

**Wilkinsburg Borough School District
Financial Statements
June 30, 2024**



Wilkinsburg Borough School District
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Independent Auditor's Report

Members of the Board
Wilkinsburg Borough School District
Wilkinsburg, Pennsylvania

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, post-employment benefit information and pension information, as shown in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of Wilkinsburg Borough School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Wilkinsburg Borough 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 Wilkinsburg Borough School District's internal control over financial reporting and compliance.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
March 28, 2025

Wilkinsburg Borough School District
Management's Discussion and Analysis
June 30, 2024

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

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

Financial Highlights

For the 2023/2024 fiscal year, Wilkinsburg Borough School District had total government wide expenditures of \$35,013,638, an increase of \$2,704,999 from the prior year or 8.43%. This increase was mainly attributed to instruction and supportive services. Revenues increased by \$1,585,119 over the prior year, or 4.1%. The most significant increases in revenues were in operating grants due to the expenditure of federal revenues from ESSERS, ARP ESSERS and ESSERS 7%. The unassigned general fund fund balance increased by \$4,246,788, totaling \$9,028,439 at the end of the 2023/2024 fiscal year.

The School District's food service (proprietary) fund operated at a net profit of \$20,320 for the 2023/2024 school year. Revenues, consisting of lunch /breakfast sales and government subsidies, totaled \$626,209. Operating expenses, consisting of mostly contracted services, food, and other supplies, totaled \$605,889. The June 30, 2024 year ending net position for this fund is \$145,293.

Using the Annual Financial Report

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

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

The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements. The governmental funds statements tell how general School District services were financed in the short term as well as what remains for future spending.

Wilkinsburg Borough School District
Management's Discussion and Analysis
June 30, 2024

Proprietary fund statements offer short and long-term financial information about the activities that the School District operates like a business. For this School District, this is our food service fund. Fiduciary fund statements provide information about financial relationships where the School District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong. The financial statements also include notes to explain some of the information in the financial statements and provide more detailed data.

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

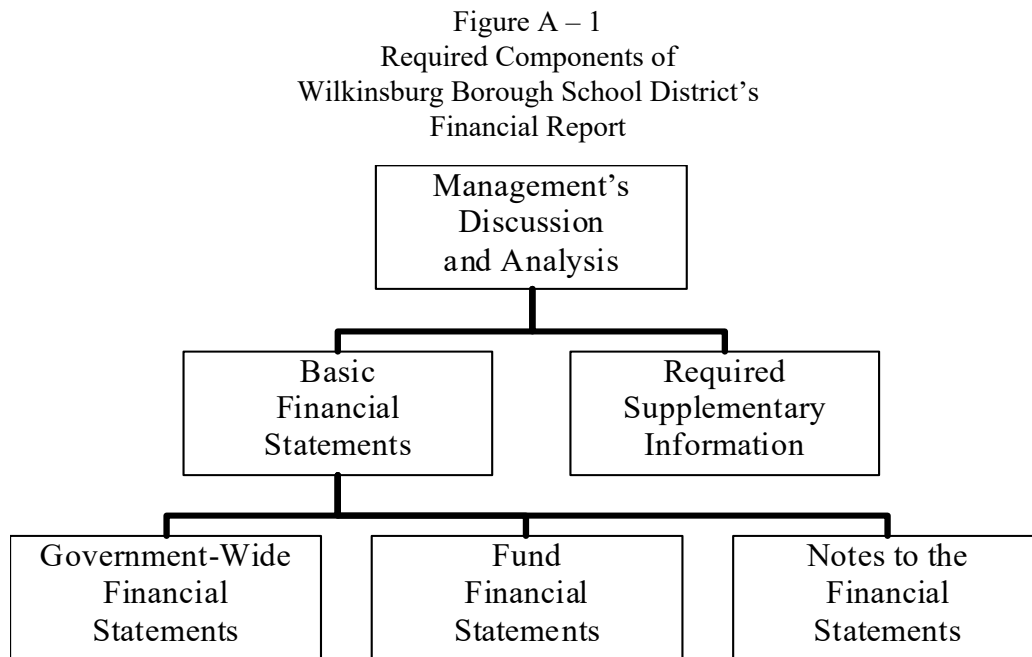


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents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

Wilkinsburg Borough School District
Management's Discussion and Analysis
June 30, 2024

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

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

Wilkinsburg Borough School District
Management's Discussion and Analysis
June 30, 2024

Overview of Financial Statements

Government-Wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

Wilkinsburg Borough School District
Management's Discussion and Analysis
June 30, 2024

Proprietary funds - These funds are used to account for the School District activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding through user charges. When the School District charges customers for services it provides - whether to outside customers or to other units in the School District - these services are generally reported in proprietary funds. The food service fund one of the School District's proprietary funds and is the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows.

Financial Analysis of the School District as a Whole

The School District's total net position was a deficit of \$(5,943,626) at June 30, 2024 and a deficit of \$(8,209,508) at June 30, 2023.

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

	2024			2023- Not Restated		
	Governmental	Business-		Governmental	Business-	
	Activities	Type	Totals	Activities	Type	Totals
		Activities			Activities	
Current and Other Assets	\$ 28,215,540	\$ 145,783	\$ 28,361,323	\$ 24,722,600	\$ 126,959	\$ 24,849,559
Capital Assets	<u>13,020,320</u>	<u>-</u>	<u>13,020,320</u>	<u>13,432,997</u>	<u>-</u>	<u>13,432,997</u>
Total Assets	<u>41,235,860</u>	<u>145,783</u>	<u>41,381,643</u>	<u>38,155,597</u>	<u>126,959</u>	<u>38,282,556</u>
Deferred Outflows of Resources	<u>4,444,185</u>	<u>-</u>	<u>4,444,185</u>	<u>4,323,376</u>	<u>-</u>	<u>4,323,376</u>
Current and Other Liabilities	8,269,754	490	8,270,244	5,745,239	1,986	5,747,225
Noncurrent Liabilities						
Due Within One Year	734,392	-	734,392	705,000	-	705,000
Due in More Than One Year	<u>40,493,957</u>	<u>-</u>	<u>40,493,957</u>	<u>42,588,602</u>	<u>-</u>	<u>42,588,602</u>
Total Liabilities	<u>49,498,103</u>	<u>490</u>	<u>49,498,593</u>	<u>49,038,841</u>	<u>1,986</u>	<u>49,040,827</u>

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

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

	2024			2023- Not Restated		
	Governmental	Business-		Governmental	Business-	
	Activities	Type	Totals	Activities	Type	Totals
		Activities			Activities	
Deferred Inflows of Resources	2,270,861	-	2,270,861	1,774,613	-	1,774,613
Net Position						
Net Investment in Capital Assets	(5,662,218)	-	(5,662,218)	(4,421,256)	-	(4,421,256)
Unrestricted	(426,701)	145,293	(281,408)	(3,913,225)	124,973	(3,788,252)
Total Net Position	<u>\$ (6,088,919)</u>	<u>\$ 145,293</u>	<u>\$ (5,943,626)</u>	<u>\$ (8,334,481)</u>	<u>\$ 124,973</u>	<u>\$ (8,209,508)</u>

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

Table A-2 summarizes the information in the statement of activities and provides a comparison between fiscal year 2024 and 2023.

Total revenues for governmental activities increased \$1,619,085 from the prior year due primarily to increases in grants, subsidies, and investment earnings.

Total expenses for governmental activities increased 8.53%, or \$2,705,154. While a number of expense categories had year over year variances (both increases and decreases) the most significant contributors to these variances were wages due to new hires, contractual requirements, and the increase in operation and maintenance of plant services. Benefits increases (which include the state-mandated increase in the employer retirement rate), and other employee-related costs also contributed to the variances. Transportation costs also increased from the prior year.

Wilkinsburg Borough School District
Management's Discussion and Analysis
June 30, 2024

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

	2024			2023 Not Restated		
	Governmental Activities	Business- Type Activities	Totals	Governmental Activities	Business- Type Activities	Totals
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ 3,887	\$ 3,887	\$ 16,154	\$ 60,716	\$ 76,870
Operating Grants and Contribs.	12,691,635	622,322	13,313,957	11,364,179	599,459	11,963,638
Capital Grants and Contribs.	131,392	-	131,392	24,997	-	24,997
General Revenues						
Property Taxes	9,065,608	-	9,065,608	9,904,595	-	9,904,595
Other Taxes	2,161,272	-	2,161,272	2,113,221	-	2,113,221
Grants, Subsidies and Contribs.						
Unrestricted	14,110,132	-	14,110,132	13,668,771	-	13,668,771
Investment Earnings	1,096,526	-	1,096,526	441,619	-	441,619
Miscellaneous	<u>201,905</u>	<u>-</u>	<u>201,905</u>	<u>305,849</u>	<u>-</u>	<u>305,849</u>
Total Revenues	<u>39,458,470</u>	<u>626,209</u>	<u>40,084,679</u>	<u>37,839,385</u>	<u>660,175</u>	<u>38,499,560</u>
Expenses						
Instruction	23,318,653	-	23,318,653	21,849,293	-	21,849,293
Instructional Student Support	2,541,228	-	2,541,228	2,541,214	-	2,541,214
Admin. and Fin. Support Svcs.	2,296,289	-	2,296,289	2,343,848	-	2,343,848
Operation and Maintenance						
of Plant Services	3,546,486	-	3,546,486	2,362,702	-	2,362,702
Pupil Transportation	2,001,738	-	2,001,738	1,858,919	-	1,858,919
Student Activities	42,777	-	42,777	-	-	-
Community Services	65,985	-	65,985	127,788	-	127,788
Interest on Long-Term Debt	594,593	-	594,593	618,831	-	618,831
Food Service	<u>-</u>	<u>605,889</u>	<u>605,889</u>	<u>-</u>	<u>606,044</u>	<u>606,044</u>
Total Expenses	<u>34,407,749</u>	<u>605,889</u>	<u>35,013,638</u>	<u>31,702,595</u>	<u>606,044</u>	<u>32,308,639</u>
Increase (Decrease) in Net Position	5,050,721	20,320	5,071,041	6,136,790	54,131	6,190,921
Beginning Net Position-Restated	<u>(11,139,640)</u>	<u>124,973</u>	<u>(11,014,667)</u>	<u>(14,471,271)</u>	<u>70,842</u>	<u>(14,400,429)</u>
Ending Net Position	<u>\$ (6,088,919)</u>	<u>\$ 145,293</u>	<u>\$ (5,943,626)</u>	<u>\$ (8,334,481)</u>	<u>\$ 124,973</u>	<u>\$ (8,209,508)</u>

