CLAIRTON CITY SCHOOL DISTRICT

FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

CLAIRTON CITY SCHOOL DISTRICT
YEAR ENDED JUNE 30, 2023

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Zelenkofske Axelrod LLC
CERTIFIED PUBLIC ACCOUNTANTS
EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Independent Auditor's Report

Members of the Board
Clairton City School District
Clairton, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clairton City School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 GAAS and GAS 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 GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10, and the budgetary comparison schedule – general fund, schedule of changes in the total OPEB liability and related ratios – Retiree Health Plan, schedule of district's proportionate share of the net OPEB liability – PSERS Plan, schedule of district's OPEB contributions – PSERS Plan, schedule of district's proportionate share of the net pension liability – last 10 years, and the schedule of the district's pension contributions – last 10 years on pages 48 through 53, 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 GAS 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 and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards on pages 57-58 is presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with GAS, we have also issued our report dated October 5, 2026, on our consideration of the 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with GAS in considering the District's internal control over financial reporting and compliance.

Zelenkofske Axelrod LLC

ZELENKOFSKE AXELROD LLC

October 5, 2026
Pittsburgh, Pennsylvania

CLAIRTON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Our discussion and analysis of the Clairton City School District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. The Management Discussion and Analysis (MD&A) should be read in conjunction with the financial statements and footnotes.

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

The School District

The District is a district of the Third Class, organized under the laws of the Commonwealth of Pennsylvania (the Commonwealth).

The governing body of the District is a board of nine school directors who are each elected to a four-year term. The daily operation and management of the District is carried out by the administrative staff of the District, headed by the Superintendent of Schools who is appointed by the Board of School Directors.

Financial Statements

The accompanying financial statements have been prepared in accordance with GASB 34 and present both government-wide and fund level financial statements using both the accrual and modified accrual basis of accounting, respectively.

The basic financial statements comprise three components:

- Management's Discussion and Analysis
- Financial Statements
- Notes and Required Supplementary Information

Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the governmental and business-type activities that are consolidated in columns, which add to a total for the Primary Government. The focus of the Statement of Net Position is designed to be similar to bottom line results for the District and its governmental and business-type activities. This statement combines the governmental fund's current financial resources, capital assets, and long-term obligations. The difference between the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources is one way to measure the District's financial health or position.

Government-Wide Financial Statements (Continued)

The following table reflects the condensed Statement of Net Position for the current and previous years:

Governmental Activities:			Year to Year Variance	
	June 30, 2023	**June 30, 2022**	**Amount**	**Percentage**
Assets				
Capital Assets	$ 6,095,914	$ 6,306,233	$ (210,319)	-3.34%
Other Assets	7,662,615	6,962,881	699,734	10.05%
Total Assets	13,758,529	13,269,114	489,415	3.69%
Deferred Outflows	7,165,814	5,477,349	1,688,465	30.83%
Liabilities				
Long-Term Liabilities	26,185,098	23,195,827	2,989,271	12.89%
Other Liabilities	4,815,248	4,834,242	(18,994)	-0.39%
Total Liabilities	31,000,346	28,030,069	2,970,277	10.60%
Deferred Inflows	4,220,313	5,017,518	(797,205)	-15.89%
Net Position				
Net Investment in Capital Assets	4,319,017	4,365,901	(46,884)	-1.07%
Unrestricted	(18,615,333)	(18,667,025)	51,692	-0.28%
Total Net Position (Deficit)	$ (14,296,316)	$ (14,301,124)	$ 4,808	-0.03%

Business-Type Activities:			Year to Year Variance	
	June 30, 2023	**June 30, 2022**	**Amount**	**Percentage**
Assets				
Capital Assets	$ 27,002	$ 38,266	$ (11,264)	-29.44%
Other Assets	290,681	291,690	(1,009)	-0.35%
Total Assets	317,683	329,956	(12,273)	-3.72%
Liabilities				
Other Liabilities	(58,910)	(115,257)	56,347	-48.89%
Total Liabilities	(58,910)	(115,257)	56,347	-48.89%
Net Position				
Net Investment in Capital Assets	27,002	38,266	(11,264)	-29.44%
Unrestricted	349,591	406,947	(57,356)	-14.09%
Total Net Position (Deficit)	$ 376,593	$ 445,213	$ (68,620)	-15.41%

Assets, Liabilities, and Net Position

Government Activities

As of June 30, 2023, the District had total assets of $13.8 million, an increase of about $489,000 from the prior year. Current assets consist of about $1.1 million in cash and cash equivalents and $6.6 million in receivables. Non-current assets include about $483,000 in non-depreciable assets and about $5.6 million in depreciable assets, net of depreciation.

Liabilities, as of June 30, 2023 were about $31.0 million, an increase of $3.0 million from the previous year. Current liabilities include accounts payable of $1.0 million, accrued wages and benefits of $2.3 million, $321,000 in payroll deductions, $750,000 in unearned revenues, internal balances of $173,000, current notes payable of $171,000, current compensated absences of $44,000, and about $8,000 in other liabilities. Non-current liabilities include $1.6 million in notes payable, long-term portion of compensated absences of $177,000, $20.7 million in net pension liability, and $3.7 million in other post-employment benefits liability.

Net position as of June 30, 2023 has increased $5,000 to a total deficit of $14.3 million.

Business-Type Activities

As of June 30, 2023, the District had total assets of $318,000, a decrease of about $12,000 from the prior year. Current assets consist of about $94,000 in cash and cash equivalents, $98,000 in receivables, and $99,000 in prepaid expenses, inventory and other current assets. Non-current assets include about $27,000 in depreciable assets, net of depreciation.

Liabilities, as of June 30, 2023 were about $59,000, an increase of $56,000 from the previous year. Current liabilities include accounts payable of $71,000, $8,000 in unearned revenues, internal balances of (173,000), and about $35,000 in other liabilities.

Net position as of June 30, 2023 has decreased by $69,000 for a total of $377,000.

Statement of Activities

The Statement of Activities is focused on both gross and net costs of various functions, which are supported by the government's charges for services, program revenues, federal and state subsidies, and contributions and capital grants. 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. This statement is intended to summarize and simplify the user's analysis of costs of various governmental services provided.

Statement of Activities (Continued)

The following Statement of Activities discloses the revenues and expenses for the current and previous years:

Governmental Activities:			Year to Year Variance	
	June 30, 2023	**June 30, 2022**	**Amount**	**Percentage**
Program Revenues:				
Operating Grants and Contributions	$ 6,764,575	$ 5,381,566	$ 1,383,009	25.70%
General Revenues:				
Property Taxes	3,006,524	3,189,986	(183,462)	-5.75%
Other Taxes	807,234	715,129	92,105	12.88%
Grants Subsidies and Contributions	9,871,066	8,877,311	993,755	11.19%
Other	91,173	147,347	(56,174)	-38.12%
Total Revenues	20,540,572	18,311,339	2,229,233	12.17%
Expenditures:				
Instruction Services	13,631,449	13,259,051	372,398	2.81%
Support Services	6,302,746	5,710,652	592,094	10.37%
Non-Instruction Services	513,765	385,715	128,050	33.20%
Interest on Long-Term Debt	87,804	89,201	(1,397)	-1.57%
Total Expenditures	20,535,764	19,444,619	1,091,145	5.61%
Change in Net Position	4,808	(1,133,280)	1,138,088	-100.42%
Beginning Net Position (Deficit)	(14,301,124)	(13,167,844)	(1,133,280)	8.61%
Ending Net Position (Deficit)	$ (14,296,316)	$ (14,301,124)	$ 4,808	-0.03%

Business-Type Activities:			Year to Year Variance	
	June 30, 2023	**June 30, 2022**	**Amount**	**Percentage**
Program Revenues:				
Charges for Services	$ 56,133	$ 56,322	$ (189)	-0.34%
Operating Grants and Contributions	540,620	527,099	13,521	2.57%
General Revenues:				
Other	423	15	408	2720.00%
Total Revenues	597,176	583,436	13,740	2.36%
Expenditures:				
Food Service	665,796	401,462	264,334	65.84%
Change in Net Position	(68,620)	181,974	(250,594)	-137.71%
Beginning Net Position (Deficit)	445,213	263,239	181,974	69.13%
Ending Net Position (Deficit)	$ 376,593	$ 445,213	$ (68,620)	-15.41%

Government Activities

The District's total revenue from governmental activities for the year ending June 30, 2023 increased about $2.2 million over the previous year and totaled $20.5 million. The largest increase of revenues was due to an increase in grants and contributions. Expenditures from governmental activities have increased $1.1 million to about $20.5 million. The largest increase of expenditures was due to increased support services.

