able to recover the value of its investments or collateral security that is in the possession of outside parties. The School District has no investment subject to custodial credit risk.

G. Statutory Authority

School Districts are to adopt local investment policies. The local investment policy must be written, primarily emphasizing the safety of principal and liquidity and addressing investment diversification, yield, maturity, and the quality and capability of investment management. Each district should customize its policies to meet board and administrative objectives as defined Districts should review their investment policies and investment strategies annually.

Section 440.1(c) of the Pennsylvania School Code authorizes the types of investments school districts may have:

1. United States Treasury bills
2. Short-term obligations of the United States Government or its agencies or instrumentalities. *Short-term obligations* usually refer to investments of less than thirteen months.
3. Deposits in savings accounts or time deposits or share accounts of institutions insured by:
    a. The Federal Deposit Insurance Corporation (FDIC), or
    b. The Federal Savings and Loan Insurance Corporation, or
    c. The National Credit Union Share Insurance Fund to the extent that such accounts are so insured and for any amounts above the maximum, provided that approved collateral as provided by law, therefore, shall be pledged by the depository.
4. Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania, or any of its agencies or instrumentalities. *Full faith and credit* means the obligation is backed by the government's ability to levy taxes to repay debt. These investments include any bonds issued by the Commonwealth of Pennsylvania or any municipality or school district carrying the backing of the taxation of the governmental unit issuing the debt. Some Federal government investments do not have full faith and credit backing. Fannie-Mae (FNMA) and Freddy-Mach (FNMC) bonds do not. Ginnie-Mae (GNMA) bonds do have full faith and credit backing.
5. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933 provided that the following are met:
    a. Only investments of that company are in the authorized investments for school district funds listed in the categories above and repurchase agreements fully collateralized by such investments
    b. The investment company is managed so as to maintain its shares as a constant net asset value in accordance with 17 CFR 270 2a-7 (money market funds)
    c. The investment company is rated in the highest category by a nationally recognized rating agency.

    This classification includes pooled investments such as the Pennsylvania School District Liquid Asset Fund, Pennsylvania Local Government Investment Trust, and the Pennsylvania State Treasurer's Invest Program.

NOTE 4 – TAXES

A. Property Taxes

Based upon assessed valuations provided by the County, the municipal tax collector bills and collects property taxes on behalf of the School District.

The schedule for property taxes levied for 2024-2025, is as follows:

July 1, 2024	- tax levy date
Through August 31, 2024	- 2% discount period
Through October 31, 2024	- face payment period
Beginning November 1, 2024	- 5% penalty period
April 15, 2025	- lien date

The School District tax rate was 25.00 mills ($25.00 per $1,000 assessed valuation) for all purposes in 2024-2025. Collections for the 2024-2025 year were $44,813,320.

As of June 30, 2025, property taxes receivable by the School District include uncollected taxes assessed as of July 1, 2024, or earlier. It is estimated that 90% of all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected; therefore, property taxes receivable reflect this estimate. Delinquent property tax receivable is recognized as revenue in the government-wide financial statements. Only the portion of property taxes receivable that meets the revenue recognition criteria is reported as revenue in the fund financial statements.

B. Income Taxes

The School District levies a voted continuing tax of 0.50% on residents' income for general operations. Taxpayers are required to file an annual return. The collector makes periodic distributions to the School District after withholding amounts for administrative fees. Income tax receipts are credited to the general fund.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year-ended June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,350,777	$ 0	$ 0	$ 1,350,777
Construction in Progress	0	767,301	0	767,301
Total Capital assets, not being depreciated	$ 1,350,777	$ 767,301	$ 0	$ 2,118,078
Capital assets, being depreciated:				
Site Improvements	$ 35,714,180	$ 9,543,886	$ 0	$ 45,258,066
Building and building improvements	151,440,353	0	0	151,440,353
Right of Use Assets	650,000	0	(8,537)	641,463
Furniture and equipment	24,953,759	3,559,823	(603,333)	27,910,249
Total capital assets, being depreciated	$ 212,758,292	$ 13,103,709	$ (611,870)	$ 225,250,131
Accumulated depreciation for:				
Site Improvements	$ (8,778,797)	$ (1,745,012)	$ 0	$ (10,523,809)
Building and building improvements	(73,014,613)	(5,176,273)	0	(78,190,886)
Right of Use Assets	(390,000)	(17,278)	0	(407,278)
Furniture and equipment	(15,293,805)	(1,136,080)	554,187	(15,875,698)
Total accumulated depreciation	$ (97,477,215)	$ (8,074,643)	$ 554,187	$ (104,997,671)
Total capital assets, being depreciated, net	$ 115,281,077	$ 5,029,066	$ (57,683)	$ 120,252,460
Governmental activities capital assets, net:	$ 116,631,854	$ 5,796,367	$ (57,683)	$ 122,370,538
Business-type activities:				
Capital assets, being depreciated:				
Furniture and equipment	$ 1,456,388	$ 0	$ 0	$ 1,456,388
Total capital assets, being depreciated	$ 1,456,388	$ 0	$ 0	$ 1,456,388
Accumulated depreciation for:				
Furniture and equipment	$ (1,121,398)	$ (59,191)	$ 0	$ (1,180,589)
Total accumulated depreciation	$ (1,121,398)	$ (59,191)	$ 0	$ (1,180,589)
Total capital assets, being depreciated, net	$ 334,990	$ (59,191)	$ 0	$ 275,799
Business-type activities capital assets, net:	$ 334,990	$ (59,191)	$ 0	$ 275,799
Total Governmental & Business-type activities, net	$ 116,966,844	$ 5,737,176	$ (57,683)	$ 122,646,337

Depreciation expense was presented on the financial statements as Unallocated Depreciation and Amortization.

NOTE 6 – RISK MANAGEMENT

Baldwin-Whitehall is a member of the Allegheny County Health Consortium (The Consortium) for Health Insurance. This Consortium was formed in 1987 in order to purchase health benefits on behalf of participating public-school districts in Allegheny County, Pennsylvania. The School District pays an annual premium to the Consortium for its health and medical insurance coverage. The formation agreement of the Consortium provides that the Consortium will be self-sustaining through annually determined member premiums and will reinsure through commercial companies for excess claims of amounts as defined in the insurance contract. Additionally, during fiscal year 2005, the Consortium designated a portion of the net assets for retention. The Net Assets Designated for retention were $8,278,085 as of June 30, 2025. Total Net Assets Available for Benefits were $84,042,714.

The School District's agreement permits withdrawal from the Consortium only as of the last day of a fiscal year and after having given all participating entities and the Trustees written notice by April 30th of such fiscal year. If Baldwin-Whitehall were to withdraw, the School District would be entitled to receive a pro rata share of the net assets or would be required to reimburse the Consortium for their pro rata share of any deficiency in net assets.