Wilkinsburg Borough School District
Management's Discussion and Analysis
June 30, 2024

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

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

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

	2024		2023	
	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Functions/Programs				
Instruction	\$ 23,318,653	\$ 13,468,830	\$ 21,849,293	\$ 12,166,917
Instructional Student Support	2,541,228	1,569,095	2,541,214	1,834,728
Admin. and Fin. Support Svcs.	2,296,289	2,024,892	2,343,848	2,253,482
Operation and Maintenance of Plant Services	3,546,486	2,642,341	2,362,702	2,227,999
Pupil Transportation	2,001,738	1,321,906	1,858,919	1,246,024
Student Activities	42,777	42,777	-	-
Community Services	65,985	51,680	127,788	125,155
Interest on Long-Term Debt	<u>594,593</u>	<u>463,201</u>	<u>618,831</u>	<u>442,960</u>
Total Governmental Activities	<u>\$ 34,407,749</u>	21,584,722	<u>\$ 31,702,595</u>	20,297,265
Less:				
Unrestricted Grants, Subsidies		<u>(14,110,132)</u>		<u>(11,364,179)</u>
Total Needs from Local Taxes and Other Revenues		<u>\$ 7,474,590</u>		<u>\$ 8,933,086</u>

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

Table A-4 reflects the activities of the food service program, the only business-type activity of the School District. For the 2023/2024 school year, the food service department operated at a net profit of \$20,320.

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

	2024		2023	
	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Functions/Programs				
Food Service	<u>\$ 605,889</u>	\$ (20,320)	<u>\$ 606,044</u>	\$ (54,131)
Add/Less:				
Investment Earnings		<u>-</u>		<u>-</u>
Total Business-Type Activities		<u>\$ (20,320)</u>		<u>\$ (54,131)</u>

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

School District Funds

On June 30, 2024, the School District's general fund had an unreserved fund balance of \$8,631,471, an increase of \$4,246,788 from the June 30, 2023, restated fund balance. Considering that the budget projected a budgetary reserve of \$4,649,938 of which only \$713,545 was needed. The primary reason is that although the district did budget a break-even budget with the budgetary reserve they did not need to use as much of the reserve as originally anticipated.

In addition, the School District also has a capital reserve fund with a fund balance as of June 30, 2024 of \$6,895,104. That balance is committed for future capital projects.

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

General Fund Budget

During the fiscal year, the Board of School Directors (Board) authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the School District. All adjustments are confirmed at the time the annual audit is accepted. This is after the end of the fiscal year and permitted by state law. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplementary section. Transfers between specific categories of expenditures/other financing uses occur during the year.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2024, the School District had \$13,020,320 invested in a broad range of capital assets, including land, buildings, furniture and equipment and construction in progress.

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

	2024	2023
Land	\$ 299,100	\$ 299,100
Buildings and Building Improvements	11,142,422	12,033,083
Furniture and Equipment	1,059,840	1,100,814
Construction in Progress	518,958	-

Debt Administration

As of July 1, 2023, the School District included in its long-term liabilities \$19,630,000 for general obligation bonds. The School District made principal payments of \$705,000. The net result of the above transactions resulted in an ending balance of \$18,925,000 of which \$725,000 is due within one year.

Table A - 6
Outstanding Debt

General Obligation Bonds/Notes	As of 06/30/24	As of 06/30/23
Bonds - Series of 2017	2,435,000	2,665,000
Bonds - Series of 2019A	7,445,000	7,620,000
Bonds - Series of 2019B	4,120,000	4,335,000
Bonds - Series of 2020	4,925,000	5,010,000

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

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

Economic Factors and Next Year's Budget and Rates

Wilkinsburg Borough School District's 2024-25 revenue budget totals \$34,813,829, which is \$4,124,846 lower or 10.6% than the 2023-24 budget. The decrease is mainly due to the ESSER funding ended September 30, 2024.

Total 2024-25 expenditure budget decreased by \$4,037,143 from the 2023-24 budget to match the revenues decrease.

The comparison of revenue and expenditure categories is as follows:

Table A - 7

	Budgeted Revenue 2023/2024	Actual Revenue 2023/2024
Local	31.1%	32.2%
State	50.1%	51.9%
Federal/Other	18.8%	15.9%

	Budgeted Expenditures 2023/2024	Actual Expenditures 2023/2024
Instruction	58.5%	66.5%
Support Services	25.4%	27.5%
Noninstructional Services	0.2%	0.2%
Capital Outlay	0.5%	1.7%
Fund Transfers/Debt/Other	15.4%	4.1%

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

Contacting the School District Financial Management

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the School District's finances and to show the Board's accountability for the money it receives. If you have questions about this report or wish to request additional information, please contact Bethann Eyth, Director of Finance and Operations at Wilkinsburg Borough School District, 718 Wallace Avenue, Wilkinsburg, PA 15221.

Wilkinsburg Borough School District
Statement of Net Position
June 30, 2024

Exhibit 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 20,555,568	\$ 100	\$ 20,555,668
Taxes Receivable, Net	3,891,553	-	3,891,553
Internal Balances	(57,735)	57,735	-
Due From Other Governments	3,084,746	82,169	3,166,915
Other Receivables	328,702	-	328,702
Inventories	396,968	5,779	402,747
Other Current Assets	15,738	-	15,738
Capital Assets not Being Depreciated			
Land	299,100	-	299,100
Construction in Progress	518,958	-	518,958
Capital Assets, Net of Accumulated Depreciation			
Buildings	505,275	-	505,275
Building Improvements	10,637,147	-	10,637,147
Furniture & Equipment	1,059,840	-	1,059,840
TOTAL ASSETS	41,235,860	145,783	41,381,643
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	242,462	-	242,462
Amounts Related to OPEB - District	131,379	-	131,379
Amounts Related to OPEB - PSERS	156,827	-	156,827
Amounts Related to Pension	3,913,517	-	3,913,517
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,444,185	-	4,444,185
LIABILITIES			
Accounts Payable	6,707,680	-	6,707,680
Contracts Payable	209,100	-	209,100
Accrued Salaries and Benefits	1,158,239	-	1,158,239
Unearned Revenues	125,432	490	125,922
Other Current Liabilities	69,303	-	69,303
Noncurrent Liabilities:			
Due Within One Year	734,392	-	734,392
Due in More Than One Year:			
Compensated Absences	178,455	-	178,455
Bonds Payable	18,200,000	-	18,200,000
Other Post-Employment Benefits - District	1,004,502	-	1,004,502
Other Post-Employment Benefits - PSERS	825,000	-	825,000
Net Pension Liability	20,286,000	-	20,286,000
TOTAL LIABILITIES	49,498,103	490	49,498,593
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to OPEB - District	246,861	-	246,861
Amounts Related to OPEB - PSERS	269,000	-	269,000
Amounts Related to Pension	1,755,000	-	1,755,000
TOTAL DEFERRED INFLOWS OF RESOURCES	2,270,861	-	2,270,861
NET POSITION			
Net Investment in Capital Assets	(5,662,218)	-	(5,662,218)
Unrestricted	(426,701)	145,293	(281,408)
TOTAL NET POSITION	\$ (6,088,919)	\$ 145,293	\$ (5,943,626)

See Accompanying Notes

Wilkinsburg Borough School District
Statement of Activities
Year Ended June 30, 2024

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
Instruction	\$ 23,318,653	\$ -	\$ 9,849,823	\$ -	\$ (13,468,830)	\$ -	\$ (13,468,830)
Instructional Student Support	2,541,228	-	972,133	-	(1,569,095)	-	(1,569,095)
Administrative and Financial Support Services	2,296,289	-	271,397	-	(2,024,892)	-	(2,024,892)
Operation and Maintenance of Plant Services	3,546,486	-	904,145	-	(2,642,341)	-	(2,642,341)
Pupil Transportation	2,001,738	-	679,832	-	(1,321,906)	-	(1,321,906)
Student Activities	42,777	-	-	-	(42,777)	-	(42,777)
Community Services	65,985	-	14,305	-	(51,680)	-	(51,680)
Interest on Long-Term Debt	594,593	-	-	131,392	(463,201)	-	(463,201)
Total Governmental Activities	<u>34,407,749</u>	<u>-</u>	<u>12,691,635</u>	<u>131,392</u>	<u>(21,584,722)</u>	<u>-</u>	<u>(21,584,722)</u>
Business-type Activities:							
Food Service	<u>605,889</u>	<u>3,887</u>	<u>622,322</u>	<u>-</u>	<u>-</u>	<u>20,320</u>	<u>20,320</u>
Total Primary Government	<u>\$ 35,013,638</u>	<u>\$ 3,887</u>	<u>\$ 13,313,957</u>	<u>\$ 131,392</u>	<u>(21,584,722)</u>	<u>20,320</u>	<u>(21,564,402)</u>
General Revenues							
Taxes							
Property Taxes Levied for General Purposes, Net					9,065,608	-	9,065,608
Earned Income Taxes					1,931,580	-	1,931,580
Real Estate Transfer Taxes					192,262	-	192,262
Other Taxes Levied for General Purposes, Net					37,430	-	37,430
Grants, Subsidies and Contributions not Restricted					14,110,132	-	14,110,132
Investment Earnings					1,096,526	-	1,096,526
Miscellaneous Income					201,905	-	201,905
Total General Revenues					<u>26,635,443</u>	<u>-</u>	<u>26,635,443</u>
Change in Net Position					5,050,721	20,320	5,071,041
Net Position - July 1, 2023 Restated (See Note 16)					<u>(11,139,640)</u>	<u>124,973</u>	<u>(11,014,667)</u>
Net Position - June 30, 2024					<u>\$ (6,088,919)</u>	<u>\$ 145,293</u>	<u>\$ (5,943,626)</u>

