

**Allegheny Valley School District
Financial Statements
June 30, 2020**

**Allegheny Valley School District
Table of Contents**

	Exhibit	Page No.
FINANCIAL SECTION		
Independent Auditor’s Report		1 - 2
Management’s Discussion and Analysis		3 - 13
Basic Financial Statements		
Government–Wide Financial Statements		
Statement of Net Position	1	14
Statement of Activities	2	15
Fund Financial Statements		
Balance Sheet – Governmental Funds	3	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4	17 - 18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	5	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	6	20 - 21
Statement of Net Position – Proprietary Funds	7	22
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	8	23
Statement of Cash Flows – Proprietary Funds	9	24 - 25
Statement of Net Position – Fiduciary Funds	10	26
Statement of Changes in Net Position – Fiduciary Funds	11	27
Notes to Financial Statements		28 - 59
Required Supplementary Information		
Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund – Budget and Actual		60 - 66
Note to the Required Supplementary Information		67
Schedule of Changes in the Total OPEB Liability and Related Ratios		68
Schedule of School District’s Contributions – PSERS		69
Schedule of School District’s Proportionate Share of the Net Pension Liability – PSERS		70
Schedule of School District’s Contributions – PSERS OPEB Plan		71
Schedule of School District’s Proportionate Share of the Net OPEB Liability – PSERS OPEB Plan		72

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Independent Auditor's Report

Members of the Board
Allegheny Valley School District
Cheswick, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Allegheny Valley School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Allegheny Valley School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Allegheny Valley School District, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
January 29, 2021

**Allegheny Valley School District
Management's Discussion and Analysis
June 30, 2020**

The discussion and analysis of Allegheny Valley School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

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

Financial Highlights

Local revenues constitute the main source of funding for the School District. It constitutes almost seventy one percent of funding for the School District. Local revenues decreased by \$261,833 from prior year. The major contributors were tax revenue from real estate tax collections which increased by \$22,500, delinquent tax collections decreased by \$230,762 and earned income tax collections increased by \$21,276 compared to the prior year.

The School District expenditures continue to rise by a modest \$202,177 without the corresponding increase in K-12 enrollment. Staff retirements and eliminating positions through attrition helped contain personnel costs but salaries and benefits still constituted sixty percent of the expenditures. Retirement rates continued to increase at 34.29%, and other major cost drivers were special education at \$3.28 million, transportation costs of \$1 million and debt service costs of \$2.37 million.

In 2016-2017, the ACME construction project was financed with a bond issue and School District funds. The project was completed in the 2019-2020 school year. The School District transferred \$1,452,821 to the Capital Reserve from the General Fund. The School District ended the year with a fund balance of \$10,331,508 of which \$8,700,000 is assigned to defer costs towards future capital projects, healthcare expenditures and retirement contributions.

Using the Annual Financial Report

The Annual Financial Report consists of a financial section, which includes the management's discussion and analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand Allegheny Valley School District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

**Allegheny Valley School District
Management's Discussion and Analysis
June 30, 2020**

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

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

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
Allegheny Valley School District's
Financial Report

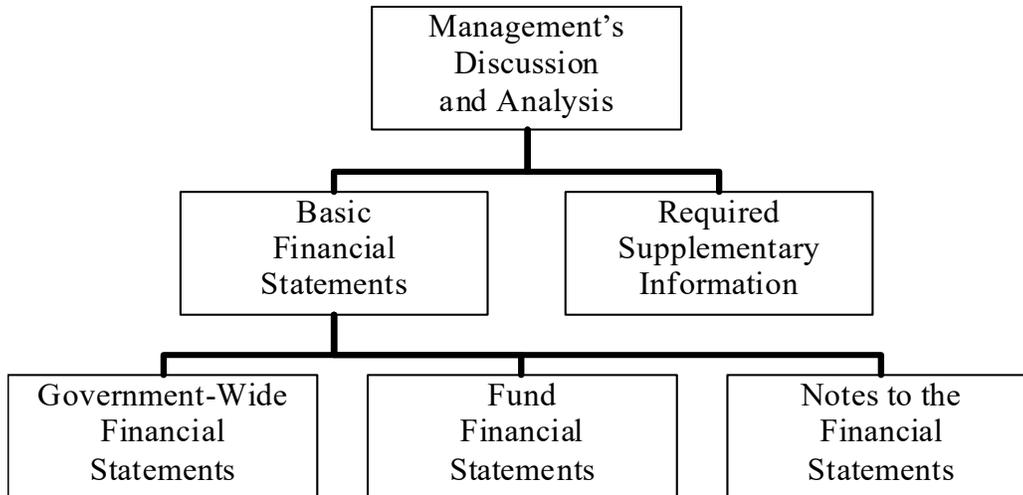


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents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

**Allegheny Valley School District
Management's Discussion and Analysis
June 30, 2020**

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

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

**Allegheny Valley School District
Management's Discussion and Analysis
June 30, 2020**

Overview of Financial Statements

Government-Wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

Proprietary funds - These funds are used to account for the School District activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding through user charges. When the School District charges customers for services it provides - whether to outside customers or to other units in the School District - these services are generally reported in proprietary funds.

**Allegheny Valley School District
Management's Discussion and Analysis
June 30, 2020**

The food service fund is the School District's proprietary fund and is the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows.

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

Financial Analysis of the School District as a Whole

The School District's total net position was a deficit \$(5,248,659) at June 30, 2020 and a deficit \$(5,478,710) at June 30, 2019.

Table A - 1
Years Ended June 30, 2020 and 2019
Net Position

	2020			2019		
	Governmental Activities	Business- Type Activities	Totals	Governmental Activities	Business- Type Activities	Totals
Current and Other Assets	\$ 18,316,129	\$ 202,687	\$ 18,518,816	\$ 17,915,663	\$ (204,618)	\$ 17,711,045
Capital Assets	38,758,595	5,388	38,763,983	40,306,734	11,617	40,318,351
Total Assets	57,074,724	208,075	57,282,799	58,222,397	(193,001)	58,029,396
Deferred Outflows of Resources	4,350,385	97,046	4,447,431	4,959,891	127,675	5,087,566
Current and Other Liabilities	2,133,190	491,482	2,624,672	2,770,501	17,084	2,787,585
Noncurrent Liabilities						
Due Within One Year	1,455,445	-	1,455,445	1,277,380	-	1,277,380
Due in More Than One Year	60,102,991	833,523	60,936,514	62,915,161	955,546	63,870,707
Total Liabilities	63,691,626	1,325,005	65,016,631	66,963,042	972,630	67,935,672
Deferred Inflows of Resources	1,916,990	45,268	1,962,258	640,748	19,252	660,000

**Allegheny Valley School District
Management's Discussion and Analysis
June 30, 2020**

Table A - 1
Years Ended June 30, 2020 and 2019
Net Position

	2020			2019		
	Governmental	Business-	Totals	Governmental	Business-	Totals
	Activities	Type Activities		Activities	Type Activities	
Net Position						
Net Investment in Capital Assets	11,378,781	5,388	11,384,169	11,827,136	11,617	11,838,753
Unrestricted	<u>(15,562,288)</u>	<u>(1,070,540)</u>	<u>(16,632,828)</u>	<u>(16,248,638)</u>	<u>(1,068,825)</u>	<u>(17,317,463)</u>
Total Net Position	<u>\$ (4,183,507)</u>	<u>\$ (1,065,152)</u>	<u>\$ (5,248,659)</u>	<u>\$ (4,421,502)</u>	<u>\$ (1,057,208)</u>	<u>\$ (5,478,710)</u>

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

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

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

Table A - 2
Years Ended June 30, 2020 and 2019
Change in Net Position

	2020			2019		
	Governmental	Business-	Totals	Governmental	Business-	Totals
	Activities	Type Activities		Activities	Type Activities	
Revenues and Transfers						
Program Revenues						
Charges for Services	\$ -	\$ 139,659	\$ 139,659	\$ -	\$ 172,022	\$ 172,022
Operating Grants and Contribs.	3,671,693	325,422	3,997,115	3,589,787	386,247	3,976,034
Capital Grants and Contribs.	279,881	-	279,881	276,302	-	276,302

**Allegheny Valley School District
Management's Discussion and Analysis
June 30, 2020**

Table A - 2
Years Ended June 30, 2020 and 2019
Change in Net Position

	2020			2019		
	Governmental Activities	Business- Type Activities	Totals	Governmental Activities	Business- Type Activities	Totals
General Revenues						
Property Taxes	14,697,517	-	14,697,517	15,115,404	-	15,115,404
Other Taxes	1,406,454	-	1,406,454	1,379,111	-	1,379,111
Grants, Subsidies and Contribs.						
Unrestricted	2,971,450	-	2,971,450	2,929,056	-	2,929,056
Investment Earnings	211,644	-	211,644	438,734	-	438,734
Other	188,301	-	188,301	172,619	-	172,619
Transfers	(25,000)	25,000	-	-	-	-
Total Revenues and Transfers	23,401,940	490,081	23,892,021	23,901,013	558,269	24,459,282
Expenses						
Instruction	13,776,544	-	13,776,544	13,191,495	-	13,191,495
Instructional Student Support	1,269,635	-	1,269,635	1,373,320	-	1,373,320
Admin. and Fin. Support Svcs.	2,957,831	-	2,957,831	2,747,702	-	2,747,702
Operation and Maintenance						
of Plant Services	2,401,340	-	2,401,340	2,576,165	-	2,576,165
Pupil Transportation	1,000,793	-	1,000,793	1,258,174	-	1,258,174
Student Activities	863,040	-	863,040	893,053	-	893,053
Community Services	9,570	-	9,570	13,059	-	13,059
Interest on Long-Term Debt	885,192	-	885,192	937,484	-	937,484
Food Service	-	498,025	498,025	-	633,807	633,807
Total Expenses	23,163,945	498,025	23,661,970	22,990,452	633,807	23,624,259
Increase (Decrease) in Net Position	237,995	(7,944)	230,051	910,561	(75,538)	835,023
Beginning Net Position	(4,421,502)	(1,057,208)	(5,478,710)	(5,332,063)	(981,670)	(6,313,733)
Ending Net Position	<u>\$ (4,183,507)</u>	<u>\$ (1,065,152)</u>	<u>\$ (5,248,659)</u>	<u>\$ (4,421,502)</u>	<u>\$ (1,057,208)</u>	<u>\$ (5,478,710)</u>