The Consortium net assets attributable to Baldwin-Whitehall School District was $1,683,221 as of June 30, 2025 (audited), and at this time Baldwin-Whitehall has no plans to withdraw from the Consortium. The financial statements of the Consortium for the year ended June 30, 2025 are on file with the Baldwin-Whitehall School District.

NOTE 7 – PENSION PLAN

A. Public-school Employees' Retirement System (PSERS)

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.

General Information about the Pension Plan

Plan Description: The Public-School Employees' Retirement System (PSERS) is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public-school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public-school employees, part-time hourly public-school employees who render at least 500 hours of service in the school year, and part-time per

diem public-school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

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

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

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

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

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

B. 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 districts' contractually required contribution rate for the fiscal year ended June 30, 2025 was 33.9% 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 District were $12,143,935 for the year ended June 30, 2025.

The defined contribution rate of 0.27% is an estimated rate. It is recommended employers use the actual defined contributions made to the PSERS defined contribution plan. This may impact contributions made to the pension plan.

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

At June 30, 2025, the District reported a liability of $87,309,001 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023 to June 30, 2024. The District's proportion of the net pension liability was calculated utilizing the employer's 1-year reported covered payroll as it related to the total 1-year reported covered payroll. At June 30, 2024, the District's

proportion was 0.2086%, which was a decrease of 0.0051% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $7,446,000. At June 30, 2025, the 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
Differences between expected and actual experience	$ 0	$ 1,373,000
Changes in assumptions	0	0
Net difference between projected and actual investment earnings	1,445,000	0
Changes in proportions	833,000	1,651,000
District contributions subsequent to the measurement date	11,915,343	0
Total	$ 14,193,343	$ 3,024,000

The District reported $11,915,343 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and 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 expenses as follows:

Year ended June 30:	
2025	$ (2,133,000)
2026	1,846,000
2027	(165,000)
2028	(293,000)

D. Changes in Actuarial Assumptions

The total pension liability at June 30, 2024 was determined by rolling forward the System's total pension liability at June 30, 2023 to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date – June 30, 2024
- 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% PbuT-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 rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023 and as of June 30, 2024.
- 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, 2024 valuation were based on the results of an actuarial experience study that was performed for the five year the 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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	4.8%
Private equity	12.0%	6.7%
Fixed income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure/MLPs	10.0%	5.4%
Real estate	9.5%	5.9%
	100.0%	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

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

Sensitivity of the School District's proportionate share of the Net Pension Liability to changes in the discount rate: The following presents the School District's proportionate share of the net pension liability, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
School District's proportionate share of net pension liability	$ 115,013,000	$ 87,309,001	$ 63,916,000

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

NOTE 8 – LONG-TERM DEBT

Long-term liability for the year ended June 30, 2025 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds/Notes Payable:					
General obligation bonds/notes	$ 93,775,000	$ 0	$ (7,035,000)	$ 86,740,000	$ 5,195,000
Deferred amounts for issuance premium/(discount)	3,792,792	0	(328,931)	3,463,861	0
Total bonds/notes payable, net	$ 97,567,792	$ 0	$ (7,363,931)	$ 90,203,861	$ 5,195,000
Net Pension Liability	$ 93,188,340	$ 0	$ (7,948,702)	$ 85,239,638	$ 11,632,931
Lease obligations	410,258	0	(129,721)	280,537	136,766
Other post- Emp. benefit obligation/ comp abs payable	6,683,231	7,377,667	(213,668)	13,847,230	223,174
Total governmental activity long-term liabilities	$ 197,849,621	$ 7,377,667	$ (15,656,022)	$ 189,571,266	$ 17,187,871
Business-type Activities:					
Net Pension Liability	$ 1,878,660	$ 190,703	$ 0	$ 2,069,363	$ 282,413
Other post- Emp. benefit obligation/ comp abs payable	182,906	113,404	0	296,310	(5,418)
Total business-type activity long-term liabilities	$ 2,061,566	$ 304,107	$ 0	$ 2,365,673	$ 276,995

**The change in other post-employment obligations and compensated absences payable from prior year to current year includes the prior-period adjustment discussed in Note 15.*

Payments on long-term debt, including post-retirement liabilities and compensated absences are made by the General Fund or the Food Service Fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2025, including interest payments are as follows:

	Bonds and Notes Payable		
June 30	Principal	Interest	Total
2026	5,195,000	2,807,865	8,002,865
2027	5,370,000	2,631,040	8,001,040
2028	5,535,000	2,451,890	7,986,890
2029	5,730,000	2,266,415	7,996,415
2030-2034	30,615,000	8,327,325	38,942,325
2035-2039	26,360,000	3,647,932	30,007,932
2040-2041	7,935,000	329,665	8,264,665
Total	$ 86,740,000	$ 22,462,132	$ 109,202,132

General obligation bonds and notes payable at June 30, 2025 with their outstanding balance are as follows:

$8,800,000 2018 general obligations note series, due in annual installments of $5,000 to $1,820,000, beginning November 15, 2018, through November 15, 2029, interest from 2.50% to 3.00%	$ 8,580,000
$9,805,000 2019 general obligation note series, due in annual installments of $5,000 to $2,035,000, beginning November 15, 2019, through November 15, 2029, interest from 2.00% to 3.00%	9,585,000
$9,685,000 2020 general obligation note series, due in annual installments of $5,000 to $1,170,000, beginning November 15, 2021, through November 15, 2036, interest of 2.00%	9,665,000
$9,005,000 2021 general obligation note series, due in annual installments of $5,000 to $1,185,000, beginning November 15, 2022, through November 15, 2036, interest from 3.00% to 5.00%	8,990,000
$30,315,000 2022 general obligation note series, due in annual installments of $5,000 to $3,995,000, beginning November 15, 2023, through November 15, 2036, interest from 3.00% to 5.00%	30,305,000
$9,995,000 2023 general obligation note series A, due in annual installments of $5,000 to $2,050,000, beginning November 15, 2024, through November 15, 2041, interest from 4.00% to 5.00%	9,990,000
$9,625,000 2024 general obligation note series, due in annual installments of $5,000 to $1,995,000, beginning November 15, 2025, through November 15, 2041, interest from 4.00% to 5.00%	9,625,000
	$ 86,740,000

For the year ended June 30, 2025, total interest and debt fees incurred of $2,994,911 were charged to expense; no interest costs were capitalized during the period.

Capital Leases

During the year ending June 30, 2022, the District entered into a capital lease agreement for copiers for a total amount of $641,463 with an interest rate of 5.30%. Principal lease payments expensed to the District during the current year totaled $122,183. At the conclusion of the lease, the District will own the copiers.