See Accompanying Notes

Wilkinsburg Borough School District
Balance Sheet
Governmental Funds
June 30, 2024

Exhibit 3

	General Fund	Capital Reserve Fund	Nonmajor Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 12,744,670	\$ 6,895,104	\$ 915,794	\$ 20,555,568
Taxes Receivable, Net	3,891,553	-	-	3,891,553
Due from Other Funds	-	-	88,019	88,019
Due from Other Governments	3,084,746	-	-	3,084,746
Other Receivables	328,702	-	-	328,702
Inventories	396,968	-	-	396,968
Other Current Assets	15,738	-	-	15,738
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 20,462,377</u>	<u>\$ 6,895,104</u>	<u>\$ 1,003,813</u>	<u>\$ 28,361,294</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Due to Other Funds	\$ 145,754	\$ -	\$ -	\$ 145,754
Accounts Payable	6,693,397	-	14,283	6,707,680
Contract Payable	-	-	167,400	167,400
Retainage Payable	-	-	41,700	41,700
Accrued Salaries and Benefits	1,158,239	-	-	1,158,239
Unearned Revenues	125,432	-	-	125,432
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>8,122,822</u>	<u>-</u>	<u>223,383</u>	<u>8,346,205</u>
Deferred Inflows of Resources				
Unavailable Revenues - Property Taxes	<u>3,311,116</u>	<u>-</u>	<u>-</u>	<u>3,311,116</u>
Fund Balances				
Nonspendable	396,968	-	-	396,968
Restricted	-	-	780,430	780,430
Committed	-	6,895,104	-	6,895,104
Unassigned	8,631,471	-	-	8,631,471
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>9,028,439</u>	<u>6,895,104</u>	<u>780,430</u>	<u>16,703,973</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	<u>\$ 20,462,377</u>	<u>\$ 6,895,104</u>	<u>\$ 1,003,813</u>	<u>\$ 28,361,294</u>

See Accompanying Notes

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

Exhibit 4

Total Fund Balances - Governmental Funds	\$ 16,703,973
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is \$29,617,477, and the accumulated depreciation is \$16,597,157.	13,020,320
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Property taxes receivable will be collected in the future, but are not available soon enough to pay for the current period's expenditures, and, therefore, are not reported as assets in governmental funds.	3,311,116
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Deferred charges on refunding bonds issued are amortized over the life of the bonds as deferred outflows of resources in the statement of net position.	242,462
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Long-term liabilities, including bonds, notes and capital leases payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds Payable	\$ (18,925,000)	
Accrued Interest on the Bonds	(69,303)	
Compensated Absences	(187,847)	(19,182,150)

Some liabilities including net pension obligations and OPEB liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.

OPEB Liability - District	(1,004,502)	
OPEB Liability - PSERS	(825,000)	
Net Pension Liability	(20,286,000)	(22,115,502)

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

Exhibit 4

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

Deferred Outflows of Resources Related to Pensions	3,913,517	
Deferred Inflows of Resources Related to Pensions	(1,755,000)	
Deferred Outflows of Resources Related to OPEB - District	131,379	
Deferred Inflows of Resources Related to OPEB - District	(246,861)	
Deferred Outflows of Resources Related to OPEB - PSERS	156,827	
Deferred Inflows of Resources Related to OPEB - PSERS	<u>(269,000)</u>	<u>1,930,862</u>
Total Net Position - Governmental Activities		<u>\$ (6,088,919)</u>

See Accompanying Notes

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

Exhibit 5

	General Fund	Capital Reserve Fund	Nonmajor Fund	Total Governmental Funds
Revenues				
Local Sources	\$ 12,625,156	\$ 294,581	\$ 74,653	\$ 12,994,390
State Sources	20,397,067	-	-	20,397,067
Federal Sources	<u>6,248,238</u>	<u>-</u>	<u>-</u>	<u>6,248,238</u>
Total Revenues	<u>39,270,461</u>	<u>294,581</u>	<u>74,653</u>	<u>39,639,695</u>
Expenditures				
Instruction	23,280,027	-	-	23,280,027
Support Services	9,628,292	-	405	9,628,697
Noninstructional Services	71,238	-	-	71,238
Capital Outlay	590,710	-	832,951	1,423,661
Debt Service (Principal & Interest)	1,284,469	-	-	1,284,469
Refunds of Prior Year's Receipts	<u>169,490</u>	<u>-</u>	<u>-</u>	<u>169,490</u>
Total Expenditures	<u>35,024,226</u>	<u>-</u>	<u>833,356</u>	<u>35,857,582</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,246,235</u>	<u>294,581</u>	<u>(758,703)</u>	<u>3,782,113</u>
Other Financing Sources (Uses)				
Sale/Compensation for Fixed Assets	<u>553</u>	<u>-</u>	<u>-</u>	<u>553</u>
Net Change in Fund Balances	4,246,788	294,581	(758,703)	3,782,666
Fund Balances - July 1, 2023 (Restated see Note 16)	<u>4,781,651</u>	<u>6,600,523</u>	<u>1,539,133</u>	<u>12,921,307</u>
Fund Balances - June 30, 2024	<u>\$ 9,028,439</u>	<u>\$ 6,895,104</u>	<u>\$ 780,430</u>	<u>\$ 16,703,973</u>

See Accompanying Notes

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

Exhibit 6

Total Net Change in Fund Balances - Governmental Funds	\$	3,782,666
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Amounts reported for governmental activities in the statement of activities are different because:

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

Depreciation Expense	\$	(1,137,146)	
Capital Outlays		724,469	(412,677)

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

(12,288)

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

705,000

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

Compensated Absences	(104,248)		
Other Post-Employment Benefits - District	(37,921)		
Other Post-Employment Benefits - PSERS	59,860		(82,309)

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

Exhibit 6

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

Net Change in Accrued Interest on Bonds	3,206
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Deferred charges on bonds are reported in the statement of revenues and expenditures of governmental funds as expenditures but are capitalized and amortized over the life of the bonds in the statement of activities.

Amortization of Deferred Loss on Refunding	(18,330)
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Governmental funds report School District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense.

District Pension Contributions to PSERS	2,629,237	
Cost of Benefits Earned	(1,543,784)	1,085,453

Change in Net Position of Governmental Activities	\$ 5,050,721
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See Accompanying Notes

Wilkinsburg Borough School District
Statement of Net Position
Proprietary Funds
June 30, 2024

Exhibit 7

	Food Service Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 100
Due From Other Funds	57,735
Due From Other Governments	82,169
Inventories	<u>5,779</u>
Total Current Assets	<u>145,783</u>
Noncurrent Assets	
Furniture and Equipment, Net	<u>-</u>
TOTAL ASSETS	<u>145,783</u>
LIABILITIES	
Current Liabilities	
Unearned Revenues	<u>490</u>
NET POSITION	
Unrestricted	<u>145,293</u>
TOTAL NET POSITION	<u><u>\$ 145,293</u></u>

See Accompanying Notes

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

Exhibit 8

	Food Service Fund
Operating Revenues	
Food Service Revenue	\$ 3,887
Operating Expenses	
Other Purchased Services	539,706
Supplies	65,656
Dues and Fees	527
Total Operating Expenses	605,889
Operating Income (Loss)	(602,002)
Nonoperating Revenues (Expenses)	
State Sources	15,513
Federal Sources	606,809
Total Nonoperating Revenues (Expenses)	622,322
Change in Net Position	20,320
Net Position - July 1, 2023	124,973
Net Position - June 30, 2024	\$ 145,293

See Accompanying Notes

Wilkinsburg Borough School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024

Exhibit 9

	Food Service Fund
Cash Flows From Operating Activities	
Cash Received from Users	\$ 3,887
Cash Payments to Suppliers for Goods and Services	(570,782)
Cash Payments for Other Operating Expenses	<u>(527)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(567,422)</u>
Cash Flows From Non-Capital Financing Activities	
State Sources	15,385
Federal Sources	<u>560,337</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>575,722</u>
Cash Flows From Investing Activities	
Loans Received (Paid)	<u>(8,300)</u>
Net Increase (Decrease) in Cash and Cash Flows	-
Cash and Cash Equivalents - July 1, 2023	<u>100</u>
Cash and Cash Equivalents - June 30, 2024	<u>\$ 100</u>

Wilkinsburg Borough School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024

Exhibit 9

	Food Service Fund
Operating Income (Loss)	\$ (602,002)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Donated Commodities	35,431
(Increase) Decrease in Inventories	<u>(851)</u>
Total Adjustments	<u>34,580</u>
Cash Provided by (Used for) Operating Activities	<u><u>\$ (567,422)</u></u>

Noncash Non-Capital Financing Activities

During the year ended June 30, 2024, the School District received \$33,935
of U.S.D.A Donated Commodities in the food service fund.

See Accompanying Notes

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies

Wilkinsburg Borough School District, located in Allegheny County, Pennsylvania, provides public education, kindergarten through twelfth grade, to the residents of the Borough of Wilkinsburg. The School District operates under a nine-person elected Board of Directors. The School District sends its secondary students (Grades 7 to 12) to Westinghouse Academy of the Pittsburgh Public Schools. The School District pays a base tuition with annual increases adjusted by the Act 1 index or as agreed by the parties.

A. Basic Financial Statements - Government-Wide Statements

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

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

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

B. Basic Financial Statements - Fund Financial Statements

Fund financial statements of the School District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into three categories: governmental; proprietary; and fiduciary. The District reports no fiduciary fund type funds.

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

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

1. Governmental Funds

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

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

The *capital reserve fund* accounts for financial resources reserved for future capital needs of the School District.

The School District also reports as a nonmajor governmental fund the following:

The *capital projects fund* accounts for financial resources accumulated and payments made for the acquisition and improvements of sites, construction and remodel of facilities and procurement of equipment necessary for providing educational programs.