**Allegheny Valley School District
Management's Discussion and Analysis
June 30, 2020**

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

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

Table A - 3
Years Ended June 30, 2020 and 2019
Governmental Activities

	2020		2019	
	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Functions/Programs				
Instruction	\$ 13,776,544	\$ 11,159,802	\$ 13,191,495	\$ 10,745,393
Instructional Student Support	1,269,635	1,133,231	1,373,320	1,135,638
Admin. and Fin. Support Svcs.	2,957,831	2,700,706	2,747,702	2,541,462
Operation and Maintenance of Plant Services	2,401,340	2,212,854	2,576,165	2,407,271
Pupil Transportation	1,000,793	595,239	1,258,174	787,835
Student Activities	863,040	797,758	893,053	832,523
Community Services	9,570	7,470	13,059	13,059
Interest on Long-Term Debt	<u>885,192</u>	<u>605,311</u>	<u>937,484</u>	<u>661,182</u>
Total Governmental Activities	<u>\$ 23,163,945</u>	19,212,371	<u>\$ 22,990,452</u>	19,124,363
Less:				
Unrestricted Grants, Subsidies		<u>(2,971,450)</u>		<u>(2,929,056)</u>
Total Needs from Local Taxes and Other Revenues		<u>\$ 16,240,921</u>		<u>\$ 16,195,307</u>

**Allegheny Valley School District
Management's Discussion and Analysis
June 30, 2020**

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

Table A - 4
Years Ended June 30, 2020 and 2019
Business-Type Activities

Functions/Programs	2020		2019	
	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Food Service	\$ 498,025	\$ 32,944	\$ 633,807	\$ 75,538

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

School District Funds

At June 30, 2020, the School District's general fund reported a fund balance of \$10,331,508, which is the same as the prior year.

General Fund Budget

A schedule showing the School District's original and final budget amounts, compared with amounts actually paid and received, is provided in the required supplementary information section.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2020, the School District's governmental funds had \$38,758,595 invested in a broad range of capital assets, including land, land improvements, buildings, furniture and equipment. This amount represents a net decrease (including additions, deletions and depreciation) of \$1,548,139, or 3.8% from last year.

**Allegheny Valley School District
Management's Discussion and Analysis
June 30, 2020**

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

	2020	2019
Land	\$ 791,812	\$ 791,812
Land Improvements	1,224,515	1,422,319
Buildings and Building Improvements	35,899,615	24,503,060
Furniture and Equipment	842,653	958,595
Construction in Progress	-	12,630,948

Debt Administration

During the fiscal year, the School District made principal payments of \$1,235,000.

Table A - 6
Outstanding Debt

General Obligation Bonds	As of 06/30/20	As of 06/30/19
Series of 2016	\$ 8,790,000	\$ 8,795,000
Series of 2014	11,225,000	12,140,000
Series of 2013B	6,760,000	7,075,000

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

Bond Rating

The School District's general obligation bond rating assigned by Moody's is A1 underlying and an A3 enhanced rating. The Commonwealth of Pennsylvania also provides additional security for the bonds through the Act 150 School District Intercept Program. The Act provides for undistributed state aid to be diverted to bond holders in the event of default.

Economic Factors and Next Year's Budgets and Rates

Allegheny Valley School District is projected to continue to experience a modest increase compared to prior years in assessments, the majority resulting from an increase in commercial growth in one of the communities. The School District does not anticipate significant growth in the near future. Student enrollment has leveled off at approximately 940 students.

**Allegheny Valley School District
Management's Discussion and Analysis
June 30, 2020**

The School District is expected to operate within the Act 1 Index for the budget year 2019/2020. The School District, subsequent to year end has existing contracts with all three unions. The expiration of the professional staff (teachers) contract is June 30, 2022; the administrative assistants' contract is June 30, 2024; and the custodial staff contract is June 30, 2025. This helps with accurate projection of future salaries.

The comparison of revenue and expenditure categories is as follows:

Table A - 7

	Budgeted Revenues 2020/2021	Actual Revenues 2019/2020
Local	70.8%	70.7%
State	28.2%	26.8%
Federal	1.0%	1.3%
Other	0.0%	1.2%
	Budgeted Expenditures 2020/2021	Actual Expenditures 2019/2020
Instruction	45.0%	50.6%
Support Services	30.4%	30.8%
Noninstructional Services	2.6%	2.7%
Fund Transfers/Debt/Other	22.0%	15.9%

Contacting the School District Financial Management

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the School District's finances and to show the Board and administration's accountability for the money it receives. All correspondence regarding this report can be sent to either Ms. Janice Zastawniak, Public Relations or Mrs. Hamsini Rajgopal, Business Manager at Allegheny Valley School District, 300 Pearl Avenue, Cheswick, PA 15024, 724-274-5300.

Allegheny Valley School District
Statement of Net Position
June 30, 2020

Exhibit 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 15,744,270	\$ 161,021	\$ 15,905,291
Taxes Receivable, Net	1,613,127	-	1,613,127
Due From Other Governments	913,341	3,025	916,366
Other Receivables	26,011	18,608	44,619
Inventories	-	20,033	20,033
Prepaid Items	19,380	-	19,380
Capital Assets not Being Depreciated			
Land	791,812	-	791,812
Capital Assets, Net of Accumulated Depreciation			
Land Improvements	1,224,515	-	1,224,515
Building & Building Improvements	35,899,615	-	35,899,615
Furniture & Equipment	842,653	5,388	848,041
TOTAL ASSETS	57,074,724	208,075	57,282,799
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	416,931	-	416,931
Amounts Related to OPEB - District	45,449	-	45,449
Amounts Related to OPEB - PSERS	148,484	3,834	152,318
Amounts Related to Pension	3,739,521	93,212	3,832,733
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,350,385	97,046	4,447,431
LIABILITIES			
Internal Balances	(473,589)	473,589	-
Accounts Payable	343,650	-	343,650
Accrued Interest	156,351	-	156,351
Accrued Salaries and Benefits	2,021,413	5,831	2,027,244
Payroll Deductions and Withholdings	37,105	-	37,105
Unearned Revenues	-	12,062	12,062
Other Current Liabilities	48,260	-	48,260
Noncurrent Liabilities:			
Due Within One Year	1,455,445	-	1,455,445
Due in More Than One Year:			
Capital Leases	149,342	-	149,342
Compensated Absences	279,173	-	279,173
Bonds Payable	26,222,977	-	26,222,977
Other Post-Employment Benefits - District	2,922,453	-	2,922,453
Other Post-Employment Benefits - PSERS	1,324,757	36,243	1,361,000
Derivative Instruments	60,569	-	60,569
Net Pension Liability	29,143,720	797,280	29,941,000
TOTAL LIABILITIES	63,691,626	1,325,005	65,016,631
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to OPEB - District	262,258	-	262,258
Amounts Related to OPEB - PSERS	63,269	1,731	65,000
Amounts Related to Pension	1,591,463	43,537	1,635,000
TOTAL DEFERRED INFLOWS OF RESOURCES	1,916,990	45,268	1,962,258
NET POSITION			
Net Investment in Capital Assets	11,378,781	5,388	11,384,169
Unrestricted	(15,562,288)	(1,070,540)	(16,632,828)
TOTAL NET POSITION	\$ (4,183,507)	\$ (1,065,152)	\$ (5,248,659)

See Accompanying Notes

**Allegheny Valley School District
Statement of Activities
Year Ended June 30, 2020**

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
Instruction	\$ 13,776,544	\$ -	\$ 2,616,742	\$ -	\$ (11,159,802)	\$ -	\$ (11,159,802)
Instructional Student Support	1,269,635	-	136,404	-	(1,133,231)	-	(1,133,231)
Administrative and Financial Support Services	2,957,831	-	257,125	-	(2,700,706)	-	(2,700,706)
Operation and Maintenance of Plant Services	2,401,340	-	188,486	-	(2,212,854)	-	(2,212,854)
Pupil Transportation	1,000,793	-	405,554	-	(595,239)	-	(595,239)
Student Activities	863,040	-	65,282	-	(797,758)	-	(797,758)
Community Services	9,570	-	2,100	-	(7,470)	-	(7,470)
Interest on Long-Term Debt	885,192	-	-	279,881	(605,311)	-	(605,311)
Total Governmental Activities	23,163,945	-	3,671,693	279,881	(19,212,371)	-	(19,212,371)
Business-type Activities:							
Food Service	498,025	139,659	325,422	-	-	(32,944)	(32,944)
Total Primary Government	\$ 23,661,970	\$ 139,659	\$ 3,997,115	\$ 279,881	(19,212,371)	(32,944)	(19,245,315)
General Revenues and Transfers							
Taxes							
Property Taxes Levied for General Purposes, Net					14,697,517	-	14,697,517
Earned Income Taxes					1,180,670	-	1,180,670
Real Estate Transfer Taxes					173,232	-	173,232
Other Taxes Levied for General Purposes, Net					52,552	-	52,552
Grants, Subsidies and Contributions not Restricted					2,971,450	-	2,971,450
Investment Earnings					211,644	-	211,644
Miscellaneous Income					188,301	-	188,301
Transfers					(25,000)	25,000	-
Total General Revenues and Transfers					19,450,366	25,000	19,475,366
Change in Net Position					237,995	(7,944)	230,051
Net Position - July 1, 2019					(4,421,502)	(1,057,208)	(5,478,710)
Net Position - June 30, 2020					\$ (4,183,507)	\$ (1,065,152)	\$ (5,248,659)

