

# **NEW BRIGHTON AREA SCHOOL DISTRICT**

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

**NEW BRIGHTON AREA  
SCHOOL DISTRICT**  
BEAVER COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

AND

OTHER INFORMATION REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
AND UNIFORM GUIDANCE

WITH REPORTS OF

CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED  
JUNE 30, 2024**

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**BEAVER COUNTY, PENNSYLVANIA**  
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**BEAVER COUNTY, PENNSYLVANIA**  
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**Management and Board of Education  
New Brighton Area School District  
New Brighton, Pennsylvania**

## **Independent Auditor's Report**

### **Opinions**

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

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

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

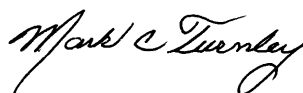
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iv-xiii and the other required supplementary information on pages 47-54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise New Brighton Area School District's basic financial statements. The accompanying supplementary information – the schedule of expenditures of federal awards on page 60 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated March 24, 2025, on my consideration of the New Brighton Area School District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the New Brighton Area School District's internal control over financial reporting and compliance.



Mark C. Turnley, CPA

March 24, 2025  
New Brighton, Pennsylvania

**NEW BRIGHTON AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
June 30, 2024**

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

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2023-2024 fiscal year are as follows:

- The District's total governmental and business-type activities liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources as of June 30, 2024 by \$5,065,074 (net position – deficit). This significant deficit net position was mainly the result of the District's required implementation of GASB 75, '*Accounting and Financial Reporting for Postemployment Benefits other than Pensions*' which started with the June 30, 2018 fiscal year, and GASB 68 '*Accounting and Financial Reporting for Pensions*' which was originally implemented at June 30, 2015. The District is now required to recognize a liability for their post-employment healthcare plan, to recognize a liability for their proportionate share of the Pennsylvania School Employees Retirement System (PSERS) overall net healthcare obligation, and to recognize their proportionate share of the PSERS overall net pension obligation. For the New Brighton Area School District, these liabilities stand at \$1,433,275, \$1,294,000, and \$31,897,000, respectively for governmental activities as of June 30, 2024.
- Total revenues and other financing sources, if any, were \$31,360,096 and total expenditures and other financing uses, if any, were \$29,372,642 for the General Fund.

At the end of the current fiscal year, the fund balance of the General Fund was \$13,716,634, an increase of \$1,987,454 from the June 30, 2023 financial statements. The Board of Education has assigned \$7,708,269 of its General Fund balance for **1)** PSERS rate increases totaling \$2,000,000, **2)** \$800,750 for technology refresh, **3)** ESSER funds toward 2024-2025 fiscal year totaling \$100,000, **4)** \$2,807,519 for 2024-2025 capital projects, and **5)** \$2,000,000 for health consortium rate increases. The non-spendable amount of fund balance was \$911 for prepaid expenses. The committed fund balance was \$250,000 to be used for future capital projects. The remaining amount was unassigned fund balance totaling \$5,757,454 which represents approximately 20% of the 2024-2025 budgeted expenditures of the District.

## **USING THE FINANCIAL STATEMENTS**

This Annual Comprehensive Financial Report (ACFR) consists of the Management Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand New Brighton Area School District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.



**NEW BRIGHTON AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
June 30, 2024**

**USING THE FINANCIAL STATEMENTS (Continued)**

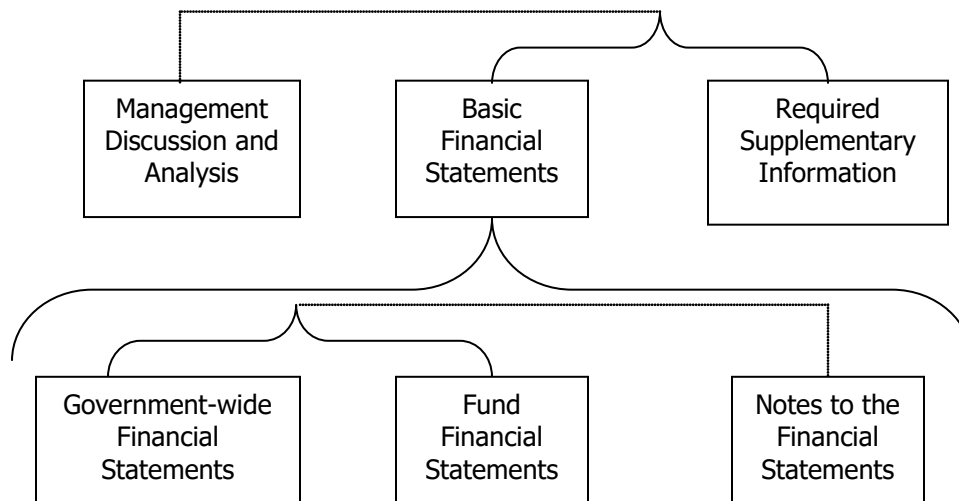
The first two statements are government-wide financial statements – the Statement of Net Position and the Statement of Activities. These provide both long-term and short-term information about the District's overall financial status.

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

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

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

Figure A-1  
Required components of  
NEW BRIGHTON AREA SCHOOL DISTRICT's  
Financial Report



**NEW BRIGHTON AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
June 30, 2024**

## **THE SCHOOL DISTRICT AS A WHOLE**

### **Government-Wide Financial Statements**

The Government-Wide Financial Statements consist of two statements: *The Statement of Net Position and the Statement of Activities*. These statements are provided to inform the reader of how the School District performed financially, during the 2023-2024 fiscal year. These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by most private-sector businesses. This method includes all the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the School District's net position and changes in net position. This change in net position tells the reader, for the District as a Whole, whether its financial position has improved or deteriorated. These changes can be caused by financial or non-financial factors. Non-financial factors include the School District's property tax base, student enrollment, facility conditions, required educational programs and other factors.

These statements divide the district's activities into two categories:

- **Governmental Activities** – Most of the School District's programs and services are reported here including, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover the expenses of the goods or services provided. The School District Food Service is reported as business-type activities.
- The Government-Wide Financial Statements can be found on pages 1 and 2 of this report.

### **Fund Financial Statements**

The District's Fund Financial Statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required by state law and by bond requirements.

**Governmental Funds** – The majority of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. These funds are reported using an accounting method called modified accrual accounting, which measures revenues and expenditures for which cash is received or paid during or soon after the year-end. The governmental fund statements provide a detailed short-term view of the School District's operations and the services it provides. Governmental fund information helps the reader to determine how much financial resources are available to finance future educational programs. The differences between the governmental activities statements and governmental fund statements are reconciled on page 4 and page 6, respectively.

**NEW BRIGHTON AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
June 30, 2024**

**THE SCHOOL DISTRICT AS A WHOLE (Continued)**

**Fund Financial Statements (Continued)**

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

**Fiduciary Funds-** The District is the trustee, or fiduciary, for some scholarship and student activity custodial funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Net Position on pages 11 and 12. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations.

**Financial Analysis of the District as a Whole**

A comparative breakdown of assets, liabilities and net position of the District for the past two years is as follows:

**Table A-1  
Fiscal Year Ended June 30, 2024 and 2023  
Net Position**

|                                                               | -----June 30, 2024-----    |                             |                       | June 30, 2023         |
|---------------------------------------------------------------|----------------------------|-----------------------------|-----------------------|-----------------------|
|                                                               | Governmental<br>Activities | Business-Type<br>Activities | Total                 | Total                 |
| Current Assets                                                | \$ 26,510,433              | \$ 694,941                  | \$ 27,205,374         | \$ 27,776,566         |
| Noncurrent Assets                                             | 15,836,366                 | 290,640                     | 16,127,006            | 12,438,458            |
| Deferred Outflows of Resources                                | 6,173,504                  | -                           | 6,173,504             | 6,074,846             |
| <b>Total Assets and Deferred<br/>Outflow of Resources</b>     | <b>\$ 48,520,303</b>       | <b>\$ 985,581</b>           | <b>\$ 49,505,884</b>  | <b>\$ 46,289,870</b>  |
| Current Liabilities                                           | \$ 5,344,597               | \$ 97,918                   | \$ 5,442,515          | \$ 4,344,500          |
| Noncurrent Liabilities                                        | 47,701,684                 | -                           | 47,701,684            | 48,452,590            |
| Deferred Inflows of Resources                                 | 1,426,759                  | -                           | 1,426,759             | 1,856,028             |
| <b>Total Liabilities and Deferred<br/>Inflow of Resources</b> | <b>\$ 54,473,040</b>       | <b>\$ 97,918</b>            | <b>\$ 54,570,958</b>  | <b>\$ 54,653,118</b>  |
| Net Investment in<br>Capital Assets                           | \$ 12,621,548              | \$ 290,640                  | \$ 12,912,188         | \$ 8,635,311          |
| Restricted                                                    | 7,255,791                  | -                           | 7,255,791             | 1,357,802             |
| Unrestricted (Deficit)                                        | (25,830,076)               | 597,023                     | (25,233,053)          | (18,356,361)          |
| <b>Total Net Position (Deficit)</b>                           | <b>\$ (5,952,737)</b>      | <b>\$ 887,663</b>           | <b>\$ (5,065,074)</b> | <b>\$ (8,363,248)</b> |

**NEW BRIGHTON AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
June 30, 2024**

**THE SCHOOL DISTRICT AS A WHOLE (Continued)**

**Financial Analysis of the District as a Whole (Continued)**

The change in deferred outflows of resources, long-term liabilities, and deferred inflows of resources is attributed to the updated valuation received from the Pennsylvania School Employees Retirement System (PSERS), in accordance with GASB Statement No. 68, '*Accounting and Financial Reporting for Pensions*', and GASB Statement No. 75, '*Accounting and Financial Reporting for Postemployment Benefits other than Pensions*' (OPEB), including the District's updated independent valuation of its' OPEB obligation as of June 30, 2024. The District's total net pension liability decreased from \$32,144,000 at June 30, 2023 to \$31,897,000 at June 30, 2024. The District's total net OPEB liability decreased from \$2,814,792 at June 30, 2023 to \$2,727,275 at June 30, 2024.

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

Table A-2 takes the information from the Statement of Activities, rearranges it slightly, so you can see our total revenues, expenses, and changes to the net position for the past two fiscal years.

**NEW BRIGHTON AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
June 30, 2024**

**THE SCHOOL DISTRICT AS A WHOLE (Continued)**

**Financial Analysis of the District as a Whole (Continued)**

**Table A-2  
Fiscal Year Ended June 30, 2024 and June 30, 2023  
Change in Net Position**

|                                      | -----June 30, 2024-----    |                             |                      | June 30, 2023        |
|--------------------------------------|----------------------------|-----------------------------|----------------------|----------------------|
|                                      | Governmental<br>Activities | Business-Type<br>Activities | Total                | Total                |
| <b>Revenues</b>                      |                            |                             |                      |                      |
| Program Revenues                     |                            |                             |                      |                      |
| Charges for Services                 | \$ 114,261                 | \$ 146,772                  | \$ 261,033           | \$ 255,724           |
| Operating Grants and Contributions   | 8,753,446                  | 1,055,659                   | 9,809,105            | 12,357,388           |
| Capital Grants and Contributions     | -                          | -                           | -                    | -                    |
| General Revenues                     |                            |                             |                      |                      |
| Property Taxes                       | 6,356,013                  | -                           | 6,356,013            | 5,960,552            |
| Other Taxes                          | 1,572,672                  | -                           | 1,572,672            | 1,510,828            |
| Unrestricted Subsidies               | 13,674,095                 | -                           | 13,674,095           | 13,093,523           |
| Other                                | 1,558,663                  | -                           | 1,558,663            | 873,359              |
| <b>Total Revenues</b>                | <b>\$ 32,029,150</b>       | <b>\$ 1,202,431</b>         | <b>\$ 33,231,581</b> | <b>\$ 34,051,374</b> |
| <b>Expenses</b>                      |                            |                             |                      |                      |
| Instruction                          | \$ 17,360,666              | \$ -                        | \$ 17,360,666        | \$ 16,399,983        |
| Instructional Student Support        | 1,863,700                  | -                           | 1,863,700            | 1,713,395            |
| Administrative and Financial Support | 2,734,600                  | -                           | 2,734,600            | 2,544,306            |
| Operation and Maintenance of Plant   | 4,200,887                  | -                           | 4,200,887            | 6,396,180            |
| Pupil Transportation                 | 1,270,460                  | -                           | 1,270,460            | 1,176,094            |
| Student Activities                   | 554,051                    | -                           | 554,051              | 516,988              |
| Community Services                   | 296,991                    | -                           | 296,991              | 268,024              |
| Interest on Long-Term Debt/Refunds   | 541,178                    | -                           | 541,178              | 506,349              |
| Food Services                        | -                          | 1,107,874                   | 1,107,874            | 1,061,002            |
| <b>Total Expenses</b>                | <b>\$ 28,822,533</b>       | <b>\$ 1,107,874</b>         | <b>\$ 29,930,407</b> | <b>\$ 30,582,321</b> |
| <b>Change in Net Position</b>        | <b>\$ 3,206,617</b>        | <b>\$ 94,557</b>            | <b>\$ 3,301,174</b>  | <b>\$ 3,469,053</b>  |

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

**NEW BRIGHTON AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
June 30, 2024**

**THE SCHOOL DISTRICT AS A WHOLE (Continued)**

**Financial Analysis of the District as a Whole (Continued)**

**Table A-3  
Fiscal Year Ended June 30, 2024 and June 30, 2023  
Governmental Activities**

| <u><b>Functions/Programs</b></u>                           | <u><b>June 30, 2024</b></u>             |                                    | <u><b>June 30, 2023</b></u>             |                                    |
|------------------------------------------------------------|-----------------------------------------|------------------------------------|-----------------------------------------|------------------------------------|
|                                                            | <u><b>Total Cost<br/>of Service</b></u> | <u><b>Net Cost<br/>Service</b></u> | <u><b>Total Cost<br/>of Service</b></u> | <u><b>Net Cost<br/>Service</b></u> |
| Instruction                                                | \$ 17,360,666                           | \$ 11,706,826                      | \$ 16,399,983                           | \$ 10,722,602                      |
| Instructional Student Support                              | 1,863,700                               | 1,430,013                          | 1,713,395                               | (602,464)                          |
| Administrative                                             | 2,734,600                               | 2,343,118                          | 2,544,306                               | 2,176,723                          |
| Operations and Maintenance                                 | 4,200,887                               | 2,920,128                          | 6,396,180                               | 4,328,048                          |
| Pupil Transportation                                       | 1,270,460                               | 456,234                            | 1,176,094                               | 455,950                            |
| Student Activities                                         | 554,051                                 | 463,020                            | 516,988                                 | 428,767                            |
| Community Services                                         | 296,991                                 | 94,309                             | 268,024                                 | 98,450                             |
| Interest on Long-Term Debt/Refunds                         | 544,178                                 | 544,178                            | 506,349                                 | 506,349                            |
| <b>Total Governmental Activities</b>                       | <b>\$ 28,825,533</b>                    | <b>\$ 19,957,826</b>               | <b>\$ 29,521,319</b>                    | <b>\$ 18,114,425</b>               |
| Less:                                                      |                                         |                                    |                                         |                                    |
| Unrestricted Grants, Subsidies                             |                                         | 12,827,879                         |                                         | 12,247,307                         |
| <b>Total Needs From Local Taxes<br/>and Other Revenues</b> |                                         | <b>\$ 7,129,947</b>                |                                         | <b>\$ 5,867,118</b>                |

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

**Table A-4  
Fiscal Year Ended June 30, 2024 and June 30, 2023  
Business-Type Activities**

| <u><b>Functions/Programs</b></u>                    | <u><b>June 30, 2024</b></u>              |                                        | <u><b>June 30, 2023</b></u>              |                                        |
|-----------------------------------------------------|------------------------------------------|----------------------------------------|------------------------------------------|----------------------------------------|
|                                                     | <u><b>Total Cost<br/>of Services</b></u> | <u><b>Net Cost<br/>of Services</b></u> | <u><b>Total Cost<br/>of Services</b></u> | <u><b>Net Cost<br/>of Services</b></u> |
| Food Services                                       | \$ 1,107,874                             | \$ 94,557                              | \$ 1,061,002                             | \$ 145,216                             |
| Less:                                               |                                          |                                        |                                          |                                        |
| Loss on Sale of Fixed Assets                        |                                          | -                                      |                                          | -                                      |
| <b>Change in Net Position - Increase (Decrease)</b> |                                          | <b>\$ 94,557</b>                       |                                          | <b>\$ 145,216</b>                      |

**NEW BRIGHTON AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
June 30, 2024**

**THE SCHOOL DISTRICT AS A WHOLE (Continued)**

**Governmental Activities**

Local taxes (including Property Relief Tax subsidy), represent approximately 27.4% of the School District's total governmental revenues. Remaining revenues are comprised of the Basic Education Subsidy (40%) and charges for services, investment earnings, miscellaneous income, and other local, state and federal subsidies of approximately 32.6%. These percentages remained fairly constant from the fiscal year 2022-2023. The School District relies almost equally on state and federal grants as it does on local taxes and other local sources of income. A decrease in state and federal levels of support would have a direct impact on the local revenues needed to support the programs, as they exist.