2. Proprietary Funds

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

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

3. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and are therefore not available to support School District programs. The reporting focus is on net position and changes in net position. The School District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust funds, investment trust funds, private purpose trust funds, or custodial funds). The School District reports no fiduciary fund type.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds.

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e. the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement Focus and Basis of Accounting

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

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

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

Property taxes, intergovernmental revenues, interest, rent and certain miscellaneous income associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

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Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

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

D. Joint Venture

The School District is one of the nine-member school districts of the Forbes Road Career & Technology Center (FRCTC). FRCTC provides vocational-technical training and education to participating students of the member districts. FRCTC is controlled and governed by the Joint Board, which is composed of all the school board members of all the member districts. FRCTC operations are the responsibility of the Joint Committee, which consists of one representative from each participating school district. No member of the Jointure exercises specific control over the fiscal policies or operations of FRCTC. The School District's share of annual operating and capital costs for FRCTC fluctuates, based on the percentage of enrollment of each member district in the school. The School District's financial obligation to FRCTC for the year ended June 30, 2024, was \$18,170 which was paid in the year ended June 30, 2024 to FRCTC and reported in the School District's general fund. The School District has no equity interest in FRCTC as of June 30, 2024. Complete financial statements for FRCTC can be obtained from the administrative offices at 607 Beatty Rd. Monroeville, PA 15146.

E. Cash and Cash Equivalents

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

F. Investments

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

G. Budgets

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

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

The final budget data reflected in the financial statements includes the effect of approved budget transfer amendments and for comparative purposes the actual amounts have also been presented. The School District expenditures may not legally exceed the revised budget amounts by function. Function is defined as a program area such as instructional services. Management may amend the budget without seeking prior approval of the Board within a function. Amendments between functions require prior Board approval. Excess of expenditures over appropriations in the general fund is presented in the required supplementary information section.

H. Receivables and Payables

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

I. Inventories

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

Inventories in governmental funds are stated at cost by the first-in, first-out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, an estimated value of inventories is reported as an asset in the general fund, if considered material. The cost of educational materials are recorded as inventory and amortized over a five year period in the general fund.

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

J. Prepaid Items

In both the government-wide and fund financial statements, certain payments to vendors reflect costs applicable to future accounting periods are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

K. Capital Assets

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

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Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Assets	Years
Buildings	50
Building Improvements	10-20
Land Improvements	20
Furniture	5-10
Vehicles	10-15
Equipment	5-20

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

L. Intangible Right-to-Use Assets

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

M. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discount during the current period. The face amount of debt issued is reported as other financing sources while discount on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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N. Compensated Absences

The School District's policies regarding vacation and sick time is provided through various contracts. Employees can accumulate sick and/or vacation days which they are paid for upon retirement or termination of service. The amount the employee is compensated and the number of days varies based on their contract and their years of service. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends.

In the fund financial statements, governmental funds report only the amount of reimbursable unused vacation or sick leave to employees who have terminated their employment as of the end of the fiscal year, while the proprietary funds report the liability as it is incurred.

O. Defining Operating Revenues and Expenses

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

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has three items that qualify for reporting in this category. In the government-wide statement of net position, the School District reports deferred outflows of resources as they relate to the cost-sharing defined benefit plan and other post-employment benefits. The School District reports no deferred outflows of resources in the fund financial statements.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The School District has only one type of item, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. The School District has three items reported in the government-wide statement of net position relating to the cost sharing defined benefit pension plan and other post-employment benefits. These amounts are deferred and recognized as inflows of resources in the period that the amount becomes available.

Q. Equity Classifications

Government-Wide Statements

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

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

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

Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Fund Statements - Fund Balance

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

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

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

Committed - the portion of fund balance that can only be used for specific purposes as a result of formal action, approval of a motion by the majority of the School Board. Once the item is committed, it cannot be used for any other purpose unless changed by the same procedures used to initially commit the money.

Assigned - reflects the School District's intent to use the money for a specific purpose but is not considered restricted or committed. The assignment of fund balance can be assigned by management in the business office.

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

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

The purposes of the nonspendable, assigned and committed fund balances as of June 30, 2024, are as follows:

1. The nonspendable fund balance in the general fund of \$396,968 is for inventories.

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2. The purpose of the committed fund balance in the capital reserve fund of \$6,895,104 is for future capital expenditures.
3. The purpose of restricted fund balance in the nonmajor capital projects fund of \$780,430 is for future capital expenditures.

Note 2 - Deposits and Investments

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution's name. As of June 30, 2024, \$39,435 of the School District's bank balance of \$289,435 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging	
Bank's Agent not in the School District's Name	<u>\$289,435</u>

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

Investments	Fair Value
PSDLAF	<u>\$21,511,865</u>

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

Credit Risks - The Pennsylvania Public School Code authorizes the types of investments allowed. These are described in Note 1F. The School District has no investment policy that would further limit its investment choices. The School District's investments in Pennsylvania School District Liquid Asset Fund (PSDLAF) were rated AAAm by Standard & Poor's.

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

Investments

The Pennsylvania School District Liquid Asset Fund (PSDLAF) was established as a common law trust, organized under 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.

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The purpose of the fund is to enable such governmental units to pool their available funds for investments authorized by Section 440.1 of the Pennsylvania Public School Code of 1949, as amended. This fund has the characteristics of an open-end mutual fund and is not subject to custodial credit risk classification.

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

Note 3 - Real Estate Taxes

The municipal tax collectors bill and collect real estate taxes on behalf of the School District based upon assessed values provided by the County. The School District's tax rate for all purposes in 2023/2024 was 24.50 mills (\$24.50 per \$1,000 assessed valuation).

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

Tax Levy Date	July 1, 2023
2% Discount Period	Through August 31, 2023
Face Payment Period	September 1 - October 31, 2023
10% Penalty Period	November 1, Until Liened
Lien Filing Date	February 1, 2024

Taxpayers may also pay these taxes in three equal installments due at face on or before the following dates: August 31; October 31; and December 31.

The amounts shown as delinquent real estate taxes receivable have not been recorded as revenue on the fund statements. These taxes are, however, recorded as deferred inflows of resources on the balance sheet until they are received. The real estate taxes receivable are reported net of the estimated uncollectible amounts. The receivable includes penalty and interest. The amounts reported for this receivable are reported on the balance sheet in the amount of \$3,611,191 net of estimated uncollectible amounts, along with other taxes receivable of \$280,362.

Note 4 - Due from Other Governments

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

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	Governmental Funds	Business-Type Activities	Totals
Federal (through the state)	\$ 2,053,093	\$ 79,885	\$ 2,132,978
State	1,031,008	2,284	1,033,292
Local	<u>645</u>	<u>-</u>	<u>645</u>
	<u>\$ 3,084,746</u>	<u>\$ 82,169</u>	<u>\$ 3,166,915</u>

Note 5 - Capital Assets

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

	Balance 07/01/23	Additions	Transfers	Balance 06/30/24
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 299,100	\$ -	\$ -	\$ 299,100
Construction in Progress	<u>-</u>	<u>518,958</u>	<u>-</u>	<u>518,958</u>
Total Capital Assets not Being Depreciated	<u>299,100</u>	<u>518,958</u>	<u>-</u>	<u>818,058</u>
Capital Assets Being Depreciated				
Buildings	3,003,981	17,986	-	3,021,967
Building Improvements	22,147,686	15,232	-	22,162,918
Furniture and Equipment	<u>3,442,241</u>	<u>172,293</u>	<u>-</u>	<u>3,614,534</u>
Total Capital Assets Being Depreciated	<u>28,593,908</u>	<u>205,511</u>	<u>-</u>	<u>28,799,419</u>
Less Accumulated Depreciation				
Buildings	2,465,231	51,461	-	2,516,692
Building Improvements	10,653,353	872,418	-	11,525,771
Furniture and Equipment	<u>2,341,427</u>	<u>213,267</u>	<u>-</u>	<u>2,554,694</u>
Total Accumulated Depreciation	<u>15,460,011</u>	<u>1,137,146</u>	<u>-</u>	<u>16,597,157</u>
Total Capital Assets Being Depreciated, Net	<u>13,133,897</u>	<u>(931,635)</u>	<u>-</u>	<u>12,202,262</u>
Governmental Activities Capital Assets, Net	<u>\$ 13,432,997</u>	<u>\$ (412,677)</u>	<u>\$ -</u>	<u>\$ 13,020,320</u>

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	Balance 07/01/23	Additions	Transfers	Balance 06/30/24
Business-Type Activities				
Furniture and Equipment	\$ 175,733	\$ -	\$ -	\$ 175,733
Less Accumulated Depreciation and Equipment	<u>175,733</u>	<u>-</u>	<u>-</u>	<u>175,733</u>
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

Instruction	\$ 637,940
Instructional Student Support	230,841
Operation and Maintenance of Plant Services	230,841
Student Activities	<u>37,524</u>

Total Depreciation Expense \$ 1,137,146

Business-Type Activities - Food Service \$ -

Note 6 - Interfund Balances

At June 30, 2024, interfund balances were:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 145,754
Nonmajor Fund	88,019	-
Proprietary Fund		
Food Service Fund	<u>57,735</u>	<u>-</u>
	<u>\$ 145,754</u>	<u>\$ 145,754</u>

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

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Note 7 - Long-Term Liabilities

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

	Balance 07/01/23	Additions	Reductions	Balance 06/30/24	Due Within One Year
Governmental Activities					
Bonds Payable					
General Obligation Bonds	\$ 19,630,000	\$ -	\$ 705,000	\$ 18,925,000	\$ 725,000
Compensated Absences	83,599	104,248	-	187,847	9,392
Governmental Activities					
Long-Term Liabilities	<u>\$ 19,713,599</u>	<u>\$ 104,248</u>	<u>\$ 705,000</u>	<u>\$ 19,112,847</u>	<u>\$ 734,392</u>

General Obligation Bonds

Series of 2017 Bonds of \$3,975,000 due in varying installments through May 15, 2033, interest rates ranging from 2.50% to 3.25%