See Accompanying Notes

Allegheny Valley School District
Balance Sheet
Governmental Funds
June 30, 2020

Exhibit 3

	General Fund	Capital Reserve Fund	Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 14,023,597	\$ 1,716,778	\$ 3,895	\$ 15,744,270
Taxes Receivable, Net	1,613,127	-	-	1,613,127
Due from Other Funds	473,589	1,519,024	1,659,903	3,652,516
Due from Other Governments	913,341	-	-	913,341
Other Receivables	26,011	-	-	26,011
Prepaid Items	19,380	-	-	19,380
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 17,069,045</u>	<u>\$ 3,235,802</u>	<u>\$ 1,663,798</u>	<u>\$ 21,968,645</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Due to Other Funds	\$ 3,112,927	\$ -	\$ 66,000	\$ 3,178,927
Accounts Payable	141,347	77,149	125,154	343,650
Accrued Salaries and Benefits	2,021,413	-	-	2,021,413
Payroll Deductions and Withholdings	37,105	-	-	37,105
Other Current Liabilities	48,260	-	-	48,260
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>5,361,052</u>	<u>77,149</u>	<u>191,154</u>	<u>5,629,355</u>
Deferred Inflows of Resources				
Unavailable Revenues - Property Taxes	1,376,485	-	-	1,376,485
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances				
Nonspendable	19,380	-	-	19,380
Committed	-	3,158,653	1,472,644	4,631,297
Assigned	8,700,000	-	-	8,700,000
Unassigned	1,612,128	-	-	1,612,128
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>10,331,508</u>	<u>3,158,653</u>	<u>1,472,644</u>	<u>14,962,805</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	<u>\$ 17,069,045</u>	<u>\$ 3,235,802</u>	<u>\$ 1,663,798</u>	<u>\$ 21,968,645</u>

See Accompanying Notes

**Allegheny Valley School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2020**

Exhibit 4

Total Fund Balances - Governmental Funds \$ 14,962,805

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 \$72,312,871, and the accumulated depreciation is \$33,554,276. 38,758,595

Property taxes receivable will be collected in the future, but are not available soon enough to pay for the current period's expenditures, and, therefore, are not reported as assets in governmental funds. 1,376,485

Premiums and discounts on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net position. (802,977)

Deferred charges on refunding bonds issued are amortized over the life of the bonds as deferred outflows of resources in the statement of net position. 416,931

Derivative instruments used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. (60,569)

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

Bonds Payable	\$ (26,775,000)	
Accrued Interest on the Bonds	(156,351)	
Capital Leases Payable	(218,768)	
Compensated Absences	(310,192)	
	(27,460,311)	(27,460,311)

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

OPEB Liability - District	(2,922,453)	
OPEB Liability - PSERS	(1,324,757)	
Net Pension Liability	(29,143,720)	(33,390,930)

**Allegheny Valley School District
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2020**

Exhibit 4

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

Deferred Outflows of Resources Related to Pensions	3,739,521	
Deferred Inflows of Resources Related to Pensions	(1,591,463)	
Deferred Outflows of Resources Related to OPEB - District	45,449	
Deferred Inflows of Resources Related to OPEB - District	(262,258)	
Deferred Outflows of Resources Related to OPEB - PSERS	148,484	
Deferred Inflows of Resources Related to OPEB - PSERS	<u>(63,269)</u>	<u>2,016,464</u>
 Total Net Position - Governmental Activities		 <u>\$ (4,183,507)</u>

See Accompanying Notes

**Allegheny Valley School District
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020**

Exhibit 5

	General Fund	Capital Reserve Fund	Nonmajor Funds	Total Governmental Funds
Revenues				
Local Sources	\$ 17,079,952	\$ 23,196	\$ 19,423	\$ 17,122,571
State Sources	6,469,190	-	-	6,469,190
Federal Sources	305,161	-	-	305,161
	<u>23,854,303</u>	<u>23,196</u>	<u>19,423</u>	<u>23,896,922</u>
Total Revenues				
Expenditures				
Instruction	12,212,934	-	-	12,212,934
Support Services	7,439,355	-	-	7,439,355
Noninstructional Services	650,460	-	-	650,460
Capital Outlay	-	77,149	13,250	90,399
Debt Service (Principal & Interest)	2,292,767	-	-	2,292,767
Refunds of Prior Year's Receipts	80,068	-	-	80,068
	<u>22,675,584</u>	<u>77,149</u>	<u>13,250</u>	<u>22,765,983</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>1,178,719</u>	<u>(53,953)</u>	<u>6,173</u>	<u>1,130,939</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease	299,102	-	-	299,102
Transfers In	-	1,452,821	-	1,452,821
Transfers Out	(1,477,821)	-	-	(1,477,821)
	<u>(1,178,719)</u>	<u>1,452,821</u>	<u>-</u>	<u>274,102</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	-	1,398,868	6,173	1,405,041
Fund Balances - July 1, 2019	<u>10,331,508</u>	<u>1,759,785</u>	<u>1,466,471</u>	<u>13,557,764</u>
Fund Balances - June 30, 2020	<u>\$ 10,331,508</u>	<u>\$ 3,158,653</u>	<u>\$ 1,472,644</u>	<u>\$ 14,962,805</u>

See Accompanying Notes

**Allegheny Valley School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2020**

Exhibit 6

Total Net Change in Fund Balances - Governmental Funds \$ 1,405,041

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 outlays exceed depreciation in the period.

Depreciation Expense	\$ (1,671,614)	
Capital Outlays	<u>123,475</u>	(1,548,139)

Because some property taxes will not be collected within the current financial resources measurement focus period, they are not considered as "available" revenues in the governmental funds. Unavailable revenues decreased by this amount this year. (375,952)

Repayment of bond and capital lease payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,327,968

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

Compensated Absences	(12,735)	
Other Post-Employment Benefits - District	(31,971)	
Other Post-Employment Benefits - PSERS	<u>6,091</u>	(38,615)

**Allegheny Valley School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2020**

Exhibit 6

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

Net Change in Accrued Interest on Bonds		8,688
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Governmental funds report changes in investment derivative instruments only when those instruments provide or use financial resources. However, in the statement of activities, changes in the fair value of investment derivative instruments are changes in economic resources and are reported in each period in which there is a change in the fair value of the investment. This is the amount of the change in the fair value of investment derivatives in the current period.

(6,006)

Bond discount, premium and deferred charges on bonds are reported in the statement of revenues and expenditures of governmental funds as expenditures but are capitalized and amortized over the life of the bonds in the statement of activities.

Amortization of Discount, Premium and Deferred Loss on Refunding		70,919
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Governmental funds report School District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense.

District Pension Contributions to PSERS	2,906,712		
Cost of Benefits Earned	<u>(3,213,519)</u>		(306,807)

Some capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as an other financing source. The capital leases are not revenues in the statement of activities, but constitute long-term liabilities in the statement of net position.

(299,102)

Change in Net Position of Governmental Activities		<u>\$ 237,995</u>
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See Accompanying Notes

Allegheny Valley School District
Statement of Net Position
Proprietary Funds
June 30, 2020

Exhibit 7

	Food Service Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 161,021
Due From Other Governments	3,025
Other Receivables	18,608
Inventories	<u>20,033</u>
Total Current Assets	<u>202,687</u>
Noncurrent Assets	
Furniture and Equipment, Net	<u>5,388</u>
TOTAL ASSETS	<u>208,075</u>
DEFERRED OUTFLOWS OF RESOURCES	
Amounts Related to OPEB	3,834
Amounts Related to Pensions	<u>93,212</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>97,046</u>
LIABILITIES	
Current Liabilities	
Due to Other Funds	473,589
Accrued Salaries and Benefits	5,831
Unearned Revenues	<u>12,062</u>
Total Current Liabilities	<u>491,482</u>
Noncurrent Liabilities	
OPEB Liability	36,243
Net Pension Liability	<u>797,280</u>
Total Noncurrent Liabilities	<u>833,523</u>
TOTAL LIABILITIES	<u>1,325,005</u>
DEFERRED INFLOWS OF RESOURCES	
Amounts Related to OPEB	1,731
Amounts Related to Pensions	<u>43,537</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>45,268</u>
NET POSITION	
Invested in Capital Assets	5,388
Unrestricted	<u>(1,070,540)</u>
TOTAL NET POSITION	<u>\$ (1,065,152)</u>

See Accompanying Notes

Allegheny Valley School District
Statement of Revenues, Expenses and Changes
in Net Position
Proprietary Funds
Year Ended June 30, 2020