Instructional costs represent the District's largest expense. During the 2023-2024, instruction costs were 60.2% of overall District expenses as compared to 55.6% in the prior fiscal year.

**Business-Type Activities**

The business-type activities of the District consist entirely of the Food Service program. This program had revenue of \$1,202,431, and expenses of \$1,107,874. The net position of the Food Service Program increased from \$793,106 in 2022-2023 to \$887,663 in 2023-2024. Without Federal and State funding, this program would require significant support from local sources.

**School District's Funds**

The fund financial statements of the School District funds begin on page 3. These funds use the modified accrual basis of accounting. The General Fund had total revenues and other financing sources, if any, of \$31,360,096 and expenditures and other financing uses, if any, of \$29,372,642. This created a net increase in fund balance of \$1,987,454, from \$11,729,180 in 2022-2023 to \$13,716,634 in 2023-2024, as a result of revenues exceeding expenditures.

**Capital Assets and Debt Administration**

**Capital Assets**

As of June 30, 2024, the School District had \$16,127,006 (governmental and business-type activities), invested in land, buildings and equipment, net of accumulated depreciation. This represents a net increase of \$3,688,548 over the past fiscal year, mainly as a result of capital outlay exceeding depreciation expense for the current fiscal year.

**Debt Administration**

At July 1, 2024 the School District had total outstanding debt principal of \$13,384,912 on its General Obligation Bonds Series of 2018 and 2022, and Equipment Financed Purchase Agreement. Total principal payments on existing debt totaled \$304,698 resulting in ending outstanding debt as of June 30, 2024 of \$13,080,214. The District is scheduled to make principal and interest payments on this debt totaling \$975,526 during the 2024-2025 fiscal year.

**NEW BRIGHTON AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
June 30, 2024**

**Capital Assets and Debt Administration (Continued)**

**Debt Administration (Continued)**

Other long-term obligations include accrued vacation, personal and sick leave for specific employees of the District, as well as retirement incentive and retiree health insurance obligations. More detailed information about our long-term liabilities is included in Notes 9, 10, and 11 to the financial statements.

**Economic Factors and Next Year's Budget and Rates**

The School District must rely on State support to continue funding educational programs. The local economy only provided 29.2% of total revenue for the fiscal year ending June 30, 2024. The School District is supported by an aging population and a depressed local economy.

The Pennsylvania Public School Employees' Retirement System (PSERS) is projecting that the employer contribution rate will decrease to 33.90% for the year 2024-2025. The rate for the 2023-2024 year was 34.00%.

**Budget Comparison**

The revenue budget for the 2023-2024 year (excluding other financing sources), was \$28,977 higher than budget for 2022-2023. This represents a slight .10% increase in budgeted revenues. The expenditure budget for the 2023-2024 year (excluding other financing uses), is \$813,886 more than the budget for 2022-2023, or a 3.0% increase.

Table A-5 shows the comparison of revenue and expenditure categories.

**Table A-5  
BUDGETED REVENUE- PERCENTAGE OF TOTAL  
2023-2024 FISCAL YEAR VS. 2022-2023 FISCAL YEAR**

|         | <u>2023-2024</u> | <u>2022-2023</u> |
|---------|------------------|------------------|
| Local   | 26.54%           | 26.13%           |
| State   | 71.14%           | 71.67%           |
| Federal | 2.32%            | 2.20%            |

**BUDGETED EXPENDITURES- PERCENTAGE OF TOTAL  
2023-2024 FISCAL YEAR VS. 2022-2023 FISCAL YEAR**

|                           | <u>2023-2024</u> | <u>2022-2023</u> |
|---------------------------|------------------|------------------|
| Instruction               | 61.88%           | 61.56%           |
| Support Services          | 31.08%           | 30.40%           |
| Noninstructional Services | 2.76%            | 2.73%            |
| Debt Service              | 4.28%            | 5.31%            |



**NEW BRIGHTON AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
June 30, 2024**

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Marydenise Feroce, Business Manager at New Brighton Area School District, 3225 43<sup>rd</sup> Street New Brighton, PA 15066.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

**EXHIBIT A**

|                                                                           | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
|---------------------------------------------------------------------------|----------------------------|-----------------------------|-----------------------|
| <b>ASSETS</b>                                                             |                            |                             |                       |
| <b>Current Assets:</b>                                                    |                            |                             |                       |
| Cash and Cash Equivalents                                                 | \$ 1,453,174               | \$ 143,049                  | \$ 1,596,223          |
| Investments                                                               | 21,079,287                 | -                           | 21,079,287            |
| Taxes Receivable, net                                                     | 1,261,336                  | -                           | 1,261,336             |
| Due From Other Governmental Units                                         | 3,113,476                  | 110,841                     | 3,224,317             |
| Internal Balances                                                         | (406,738)                  | 406,738                     | -                     |
| Other Receivables                                                         | 8,987                      | 19,319                      | 28,306                |
| Prepaid Expenses                                                          | 911                        | -                           | 911                   |
| Inventories                                                               | -                          | 14,994                      | 14,994                |
| <b>Total Current Assets</b>                                               | <b>\$ 26,510,433</b>       | <b>\$ 694,941</b>           | <b>\$ 27,205,374</b>  |
| <b>Noncurrent Assets:</b>                                                 |                            |                             |                       |
| Land (non-depreciable)                                                    | \$ 9,500                   | \$ -                        | \$ 9,500              |
| Construction in Progress (non-depreciable)                                | 4,111,645                  | -                           | 4,111,645             |
| Site Improvements (net)                                                   | 258,178                    | -                           | 258,178               |
| Building & Building Improvements (net)                                    | 11,333,274                 | -                           | 11,333,274            |
| Furniture & Equipment (net)                                               | 123,769                    | 290,640                     | 414,409               |
| <b>Total Noncurrent Assets</b>                                            | <b>\$ 15,836,366</b>       | <b>\$ 290,640</b>           | <b>\$ 16,127,006</b>  |
| <b>TOTAL ASSETS</b>                                                       | <b>\$ 42,346,799</b>       | <b>\$ 985,581</b>           | <b>\$ 43,332,380</b>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>                                    |                            |                             |                       |
| Deferred Outflows Related Pensions                                        | \$ 5,219,427               | \$ -                        | \$ 5,219,427          |
| Deferred Outflows Related OPEB                                            | 954,077                    | -                           | 954,077               |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>                               | <b>\$ 6,173,504</b>        | <b>\$ -</b>                 | <b>\$ 6,173,504</b>   |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                    | <b>\$ 48,520,303</b>       | <b>\$ 985,581</b>           | <b>\$ 49,505,884</b>  |
| <b>LIABILITIES</b>                                                        |                            |                             |                       |
| <b>Current Liabilities:</b>                                               |                            |                             |                       |
| Due to Other Governmental Units                                           | \$ 148,473                 | \$ -                        | \$ 148,473            |
| Accounts Payable                                                          | 800,740                    | 86,716                      | 887,456               |
| Accrued Salaries and Benefits                                             | 2,887,459                  | -                           | 2,887,459             |
| Payroll Deductions and Withholdings                                       | 275,543                    | -                           | 275,543               |
| Bonds Payable - Current Portion                                           | 270,000                    | -                           | 270,000               |
| Financed Purchase Agreement Payable - Current Portion                     | 186,049                    | -                           | 186,049               |
| Accrued Interest                                                          | 181,198                    | -                           | 181,198               |
| Unearned Revenue                                                          | 595,135                    | 11,202                      | 606,337               |
| <b>Total Current Liabilities</b>                                          | <b>\$ 5,344,597</b>        | <b>\$ 97,918</b>            | <b>\$ 5,442,515</b>   |
| <b>Noncurrent Liabilities:</b>                                            |                            |                             |                       |
| Bonds Payable - Long Term Portion (Net)                                   | \$ 11,556,562              | \$ -                        | \$ 11,556,562         |
| Financed Purchase Agreement Payable - Long Term Portion                   | 1,074,165                  | -                           | 1,074,165             |
| Net OPEB Liability                                                        | 2,727,275                  | -                           | 2,727,275             |
| Net Pension Liability                                                     | 31,897,000                 | -                           | 31,897,000            |
| Compensated Absences                                                      | 245,082                    | -                           | 245,082               |
| Retiree Incentives                                                        | 201,600                    | -                           | 201,600               |
| <b>Total Noncurrent Liabilities</b>                                       | <b>\$ 47,701,684</b>       | <b>\$ -</b>                 | <b>\$ 47,701,684</b>  |
| <b>TOTAL LIABILITIES</b>                                                  | <b>\$ 53,046,281</b>       | <b>\$ 97,918</b>            | <b>\$ 53,144,199</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                                     |                            |                             |                       |
| Deferred Inflows Related to Pensions                                      | \$ 781,000                 | \$ -                        | \$ 781,000            |
| Deferred Inflows Related to OPEB                                          | 645,759                    | -                           | 645,759               |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                | <b>\$ 1,426,759</b>        | <b>\$ -</b>                 | <b>\$ 1,426,759</b>   |
| <b>NET POSITION</b>                                                       |                            |                             |                       |
| Net Investment in Capital Assets                                          | \$ 12,621,548              | \$ 290,640                  | \$ 12,912,188         |
| Restricted                                                                | 7,255,791                  | -                           | 7,255,791             |
| Unrestricted (Deficit)                                                    | (25,830,076)               | 597,023                     | (25,233,053)          |
| <b>TOTAL NET POSITION (Deficit)</b>                                       | <b>\$ (5,952,737)</b>      | <b>\$ 887,663</b>           | <b>\$ (5,065,074)</b> |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b> | <b>\$ 48,520,303</b>       | <b>\$ 985,581</b>           | <b>\$ 49,505,884</b>  |

The accompanying notes are an integral part of these financial statements

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**EXHIBIT B**

| Functions/Programs                                | Expenses             | Program Revenues        |                                          |                                        | Net (Expense) Revenue and<br>Changes in Net Position |                             |                        |
|---------------------------------------------------|----------------------|-------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------|-----------------------------|------------------------|
|                                                   |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-Type<br>Activities | Total                  |
| <b>Governmental Activities:</b>                   |                      |                         |                                          |                                        |                                                      |                             |                        |
| Instruction                                       | \$ 17,360,666        | \$ 18,328               | \$ 5,635,512                             | \$ -                                   | \$ (11,706,826)                                      |                             | \$ (11,706,826)        |
| Instructional Student Support                     | 1,863,700            | -                       | 433,687                                  | -                                      | (1,430,013)                                          |                             | (1,430,013)            |
| Administrative and Financial Support Services     | 2,734,600            | -                       | 391,482                                  | -                                      | (2,343,118)                                          |                             | (2,343,118)            |
| Operation and Maintenance of Plant Services       | 4,200,887            | 939                     | 1,279,820                                | -                                      | (2,920,128)                                          |                             | (2,920,128)            |
| Pupil Transportation                              | 1,270,460            | -                       | 814,226                                  | -                                      | (456,234)                                            |                             | (456,234)              |
| Student Activities                                | 554,051              | 24,388                  | 66,643                                   | -                                      | (463,020)                                            |                             | (463,020)              |
| Community Services                                | 296,991              | 70,606                  | 132,076                                  | -                                      | (94,309)                                             |                             | (94,309)               |
| Interest on Long-Term Debt                        | 544,178              | -                       | -                                        | -                                      | (544,178)                                            |                             | (544,178)              |
| <b>Total Governmental Activities</b>              | <b>\$ 28,825,533</b> | <b>\$ 114,261</b>       | <b>\$ 8,753,446</b>                      | <b>\$ -</b>                            | <b>\$ (19,957,826)</b>                               |                             | <b>\$ (19,957,826)</b> |
| <b>Business-Type activities:</b>                  |                      |                         |                                          |                                        |                                                      |                             |                        |
| Food Service                                      | \$ 1,107,874         | \$ 146,772              | \$ 1,055,659                             | \$ -                                   | \$ -                                                 | \$ 94,557                   | \$ 94,557              |
| <b>Total Business-Type Activities</b>             | <b>\$ 1,107,874</b>  | <b>\$ 146,772</b>       | <b>\$ 1,055,659</b>                      | <b>\$ -</b>                            | <b>\$ -</b>                                          | <b>\$ 94,557</b>            | <b>\$ 94,557</b>       |
| <b>Total Primary Government</b>                   | <b>\$ 29,933,407</b> | <b>\$ 261,033</b>       | <b>\$ 9,809,105</b>                      | <b>\$ -</b>                            | <b>\$ (19,957,826)</b>                               | <b>\$ 94,557</b>            | <b>\$ (19,863,269)</b> |
| <b>General Revenues:</b>                          |                      |                         |                                          |                                        |                                                      |                             |                        |
| Taxes:                                            |                      |                         |                                          |                                        |                                                      |                             |                        |
| Property Taxes, Levied for General Purposes (net) |                      |                         |                                          |                                        | \$ 6,356,013                                         | \$ -                        | \$ 6,356,013           |
| Other Taxes, Levied for General Purposes          |                      |                         |                                          |                                        | 1,572,672                                            | -                           | 1,572,672              |
| Property Tax Relief Payment                       |                      |                         |                                          |                                        | 846,216                                              | -                           | 846,216                |
| Grants and Contributions - Unrestricted           |                      |                         |                                          |                                        | 12,827,879                                           | -                           | 12,827,879             |
| Investment Earnings                               |                      |                         |                                          |                                        | 1,125,343                                            | -                           | 1,125,343              |
| Miscellaneous Income                              |                      |                         |                                          |                                        | 433,320                                              | -                           | 433,320                |
| <b>Total General Revenues</b>                     |                      |                         |                                          |                                        | <b>\$ 23,161,443</b>                                 | <b>\$ -</b>                 | <b>\$ 23,161,443</b>   |
| <b>Change in Net Position</b>                     |                      |                         |                                          |                                        | <b>\$ 3,203,617</b>                                  | <b>\$ 94,557</b>            | <b>\$ 3,298,174</b>    |
| Net Position - July 1, 2023 (Deficit)             |                      |                         |                                          |                                        | (9,156,354)                                          | 793,106                     | (8,363,248)            |
| <b>Net Position — June 30, 2024 (Deficit)</b>     |                      |                         |                                          |                                        | <b>\$ (5,952,737)</b>                                | <b>\$ 887,663</b>           | <b>\$ (5,065,074)</b>  |

The accompanying notes are an integral part of these financial statements

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

**EXHIBIT C**

|                                                                                | <b>GENERAL<br/>FUND</b> | <b>CAPITAL<br/>RESERVE<br/>FUND</b> | <b>CAPITAL<br/>PROJECTS<br/>FUND</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|--------------------------------------------------------------------------------|-------------------------|-------------------------------------|--------------------------------------|-----------------------------------------|
| <b>ASSETS:</b>                                                                 |                         |                                     |                                      |                                         |
| Cash and Cash Equivalents                                                      | \$ 1,453,174            | \$ -                                | \$ -                                 | \$ 1,453,174                            |
| Investments                                                                    | 14,841,402              | 521,437                             | 5,716,448                            | 21,079,287                              |
| Taxes Receivable, net                                                          | 1,261,336               | -                                   | -                                    | 1,261,336                               |
| Due from Other Funds                                                           | -                       | 862,396                             | 155,510                              | 1,017,906                               |
| Due from Other Governmental Units                                              | 3,113,476               | -                                   | -                                    | 3,113,476                               |
| Other Receivables                                                              | 8,987                   | -                                   | -                                    | 8,987                                   |
| Prepaid Expenses                                                               | 911                     | -                                   | -                                    | 911                                     |
| <b>TOTAL ASSETS</b>                                                            | <b>\$ 20,679,286</b>    | <b>\$ 1,383,833</b>                 | <b>\$ 5,871,958</b>                  | <b>\$ 27,935,077</b>                    |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>           |                         |                                     |                                      |                                         |
| <b>LIABILITIES:</b>                                                            |                         |                                     |                                      |                                         |
| Due To Other Funds                                                             | \$ 1,424,644            | \$ -                                | \$ -                                 | \$ 1,424,644                            |
| Due to Other Governmental Units                                                | 148,473                 | -                                   | -                                    | 148,473                                 |
| Accounts Payable                                                               | 800,740                 | -                                   | -                                    | 800,740                                 |
| Accrued Salaries and Benefits                                                  | 2,887,459               | -                                   | -                                    | 2,887,459                               |
| Payroll Deductions and Withholdings                                            | 275,543                 | -                                   | -                                    | 275,543                                 |
| Unearned Revenue                                                               | 595,135                 | -                                   | -                                    | 595,135                                 |
| <b>TOTAL LIABILITIES</b>                                                       | <b>\$ 6,131,994</b>     | <b>\$ -</b>                         | <b>\$ -</b>                          | <b>\$ 6,131,994</b>                     |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                                          |                         |                                     |                                      |                                         |
| Delinquent Real Estate Taxes                                                   | \$ 830,658              | \$ -                                | \$ -                                 | \$ 830,658                              |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                     | <b>\$ 830,658</b>       | <b>\$ -</b>                         | <b>\$ -</b>                          | <b>\$ 830,658</b>                       |
| <b>FUND BALANCES:</b>                                                          |                         |                                     |                                      |                                         |
| Nonspendable                                                                   | \$ 911                  | \$ -                                | \$ -                                 | \$ 911                                  |
| Restricted                                                                     | -                       | 1,383,833                           | 5,871,958                            | 7,255,791                               |
| Committed                                                                      | 250,000                 | -                                   | -                                    | 250,000                                 |
| Assigned                                                                       | 7,708,269               | -                                   | -                                    | 7,708,269                               |
| Unassigned                                                                     | 5,757,454               | -                                   | -                                    | 5,757,454                               |
| <b>TOTAL FUND BALANCES</b>                                                     | <b>\$ 13,716,634</b>    | <b>\$ 1,383,833</b>                 | <b>\$ 5,871,958</b>                  | <b>\$ 20,972,425</b>                    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b> | <b>\$ 20,679,286</b>    | <b>\$ 1,383,833</b>                 | <b>\$ 5,871,958</b>                  | <b>\$ 27,935,077</b>                    |