\$ 2,435,000

Series of 2019A Bonds of \$8,275,000 due in varying installments through May 15, 2042, interest rates ranging from 3.00% to 4.00%

7,445,000

Series of 2019B Bonds of \$5,080,000 due in varying installments through May 15, 2039, interest rates ranging from 3.00% to 4.00%

4,120,000

Series of 2020 Bonds of \$5,310,000 due in varying installments through May 15, 2044, interest rates ranging from 2.00% to 3.00%

4,925,000

\$ 18,925,000

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

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

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Year Ended June 30,	General Obligation Bonds		Totals
	Principal	Interest	
2025	\$ 725,000	\$ 554,418	\$ 1,279,418
2026	750,000	533,868	1,283,868
2027	765,000	513,520	1,278,520
2028	790,000	491,468	1,281,468
2029	810,000	468,720	1,278,720
2030-2034	4,535,000	1,971,581	6,506,581
2035-2039	5,710,000	1,221,984	6,931,984
2040-2044	4,840,000	407,080	5,247,080
	<u>\$ 18,925,000</u>	<u>\$ 6,162,639</u>	<u>\$ 25,087,639</u>

Note 8 - Public School Employees' Retirement System (PSERS)

A. Summary of Significant Accounting Policies

Pensions

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

B. General Information about the Pension Plan

1. Plan Description

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

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2. Benefits Provided

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

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

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

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

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

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3. Contributions

Member Contributions

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: 7.5% After 7/1/21: 8.0%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.3% After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

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

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2024 was 33.36% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School District were \$2,629,237 for the year ended June 30, 2024.

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

At June 30, 2024, the School District reported a liability of \$20,286,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2024, the School District's proportion was 0.0456%, which was a decrease of 0.0032% from its proportion measured as of June 30, 2023.

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

For the year ended June 30, 2024, the School District recognized pension expense of \$1,085,453. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,000	\$ 278,000
Net difference between projected and actual investment earnings	574,000	-
Changes in assumptions	303,000	-
Changes in proportions	229,000	1,477,000
Difference between employer contributions and proportionate share of total contributions	173,280	-
Contributions subsequent to the measurement date	<u>2,629,237</u>	<u>-</u>
	<u>\$ 3,913,517</u>	<u>\$ 1,755,000</u>

\$2,629,237 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2025	\$ (87,680)
2026	(916,680)
2027	298,320
2028	<u>235,320</u>
	<u>\$ (470,720)</u>

1. Changes in Actuarial Assumptions

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

- Valuation Date – June 30, 2022
- Actuarial cost method - Entry Age Normal - level % of pay.

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

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

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

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

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

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

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

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

2. Discount Rate

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

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

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

	(In Thousands)		
	1.00% Decrease 6.00%	Current Discount Rate 7.00%	1.00% Increase 8.00%
School District's proportionate share of the net pension liability	\$ 26,296	\$ 20,286	\$ 15,215

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

4. Pension Plan Fiduciary Net Position

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

Note 9 - Contingent Liabilities

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

Note 10 - Other Post-Employment Benefit Plan

A. Plan Description

Wilkinsburg Borough School District administers a single-employer defined benefit OPEB plan ("the Supplemental Health Plan").

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

Categories of Employees/Retirees

The District categorizes employees as either: Administrators, Act 93 Administrators, Teachers, Custodians/Maintenance, Secretaries, Confidential Secretaries, and Library/Teaching Assistants. In addition to the above, there are two contracted employees: the Superintendent and the Director of Finance and Operations.

Medical

Employees who retire and elect to 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 is administered by Highmark. All groups are eligible to continue coverage through Act 110/43 only.

Dental

Retirees are also eligible for dental benefits. Retirees with dental coverage must contribute 100% of the premium rate.

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

Vision

Retirees are also eligible for vision benefits. Retirees with vision coverage must contribute 100% of the premium rate.

Life Insurance

There is a grandfathered group of retirees who retired prior to July 1, 2007 who are eligible for postretirement life insurance benefits. However, these retirees must contribute 100% of the premium rate.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	<u>92</u>
	<u>94</u>

B. Total OPEB Liability

The School District's total OPEB liability of \$1,004,502 was measured as of July 1, 2023 and was determined by an actuarial valuation as of July 1, 2022. Standard roll-forward techniques were used to roll-forward the liability from the valuation date to the measurement date using updated assumptions.

C. Actuarial Methods and Assumptions

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

Inflation	3.00%
Salary Increases	2.50%
Discount Rate	4.13%
Healthcare Cost Trend Rates	7.00% for 2023/2024, decreasing 0.25% per year to an ultimate rate of 4.50%

The discount rate was based on S & P Municipal Bond 20-Year High Grade Rate Index.

Mortality rates were based on the Pri.H-2012 Total Dataset Mortality Table projected using Scale MP-2021.

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

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

D. Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	\$ 986,003
Changes for the year:	
Service Cost	50,490
Interest	34,905
Changes of assumptions or other inputs	(48,360)
Benefit Payments	<u>(18,536)</u>
Net Changes	<u>18,499</u>
Balance at June 30, 2024	<u>\$ 1,004,502</u>

E. Changes of Assumptions and Other Inputs

- Changed the discount rate from 3.54% to 4.13%.

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

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

	1.00% Decrease 3.13%	Current Discount Rate 4.13%	1.00% Increase 5.13%
Total OPEB Liability	\$ 1,087,823	\$ 1,004,502	\$ 927,673

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or a 1-percentage point higher than the current healthcare cost trend rates:

	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	\$ 915,770	\$ 1,004,502	\$ 1,104,742

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

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

For the year ended June 30, 2024, the School District recognized OPEB expense of \$63,898. At June 30, 2024, the School District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 49,863	\$ 48,271
Changes in assumptions	55,539	198,590
Benefit payments subsequent to the measurement date	<u>25,977</u>	<u>-</u>
	<u>\$ 131,379</u>	<u>\$ 246,861</u>

The \$25,977 amount reported as deferred outflows of resources resulting from the School District's benefit payments subsequent to the measurement date will be recognized as a reduction in next year's total OPEB liability. The 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	\$ (17,500)
2026	(17,500)
2027	(17,500)
2028	(17,503)
2029	(5,128)
Thereafter	<u>(66,328)</u>
	<u>\$ (141,459)</u>

Note 11 - Other Post-Employment Benefits - PSERS

A. Summary of Significant Accounting Policies

Other Post-Employment Benefits

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

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

B. General Information about the Health Insurance Premium Assistance Program

1. Health Insurance Premium Assistance Program

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

2. Premium Assistance Eligibility Criteria

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

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

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

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

3. Pension Plan Description

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

4. Benefits Provided

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

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2024 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were \$50,853 for the year ended June 30, 2024.

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

At June 30, 2024, the School District reported a liability of \$825,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023.

The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll.

At June 30, 2024, the School District's proportion was 0.0456%, which was a decrease of 0.0032% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized OPEB negative expense of \$9,007. At June 30, 2024 the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,000	\$ 8,000
Net difference between projected and actual investment earnings	2,000	-
Changes in assumptions	71,000	156,000
Changes in proportions	24,000	105,000
Difference between employer contributions and proportionate share of total contributions	3,974	-
Contributions subsequent to the measurement date	50,853	-
	<u>\$ 156,827</u>	<u>\$ 269,000</u>

\$50,853 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025.

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

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	\$ (34,007)
2026	(43,007)
2027	(35,007)
2028	(38,005)
2029	<u>(13,000)</u>
	<u>\$ (163,026)</u>

1. Actuarial Assumptions

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

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return – 4.13%, S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- 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, 2022 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

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

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	<u>100%</u>	1.20%

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

2. Discount Rate

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

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

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

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

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

	(In Thousands)		
	1.00% Decrease	Current Trend Rate	1.00% Increase
System net OPEB Liability	\$ 825	\$ 825	\$ 825

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

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

	(In Thousands)		
	1.00% Decrease 3.13%	Current Discount Rate 4.13%	1.00% Increase 5.13%
School District's proportionate share of the net OPEB liability	\$ 933	\$ 825	\$ 735

5. OPEB Plan Fiduciary Net Position

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

Note 12 - Risk Management

The School District is a member of the Allegheny County Schools Health Insurance Consortium (Consortium) which purchases health benefits on behalf of participating public school districts. The School District is billed monthly based on employee count and coverage information at rates established by the Consortium at the beginning of each fiscal year. As the Consortium is self-insured, rates are established with the objective of satisfying estimated claims and other costs, as well as maintaining working capital requirements. Contributions to the Consortium totaled \$1,651,203 and \$1,402,811 for the years ended June 30, 2024 and 2023, respectively.

Participating school districts are permitted to withdraw from the Consortium under terms specified in the agreement. Withdrawing participants are entitled to or responsible for a proportionate share of the Consortium net position or deficiency in net position, respectively, as determined on the fiscal year-end date after withdrawal. As of June 30, 2024 the net position of the Consortium was \$64,607,800 of which \$252,868 is attributable to the School District.

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

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

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

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

Note 13 - On-Behalf Payments

The amounts recognized for revenues and expenditures for on-behalf payments relating to fringe benefits for the year ended June 30, 2024 were \$1,937,869.

This includes \$1,636,460 recognized for revenues and expenditures relating to pension contributions for its employees that the Commonwealth of Pennsylvania paid to the Public School Employees' Retirement System (PSERS) for pension and \$301,409 to the federal government for social security and Medicare taxes for the year ended June 30, 2024. The School District pays these on-behalf payments directly to PSERS and the government and is reimbursed by the Commonwealth for their appropriate share.

Note 14 – Construction Commitment

As of June 30, 2024, the School District had construction commitments of approximately \$333,000 for the Kelly Primary School Renovation. It is anticipated that this portion of the project will be completed in the 2024/25 fiscal year.

Note 15 – Subsequent Event

On July 11, 2024 the School District issued general obligation bonds, Series of 2024, in the amount of \$14,995,000. The proceeds of the bonds will be used to fund (1) additions, renovations and improvements related to Kelly Primary School; (2) capitalized interest; and (3) the costs associated with issuing the bonds.