Exhibit 8

	Food Service Fund
Operating Revenues	
Food Service Revenue	<u>\$ 139,659</u>
Operating Expenses	
Salaries	238,993
Employee Benefits	39,481
Other Purchased Services	786
Supplies	210,401
Depreciation	6,229
Other Operating Expenditures	<u>2,135</u>
Total Operating Expenses	<u>498,025</u>
Operating Income (Loss)	<u>(358,366)</u>
Nonoperating Revenues (Expenses)	
State Sources	58,066
Federal Sources	<u>267,356</u>
Total Nonoperating Revenues (Expenses)	<u>325,422</u>
Income (Loss) Before Transfers	(32,944)
Transfers In	<u>25,000</u>
Change in Net Position	(7,944)
Net Position - July 1, 2019	<u>(1,057,208)</u>
Net Position - June 30, 2020	<u><u>\$ (1,065,152)</u></u>

See Accompanying Notes

**Allegheny Valley School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2020**

Exhibit 9

	Food Service Fund
Cash Flows From Operating Activities	
Cash Received from Users	\$ 175,148
Cash Payments to Employees for Services	(211,919)
Cash Payments to Suppliers for Goods and Services	(218,409)
Cash Payments for Other Operating Expenses	<u>(2,135)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(257,315)</u>
 Cash Flows From Non-Capital Financing Activities	
State Sources	25,009
Federal Sources	274,911
Operating Transfers In (Out)	<u>25,000</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>324,920</u>
Net Increase (Decrease) in Cash and Cash Flows	67,605
Cash and Cash Equivalents - July 1, 2019	<u>93,416</u>
Cash and Cash Equivalents - June 30, 2020	<u><u>\$ 161,021</u></u>

**Allegheny Valley School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2020**

Exhibit 9

	Food Service Fund
Operating Income (Loss)	\$ (358,366)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation and Net Amortization	6,229
Change in Pensions and OPEB Liability	(65,378)
Donated Commodities	33,519
(Increase) Decrease in Accounts Receivable	(3,025)
(Increase) Decrease in Inventories	(7,157)
Increase (Decrease) in Accounts Payable	(65)
Increase (Decrease) in Accrued Salaries Benefits	(4,121)
Increase (Decrease) in Advances from Other Funds	136,054
Increase (Decrease) in Unearned Revenue	9,752
Increase (Decrease) in Other Current Liabilities	(4,757)
 Total Adjustments	 101,051
 Cash Provided by (Used for) Operating Activities	 \$ (257,315)

Noncash Non-Capital Financing Activities

During the year ended June 30, 2020, the School District received \$34,417 of U.S.D.A Donated Commodities in the food service fund.

See Accompanying Notes

Allegheny Valley School District
Statement of Net Position
Fiduciary Funds
June 30, 2020

Exhibit 10

	Private Purpose Trust Fund	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 31,995	\$ 54,271
LIABILITIES		
Other Current Liabilities	6,790	54,271
NET POSITION		
Restricted for Scholarships	\$ 25,205	\$ -

See Accompanying Notes

**Allegheny Valley School District
Statement of Change in Net Position
Fiduciary Funds
Year Ended June 30, 2020**

Exhibit 11

	Private Purpose Trust Fund
Additions	
Gifts and Contributions	\$ 10,750
Interest	<u>157</u>
Total Additions	<u>10,907</u>
Deductions	
Scholarships Awarded	<u>9,000</u>
Change in Net Position	1,907
Net Position - July 1 , 2019	<u>23,298</u>
Net Position - June 30, 2020	<u><u>\$ 25,205</u></u>

See Accompanying Notes

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

Note 1 - Summary of Significant Accounting Policies

Allegheny Valley School District, located in Allegheny County, Pennsylvania, provides public education, kindergarten through twelfth grade, to the residents of the Boroughs of Cheswick and Springdale and the Townships of Harmar and Springdale. The School District operates under a nine-person elected Board of Directors.

A. Basic Financial Statements - Government-Wide Statements

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

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

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

B. Basic Financial Statements - Fund Financial Statements

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

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

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

1. Governmental Funds

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

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

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

The School District also reports the following nonmajor governmental fund:

The *capital projects fund* accounts for financial resources to be used for the acquisition of construction of major capital facilities or equipment (other than those financed by proprietary funds).

2. Proprietary Funds

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

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

3. Fiduciary Funds

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

The *private purpose fund* is used to account for resources of monies contributed to the School District for scholarships. The scholarship funds are considered private purpose trust funds.

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

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

The proprietary fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

D. Joint Ventures

The School District is one of nine member school districts of the Forbes Road East Area Vocational-Technical School (“Forbes”). Forbes provides vocational-technical training and education to participating students of the member districts. Forbes is controlled and governed by the Joint Board, which is composed of all the school board members of all of the member districts. Direct oversight of Forbes’ operations is the responsibility of the Joint Committee, which consists of one representative from each participating school district. No member of the Jointure exercises specific control over the fiscal policies or operations of Forbes. The School District’s share of annual operating and capital costs for Forbes fluctuates, based on the percentage of enrollment of each member district in the school. The School District’s financial obligation to Forbes for the year ended June 30, 2020 was \$196,868 which has been reported in the School District’s general fund. The School District has no equity interest in Forbes as of June 30, 2020. Complete financial statements for Forbes can be obtained from the administrative offices at 607 Beatty Road; Monroeville, Pennsylvania 15146.

E. Cash and Cash Equivalents

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

F. Investments

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

G. Budgets

The School Board approves, prior to the beginning of each year, an annual budget on the modified accrual basis of accounting for the general fund. This is the only fund for which a budget is required and for which taxes may be levied. The general fund is the only fund that has an annual budget that has been legally adopted by the School Board. The Public School Code allows the School Board to authorize budget transfer amendments during the year, but only during the last nine months of the fiscal year. There were no supplemental budgetary appropriations made during the year ended June 30, 2020.

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

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

H. Receivables and Payables

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

I. Inventories

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

Inventories in governmental funds are stated at cost by the first-in, first-out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, an estimated value of inventories is reported as an asset in the general fund, if considered material. There was no material inventory balance as of June 30, 2020.

The inventory of the food service fund consists of food supplies and government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies, both valued at cost using the first-in, first-out (FIFO) method. Any unused commodities donated by the federal government at June 30, 2020 are reported as unavailable revenue.

J. Prepaid Items

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

K. Capital Assets

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

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

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

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

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

Assets	Years
Buildings	40
Land Improvements	10
Furniture	7
Vehicles	5
Equipment	7
Computer Software	5

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

L. Long-Term Obligations

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

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

M. Compensated Absences

The School District's policies regarding vacation and sick time is provided through various contracts. Employees can accumulate sick and/or vacation days which they are paid for upon retirement or termination of service. The amount the employee is compensated and the number of days varies based on their contract and their years of service. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the amount of reimbursable unused vacation or sick leave to employees who have terminated their employment as of the end of the fiscal year, while the proprietary funds report the liability as it is incurred.

N. Defining Operating Revenues and Expenses

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

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School District has various items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other in the government-wide statement of net position is related to the participation in the cost sharing defined benefit pension plan and other post-employment benefit plans.

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

P. Equity Classifications

Government-Wide Statements

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

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

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

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

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

Fund Statements - Fund Balance

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

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

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

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

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

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

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

The purposes of the restricted, committed and assigned fund balance as of June 30, 2020, are as follows:

1. The nonspendable fund balance in the general fund of \$19,380 is for prepaid items.
2. The committed fund balance in the capital reserve fund of \$3,158,653 is committed for future technology capital expenditures of \$826,742 and for future capital projects of \$2,331,911.
3. The committed fund balance in the capital projects fund of \$1,472,644 is committed for future capital needs of the School District.
4. The assigned fund balance in the general fund of \$8,700,000 is assigned for future employer retirement costs of \$1,900,000, for future employer healthcare costs of \$1,100,000, for future capital improvements of \$5,400,000, and for swap stabilization of \$300,000.

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

Note 2 - Deposits and Investments

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution's name. As of June 30, 2020, \$2,459,852 of the School District's bank balance of \$2,709,852 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging	
Bank's Agent not in the School District's Name	<u>\$2,459,852</u>

As of June 30, 2020, the School District had the following investments:

Investments	Fair Value
PLGIT	\$ 737,374
PSDLAF	<u>12,978,299</u>
	<u>\$ 13,715,673</u>

Interest Rate Risk - The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates except for its capital projects bond fund. This fund's investments in U. S. Obligations are permitted but only to the extent that the obligation is within six months from its retirement (due) date.

Interest Rate Risk Relating to Derivatives – As of June 30, 2020, the School District had investments with the following maturities:

Investment Maturities (in Years)

Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
Investment Derivative					
Instruments	<u>\$ (60,569)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,569)</u>	<u>\$ -</u>

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

The School District is invested in an interest rate swap with terms as noted below:

Transaction Date	4/20/06
Effective Date	4/24/06
Maturity Date	11/1/28
Terms	School District pays SIFMA and receives 68.5% of LIBOR
Initial Notional Amount	\$ 14,345,000

	S&P Rating	Moody's Rating
Bank Counterparty Credit Ratings	A2	A

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

Credit risk is the risk the School District will have exposure to a swap counterparty under the swap. Credit Risk is mitigated by several factors, including minimum credit rating criteria and ratings downgrade triggers in the swap documents. The credit ratings for the counterparty are noted above.

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

Investments

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

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

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

Fair Value of Investments

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School District has the following recurring fair value measurements:

- Investment derivative instruments of (\$60,569) are valued using significant observable inputs (Level 2 inputs).