Below is a summary of the lease expenses recognized by the District during the 2024-2025 year, along with balances of the lease assets and liabilities at June 30, 2025. These assets and liabilities are recognized on the Statement of Net Position as Right to Use Intangible Assets and Lease Payable:

Lease expense	Year Ending 6/30/2025
Amortization expense by class of underlying asset	
Copy Machine	$ 25,815
Total amortization expense	$ 25,815
Interest on lease liabilities	1,368
Variable lease expense	0
Total	$ 27,183

Lease Assets	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
Copy Machine	$ 641,463	$ 0	$ 0	$ 0	$ 641,463	
	$ 641,463	$ 0	$ 0	$ 0	$ 641,463	
Less: Accumulated Amortization						
Copy Machine	$ (390,000)	$ (17,278)	$ 0	$ 0	$ (407,278)	
	$ (390,000)	$ (17,278)	$ 0	$ 0	$ (407,278)	
Total Lease Assets, net	$ (390,000)	$ (17,278)	$ 0	$ 0	$ (407,278)	
Lease Liabilities	$ 251,463	$ 0	$ 0	$ (17,278)	$ 234,185	$ 136,766

Maturity Analysis	Principal	Interest	Total Payments
Year Ending 2025-26	136,766	11,578	148,344
Year Ending 2026-27	97,419	4,151	101,570

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at June 30, 2025 consisted of the following fund receivables and payables:

	Receivables	**Payables**
General Fund	$ 0	$ 761,051
Capital Projects Fund	37,919	0
Enterprise Fund	723,132	0

The interfund balance of $723,132 from the General Fund to the Enterprise Fund resulted from subsidies collected by the General Fund that are due to the Enterprise Fund. The interfund balance between the General Fund and Enterprise Fund is expected to be collected in the subsequent year.

The interfund balance of $37,919 from the General Fund to the Capital Projects Fund resulted from disbursements made from the Capital Projects Fund that were General Fund expenditures

NOTE 10 – CONTINGENCIES

A. Litigation

The School District is potentially liable for any expenditure that may be disallowed pursuant to the terms of grant programs. Management is not aware of any material items of noncompliance, which would result in the disallowance of program expenditures.

B. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2025.

NOTE 11 – SCHOOL DISTRICT OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

The School District provides post-retirement benefits for certain employees for current and future health, pharmacy, dental, and vision insurance benefit expenses through a single-employer defined benefit plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2024. The post-retirement plan does not issue stand-alone financial reports.

Currently, there are no early retirement incentives in place for any of the employee groups. However, as with any school district, employees can retire and elect to continue in the medical program provided they contribute the full premium rate in accordance with Act 110/43.

Below is a description of the former incentives that had been in place:

B. Classified

2020 Retirement Incentive

Classified employees were required to retire by August 1, 2020. The incentive provided for the option of either: an annual payment of $5,000 into a 401(a), 403(b), or 457(b), Traditional IRA or other qualified plan or the option of continuing with their medical coverage. Either option was for a maximum of five (5) years. The retiree medical benefit pertains to the retiree only and does not include dental, vision, or life insurance benefits. Retirees are permitted to enroll their dependents in coverage, but they must contribute the difference between the Single premium and the premium for the tier selected. For retirees who chose to continue in the medical plan, the benefit ends at the earlier of five (5) years or the first full month of the retiree's attainment of Medicare, whichever occurs first. To be eligible for this incentive, retiring Classified employees must have been a permanent employee, employed a minimum of seven and one-half (7.5) hours per day and ten (10) months per year, and had ten (10) years of service with the District.

2018 Retirement Incentive

Classified employees were required to retire by July 31, 2018. The incentive for the option of either a $10,000 contribution into a 401(a), 403(b), or 457(b) plan or retiree medical benefits for a 5-year period. The retiree medical benefit pertains to the retiree only. Dental, vision, and life insurance benefits were not included. For retirees who chose to continue in the medical plan, the benefit

ends at the earlier of 5 years or attainment of age 65. To be eligible for this incentive, retiring Classified employees must have had 10 years of service with the District and must have been employed a minimum of seven-and one-half hours per day.

In past years, there were various incentives for retiring classified employees. Generally, these incentives provided post-retirement medical benefits up to the age of 65.

C. Professional/Teachers

2020 Retirement Incentive

The 2020 retirement incentive for Professional/Teachers required that the employee retire by July 31, 2020. The incentive provided for the option of either an annual contribution into a 401(a), 403(b), 457(b) Traditional IRA, or other qualified plan or the option of continuing with their medical coverage. The amount of the District contribution is as follows:

Step at Retirement	Yearly Contribution	Monthly Contribution
Step 19	$ 20,000	$ 1,666.67
Step 16-18	$ 10,000	$ 833.33
Step 10-15	$ 5,000	$ 416.67

Either option was for a maximum of five (5) years. The retiree medical benefit does not include dental, vision, or life insurance benefits. For retirees who chose to continue in the medical plan, the benefit ends at the earlier of five (5) years or the first full month of the retiree's attainment of Medicare, whichever occurs first. Any premium amount over the District contribution is the responsibility of the retiree. To be eligible for this incentive, retiring Teachers must have had ten (10) years of service with the District.

2018 Retirement Incentive

The 2018 retirement incentive for Professional/Teachers required that the employee retire by June 30, 2018. The incentive provided for the option of either an annual contribution (described below) into a 401(a), 403(b), or 457(b) plan or the option of continuing with their medical coverage.

If the retiree selected the contribution into their retirement account, then the yearly contribution was based on their Step at retirement:

Step at Retirement	Yearly Contribution
Step 18-19	$ 10,000
Step 16-17	$ 8,000
Step 10-15	$ 5,000

If the retiree selected to continue with medical coverage, then the maximum amount contributed towards their medical insurance premium was based on their Step at retirement:

Step at Retirement	Yearly Contribution	Monthly Contribution
Step 18-19	$ 14,000	$ 1,166.67
Step 16-17	$ 10,000	$ 833.33
Step 10-15	$ 5,000	$ 416.67

The annual contribution into the retiree's retirement account is for five (5) years. The retiree medical benefit does not include dental, vision, or life insurance benefits. For retirees who chose to continue in the medical plan, the benefit ends at the earlier of five (5) years or the first full month of the retiree's attainment of Medicare, whichever occurs first. Any premium amount over the District contribution is the responsibility of the retiree. To be eligible for this incentive, retiring Teachers must have had ten (10) years of service with the District.

In the past, there were various other incentives for retiring Professional employees.