Note 16 – Prior Period Restatement

Wilkinsburg School District restated the general fund fund balance and the governmental activities net position as of June 30, 2023 to properly correct errors in the financial statement and properly report cash, payables and other assets and liabilities.

Wilkinsburg Borough School District
Notes to Financial Statements
June 30, 2024

The result of the restatement is summarized below:

	General Fund	Governmental Activities
Fund Balance/Net Position, July 1, 2023 (Previously Reported)	\$ 7,586,810	\$ (8,334,481)
Adjustment to properly state payroll payable and other payroll liabilities at June 30, 2023.	(128,634)	(128,634)
Adjustment to properly state the state subsidy receivables at June 30, 2023	385,400	385,400
Adjustment to properly state cash balance at June 30, 2023	(158,445)	(158,445)
Adjustment to properly state accounts payable as of June 30, 2023.	<u>(2,903,480)</u>	<u>(2,903,480)</u>
Restated Fund Balance/Net Position, July 1, 2023	<u>\$ 4,781,651</u>	<u>\$ (11,139,640)</u>
Change in net position/fund balance in June 30, 2023 had error not occurred.	<u>(1,381,228)</u>	<u>5,959,695</u>

**REQUIRED SUPPLEMENTARY
INFORMATION SECTION**

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

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues				
Local Sources				
Taxes				
Current Real Estate Taxes	\$ 7,598,080	\$ 7,598,080	\$ 7,602,849	\$ 4,769
Public Utility Realty Taxes	13,000	13,000	11,423	(1,577)
Payments in Lieu of Current Taxes	6,000	6,000	5,416	(584)
Local Services Taxes	15,000	15,000	20,591	5,591
Earned Income Taxes	1,750,250	1,750,250	1,931,580	181,330
Real Estate Transfer Taxes	165,500	165,500	192,262	26,762
Delinquencies on Taxes	1,740,296	1,740,296	1,644,537	(95,759)
Earnings on Investments	315,250	315,250	727,292	412,042
Other Local Revenues				
Other Revenues from IU	-	-	955	955
Federal Revenues from IU	322,000	322,000	240,918	(81,082)
Rentals	10,000	10,000	80	(9,920)
Tuition from other LEAS	28,000	28,000	-	(28,000)
Transportation Fees	-	-	46,936	46,936
Refund of Prior Years Expenditures	130,000	130,000	125,225	(4,775)
Miscellaneous Revenue	<u>2,500</u>	<u>2,500</u>	<u>75,092</u>	<u>72,592</u>
Total Revenues from Local Sources	<u>12,095,876</u>	<u>12,095,876</u>	<u>12,625,156</u>	<u>529,280</u>
State Sources				
Basic Instructional & Oper. Subsidies				
Basic Instructional Subsidy	13,121,991	13,121,991	13,095,287	(26,704)
Tuition	25,000	25,000	121,582	96,582
Subsidies for Spec. Educ. Programs				
Special Education of Excep. Pupils	1,641,948	1,641,948	1,576,867	(65,081)
Pre-K Program	1,250,000	1,250,000	1,252,336	2,336
Subsidies for Noneduc. Programs				
Transportation (Regular & Additional)	375,000	375,000	614,203	239,203
Rentals & Sinking Fund Payments	125,200	125,200	131,392	6,192
Ready to Learn Block Grant	280,424	280,424	480,424	200,000
Health Services	21,250	21,250	-	(21,250)
School Safety Grant	-	-	168,930	168,930

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

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
State Property Tax Reduction	1,014,845	1,014,845	1,014,845	-
Social Security Payments	314,726	314,726	301,409	(13,317)
State Retirement Revenue	1,347,848	1,347,848	1,636,460	288,612
Other State Revenue	-	-	3,332	3,332
Total Revenues from State Sources	<u>19,518,232</u>	<u>19,518,232</u>	<u>20,397,067</u>	<u>878,835</u>
Federal Sources				
Restricted Grants-In-Aid from the Fed. Gov't. through the Commonwealth				
Title I	1,213,483	1,213,483	1,113,786	(99,697)
Title II	74,715	74,715	75,166	451
Title IV	95,119	95,119	92,469	(2,650)
Medical Assistance - Access	40,000	40,000	26,036	(13,964)
Elementary & Secondary School				
Emergency Relief Fund (ARP ESSER)	5,901,250	5,901,250	4,469,275	(1,431,975)
Elementary & Secondary School				
Emergency Relief Fund (ARP 7%)	-	-	471,506	471,506
Total Revenues from Federal Sources	<u>7,324,567</u>	<u>7,324,567</u>	<u>6,248,238</u>	<u>(1,076,329)</u>
Total Revenues	<u>38,938,675</u>	<u>38,938,675</u>	<u>39,270,461</u>	<u>331,786</u>
Other Financing Sources				
Sale of Capital Assets	-	-	553	553
Total Revenues and Other Financing Sources	<u>38,938,675</u>	<u>38,938,675</u>	<u>39,271,014</u>	<u>332,339</u>
Expenditures				
Instruction				
Regular Programs				
Personal Services				
Salaries	3,763,415	4,197,390	4,282,700	(85,310)
Employee Benefits	2,156,729	2,210,002	2,412,570	(202,568)
Purchased Prof. and Tech. Services	73,800	73,800	114,185	(40,385)
Purchased Property Services	-	-	250	(250)
Other Purchased Services	7,794,400	7,794,400	6,355,869	1,438,531
Supplies	173,293	185,639	205,412	(19,773)
Property	18,000	18,000	-	18,000
Other Objects	-	-	8,013	(8,013)
Total Regular Programs	<u>13,979,637</u>	<u>14,479,231</u>	<u>13,378,999</u>	<u>1,100,232</u>

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

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Special Programs				
Personal Services				
Salaries	558,456	791,956	656,227	135,729
Employee Benefits	375,944	443,625	416,339	27,286
Purchased Prof. and Tech. Services	508,100	527,915	742,490	(214,575)
Other Purchased Services	5,685,730	5,685,730	6,559,102	(873,372)
Supplies	42,405	29,003	9,077	19,926
Property	6,000	6,000	-	6,000
Other Objects	-	-	12,382	(12,382)
Total Special Programs	<u>7,176,635</u>	<u>7,484,229</u>	<u>8,395,617</u>	<u>(911,388)</u>
Vocational Education Programs				
Other Purchased Services	<u>13,000</u>	<u>13,000</u>	<u>18,170</u>	<u>(5,170)</u>
Other Instructional Programs				
Personal Services				
Salaries	1,500	1,500	-	1,500
Employee Benefits	639	639	-	639
Purchased Prof. and Tech. Services	108,000	103,000	98,684	4,316
Other Purchased Services	<u>133,000</u>	<u>133,000</u>	<u>57,473</u>	<u>75,527</u>
Total Other Instructional Programs	<u>243,139</u>	<u>238,139</u>	<u>156,157</u>	<u>81,982</u>
Nonpublic School Programs				
Purchased Prof. and Tech. Services	79,000	200,966	68,332	132,634
Supplies	<u>41,969</u>	<u>41,969</u>	<u>34,200</u>	<u>7,769</u>
Total Nonpublic School Programs	<u>120,969</u>	<u>242,935</u>	<u>102,532</u>	<u>140,403</u>
Pre-Kindergarten				
Personal Services				
Salaries	562,260	512,966	515,487	(2,521)
Employee Benefits	292,804	261,097	363,616	(102,519)
Purchased Prof. and Tech. Services	7,000	7,000	4,524	2,476

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

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Other Purchased Services	12,500	12,500	5,240	7,260
Supplies	56,436	56,436	49,685	6,751
Other Objects	<u>319,000</u>	<u>290,000</u>	<u>290,000</u>	<u>-</u>
Total Pre-Kindergarten	<u>1,250,000</u>	<u>1,139,999</u>	<u>1,228,552</u>	<u>(88,553)</u>
Total Instruction	<u>22,783,380</u>	<u>23,597,533</u>	<u>23,280,027</u>	<u>317,506</u>
Support Services				
Pupil Personnel				
Personal Services				
Salaries	641,570	500,790	483,469	17,321
Employee Benefits	395,990	339,793	308,009	31,784
Purchased Prof. and Tech. Services		348,731	348,911	(180)
Other Purchased Services	500	4,208	3,914	294
Supplies	10,900	9,900	8,226	1,674
Other Objects	<u>500</u>	<u>500</u>	<u>6,550</u>	<u>(6,050)</u>
Total Pupil Personnel	<u>1,049,460</u>	<u>1,203,922</u>	<u>1,159,079</u>	<u>44,843</u>
Instructional Staff				
Personal Services				
Salaries	735,537	332,062	503,329	(171,267)
Employee Benefits	481,562	334,254	285,477	48,777
Purchased Prof. and Tech. Services	285,000	133,130	29,255	103,875
Other Purchased Services	2,000	2,478	25,957	(23,479)
Supplies	<u>106,450</u>	<u>119,463</u>	<u>31,351</u>	<u>88,112</u>
Total Instructional Staff	<u>1,610,549</u>	<u>921,387</u>	<u>875,369</u>	<u>46,018</u>
Administration				
Personal Services				
Salaries	649,059	649,059	691,347	(42,288)
Employee Benefits	345,629	345,629	398,777	(53,148)
Purchased Prof. and Tech. Services	160,000	158,000	235,221	(77,221)
Other Purchased Services	58,500	58,500	26,835	31,665
Supplies	140,301	140,301	17,448	122,853
Other Objects	<u>23,500</u>	<u>23,500</u>	<u>15,111</u>	<u>8,389</u>
Total Administration	<u>1,376,989</u>	<u>1,374,989</u>	<u>1,384,739</u>	<u>(9,750)</u>

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

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Pupil Health				
Personal Services				
Salaries	88,546	88,546	88,991	(445)
Employee Benefits	69,302	69,302	60,128	9,174
Purchased Prof. and Tech. Services	115,000	241,101	276,436	(35,335)
Purchased Property Services	500	500	570	(70)
Supplies	-	-	590	(590)
Property	12,000	12,000	-	12,000
	<u>285,348</u>	<u>411,449</u>	<u>426,715</u>	<u>(15,266)</u>
Total Pupil Health				
Business				
Personal Services				
Salaries	325,608	285,608	232,382	53,226
Employee Benefits	230,646	209,646	125,994	83,652
Purchased Prof. and Tech. Services	11,000	10,000	102,955	(92,955)
Purchased Property Services	54,875	54,875	58,061	(3,186)
Other Purchased Services	44,000	44,000	66,438	(22,438)
Supplies	66,000	76,585	110,549	(33,964)
Other Objects	6,000	6,000	25,515	(19,515)
	<u>738,129</u>	<u>686,714</u>	<u>721,894</u>	<u>(35,180)</u>
Total Business				
Oper. and Maint. of Plant Svcs.				
Personal Services				
Salaries	852,787	852,787	781,838	70,949
Employee Benefits	548,761	548,761	522,223	26,538
Purchased Prof. and Tech. Services	161,500	161,500	152,517	8,983
Purchased Property Services	201,945	201,945	429,223	(227,278)
Other Purchased Services	144,139	144,139	490,271	(346,132)
Supplies	175,250	175,250	161,713	13,537
Property	73,000	73,000	176,377	(103,377)
Other Objects	500	500	526	(26)
	<u>2,157,882</u>	<u>2,157,882</u>	<u>2,714,688</u>	<u>(556,806)</u>
Total Oper. and Maint. of Plant Svcs.				