Statement of Activities (Continued)

Business-Type Activities

The District's total revenue from business-type activities for the year ending June 30, 2023 increased about $13,700 over the previous year and totaled $597,000. The largest increase of revenues was due to increased grants and contributions. Expenditures from business-type activities have increased $264,000 to about $666,000.

Budgetary Comparison

It is important to analyze the variance of the original and final budget amounts to the final actual amounts. The District received Local Revenue of $37,462 less than the budgeted amount. The State Revenues received were $2,017,813 more than the budgeted amount. The Federal Revenues received were $961,935 less than the budgeted amount. The District's expenditures and other financing uses totaled $2,497,085 over budget. In total, the District performed $1,478,669 over budget primarily due to the higher expenditures.

	Original Budget	Final Budget	Actual	Variance
Revenue:				
Local Sources	$ 3,766,706	$ 3,766,706	$ 3,729,244	$ (37,462)
State Sources	12,146,115	12,146,115	14,163,928	2,017,813
Federal Sources	3,320,899	3,320,899	2,358,964	(961,935)
Total Revenue	19,233,720	19,233,720	20,252,136	1,018,416
Expenditures:				
Instruction Services	10,758,400	10,758,400	12,248,846	(1,490,446)
Support Services	6,955,665	6,955,665	7,540,271	(584,606)
Non-Instructional Services	440,467	440,467	496,780	(56,313)
Facilities, Acquisition, Construction and Improvement Services	17,268	17,268	323,225	(305,957)
Debt Service (Principal and Interest)	91,447	91,447	251,661	(160,214)
Other Financing Uses	-	-	(701)	701
Interfund Transfers	99,750	99,750	-	99,750
Total Expenditures	18,362,997	18,362,997	20,860,082	(2,497,085)
Net Change in Fund Balance	$ 870,723	$ 870,723	$ (607,946)	$ (1,478,669)

Capital Assets

At June 30, 2023, the District's governmental activities had net capital assets of $6,095,914, and business-type activities had net capital assets of $27,002 in a broad range of categories including land, school buildings, athletic facilities, fixtures, and equipment. More detailed information about the District's capital assets is provided in Note 5 to the financial statements.

	2023	2022
Land	$ 483,122	$ 483,122
Land Improvements	8,850	9,720
Buildings and Building Improvements	5,167,442	5,614,964
Furniture and Equipment	463,500	236,693

Long-Term Liabilities

As of June 30, 2022, the District had one General Obligation Note totaling approximately $1,940,000 outstanding. During 2022/2023 school year, principal payments of $163,435 were made leaving an outstanding balance of $1,777,000 as of June 30, 2023. More information about the District's debt is provided in Note 7 to the financial statements.

Economic Factor's and Next Year's Budgets and Rates

The School District does not expect significant growth in the near future but will review raising two-tier millage rate; land at 87.065 mills and buildings at 8.126 mils to the adjusted index to generate local revenue. The School District will also review with the City of Clairton to form a land bank to address blight.

Clairton City School District is characterized as being a mixed-use community, which has an industrial, commercial and residential property tax base. The Board makes every attempt to minimize any additional tax burden when address the means to achieve a balanced budget.

Contacting the School District Financial Management

Our financial report is designed to provide our citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to show the Board's accountability for the money it receives. If you have questions regarding this report or wish to request additional information, please contact Mr. Indranil Lingayat, Business Manager at Clairton City School District, 501 Waddell Avenue, Clairton, PA 15025, 412-233-7090.

CLAIRTON CITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and Cash Equivalents	$ 1,104,353	$ 93,595	$ 1,197,948
Taxes Receivable, Net	5,803,354	-	5,803,354
Due from Other Governments	724,215	97,571	821,786
Other Receivables	30,693	-	30,693
Inventory	-	7,541	7,541
Prepaid Expenses	-	63,287	63,287
Other Current Assets	-	28,687	28,687
Capital Assets:			
Non-Depreciable	483,122	-	483,122
Depreciable, Net	5,612,792	27,002	5,639,794
Total Assets	13,758,529	317,683	14,076,212
Deferred Outflows of Resources			
Deferred Outflows related to Pension	6,226,553	-	6,226,553
Deferred Outflows related to OPEB - District	755,640	-	755,640
Deferred Outflows related to OPEB - PSERS	183,621	-	183,621
Total Deferred Outflows of Resources	7,165,814	-	7,165,814
Total Assets and Deferred Outflows of Resources	$ 20,924,343	$ 317,683	$ 21,242,026
Liabilities			
Current Liabilities:			
Accounts Payable	$ 1,019,594	$ 71,367	$ 1,090,961
Accrued Wages and Benefits	2,328,744	-	2,328,744
Payroll Deductions and Withholdings	321,128	-	321,128
Unearned Revenues	750,288	7,541	757,829
Internal Balances	172,600	(172,600)	-
Other Current Liabilities	8,094	34,782	42,876
Current Portions of Long-Term Liabilities:			
Notes Payable	170,515	-	170,515
Compensated Absences	44,285	-	44,285
Non-Current Portions of Long-Term Liabilities:			
Notes Payable	1,606,382	-	1,606,382
Compensated Absences	177,140	-	177,140
Net Pension Liability	20,673,306	-	20,673,306
Other Post Employment Benefits - District	2,881,270	-	2,881,270
Other Post Employment Benefits - PSERS	847,000	-	847,000
Total Liabilities	31,000,346	(58,910)	30,941,436
Deferred Inflows of Resources			
Deferred Inflows related to Pension	3,316,913	-	3,316,913
Deferred Inflows related to OPEB - District	672,737	-	672,737
Deferred Inflows related to OPEB - PSERS	230,663	-	230,663
Total Deferred Inflows of Resources	4,220,313	-	4,220,313
Net Position			
Net Investment in Capital Assets	4,319,017	27,002	4,346,019
Unrestricted	(18,615,333)	349,591	(18,265,742)
Total Net Position (Deficit)	(14,296,316)	376,593	(13,919,723)
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 20,924,343	$ 317,683	$ 21,242,026

The accompanying notes are an integral part of these financial statements.

CLAIRTON CITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total
Primary Government:							
Governmental Activities:							
Instruction	$ 12,347,173	$ -	$ 5,294,821	$ -	$ (7,052,352)	$ -	$ (7,052,352)
Instructional Student Support	1,284,276	-	663,628	-	(620,648)	-	(620,648)
Administrative and Financial Support Services	3,167,486	-	275,251	-	(2,892,235)	-	(2,892,235)
Operation and Maintenance of Plant Services	2,325,796	-	-	-	(2,325,796)	-	(2,325,796)
Pupil Transportation	809,464	-	448,770	-	(360,694)	-	(360,694)
Student Activities	499,294	-	82,105	-	(417,189)	-	(417,189)
Community Services	14,471	-	-	-	(14,471)	-	(14,471)
Interest on Long-Term Debt	87,804	-	-	-	(87,804)	-	(87,804)
Total Governmental Activities	20,535,764	-	6,764,575	-	(13,771,189)	-	(13,771,189)
Business-Type Activities:							
Food Services	665,796	56,133	540,620	-	-	(69,043)	(69,043)
Total Business-Type Activities	665,796	56,133	540,620	-	-	(69,043)	(69,043)
Total Primary Government	$ 21,201,560	$ 56,133	$ 7,305,195	$ -	(13,771,189)	(69,043)	(13,840,232)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes, Net					3,006,524	-	3,006,524
Earned Income Taxes					449,981	-	449,981
Business Privilege Taxes					242,014	-	242,014
Other Taxes Levied for General Purposes, Net					115,239	-	115,239
Grants, subsidies, and Contributions Not Restricted					9,871,066	-	9,871,066
Investment Earnings					18,707	423	19,130
Miscellaneous Income					71,765	-	71,765
Sale of Capital Assets					701	-	701
Total General Revenues					13,775,997	423	13,776,420
Change in Net Position					4,808	(68,620)	(63,812)
Net Position (Deficit) - Beginning					(14,301,124)	445,213	(13,855,911)
Net Position (Deficit) - Ending					$ (14,296,316)	$ 376,593	$ (13,919,723)

The accompanying notes are an integral part of these financial statements.