D. Retired Administrators

2020 Retirement Incentive

Administrators were required to retire by December 31, 2020. The incentive provided for the option of either an annual payment into 403(b) plan or the option of continuing with their medical coverage. The amount of the District contribution is as follows:

Service with the District	Yearly Contribution	Monthly Contribution
More than 120 months	$ 20,000.00	$ 1,666.67
85 to 120 months	$ 15,000.00	$ 1,250.00
60 to 84 months	$ 10,000.00	$ 833.33

Either option was for a maximum of five (5) years. The retiree medical benefit does not include dental, vision, or life insurance benefits. For retirees who chose to continue in the medical plan, the benefit ends at the earlier of five (5) years or the first full month of the retiree's attainment of Medicare, whichever occurs first. Any premium amount over the District contribution is the responsibility of the retiree. To be eligible for this incentive, retiring Administrators must have had five (5) of service with the District.

2018 Retirement Incentive

Administrators were required to retire by June 30, 2018. The incentive provided for the continuation of medical coverage for a maximum of five (5) years. Dental, vision, and life insurance benefits were not included. For retirees who chose to continue in the medical plan, the benefit ends at the earlier of five (5) years or the first full month of the retiree's attainment of Medicare, whichever occurs first. The District would contribute up to $14,000 per year towards the medical premium. Any amount over $14,000 is the responsibility of the retiree. To be eligible for this incentive, retiring Administrators must have had ten (10) years of service with the District.

In past years, there were various incentives for retiring Administrators. Generally, these incentives provided post-retirement medical benefits for a 10-year period.

E. Special Contracts

There are no current retirees who retired under a special contract.

F. Medical

Employees who retire and remain in the medical plan are enrolled in either a PPO program or an EPO program. The programs are provided through the Allegheny County Schools Health Insurance Consortium (ACSHIC) and are administered by Highmark.

G. Dental

Retirees are also eligible for dental benefits. Retirees with dental coverage must contribute 100% of the premium rate. Dental benefits are provided up to the age of 65 only.

H. Vision

Retirees are also eligible for vision benefits. Retirees with vision coverage must contribute 100% of the premium rate. Vision benefits are provided up to the age of 65 only.

I. Life Insurance

Post-retirement life insurance is not provided.

Membership in the plan consisted of the following at July 1, 2025, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	19
Active plan members	372
Total	391

The OPEB liability is calculated as follows:

	Liability
Balance at June 30, 2024	$ 1,714,958
Changes for the year:	
Interest	$ 70,828
Service Cost	63,809
Changes of benefit terms	779,777
Differences between expected and actual experience	178,608
Changes of assumptions or other inputs	(7,942)
Benefit payments	(330,510)
Net changes	$ 754,570
Balance at June 30, 2025	$ 2,469,528

J. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (3.29%)	Discount Rate (4.29%)	1% Increase (5.29%)
Total OPEB Liability	$ 2,615,421	$ 2,469,528	$ 2,336,794

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

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	$ 2,361,816	$ 2,469,528	$ 2,585,155

Actuarial assumptions used were as follows:

Cost Method:	Entry age normal as a level percentage of pay
Mortality:	Pri.H-2012 Total Dataset Mortality Table projected using Scale MP-2021
Discount Rate:	4.29%-Based on the Bond Buyers 20-Bond Index
Inflation Rate:	3.00%
Investment Return:	Investment return was not utilized in this valuation since there are no assets.
Salary Increases:	2.50%

Health Care Trend:

Time Period	Trend
7/1/25-6/30/26*	7.50%
7/1/26-6/30/27	7.00%
7/1/27-6/30/28	6.50%
7/1/28-6/30/29	6.00%
7/1/29-6/30/30	5.75%
7/1/30-6/30/31	5.50%
7/1/31-6/30/32	5.25%
7/1/32-6/30/33	5.00%
7/1/33-6/30/34	4.75%
7/1/34-6/30/35 & later	4.50%

**Costs for the fiscal years 7/1/2024-6/30/2025, are shown in Section 4 of this report. The average medical costs for the 7/1/2025-6/30/2026 fiscal year are estimated to be 7.50% higher than the average medical costs for the 7/1/2024-6/30/2025 fiscal year.*

Percent Married: Actual spousal information was utilized for current retirees. For the active population, it was assumed that 30% of employees will have a covered spouse at retirement. Females are assumed to be three years younger than males.

Participation: It is assumed that 10% of all eligible employees will participate in the retiree medical program. It is assumed that 75% of retirees will elect the medical continuation when an incentive is offered

Retirement Incentive: It is assumed that a retirement incentive will be offered every 5 years with the offer being the same as the most recent incentive.

Disability: None assumed.

Aging Factors:

Age	Rate	Age	Rate
55	3.61%	60	4.46%
56	4.07%	61	4.74%
57	3.91%	62	4.52%
58	4.30%	63	4.76%
59	4.12%	64	4.00%

The pre-65 participant costs were spread over the various ages using the pre-65 morbidity rates that were developed from the unisex factors found in Chart 5 of "Health Care Costs-From Birth to Death" sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (June 2013). Currently, the best estimate of Morbidity scale is based on this published table, written by Dale Yamamoto, a leading Health Care specialist, by the Society of Actuaries

Withdrawal Rates: Rates vary by attained age. Rates for sample ages are shown below:

Age	Rate
25	20.00%
30	15.00%
35	10.00%
40	7.50%
45	5.00%
50	2.50%
55	0.00%

Retirement Rates: Rates of retirement are shown below:

Age	Rate
55-59	5%
60-64	10%
65	100%

The changes of assumptions and other inputs includes:

1. Changed the discount rate from 4.13% to 4.29%

The OPEB expense for the fiscal year ended June 30, 2025 was:

	Amount
Service Cost	$ 63,808
Interest	70,828
Changes in benefit terms	779,777
Differences between expected and actual experience	181,671
Changes of assumptions or other inputs	56,749
Balance at June 30, 2025	$ 1,152,833

At June 30, 2025, the District reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,798,525	$ (122,459)
Changes of assumptions	525,124	(203,309)
Benefit payments	461,333	0
Total	$ 2,784,982	$ (325,768)

The 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	
2026	$ 238,420
2027	238,420
2028	238,420
2029	238,420
2030	238,420
2031 and beyond	805,781

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's 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

Health Insurance Premium Assistance Program

The System provides Premium Assistance, which is a governmental cost sharing, multiple-employer other post-employment 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, 2024, there were no assumed future benefit increases to participating eligible retirees.

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, and

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.

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.

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 districts' contractually required contribution rate for the fiscal year ended June 30, 2025 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 District were $228,592 for the year ended June 30, 2025.