The accompanying notes are an integral part of these financial statements

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

**Total Fund Balances - Governmental Funds** **\$ 20,972,425**

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

Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds. The cost of assets is \$41,328,752, and the accumulated depreciation is \$25,492,386. 15,836,366

Property and wage taxes receivable in the statement of net position, which will not be available soon enough to pay for the current period's expenditures, are deferred and not recognized as revenue in governmental funds. 830,658

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

|                                                    |  |           |
|----------------------------------------------------|--|-----------|
| Deferred outflows of resources related to pensions |  | 5,219,427 |
| Deferred outflows of resources related to OPEB     |  | 954,077   |
| Deferred inflows of resources related to pensions  |  | (781,000) |
| Deferred inflows of resources related to OPEB      |  | (645,759) |

Long term liabilities, including notes payable, are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:

|                                     |               |              |
|-------------------------------------|---------------|--------------|
| Bonds Payble (Net)                  | \$ 11,826,562 |              |
| Financed Purchase Agreement Payable | 1,260,214     |              |
| Accrued Interest                    | 181,198       |              |
| Net OPEB Liability                  | 2,727,275     |              |
| Net Pension Liability               | 31,897,000    |              |
| Compensated Absences                | 245,082       |              |
| Retiree Incentives                  | 201,600       |              |
|                                     |               | (48,338,931) |

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (Deficit)** **\$ (5,952,737)**

The accompanying notes are an integral part of these financial statements

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

|                                                              | <b>GENERAL FUND</b>  | <b>CAPITAL<br/>RESERVE<br/>FUND</b> | <b>CAPITAL<br/>PROJECTS<br/>FUND</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|--------------------------------------------------------------|----------------------|-------------------------------------|--------------------------------------|-----------------------------------------|
| <b>REVENUES</b>                                              |                      |                                     |                                      |                                         |
| Local Sources                                                | \$ 9,163,133         | \$ 26,031                           | \$ 395,337                           | \$ 9,584,501                            |
| State Sources                                                | 19,944,003           | -                                   | -                                    | 19,944,003                              |
| Federal Sources                                              | 2,252,960            | -                                   | -                                    | 2,252,960                               |
| <b>Total Revenue</b>                                         | <b>\$ 31,360,096</b> | <b>\$ 26,031</b>                    | <b>\$ 395,337</b>                    | <b>\$ 31,781,464</b>                    |
| <b>EXPENDITURES</b>                                          |                      |                                     |                                      |                                         |
| Instruction                                                  | \$ 17,514,469        | \$ -                                | \$ -                                 | \$ 17,514,469                           |
| Support Services                                             | 10,147,066           | -                                   | -                                    | 10,147,066                              |
| Noninstructional Services                                    | 859,498              | -                                   | -                                    | 859,498                                 |
| Capital Outlay                                               | -                    | -                                   | 4,111,646                            | 4,111,646                               |
| Debt Service                                                 | 851,609              | -                                   | -                                    | 851,609                                 |
| <b>Total Expenditures</b>                                    | <b>\$ 29,372,642</b> | <b>\$ -</b>                         | <b>\$ 4,111,646</b>                  | <b>\$ 33,484,288</b>                    |
| <b>Excess ( Deficiency) of Revenue<br/>over Expenditures</b> | <b>\$ 1,987,454</b>  | <b>\$ 26,031</b>                    | <b>\$ (3,716,309)</b>                | <b>\$ (1,702,824)</b>                   |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>\$ 1,987,454</b>  | <b>\$ 26,031</b>                    | <b>\$ (3,716,309)</b>                | <b>\$ (1,702,824)</b>                   |
| FUND BALANCE - JULY 1, 2023                                  | 11,729,180           | 1,357,802                           | 9,588,267                            | 22,675,249                              |
| <b>FUND BALANCE - JUNE 30, 2024</b>                          | <b>\$ 13,716,634</b> | <b>\$ 1,383,833</b>                 | <b>\$ 5,871,958</b>                  | <b>\$ 20,972,425</b>                    |

The accompanying notes are an integral part of these financial statements

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** **\$ (1,702,824)**

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

|                                                                                                                                                                                                                                                                                                                                                                                                     |           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$4,111,645) exceeded depreciation expense (\$599,311) during the fiscal year.                                                            | 3,512,334 |
| Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.                                                                                                                                                                                | 909,748   |
| Repayment of bond, note, and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.                                                                                                                                                                                                                         | 304,698   |
| Bond premiums are reported in governmental funds as revenues. However, in the statement of activities, this amount is capitalized and is accreted over the life of the bond issue as interest expense.                                                                                                                                                                                              | 552       |
| Bond discount costs are reported in governmental funds as expenditures. However, in the statement of activities, these costs are capitalized and amortized over the life of the note as interest expense.                                                                                                                                                                                           | (612)     |
| In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, an interest expenditure is reported when due.                                                                                                                                                                                                                                    | 2,793     |
| In the statement of activities, certain operating expenses - compensated absences and retiree benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid). This is the amount by which compensated absences and retiree benefits earned exceeded the amount paid. | (70,760)  |
| Because certain property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount this year.                                                                                                                                         | 247,688   |

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 3,203,617**

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS-GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

|                                                               | Budgeted Amounts     |                      | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------------------|----------------------|----------------------|----------------------|---------------------------------------------------------|
|                                                               | Original             | Final                | (Budgetary Basis)    |                                                         |
| <b><u>REVENUES</u></b>                                        |                      |                      |                      |                                                         |
| Local Sources                                                 | \$ 7,360,208         | \$ 7,360,208         | \$ 9,163,133         | \$ 1,802,925                                            |
| State Sources                                                 | 19,730,728           | 19,730,728           | 19,944,003           | 213,275                                                 |
| Federal Sources                                               | 645,125              | 645,125              | 2,252,960            | 1,607,835                                               |
| <b>Total Revenues</b>                                         | <b>\$ 27,736,061</b> | <b>\$ 27,736,061</b> | <b>\$ 31,360,096</b> | <b>\$ 3,624,035</b>                                     |
| <b><u>EXPENDITURES</u></b>                                    |                      |                      |                      |                                                         |
| Regular Programs                                              | \$ 11,771,075        | \$ 11,773,575        | \$ 11,827,887        | \$ (54,312)                                             |
| Special Programs                                              | 4,180,144            | 4,177,644            | 4,003,020            | 174,624                                                 |
| Vocational Programs                                           | 1,107,756            | 1,107,756            | 1,372,789            | (265,033)                                               |
| Other Instructional Programs                                  | 210,409              | 210,409              | 310,773              | (100,364)                                               |
| Non-Public School Programs                                    | -                    | -                    | 3,760                | (3,760)                                                 |
| Pupil Personnel Services                                      | 1,017,926            | 1,017,926            | 1,079,217            | (61,291)                                                |
| Instructional Staff Services                                  | 542,930              | 542,930              | 550,509              | (7,579)                                                 |
| Administrative Services                                       | 1,912,113            | 1,912,113            | 1,905,776            | 6,337                                                   |
| Pupil Health                                                  | 246,847              | 246,847              | 255,417              | (8,570)                                                 |
| Business Services                                             | 358,345              | 358,345              | 337,018              | 21,327                                                  |
| Operation & Maintenance of Plant Services                     | 2,801,344            | 2,801,344            | 4,222,079            | (1,420,735)                                             |
| Student Transportation Services                               | 1,350,767            | 1,350,767            | 1,270,460            | 80,307                                                  |
| Support Services Central                                      | 437,614              | 437,614              | 496,944              | (59,330)                                                |
| Other Support Services                                        | 6,500                | 6,500                | 25,886               | (19,386)                                                |
| Student Activities                                            | 591,430              | 591,430              | 559,332              | 32,098                                                  |
| Community Services                                            | 178,186              | 178,186              | 300,166              | (121,980)                                               |
| Debt Service                                                  | 1,194,412            | 1,194,412            | 851,609              | 342,803                                                 |
| <b>Total Expenditures</b>                                     | <b>\$ 27,907,798</b> | <b>\$ 27,907,798</b> | <b>\$ 29,372,642</b> | <b>\$ (1,464,844)</b>                                   |
| <b>Excess ( Deficiency) of Revenues<br/>over Expenditures</b> | <b>\$ (171,737)</b>  | <b>\$ (171,737)</b>  | <b>\$ 1,987,454</b>  | <b>\$ 2,159,191</b>                                     |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                  |                      |                      |                      |                                                         |
| Budgetary Reserve                                             | \$ -                 | \$ -                 | \$ -                 | \$ -                                                    |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ -</b>                                             |
| <b>NET CHANGE IN FUND BALANCES</b>                            | <b>\$ (171,737)</b>  | <b>\$ (171,737)</b>  | <b>\$ 1,987,454</b>  | <b>\$ 2,159,191</b>                                     |
| FUND BALANCE - JULY 1, 2023                                   | 9,578,889            | 9,578,889            | 11,729,180           | 2,150,291                                               |
| <b>FUND BALANCE - JUNE 30, 2024</b>                           | <b>\$ 9,407,152</b>  | <b>\$ 9,407,152</b>  | <b>\$ 13,716,634</b> | <b>\$ 4,309,482</b>                                     |

The accompanying notes are an integral part of these financial statements



**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2024**

|                                           | <b><u>FOOD<br/>SERVICES</u></b> |
|-------------------------------------------|---------------------------------|
| <b>ASSETS</b>                             |                                 |
| <b>Current Assets:</b>                    |                                 |
| Cash and Cash Equivalents                 | \$ 143,049                      |
| Due from Other Governmental Units         | 110,841                         |
| Due from Other Funds                      | 406,738                         |
| Other Receivables                         | 19,319                          |
| Inventories                               | 14,994                          |
| <b>TOTAL CURRENT ASSETS</b>               | <b><u>\$ 694,941</u></b>        |
| <b>Noncurrent Assets:</b>                 |                                 |
| Furniture and Equipment (Net)             | \$ 290,640                      |
| <b>TOTAL NONCURRENT ASSETS</b>            | <b><u>\$ 290,640</u></b>        |
| <b>TOTAL ASSETS</b>                       | <b><u>\$ 985,581</u></b>        |
| <b>LIABILITIES</b>                        |                                 |
| <b>Current Liabilities:</b>               |                                 |
| Accounts Payable                          | \$ 86,716                       |
| Unearned Revenue                          | 11,202                          |
| <b>TOTAL CURRENT LIABILITIES</b>          | <b><u>\$ 97,918</u></b>         |
| <b>TOTAL LIABILITIES</b>                  | <b><u>\$ 97,918</u></b>         |
| <b>NET POSITION</b>                       |                                 |
| Net Investment in Capital Assets          | \$ 290,640                      |
| Unrestricted                              | 597,023                         |
| <b>TOTAL NET POSITION</b>                 | <b><u>\$ 887,663</u></b>        |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b><u>\$ 985,581</u></b>        |

The accompanying notes are an integral part of these financial statements

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

|                                                |                             |
|------------------------------------------------|-----------------------------|
|                                                | <b><u>FOOD SERVICES</u></b> |
| <b><u>OPERATING REVENUES</u></b>               |                             |
| Food Services Revenue                          | \$ 146,772                  |
| <b>Total Operating Revenues</b>                | <b><u>\$ 146,772</u></b>    |
| <b><u>OPERATING EXPENSES</u></b>               |                             |
| Other Purchased Service                        | \$ 972,874                  |
| Supplies                                       | 118,156                     |
| Depreciation                                   | 16,844                      |
| <b>Total Operating Expenses</b>                | <b><u>\$ 1,107,874</u></b>  |
| <b>OPERATING INCOME/(LOSS)</b>                 | <b><u>\$ (961,102)</u></b>  |
| <b><u>NONOPERATING REVENUES (EXPENSES)</u></b> |                             |
| State Sources                                  | \$ 31,330                   |
| Federal Sources                                | 1,024,329                   |
| <b>Total Nonoperating Revenues (Expenses)</b>  | <b><u>\$ 1,055,659</u></b>  |
| <b>CHANGE IN NET POSITION</b>                  | <b><u>\$ 94,557</u></b>     |
| NET POSITION - JULY 1, 2023                    | <u>793,106</u>              |
| <b>NET POSITION - JUNE 30, 2024</b>            | <b><u>\$ 887,663</u></b>    |

The accompanying notes are an integral part of these financial statements

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

|                                                                                                                  | <b>FOOD<br/>SERVICES</b>          |
|------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>                                                               |                                   |
| Cash Received from Users                                                                                         | \$ 127,833                        |
| Cash Payments to Suppliers for Goods and Services                                                                | (966,157)                         |
| <b>Net Cash Provided (Used) by Operating Activities</b>                                                          | <b><u>\$ (838,324)</u></b>        |
| <b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>                                           |                                   |
| Capital Asset Purchases                                                                                          | \$ (193,057)                      |
| <b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>                                              | <b><u>\$ (193,057)</u></b>        |
| <b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>                                                   |                                   |
| State Sources                                                                                                    | \$ 27,920                         |
| Federal Sources                                                                                                  | 853,770                           |
| Net Advances to/from Other Funds                                                                                 | (129,977)                         |
| <b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>                                              | <b><u>\$ 751,713</u></b>          |
| <b>NET INCREASE &lt;DECREASE&gt; IN CASH AND CASH EQUIVALENTS</b>                                                | <b>\$ (279,668)</b>               |
| CASH AND CASH EQUIVALENTS - JULY 1, 2023                                                                         | <u>422,717</u>                    |
| <b>CASH AND CASH EQUIVALENTS - JUNE 30, 2024</b>                                                                 | <b><u><u>\$ 143,049</u></u></b>   |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH<br/>PROVIDED (USED) BY OPERATING ACTIVITIES:</b>        |                                   |
| Operating Income (Loss)                                                                                          | \$ (961,102)                      |
| <b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS)<br/>TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b> |                                   |
| Depreciation                                                                                                     | \$ 16,844                         |
| Donated Commodities                                                                                              | 67,530                            |
| (Increase) Decrease in Accounts Receivable                                                                       | (18,737)                          |
| (Increase) Decrease in Inventory                                                                                 | (9,442)                           |
| Increase (Decrease) in Accounts Payable                                                                          | 59,718                            |
| Increase (Decrease) in Unearned Revenue                                                                          | 6,865                             |
| <b>Total Adjustments</b>                                                                                         | <b><u>\$ 122,778</u></b>          |
| <b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>                                                          | <b><u><u>\$ (838,324)</u></u></b> |
| <b>NONCASH NONCAPITAL FINANCING ACTIVITIES:</b>                                                                  |                                   |
| During the year, the District received \$67,530 of food commodities<br>from the U.S. Department of Agriculture   |                                   |

The accompanying notes are an integral part of these financial statements

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2024**

|                                           | <b>STUDENT<br/>ACTIVITY<br/>CUSTODIAL<br/>FUNDS</b> |
|-------------------------------------------|-----------------------------------------------------|
| <b>ASSETS</b>                             |                                                     |
| Cash and Cash Equivalents                 | \$ 89,522                                           |
| <b>TOTAL ASSETS</b>                       | <b>\$ 89,522</b>                                    |
| <b>LIABILITIES AND NET POSITION</b>       |                                                     |
| <b>LIABILITIES:</b>                       |                                                     |
| Accounts Payable                          | \$ 426                                              |
| <b>TOTAL LIABILITIES</b>                  | <b>\$ 426</b>                                       |
| <b>NET POSITION:</b>                      |                                                     |
| Restricted                                | \$ 89,096                                           |
| <b>TOTAL NET POSITION</b>                 | <b>\$ 89,096</b>                                    |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b>\$ 89,522</b>                                    |

The accompanying notes are an integral part of these financial statements

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

|                                         | <b><u>STUDENT<br/>ACTIVITY<br/>CUSTODIAL<br/>FUNDS</u></b> |
|-----------------------------------------|------------------------------------------------------------|
| <b>ADDITIONS</b>                        |                                                            |
| Student Club Organization Receipts      | \$ 94,562                                                  |
| <b>TOTAL ADDITIONS</b>                  | <b><u>\$ 94,562</u></b>                                    |
| <b>DEDUCTIONS</b>                       |                                                            |
| Student Club Organization Disbursements | \$ 83,489                                                  |
| <b>TOTAL DEDUCTIONS</b>                 | <b><u>\$ 83,489</u></b>                                    |
| <br><b>CHANGE IN NET POSITION</b>       | <br><b>\$ 11,073</b>                                       |
| <br>NET POSITION - JULY 1, 2023         | <br><u>78,023</u>                                          |
| <br>NET POSITION - JUNE 30, 2024        | <br><b><u>\$ 89,096</u></b>                                |

The accompanying notes are an integral part of these financial statements

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

The New Brighton Area School District was established under the authority of an act of the state legislature that designated a school board as the governing body. This district serves the surrounding municipalities that include the Borough of New Brighton and the Townships of Daugherty, Fallston, and Pulaski. The School District operates under a locally elected nine-member Board form of government and provides educational services as mandated by the Commonwealth of Pennsylvania and selected federal agencies. The Board of Education has complete authority over the operations and administration of the school district's activities.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the New Brighton Area School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. Generally accepted accounting principles define component units as legally separate entities that are included in the School District's reporting entity because of the significance of their operating or financial relationships with the School District. Based on the application of these criteria, the New Brighton Area School District has no component units.