CLAIRTON CITY SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and Cash Equivalents	$ 1,043,924	$ 60,429	$ 1,104,353
Taxes Receivable, Net	5,803,354	-	5,803,354
Due from Other Governments	724,215	-	724,215
Other Receivables	30,693	-	30,693
Total Assets	$ 7,602,186	$ 60,429	$ 7,662,615
Liabilities			
Accounts Payable	$ 1,019,594	$ -	$ 1,019,594
Accrued Salaries and Benefits	2,328,744	-	2,328,744
Payroll Deductions and Withholdings	321,128	-	321,128
Due to Other Funds	172,600	-	172,600
Unearned Revenue	750,288	-	750,288
Total Liabilities	4,592,354	-	4,592,354
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	5,803,354	-	5,803,354
Total Deferred Inflows of Resources	5,803,354	-	5,803,354
Fund Balances			
Committed	-	53,069	53,069
Restricted	-	7,360	7,360
Unassigned	(2,793,522)	-	(2,793,522)
Total Fund Balances	(2,793,522)	60,429	(2,733,093)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 7,602,186	$ 60,429	$ 7,662,615

The accompanying notes are an integral part of these financial statements.

CLAIRTON CITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balances of governmental funds		$ (2,733,093)
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 in the funds. The cost of the assets is $19,660,152 and the accumulated depreciation is $13,564,238.		6,095,914
Property taxes receivable will be collected, but are not available soon enough to pay for current year's expenditures, and therefore are deferred in the Governmental Funds.		5,803,354
Long-term liabilities and related deferrals such as Debt, Accrued Interest, and Compensated Absences are not due and payable in the current period and accordingly are not reported as fund liabilities. Both current and long-term liabilities are reported in the Statement of Net Position.		
Notes Payable	$ (1,776,897)	
Compensated Absences	(221,425)	
Accrued interest	(8,094)	
Net Pension Liability	(20,673,306)	
Other Post Employment Benefits - District	(2,881,270)	
Other Post Employment Benefits - PSERS	(847,000)	
Deferred Outflows Related to Pensions	6,226,553	
Deferred Outflows Related to OPEB - District	755,640	
Deferred Outflows Related to OPEB - PSERS	183,621	
Deferred Inflows Related to Pensions	(3,316,913)	
Deferred Inflows Related to OPEB - District	(672,737)	
Deferred Inflows Related to OPEB - PSERS	(230,663)	(23,462,491)
Total net position of governmental activities		$ (14,296,316)

CLAIRTON CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Local Revenue Sources	$ 3,729,244	$ 15,368	$ 3,744,612
State Revenue Sources	14,163,928	-	14,163,928
Federal Revenue Sources	2,358,964	-	2,358,964
Total Revenues	20,252,136	15,368	20,267,504
Expenditures			
Instructional Services	12,248,846	-	12,248,846
Support Services	7,540,271	-	7,540,271
Non-Instructional Services	496,780	13,845	510,625
Debt Service(Principal and Interest)	251,661	-	251,661
Capital Outlay	323,225	-	323,225
Total Expenditures	20,860,783	13,845	20,874,628
Excess (Deficiency) of Revenues Over (under) Expenditures	(608,647)	1,523	(607,124)
Other Financing Sources (Uses)	701	-	701
Total Other Financing Sources (Uses)	701	-	701
Net change in fund balance	(607,946)	1,523	(606,423)
Fund balance - beginning of year	(2,185,576)	58,906	(2,126,670)
Fund balance - end of year	$ (2,793,522)	$ 60,429	$ (2,733,093)

The accompanying notes are an integral part of these financial statements.

CLAIRTON CITY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net Change in fund balances - Total Governmental Funds			$ (606,423)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.			
Capital Outlays	$ 323,225		
Depreciation Expense	(533,544)		(210,319)
Long-term liabilities such as Debt, Accrued Interest, and Compensated Absences are not due and payable in the current period and accordingly are not reported as fund liablities. Both current and long-term liabilities are reported in the Statement of Net Position.			
Debt Principal Repayments	163,435		
Change in Accrued Interest	422		
Change in Compensated Absences	(9,175)		
Change in Net Pension Liability and Deferred Amounts	571,103		
Change in Other Postemployment Benefits and Deferred Amounts	(177,879)		547,906
Real estate taxes reported in the funds include receipt of prior year delinquent taxes and do not include revenue attributable to the current year's delinquent tax receivable. This amount is the net effect of these differences.			273,644
Changes in net position of governmental activities			$ 4,808

The accompanying notes are an integral part of these financial statements.

CLAIRTON CITY SCHOOL DISTRICT
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities Food Service
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 93,595
Due from Other Governments	97,571
Due from Other Funds	172,600
Inventories	7,541
Prepaid Items	63,287
Other Current Assets	28,687
Total Current Assets	463,281
Non-Current Assets:	
Furniture and Equipment	509,762
Accumulated Depreciation	(482,760)
Total Non-Current Assets	27,002
Total Assets	$ 490,283
Liabilities	
Current liabilities:	
Accounts Payble	$ 71,367
Unearned Revenues	7,541
Other Current Liabilities	34,782
Total Current Liabilities	113,690
Total Liabilities	113,690
Net Position	
Net Investment in Capital Assets	27,002
Unrestricted	349,591
Total Net Position	376,593
Total Liabilities and Net Position	$ 490,283

The accompanying notes are an integral part of these financial statements.

CLAIRTON CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities
	Food Service
Operating Revenues	
Food Service Revenue	$ 56,133
Total Operating Revenues	56,133
Operating Expenses	
Other Purchased Services	618,964
Supplies	34,515
Depreciation	11,264
Other Operating Expenditures	1,053
Total Operating Expenses	665,796
Operating Loss	(609,663)
Nonoperating Revenues	
Earnings on Investments	423
State Sources	14,217
Federal Sources	526,403
Total Nonoperating Revenues	541,043
Change in Net Position	(68,620)
Net Position - Beginning of Year	445,213
Net Position - End of Year	$ 376,593

The accompanying notes are an integral part of these financial statements.

CLAIRTON CITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities Food Service
Cash flows from operating activities:	
Cash received from users	$ 89,879
Cash payments to suppliers for goods and services	(594,787)
Net cash used in operating activities	(504,908)
Cash flows from non-capital financing activities:	
State Sources	14,217
Federal Sources	526,403
Net cash provided by non-capital financing activities	540,620
Cash flows from investing activities:	
Earnings on investments	423
Net increase (decrease) in cash and cash equivalents	36,135
Beginning cash and cash equivalents	57,460
Ending cash and cash equivalents	$ 93,595
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating Loss	$ (609,663)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and net amortization	11,264
(Increase) decrease from other current assets	(28,687)
(Increase) decrease in due to/from	135,439
(Increase) decrease in inventories	3,398
Increase (decrease) in accounts payable	(42,157)
Increase (decrease) in deferred revenue	(3,398)
Increase (decrease) in other current liabilities	28,896
Total adjustments	104,755
Cash used in operating activities	$ (504,908)

The accompanying notes are an integral part of these financial statements.

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clairton City School District (the District), located in Allegheny County, Pennsylvania, provides public education, kindergarten through twelfth grade, to the residents of the City of Clairton. The District operates under a nine-person elected Board of Directors.

The Board of Directors (the Board) has the power and duty to establish, equip, furnish, and maintain a sufficient number of elementary, secondary and other schools necessary to educate every person residing in such district between the ages of six and twenty-one years, who may attend.

In order to establish, enlarge, equip, furnish, operate and maintain any school herein provided, or to pay any school indebtedness, which the District is required to pay, or to pay an indebtedness that may at any time hereafter be created by the District. The Board is vested with all the necessary authority and power annually to levy and collect the necessary taxes required and granted by the legislature, in addition to the annual State appropriation, and are vested with all necessary power and authority to comply with and carry out any or all of the provisions of the Public School Code of 1949.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles.

A.) Use of Estimates

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

B.) Basic Financial Statements – Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the 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 the District. Governmental activities, which normally are reported 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.

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B.) Basic Financial Statements – Government-Wide Statements (Continued)

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.

C.) Basic Financial Statements – Fund Financial Statements

Fund financial statements of the 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 two categories: governmental and proprietary.

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

1. Governmental Funds

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

   The *general fund* is the 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 District also reports, as nonmajor governmental funds, the following:

   The *capital reserve fund*, a capital projects fund, accounts for the resources accumulated from surplus monies in the general fund which is to be used for capital improvements.

   The *student activity fund*, accounts for financial resources to be used for student activities in the middle school and high school.

   The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

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 business in the private sector. The District reports the following proprietary fund type:

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C.) Basic Financial Statements – Fund Financial Statements (Continued)

2. Proprietary Funds (Continued)

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.

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

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

D. 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 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.

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D.) Measurement Focus and Basis of Accounting (Continued)

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). 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.