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

At June 30, 2024, the District reported a liability of $3,700,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, 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, 2023 to June 30, 2024. The 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, 2025, the District's proportion was 0.2083%, which was a decrease of 0.005% from its proportion measured as of June 30, 2024.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 14,000	$ 56,000
Changes in assumptions	226,000	565,000
Net difference between projected and actual investment earnings	4,000	-
Changes in proportion	70,000	156,000
District contributions subsequent to the measurement date	228,592	-
	$ 542,592	$ 777,000

The District made contributions of $228,592 subsequent to the measurement date. 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	$	(119,000)
2026	$	(133,000)
2027	$	(151,000)
2028	$	(33,000)
2029	$	(28,000)
Thereafter	$	0

D. Actuarial Assumptions

The Total OPEB Liability as of June 30, 2024 was determined by rolling forward the System's Total OPEB Liability as of June 30, 2023 to June 30, 2024 using the following actuarial assumptions applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return – 4.21% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at $1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than $1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
    - Eligible retirees will elect to participate Pre age 65 at 50%
    - Eligible retirees will elect to participate Post age 65 at 70%

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2022.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2025.
- 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 under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.

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 and as defined in the retirement code, employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

OPEB-Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.00%	1.70%

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, 2025.

E. Discount rate

The discount rate used to measure the Total OPEB Liability was 4.21%. 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.

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

Healthcare cost trends were applied to retirees receiving less than $1,200 in annual Premium Assistance. As of June 30, 2024, 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, 2024, 92,149 retirees were receiving the maximum amount allowed of $1,200 per year, and 489 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, 2024 calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if it health cost trends were 1-percentage point lower or 1- percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
System net OPEB liability	$ 3,700,000	$ 3,700,000	$ 3,701,000

G. Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability for June 30, 2024 calculated using the discount rate of 4.21%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.21%) or 1-percentage-point higher (5.21%) than the current rate:

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
System net OPEB liability	$ 4,180,000	$ 3,700,000	$ 3,298,000

H. OPEB plan fiduciary net position

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

NOTE 13 – RECENT/FUTURE GASB PRONOUNCEMENTS

GASB Statement No. 101, *Compensated Absences*, is effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

GASB Statement No. 102, *Certain Risk Disclosures*, is effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103, *Financial Reporting Model Improvements*, is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The primary objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

The effects of implementing GASB Statements No. 101-104 on the District's financial statements have not yet been determined.

NOTE 14 – SUBSEQUENT EVENTS

In August 2025, the Baldwin-Whitehall School District was made aware of an Equal Pay Act claim asserted by twelve employees. The claim relates to a step-placement policy adopted during the 2024–2025 school year. The total amount sought in back pay by the complainants is $181,268. The District is currently assessing the claim, and the outcome cannot be determined at this time.

The School District evaluated its June 30, 2025 financial statements for subsequent events through the date of the Independent Auditor's Report, the date the statements were available to be issued. The School District is not aware of additional subsequent events that would require recognition or disclosure in the financial statements.

NOTE 15 – PRIOR PERIOD ADJUSTMENT

The School District changed how it recognized the compensated absences liability for the year ended June 30, 2024, due to the issuance of a new accounting standard, GASB No. 101, Compensated Absences. The effects of the prior period adjustments are as follows:

	Governmental Activities
Ending Net Position at June 30, 2024	$ (14,859,572)
Prior Period Adjustment	(6,352,038)
Re-Stated Ending Net Position at June 30, 2024	$ (21,211,610)

	Food Service Fund
Ending Net Position at June 30, 2024	$ 2,618,335
Prior Period Adjustment	(109,991)
Re-Stated Ending Net Position at June 30, 2024	$ 2,508,344

REQUIRED SUPPLEMENTARY INFORMATION

BALDWIN-WHITEHALL SCHOOL DISTRICT

SCHEDULE OF CHANGE IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS

YEAR ENDING JUNE 30, 2025

The schedule below reports the funding progress made by the School District.

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB liability-beginning	$ 326,122	$ 1,848,569	$ 1,550,400	$ 2,218,604	$ 1,967,574	$ 3,120,874	$ 2,718,593	$ 1,998,365	$ 1,714,958
Interest	$ 14,675	$ 52,684	$ 55,504	$ 85,860	$ 44,859	$ 68,971	$ 58,722	$ 70,742	$ 70,828
Service cost	0	59,926	59,451	42,416	68,865	73,551	77,737	68,154	63,809
Changes in benefit terms	853,559	0	0	0	25,106	0	0	0	779,777
Differences between expected and actual experience	714,446	0	883,701	0	1,232,818	0	(148,700)	0	178,608
Changes in assumptions or other inputs	0	(47,857)	(46,698)	26,940	198,498	40,529	(98,792)	(74,655)	(7,942)
Benefit payments	(60,233)	(362,922)	(283,754)	(406,246)	(416,846)	(585,332)	(609,195)	(347,648)	(330,510)
Net change in total OPEB liability	$ 1,522,447	$ (298,169)	$ 668,204	$ (251,030)	$ 1,153,300	$ (402,281)	$ (720,228)	$ (283,407)	$ 754,570
Total OPEB liability-end of year	$ 1,848,569	$ 1,550,400	$ 2,218,604	$ 1,967,574	$ 3,120,874	$ 2,718,593	$ 1,998,365	$ 1,714,958	$ 2,469,528
Covered payroll	$ 20,913,437	$ 21,436,273	$ 21,584,155	$ 22,123,759	$ 22,434,225	$ 22,995,081	$ 24,955,505	$ 25,579,393	$ 25,902,367
Net OPEB liability as a percentage of covered payroll	8.84%	7.23%	10.28%	8.89%	13.91%	11.82%	8.01%	6.70%	9.53%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

BALDWIN-WHITEHALL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE PUBLIC-SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS) NET OPEB LIABILITY

YEAR ENDING JUNE 30, 2025

	2018	2019	2020	2021	2022	2023	2024	2025
District's Proportion of the PSERS' Net OPEB Liability (Asset)	0.2142%	0.2153%	0.2194%	0.2152%	0.2075%	0.2126%	0.2133%	0.2083%
District's Proportionate Share of the PSERS' Net OPEB Liability (Asset)	$ 4,556,000	$ 4,489,000	$ 4,378,000	$ 4,650,000	$ 4,918,000	$ 3,913,000	$ 3,859,001	$ 3,700,000
District's Covered Employee Payroll	$ 29,547,481	$ 28,990,883	$ 28,417,493	$ 30,201,618	$ 29,413,273	$31,256,389	$32,680,557	$33,066,434
District's Proportionate Share of the PSERS' Net OPEB Liability (Asset) as a Percentage of its Covered Employee Payroll	15.42%	15.48%	15.41%	15.40%	16.72%	12.52%	11.81%	11.19%
PSERS' Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.56%	5.56%	5.73%	5.69%	5.30%	6.86%	7.22%	7.13%

The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the immediately preceding fiscal year. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the School District is presenting information for those years only for which information is available.