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

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Student Transportation Services				
Personal Services				
Salaries	34,731	34,731	35,037	(306)
Employee Benefits	35,434	35,434	25,823	9,611
Other Purchased Services	2,048,650	1,821,345	1,941,543	(120,198)
Supplies	<u>8,000</u>	<u>8,000</u>	<u>4,225</u>	<u>3,775</u>
Total Student Transportation Services	<u>2,126,815</u>	<u>1,899,510</u>	<u>2,006,628</u>	<u>(107,118)</u>
Central				
Personal Services				
Salaries	46,000	90,000	55,389	34,611
Employee Benefits	19,582	19,582	4,951	14,631
Purchased Prof. and Tech. Services	188,582	152,582	131,160	21,422
Purchased Property Services	19,000	19,000	12,441	6,559
Other Purchased Services	20,500	20,500	3,016	17,484
Supplies	220,771	255,643	105,322	150,321
Property	<u>30,000</u>	<u>30,000</u>	<u>14,319</u>	<u>15,681</u>
Total Central	<u>544,435</u>	<u>587,307</u>	<u>326,598</u>	<u>260,709</u>
Other				
Other Purchased Services	<u>12,580</u>	<u>12,580</u>	<u>12,582</u>	<u>(2)</u>
Total Support Services	<u>9,902,187</u>	<u>9,255,740</u>	<u>9,628,292</u>	<u>(372,552)</u>
Noninstructional Services				
Student Activities				
Supplies	<u>-</u>	<u>-</u>	<u>5,253</u>	<u>(5,253)</u>
Community Services				
Purchased Prof. and Tech. Services	57,000	49,061	53,575	(4,514)
Purchased Property Services	4,000	-	-	-
Supplies	<u>-</u>	<u>11,939</u>	<u>12,410</u>	<u>(471)</u>
Total Community Services	<u>61,000</u>	<u>61,000</u>	<u>65,985</u>	<u>(4,985)</u>
Total Noninstructional Services	<u>61,000</u>	<u>61,000</u>	<u>71,238</u>	<u>(10,238)</u>

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

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Total Noninstructional Services	<u>61,000</u>	<u>61,000</u>	<u>71,238</u>	<u>(10,238)</u>
Facilities Acquisition, Construction and Improvement Services				
Purchased Property Services	142,000	142,000	44,871	97,129
Property	<u>40,000</u>	<u>585,839</u>	<u>545,839</u>	<u>40,000</u>
Total Facilities Acquisition, Construction and Improvement Services	<u>182,000</u>	<u>727,839</u>	<u>590,710</u>	<u>137,129</u>
Debt Service				
Interest	622,920	622,920	579,469	43,451
Refunds of Prior Year's Receipts	86,250	86,250	169,490	(83,240)
Redemption of Principal	<u>660,000</u>	<u>660,000</u>	<u>705,000</u>	<u>(45,000)</u>
Total Debt Service	<u>1,369,170</u>	<u>1,369,170</u>	<u>1,453,959</u>	<u>(84,789)</u>
Total Expenditures	<u>34,297,737</u>	<u>35,011,282</u>	<u>35,024,226</u>	<u>(12,944)</u>
Other Financing Uses				
Budgetary Reserve	<u>4,640,938</u>	<u>3,927,393</u>	<u>-</u>	<u>3,927,393</u>
Total Expenditures and Other Financing Uses	<u>38,938,675</u>	<u>38,938,675</u>	<u>35,024,226</u>	<u>3,914,449</u>
Net Change in Fund Balance	-	-	4,246,788	4,246,788
Fund Balance - July 1, 2023 (Restated See Note 16)	<u>8,795,853</u>	<u>8,795,853</u>	<u>4,781,651</u>	<u>(4,014,202)</u>
Fund Balance - June 30, 2024	<u>\$ 8,795,853</u>	<u>\$ 8,795,853</u>	<u>\$ 9,028,439</u>	<u>\$ 232,586</u>

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

Note 1 – Budgetary Information

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

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

Wilkinsburg Borough School District
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability
and Related Ratios
Last Eight Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability								
Service Cost	\$ 50,490	\$ 59,224	\$ 63,934	\$ 55,541	\$ 37,849	\$ 47,033	\$ 46,745	\$ -
Interest	34,905	23,750	23,010	35,831	36,175	40,348	36,380	-
Difference Between Expected and Actual Experience	-	(3,730)	-	78,359	-	(112,903)	-	-
Changes in Assumptions and Other Inputs	(48,360)	(112,432)	29,625	(88,394)	67,983	(10,790)	(27,967)	-
Benefit Payments	<u>(18,536)</u>	<u>(80,367)</u>	<u>(58,180)</u>	<u>(63,918)</u>	<u>(53,007)</u>	<u>(155,984)</u>	<u>(204,596)</u>	<u>-</u>
Net Change in Total OPEB Liability	18,499	(113,555)	58,389	17,419	89,000	(192,296)	(149,438)	-
Total OPEB Liability - Beginning	<u>986,003</u>	<u>1,099,558</u>	<u>1,041,169</u>	<u>1,023,750</u>	<u>934,750</u>	<u>1,127,046</u>	<u>1,276,484</u>	<u>-</u>
Total OPEB Liability - Ending	<u>\$ 1,004,502</u>	<u>\$ 986,003</u>	<u>\$ 1,099,558</u>	<u>\$ 1,041,169</u>	<u>\$ 1,023,750</u>	<u>\$ 934,750</u>	<u>\$ 1,127,046</u>	<u>\$ 1,276,484</u>
Covered-Employee Payroll	\$ 5,904,582	\$ 5,760,568	\$ 5,773,400	\$ 5,632,585	\$ 5,381,254	\$ 5,250,004	\$ 5,255,416	N/A
Total OPEB Liability as a Percentage of Covered-Employee Payroll	17.01%	17.12%	19.05%	18.48%	19.02%	17.80%	21.45%	

Notes to Schedule:

GASB 75 was implemented beginning with fiscal year ended June 30, 2018.

Assumption Changes:

Discount rate used for fiscal year ending:

2024	4.13%
2023	3.54%

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

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

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution	\$ 2,701,017	\$ 2,606,064	\$ 2,502,195	\$ 2,343,818	\$ 2,368,597	\$ 2,241,046	\$ 2,222,997	\$ 1,913,171	\$ 1,788,360	\$ 1,633,258
Contributions in Relation to the Contractually Required Contribution	<u>2,701,017</u>	<u>2,606,064</u>	<u>2,502,195</u>	<u>2,343,818</u>	<u>2,368,597</u>	<u>2,241,046</u>	<u>2,222,997</u>	<u>1,913,171</u>	<u>1,788,360</u>	<u>1,633,258</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 8,069,627	\$ 7,666,266	\$ 7,298,995	\$ 7,121,046	\$ 6,872,387	\$ 6,796,479	\$ 6,982,854	\$ 6,818,339	\$ 7,606,210	\$ 8,122,158
Contributions as a Percentage of Covered Payroll	33.47%	33.99%	34.28%	32.91%	34.47%	32.97%	31.84%	28.06%	23.51%	20.11%

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

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
School District's Proportion of the Net Pension Liability (Asset)	0.0456%	0.0488%	0.0506%	0.0487%	0.0500%	0.0530%	0.0514%	0.0563%	0.0647%	0.0720%
School District's Proportionate Share of the Net Pension Liability (Asset)	\$20,286	\$21,696	\$20,775	\$23,979	\$23,017	\$25,443	\$25,386	\$27,900	\$28,025	\$28,775
School District's Covered Payroll	\$ 7,666	\$ 7,179	\$ 7,157	\$ 6,866	\$ 6,782	\$ 7,135	\$ 6,846	\$ 7,292	\$ 8,322	\$ 9,276
School District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	264.62%	302.21%	290.28%	349.24%	339.38%	356.59%	370.82%	382.61%	336.76%	310.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%

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

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution	\$ 50,583	\$ 56,967	\$ 58,893	\$ 59,130	\$ 59,641	\$ 57,057	\$ 58,130
Contributions in Relation to the Contractually Required Contribution	<u>50,583</u>	<u>56,967</u>	<u>58,893</u>	<u>59,130</u>	<u>59,641</u>	<u>57,057</u>	<u>58,130</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 8,069,627	\$ 7,666,266	\$ 7,298,995	\$ 7,121,046	\$ 6,872,387	\$ 6,796,479	\$ 6,822,588
Contributions as a Percentage of Covered Payroll	0.63%	0.74%	0.81%	0.83%	0.87%	0.84%	0.85%

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

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

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
School District's Proportion of the Net OPEB Liability (Asset)	0.0456%	0.0488%	0.0505%	0.0498%	0.0500%	0.0530%	0.0514%
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 825	\$ 898	\$ 1,197	\$ 1,057	\$ 1,046	\$ 1,105	\$ 1,047
School District's Covered Payroll	\$ 7,666	\$ 7,179	\$ 7,157	\$ 6,866	\$ 6,782	\$ 7,135	\$ 6,846
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	10.76%	12.51%	16.72%	15.39%	15.42%	15.49%	15.29%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

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

SINGLE AUDIT SECTION

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Members of the Board
Wilkinsburg Borough School District
Wilkinsburg, Pennsylvania

Dear Members:

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

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

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
March 28, 2025

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EXHIBIT A

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

Members of the Board
Wilkesburg Borough School District
Wilkesburg, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wilkesburg Borough School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Wilkesburg Borough School District's basic financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wilkesburg Borough 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 Wilkesburg Borough School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Wilkesburg Borough School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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.