E.) Joint Venture

The District is one of ten member school districts of the Steel Center Area Vocational-Technical School (“Steel Center”). Steel Center provides vocational-technical training and education to participating students of the member districts. Steel Center is controlled and governed by the Joint Board, which is composed of all the school board members of all the member districts. Direct oversight of Steel Center’s operations is the responsibility of the Joint Committee, which consists of one representative from each participating school district. No member of the Jointure exercises specific control over the fiscal policies or operations of Steel Center. The District’s share of annual administrating, operating, and capital costs for Steel Center fluctuates, based on the percentage of enrollment of each member district in school. The District’s financial obligation to Steel Center for the year ended June 30, 2023 was $4,425 and in addition, the District paid $196,438 in tuition costs which has been reported in the District’s general fund. The District has no equity interest in Steel Center as of June 30, 2023. Complete financial statements for Steel Center can be obtained from the administrative offices at 545 Lewis Run Road, Jefferson Hills, PA 15025.

F.) Basis of Presentation

Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the District. As a general rule, the effect of interfund activity has been eliminated from these statements. 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.

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F.) Basis of Presentation (Continued)

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

Fund financial statements are also provided in the report for all of the governmental funds and proprietary funds of the District. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Proprietary Fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund are food service charges. Operating expenses for the District's Enterprise Fund include food production costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses.

G.) Budgetary Data

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. The 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. 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 may approve budget transfers throughout the school year. There were no supplemental budgetary appropriations made during the year ended June 30, 2023.

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 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.) Cash and Cash Equivalents

The 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.

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.) 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 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.

J.) Interfund Receivables/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”.

K.) Accounts Receivable

Accounts receivable are recorded at the invoiced amount. The District determines the allowance for doubtful accounts based on historical write-off experience. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

L.) Inventories

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

Inventories in governmental funds are stated at cost by the first-in, first-out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, an estimated value of inventories is reported as an asset in the general fund, if considered material. There was no material inventory balance as of June 30, 2023.

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, 2023 are reported as unavailable revenue.

M.) 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.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N.) 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 District as assets with an initial, individual cost of more than $1,500 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than $1,500 as composite groups for financial reporting purposes. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. 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
Buildings and Improvements	20-50
Land Improvements	20
Furniture	5-10
Vehicles	10
Equipment	5-10
Computer Equipment	5

Proprietary fund equipment purchases are capitalized in the proprietary fund at cost and depreciated on a straight-line basis over 5 to 12 years.

O.) 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 discounts are deferred and amortized over the life of the bonds using the effective interest method.

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

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P.) Compensated Absences

The District's policies regarding vacation and sick time are 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 vary 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, 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.

Q.) PSERS Net OPEB Liability:

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 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.

R.) Defining Operating Revenues and Expenses

The District's proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the 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.

S.) Fund Balance

Fund Balance Classification. In accordance with GASB Statement No. 54, the governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are 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 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. The activity fund has a restricted fund balance of $7,360 for student groups.

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. The committed fund balance of $53,069 in the capital projects fund is for future capital improvements.

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S.) Fund Balance (Continued)

Assigned – reflects the 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 negative unassigned fund balance.

The 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.

T.) Deferred Outflows /Inflows of Resources

The Statement of Net Position report separate sections for deferred outflows and deferred inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources (expense/revenue) until then. The District has three items that qualify for reporting in these categories: deferred outflows and deferred inflows related to OPEB, deferred outflows and inflows related to pensions, and unavailable tax revenue.

In accordance with applicable guidance, the excess of the reacquisition price over the net carrying amount of refunded debt is recorded as a deferred outflow of resources on the statement of net position and amortized as a component of interest expense over the shorter of the term of the refunding issue or refunded bonds.

Deferred outflows and deferred inflows of resources related to OPEB are described further in Note 9. Deferred outflows of resources should be recognized in OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

Deferred outflows and inflows of resources related to pensions are described further in Note 10. Annual changes to the net pension liability resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographic factors or other inputs are deferred and amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits determined for the period during which the changes occurred. Differences between projected and actual earnings on pension plan investments are amortized over a closed five-year period.

In the governmental funds balance sheet, the District only has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable tax revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U.) Adoption of Governmental Accounting Standards Board Statements

The District adopted the provisions of GASB issued Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*". The adoption of this statement had no effect on previously reported amounts.

The District adopted the provisions of GASB issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*". The adoption of this statement had no effect on the District's financial statements.

The District adopted the provisions of GASB issued Statement No. 99, "*Omnibus 2022*". The adoption of this statement had no effect on the District's financial statements.

V.) Pending Changes in Accounting Principles

In June of 2022, the GASB issued Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*". The District is required to adopt Statement No. 100 for its fiscal year 2024 financial statements.

In June of 2022, the GASB issued Statement No. 101, "*Compensated Absences*". The District is required to adopt Statement No. 101 for its fiscal year 2025 financial statements.

In December of 2023, the GASB issued Statement No. 102, "*Certain Risk Disclosures*". The District is required to adopt Statement No. 102 for its fiscal year 2026 financial statements.

In April of 2024, the GASB issued Statement No. 103, "*Financial Reporting Model Improvements*". The District is required to adopt Statement No. 103 for its fiscal year 2026 financial statements.

In September of 2024, the GASB issued Statement No. 104, "*Disclosure of Certain Capital Assets*". The District is required to adopt Statement No. 104 for its fiscal year 2026 financial statements.

In December 2025, the GASB issued Statement No. 105, "*Subsequent Events*." The District is required to adopt Statement No. 105 for its 2027 financial statements.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Pennsylvania Local Government Investment Trust (PLGIT) 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, are vocational-technical schools, and municipalities. 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.

PLGIT 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. PLGIT is a local government investment pool and is exempt from the requirement 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 PLGIT is the same as the value of PLGIT shares. There are no limitations or restrictions on withdrawals.

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

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

Custodial Credit Risk − For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of June 30, 2023, the District's cash book balances for its governmental activities and business-type activities were $1,197,948 and its bank balances were $1,488,738. Of these bank balances, $500,000 was covered by Federal Depository Insurance Company (FDIC) insurance. The remaining $988,738 was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the District's name, and therefore was subject to custodial credit risk.

Interest Rate Risk − The District's investment policy seeks to have its investments remain sufficiently liquid to meet all operating requirements that are reasonably anticipated. Investments shall be made with the objective of attaining a market-average rate of return throughout the budgetary and economic cycles, considering investment risk constraints and liquidity needs as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The Pennsylvania Public School Code authorizes the types of investments allowed. These are described in Note 1I. The District has no investment policy that would further limit its investment choices. The District's investments in the PLGIT were rated AAAm by Standard & Poor's.

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

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had no investments that required disclosure as of June 30, 2023 under this hierarchy.

NOTE 3: REAL ESTATE TAXES RECEIVABLE

The District has independently elected tax collectors who are responsible for the collection of taxes. Assessed values are established by the County Board of Assessment. The District's tax rate as of June 30, 2023 was 87.065 mills on land ($87.07 per $1,000 assessed valuation) and 8.126 mills on buildings ($8.13 per $1,000 assessed valuation). The tax calendar for real estate taxes levied is as follows:

The schedule for real estate taxes levied for each fiscal year is as follows:

July 1	Levy Date
July 1 – August 31	2% Discount period
September 1 – October 31	Face payment period
November 1 – Until Liened	10% Penalty period
January 15	Lien Filing Date

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3: REAL ESTATE TAXES RECEIVABLE (CONTINUED)

The District, in accordance with U.S. generally accepted accounting principles, recognizes the delinquent and unpaid taxes receivable, reduced by an allowance for uncollectible taxes, as determined by management. A portion of the net amount estimated to be collectible, which was measurable and available within sixty days, was recognized as revenue and the balance deferred in the fund financial statements.

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 unavailable revenue on the balance sheet until they are received. The amounts reported for this receivable are reported on the balance sheet in the amount of $5,803,354.