The School District is associated with two jointly governed organizations (Note 12) and one public entity risk pool (Note 13). These organizations are:

- Jointly Governed Organizations:
  - Beaver County Career and Technology Center
  - Beaver Valley Intermediate Unit
- Public Entity Risk Pool:
  - Beaver County Health Care Insurance Consortium

The financial statements of the New Brighton Area School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The most significant of the School District's accounting policies are as follows:

**FINANCIAL STATEMENT PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** – The statement of net position (Exhibit A) and the statement of activities (Exhibit B) display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. That is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations (Exhibit D and F) with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FINANCIAL STATEMENT PRESENTATION (Continued)**

The government-wide statement of activities (Exhibit B) presents a comparison between direct expenses and program revenues for the District's business-type activities (food service operations) and for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which the business-type activity or government function is self-financing or draws from the general revenues of the School District.

**FUND FINANCIAL STATEMENTS** – Fund financial statements report detailed information about the School District. Under generally accepted accounting standards, the focus of fund financial statements is on major funds rather than reporting funds by type. Major funds represent the District's most important funds and are determined based on percentages of assets, liabilities, revenues, and expenditures/expenses. For Pennsylvania school districts, the General Fund and Food Service Fund are always considered major funds. Each major fund is presented in a separate column. Non-major funds are segregated and presented in a single column. Fiduciary funds are reported by fund type.

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Government funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. The fair value of donated commodities used during the year is reported in the operating statements as an expense with a like amount reported as part of federal source revenue.

Fiduciary funds are reported using the economic resources measurement focus.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (Continued)**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

Revenue resulting from non-exchange transactions, in which the School District receives value without directly giving equal value in return, includes property taxes, grants and contributions. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants and contributions are recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be 'available' before it can be recognized.

The management of the New Brighton Area School District has determined that the revenues most susceptible to accrual (measurable and available) at June 30, 2024 under the modified accrual basis are **1)** delinquent property taxes held with the Beaver County Tax Claim Bureau, **2)** deed transfer taxes for the month of June, **3)** earned income taxes and other act 511 taxes collected by the district within 60 days following the close of the fiscal year, **4)** federal and state subsidies earned in the fiscal year 2023-2024, and **5)** other miscellaneous revenues earned in fiscal year 2023-2024 but received subsequent to June 30, 2024. On the governmental fund financial statements, delinquent real estate taxes receivable that will not be collected within the 'available' period have been reported as 'deferred inflows of resources'.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. The primary expenditures deemed susceptible to accrual at June 30, 2024 are those for which the Board of Education's intention was to expense these items as budgeted for the 2023-2024 official budget, and for which the District has incurred an obligation, but has not paid as of June 30, 2024.

Allocations of cost, such as depreciation and amortization expense, are not recognized in governmental funds but are included as part of expenses in the government-wide statement of activities.

**FUND ACCOUNTING**

The School District uses funds to report on its financial position and the results of its operations during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. Fund categories are defined as follows:



**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**Governmental Funds** – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The District did not have non-major governmental funds during the 2023-2024 fiscal year. The following are the School District's major governmental funds:

**MAJOR GOVERNMENTAL FUNDS:**

**GENERAL FUND** - The general fund is used to account for all financial resources not required to be accounted for in some other fund. The general fund balance is available for any purpose provided it is expended according to the Commonwealth of Pennsylvania Public School Code.

**CAPITAL RESERVE FUND** - The capital reserve fund accounts for financial resources used for the acquisition of capital assets and capital improvements, as deemed necessary by the Board of Education. This fund was established as a capital reserve fund under Pennsylvania Municipal Code Section 1431.

**CAPITAL PROJECTS FUND** - The capital projects fund accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for students within the District.

**Proprietary Funds** - used to account for activities similar to those found in the private sector, where the determination of net income is necessary and useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies within the school district (internal service funds). The School District's major and sole enterprise fund is its Food Service Fund that accounts for the financial transactions related to the food service operations of the District.

**Fiduciary Funds** – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Custodial funds report fiduciary activities that are not held in a Trust or equivalent arrangement that meets specific criteria. The School District reports one student activity custodial fund to account for various student organization activity accounts administered by the District on behalf of the student organizations.

**BUDGETS**

On June 26, 2023, the New Brighton Area School District adopted its fiscal year June 30, 2024 annual budget for the General Fund totaling \$27,907,798 in accordance with the provisions of the Pennsylvania School Code. The budget is prepared utilizing the modified accrual basis of accounting in accordance with generally accepted accounting principles. The original and final budgetary amounts are reflected in these financial statements (Exhibit G). Actual expenditures exceeded budget during the 2023-2024 fiscal year. All annual appropriations of the General Fund lapse at year-end.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BUDGETS (Continued)**

The School District uses the following procedures in establishing this budgetary data:

- a. Prior to May of the preceding fiscal year, the school district prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the revenues and other sources of funds used to finance these expenditures.
- b. At least 20 days prior to the date set for budget adoption, the budget is made available for public inspection.
- c. A meeting of the Board of Education is then held for the purpose of adopting the proposed budget. The meeting may only be held after 10 days of public notification.
- d. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board of Education.
- e. The budget must be filed with the Commonwealth of Pennsylvania, Department of Education by July 15 of the fiscal year or within 30 days of adoption.
- f. Budgetary transfers are permitted after the first 90 days of the school district's fiscal year.

**CASH AND CASH EQUIVALENTS**

For the purpose of these basic financial statements, cash and cash equivalents include amounts in demand deposit accounts, and any other highly liquid, short-term investments, with original maturity terms of less than three months.

**INVESTMENTS**

Under Section 440.1 of the Pennsylvania Public School Code of 1949, as amended, and PA Act 10 of 2016, New Brighton Area School District is permitted to invest funds consistent with sound business practices in the following types of investments:

- I. Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- II. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.
- III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.

Investments of the New Brighton Area School District include deposits pooled for investment purposes with the Pennsylvania School District Liquid Asset Fund (PSDLAF), and the Pennsylvania Local Government Investment Trust (PLGIT). Investments are reported at fair value. There were no deposit and investment transactions during the year that were in violation of state statutes.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the governmental funds balance sheet. For the purposes of the government-wide statement of net position, governmental interfund receivables and payables have been eliminated. Amounts due between governmental activities and business-type activities, if any, are presented as off-setting internal balances on the statement of net position.

**INVENTORIES**

Inventories on the government-wide statement of net position (Exhibit A) and the proprietary fund statement of net position (Exhibit H) are recorded at fair value on a first-in first-out basis. This inventory consists of donated commodities from the U.S. Department of Agriculture as part of the food service program. The School District does not inventory the cost of such items as books and supplies, but rather records these items as an expenditure in the governmental funds and an expense in the government-wide statement of activities at the time of purchase.

**CAPITAL ASSETS AND DEPRECIATION**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the governmental-activities column of the government-wide statement of net position. Capital assets used by the proprietary fund are reported in both the business-type activity column of the government-wide statement of net position and on the proprietary fund statement of net position.

All capital assets are recorded at cost (or estimated historical cost). Donated fixed assets are recorded at fair value at the time of receipt. The School District maintains a capitalization threshold of \$1,500. The cost of infrastructure is included as part of site improvements in the government-wide statement of net position. Routine repair and maintenance costs that do not add to the value of the asset or extend its useful life are charged as an expense in the government-wide statement of activities.

All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the following useful lives:

| <b><u>CATEGORY</u></b>     | <b><u>GOVERNMENTAL<br/>ACTIVITIES</u></b> | <b><u>BUSINESS-TYPE<br/>ACTIVITIES</u></b> |
|----------------------------|-------------------------------------------|--------------------------------------------|
| Site Improvements          | 15-20 years                               | N/A                                        |
| Buildings and Improvements | 20-50 years                               | N/A                                        |
| Furniture and Equipment    | 3-20 years                                | 10-15 years                                |

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets purchased by governmental funds are recorded as expenditures in the fund financial statements (Exhibit E). The results of capitalizing fixed assets net of depreciation on the government-wide statement of net position and statement of activities, as opposed to recording these same assets as an expenditure in the fund financial statements (Exhibit E), is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**LONG-TERM DEBT FINANCING COSTS**

Bond issuance costs are recorded as expenditures in the governmental fund financial statements in the year paid. The School District did not incur bond issuance costs during the 2023-2024 fiscal year.

**COMPENSATED ABSENCES**

The School District reports compensated absences in accordance with the provisions of applicable GASB Statements. Participants of the New Brighton Area Education Association are entitled to accumulated unused sick and personal day reimbursement at the rate of \$100 for each year of service with the District. Participants of the New Brighton Area Educational Support Professionals are entitled to accumulated unused sick and personal day reimbursement at the rate of \$150 for each year of service with the District. The entire compensated absences liability of \$245,082 is shown as a non-current liability in the government-wide statement of net position. For governmental fund financial statements, compensated absences are recorded as expenditures when paid rather than accrued when earned as the likelihood of payment in the immediate fiscal year with available expendable resources is not assured.

**PENSIONS**

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public-School Employees' Retirement System (PSERS), and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment assets are reported at fair value. More information on pension activity is included in Note 10.

**OTHER POSTEMPLOYMENT BENEFITS**

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Public-School Employees' Retirement System (PSERS), and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment assets are reported at fair value. More information on other postemployment benefits activity is included in Note 11.

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

All payables accrued liabilities and long-term obligations are reported in the government-wide financial statements. For the business-type activities, these obligations and all similar obligations are reported again on the proprietary fund statement of net position (Exhibit H).

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion of compensated absences and retiree health benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been paid with current available financial resources.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS (Continued)**

Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. The District's General Fund is typically used to liquidate long-term liability obligations. The results of recognizing these long-term obligations as liabilities on the government-wide statement of net position and statement of activities, as opposed to recording these same obligations as an expenditure in the fund financial statements (Exhibit E) only when paid, is reflected in the required reconciliations of fund to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

**UNEARNED REVENUE**

Unearned Revenue arises when the District receives resources before it has legal claim to them. This occurs when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent balance periods, when both revenue recognition criteria are met, or when the School District has a legal claim to the resources, the unearned revenue liability is removed and revenue is recognized.

**DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The School District has two items that qualify for reporting in this category. They are deferred outflows related to the School District's pension and OPEB plans, reported on the statement of net position (Exhibit A).

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The School District has three items that qualify for reporting in this category. They are delinquent real estate taxes reported on the governmental funds balance sheet (Exhibit C), and deferred inflows related to the School District's pension and OPEB plans, reported on the statement of net position (Exhibit A).

**NET POSITION**

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy District obligations. Net position is classified as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted Net Position – This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets. The net position of the Capital Reserve Fund is restricted in accordance with Section 1431 of the Municipal Code.
- Unrestricted – Consists of net position that does not meet the definition of 'restricted' or 'net investment in capital assets'. On June 30, 2024, the District had a deficit unrestricted net position of \$25,233,053.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**NET POSITION (Continued)**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the School District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

**FUND EQUITY**

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity's fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact. The non-spendable fund balance of \$911 represents expenses applicable to 2024-2025 fiscal year paid in June of 2024.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation. The fund balance of the Capital Reserve Fund totaling \$1,383,833 is restricted in accordance with Section 1431 of the Municipal Code. The restricted fund balance totaling \$5,871,958 represents the balance of the School District's Capital Projects Fund from its General Obligation Bond issue, Series of 2022.
- Committed fund balance – amounts constrained to specific purposes by the School District itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the School District takes the same highest-level action to remove or change the constraint. The Board of Education has committed \$250,000 of the fund balance for the General Fund to be used for future capital projects.
- Assigned fund balance – amounts the School District intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The Board of Education has assigned \$7,708,269 of its General Fund balance for **1)** PSERS rate increases totaling \$2,000,000, **2)** \$800,750 for technology refresh, **3)** ESSER funds toward 2024-2025 fiscal year totaling \$100,000, **4)** \$2,807,519 for 2024-2025 capital projects, and **5)** \$2,000,000 for health consortium rate increases.
- Unassigned fund balance – amounts that are available for any purpose.

The School District establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. The Board of Education has authority to assign fund balance.

When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the District's general policy to spend the committed resources first, followed by assigned amounts and then unassigned amounts.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND EQUITY (Continued)**

Section 688 of the Pennsylvania Public School Code prohibits school districts from increasing real property taxes beyond the annual index increase permitted by law, unless the school district has adopted a budget for such school year that includes an estimated ending unassigned fund balance which is not more than a specified percentage of the district's total budgeted expenditures. For the New Brighton Area School District, estimated ending unassigned fund balance must not exceed 8% of total budgeted expenditures.

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the District's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**OPERATING REVENUES AND EXPENSES**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the New Brighton Area School District, these revenues are food service charges for lunch and breakfast service. Operating expenses are the necessary costs incurred to provide the aforementioned food service. Non-operating revenues of the District's food service proprietary fund are comprised of state and federal subsidies, including donated commodities, received from the U.S. Department of Agriculture. The District did not have non-operating expense during 2023-2024.

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statements were adopted for the School District's 2023-2024 financial statements. Except where noted, the adoption of these pronouncements did not have a significant impact on New Brighton Area School District's financial statements.

- **GASB issued Statement No. 99**, '*Omnibus 2022*'.
- **GASB issued Statement No. 100**, '*Accounting Changes and Error Correction*'.

**PENDING GASB PRONOUNCEMENTS**

- **GASB issued Statement No. 101**, '*Compensated Absences*'. The provisions of this statement are effective for the District's June 30, 2025 financial statements.
- **GASB issued Statement No. 102**, '*Certain Risk Disclosures*'. The provisions of this statement are effective for the District's June 30, 2025 financial statements.
- **GASB issued Statement No. 103**, '*Financial Reporting Model Improvements*'. The provisions of this statement are effective for the District's June 30, 2026 financial statements.
- **GASB issued Statement No. 104**, '*Disclosure of Certain Capital Assets*'. The provisions of this statement are effective for the District's June 30, 2026 financial statements.

The School District has not yet determined the impact of the adoption of the above pending GASB pronouncements on its financial statements.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS**

The following represents the bank balance and carrying value for the New Brighton Area School District's cash and cash equivalents at June 30, 2024:

|                  | <b><u>Bank<br/>Balance</u></b> | <b><u>Carrying<br/>Value</u></b> |
|------------------|--------------------------------|----------------------------------|
| General Fund     | \$ 1,558,889                   | \$ 1,453,174                     |
| Proprietary Fund | 143,323                        | 143,049                          |
| Fiduciary Fund   | 89,706                         | 89,522                           |
| <b>Totals</b>    | <b><u>\$ 1,791,918</u></b>     | <b><u>\$ 1,685,745</u></b>       |

The difference between the bank balance and carrying value represents year-end reconciling items such as deposits in transit and outstanding checks, and petty cash. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government accounts is \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposits accounts, and certificates of deposit.