BALDWIN-WHITEHALL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO THE PUBLIC-SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS) PREMIUM ASSISTANCE

YEAR ENDING JUNE 30, 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	$ 242,699	$ 245,764	$ 252,216	$ 246,730	$ 253,216	$ 245,611	$ 253,024	228,592
Contributions in Relation to Contractually Required Contribution	(242,699)	(245,764)	(252,216)	(246,730)	(253,216)	(245,611)	(253,024)	(228,592)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's Covered Employee Payroll	$ 28,417,493	$ 28,990,883	$ 29,547,481	$ 30,201,618	$ 29,413,273	$ 31,256,389	$ 32,680,557	$ 33,066,434
Contribution as a Percentage of Covered Employee Payroll	0.85%	0.85%	0.85%	0.82%	0.86%	0.79%	0.77%	0.69%

The amounts presented for each fiscal year were determined as of the fiscal year-end date. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the School District is presenting information for those years only for which information is available.

BALDWIN-WHITEHALL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY OF THE PUBLIC-SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)

YEAR ENDING JUNE 30, 2025

The schedule below reports the School District's proportionate share of the net pension liability.

The Public-school Employees' Retirement System
Last 10 Fiscal Years (As of years ended 6/30)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Pension Liability (Asset)	0.2086%	0.2137%	0.2128%	0.2730%	0.2149%	0.2142%	0.2153%	0.2149%	0.2194%	0.2351%
District's Proportionate Share of the Net Pension Liability (Asset)	$87,309,001	$95,067,000	$ 94,608,000	$ 85,111,000	$ 105,815,000	$ 100,208,000	$ 103,355,000	$ 106,136,000	$ 108,728,000	$ 101,834,000
District's Covered-Employee Payroll	$33,066,434	$32,680,557	$ 31,256,389	$ 29,413,273	$ 30,201,618	$ 29,547,481	$ 28,990,883	$ 28,606,467	$ 28,417,493	$ 30,246,071
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	264.04%	290.90%	302.68%	289.36%	350.36%	339.14%	356.51%	371.02%	382.61%	336.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.63%	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%

The amounts presented for each fiscal year are determined as of the calendar year-end that occurred within the fiscal year. This schedule is presented to illustrate the requirement to disclose information for 10 years; however, until a full 10-year trend is compiled, governments are required to present information for those years for which information is available.

BALDWIN-WHITEHALL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT CONTRIBUTIONS
TO THE PUBLIC-SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)

YEAR ENDING JUNE 30, 2025

The schedule below reports the School District's annual contributions to the Public-school Employees' Retirement System as of the June 30 year end.

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	11,915,344	$ 11,470,409	$ 11,547,014	$ 11,059,230	$ 10,136,507	$ 10,419,880	$ 9,898,676	$ 9,523,760	$ 8,414,393	$ 8,680,528
Contributions in Relation to Contractually Required Contribution	(11,915,344)	(11,470,409)	(11,547,014)	(11,059,230)	(10,136,507)	(10,419,880)	(9,898,676)	(9,523,760)	(8,414,393)	(8,680,528)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's Covered Employee Payroll	$ 33,066,434	$ 32,680,557	$ 31,256,389	$ 29,413,273	$ 30,201,618	$ 29,547,481	$ 28,990,883	$ 28,606,467	$ 28,417,493	$ 30,246,071
Contribution as a Percentage of Covered Employee Payroll	36.03%	35.10%	36.94%	37.60%	33.56%	35.26%	34.14%	33.29%	29.61%	28.70%

This schedule is presented to illustrate the requirement to disclose information for 10 years; however, until a full 10-year trend is compiled, governments are required to present information for those years for which information is available.

BALDWIN-WHITEHALL SCHOOL DISTRICT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDING JUNE 30, 2025

NOTE 1 – FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATIONS

A. District's Other Postemployment Benefits Other Than Pension Benefits (OPEBs)

Changes of benefit terms

- There were no changes of benefit terms for the year ended June 30, 2025.

Changes of assumptions

- Discount rate used for fiscal year ending June 30, 2024 was changed from 4.13% to 4.29%.

B. PSERS Pension Benefits

Changes of benefit terms

- There were no changes of benefit terms for the year ended June 30, 2025.

Changes of assumptions

- The valuation date was changed to June 30, 2024.

C. PSERS Postemployment Benefits Other Than Pension Benefits (OPEBs)

Changes of benefit terms

- There were no changes of benefit terms for the year ended June 30, 2025.

Changes of assumptions

- The discount rate used to measure the Total OPEB liability increased from 4.13% as of June 30, 2023 to 4.21% as of June 30, 2024.

SINGLE AUDIT SUPPLEMENTARY REPORTS

BALDWIN-WHITEHALL SCHOOL DISTRICT

LIST OF REPORT DISTRIBUTION

1 copy	Bureau of Audits Special Audit Services Division 555 Walnut Street Forum Place – Eighth Floor Harrisburg, PA 17101 Online Submission
1 copy	Federal Audit Clearinghouse Bureau of Census Online Submission Included Data Collection Form
1 copy	Allegheny County Prothonotary City County Building 414 Grant Street, First Floor Pittsburgh, PA 15219
15 copies	Baldwin-Whitehall School District 4900 Curry Road Pittsburgh, PA 15236
1 copy	Butler, Agnew & Associates PO Box 498 Beaver, PA 15009