NOTE 4: DUE FROM OTHER GOVERNMENTS

Amounts due from other governments represent receivables for revenues earned by the District. At June 30, 2023, the following amounts are due from other governmental units:

	Governmental Funds	Business-Type Funds	Total
Federal (through the state)	$ 266,933	$ 94,688	$ 361,621
State	457,282	2,883	460,165
	$ 724,215	$ 97,571	$ 821,786

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	$ 483,122	$ -	$ -	$ 483,122
Total Capital Assets, Not Being Depreciated	483,122	-	-	483,122
Capital Assets, Being Depreciated:				
Building and Improvements	16,106,047	-	-	16,106,047
Land Improvements	738,505	-	-	738,505
Furniture and Equipment	2,009,253	323,225	-	2,332,478
Total Capital Assets Being Depreciated	18,853,805	323,225	-	19,177,030
Less Accumulated Depreciation For:				
Building and Improvements	(10,491,083)	(447,522)	-	(10,938,605)
Land Improvements	(728,785)	(870)	-	(729,655)
Furniture and Equipment	(1,810,826)	(85,152)	-	(1,895,978)
Total Accumulated Depreciation	(13,030,694)	(533,544)	-	(13,564,238)
Total Capital Assets Being Depreciated, Net	5,823,111	(210,319)	-	5,612,792
Governmental Capital Assets, Net	$ 6,306,233	$ (210,319)	$ -	$ 6,095,914

BUSINESS-TYPE ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated:				
Furniture and Equipment	$ 509,762	$ -	$ -	$ 509,762
Total Capital Assets Being Depreciated	509,762	-	-	509,762
Less Accumulated Depreciation For:				
Furniture and Equipment	(471,496)	(11,264)	-	(482,760)
Total Accumulated Depreciation	(471,496)	(11,264)	-	(482,760)
Business-Type Activities Capital Assets, Net	$ 38,266	$ (11,264)	$ -	$ 27,002

Depreciation expense was charged to functions/programs of the primary government's governmental activities as follows:

Governmental Activities:	
Instruction	$ 448,736
Instructional Support Services	13,001
Administration and Financial Support Services	15,388
Operation and Maintenance of Plant Services	54,913
Student Activities	1,506
Total Depreciation Expense - Governmental Activities	$ 533,544
Business-Type Activities - Food Services	$ 11,264

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6: INTERFUND BALANCES

At June 30, 2023, interfund balances were:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ -	$ 172,600
Food Service Fund	172,600	-
	$ 172,600	$ 172,600

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.

NOTE 7: LONG-TERM LIABILITIES OBLIGATIONS

Long-term liabilities for the year ended June 30, 2023, was as follows:

	Balance 6/30/2022	Payments/ Amortization	Additions	Balance 6/30/2023	Amount Due in One Year
Governmental Activities:					
General Obligation Notes	$ 1,940,332	$ (163,435)	$ -	$ 1,776,897	$ 170,515
Compensated Absences	212,250	-	9,175	221,425	44,285
	$ 2,152,582	$ (163,435)	$ 9,175	$ 1,998,322	$ 214,800

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

Bonds and Notes Payable

The government issues general obligation bonds/notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds/notes have been issued for government activities. General obligation bond/notes are direct general obligations of the District. Principal and interest payments are backed by the full faith, credit, and taxing authority of the District.

General Obligation Notes – Series of 2017 – General Obligation Notes with an original principal amount of $2,030,000. Principal maturities occur on May 19, 2018, through 2037. Interest is payable annually on May 19. The interest rate is 4.095%. Balance outstanding on this obligation was $1,581,192 at June 30, 2023.

NOTE 7: LONG-TERM LIABILITIES OBLIGATIONS (CONTINUED)

Bonds and Notes Payable (Continued)

Note Payable – Principal maturities occur monthly on the first day of the month through September 2025. Interest is payable monthly on the first day of the month. The interest rate is 4.480%. Balance outstanding on this note was $195,705 at June 30, 2023.

Note Payable to a bank, monthly payments of $7,639, including interest at 4.48% per annum, with payments through September 2025.	$ 195,705
General obligation notes, Series of 2017, yearly payments of $150,630, including interest at 4.10% per annum, with payments through May 2037.	1,581,192
	$ 1,776,897

The annual requirements of the District funds to amortize all debt outstanding (excluding compensated absences) as of June 30, 2023, including interest are as follows:

Year ended June 30,	General Obligation Notes Principal	Interest	Total
2024	$ 170,515	$ 71,792	$ 242,307
2025	177,902	64,404	242,306
2026	115,623	57,740	173,363
2027	96,869	53,762	150,631
2028	100,835	49,795	150,630
2029-2033	569,603	183,548	753,151
2034-2037	545,550	56,971	602,521
Total	$ 1,776,897	$ 538,012	$ 2,314,909

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. Significant losses are covered by commercial insurance for all major programs except for workers' compensation for which the District retains risk of loss. The District monitors their insured programs and increases insurance coverage as needed. There were no significant reductions in insurance coverage for the 2022-2023 year. Settlement amounts have not exceeded insurance coverage for the current year of the three prior years. The District has no unfunded liability.

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The District administers a single-employer defined benefit healthcare plan (the Plan). The plan provides medical, dental, vision, and life benefits for the employees who meet the eligibility requirements upon retirement. Teachers and administrators are referred to as professional employees (PEs). The benefits provided are for the eligible retirees and their spouses through the District group health insurance plan which covers both active and retired members. Benefit provisions are mostly established through negotiations between the District and union or group representing the employees. The plan does not issue a publicly available financial report.

Employees covered by benefit terms. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Actives	84
Total	88

Funding Policy. Full time employees of the District can be classified into one of four groups: Administrators, Teachers, Paraprofessionals, and Secretaries. The Administrators and teachers are eligible for subsidized post-retirement medical, dental, and vision benefits. Paraprofessionals and Secretaries are eligible for post-retirement medical benefits through Act 110/43.

Administrators and Teachers are eligible for post-retirement medical, dental and vision coverage provided they meet the criteria for normal retirement under PSERS. Employees are eligible for normal retirement from PSERS upon attaining 35 years of service, age 60 with 30 years of service or age 62 with 1 year of service. Employees in these groups may also retire early provide they have 15 years of service with the District and their age plus years of service equals at least 85.

The other groups are eligible for medical only coverage under Act 110/43. To qualify for retiree medical benefits under Act 110/43, a retiree must meet one of the following requirements: normal retirement on or after age 62, retirement under PSERS disability, or retirement with 30 or more years of service.

Total OPEB Liability. The District's total OPEB liability of $2,881,270 was measured as of July 1, 2023, and was determined by an actuarial valuation as of July 1, 2023. The OPEB liability is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position.

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Plan Description (Continued)

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.13%
Inflation Rate	3.00%
Salary Increases	2.50%
Healthcare Cost Trend Rates	7.00% for 2022/2023, decreasing 0.25% a year to an ultimate rate of 4.50%

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

Mortality rates were based on the Pri.H-2012 Total Dataset Mortality Table projected using Scale MP-2020.

Changes in the total OPEB liability

The District's total OPEB Liability has been measured as of June 30, 2023, and was determined by an actuarial valuation performed as of June 30, 2022.

The District's change in its total OPEB liability for the year ended June 30, 2023 was as follows:

	Governmental Activities
Service cost	$ 141,004
Interest	101,092
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(170,760)
Benefit payments	(45,781)
Net change in total OPEB Liability	25,555
Total OPEB Liability at June 30, 2022	2,855,715
Total OPEB Liability at June 30, 2023	$ 2,881,270

Changes of assumptions and other inputs are as follows:

- Changed the discount rate from 3.54% to 4.13%.
- Updated changes to the mortality improvement scale
- Updated the assumed medical trend rates

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

For the year ended June 30, 2023, the District recognized OPEB expense of $253,399. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 450,598	$ 149,978
Change in assumptions	305,042	522,759
Total	$ 755,640	$ 672,737

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

Year ended June 30,	
2024	$ 11,303
2025	11,303
2026	11,303
2027	11,303
2028	11,303
Thereafter	26,388
	$ 82,903

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

The following is the Total OPEB Liability to the District, as well as the Total OPEB Liability using a discount rate that is 1-percentage-point lower or 1-percentage-poinit higher than the current discount rate:

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB Liability	$ 3,161,535	$ 2,881,270	$ 2,625,275

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 2,574,709	$ 2,881,270	$ 3,235,077

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Health Insurance Premium Assistance Plan

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, 2022 there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the PSERS Plan 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 services and retired after reaching superannuation age, and

Pension Plan Description

The administrative staff of PSERS administer the PSERS Plan. The control and management of PSERS, including the investment of its assets, is vested in the 15-member Board of Trustees (Board). The Commonwealth General Assembly has the authority to amend the benefit terms of the PSERS Plan by passing a bill in the Senate and House of Representatives and sending the bills to the Governor for approval. PSERS issues a publicly available financial report that can be obtained at www.psers.state.pa.us.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lessor 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.

Employer Contributions. The District's contractually required contribution rate for fiscal year ended June 30, 2023 was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were $50,455 for the year ended June 30, 2023.