**Custodial Credit Risk:**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is to invest funds consistent with sound business practices evaluating each investment opportunity in terms of risk, yield, liquidity, and legal restrictions as allowable by law or regulations. As of June 30, 2024, \$1,541,918 of the District's overall bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the District's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, the aforementioned deposits, in excess of \$250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

**INVESTMENTS**

The fair value and maturity term of the District's investments as of June 30, 2024 is as follows:

|        | <b><u>Fair<br/>Value</u></b> | <b><u>No Stated<br/>Maturity</u></b> | <b><u>Credit<br/>Rating</u></b> |
|--------|------------------------------|--------------------------------------|---------------------------------|
| PSDLAF | \$ 14,819,693                | \$ 14,819,693                        | AAAm                            |
| PLGIT  | 6,259,594                    | 6,259,594                            | AAAm                            |
|        | <b><u>\$ 21,079,287</u></b>  | <b><u>\$ 21,079,287</u></b>          |                                 |

The purpose of the Pennsylvania School District Liquid Asset Fund (PSDLAF) and the Pennsylvania Local Government Investment Trust (PLGIT) is to enable governmental units to pool their available funds for investments authorized under the Intergovernmental Cooperation Act of 1972. The funds operate in a manner consistent with the SEC's Rule 2(a) 7 of the Investment Company Act of 1940. The funds use amortized cost to report net position to compute share prices. These funds maintain net asset values of \$1 per share. Accordingly, the fair value of the position in these funds is the same as the value of these shares. These funds are rated by a nationally recognized statistical rating organization (Standard & Poors). PSDLAF and PLGIT do not put any limitations or restrictions on withdrawals.



**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS (Continued)**

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The District's investments in PLGIT and PSDLAF are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

**Credit Risk:**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District has no formal investment policy that limits its investment choices based on credit ratings by nationally recognized rating organizations.

**Interest Rate Risk:**

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Concentration of Credit Risk:**

The School District places no limit on the amount it may invest in any one issuer.

**Fair Value Measurements:**

The New Brighton Area School District's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.
- Level 2 – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data.
- Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

Investments held in external investment pools such as PSDLAF and PLGIT are not subject to the provisions of fair value measurements as they are recorded at amortized cost. In addition, certificates of deposit are not subject to the provisions of fair value measurements as they are recorded at cost.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 - PROPERTY TAXES**

The New Brighton Area School District levies property taxes July 1st of each fiscal year. The tax millage assessment for the 2023-2024 fiscal year was 73.9627 mills, which represents \$73.9627 of revenue for every \$1,000 of assessed property value. Taxpayers are entitled to a 2% discount if taxes are paid prior to August 31st. Collections beginning November 1st are assessed a 5% penalty. Tax collectors are required under Act 169 of the Commonwealth of Pennsylvania to submit a reconciliation of their tax duplicate to the District by January 15<sup>th</sup> of the year following levy.

Unpaid taxes are submitted to the Beaver County Tax Claim Bureau in April of the year following tax levy. The final tax collector reconciliations reflected \$551,810 in unpaid 2023 property taxes, which represents 8.8% of the total assessed property taxes (\$6,288,409) for the current fiscal year.

Taxes receivable as shown in the government-wide statement of net position includes delinquent property taxes of \$830,658. For purposes of the governmental fund financial statements, the above property taxes receivable, although measurable, do not meet the available criteria to finance current fiscal year operations. Accordingly, this amount is equally off set as a credit to deferred inflows of resources in the fund financial statements.

The effect of recognizing property tax revenue when taxes are levied, as opposed to when they are received using the 'measurable and available' criteria under the modified accrual basis of accounting, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F). Taxes receivable is comprised of the following at June 30, 2024:

|                                     |                            |
|-------------------------------------|----------------------------|
| Delinquent Property Taxes           | \$ 830,658                 |
| Delinquent Property Taxes (60 Days) | 186,893                    |
| Earned Income Tax                   | 230,254                    |
| Business Privilege Tax              | 3,683                      |
| Deed Transfer Taxes                 | 8,726                      |
| Per Capita/Local Service Tax        | 1,122                      |
|                                     | <b><u>\$ 1,261,336</u></b> |

**NOTE 4 – DUE FROM OTHER GOVERNMENTAL UNITS**

The amount of 'due from other governmental units', as reflected on the government-wide statement of net position, is comprised of the following:

|                                   | <b><u>GOVERNMENTAL<br/>ACTIVITIES</u></b> | <b><u>BUSINESS-TYPE<br/>ACTIVITIES</u></b> |
|-----------------------------------|-------------------------------------------|--------------------------------------------|
| Commonwealth of Pennsylvania:     |                                           |                                            |
| State Subsidies                   | \$ 1,300,073                              | \$ 3,483                                   |
| Federal Pass-Through Grants       | 1,709,891                                 | 107,358                                    |
| IDEA Funds Passed through IU      | 89,278                                    | -                                          |
| Due from Other Governmental Units | 14,234                                    | -                                          |
|                                   | <b><u>\$ 3,113,476</u></b>                | <b><u>\$ 110,841</u></b>                   |

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 5 – OTHER RECEIVABLES**

The amount of 'other receivables', as reflected on the government-wide statement of net position, represents reimbursements to the District's General Fund for costs incurred during the 2023-2024 fiscal year totaling \$8,987, as well as \$19,319 due the District's Food Service Fund for special function and other billings.

**NOTE 6 – UNEARNED REVENUE**

The amount of 'unearned revenue', as reflected on the government-wide statement of net position, is comprised of the following:

|                          | <b><u>GOVERNMENTAL<br/>ACTIVITIES</u></b> | <b><u>BUSINESS-TYPE<br/>ACTIVITIES</u></b> |
|--------------------------|-------------------------------------------|--------------------------------------------|
| Federal Grants           | \$ 16,882                                 | \$ -                                       |
| Solar Panel Grant        | 578,253                                   | -                                          |
| USDA Inventory           | -                                         | 7,842                                      |
| Student Account Balances | -                                         | 3,360                                      |
|                          | <b><u>\$ 595,135</u></b>                  | <b><u>\$ 11,202</u></b>                    |

**NOTE 7 – INTER-FUND RECEIVABLES/PAYABLES**

Inter-fund receivables and payables as reflected on the governmental and proprietary funds balance sheets (Exhibits C and H) are as follows:

|                       | <b><u>RECEIVABLE</u></b>   | <b><u>PAYABLE</u></b>      |
|-----------------------|----------------------------|----------------------------|
| General Fund          | \$ -                       | \$ 1,424,644               |
| Capital Reserve Fund  | 862,396                    | -                          |
| Capital Projects Fund | 155,510                    | -                          |
| Food Service Fund     | 406,738                    | -                          |
|                       | <b><u>\$ 1,424,644</u></b> | <b><u>\$ 1,424,644</u></b> |

These inter-fund obligations represent reimbursements due for routine operating costs paid by each respective fund on behalf of the other funds. These obligations have been eliminated in the government-wide statement of net position.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 - CAPITAL ASSETS**

A summary of the governmental fixed asset activity for the 2023-2024 fiscal year was as follows:

|                                                         | Balance<br>7/1/2023    | Additions           | Deductions  | Balance<br>6/30/2024   |
|---------------------------------------------------------|------------------------|---------------------|-------------|------------------------|
| <b>Governmental Activities:</b>                         |                        |                     |             |                        |
| <b>Capital Assets, not being depreciated</b>            |                        |                     |             |                        |
| Land                                                    | \$ 9,500               | \$ -                | \$ -        | \$ 9,500               |
| Construction in Progress                                | -                      | 4,111,645           | -           | 4,111,645              |
| <b>Total Capital Assets,<br/>not being depreciated</b>  | <b>\$ 9,500</b>        | <b>\$ 4,111,645</b> | <b>\$ -</b> | <b>\$ 4,121,145</b>    |
| <b>Capital Assets, being depreciated</b>                |                        |                     |             |                        |
| Site Improvements                                       | \$ 2,267,108           | \$ -                | \$ -        | \$ 2,267,108           |
| Building and Improvements                               | 31,428,867             | -                   | -           | 31,428,867             |
| Furniture and Equipment                                 | 3,511,630              | -                   | -           | 3,511,630              |
| <b>Total Capital Assets,<br/>being depreciated</b>      | <b>\$ 37,207,606</b>   | <b>\$ -</b>         | <b>\$ -</b> | <b>\$ 37,207,607</b>   |
| <b>Less: Accumulated depreciation</b>                   |                        |                     |             |                        |
| Site Improvements                                       | \$ (1,964,482)         | \$ (44,448)         | \$ -        | \$ (2,008,930)         |
| Building and Improvements                               | (19,627,673)           | (467,920)           | -           | (20,095,593)           |
| Furniture and Equipment                                 | (3,300,919)            | (86,943)            | -           | (3,387,861)            |
| <b>Total Accumulated Depreciation</b>                   | <b>\$ (24,893,075)</b> | <b>\$ (599,311)</b> | <b>\$ -</b> | <b>\$ (25,492,386)</b> |
| <b>Governmental Activities<br/>Capital Assets, Net</b>  | <b>\$ 12,324,031</b>   | <b>\$ 3,512,334</b> | <b>\$ -</b> | <b>\$ 15,836,366</b>   |
| <b>Business-Type Activities:</b>                        |                        |                     |             |                        |
| <b>Capital Assets, being depreciated</b>                |                        |                     |             |                        |
| Furniture and Equipment                                 | \$ 594,608             | \$ 193,057          | \$ -        | \$ 787,665             |
| Less: Accumulated<br>Depreciation                       | (480,181)              | (16,844)            | -           | (497,025)              |
| <b>Business-Type Activities<br/>Capital Assets, Net</b> | <b>\$ 114,427</b>      | <b>\$ 176,213</b>   | <b>\$ -</b> | <b>\$ 290,640</b>      |

Depreciation expense was charged to governmental functions as follows:

|                                               |                   |
|-----------------------------------------------|-------------------|
| Instruction                                   | \$ 412,283        |
| Instructional Student Support                 | 48,842            |
| Administrative and Financial Support Services | 70,656            |
| Operation and Maintenance of Plant Services   | 48,268            |
| Student Activities                            | 12,028            |
| Community Services                            | 7,234             |
|                                               | <b>\$ 599,311</b> |

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 9 - LONG-TERM LIABILITIES**

**GENERAL OBLIGATION BONDS - SERIES OF 2018**

On November 8, 2018, the New Brighton Area School District issued General Obligation Bonds, Series of 2018 in the amount of \$2,405,000 for the purpose of **1)** funding certain capital projects, including roof rehabilitations and replacements, heating ventilation and air conditioning rehabilitations, and other improvements and rehabilitations to District facilities under an Act 39 Guaranteed Energy Savings Program, and **2)** funding capitalized interest and paying the costs of the issuance of the bonds. The bonds were issued in denominations of \$5,000 with interest payable on August 15 and February 15 each year through maturity. Interest rates range between 2.15% and 4.00% with the bonds maturing on August 15, 2034. The bonds provide for early redemption options for the School District as detailed in the official statement of issue.

**GENERAL OBLIGATION BONDS - SERIES OF 2022**

On August 2, 2022, the New Brighton Area School District issued General Obligation Bonds, Series of 2022 in the amount of \$9,985,000 for the purpose of **1)** upgrading and replacing various HVAC equipment, **2)** funding various capital projects throughout the District, and **3)** paying the costs of the issuance of the bonds. The bonds were issued in denominations of \$5,000 with interest payable on August 15 and February 15 each year through maturity. Interest rates range between 3.00% and 5.00% with the bonds maturing on August 15, 2047. The bonds provide for early redemption options for the School District as detailed in the official statement of issue.

**DEFAULT PROVISIONS – GENERAL OBLIGATION BONDS**

In the event of failure of the School District to pay or cause to be paid the interest on or principal of the Bonds, as the same becomes due and payable, the holders of the Bonds shall be entitled to certain remedies provided by the Local Government Unit Debt Act. Among the remedies, if the failure to pay shall continue for 30 days, holders of the Bonds shall have the right to recover the amount due by bringing an action in assumpsit in the Court of Common Pleas of Beaver County. The Act provides any judgement shall have an appropriate priority upon the funds next coming into the treasury of the School District. The Act also provides that upon a default of at least 30 days, holders of at least 25 percent of the Bonds may appoint a trustee to represent them. The Act provides certain other remedies in the event of default, and further qualifies the remedies described.

A summary of the New Brighton Area School District's general obligation bonds outstanding at June 30, 2024 is as follows:

| <b>YEAR END<br/>JUNE 30,</b> | <b>PRINCIPAL<br/>SERIES OF 2018</b> | <b>PRINCIPAL<br/>SERIES OF 2022</b> | <b>TOTAL<br/>INTEREST</b>  | <b>TOTAL</b>                |
|------------------------------|-------------------------------------|-------------------------------------|----------------------------|-----------------------------|
| 2025                         | \$ 140,000                          | \$ 130,000                          | \$ 483,194                 | \$ 753,194                  |
| 2026                         | 145,000                             | 135,000                             | 472,022                    | 752,022                     |
| 2027                         | 150,000                             | 145,000                             | 460,044                    | 755,044                     |
| 2028                         | 155,000                             | 150,000                             | 447,522                    | 752,522                     |
| 2029                         | 160,000                             | 155,000                             | 435,356                    | 750,356                     |
| 2030-2034                    | 890,000                             | 895,000                             | 1,981,584                  | 3,766,584                   |
| 2035-2039                    | 200,000                             | 2,230,000                           | 1,567,788                  | 3,997,788                   |
| 2040-2044                    | -                                   | 3,125,000                           | 981,473                    | 4,106,473                   |
| 2045-2048                    | -                                   | 3,015,000                           | 263,394                    | 3,278,394                   |
|                              | <b><u>\$ 1,840,000</u></b>          | <b><u>\$ 9,980,000</u></b>          | <b><u>\$ 7,092,377</u></b> | <b><u>\$ 18,912,377</u></b> |

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 9 - LONG-TERM LIABILITIES (Continued)**

In connection with the School District's General Obligation Bonds – Series of 2018, the District paid approximately \$9,683 in bond discounts. These costs are being amortized on a straight-line basis over the life of the bond issue. The unamortized amount of bond discount totaling \$6,215 is reflected as a component of 'Bonds Payable – Long-Term Portion (Net)' in the governmental activities column on the government-wide statement of net position. Amortization expense for the year ended June 30, 2024 was \$612. This amount was charged to the 'Interest on Long-Term Debt' expense category in the statement of activities.

The School District's General Obligation Bonds – Series of 2022, were issued at a premium totaling \$13,881. This premium is being amortized on a straight-line basis over the life of the bond issue. The unamortized amount of bond premium totaling \$12,777 is reflected as a component of 'Bonds Payable – Long-Term Portion (Net)' in the governmental activities column on the government-wide statement of net position. Amortization expense for the year ended June 30, 2024 was \$552. This amount was charged to the 'Interest on Long-Term Debt' expense category in the statement of activities.

**DIRECT BORROWING – FINANCED PURCHASE AGREEMENT**

On March 6, 2014, the New Brighton Area School District entered into a Master Equipment Financed Purchase Agreement with PNC Equipment Finance, LLC, in the amount of \$2,604,372 to be used for various capital improvements which will help to reduce utility costs in future years. The terms of the lease call for 180 monthly principal and interest payments ranging from \$16,238 to \$24,032. The lease is scheduled to mature on December 6, 2029.