Note 3 - Real Estate Taxes

The elected tax collectors bill and collect real estate taxes on behalf of the School District based upon assessed values provided by the County. The School District's tax rate for all purposes in 2019/2020 was 20.8377 mills (\$20.84 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied for 2019/2020 is as follows:

Tax Levy Date	July 1, 2019
2% Discount Period	Through August 31, 2019
Face Payment Period	September 1 - October 31, 2019
10% Penalty Period	November 1 Until Liened
Lien Filing Date	July 1, 2020

Taxpayers may also pay these taxes in three equal installments due at face on or before the following dates: August 31, October 31, and November 30.

The amounts shown as delinquent real estate taxes receivable have not been recorded as revenue on the fund statements. These taxes are, however, recorded as unavailable revenue on the balance sheet until they are received. The amounts reported for this receivable are reported on the balance sheet in the amount of \$1,376,485 along with other taxes receivable of \$236,642.

Note 4 - Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the School District. At June 30, 2020, the following amounts are due from other governmental units:

	Governmental Funds	Business-Type Funds	Totals
Federal (through the state)	\$ 202,380	\$ 2,913	\$ 205,293
State	<u>710,961</u>	<u>112</u>	<u>711,073</u>
	<u>\$ 913,341</u>	<u>\$ 3,025</u>	<u>\$ 916,366</u>

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance 07/01/19	Additions	Disposals/ Transfers	Balance 06/30/20
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 791,812	\$ -	\$ -	\$ 791,812
Construction in Progress	<u>12,630,948</u>	<u>-</u>	<u>(12,630,948)</u>	<u>-</u>
Total Capital Assets not Being Depreciated	<u>13,422,760</u>	<u>-</u>	<u>(12,630,948)</u>	<u>791,812</u>
Capital Assets Being Depreciated				
Land Improvements	4,996,538	-	-	4,996,538
Buildings and Building Improvements	47,262,610	17,929	12,630,948	59,911,487
Furniture and Equipment	6,222,842	105,546	-	6,328,388
Vehicles	<u>284,646</u>	<u>-</u>	<u>-</u>	<u>284,646</u>
Total Capital Assets Being Depreciated	<u>58,766,636</u>	<u>123,475</u>	<u>12,630,948</u>	<u>71,521,059</u>
Less Accumulated Depreciation				
Land Improvements	3,574,219	197,804	-	3,772,023
Buildings and Building Improvements	22,759,550	1,252,322	-	24,011,872
Furniture and Equipment	5,347,501	212,357	-	5,559,858
Vehicles	<u>201,392</u>	<u>9,131</u>	<u>-</u>	<u>210,523</u>
Total Accumulated Depreciation	<u>31,882,662</u>	<u>1,671,614</u>	<u>-</u>	<u>33,554,276</u>
Total Capital Assets Being Depreciated, Net	<u>26,883,974</u>	<u>(1,548,139)</u>	<u>12,630,948</u>	<u>37,966,783</u>
Governmental Activities Capital Assets, Net	<u>\$ 40,306,734</u>	<u>\$ (1,548,139)</u>	<u>\$ -</u>	<u>\$ 38,758,595</u>
Business-Type Activities				
Furniture and Equipment	\$ 476,098	\$ -	\$ -	\$ 476,098
Less Accumulated Depreciation and Equipment	<u>464,481</u>	<u>6,229</u>	<u>-</u>	<u>470,710</u>
Business-Type Activities Capital Assets, Net	<u>\$ 11,617</u>	<u>\$ (6,229)</u>	<u>\$ -</u>	<u>\$ 5,388</u>

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
Instruction	\$ 1,337,201
Instructional Student Support	20,102
Administration and Financial Support Services	20,276
Operation and Maintenance of Plant Services	51,742
Pupil Transportation	540
Central	32,019
Student Activities	<u>209,734</u>
Total Depreciation Expense	<u>\$ 1,671,614</u>
Business-Type Activities - Food Service	<u>\$ 6,229</u>

Note 6 - Interfund Balances

At June 30, 2020, interfund balances were:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 473,589	\$ 3,112,927
Capital Reserve Fund	1,519,024	-
Non-Major Fund		
Capital Projects Fund	1,659,903	66,000
Proprietary Fund		
Food Service Fund	<u>-</u>	<u>473,589</u>
	<u>\$ 3,652,516</u>	<u>\$ 3,652,516</u>

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

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

Note 7 - Interfund Transfers

For the year ended June 30, 2020, interfund transfers consisted of the following:

<u>Transfers To</u>	<u>Transfer From</u> General Fund
Capital Reserve Fund	\$ 1,452,821
Proprietary Fund	
Food Service Fund	25,000
	\$ 1,477,821

The general fund made a transfer to the capital reserve fund in the amount of \$1,452,821 for future capital needs of the School District.

The general fund made a transfer to the food service fund in the amount of \$25,000 to provide funds to support the food service operations.

Note 8 - Long-Term Liabilities

Long-term liability for the year ended June 30, 2020 was as follows:

	Balance 07/01/19	Additions	Reductions	Balance 06/30/20	Due Within One Year
Governmental Activities					
Bonds Payable					
General Obligation Bonds	\$ 28,010,000	\$ -	\$ 1,235,000	\$ 26,775,000	\$ 1,355,000
Plus: Bond Premium	1,076,708	-	115,323	961,385	-
Less: Bond Discount	(169,566)	-	(11,158)	(158,408)	-
Total Bonds Payable	28,917,142	-	1,339,165	27,577,977	1,355,000
Capital Leases Payable	12,634	299,102	92,968	218,768	69,426
Compensated Absences	297,457	12,735	-	310,192	31,019
Governmental Activities					
Long-Term Liabilities	\$ 29,227,233	\$ 311,837	\$ 1,432,133	\$ 28,106,937	\$ 1,455,445

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

General Obligation Bonds

Series of 2013B - \$8,065,000 due serially through November 1, 2034; interest payable semi-annually from 0.625% to 3.0%	\$ 6,760,000
Series of 2014 - \$15,320,000 due serially through November 1, 2028; interest payable semi-annually from 3.0% to 5.0%	11,225,000
Series of 2016 - \$8,805,000 due serially through November 1, 2024; interest payable semi-annually from 1.5% to 3.0%	<u>8,790,000</u>
	<u>\$ 26,775,000</u>

The debt service source for the above is the debt service fund via transfers from the general fund.

The annual requirements of School District funds to amortize all debt outstanding (excluding compensated absences) as of June 30, 2020, including interest, are as follows:

Year Ended June 30,	General Obligation Bonds		Totals
	Principal	Interest	
	(On Issuance Amount)		
2021	\$ 1,355,000	\$ 909,944	\$ 2,264,944
2022	1,430,000	857,094	2,287,094
2023	1,510,000	800,569	2,310,569
2024	1,595,000	734,669	2,329,669
2025	1,675,000	664,500	2,339,500
2026-2030	9,465,000	2,254,347	11,719,347
2031-2035	<u>9,745,000</u>	<u>666,312</u>	<u>10,411,312</u>
	<u>\$ 26,775,000</u>	<u>\$ 6,887,435</u>	<u>\$ 33,662,435</u>

Note 9 - Capital Lease

The School District is currently obligated for the purchase of computer hardware through capital leasing arrangements.

The assets acquired through the capital leases are as follows:

Asset	Governmental Activities
Furniture and Equipment	\$ 299,102
Less: Accumulated Depreciation	<u>(74,776)</u>
Total	<u>\$ 224,326</u>

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

Year Ended June 30,	Governmental Activities
2021	\$ 80,333
2022	80,334
2023	<u>80,334</u>
Total Minimum Lease Payments	241,001
Less: Amount Representing Interest	<u>(22,233)</u>
Present Value of Minimum Lease Payments	<u>\$ 218,768</u>

Note 10 - Operating Leases

The School District is committed under various leases for photocopiers. These leases are considered, for accounting purposes, to be operating leases. Total payments made on these leases for the year ended June 30, 2020 were \$42,786. Future minimum payments for these leases are as follows:

Year Ended June 30,	Amounts
2021	<u>\$ 32,142</u>

Note 11 - Public School Employees' Retirement System (PSERS)

A. Summary of Significant Accounting Policies

Pensions

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

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

B. General Information about the Pension Plan

1. Plan Description

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

2. Benefits Provided

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

3. Contributions

Member Contributions

Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class T-C) or at 6.50% (Membership Class T-D) of the member's qualifying compensation.

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Membership Class T-C) or at 7.50% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System after June 30, 2001 and before July 1, 2011, contribute at 7.50% (automatic Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.

Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.3% (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2020 was 33.36% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School District were \$2,977,142 for the year ended June 30, 2020.

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

At June 30, 2020, the School District reported a liability of \$29,941,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2018 to June 30, 2019. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2020, the School District's proportion was 0.0640%, which was a decrease of 0.0014% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the School District recognized pension expense of \$3,222,052. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 165,000	\$ 992,000
Net difference between projected and actual investment earnings	-	86,000
Change in assumptions	286,000	-
Changes in proportions	319,000	557,000
Difference between employer contributions and proportionate share of total contributions	85,591	-
Contributions subsequent to the measurement date	<u>2,977,142</u>	<u>-</u>
	<u>\$ 3,832,733</u>	<u>\$ 1,635,000</u>

\$2,977,142 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2021	\$ 111,656
2022	(503,229)
2023	(449,468)
2024	<u>61,632</u>
	<u>\$ (779,409)</u>

1. Actuarial Assumptions

The total pension liability as of June 30, 2019 was determined by rolling forward the System's total pension liability at June 30, 2018 to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.25%, includes inflation at 2.75%.
- Salary growth - Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

- Mortality rates were 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.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2015.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	20.0%	5.6%
Fixed Income	36.0%	1.9%
Commodities	8.0%	2.7%
Absolute return	10.0%	3.4%
Risk parity	10.0%	4.1%
Infrastructure/MLPs	8.0%	5.5%
Real estate	10.0%	4.1%
Alternative investments	15.0%	7.4%
Cash	3.0%	0.3%
Financing (LIBOR)	<u>-20.0%</u>	0.7%
	<u>100%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2019.

2. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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.

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

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

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	(In Thousands)		
	1.00%	Current	1.00%
	Decrease	Discount Rate	Increase
	6.25%	7.25%	8.25%
School District's proportionate share of the net pension liability	\$ 37,295	\$ 29,941	\$ 23,714

4. Pension Plan Fiduciary Net Position

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

Note 12 - Contingent Liabilities

Allegheny Valley School District participates in a number of federally assisted grant programs, principal of which are Title I and National School Lunch Program funding. The programs are subject to program compliance audits by the grantors or their representatives. The audits of some of these programs for and including the year ended June 30, 2020 have not yet been conducted. Accordingly, the School District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

The COVID-19 outbreak in the United States has caused business disruption and economic uncertainties. The School District's operations are heavily dependent on the ability to raise and collect taxes and assess fees. Additionally, access to grants and contracts from federal, state and local governments may decrease or may not be available depending on appropriations. The outbreak may have a continued adverse impact on economic and market conditions. This situation is expected to impact the School District's operating results and the fair value of its investments, however, the financial impact of these uncertainties is unknown at this time.

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

Note 13 - Other Post-Employment Benefit Plan

A. Plan Description

Allegheny Valley School District administers a single-employer defined benefit healthcare plan (“the Supplemental Health Plan”). The plan provides medical benefits for teachers and administrators/supervisors. The benefits provided are for the eligible retirees and their spouses through the School District group health insurance plan which covers both active and retired members. Benefit provisions are mostly established through negotiations between the School District and union or group representing the employees. The plan does not issue a publicly available financial report.

The eligibility and the benefits for each group are as follows:

1) Retirement Plan Eligibility

Normal Retirement	Age 62, age 60 with 30 years of service or 35 years of service.
Early Retirement	Age 55 with 25 years of Service.

2) Supplemental Health Insurance Plan (SHI)

Eligibility for Benefit

Teachers	Age 53 with 30 years, 55 with 25 years or age 62 or disability retirement.
Administrators	Age 53 with 15 years of service.
Support Personnel	Age 62 with 9 years of service.
Service Employees	Age 62 with 20 years of service or at time attained age plus service are at least 90.

Benefit at Retirement

Teachers	School District pays the premium for individual coverage for the medical insurance plan at time of retirement. For each year of service to the School District, the retiree will receive 3.5 months of SHI coverage at retirement. Retirees are permitted to purchase dental and vision insurance at group rates.
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Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

Administrators, Support Personnel
and Service Employees

For employees hired after 12/31/1990, the School District pays the premium for individual coverage for the medical insurance plan at time of retirement until the retiree is age 65 or eligible for Medicare. Retirees are permitted to purchase dental and vision insurance at group rates. For employees hired before 01/01/1990, the School District pays the premium for husband/wife coverage for the medical insurance at the time of retirement until the retiree is age 65 or eligible for Medicare. Retirees are permitted to purchase dental and vision insurance at group rates. Any increases in rates after retirement are paid by the retiree.

Benefit Upon Death After
Retirement

If the spouse dies while covered under the SHI, the School District will continue to pay up to the premium at retirement for the retiree. If the retiree dies prior to Medicare eligibility or before coverage would have expired under the Contract, the spouse is no longer covered under the SHI; however, the spouse will be eligible for coverage until the spouse reaches Medicare eligibility if the spouse pays for their coverage.

Continuation Coverage

If the retiree is not yet 65 or eligible for Medicare, but the retiree is no longer eligible for SHI, the retiree can purchase coverage until they are Medicare eligible. Retirees may continue medical coverage in the group health plan on a self-pay basis during any period in which the retiree is neither eligible for SHI nor Medicare.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	12
Active employees	<u>142</u>
	<u>154</u>

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

B. Total OPEB Liability

The School District's total OPEB liability of \$2,922,453 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

C. Significant Assumptions Used to Measure the Total OPEB Liability

Salary Increases	3.00%
Discount Rate	2.66%
Healthcare Cost Trend Rates	6.5% in 2020, grading down to 5.75% uniformly over 4 years and then following the Getzen model thereafter

D. Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	\$ 3,107,291
Changes for the year:	
Service Cost	135,088
Interest	91,739
Difference between expected and actual experience	(299,724)
Changes of assumptions or other inputs	51,942
Benefit Payments	<u>(163,883)</u>
Net Changes	<u>(184,838)</u>
Balance at June 30, 2020	<u><u>\$ 2,922,453</u></u>

E. Changes of Assumptions and Other Inputs

- Changed the discount rate from 2.98% to 2.66%
- Mortality improvement scale was updated to scale MP-2020. The prior mortality projection scale was MP-2018.
- Trend was updated to health care cost trend rate is assumed to be 6.5% in 2020, grading down to 5.75% uniformly over 4 years, and then following the Getzen model thereafter.
- Expected claims by age were determined using the Yamamoto aging table. The prior assumption was that claims by age increase by 4% each year.

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.66%) or one percentage point higher (3.66%) than the current discount rate:

	1.00% Decrease 1.66%	Current Rate 2.66%	1.00% Increase 3.66%
Total OPEB Liability	\$ 3,163,518	\$ 2,922,453	\$ 2,692,358

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

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

	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	\$ 2,606,578	\$ 2,922,453	\$ 3,294,593

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

For the year ended June 30, 2020, the School District recognized OPEB Expense of \$195,854. At June 30, 2020, the School District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 262,258
Change in assumptions	45,449	-
	\$ 45,449	\$ 262,258

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

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

Year Ended June 30,	
2021	\$ (30,973)
2022	(30,973)
2023	(30,973)
2024	(30,973)
2025	(30,973)
Thereafter	<u>(61,944)</u>
	<u>\$ (216,809)</u>

Note 14 - Other Post-Employment Benefits - PSERS

A. Summary of Significant Accounting Policies

Other Post-Employment Benefits

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

B. General Information about the Health Insurance Premium Assistance Program

1. Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate.

Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2019, there were no assumed future benefit increases to participating eligible retirees.

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

2. Premium Assistance Eligibility Criteria

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

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program

3. Pension Plan Description

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

4. Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2019, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2020 was 0.84% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were \$74,964 for the year ended June 30, 2020.

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

At June 30, 2020, the School District reported a liability of \$1,361,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, 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, 2018 to June 30, 2019. The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2020, the School District's proportion was 0.0640%, which was a decrease of 0.0014% from its proportion measured as of June 30, 2019.

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

For the year ended June 30, 2020, the School District recognized OPEB expense of \$65,392. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,000	\$ -
Net difference between projected and actual investment earnings	2,000	-
Change in assumptions	45,000	40,000
Changes in proportions	21,000	25,000
Difference between employer contributions and proportionate share of total contributions	1,354	-
Contributions subsequent to the measurement date	<u>74,964</u>	<u>-</u>
	<u>\$ 152,318</u>	<u>\$ 65,000</u>

\$74,964 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2021	\$ 1,392
2022	1,392
2023	333
2024	239
2025	<u>8,998</u>
	<u>\$ 12,354</u>

1. Actuarial Assumptions

The total OPEB liability as of June 30, 2019 was determined by rolling forward the System's total OPEB liability at June 30, 2018 to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 2.79%, S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.

**Allegheny Valley School District
Notes to Financial Statements
June 30, 2020**

- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were 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.
- 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, 2017 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2015.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2016 determined the employer contribution rate for fiscal year 2019.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality rates and retirement ages were based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 for both males and females for healthy annuitants and for dependent beneficiaries. For disabled annuitants, the RP-2000 Combined Disabled Tables with age set back 7 years for males and 3 years for females for disabled annuitants. (A unisex table based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 years for both genders assuming the population consists of 25% males and 75% females is used to determine actuarial equivalent benefits.)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	13.2%	0.02%
US Core Fixed Income	83.1%	1.00%
Non-US Developed Fixed	<u>3.7%</u>	0.00%
	<u>100%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2019.

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

2. Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.79%. 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 2.79% which represents the S&P 20 year Municipal Bond Rate at June 30, 2019, was applied to all projected benefit payments to measure the total OPEB liability.

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2019, 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, 2019, 93,339 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2019, 780 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

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

	(In Thousands)		
	1.00%	Current	1.00%
	Decrease	Rate	Increase
System net OPEB Liability	\$ 1,361	\$ 1,361	\$ 1,361

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

The following presents the net OPEB liability, calculated using the discount rate of 2.79%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.79%) or 1 percentage point higher (3.79%) than the current rate:

	(In Thousands)		
	1.00%	Current	1.00%
	Decrease	Discount Rate	Increase
	1.79%	2.79%	3.79%
School District's proportionate share of the net OPEB liability	\$ 1,551	\$ 1,361	\$ 1,204

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

5. OPEB Plan Fiduciary Net Position

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

Note 15 - Risk Management

The School District is one of forty-six members of the Allegheny County Schools Health Insurance Consortium (Consortium) which purchases health benefits on behalf of participating public school districts. The School District is billed monthly based on employee count and coverage information at rates established by the Consortium at the beginning of each fiscal year. As the Consortium is self-insured, rates are established with the objective of satisfying estimated claims and other costs, as well as maintaining working capital requirements. Contributions to the Consortium totaled \$2,204,895 and \$2,176,613 for the years ended June 30, 2020 and 2019, respectively.