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

At June 30, 2023, the District reported a liability of $847,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2021 to June 30, 2022. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll of all school districts in the PSERS Plan. At June 30, 2023, the District's proportion was 0.0460%, which was an increase of 0.0013% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District recognized OPEB expense of approximately $97,000. At June 30, 2023, the 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 actual and expected experience	$ 7,600	$ 4,536
Net difference between projected and actual investment earnings	2,272	-
Changes in assumptions	91,461	199,888
Changes in proportion	31,833	26,239
Contributions subsequent to the measurement date	50,455	-
Total	$ 183,621	$ 230,663

The $50,455 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. 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,	
2024	$ 26,436
2025	13,716
2026	13,725
2027	20,150
2028	23,470
	$ 97,497

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

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

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 4.09% - 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 and seniority increases.
- Premium assistance reimbursement 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, 2021 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2026.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2020 determined the employer contribution rate for fiscal year 2022.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

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

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

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

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

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

Sensitivity of the District's Net OPEB Liability to Changes in Healthcare Cost Trend Rates

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

The following presents the District's Proportionate Share of the net OPEB liability as well as what the District's Proportionate Share of the net OPEB liability would be if it was calculated using health cost trends that are 1-percentage point lower or 1-percentage higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
School district's proportionate share of the net OPEB liability	$ 847,000	$ 847,000	$ 847,000

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

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

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
System net OPEB liability	$ 958,000	$ 847,000	$ 754,000

OPEB Plan Fiduciary Net Position

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

NOTE 10: EMPLOYEE RETIREMENT PLAN

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

General Information about the Pension Plan

Plan Description. 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 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.state.pa.us.

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. Benefits are generally equal to 1.0% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2.0% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits. Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

NOTE 10: EMPLOYEE RETIREMENT PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Contributions. The contribution policy is established in the Public School Employee's Retirement Code and requires contributions by active members, employers and the Commonwealth. Active members who joined the System and has prior to July 22, 1983, contribute 5.25% (Membership Class T-C) or 6.50% (Membership Class T-D) of the member's qualifying compensation. Members who joined the System on or after July 22, 1983 and who were active or inactive as of July 1, 2001, contribute 6.25% (Membership Class T-C) or 7.50% (Membership Class T-D) of the members qualifying compensation. Members who joined the System after June 30, 2001 and before June 1, 2011, contribute 7.50% (automatic Membership Class T-D).

For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002. Members who joined the System after June 30, 2011 automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.30% (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a 'shared risk' provision in Act 120 of 2010 that in future years could cause the Membership Class T-E contribution rate to fluctuate between 7.50% and 9.50% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.30%.

Employer Contributions. The Districts' contractually required contribution rate for fiscal year ended June 30, 2023 was 34.51% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were $2,321,585 for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of $20,673,306 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2021 to June 30, 2022. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2023, the District's proportion was 0.0465%, which was an increase of 0.00017% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District recognized pension expense of approximately $588,000, and the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10: EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,375	$ 178,807
Net difference between projected and actual investment earnings	2,594,714	2,945,440
Changes in assumptions	617,329	-
Changes in proportion	683,550	192,666
District contributions subsequent to the measurement date	2,321,585	-
Total	$ 6,226,553	$ 3,316,913

The $2,321,585 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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,	
2024	$ 267,748
2025	173,326
2026	(342,630)
2027	489,611
	$ 588,055

Actuarial Assumptions. The total pension liability as of June 30, 2022 was determined by rolling forward the System's total pension liability as of the June 30, 2021 actuarial valuation to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal – level % of pay
Salary increases	Effective average of 4.50%, comprised of 2.50% and 2.00% real wage growth and merit or seniority increases
Investment rate of return	7.00%, net of pension plan investment expense, includes inflation of 2.50%
Mortality	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 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 ended June 30, 2020.

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10: EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	28.0%	5.3%
Private equity	12.0%	8.0%
Fixed income	33.0%	2.3%
Commodities	9.0%	2.3%
Absolute return	6.0%	3.5%
Infrastructure/MLPs	9.0%	5.4%
Real estate	11.0%	4.6%
Cash	3.0%	0.5%
Financing (LIBOR)	-11.0%	0.5%
	100.0%	

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

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

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

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
School district's proportionate share of the net pension liability	$ 26,739,000	$ 20,673,306	$ 15,559,000

NOTE 10: EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

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

Act 5 of 2017. On June 12, 2017, the Commonwealth of Pennsylvania Act 5 of 2017 was signed into law. This legislation established a new hybrid defined benefit/defined contribution retirement benefit plan applicable to all school employees who become new members of PSERS on July 1, 2019 and thereafter. The three new plan options under Act 5 include two hybrid plans consisting of defined benefit and defined contribution components and a stand-alone defined contribution plan. The current stand-alone defined benefit plan is no longer available to new members after June 30, 2019.

NOTE 11: COMMITMENTS AND CONTINGENCIES

The District receives a number of state and federal grants. The grants may be subject to audit by the granting agency to determine if activities undertaken by the District comply with the conditions of the grant. Management believes no material liability would arise from any such audit.

The District has entered into a contracted transportation service agreement with an external party who provides busing service students. This agreement does not meet the criteria of a lease under GASB 87 as the terms and conditions for payment specify a rate of reimbursement per mile calculated by the Commonwealth. Since the payments are variable based on the usage of the underlying asset, the District has not recorded a liability in the financial statements for this agreement in accordance with GASB 87.

NOTE 12: SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 5, 2026, the date the financial statements were available to be issued.

NOTE 13: EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended June 30, 2023, the General Fund reported a deficiency with expenditures exceeding revenues in the amount of $1,478,669, which is a violation of the public school code. In addition, the General Fund reported a deficit for the year ended June 30, 2023, in the amount of $2,793,522. This deficit occurred primarily due to two factors: a shortfall in anticipated federal revenue that is now expected to be received in a subsequent period, and an unanticipated increase in charter school enrollment which resulted in higher-than-budgeted tuition and transportation expenditures.

Management's Response and Recovery Plan: The District's Board of Education has adopted a plan to replenish this deficiency over a period not to exceed five years. To eliminate this structural deficit, the District will implement the following strategies:

- Revenue Enhancement: The District expects to receive the deferred federal funding in future fiscal years, which will offset a significant portion of the current deficit
- Expenditure Reductions: The District is implementing initiatives to return students from charter schools to District programs, thereby reducing external tuition and transportation
- Budgetary Oversight: Monthly reporting of fund balance status will be provided to the Board of Education to ensure adherence to the recovery timeline.

REQUIRED

SUPPLEMENTARY

INFORMATION

CLAIRTON CITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE –
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues				
Local Revenue Sources	$ 3,766,706	$ 3,766,706	$ 3,729,244	$ (37,462)
State Revenue Sources	12,146,115	12,146,115	14,163,928	2,017,813
Federal Revenue Sources	3,320,899	3,320,899	2,358,964	(961,935)
Total Revenues	19,233,720	19,233,720	20,252,136	1,018,416
Expenditures				
Instructional Services				
Regular Programs	8,228,444	8,228,444	8,813,902	(585,458)
Special Programs	2,163,342	2,163,342	3,054,454	(891,112)
Vocational Education	272,653	272,653	256,360	16,293
Other Instructional Programs	90,072	90,072	122,747	(32,675)
Nonpublic School Programs	2,293	2,293	1,383	910
Higher Education Programs	1,596	1,596	-	1,596
Total Instructional Services	10,758,400	10,758,400	12,248,846	(1,490,446)
Support Services				
Students	635,744	635,744	942,473	(306,729)
Instructional Staff	343,646	343,646	329,578	14,068
Administration	1,097,749	1,097,749	1,727,958	(630,209)
Pupil Health	85,659	85,659	223,046	(137,387)
Business	419,024	419,024	507,217	(88,193)
Operation and Maint. of Plant Services	3,037,736	3,037,736	2,325,796	711,940
Student Transportation Services	670,479	670,479	809,464	(138,985)
Central	660,531	660,531	670,930	(10,399)
Other Support Services	5,097	5,097	3,809	1,288
Total Support Services	6,955,665	6,955,665	7,540,271	(584,606)
Noninstructional Services				
Student Activities	439,722	439,722	481,137	(41,415)
Community Services	745	745	15,643	(14,898)
Total Noninstructional Services	440,467	440,467	496,780	(56,313)
Facilities, Acquisition, Construction and Improvement Services	17,268	17,268	323,225	(305,957)
Other Expenditures and Financing Uses				
Debt Service (Principal and Interest)	91,447	91,447	251,661	(160,214)
Other Financing Uses	-	-	(701)	701
Interfund Transfers	99,750	99,750	-	99,750
Total Other Expenditures and Financing Uses	191,197	191,197	250,960	(59,763)
Total Expenditures	18,362,997	18,362,997	20,860,082	(2,497,085)
Excess (deficiency) of revenues over expenditures	$ 870,723	$ 870,723	$ (607,946)	$ (1,478,669)