**DEFAULT PROVISIONS – DIRECT BORROWING – FINANCED PURCHASE AGREEMENT**

If any event of default occurs, PNC Equipment Finance, LLC (Lessor) may at its option, exercise any one or more of the following remedies: **1)** require New Brighton Area School District to pay all amounts due and all remaining payments due under the lease during the fiscal year in effect when default occurs together with accrued interest on such amounts at the respective rates provided in the lease, **2)** require the School District to return all equipment to the Lessor or Lessor may enter upon the premises where equipment is located and repossess equipment without demand or notice, without any court order or other process of law and without liability for any damage occasioned by such repossession, **3)** sell, lease, or otherwise dispose of equipment, in whole or in part, in one or more public or private transactions, **4)** terminate, cancel or rescind any lease as to any and all equipment, **5)** exercise any other right, remedy or privilege that may be available under applicable law or, by appropriate court action at law or in equity, enforce any of the School District's obligations under any lease or with respect to the Escrow Fund under the related Escrow Agreement, or **6)** require the School District to pay all out-of-pocket costs and expenses incurred by the Lessor as a result of the Event of Default and/or of Lessor's actions including, without limitation, any attorney fees and expenses and any costs related to the repossession, safekeeping, storage, repair, reconditioning, or disposition of any equipment.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 9 - LONG-TERM LIABILITIES (Continued)**

A summary of the New Brighton Area School District's financed purchase agreement outstanding at June 30, 2024 is as follows:

| <b>YEAR END<br/>JUNE 30,</b> | <b>PRINCIPAL</b>           | <b>INTEREST</b>          | <b>TOTAL</b>               |
|------------------------------|----------------------------|--------------------------|----------------------------|
| 2025                         | \$ 186,049                 | \$ 35,975                | \$ 222,024                 |
| 2026                         | 195,231                    | 27,717                   | 222,948                    |
| 2027                         | 218,501                    | 23,959                   | 242,460                    |
| 2028                         | 246,998                    | 16,816                   | 263,814                    |
| 2029                         | 272,697                    | 8,256                    | 280,953                    |
| 2030                         | 140,738                    | 914                      | 141,652                    |
|                              | <b><u>\$ 1,260,214</u></b> | <b><u>\$ 113,637</u></b> | <b><u>\$ 1,373,851</u></b> |

The following represents the changes in the District's long-term liabilities during the 2023-2024 fiscal year:

|                          | <b>Balance<br/>7/1/2023</b> | <b>Additions</b>        | <b>Reductions</b>        | <b>Balance<br/>6/30/2024</b> | <b>Due Within<br/>One Year</b> |
|--------------------------|-----------------------------|-------------------------|--------------------------|------------------------------|--------------------------------|
| General Obligation Bonds | \$ 11,960,000               | \$ -                    | \$ 140,000               | \$ 11,820,000                | \$ 270,000                     |
| Direct Borrowing:        |                             |                         |                          |                              |                                |
| Lease Purchase Agreement | 1,424,912                   | -                       | 164,698                  | 1,260,214                    | 186,049                        |
| Compensated Absences     | 218,778                     | 26,304                  | -                        | 245,082                      | -                              |
| Retiree Incentives       | 204,450                     | -                       | 2,850                    | 201,600                      | -                              |
| Net Pension Liability    | 32,144,000                  | -                       | 247,000                  | 31,897,000                   | -                              |
| Net OPEB Liability       | 2,814,792                   | -                       | 87,517                   | 2,727,275                    | -                              |
|                          | <b><u>\$ 48,766,932</u></b> | <b><u>\$ 26,304</u></b> | <b><u>\$ 642,065</u></b> | <b><u>\$ 48,151,171</u></b>  | <b><u>\$ 456,049</u></b>       |

**NOTE 10 – PENSION PLAN**

The New Brighton Area School District participates in the Public-School Employees' Retirement System (PSERS). PSERS is a component unit of the Commonwealth of Pennsylvania. A brief description of the plan, and summary of the plan's provisions, are as follows:

**Plan Description**

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

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 – PENSION PLAN (Continued)**

**Benefits Provided**

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

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

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

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

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

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



**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 – PENSION PLAN (Continued)**

**Contributions**

**Member Contributions:**

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

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

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

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 – PENSION PLAN (Continued)**

**Contributions (Continued)**

**Employer Contributions:**

The school districts' contractually required contribution rate for the fiscal year ended June 30, 2024 was 33.09%\* 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 \$3,719,427 for the year ended June 30, 2024.

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

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

At June 30, 2024, the School District reported a liability of \$31,897,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2024 the School District's proportion was .0717% which was a decrease of .0006% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of \$2,811,868. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                 | <b><u>Deferred Outflows<br/>of Resources</u></b> | <b><u>Deferred Inflows<br/>of Resources</u></b> |
|-----------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| Difference between expected and actual experience               | \$ 7,000                                         | \$ 437,000                                      |
| Changes in assumptions                                          | 476,000                                          | -                                               |
| Net difference between projected and actual investment earnings | 902,000                                          | -                                               |
| Changes in proportion                                           | 115,000                                          | 344,000                                         |
| Contributions subsequent to the measurement date                | 3,719,427                                        | -                                               |
|                                                                 | <b><u>\$ 5,219,427</u></b>                       | <b><u>\$ 781,000</u></b>                        |

The \$3,719,427 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ended June 30, 2024.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 – PENSION PLAN (Continued)**

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

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

| <b>Measurement<br/>Date<br/>Year ended<br/>June 30,</b> | <b>Reporting<br/>Date<br/>Year ended<br/>June 30,</b> | <b>Amortization<br/>Amount</b> |
|---------------------------------------------------------|-------------------------------------------------------|--------------------------------|
| 2024                                                    | 2025                                                  | \$ 164,000                     |
| 2025                                                    | 2026                                                  | (636,000)                      |
| 2026                                                    | 2027                                                  | 892,000                        |
| 2027                                                    | 2028                                                  | 299,000                        |

**Changes in Actuarial Assumptions**

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

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

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 – PENSION PLAN (Continued)**

**Changes in Actuarial Assumptions (Continued)**

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

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

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

| <b><u>Asset Class</u></b> | <b><u>Target<br/>Allocation</u></b> | <b><u>Long-Term<br/>Expected Real<br/>Rate of Return</u></b> |
|---------------------------|-------------------------------------|--------------------------------------------------------------|
| Global public equity      | 30.0%                               | 5.20%                                                        |
| Private equity            | 12.0%                               | 7.90%                                                        |
| Fixed Income              | 33.0%                               | 3.20%                                                        |
| Commodities               | 7.5%                                | 2.70%                                                        |
| Infrastructure/MLP's      | 10.0%                               | 5.40%                                                        |
| Real estate               | 11.0%                               | 5.70%                                                        |
| Absolute return           | 4.0%                                | 4.10%                                                        |
| Cash                      | 3.0%                                | 1.20%                                                        |
| Leverage                  | -10.5%                              | 1.20%                                                        |
|                           | <u>100%</u>                         |                                                              |

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

**Discount Rate**

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

**Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate**

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

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 – PENSION PLAN (Continued)**

**Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate (Continued)**

|                                                                       | 1%<br>Decrease<br>6.00% | Current<br>Discount<br>Rate<br>7.00% | 1%<br>Increase<br>8.00% |
|-----------------------------------------------------------------------|-------------------------|--------------------------------------|-------------------------|
| School District's proportionate share of<br>the net pension liability | \$ 41,347,000           | \$ 31,897,000                        | \$ 23,924,000           |

**Pension plan fiduciary net position**

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

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION**

**PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM**

**General Information about the Health Insurance Premium Assistance Program**

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

**Premium Assistance Eligibility Criteria**

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

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

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

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

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)**

**Plan Description**

New Brighton Area School District employees participate in the PSERS – Health Insurance Premium Assistance program, which is a governmental cost sharing, multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public-school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at [www.psers.pa.gov](http://www.psers.pa.gov).

**Benefits Provided**

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

**Employer Contributions**

The District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$71,356 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$1,294,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024 the District's proportion was 0.0715%, which is a decrease of .0007% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, New Brighton Area School District recognized OPEB expense of \$35,142. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)**

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

|                                                                 | <b><u>Deferred Outflows<br/>of Resources</u></b> | <b><u>Deferred Inflows<br/>of Resources</u></b> |
|-----------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| Difference between expected and actual experience               | \$ 8,000                                         | \$ 13,000                                       |
| Changes in assumptions                                          | 112,000                                          | 245,000                                         |
| Net difference between projected and actual investment earnings | 3,000                                            | -                                               |
| Changes in proportion                                           | 13,000                                           | 37,000                                          |
| Contributions subsequent to the measurement date                | 71,356                                           | -                                               |
|                                                                 | <b><u>\$ 207,356</u></b>                         | <b><u>\$ 295,000</u></b>                        |

The \$71,356 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 for the measurement year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <b><u>Measurement<br/>Date<br/>Year ended<br/>June 30,</u></b> | <b><u>Reporting<br/>Date<br/>Year ended<br/>June 30,</u></b> | <b><u>Amortization<br/>Amount</u></b> |
|----------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------|
| 2024                                                           | 2025                                                         | \$ (31,000)                           |
| 2025                                                           | 2026                                                         | (34,000)                              |
| 2026                                                           | 2027                                                         | (43,000)                              |
| 2027                                                           | 2028                                                         | (46,000)                              |
| 2028                                                           | 2029                                                         | (5,000)                               |
| Thereafter                                                     | Thereafter                                                   | -                                     |

**Actuarial Assumptions**

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

- Actuarial Cost Method – Entry Age Normal – level % of pay.
- Investment Return – 4.13% based on the S&P 20 Year Municipal Bond Rate.
- Salary Growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)**

**Actuarial Assumptions (Continued)**

- Mortality rates were based a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
  - Eligible retirees will elect to participate Pre age 65 at 50%
  - Eligible retirees will elect to participate Post age 65 at 70%

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

The following assumptions were used to determine the contribution rate:

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

Investments consist primarily of short-term assets designed to protect the principal of 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.

| <u>OPEB - Asset Class</u> | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|---------------------------|------------------------------|-------------------------------------------------------|
| Cash                      | 100.0%                       | 1.20%                                                 |
|                           | 100.0%                       |                                                       |

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



**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)**

**Discount Rate**

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

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

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

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

|                    | <b>1%<br/>Decrease</b> | <b>Current<br/>Trend<br/>Rates</b> | <b>1%<br/>Increase</b> |
|--------------------|------------------------|------------------------------------|------------------------|
| Net OPEB Liability | <u>\$ 1,293,000</u>    | <u>\$ 1,294,000</u>                | <u>\$ 1,294,000</u>    |

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

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

|                    | <b>1%<br/>Decrease<br/>3.13%</b> | <b>Current Discount<br/>Rate<br/>4.13%</b> | <b>1%<br/>Increase<br/>5.13%</b> |
|--------------------|----------------------------------|--------------------------------------------|----------------------------------|
| Net OPEB Liability | <u>\$ 1,463,000</u>              | <u>\$ 1,294,000</u>                        | <u>\$ 1,152,000</u>              |

**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](http://www.psers.pa.gov).

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**DISTRICT – POST-RETIREMENT HEALTHCARE BENEFIT PLAN**

**Plan Description**

The New Brighton Area School District provides post-employment health care benefits to all eligible employees per the terms of the District's collective bargaining agreements. Teachers or Act 93 administrators must have completed at least 20 years of service. Support staff employees must have completed at least 15 years of service. Benefits must be taken on or before the year in which they become superannuated. Post-retirement benefits are provided until the retiree turns 65. Benefits for spouses terminate when the retiree or spouse turns 65, whichever occurs first. Should the medical benefit for a spouse terminate, the spouse can elect COBRA for an 18-month period, provided they pay the full premium rate.

**Funding Policy**

The contribution requirements of plan members and the School District are established and may be amended by the New Brighton Area Board of Education. The plan is funded on a pay-as-you-go basis, i.e., premiums are paid to fund the health care benefits provided to eligible participants. All current retirees with medical coverage are required to contribute 100% of the premium rate in order to maintain coverage.

**Participant Data**

The July 1, 2022 valuation reflected the following participant data:

|           | <b><u>PARTICIPANT<br/>DATA</u></b> |
|-----------|------------------------------------|
| Actives   | 144                                |
| Inactives | 10                                 |
| Total     | <b><u>154</u></b>                  |

**Changes in the Total OPEB Liability**

The District's total OPEB liability of \$1,433,275 was measured as of July 1, 2023, and was determined by an actuarial valuation performed as of July 1, 2022. As the District's OPEB Plan is unfunded, the total OPEB liability is equal to the net OPEB liability.

|                                                  |                            |
|--------------------------------------------------|----------------------------|
| <b>Balance at July 1, 2023</b>                   | <b>\$ 1,485,792</b>        |
| <b>Changes for the year:</b>                     |                            |
| Service Cost                                     | 66,589                     |
| Interest on Total OPEB Liability                 | 52,597                     |
| Differences between expected & actual experience | -                          |
| Changes of Assumptions or Other Inputs           | (78,829)                   |
| Benefit payments                                 | (92,874)                   |
| Net Changes                                      | (52,517)                   |
| <b>Balance at June 30, 2024</b>                  | <b><u>\$ 1,433,275</u></b> |

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**DISTRICT- POST-RETIREMENT HEALTHCARE BENEFIT PLAN (Continued)**

**Actuarial Assumptions**

- Cost Method – Entry Age Normal as a Level Percentage of Pay
- Mortality – Pri.H-2012 Total Dataset Mortality Table projected using Scale MP-2021
- Discount Rate – 4.13% based on S&P Municipal Bond 20-Year High Grade Rate Index
- Inflation Rate – 3.00%
- Salary Increases – 2.50%
- Healthcare Trend – 2023-2024 fiscal year 7.00% decreasing on a graduated basis to 4.50% for fiscal years 2032-2033 and later
- Percent Married - 25% of retirees will elect to cover a spouse at retirement – females are assumed to be three years younger than males.
- Disability – None assumed.
- Plan Participation - 70% of eligible retirees will participate in the retiree medical program
- Aging Factors – the per participant costs were spread over the various ages using the morbidity rates that are presented in “Health Care Costs – From Birth to Death” sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (June 2013)
- Withdrawal Rates – Rates varied by attained age.
- Retirement Rates – Age 57-64 – 10%; Age 65 – 100%

**OPEB Expense**

|                                                  | <b><u>AMOUNT</u></b>     |
|--------------------------------------------------|--------------------------|
| Service cost                                     | \$ 66,589                |
| Interest                                         | 52,597                   |
| Changes of benefit terms                         | -                        |
| Differences between expected & actual experience | 58,180                   |
| Changes of assumptions or other inputs           | (15,087)                 |
| Benefit payments                                 | -                        |
| <b>OPEB Expense</b>                              | <b><u>\$ 162,279</u></b> |

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

For the year ended June 30, 2024, New Brighton Area School District recognized OPEB expense of \$83,560. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**DISTRICT- POST-RETIREMENT HEALTHCARE BENEFIT PLAN (Continued)**

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

|                                                         | <b><u>Deferred Outflows<br/>of Resources</u></b> | <b><u>Deferred Inflows<br/>of Resources</u></b> |
|---------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| Differences between expected<br>and actual experience   | \$ 542,470                                       | \$ 59,403                                       |
| Changes of assumptions or other inputs                  | 125,532                                          | 291,356                                         |
| Benefits payments subsequent<br>to the measurement date | 78,719                                           | -                                               |
|                                                         | <b><u>\$ 746,721</u></b>                         | <b><u>\$ 350,759</u></b>                        |

The \$78,719 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 for the measurement year ended June 30, 2025.

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

| <b>Measurement<br/>Date<br/>Year ended<br/>June 30,</b> | <b>Reporting<br/>Date<br/>Year ended<br/>June 30,</b> | <b>Amortization<br/>Amount</b> |
|---------------------------------------------------------|-------------------------------------------------------|--------------------------------|
| 2024                                                    | 2025                                                  | \$ 43,093                      |
| 2025                                                    | 2026                                                  | 43,093                         |
| 2026                                                    | 2027                                                  | 43,093                         |
| 2027                                                    | 2028                                                  | 43,093                         |
| 2028                                                    | 2029                                                  | 43,093                         |
| Thereafter                                              | Thereafter                                            | 101,778                        |

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**DISTRICT- POST-RETIREMENT HEALTHCARE BENEFIT PLAN (Continued)**

**Sensitivity of the total OPEB liability to changes in the Discount Rate**

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

|                      | <b>1%<br/>Decrease<br/>3.13%</b> | <b>Current<br/>Discount<br/>Rate<br/>4.13%</b> | <b>1%<br/>Increase<br/>5.13%</b> |
|----------------------|----------------------------------|------------------------------------------------|----------------------------------|
| Total OPEB Liability | \$ 1,569,138                     | \$ 1,433,275                                   | \$ 1,308,898                     |

**Sensitivity of the total OPEB liability to changes in the Healthcare Cost Trend Rates**

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

|                      | <b>1%<br/>Decrease</b> | <b>Current<br/>Trend<br/>Rates</b> | <b>1%<br/>Increase</b> |
|----------------------|------------------------|------------------------------------|------------------------|
| Total OPEB Liability | \$ 1,300,490           | \$ 1,433,275                       | \$ 1,581,974           |

**EARLY RETIREMENT INCENTIVE**

In order for New Brighton Area School District faculty members to take advantage of the retirement incentive benefit, he/she must retire on or before the first year that they are qualified to retire under the guidelines of The Pennsylvania Employee Retirement System (superannuation) beginning July 1, 2007. This incentive includes a \$5,000 base buy-out provision in addition to each individual receiving \$110 for each unused sick day accumulated to their official retirement date. The retiree must have a minimum of twenty (20) years of service with the New Brighton Area School District. These payments will be made by the District into the retiree's 403(b) account. The employee's individual total will be paid in four (4) equal installments beginning on June 30<sup>th</sup> of the year of retirement and continuing for three (3) successive years. To receive this retirement incentive the professional employee must notify the District by March 1<sup>st</sup> of that school year as outlined in Section XII Sub Section C. The government-wide statement of net position includes an accrued liability of \$201,600 for the District's retiree incentive obligations.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 12 – JOINTLY GOVERNED ORGANIZATIONS**

**BEAVER COUNTY CAREER AND TECHNOLOGY CENTER**

The New Brighton Area School District, in conjunction with fourteen other School Districts, funds the operating and capital budget of the Beaver County Career and Technology Center. The Technology Center is designed to teach students trade related professions. Each district's share of tuition is based on its proportionate share of enrollment. The School District paid \$531,134 to the Career and Technology Center during the 2023-2024 fiscal year. One representative from each District's school board sit on the board of the Technology Center. Financial information can be obtained by contacting the Technology Center's administrative offices.