We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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.

Report on Compliance and Other Matters

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

School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Wilkinsburg Borough 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, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
March 28, 2025

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EXHIBIT B

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

Members of the Board
Wilkesburg Borough School District
Wilkesburg, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Wilkesburg Borough School District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Wilkesburg Borough School District's major federal programs for the year ended June 30, 2024. Wilkesburg Borough 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, Wilkesburg Borough School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Wilkesburg Borough 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 Wilkesburg Borough 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 Wilkinsburg Borough 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 Wilkinsburg Borough 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 Wilkinsburg Borough 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 Wilkinsburg Borough 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 Wilkinsburg Borough 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 Wilkinsburg Borough School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
March 28, 2025

**Wilkinsburg Borough School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

EXHIBIT C

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report was unmodified

Internal control over financial reporting:

- | | | | | |
|---|-----------------|-----|-----------------|---------------|
| • Material weakness(es) identified? | <u>✓</u> | yes | <u> </u> | no |
| • Significant deficiency(ies) identified? | <u> </u> | yes | <u>✓</u> | none reported |

Noncompliance material to financial statements noted?	<u> </u>	yes	<u>✓</u>	no
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Federal Awards

Internal control over major programs:

- | | | | | |
|---|-----------------|-----|----------|---------------|
| • Material weakness(es) identified? | <u> </u> | yes | <u>✓</u> | no |
| • Significant deficiency(ies) identified? | <u> </u> | yes | <u>✓</u> | none reported |

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	<u> </u>	yes	<u>✓</u>	no
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Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
84.010	Title I Grants to Local Education Agencies
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	<u> </u>	yes	<u>✓</u>	no
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**Wilkinsburg Borough School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

EXHIBIT C

Section II – Financial Statement Findings

Material Weaknesses

2024-001 Review of Reconciliations

Condition

There were a number of journal entries required to properly state cash and liabilities at year end.

Criteria

Internal controls should be in place to ensure that transactions are posted properly in all funds and that management reviews the financial information for all funds monthly and at year end. Management should also ensure monthly reconciliations are made on a timely basis for all the cash accounts and the other asset and liability accounts, ensuring all transactions are properly reported and recorded.

Cause

Lack of specific procedures in place to be performed on a monthly basis. In addition, there was turnover of staff in the business office which resulted in the lack of adequate training for the employees. Also, a lack of management review.

Effect

Financial reports prepared by School District are not accurate on a monthly basis.

Recommendation

Management should review the financial statements both monthly and at year end to make sure transactions are posted accurately.

Response

Wilkinsburg Borough School District agrees with the finding and the recommended procedures and is attempting to implement improvements over financial reporting.

**Wilkinsburg Borough School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

EXHIBIT C

Section III – Federal Award Findings and Questioned Costs

No matters were noted.

Section IV – Status of Prior Year’s Findings

Financial Statements Material Weaknesses

Finding 2023-001 Reconciliation

Condition

Reconciliations of various asset and liability accounts not being performed resulting in inaccurate monthly financial statements.

Recommendation

Management should have controls in place to ensure amounts are properly stated on a monthly basis.

Current Status

Still applies. See 2024-001

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

EXHIBIT D

Federal Grantor/ Pass Through Grantor/ Project Title	Source Code	Federal ALN Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 07/01/23	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/24
U.S. Department of Education Passed through the Pennsylvania Department of Education										
Title I Grants to Local Education Agencies	I	84.010	013-220483	07/01/21-09/30/22	\$ 1,203,438	\$ 29,646	\$ 29,646	\$ -	\$ -	\$ -
Title I Grants to Local Education Agencies	I	84.010	013-230483	07/01/22-09/30/23	1,215,017	493,801	493,801	-	-	-
Title I Grants to Local Education Agencies	I	84.010	013-240483	07/01/23-09/30/24	1,212,220	808,989	-	1,113,786	1,113,786	304,797
						<u>1,332,436</u>	<u>523,447</u>	<u>1,113,786</u>	<u>1,113,786</u>	<u>304,797</u>
Title II Improving Teacher Quality	I	84.367	020-220483	07/01/21-09/30/22	112,574	74,038	74,038	-	-	-
Title II Improving Teacher Quality	I	84.367	020-230483	07/01/22-09/30/23	113,675	22,924	22,924	-	-	-
Title II Improving Teacher Quality	I	84.367	020-240483	07/01/23-09/30/24	77,290	64,753	-	75,166	75,166	10,413
						<u>161,715</u>	<u>96,962</u>	<u>75,166</u>	<u>75,166</u>	<u>10,413</u>
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-220483	07/01/21-09/30/22	91,586	18,329	(22,570)	40,899	40,899	-
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-230483	07/01/22-09/30/23	94,565	52,526	(42,039)	51,570	51,570	(42,995)
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-240483	07/01/23-09/30/24	95,119	82,437	-	-	-	(82,437)
						<u>153,292</u>	<u>(64,609)</u>	<u>92,469</u>	<u>92,469</u>	<u>(125,432)</u>
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	I	84.425U	223-210483	03/13/20-09/30/24	9,096,673	3,307,881	520,647	4,469,275	4,469,275	1,682,041
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER 7%)	I	84.425U	225-210483	03/13/20-09/30/24	707,015	424,209	8,545	471,506	471,506	55,842
						<u>3,732,090</u>	<u>529,192</u>	<u>4,940,781</u>	<u>4,940,781</u>	<u>1,737,883</u>
Special Education Cluster Passed through the Allegheny Intermediate Unit										
IDEA B	I	84.027	062-230003	07/01/22-09/30/23	228,916	228,916	228,916	-	-	-
IDEA B	I	84.027	062-240003	07/01/23-09/30/24	237,570	-	-	237,570	237,570	237,570
IDEA B Section 619	I	84.173	131-230003	07/01/23-06/30/24	3,348	-	-	3,348	3,348	3,348
Subtotal Special Education Cluster						<u>228,916</u>	<u>228,916</u>	<u>240,918</u>	<u>240,918</u>	<u>240,918</u>
Subtotal U.S. Department of Education						<u>5,608,449</u>	<u>1,313,908</u>	<u>6,463,120</u>	<u>6,463,120</u>	<u>2,168,579</u>

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

EXHIBIT D

Federal Grantor/ Pass Through Grantor/ Project Title	Source Code	Federal ALN Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 07/01/23	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/24
U.S. Department of Agriculture Passed through the Pennsylvania Department of Education										
P-EBT Administrative Costs Grant	I	10.649	N/A	07/01/23-06/30/24	N/A	653	-	653	653	-
Child and Adult Care Food Program	I	10.558	N/A	07/01/23-06/30/24	N/A	49,267	4,028	51,302	51,302	6,063
Child Nutrition Discretionary Grant	I	10.558	N/A	07/08/22-09/30/24	24,997	24,997	24,997	-	-	-
						<u>74,917</u>	<u>29,025</u>	<u>51,955</u>	<u>51,955</u>	<u>6,063</u>
National School Lunch Program	I	10.555	N/A	07/01/23-06/30/24	N/A	337,725	46,356	340,431	340,431	49,062
National School Breakfast Program	I	10.553	N/A	07/01/23-06/30/24	N/A	138,927	18,460	139,473	139,473	19,006
Fresh Fruit and Vegetable Program	I	10.582	N/A	07/01/23-06/30/24	N/A	25,346	-	31,100	31,100	5,754
Summer Food Program for Children	I	10.559	N/A	07/01/23-06/30/24	N/A	8,419	-	8,419	8,419	-
Passed through the Pennsylvania Department of Agriculture										
National School Lunch Program (Donated Commodities Non Cash Assistance)	I	10.555	N/A	07/01/23-06/30/24	N/A	<u>33,935</u>	<u>(1,986)</u>	<u>35,431</u>	<u>35,431</u>	<u>(490)</u>
Total Child Nutrition Cluster						<u>544,352</u>	<u>62,830</u>	<u>554,854</u>	<u>554,854</u>	<u>73,332</u>
Total U.S. Department of Agriculture						<u>619,269</u>	<u>91,855</u>	<u>606,809</u>	<u>606,809</u>	<u>79,395</u>
Total Federal Financial Assistance						<u>\$6,227,718</u>	<u>\$1,405,763</u>	<u>\$7,069,929</u>	<u>\$7,069,929</u>	<u>\$2,247,974</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Wilkinsburg Borough School District
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

EXHIBIT D

Note A - Basis of Presentation

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

Note B - Summary of Significant Accounting Policies

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

Note C - Source Code

The Source Code (I) indicates funds received indirectly.

Note D - Reconciliation with Subsidy Confirmation

Amounts Received Per Schedule	\$ 6,227,718
Less: Commodities Received	(33,935)
Less: Passage Through AIU	(228,916)
Less: Child Nutrition Discretionary Grant	(24,997)
Add: State Funding on Confirmation	<u>1,267,721</u>
 Per Subsidy Confirmation	 <u>\$ 7,207,591</u>

Note E - Subrecipients

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

**Wilkinsburg Borough School District
List of Report Distribution
Year Ended June 30, 2024**

EXHIBIT E

1 Copy – Bureau of Audits

1 Copy – General Services Administration