CLAIRTON CITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS –
RETIREE HEALTH PLAN
JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017
Service cost	$ 141,004	$ 180,179	$ 170,307	$ 114,584	$ 107,997	$ 101,173	$ -
Interest	101,092	58,928	54,702	76,168	80,701	64,918	-
Differences between expected and actual experience	-	371,980	-	190,182	-	(262,460)	-
Changes of assumptions or other inputs	(170,760)	(431,525)	90,976	60,159	48,825	278,604	-
Benefit payments	(45,781)	(52,014)	(63,025)	(142,104)	(146,602)	(260,863)	-
Net change in total OPEB liability	25,555	127,548	252,960	298,989	90,921	(78,628)	-
Total OPEB Liability - beginning of year	2,855,715	2,728,167	2,475,207	2,176,218	2,085,297	2,163,925	-
Total OPEB Liability - end of year	$ 2,881,270	$ 2,855,715	$ 2,728,167	$ 2,475,207	$ 2,176,218	$ 2,085,297	$ 2,163,925
Covered - employee payroll	$ 5,702,129	$ 5,563,053	$ 5,392,257	$ 5,260,739	$ 5,210,146	$ 5,083,069	N/A
Total OPEB liability as a percentage of covered employee payroll	50.53%	51.33%	50.59%	47.05%	41.77%	41.02%	N/A

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

CLAIRTON CITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY –
PSERS PLAN
JUNE 30, 2023

	2022	2021	2020	2019	2018	2017
School district's proportion of the net OPEB liability	0.0460%	0.0447%	0.0456%	0.0448%	0.0438%	0.0454%
School district's proportionate share of the net OPEB liability	$ 847,000	$ 1,060,000	$ 985,000	$ 953,000	$ 913,000	$ 925,000
School district's covered payroll	$ 6,760,000	$ 6,426,000	$ 6,400,000	$ 6,184,000	$ 5,897,000	$ 6,050,000
School district's proportionate share of the net OPEB liability as a percentage of its covered payroll	12.53%	16.50%	15.39%	15.41%	15.48%	15.29%
Plan fiduciary net position as a percentage of the total OPEB liability	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

CLAIRTON CITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS – PSERS PLAN
JUNE 30, 2023

	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 50,455	$ 53,953	$ 51,875	$ 54,117	$ 51,639	$ 49,098
Contributions in relation to the contractually required contribution	50,455	53,953	51,875	54,117	51,639	49,098
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 6,752,742	$ 6,341,057	$ 6,426,459	$ 6,399,732	$ 6,184,442	$ 5,897,147
Contributions as a percentage of covered payroll	0.75%	0.85%	0.81%	0.85%	0.83%	0.83%

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

CLAIRTON CITY SCHOOL DISTRICT
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Teachers Pension Plan
Last 10 Fiscal Years*
(Dollar amounts in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
School district's proportion of the net pension liability	0.0465%	0.0448%	0.0456%	0.0448%	0.0438%	0.0454%	0.0458%	0.0471%	0.0463%	0.0455%
School district's proportionate share of the net pension liability	$ 20,673,000	$ 18,393,000	$ 22,453,000	$ 20,959,000	$ 21,026,000	$ 22,422,000	$ 22,697,000	$ 20,401,000	$ 18,326,000	$ 18,626,000
School district's covered-employee payroll	$ 6,753,000	$ 6,341,000	$ 6,400,000	$ 6,184,000	$ 5,897,000	$ 6,050,000	$ 5,965,000	$ 6,071,000	$ 5,903,000	$ 5,835,000
School district's proportionate share of the net pension liability as a percentage of its covered-employee payroll	306.13%	290.06%	350.83%	338.92%	356.55%	370.61%	380.50%	336.04%	310.45%	319.21%
Plan fiduciary net position as a percentage of the total pension liability	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%	54.49%

*The amounts presented for each fiscal year were determined as of 06/30

CLAIRTON CITY SCHOOL DISTRICT
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
Teachers Pension Plan
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 2,321,585	$ 2,128,117	$ 2,123,757	$ 2,013,671	$ 1,867,479	$ 1,736,149	$ 1,458,432	$ 1,211,098
Contributions in relation to the contractually required contribution	2,321,585	2,128,117	2,123,757	2,013,671	1,867,479	1,736,149	1,458,432	1,211,098
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 6,753,000	$ 6,341,000	$ 6,400,000	$ 6,184,000	$ 5,897,000	$ 6,050,000	$ 5,965,000	$ 6,071,000
Contributions as a percentage of covered-employee payroll	34.38%	33.56%	33.18%	32.56%	31.67%	28.70%	24.45%	19.95%

*The amounts presented for each fiscal year were determined as of 06/30

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

OTHER

SUPPLEMENTARY

INFORMATION

CLAIRTON CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Capital Reserve Fund	Activity Fund	Total Nonmajor Governmental Funds
Assets			
Cash and Cash Equivalents	$ 53,069	$ 7,360	$ 60,429
Total Assets	$ 53,069	$ 7,360	$ 60,429
Fund Balances			
Restricted for Student Groups	$ -	$ 7,360	$ 7,360
Committed	53,069	-	53,069
Total Fund Balances	$ 53,069	$ 7,360	$ 60,429

CLAIRTON CITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN THE FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Capital Reserve Fund	Activity Fund	Total Nonmajor Governmental Funds
Revenues			
Student Activity Income	$ -	$ 15,150	$ 15,150
Local Revenue Source	218	-	218
Total Revenues	218	15,150	15,368
Expenditures			
Student Activity Expenses	-	13,845	13,845
Total Expenditures	-	13,845	13,845
Net change in net position	218	1,305	1,523
Fund balance - beginning of year	52,851	6,055	58,906
Fund balance - end of year	$ 53,069	$ 7,360	$ 60,429

CLAIRTON CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass Through Grantor/ Program Title	Source Code	Federal AL Number	Pass-Through Grantor's Number	Grant Period Beginning/Ending Dates	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 6/30/2022	Revenue Recognized	Expenditures		Accrued or (Deferred) Revenue 6/30/2023
U.S. Department of Education											
Passed Through the PA Department of Education											
Title I - Improving Basic Programs	I	84.010	013-220084	07/01/21-06/30/22	$ 698,115	$ 76,015	$ 34,463	$ 41,552	$ 41,552		$ -
Title I - Improving Basic Programs	I	85.010	013-230084	07/01/22-06/30/23	688,642	642,747	-	648,828	648,828		6,081
Subtotal Title I - Improving Basic Programs					1,386,757	718,762	34,463	690,380	690,380		6,081
Title II - Improving Teacher Quality	I	84.367	020-220084	07/01/21-06/30/22	59,802	(114)	(639)	525	525		-
Title II - Improving Teacher Quality	I	84.367	020-230084	07/01/22-06/30/23	55,994	46,370	-	39,959	39,959		(6,411)
Subtotal Title II - Improving Teacher Quality					115,796	46,256	(639)	40,484	40,484		(6,411)
Title IV - Student Support and Academic Enrichment	I	84.424	144-220084	07/01/21-06/30/22	49,945	16,667	13,638	3,029	3,029		-
Title IV - Student Support and Academic Enrichment	I	84.424	144-230085	07/01/22-06/30/23	54,777	34,787	-	39,050	39,050		4,263
Subtotal Title IV - Student Support and Academic Enrichment					104,722	51,454	13,638	42,079	42,079		4,263
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER I)	I	84.425D	200-200084	03/13/20-09/30/23	533,425	-	(8,035)	-	-		(8,035)
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)	I	84.425D	200-210084	03/13/21-09/30/23	2,452,516	1,140,705	20,497	1,055,180	1,055,180		(65,028)
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER III)	I	84.425U	223-210084	03/13/22-09/30/24	4,960,730	811,756	(13,252)	212,843	212,843		(612,165)
COVID-19 Governor's Emergency Education Relief Fund (GEER)	I	84.425C	254-200084	03/13/20-09/30/23	98,726	10,392	5,914	2,375	2,375		(2,103)
COVID-19 ARP ESSER 7% Learning Loss	I	84.425U	225-210084	03/13/20-09/30/24	275,400	40,058	(20,029)	9,119	9,119		(50,968)
COVID-19 ARP ESSER 7% Summer Programs	I	84.425U	225-210084	03/13/20-09/30/24	55,080	8,012	(4,006)	17,426	17,426		5,408
COVID-19 ARP ESSER 7% Afterschool	I	84.425U	225-210084	03/13/20-09/30/24	55,080	8,011	(4,006)	17,613	17,613		5,596
COVID-19 ARP ESSER Homeless Children and Youth Funds	I	84.425U	181-210084	07/01/21-09/30/24	22,891	3,522	(666)	1,315	1,315		(2,873)
COVID-19 ARP ESSER 2.5%	I	84.425U	224-210084	03/13/20-09/30/24	90,617	6,590	-	3,886	3,886		(2,704)
Subtotal Elementary and Secondary School Emergency Relief Fund					8,544,465	2,029,046	(23,583)	1,319,757	1,319,757	*	(732,872)
Special Education Cluster:											
IDEA, Special Education	I	84.027	062-23-0-003	07/01/22-09/30/23	245,585	-	-	245,585	245,585		245,585
Subtotal Special Education Cluster					245,585	-	-	245,585	245,585		245,585
Subtotal Passed Through the PA Department of Education					10,397,325	2,845,518	23,879	2,338,285	2,338,285		(483,354)
TOTAL U.S. DEPARTMENT OF EDUCATION					$ 10,397,325	$ 2,845,518	$ 23,879	$ 2,338,285	$ 2,338,285		$ (483,354)