**BEAVER VALLEY INTERMEDIATE UNIT**

The New Brighton Area School District participates with 14 other School Districts located in the County of Beaver in the Beaver Valley Intermediate Unit (BVIU). The BVIU was established in 1970 by Act 102 of the Commonwealth of Pennsylvania to function as a regional educational service agency for 15 school districts, as well as nonpublic schools and other institutions, located within the aforementioned counties. The BVIU provides services relative to curriculum development, continuing education, educational planning, instructional materials, pupil personnel, state and federal agency liaison and managerial oversight. The Beaver Valley Intermediate Unit is governed by a fifteen (15) member board appointed by the 15 participating school districts on a rotating basis. The School District contributed \$6,797 and \$1,994 for operating contributions and transportation recovery, respectively, to the BVIU through state subsidy withholdings for the year-ended June 30, 2024. Beaver Valley Intermediate Unit issues separate financial statements annually which can be obtained by contacting the BVIU directly.

**NOTE 13 – RISK AND UNCERTAINTIES**

**GENERAL INSURANCE**

The New Brighton Area School District is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

**HEALTH INSURANCE**

The New Brighton Area School District is a member of the Beaver County Health Care Insurance Consortium (BCHCIC), a cooperative joint venture of Beaver County School Districts formed for the purpose of purchasing health care for all participating members at favorable rates. The Consortium is a public entity risk pool designed to administer health and medical insurance risks on a pooled risk basis. The Consortium elected to finance these health care benefits using a self-insured approach known as an Administrative Service Contract (ASC) arrangement. Under this arrangement, the consortium contracts for an insurer (Highmark Blue Cross/Blue Shield) to settle the payment for benefits at their provider discounted contract amounts plus a fee for administration rather than paying for benefits at non-discounted claims rates. On July 1, 2003, the District entered into a Consortium consisting of New Brighton Area School District and sixteen other area educational institutions.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 13 – RISK AND UNCERTAINTIES (Continued)**

**HEALTH INSURANCE (Continued)**

As of June 30, 2024, the Consortium showed a deficit net asset balance of \$4,193,054 which will be used to fund future benefits. However, member districts who withdraw from the Consortium in accordance with the provisions of the Articles of Agreement (Section 17) are entitled to their respective share of the Consortium's net position calculated by multiplying net position by the fraction of dividing the withdrawing member's total contributions over the last three years by the total of all member district contributions over that same time period. The distribution is required to be paid within one year of the date of withdrawal. The New Brighton Area School District's share of the net asset balance was a deficit \$293,514 (7%) and the District contributed \$2,928,233 to the consortium in 2023-2024.

**STATE AND FEDERAL SUBSIDIES**

The New Brighton Area School District's state and federally funded programs are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The District is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**LEGAL MATTERS**

The New Brighton Area School District, in the normal course of operations, is party to various legal matters normally associated with school district such as real estate tax assessment appeals, personnel wage and benefits, student education and athletics, construction projects, and other miscellaneous legal matters. The District is not aware of any current claims, litigation or assessments against the District that would adversely impact the financial position of the District as of the date of this report.

**NOTE 14 – SUBSEQUENT EVENTS**

Management has determined that there are no events subsequent to June 30, 2024 through the March 24, 2025 date of the 'Independent Auditor's Report', which is the date the financial statements were available to be issued, that require additional disclosure in the financial statements.

# **REQUIRED SUPPLEMENTARY INFORMATION**



**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**DEFINED BENEFIT PENSION PLAN**  
**JUNE 30,**

| <b>As of the measurement date of June 30,</b>                                                         | <b><u>2023</u></b> | <b><u>2022</u></b> | <b><u>2021</u></b> | <b><u>2020</u></b> | <b><u>2019</u></b> | <b><u>2018</u></b> | <b><u>2017</u></b> | <b><u>2016</u></b> | <b><u>2015</u></b> |
|-------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| District's proportion of the net pension liability                                                    | 0.0717%            | 0.0723%            | 0.0718%            | 0.0730%            | 0.0737%            | 0.0727%            | 0.0737%            | .0733%             | .0725%             |
| District's proportionate share of the net pension liability                                           | \$ 31,897,000      | \$ 32,144,000      | \$ 29,479,000      | \$ 35,944,000      | \$ 34,479,000      | \$ 34,900,000      | \$ 36,399,000      | \$ 36,325,000      | \$ 31,403,000      |
| District's covered payroll                                                                            | \$ 10,948,928      | \$ 10,609,985      | \$ 10,158,270      | \$ 10,249,207      | \$ 10,160,511      | \$ 9,793,433       | \$ 9,817,833       | \$ 9,490,138       | \$ 9,322,609       |
| District's proportionate share of the net pension liability<br>as a percentage of its covered payroll | 291.33%            | 302.96%            | 290.20%            | 350.70%            | 339.34%            | 356.36%            | 370.74%            | 382.77%            | 336.85%            |
| Plan fiduciary net position as a percentage of<br>the total pension liability                         | 61.85%             | 61.34%             | 63.67%             | 54.32%             | 55.66%             | 54.00%             | 51.84%             | 50.14%             | 54.36%             |

The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the preceding fiscal year.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF SCHOOL DISTRICT'S CONTRACTUALLY REQUIRED CONTRIBUTIONS**  
**DEFINED BENEFIT PENSION PLAN**  
**JUNE 30,**

|                                                                        | <u>2024</u>        | <u>2023</u>        | <u>2022</u>        | <u>2021</u>        | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        | <u>2017</u>        | <u>2016</u>        | <u>2015</u>        |
|------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually Required Contributions                                   | \$ 3,719,427       | \$ 3,823,679       | \$ 3,597,745       | \$ 3,411,039       | \$ 3,414,044       | \$ 3,301,967       | \$ 3,078,581       | \$ 2,951,314       | \$ 2,459,299       | \$ 2,012,183       |
| Contribution in relation to the contractually<br>required contribution | <u>(3,719,427)</u> | <u>(3,823,679)</u> | <u>(3,597,745)</u> | <u>(3,411,039)</u> | <u>(3,414,044)</u> | <u>(3,301,967)</u> | <u>(3,078,581)</u> | <u>(2,951,314)</u> | <u>(2,459,299)</u> | <u>(2,012,183)</u> |
| Contribution deficiency (excess)                                       | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        |
| District's covered payroll                                             | \$ 11,168,919      | \$ 10,948,928      | \$ 10,609,985      | \$ 10,158,270      | \$ 10,249,207      | \$ 10,160,511      | \$ 9,793,433       | \$ 9,817,833       | \$ 9,490,138       | \$ 9,322,609       |
| Contributions as a percentage of<br>covered payroll                    | 33.30%             | 34.92%             | 33.91%             | 33.58%             | 33.31%             | 32.50%             | 31.44%             | 30.06%             | 25.91%             | 21.58%             |

Note: Beginning in 2018 with the implementation of GASB 75, contributions as reported above reflect the pension portion of the contribution only. The premium assistance (OPEB) portion of the contribution is reflected on a separate RSI schedule. Prior year contributions reflect both the pension and premium assistance amounts combined.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**PSERS PLAN**  
**JUNE 30,**

| <b>As of the measurement date of June 30,</b>                                                      | <b><u>2023</u></b> | <b><u>2022</u></b> | <b><u>2021</u></b> | <b><u>2020</u></b> | <b><u>2019</u></b> | <b><u>2018</u></b> | <b><u>2017</u></b> |
|----------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| District's proportion of the net OPEB liability                                                    | 0.0715%            | 0.0722%            | 0.0717%            | 0.0730%            | 0.0737%            | 0.0727%            | 0.0737%            |
| District's proportionate share of the net OPEB liability                                           | \$ 1,294,000       | \$ 1,329,000       | \$ 1,698,000       | \$ 1,577,000       | \$ 1,567,000       | \$ 1,516,000       | \$ 1,502,000       |
| District's covered payroll                                                                         | \$ 10,948,928      | \$ 10,609,985      | \$ 10,158,270      | \$ 10,249,207      | \$ 10,160,511      | \$ 9,793,433       | \$ 9,817,833       |
| District's proportionate share of the net OPEB liability<br>as a percentage of its covered payroll | 11.82%             | 12.53%             | 16.72%             | 15.39%             | 15.42%             | 15.48%             | 15.30%             |
| Plan fiduciary net position as a percentage of<br>the total OPEB liability                         | 7.22%              | 6.86%              | 5.30%              | 5.69%              | 5.56%              | 5.56%              | 5.73%              |

The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the preceding fiscal year.

This schedule is intended to illustrate information for a ten (10) year period. Information for that ten year period will be presented as information becomes available.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF SCHOOL DISTRICT'S CONTRACTUALLY REQUIRED OPEB CONTRIBUTIONS**  
**PSERS PLAN**  
**JUNE 30,**

|                                                                     | <u>2024</u>     | <u>2023</u>     | <u>2022</u>     | <u>2021</u>     | <u>2020</u>     | <u>2019</u>     | <u>2018</u>     |
|---------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contractually Required Contributions                                | \$ 71,356       | \$ 83,100       | \$ 84,306       | \$ 83,023       | \$ 85,734       | \$ 84,069       | \$ 80,505       |
| Contribution in relation to the contractually required contribution | <u>(71,356)</u> | <u>(83,100)</u> | <u>(84,306)</u> | <u>(83,023)</u> | <u>(85,734)</u> | <u>(84,069)</u> | <u>(80,505)</u> |
| Contribution deficiency (excess)                                    | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |
| District's covered payroll                                          | \$ 11,168,919   | \$ 10,948,928   | \$ 10,609,985   | \$ 10,158,270   | \$ 10,249,207   | \$ 10,160,511   | \$ 9,793,433    |
| Contributions as a percentage of covered payroll                    | 0.64%           | 0.76%           | 0.79%           | 0.82%           | 0.84%           | 0.83%           | 0.82%           |

This schedule is intended to illustrate information for a ten (10) year period. Information for that ten year period will be presented as information becomes available.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**DISTRICT POST-RETIREMENT HEALTHCARE PLAN**  
**JUNE 30,**

|                                                             | <b><u>2024</u></b>         | <b><u>2023</u></b>         | <b><u>2022</u></b>         | <b><u>2021</u></b>         | <b><u>2020</u></b>         | <b><u>2019</u></b>         | <b><u>2018</u></b>         |
|-------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Service cost                                                | \$ 66,589                  | \$ 83,119                  | \$ 85,771                  | \$ 37,854                  | \$ 34,155                  | \$ 65,505                  | \$ 65,515                  |
| Interest                                                    | 52,597                     | 35,775                     | 35,332                     | 41,317                     | 44,468                     | 43,687                     | 35,162                     |
| Change of benefits terms                                    | -                          | -                          | -                          | -                          | -                          | -                          | -                          |
| Differences between expected and actual experience          | -                          | 8,623                      | -                          | 322,228                    | -                          | (99,003)                   | -                          |
| Changes of assumptions or other inputs                      | (78,829)                   | (188,437)                  | 35,642                     | 100,010                    | 35,516                     | (15,663)                   | (40,661)                   |
| Benefit payments                                            | (92,874)                   | (109,554)                  | (99,221)                   | (83,145)                   | (82,701)                   | (65,794)                   | (73,452)                   |
| <b>Net Change in Total OPEB Liability</b>                   | <b>\$ (52,517)</b>         | <b>\$ (170,474)</b>        | <b>\$ 57,524</b>           | <b>\$ 418,264</b>          | <b>\$ 31,438</b>           | <b>\$ (71,268)</b>         | <b>\$ (13,436)</b>         |
| <b>Total OPEB Liability - Beginning of Year</b>             | <b><u>1,485,792</u></b>    | <b><u>1,656,266</u></b>    | <b><u>1,598,742</u></b>    | <b><u>1,180,478</u></b>    | <b><u>1,149,040</u></b>    | <b><u>1,220,308</u></b>    | <b><u>1,233,744</u></b>    |
| <b>Total OPEB Liability - End of Year</b>                   | <b><u>\$ 1,433,275</u></b> | <b><u>\$ 1,485,792</u></b> | <b><u>\$ 1,656,266</u></b> | <b><u>\$ 1,598,742</u></b> | <b><u>\$ 1,180,478</u></b> | <b><u>\$ 1,149,040</u></b> | <b><u>\$ 1,220,308</u></b> |
| <br>Covered payroll                                         | <br>\$ 9,299,374           | <br>\$ 9,072,560           | <br>\$ 8,872,868           | <br>\$ 8,656,457           | <br>\$ 8,901,246           | <br>\$ 8,684,142           | <br>\$ 8,641,231           |
| <br>Total OPEB liability as a percentage of covered payroll | <br>15.41%                 | <br>16.38%                 | <br>18.67%                 | <br>18.47%                 | <br>13.26%                 | <br>13.23%                 | <br>14.12%                 |

This schedule is intended to illustrate information for a ten (10) year period. Information for the ten-year period will be presented as information becomes available.

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2024**

**NOTE 1 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR PSERS PENSION BENEFITS**

**Changes in Benefit Terms**

None

**Changes in Assumptions used in the Measurement of PSERS' Total Pension Liability Beginning June 30, 2023**

None

**Changes in Assumptions used in the Measurement of PSERS' Total Pension Liability Beginning June 30, 2022**

None

**Actuarial Assumptions used in Calculations of Actuarially Determined Contributions**

None

**NOTE 2 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR THE PSERS POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)**

**Changes in Benefit Terms**

None

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2024**

**NOTE 2 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR THE PSERS POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)**  
(Continued)

**Changes in Assumptions used in the Measurement of PSERS' Total OPEB Liability Beginning June 30, 2023**

- Investment return went from 4.09% S&P 20 Year Municipal Bond Rate to 4.13% S&P 20 Year Municipal Bond Rate
- The discount rate increased from 4.09% to 4.13%

**Changes in Assumptions used in the Measurement of PSERS' Total OPEB Liability Beginning June 30, 2022**

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

**Changes in Actuarial Assumptions used in Calculations of Actuarially Determined Contributions**

None

**Actuarial Assumptions used in Calculations of Actuarially Determined Contributions**

The following actuarial methods and assumptions were used to determine contribution rates reported in the OPEB required supplementary schedules:

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

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2024**

**NOTE 3 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR THE  
RETIREE OPEB SCHOOL PLAN**

**Changes in Benefit Terms**

None

**Changes in Assumptions**

- Changed the discount rate from 3.54% to 4.13%

**Actuarial Assumptions used in Calculations of Actuarially Determined  
Contributions**

The actuarial plan does not disclose actuarial assumptions, if applicable, used in the calculations of Actuarially Determined Contributions.



# **NEW BRIGHTON AREA SCHOOL DISTRICT**

## ***INFORMATION REQUIRED BY GOVERNMENT AUDITING STANDARDS AND UNIFORM GUIDANCE***

**Mark C. Turnley**

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Certified Public Accountant

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Management and Board of Education  
New Brighton Area School District**

I 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 Standard* 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 the New Brighton Area School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise New Brighton Area School District's basic financial statements, and have issued my report thereon dated March 24, 2025.

**Report on Internal Control over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the New Brighton Area School District'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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

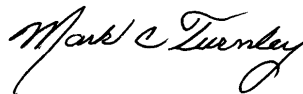
**Management and Board of Education  
New Brighton Area School District**

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Brighton Area School District'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 New Brighton Area School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Mark C. Turnley  
Certified Public Accountant

March 24, 2025  
New Brighton, Pennsylvania

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

**Management and Board of Education  
New Brighton Area School District**

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

**Opinion on Each Major Federal Program**

I have audited New Brighton Area School District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of New Brighton Area School District's major federal programs for the year ended June 30, 2024. New Brighton Area School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, New Brighton Area School District complied, in all material aspects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

**Basis for Opinion on Each Major Federal Program**

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

I am required to be independent of New Brighton Area School District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of New Brighton Area School District's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

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

## **Auditor's Responsibilities for the Audit of Compliance**

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

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

- Exercise professional judgement 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 New Brighton Area School District's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of New Brighton Area School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of New Brighton Area School District's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I identified during the audit.

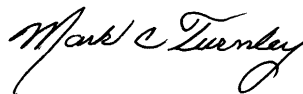
## **Report on Internal Control over Compliance**

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 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.

My 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 my audit I did not identify any deficiencies in internal control over compliance that I 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.

My 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 my 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.

A handwritten signature in black ink, reading "Mark C. Turnley". The signature is written in a cursive, flowing style.