BALDWIN-WHITEHALL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal CFDA Number	Pass Through Grantor's Number	Grant Period From - To	Program or Award Amount		Total Received For Year	Accrued (Deferred) Revenue @ 7/1/23	Revenue Recognized	Expenditures		Accrued (Deferred) Revenue @ 6/30/24	Passed Through to Subrecipients
U.S. Department of Education:													
Passed through the PA Dept. of Education:													
Title I Grants to Local Education Agencies	I	84.010	013-240020	07/01/23-09/30/24	$ 964,293		$ (12,981)	$ (12,981)	$ 0	$ 0		$ 0	$ 0
Title I Grants to Local Education Agencies	I	84.010	013-250020	07/01/24-09/30/25	951,885		941,026	0	951,885	951,885		10,859	0
Total CFDA 84.010					$ 1,916,178		$ 928,045	$ (12,981)	$ 951,885	$ 951,885		$ 10,859	$ 0
Improving Teacher Quality State Grants	I	84.367	020-240020	07/01/23-09/30/24	$ 144,189		$ (580)	$ (580)	$ 0	$ 0		$ 0	$ 0
Supporting Effective Instruction State Grants	I	84.367	020-250020	07/01/24-09/30/25	135,079		133,439	0	135,079	135,079		1,640	0
Total CFDA 84.367					$ 279,268		$ 132,859	$ (580)	$ 135,079	$ 135,079		$ 1,640	$ 0
English Language Acquisition Grants	I	84.365	010-240020	07/01/23-09/30/24	$ 81,238		$ 646	$ 646	$ 0	$ 0		$ 0	$ 0
English Language Acquisition Grants	I	84.365	010-250020	07/01/24-09/30/25	79,247		52,831	0	41,176	41,176		(11,655)	0
Total CFDA 84.365					$ 160,485		$ 53,477	$ 646	$ 41,176	$ 41,176		$ (11,655)	$ 0
Student Support and Academic Enrichment	I	84.424	144-240020	07/01/23-09/30/24	$ 55,938		$ 3,729	$ 3,729	$ 0	$ 0		$ 0	$ 0
	I	84.424	144-250020	07/01/24-09/30/25	72,619		72,619	0	72,619	72,619		0	0
Total CFDA 84.424					$ 128,557		$ 76,348	$ 3,729	$ 72,619	$ 72,619		$ 0	$ 0
ARP - ESSER III	I	84.425U	223-210020	03/13/20-09/30/24	$ 5,151,976		$ 562,034	$ 562,034	$ 0	$ 0		$ 0	$ 0
ARP - ESSER Homeless Children and Youth	I	84.425W	181-212022	07/01/21-09/30/24	23,025		5,314	962	4,352	4,352		0	0
Total CFDA 84.425					$ 5,175,001		$ 567,348	$ 562,996	$ 4,352	$ 4,352		$ 0	$ 0
Total PA Department of Education:					$ 7,659,489		$ 1,758,077	$ 553,810	$ 1,205,111	$ 1,205,111		$ 844	$ 0
Passed through the Allegheny Intermediate Unit:													
IDEA - Special Education - Grants to States	I	84.027	N/A	07/01/23-06/30/24	$ 718,535		$ 394,367	$ 394,367	$ 0	$ 0	*	$ 0	$ 0
IDEA - Special Education - Grants to States	I	84.027	N/A	07/01/24-06/30/25	748,310		748,310	0	748,310	748,310	*	0	0
Total CFDA 84.027					$ 1,466,845		$ 1,142,677	$ 394,367	$ 748,310	$ 748,310		$ 0	$ 0
IDEA 619B - Special Education - Grants to States	I	84.173	N/A	07/01/24-06/30/25	$ 3,630		$ 3,630	$ 0	$ 3,630	$ 3,630	*	$ 0	$ 0
Total Special Education Cluster (IDEA)					$ 1,470,475		$ 1,146,307	$ 394,367	$ 751,940	$ 751,940		$ 0	$ 0
Passed through the Pennsylvania Commission on Crime and Delinquency (PCCD):													
Coronavirus State and Local Fiscal Recovery Funds	I	21.027	2023-CM-01-42033	07/01/24-06/30/26	$ 156,240		$ 0	$ 0	$ 56,071	$ 56,071		$ 56,071	$ 0
Total CFDA 21.027					$ 156,240		$ 0	$ 0	$ 56,071	$ 56,071		$ 56,071	$ 0
Total Pennsylvania Commission on Crime and Delinquency:					$ 156,240		$ 0	$ 0	$ 56,071	$ 56,071		$ 56,071	$ 0
Total Department of Education:					$ 9,129,964		$ 2,904,384	$ 948,177	$ 1,957,051	$ 1,957,051		$ 844	$ 0
U.S. Department of Health and Human Services													
Passed through the PA Dept. of Public Welfare													
Medical Assistance Program	I	93.778	N/A	07/01/24-06/30/25	N/A		$ 40,940	$ 0	$ 40,940	$ 40,940		$ 0	$ 0
Total U.S. Department of Health and Human Services							$ 40,940	$ 0	$ 40,940	$ 40,940		$ 0	$ 0
U.S. Department of Agriculture:													
Passed through the PA Dept. of Education:													
National School Lunch Program	I	10.555	N/A	07/01/23-06/30/24	N/A	F	$ 308,537	$ 308,537	$ 0	$ 0	*	$ 0	$ 0
National School Lunch Program	I	10.555	N/A	07/01/24-06/30/25	N/A	F	998,403	0	1,195,106	1,195,106	*	196,703	0
Passed through the PA Dept. of Agriculture:													
National School Lunch Program: Value of Donated Commodities	I	10.555	N/A	07/01/24-06/30/25	N/A	F	91,467	a 0	b 85,060	85,060	*c	(6,407)	d 0
Total CFDA 10.555							$ 1,398,407	$ 308,537	$ 1,280,166	$ 1,280,166		$ 190,296	$ 0
Passed through the PA Dept. of Education:													
National School Breakfast Program	I	10.553	N/A	07/01/23-06/30/24	N/A	F	$ 123,273	$ 123,273	$ 0	$ 0	*	$ 0	$ 0
National School Breakfast Program	I	10.553	N/A	07/01/24-06/30/25	N/A		409,863	0	490,970	490,970	*	81,107	0
Total Child Nutrition Cluster							$ 1,931,543	$ 431,810	$ 1,771,136	$ 1,771,136		$ 271,403	$ 0
Total Department of Agriculture							$ 1,931,543	$ 431,810	$ 1,771,136	$ 1,771,136		$ 271,403	$ 0
Total Federal Assistance					$ 9,129,964		$ 4,876,867	$ 1,379,987	$ 3,825,198	$ 3,825,198		$ 328,318	$ 0

BALDWIN-WHITEHALL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Source Codes:
I=Indirect Funding
F=Federal Share

Footnotes:
a) Total amount of commodities received from Department of Agriculture
b) Beginning inventory at July 1
c) Total amount of commodities used
d) Ending inventory at June 30
* Selected for testing

Test of 40% rule:

Total Federal Expenditures	$ 3,825,198			
Child Nutrition Cluster	$ 1,771,136			
Special Education (IDEA) Cluster	751,940	=	65.96%	(High risk auditee 40% required)
Total Federal Expenditures Tested	$ 2,523,076			

BALDWIN-WHITEHALL SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF

EXPENDITURES OF FEDERAL AWARDS

YEAR ENDING JUNE 30, 2025

NOTE 1 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Baldwin-Whitehall School District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – BUDGETARY DATA

The School District passed and had approved by the appropriate agency budgets for the fiscal year ending June 30, 2025 for all federal programs.

NOTE 3 – DE MINIMUS RATE FOR INDIRECT COSTS

Baldwin-Whitehall School District has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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*

To the Board of Directors
Baldwin-Whitehall School District

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 Baldwin-Whitehall School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Baldwin-Whitehall School District's basic financial statements and have issued our report thereon dated December 18, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Baldwin-Whitehall 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 Baldwin-Whitehall School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Baldwin-Whitehall 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2025-1 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Baldwin-Whitehall 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 did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Baldwin-Whitehall School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Baldwin-Whitehall School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Baldwin-Whitehall School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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, 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.



Butler, Agnew & Associates
Beaver, PA
December 18, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Baldwin-Whitehall School District
4900 Curry Road
Pittsburgh, Pennsylvania 15236

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Baldwin-Whitehall School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Baldwin-Whitehall School District's major federal programs for the year ended June 30, 2025. Baldwin-Whitehall 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, the Baldwin-Whitehall 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, 2025.