Participating school districts are permitted to withdraw from the Consortium under terms specified in the agreement. Withdrawing participants are entitled to or responsible for a proportionate share of the Consortium net position or deficiency in net position, respectively, as determined on the fiscal year-end date after withdrawal. As of June 30, 2020, the net position of the Consortium was \$75,471,061 of which \$538,391 is attributable to the School District.

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

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

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

Note 16 - On-Behalf Payments

The amounts recognized for revenues and expenditures for on-behalf payments relating to fringe benefits for the year ended June 30, 2020, was \$1,872,444.

This includes \$1,536,363 recognized for revenues and expenditures relating to pension contributions for its employees that the Commonwealth of Pennsylvania paid to the Public School Employees' Retirement System (PSERS) for pension and \$336,081 to the federal government for social security and Medicare taxes for the year ended June 30, 2020. The School District pays these on-behalf payments directly to PSERS and the government and is reimbursed by the Commonwealth for their appropriate share.

Allegheny Valley School District
Notes to Financial Statements
June 30, 2020

Note 17 - Derivative Instruments

A. Details of Instruments

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2020, classified by type, and the change in fair value of such derivative instruments for the year ended as reported in the June 30, 2020 financial statements are as follows:

Governmental Activities	Change in Fair Value		Fair Value at June 30, 2020		Notional in Thousands
	Classification	Amount	Classification	Amount	
Basis Swaps	Investment				
Series of 2004A Bonds	Revenue	\$ (6,006)	Investment	\$ (60,569)	\$ 10,945,000

The fair values of the interest rate swaps are estimated based on economic assessment of the transaction or instrument and is derived from model prices, external sources or market prices.

Note 18 - Subsequent Events

On July 29, 2020, the School District issued general obligation bonds Series of 2020 in the amount of \$6,755,000 to refund the general obligation bonds Series of 2013 B with an outstanding principal balance of \$6,760,000.

**REQUIRED SUPPLEMENTARY
INFORMATION SECTION**

**Allegheny Valley School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2020**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Sources				
Taxes				
Current Real Estate Taxes	\$ 14,362,392	\$ 14,362,392	\$ 14,753,116	\$ 390,724
Public Utility Realty Taxes	16,100	16,100	14,741	(1,359)
Payments in Lieu of Current Taxes	10,000	10,000	13,031	3,031
Local Services Taxes	26,368	26,368	24,780	(1,588)
Earned Income Taxes	1,007,048	1,007,048	1,159,146	152,098
Real Estate Transfer Taxes	128,461	128,461	173,232	44,771
Delinquencies on Taxes	514,000	514,000	421,945	(92,055)
Earnings on Investments	50,000	50,000	193,192	143,192
Other Local Revenues				
Federal Revenues from IU	175,000	175,000	148,673	(26,327)
Contributions & Donations from Private Sources	-	-	9,475	9,475
Rentals	5,000	5,000	5,729	729
Refund of Prior Year's Expenditures	15,000	15,000	-	(15,000)
Miscellaneous Revenue	25,000	25,000	162,892	137,892
Total Revenues from Local Sources	16,334,369	16,334,369	17,079,952	745,583
State Sources				
Basic Instructional & Oper. Subsidies				
Basic Instructional Subsidy	2,691,158	2,691,158	2,575,048	(116,110)
Tuition	-	-	105,127	105,127
Subsidies for Spec. Educ. Programs				
Special Education of Excep. Pupils	711,132	711,132	722,114	10,982
Subsidies for Noneduc. Programs				
Transportation (Regular & Additional)	270,067	270,067	400,840	130,773
Rentals & Sinking Fund Payments	280,013	280,013	279,881	(132)
Ready to Learn Block Grant	104,493	104,493	104,493	-
Health Services	20,000	20,000	-	(20,000)
State Property Tax Reduction	396,402	396,402	396,402	-
Other State Grants	18,660	18,660	58,319	39,659
Social Security Payments	352,000	352,000	326,940	(25,060)
State Retirement Revenue	1,566,129	1,566,129	1,500,026	(66,103)
Total Revenues from State Sources	6,410,054	6,410,054	6,469,190	59,136

**Allegheny Valley School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2020**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Federal Sources				
Restricted Grants-In-Aid from the Fed. Gov't. through the Commonwealth				
Title I	207,113	207,113	219,688	12,575
Title II	31,129	31,129	32,634	1,505
Title IV	-	-	24,886	24,886
ESSERS Grant	-	-	6,864	6,864
PCCD Grant	-	-	3,386	3,386
FEMA	-	-	16,707	16,707
Title XIX	-	-	996	996
Medical Assistance - Access	20,000	20,000	-	(20,000)
Total Revenues from Federal Sources	258,242	258,242	305,161	46,919
Total Revenues	23,002,665	23,002,665	23,854,303	851,638
Other Financing Sources				
Proceeds from Capital Lease	-	-	299,102	299,102
Total Revenues and Other Financing Sources	23,002,665	23,002,665	24,153,405	1,150,740
Expenditures				
Instruction				
Regular Programs				
Personal Services				
Salaries	4,650,638	4,650,638	4,514,571	136,067
Employee Benefits	3,057,390	3,057,390	2,978,147	79,243
Purchased Prof. and Tech. Services	216,030	216,030	118,679	97,351
Purchased Property Services	32,660	32,660	27,581	5,079
Other Purchased Services	281,965	281,965	603,356	(321,391)
Supplies	227,824	227,824	167,233	60,591
Property	119,071	119,071	12,937	106,134
Other Objects	13,680	13,680	3,876	9,804
Total Regular Programs	8,599,258	8,599,258	8,426,380	172,878
Special Programs				
Personal Services				
Salaries	1,162,307	1,162,307	1,196,796	(34,489)
Employee Benefits	705,201	705,201	781,809	(76,608)
Purchased Prof. and Tech. Services	523,506	523,506	480,875	42,631

**Allegheny Valley School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2020**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Purchased Services	470,480	470,480	802,321	(331,841)
Supplies	15,026	15,026	10,357	4,669
Other Objects	5,440	5,440	4,642	798
Total Special Programs	2,881,960	2,881,960	3,276,800	(394,840)
Vocational Education Programs				
Other Purchased Services	310,870	310,870	196,868	114,002
Other Instructional Programs				
Personal Services				
Salaries	-	-	396	(396)
Employee Benefits	-	-	166	(166)
Purchased Prof. and Tech. Services	-	-	1,224	(1,224)
Other Purchased Services	72,000	72,000	122,608	(50,608)
Total Other Instructional Programs	72,000	72,000	124,394	(52,394)
Nonpublic School Programs				
Purchased Prof. and Tech. Services	2,700	2,700	1,386	1,314
Pre-Kindergarten				
Personal Services				
Salaries	111,154	111,154	114,460	(3,306)
Employee Benefits	72,857	72,857	69,377	3,480
Supplies	2,000	2,000	3,269	(1,269)
Total Pre-Kindergarten	186,011	186,011	187,106	(1,095)
Total Instruction	12,052,799	12,052,799	12,212,934	(160,135)
Support Services				
Pupil Personnel				
Personal Services				
Salaries	317,023	317,023	165,104	151,919
Employee Benefits	237,528	237,528	121,811	115,717
Purchased Prof. and Tech. Services	52,655	52,655	13,723	38,932
Purchased Property Services	3,234	3,234	3,483	(249)

**Allegheny Valley School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2020**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Purchased Services	6,600	6,600	1,491	5,109
Supplies	5,041	5,041	2,534	2,507
Other Objects	2,413	2,413	3,081	(668)
Total Pupil Personnel	624,494	624,494	311,227	313,267
Instructional Staff				
Personal Services				
Salaries	385,038	385,038	362,295	22,743
Employee Benefits	211,256	211,256	197,754	13,502
Purchased Prof. and Tech. Services	48,600	48,600	32,417	16,183
Purchased Property Services	6,900	6,900	34,755	(27,855)
Other Purchased Services	1,000	1,000	510	490
Supplies	54,874	54,874	61,446	(6,572)
Other Objects	3,000	3,000	5,731	(2,731)
Total Instructional Staff	710,668	710,668	694,908	15,760
Administration				
Personal Services				
Salaries	844,786	844,786	826,860	17,926
Employee Benefits	543,015	543,015	506,998	36,017
Purchased Prof. and Tech. Services	150,600	150,600	124,748	25,852
Purchased Property Services	20,478	20,478	18,278	2,200
Other Purchased Services	40,800	40,800	40,100	700
Supplies	46,177	46,177	41,722	4,455
Property	-	-	595	(595)
Other Objects	37,300	37,300	47,085	(9,785)
Total Administration	1,683,156	1,683,156	1,606,386	76,770
Pupil Health				
Personal Services				
Salaries	152,089	152,089	124,811	27,278
Employee Benefits	80,347	80,347	64,416	15,931
Purchased Prof. and Tech. Services	14,100	14,100	19,915	(5,815)
Other Purchased Services	1,000	1,000	558	442
Supplies	11,050	11,050	9,163	1,887
Other Objects	-	-	80	(80)
Total Pupil Health	258,586	258,586	218,943	39,643