Mark C. Turnley  
Certified Public Accountant

March 24, 2025  
New Brighton, Pennsylvania

**NEW BRIGHTON AREA SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

| FEDERAL GRANTOR /<br>PROJECT TITLE                                                      | FUNDING<br>SOURCE | ASSISTANCE<br>LISTING<br>NUMBER | PASS-<br>THROUGH<br>GRANTOR<br>NUMBER | GRANT<br>PERIOD<br>BEGINNING /<br>ENDING DATE | PROGRAM<br>AWARD<br>AMOUNT | 2023-2024<br>AMOUNTS<br>PASSED TO<br>SUB-<br>RECIPIENTS | TOTAL<br>RECEIVED<br>THIS PERIOD | ACCRUED<br>(UNEARNED)<br>REVENUE<br>JULY 1 | REVENUE<br>RECOGNIZED | EXPENDITURES        | ACCRUED<br>(UNEARNED)<br>REVENUE<br>JUNE 30 |
|-----------------------------------------------------------------------------------------|-------------------|---------------------------------|---------------------------------------|-----------------------------------------------|----------------------------|---------------------------------------------------------|----------------------------------|--------------------------------------------|-----------------------|---------------------|---------------------------------------------|
| <b>U.S. DEPARTMENT OF EDUCATION:</b>                                                    |                   |                                 |                                       |                                               |                            |                                                         |                                  |                                            |                       |                     |                                             |
| <b>Passed through Pa. Department of Education:</b>                                      |                   |                                 |                                       |                                               |                            |                                                         |                                  |                                            |                       |                     |                                             |
| Title I                                                                                 | Indirect          | 84.010                          | 013-240279                            | 7/1/23-9/30/24                                | \$ 569,038                 | \$ -                                                    | \$ 419,012                       | \$ -                                       | \$ 569,038            | \$ 569,038          | \$ 150,026                                  |
| Title I                                                                                 | Indirect          | 84.010                          | 013-230279                            | 7/1/22-9/30/23                                | 541,638                    | -                                                       | 107,829                          | 101,505                                    | 6,324                 | 6,324               | -                                           |
| Title IIA Improving Teacher Quality                                                     | Indirect          | 84.367                          | 020-240279                            | 7/1/23-9/30/24                                | 64,081                     | -                                                       | 63,914                           | -                                          | 64,081                | 64,081              | 167                                         |
| Title IIA Improving Teacher Quality                                                     | Indirect          | 84.367                          | 020-230279                            | 7/1/22-9/30/23                                | 57,026                     | -                                                       | 247                              | 247                                        | -                     | -                   | -                                           |
| Title IV                                                                                | Indirect          | 84.424                          | 114-240279                            | 7/1/23-9/30/24                                | 42,403                     | -                                                       | 28,269                           | -                                          | 42,403                | 42,403              | 14,134                                      |
| Title IV                                                                                | Indirect          | 84.424                          | 114-230279                            | 7/1/22-9/30/23                                | 43,455                     | -                                                       | 32,416                           | 11,446                                     | 20,970                | 20,970              | -                                           |
| COVID-19 ESSER II Fund Local                                                            | Indirect          | 84.425D                         | 200-210279                            | 3/13/20-9/30/23                               | 1,872,055                  | -                                                       | -                                | (29,743) (2)                               | 29,743                | 29,743              | -                                           |
| COVID-19 ARP ESSER III Fund Local                                                       | Indirect          | 84.425U                         | 223-210279                            | 3/13/20-9/30/24                               | 3,786,625                  | -                                                       | 1,790,041                        | 412,731 (3)                                | 1,360,428             | 1,360,428           | (16,882)                                    |
| COVID-19 ARP ESSER 7% (Learning Loss)                                                   | Indirect          | 84.425U                         | 225-210279                            | 3/13/20-9/30/24                               | 210,219                    | -                                                       | 103,198                          | 40,429                                     | 74,033                | 74,033              | 11,264                                      |
| COVID-19 ARP ESSER 7% (Summer School)                                                   | Indirect          | 84.425U                         | 225-210279                            | 3/13/20-9/30/24                               | 42,044                     | -                                                       | 20,640                           | 9,845                                      | 13,089                | 13,089              | 2,294                                       |
| COVID-19 ARP ESSER 7% (After School)                                                    | Indirect          | 84.425U                         | 225-210279                            | 3/13/20-9/30/24                               | 42,044                     | -                                                       | 20,640                           | 19,144                                     | 3,788                 | 3,788               | 2,292                                       |
| COVID-19 ARP ESSER (Homeless Children & Youth)                                          | Indirect          | 84.425W                         | 181-212278                            | 3/13/20-9/30/24                               | 22,148                     | -                                                       | 6,247                            | 6,247                                      | -                     | -                   | -                                           |
| <b>Total passed through Pa. Department of Education</b>                                 |                   |                                 |                                       |                                               |                            | <b>\$ -</b>                                             | <b>\$ 2,592,453</b>              | <b>\$ 571,851</b>                          | <b>\$ 2,183,897</b>   | <b>\$ 2,183,897</b> | <b>\$ 163,295</b>                           |
| <b>Passed through Beaver Valley Intermediate Unit: (Special Education Cluster)</b>      |                   |                                 |                                       |                                               |                            |                                                         |                                  |                                            |                       |                     |                                             |
| IDEA                                                                                    | Indirect          | 84.027                          | N/A                                   | 7/1/23-6/30/24                                | \$ 227,679                 | \$ -                                                    | \$ 141,299                       | \$ -                                       | \$ 227,679            | \$ 227,679          | \$ 86,380                                   |
| IDEA                                                                                    | Indirect          | 84.027                          | N/A                                   | 7/1/22-6/30/23                                | 216,125                    | -                                                       | 216,125                          | 216,125                                    | -                     | -                   | -                                           |
| IDEA ESY                                                                                | Indirect          | 84.027                          | N/A                                   | 7/1/23-6/30/24                                | 2,898                      | -                                                       | -                                | -                                          | 2,898                 | 2,898               | 2,898                                       |
| IDEA ESY                                                                                | Indirect          | 84.027                          | N/A                                   | 7/1/22-6/30/23                                | 3,108                      | -                                                       | 3,108                            | 3,108                                      | -                     | -                   | -                                           |
| COVID-19 IDEA ARP                                                                       | Indirect          | 84.027X                         | N/A                                   | 7/1/21-9/30/23                                | 9,978                      | -                                                       | -                                | -                                          | -                     | -                   | -                                           |
| <b>Total passed through Beaver Valley Intermediate Unit (Special Education Cluster)</b> |                   |                                 |                                       |                                               |                            | <b>\$ -</b>                                             | <b>\$ 360,532</b>                | <b>\$ 219,233</b>                          | <b>\$ 230,577</b>     | <b>\$ 230,577</b>   | <b>\$ 89,278</b>                            |
| <b>Total Special Education Cluster</b>                                                  |                   |                                 |                                       |                                               |                            | <b>\$ -</b>                                             | <b>\$ 360,532</b>                | <b>\$ 219,233</b>                          | <b>\$ 230,577</b>     | <b>\$ 230,577</b>   | <b>\$ 89,278</b>                            |
| <b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>                                               |                   |                                 |                                       |                                               |                            | <b>\$ -</b>                                             | <b>\$ 2,952,985</b>              | <b>\$ 791,084</b>                          | <b>\$ 2,414,474</b>   | <b>\$ 2,414,474</b> | <b>\$ 252,573</b>                           |
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>                                    |                   |                                 |                                       |                                               |                            |                                                         |                                  |                                            |                       |                     |                                             |
| <b>Passed through Pa. Department of Human Services</b>                                  |                   |                                 |                                       |                                               |                            |                                                         |                                  |                                            |                       |                     |                                             |
| Title 19                                                                                |                   | 93.778                          | N/A                                   | 7/1/23-6/30/24                                | N/A                        | \$ -                                                    | \$ -                             | \$ -                                       | \$ 4,132              | \$ 4,132            | \$ 4,132                                    |
| Title 19                                                                                |                   | 93.778                          | N/A                                   | 7/1/22-6/30/23                                | N/A                        | -                                                       | 10,282                           | 10,282                                     | -                     | -                   | -                                           |
| <b>Total passed through Pa. Department of Human Services</b>                            |                   |                                 |                                       |                                               |                            | <b>\$ -</b>                                             | <b>\$ 10,282</b>                 | <b>\$ 10,282</b>                           | <b>\$ 4,132</b>       | <b>\$ 4,132</b>     | <b>\$ 4,132</b>                             |
| <b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                               |                   |                                 |                                       |                                               |                            | <b>\$ -</b>                                             | <b>\$ 10,282</b>                 | <b>\$ 10,282</b>                           | <b>\$ 4,132</b>       | <b>\$ 4,132</b>     | <b>\$ 4,132</b>                             |
| <b>U.S. DEPARTMENT OF AGRICULTURE:</b>                                                  |                   |                                 |                                       |                                               |                            |                                                         |                                  |                                            |                       |                     |                                             |
| <b>Passed through Pa. Department of Education: (Child Nutrition Cluster)</b>            |                   |                                 |                                       |                                               |                            |                                                         |                                  |                                            |                       |                     |                                             |
| National School                                                                         |                   |                                 |                                       |                                               |                            |                                                         |                                  |                                            |                       |                     |                                             |
| Lunch Program                                                                           | Indirect          | 10.555                          | N/A                                   | 7/1/23-6/30/24                                | N/A                        | \$ -                                                    | \$ 556,399                       | \$ -                                       | \$ 625,492            | \$ 625,492 (1)      | \$ 69,093                                   |
| Breakfast Program                                                                       | Indirect          | 10.553                          | N/A                                   | 7/1/23-6/30/24                                | N/A                        | -                                                       | 191,699                          | -                                          | 215,997               | 215,997 (1)         | 24,298                                      |
| Breakfast Program                                                                       | Indirect          | 10.553                          | N/A                                   | 7/1/22-6/30/23                                | N/A                        | -                                                       | 938                              | 938                                        | -                     | - (1)               | -                                           |
| Fresh Fruit and Vegetable Program                                                       | Indirect          | 10.582                          | N/A                                   | 7/1/23-6/30/24                                | N/A                        | -                                                       | 25,342                           | -                                          | 38,629                | 38,629 (1)          | 13,287                                      |
| Fresh Fruit and Vegetable Program                                                       | Indirect          | 10.582                          | N/A                                   | 7/1/22-6/30/23                                | N/A                        | -                                                       | 3,392                            | 3,392                                      | -                     | - (1)               | -                                           |
| Supply Chain Assistance                                                                 | Indirect          | 10.555                          | N/A                                   | 7/1/23-6/30/24                                | N/A                        | -                                                       | 34,222                           | -                                          | 34,222                | 34,222 (1)          | -                                           |
| <b>Total passed through Pa. Department of Education (Child Nutrition Cluster)</b>       |                   |                                 |                                       |                                               |                            | <b>\$ -</b>                                             | <b>\$ 811,992</b>                | <b>\$ 4,330</b>                            | <b>\$ 914,340</b>     | <b>\$ 914,340</b>   | <b>\$ 106,678</b>                           |
| <b>Passed through Pa. Department of Agriculture: (Child Nutrition Cluster)</b>          |                   |                                 |                                       |                                               |                            |                                                         |                                  |                                            |                       |                     |                                             |
| National School Lunch Program                                                           | Indirect          | 10.555                          | N/A                                   | 7/1/23-6/30/24                                | N/A                        | \$ -                                                    | \$ 67,530                        | * \$ (775) **                              | \$ 60,463             | \$ 60,463 (1)       | \$ (7,842) ***                              |
| <b>Total passed through Pa. Department of Agriculture (Child Nutrition Cluster)</b>     |                   |                                 |                                       |                                               |                            | <b>\$ -</b>                                             | <b>\$ 67,530</b>                 | <b>\$ (775)</b>                            | <b>\$ 60,463</b>      | <b>\$ 60,463</b>    | <b>\$ (7,842)</b>                           |
| <b>Total Child Nutrition Cluster</b>                                                    |                   |                                 |                                       |                                               |                            | <b>\$ -</b>                                             | <b>\$ 879,522</b>                | <b>\$ 3,555</b>                            | <b>\$ 974,803</b>     | <b>\$ 974,803</b>   | <b>\$ 98,836</b>                            |
| <b>Passed through Pa. Department of Education:</b>                                      |                   |                                 |                                       |                                               |                            |                                                         |                                  |                                            |                       |                     |                                             |
| Child and Adult Care Food Program                                                       | Indirect          | 10.558                          | N/A                                   | 7/1/23-6/30/24                                | N/A                        | \$ -                                                    | \$ 36,015                        | \$ -                                       | \$ 36,695             | \$ 36,695           | \$ 680                                      |
| P-EBT Local Admin. Funds                                                                | Indirect          | 10.649                          | N/A                                   | 7/1/23-6/30/24                                | N/A                        | -                                                       | 5,763                            | -                                          | 5,763                 | 5,763               | -                                           |
| <b>Total passed through Pa. Department of Education</b>                                 |                   |                                 |                                       |                                               |                            | <b>\$ -</b>                                             | <b>\$ 41,778</b>                 | <b>\$ -</b>                                | <b>\$ 42,458</b>      | <b>\$ 42,458</b>    | <b>\$ 680</b>                               |
| <b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>                                             |                   |                                 |                                       |                                               |                            | <b>\$ -</b>                                             | <b>\$ 921,300</b>                | <b>\$ 3,555</b>                            | <b>\$ 1,017,261</b>   | <b>\$ 1,017,261</b> | <b>\$ 99,516</b>                            |
| <b>TOTAL FEDERAL ASSISTANCE</b>                                                         |                   |                                 |                                       |                                               |                            | <b>\$ -</b>                                             | <b>\$ 3,884,567</b>              | <b>\$ 804,921</b>                          | <b>\$ 3,435,867</b>   | <b>\$ 3,435,867</b> | <b>\$ 356,221</b>                           |

**# Reconciliation with federal subsidy confirmation:**

|                                         |                     |
|-----------------------------------------|---------------------|
| Per above                               | \$ 3,884,567        |
| IDEA monies                             | (360,532)           |
| School Lunch/Breakfast matching subsidy | 27,920              |
| Title 19 - Admin                        | (10,282)            |
| Donated commodities                     | (67,530)            |
| Per confirmation                        | <u>\$ 3,474,143</u> |

**\* Total USDA Commodity Received**

\*\* Represents beginning inventory - 7/1/23

\*\*\* Represents ending inventory - 6/30/24

(1) - Denotes Major Program

(2) Prior year unearned revenue increased by \$9,855 to reflect updated ARP ESSER II expenditures for the 22-23 fiscal year

(3) Prior year accrued revenue decreased by \$175,850 to reflect updated ARP ESSER III expenditures for the 22-23 fiscal year

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2024**

**NOTE 1 – BASIS OF PRESENTATION**

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

Expenditures reported on the Schedule are presented using the accrual method of accounting. Under this method, grant revenue is recognized to the extent expenditures are incurred. Expenditures are recognized when the liability for the expenditure is incurred rather than when the disbursement is actually made.

The federal expenditures are recognized, as applicable, under the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or limited to reimbursement.

**NOTE 3 - RELATIONSHIP TO FINANCIAL STATEMENTS**

Federal financial award revenues are included in the financial statements as 'local source' and 'federal source' revenues.

**NOTE 4 – RECEIVABLES AND UNEARNED REVENUE**

Federal grant receivables are included as part of 'due from other governmental units' in Exhibit A and Exhibit C as referenced in Note 4 to the Financial Statements. Unearned federal grant revenue, if any, is included as part of 'unearned revenues' in Exhibit A and Exhibit C, and are referenced in Note 6 to the Financial Statements.

**NOTE 5 - NON-CASH ASSISTANCE**

The New Brighton Area School District received donated commodities from the Department of Agriculture in connection with its food service program. The amount of non-cash assistance expended in the accompanying schedule of expenditures of federal awards reflects the fair market value of the commodities used during the 2023-2024 fiscal year.

**NOTE 6 – INDIRECT COST RATE**

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**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? \_\_\_yes    X no
- Significant deficiency(ies) identified? \_\_\_yes    X no

Noncompliance material to financial statements noted?

\_\_\_yes    X no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_yes    X no
- Significant deficiency(ies) identified? \_\_\_yes    X no

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 2 CFR 200.516(a)?

\_\_\_yes    X no

Identification of major programs:

Assistance Listing Number

Name of Federal Program or Cluster

|        |                                                           |
|--------|-----------------------------------------------------------|
| 10.555 | National School Lunch Program (Child Nutrition Cluster)   |
| 10.553 | School Breakfast Program (Child Nutrition Cluster)        |
| 10.582 | Fresh Fruit & Vegetable Program (Child Nutrition Cluster) |

The dollar threshold for distinguishing type A and type B programs:

|                |                        |
|----------------|------------------------|
| Type A Program | \$750,000-\$25,000,000 |
| Type B Program | Less than \$750,000    |

Auditee qualified as low-risk auditee?

X yes    \_\_\_no

**Section II – Financial Statement Findings**

Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards.

None

**Section III – Federal Award Findings and Questioned Costs**

Findings and questioned costs related to Federal Awards which are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a):

None

**NEW BRIGHTON AREA SCHOOL DISTRICT**  
**STATUS OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDING JUNE 30, 2024**

The audit report of the New Brighton Area School District for the year ended June 30, 2023 dated March 25, 2024 contained no audit findings.