CLAIRTON CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass Through Grantor/ Program Title	Source Code	Federal AL Number	Pass-Through Grantor's Number	Grant Period Beginning/Ending Dates	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 6/30/2022	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue 6/30/2023
U.S. Department of Agriculture										
Passed Through PA Department of Education:										
Child and Adult Care Food Program - Child Care	I	10.558	N/A	07/01/22-06/30/23	$ 16,990	$ 16,990	$ -	$ 16,990	$ 16,990	$ -
Supply Chain Assistance	I	10.558	N/A	07/01/22-06/30/23	29,291	29,291	-	29,291	29,291	-
P-EBT Local Admin Funds	I	10.649	N/A	07/01/22-06/30/23	628	628	-	628	628	-
Child Nutrition Cluster:										
National School Lunch	I	10.555	N/A	07/01/22-06/30/23	N/A	401,648	123,742	354,561	354,561	76,655
National School Breakfast	I	10.553	N/A	07/01/22-06/30/23	N/A	104,757	31,337	91,452	91,452	18,032
Subtotal Child Nutrition Cluster					-	506,405	155,079	446,013	446,013	94,687
Total Passed through PA Department of Education					46,909	553,314	155,079	492,922	492,922	94,687
Passed Through PA Department of Agriculture:										
National School Lunch - Donated Commodities	I	10.555	N/A	07/01/22-06/30/23	N/A	30,083	(10,939)	33,481	33,481	(7,541)
						(a)	(b)	(c)	(c)	(d, e)
Total Child Nutrition Cluster					-	536,488	144,140	479,494	479,494	87,146
TOTAL U.S. DEPARTMENT OF AGRICULTURE					46,909	583,397	144,140	526,403	526,403	87,146
U.S. Department of Health and Human Services										
Passed Through the PA Department of Health and Human Services										
Medical Assistance Program (Admin)	I	93.778	N/A	07/01/22-06/30/23	3,271	3,271	-	3,271	3,271	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					3,271	3,271	-	3,271	3,271	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					$ 10,447,505	$ 3,432,186	$ 168,019	$ 2,867,959	$ 2,867,959	$ (396,208)

Source Code:

I=Indirect

D=Direct

Footnote Legend

* Denotes major program

(a) USDA commodities received for the year

(b) USDA commodities inventory @ 06/30/22

(c) USDA commodities used

(d) USDA commodities inventory @ 06/30/23

(e) USDA commodity inventory valued at assigned values

See notes to the Schedule of Expenditures of Federal Awards.

CLAIRTON CITY SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: REPORTING ENTITY

Clairton City School District ("District") is the reporting entity for financial reporting purposes as defined in Note 1 to the District's financial statements.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards has been prepared on the basis of accounting practices prescribed or permitted by the Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems, issued by the Pennsylvania Department of Education. These practices, as they apply to the School District, are in conformity with U.S. generally accepted accounting principles.

The District did not elect to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

NOTE 3: NON-MONETARY ASSISTANCE

Non-monetary assistance was received from the U.S. Department of Agriculture in the amount of $30,083 in the form of commodities. These commodities are valued at USDA's approximate costs. During the year ended June 30, 2023, the District used $33,481 in commodities and established a year-end inventory of $7,541. The amount recognized as revenue of $33,481 represents the commodities used which are recognized as revenue in the basic financial statements.

Zelenkofske Axelrod LLC
CERTIFIED PUBLIC ACCOUNTANTS
EXPERIENCE | EXPERTISE | ACCOUNTABILITY

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
Clairton City School District
Clairton, PA

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 Clairton City School District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 5, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we considered to be material weaknesses. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses as Items 2023-002.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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 and which is described in the accompanying Schedule of Findings and Questioned Costs as Finding 2023-001.

Clairton City School District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Zelenkofske Axelrod LLC

ZELENKOFSKE AXELROD LLC

October 5, 2026
Pittsburgh, Pennsylvania

Zelenkofske Axelrod LLC
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Members of the Board
Clairton City School District
Clairton, PA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Clairton City School District's (District) 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 the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2023.

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Zelenkofske Axelrod LLC

ZELENKOFSKE AXELROD LLC

October 5, 2026
Pittsburgh, Pennsylvania

CLAIRTON CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Section I – Summary of Auditor's Results:

Financial Statements

Type of Auditor's Report issued: Unmodified

Internal Control over Financial Reporting:
Material weakness(es) identified? __X_ yes ___ no

Significant deficiency(ies) identified not considered to be material weaknesses?
___ yes _X_ none reported

Noncompliance material to the financial statements noted? __X_ yes __ no

Federal Awards

Internal Controls over Major Programs:
Material Weakness(es) identified? ___ yes _X_ no

Significant deficiency(ies) identified not considered to be material weaknesses?
___ yes _X_ none reported

Type of Auditor's Report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? ___ yes _X_ no

Identification of major programs:

AL Number	Name of Federal Program or Cluster
84.425	Education Stabilization Fund

Dollar Threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as a low-risk auditee? ___ yes _X_ no

CLAIRTON CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Section II – Financial Statement Findings:

Finding 2023-001

Budgeting Process

Compliance Requirements: Reporting

Type of Finding: Noncompliance

Criteria

Realistic budgets for expenditures should be made that will more closely match actual results since actual expenditures exceeded budgeted expenditures by of $2,497,085.

Condition

The School District had a deficiency of total expenditures exceeding revenues by $1,478,669.

Context

The unrealistically prepared budget for the School District did not allow the School District to properly manager its expenditures.

Effect

The failure to plan and budget for the School District's finances in a realistic manner will result in continued deficits.

Cause

Lack of sound budgeting by management

Recommendation

Management should have a budget plan to accurately budget expenditures and manage them.

Response

Clairton City School District agrees with this finding and will attempt to budget more realistically.

CLAIRTON CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Section II – Financial Statement Findings (Continued):

Finding 2023-002

Mispostings

Compliance Requirements: Reporting

Type of Finding: Material Weakness in Internal Control over Compliance

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.

Condition

There are numerous mispostings and unrecorded transactions

Context

Internal controls were not present to ensure proper posting of transactions in all funds and review by management monthly and at year end.

Effect

Financial reports prepared by the School District are not accurate.

Cause

Lack of accounting knowledge by employees posting transactions and lack of management review.

Recommendation

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

Response

Clairton City School District agrees with this finding and the recommended procedures and is attempting to implement improvements over financial reporting.

CLAIRTON CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Section III – Federal Awards Findings and Questioned Costs:

No matters were reported.

CLAIRTON CITY SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

Section IV – Status of Prior Audit Findings:

Finding 2022-001

Budgeting Process

Compliance Requirements: Reporting

Type of Finding: Noncompliance

Condition

The budgeted beginning fund balance and actual beginning fund balance of the District are both deficits in excess of $700,000. In addition, realistic budgets for expenditures should be made that will more closely match actual results since actual expenditures exceeded budgeted expenditures by over $2,500,000. However, these underbudgeted expenditures of $1,700,000 did not decrease fund balance for the year due to the ESSERs monies received during the year.

Recommendation

Management should have a budget plan to accurately budget expenditures and manage them.

Current Status

Still applies, see Finding 2023-001.

Finding 2022-002

Mispostings

Compliance Requirements: Reporting

Type of Finding: Material Weakness in Internal Control Over Compliance

Condition

There are numerous mispostings and unrecorded transactions throughout all the funds. Additionally, there is a lack of review of financial information by management monthly and at year end which would identify many of these deficiencies.

Recommendation

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

Current Status

Still applies, see Finding 2023-002