**Allegheny Valley School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2020**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Business				
Personal Services				
Salaries	208,696	208,696	205,893	2,803
Employee Benefits	140,794	140,794	133,217	7,577
Purchased Prof. and Tech. Services	22,000	22,000	16,902	5,098
Purchased Property Services	37,461	37,461	37,038	423
Other Purchased Services	24,500	24,500	11,990	12,510
Supplies	13,500	13,500	5,311	8,189
Other Objects	2,000	2,000	3,901	(1,901)
Total Business	448,951	448,951	414,252	34,699
Oper. and Maint. of Plant Svcs.				
Personal Services				
Salaries	833,830	833,830	828,085	5,745
Employee Benefits	630,003	630,003	574,469	55,534
Purchased Prof. and Tech. Services	6,850	6,850	7,349	(499)
Purchased Property Services	284,646	284,646	370,238	(85,592)
Other Purchased Services	85,600	85,600	83,316	2,284
Supplies	461,650	461,650	444,448	17,202
Property	98,100	98,100	55,257	42,843
Other Objects	3,320	3,320	807	2,513
Total Oper. and Maint. of Plant Svcs.	2,403,999	2,403,999	2,363,969	40,030
Student Transportation Services				
Personal Services				
Salaries	33,762	33,762	22,624	11,138
Employee Benefits	14,425	14,425	15,856	(1,431)
Other Purchased Services	1,168,060	1,168,060	960,925	207,135
Supplies	500	500	-	500
Total Student Transportation Services	1,216,747	1,216,747	999,405	217,342

**Allegheny Valley School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2020**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Central				
Personal Services				
Salaries	140,978	140,978	156,476	(15,498)
Employee Benefits	100,392	100,392	110,805	(10,413)
Purchased Prof. and Tech. Services	94,200	94,200	80,562	13,638
Purchased Property Services	41,200	41,200	11,552	29,648
Other Purchased Services	31,100	31,100	34,664	(3,564)
Supplies	5,800	5,800	46,817	(41,017)
Property	13,200	13,200	332,419	(319,219)
Other Objects	-	-	5,265	(5,265)
	<u>426,870</u>	<u>426,870</u>	<u>778,560</u>	<u>(351,690)</u>
Total Central				
Other				
Personal Services				
Salaries	17,052	17,052	23,095	(6,043)
Employee Benefits	142,304	142,304	9,600	132,704
Other Purchased Services	20,000	20,000	19,010	990
	<u>179,356</u>	<u>179,356</u>	<u>51,705</u>	<u>127,651</u>
Total Other				
	<u>179,356</u>	<u>179,356</u>	<u>51,705</u>	<u>127,651</u>
Total Support Services	<u>7,952,827</u>	<u>7,952,827</u>	<u>7,439,355</u>	<u>513,472</u>
Noninstructional Services				
Student Activities				
Personal Services				
Salaries	370,854	370,854	331,123	39,731
Employee Benefits	167,053	167,053	138,802	28,251
Purchased Prof. and Tech. Services	43,463	43,463	81,501	(38,038)
Purchased Property Services	4,000	4,000	8,024	(4,024)
Other Purchased Services	62,400	62,400	39,573	22,827
Supplies	40,200	40,200	31,149	9,051
Other Objects	12,500	12,500	10,718	1,782
	<u>700,470</u>	<u>700,470</u>	<u>640,890</u>	<u>59,580</u>
Total Student Activities				
	<u>700,470</u>	<u>700,470</u>	<u>640,890</u>	<u>59,580</u>

**Allegheny Valley School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2020**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Community Services				
Purchased Prof. and Tech. Services	15,000	15,000	2,756	12,244
Other Purchased Services	100	100	206	(106)
Supplies	2,000	2,000	1,608	392
Other Objects	5,000	5,000	5,000	-
Total Community Services	<u>22,100</u>	<u>22,100</u>	<u>9,570</u>	<u>12,530</u>
Total Noninstructional Services	<u>722,570</u>	<u>722,570</u>	<u>650,460</u>	<u>72,110</u>
Debt Service				
Interest	1,005,969	1,005,969	964,799	41,170
Refunds of Prior Year's Receipts	-	-	80,068	(80,068)
Redemption of Principal	1,235,000	1,235,000	1,327,968	(92,968)
Total Debt Service	<u>2,240,969</u>	<u>2,240,969</u>	<u>2,372,835</u>	<u>(131,866)</u>
Total Expenditures	<u>22,969,165</u>	<u>22,969,165</u>	<u>22,675,584</u>	<u>293,581</u>
Other Financing Uses				
Fund Transfers				
Food Service Fund	25,000	25,000	25,000	-
Capital Projects Fund	8,500	8,500	1,452,821	(1,444,321)
Total Other Financing Uses	<u>33,500</u>	<u>33,500</u>	<u>1,477,821</u>	<u>(1,444,321)</u>
Total Expenditures and Other Financing Uses	<u>23,002,665</u>	<u>23,002,665</u>	<u>24,153,405</u>	<u>(1,150,740)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1, 2019	<u>11,438,337</u>	<u>11,438,337</u>	<u>10,331,508</u>	<u>(1,106,829)</u>
Fund Balance - June 30, 2020	<u>\$ 11,438,337</u>	<u>\$ 11,438,337</u>	<u>\$ 10,331,508</u>	<u>\$ (1,106,829)</u>

Allegheny Valley School District
Note to the Required Supplementary Information
Budget Comparison
June 30, 2020

Note 1 – Budgetary Information

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

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

**Allegheny Valley School District
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability
and Related Ratios
Last Four Years**

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability				
Service cost	\$ 135,088	\$ 143,437	\$ 139,259	\$ -
Interest	91,739	89,918	88,501	-
Difference between expected and actual experience	(299,724)	-	-	-
Changes of assumptions or other inputs	51,942	-	-	-
Benefit payments	<u>(163,883)</u>	<u>(184,404)</u>	<u>(168,306)</u>	<u>-</u>
Net Change in Total OPEB Liability	(184,838)	48,951	59,454	-
Total OPEB Liability - Beginning	<u>3,107,291</u>	<u>3,058,340</u>	<u>2,998,886</u>	<u>-</u>
Total OPEB Liability - Ending	<u><u>\$ 2,922,453</u></u>	<u><u>\$ 3,107,291</u></u>	<u><u>\$ 3,058,340</u></u>	<u><u>\$ 2,998,886</u></u>
Covered-Employee Payroll	\$ 8,313,231	\$ 8,685,734	\$ 8,432,751	N/A
Total OPEB Liability as a Percentage of Covered-Employee Payroll	35.15%	35.77%	36.27%	N/A

Notes to Schedule:

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

Assumption Changes:

Discount rate used for fiscal year ending:

2020	2.66%
2019	2.98%

Mortality improvement scale was updated to scale MP-2020. The prior mortality projection scale was MP-2018.

Trend was updated to health care cost trend rate is assumed to be 6.5% in 2020, grading down to 5.75% uniformly over 4 years, and then following the Getzen model thereafter.

Expected claims by age were determined using the Yamamoto aging table. The prior assumption was that claims by age increase by 4% each year.

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

**Allegheny Valley School District
Required Supplementary Information
Schedule of School District's Contributions
PSERS
Last Six Years**

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution	\$ 2,926,926	\$ 2,888,276	\$ 2,778,867	\$ 2,481,059	\$ 2,046,514	\$ 1,670,088
Contributions in Relation to the Contractually Required Contribution	<u>2,926,926</u>	<u>2,888,276</u>	<u>2,778,867</u>	<u>2,481,059</u>	<u>2,046,514</u>	<u>1,670,088</u>
Contribution Deficiency (Excess)	<u>\$ -</u>					
School District's Covered Payroll	\$ 8,866,108	\$ 8,827,329	\$ 8,802,006	\$ 8,592,118	\$ 8,277,023	\$ 8,319,763
Contributions as a Percentage of Covered Payroll	33.01%	32.72%	31.57%	28.88%	24.73%	20.07%

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

The covered-payroll amount reported for June 30, 2019 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2020.

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

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
School District's Proportion of the Net Pension Liability (Asset)	0.0640%	0.0654%	0.0645%	0.0639%	0.0646%	0.0643%	0.0634%
School District's Proportionate Share of the Net Pension Liability (Asset)	\$ 29,941	\$ 31,395	\$ 31,856	\$ 31,677	\$ 27,982	\$ 25,451	\$ 25,953
School District's Covered Payroll	\$ 8,827	\$ 8,802	\$ 8,592	\$ 8,277	\$ 8,320	\$ 8,205	\$ 8,133
School District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	339.20%	356.68%	370.76%	382.71%	336.32%	310.19%	319.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%	54.49%

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

**Allegheny Valley School District
Required Supplementary Information
Schedule of School District's Contributions
PSERS OPEB Plan
Last Three Years**

	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution	\$ 74,964	\$ 74,195	\$ 73,468
Contributions in Relation to the Contractually Required Contribution	<u>74,964</u>	<u>74,195</u>	<u>73,468</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 8,866,108	\$ 8,900,576	\$ 8,802,006
Contributions as a Percentage of Covered Payroll	0.85%	0.83%	0.83%

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

The covered-payroll amount reported for June 30, 2019 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2020.

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

	June 30, 2019	June 30, 2018	June 30, 2017
School District's Proportion of the Net OPEB Liability (Asset)	0.0640%	0.0654%	0.0645%
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,361	\$ 1,364	\$ 1,314
School District's Covered Payroll	\$ 8,827	\$ 8,802	\$ 8,592
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	15.42%	15.50%	15.29%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.56%	5.56%	5.73%

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