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 the Baldwin-Whitehall 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 the Baldwin-Whitehall 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 the Baldwin-Whitehall 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 the Baldwin-Whitehall 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 the Baldwin-Whitehall 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 the Baldwin-Whitehall 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 the Baldwin-Whitehall 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 the Baldwin-Whitehall 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.

Butler, Agnew & Associates

Butler, Agnew & Associates
Beaver, PA
December 18, 2025

BALDWIN-WHITEHALL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness identified:	☐ Yes	☒ No
Significant deficieny(ies) identified that are not considered to be a material weakness(es):	☒ Yes	☐ No
Noncompliance material to financial statement noted?	☐ Yes	☒ No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified	☐ Yes	☒ No
Significant deficieny(ies) identified that are not considered to be a material weakness(es):	☐ Yes	☒ No
Type of auditor's report issued on compliance for the major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	☐ Yes	☒ No

Identification of the major programs

Assistance Listing Number(s)	Name of Federal Program
	Child Nutrition Cluster
10.553	School Breakfast Program
10.555	National School Lunch Program
	Special Education Cluster (IDEA)
84.027	IDEA 611
84.173	IDEA 619B

Dollar threshold used to distinguish between Type A and Type B Programs:	$ 750,000	
Auditee qualified as a low-risk auditee?	☐ Yes	☒ No

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCIES

2025-1 Best Practices

Service Organization Report

Criteria: The American Institute of CPAs recently released a new series of reporting options, called SERVICE ORGANIZATION CONTROL REPORTS℠ (SOC), that enables CPAs to provide assurance on internal controls over subject matter other than financial reporting while filling the marketplace's need to demonstrate reliability and mitigation of risk. The earned income tax collector

and delinquent real estate tax collector should have the necessary procedures performed over their internal controls in order to obtain a SOC report.

Condition: The School District was not able to obtain a Service Organization Report from the earned income tax collector.

Cause: The tax collectors referenced above do not have the necessary procedures performed to produce a SOC report.

Recommendation: We recommend that the District strongly encourage the tax collectors to obtain a SOC report in order to ensure proper controls are in place.

Effect: Poor internal controls could result in an increased risk of material misstatements and/or a misappropriation of District assets.

Views of Responsible Official and Planned Corrective Action: See corrective action plan included in this report package.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD AUDIT

None noted

BALDWIN-WHITEHALL SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2025

A. PRIOR YEAR FINDINGS – FINANCIAL STATEMENTS AUDIT

MATERIAL WEAKNESSES

2024-1 Best Practices

Segregation of Duties

Criteria: The small size of the School District's office staff limits the extent of separation of duties. The basic premise in an ideal accounting office is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. Some examples of lack of segregation of duties at the School District are as follows:

An individual can process payroll, generate payroll liabilities, generate signed payroll checks, initiate ACH payments, and edit the master payroll file.

An individual can accept cash receipts, enter transactions in the accounting system, initiate deposits, make deposits at the bank, and reconcile bank statements.

Condition: The School District has a limited number of staff responsible for or access to various stages of the accounting processes.

Cause: The District does not have the number of employees necessary in the business office to properly segregate all duties.

Recommendation: Ideally, the District would hire the number of staff necessary to segregate all duties. However, we realize segregation of duties is not practical, if not impossible. Because of this internal control situation, the responsibility of the Business Manager is greatly increased because the Board must rely on his knowledge of the everyday operations to discover any material changes in the School District's financial position.

Effect: A lack in separation of duties makes the School District more susceptible to misappropriation of District Assets.

Views of Responsible Official and Planned Corrective Action: See corrective action plan included in this report package.

Service Organization Report

Criteria: The American Institute of CPAs recently released a new series of reporting options, called SERVICE ORGANIZATION CONTROL REPORTS℠ (SOC), that enables CPAs to provide assurance on internal controls over subject matter other than financial reporting while filling the marketplace's need to demonstrate reliability and mitigation of risk. The earned income tax collector and delinquent real estate tax collector should have the necessary procedures performed over their internal controls in order to obtain a SOC report.

Condition: The School District was not able to obtain a Service Organization Report from the earned income tax collector.

Cause: The tax collectors referenced above do not have the necessary procedures performed to produce a SOC report.

Recommendation: We recommend that the District strongly encourage the tax collectors to obtain a SOC report in order to ensure proper controls are in place.

Effect: Poor internal controls could result in an increased risk of material misstatements and/or a misappropriation of District assets.

Views of Responsible Official and Planned Corrective Action: See corrective action plan included in this report package.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD AUDIT

SIGNIFICANT DEFICIENCIES

2024-2 Segregation of Duties – Child Nutrition, Title I, ESSER

Segregation of Duties

Criteria: The small size of the School District's office staff limits the extent of separation of duties. The basic premise in an ideal accounting office is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. Some examples of lack of segregation of duties at the School District are as follows:

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Condition: The School District has a limited number of staff responsible for or access to various stages of the accounting processes.

Cause: The District does not have the number of employees necessary in the business office to properly segregate all duties.

Recommendation: Ideally, the District would hire the number of staff necessary to segregate all duties. However, we realize segregation of duties is not practical, if not impossible. Because of this internal control situation, the responsibility of the Business Manager is greatly increased because the Board must rely on his knowledge of the everyday operations to discover any material changes in the School District's financial position.

Effect: A lack in separation of duties makes the School District more susceptible to misappropriation of District Assets.

BALDWIN-WHITEHALL SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2025

Views of Responsible Official and Planned Corrective Action: See corrective action plan included in this report package.

BALDWIN-WHITEHALL SCHOOL DISTRICT
District Administration
4900 Curry Road • Pittsburgh, Pennsylvania 15236-1817
Telephone: 412-884-6300 • FAX: 412-885-7802 • www.bwschools.net

CORRECTIVE ACTION PLAN

Department of Education:

The Baldwin-Whitehall School District respectfully submits the following corrective action plan for the year ended June 30, 2025.

Name and address of the independent public accounting firm:

Butler, Agnew & Associates
P.O. Box 498
Beaver, PA 15009

Audit period: June 30, 2025

The findings for the year ended June 30, 2025 schedule of findings are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Section B – Financial Statement Findings

2025-1 Best Practices

Recommendation: We recommend that the District strongly encourage the tax collectors to obtain a SOC report in order to ensure proper controls are in place.

Management's Response: The School District understands the importance of obtaining SOC reports from service organizations and will continue to inquire of the appropriate entities to ensure they obtain the proper reports. In discussion with the Delinquent Tax Collector, they notified the District that it is extremely cost prohibitive for them to go through a review that would end with the issuance of a SOC report.

If you have questions about this report or need additional financial information, please contact Mark Cherpak, Business Manager at:

4900 Curry Road
Pittsburgh, PA 15236
412-884-6300