

MaherDuessel

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Chartiers Valley School District

PRESENTATION OF THE RESULTS OF THE 2021-2022 AUDIT

February 28, 2023

Audit Deliverables

- Single Audit
 - Opinions/Reports dated February 6, 2023
 - Filed with the Federal Audit Clearing House, PA Office of Budget, and Allegheny County Prothonotary
- Communication to those Charged with Governance
- Management Letter
- Data Collection Form
 - Submitted and Certified electronically



Required Audit Communications

Required Audit Communications

- ❑ Our responsibilities under U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance are to perform procedures to provide a reasonable basis for our opinion.
- ❑ Our audit does not relieve you or management of your responsibilities to ensure the financial statements are fairly presented.
 - While we do assist in drafting the financial statements and the Data Collection Form, the information is reviewed and approved by management to demonstrate their approval of the content.

Required Audit Communications

- ❑ Adopted Accounting Statements
 - GASB Statement Nos. 87 (*Leases*), 92 (*Omnibus 2020*), 97 (*Deferred Compensation Plans*), and 99 (*Omnibus 2022 – paragraphs 26 through 32*).
 - No impact to the School District’s financial statements.
- ❑ No other accounting policies were adopted or changed in 2022.

Required Audit Communications (cont.)

- ❑ No material audit adjustments.
 - Full inventory valuation of capital assets resulting in a restatement of capital assets, accumulated depreciation, and net position
- ❑ Significant Estimates and Disclosures:
 - School District Net OPEB Liability
 - PSERS Net Pension Liability and Net OPEB Liability
- ❑ The financial statement disclosures are neutral, consistent, and clear.
- ❑ No difficulties encountered, no disagreements with management, no consultations with other accountants, and no issues discussed prior to retention as auditors.

PSERS Net Pension Liability

- \$93,076,000
- Decrease of \$17,761,000 from 2021

PSERS Net OPEB Liability

- \$5,375,000
- Increase of \$516,000 from 2021

Net OPEB Liability

- \$10,608,912
- Decrease of \$21,750 from 2021

PENSION & OPEB LIABILITIES



Financial Highlights

FISCAL YEAR 2022

Fiscal Year 2022

- ❑ COVID-19 ESSER funds of approximately \$837,000 expended and tested as a major federal program
- ❑ Child Nutrition Cluster grants of approximately \$2.04 million expended and tested as a major federal program
- ❑ Construction activity at High School (approximately \$3.1 million paid out of Capital Improvement Fund)
- ❑ Series 2021A Bonds issued for capital projects at the High School Complex, Primary Center, and Intermediate School

Fund Balances at 6/30/22

	General Fund	Capital Improvement	Debt Stabilization	Designated Trust & Activities	TOTAL
Nonspendable ¹	\$1,024,239	\$0	\$0	\$0	\$1,024,239
Restricted ²	0	16,620,107	0	0	16,620,107
Committed ³	1,687,618	953,120	3,213,945	123,070	5,977,753
Unassigned	4,080,403	0	0	0	4,080,403
TOTAL	\$6,792,260	\$17,573,227	\$3,213,945	\$123,070	\$27,702,502
Increase (Decrease) from 2021	(\$278,136)	\$15,327,505	(\$619,469)	\$5,225	\$14,435,125

¹ – Represents insurance premiums that were required to be paid at the beginning of the premium period


² – Funds are restricted for use in accordance with the bond issuance

³ – Funds have been committed to be used for specified purposes, such as capital projects, debt stabilization, OPEB benefits, etc.

Fund Balance for the General Fund

	<u>2020</u>	Fiscal Year <u>2021</u>	<u>2022</u>
Fund Balance, July 1	\$ 1,486,659	\$ 2,925,777	\$ 7,070,396
Net Change in Fund Balance	<u>1,439,118</u>	<u>4,144,619</u>	<u>(278,136)</u>
Fund Balance, June 30	<u>\$ 2,925,777</u>	<u>\$ 7,070,396</u>	<u>\$ 6,792,260</u>
Fund Balance Breakdown:			
Nonspendable	688,118	1,052,022	1,024,239
Committed	150,226	2,319,274	1,687,618
Unassigned	<u>2,087,433</u>	<u>3,699,100</u>	<u>4,080,403</u>
	<u>\$ 2,925,777</u>	<u>\$ 7,070,396</u>	<u>\$ 6,792,260</u>

Fund Balance for the General Fund (cont.)

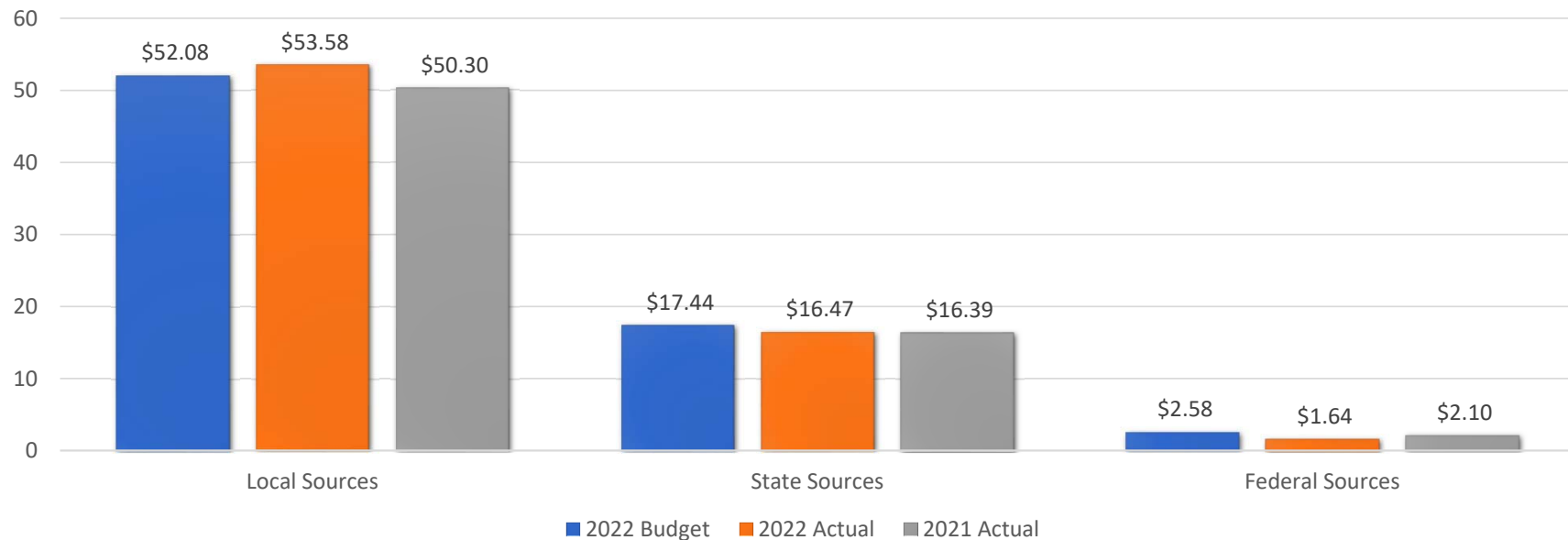


Unassigned Fund Balance as a % of
Expenditure Budget = **5.66%**

- 8% cap by PDE for budgeting of unassigned fund balance
- GFOA recommends two months minimum in unassigned fund balance

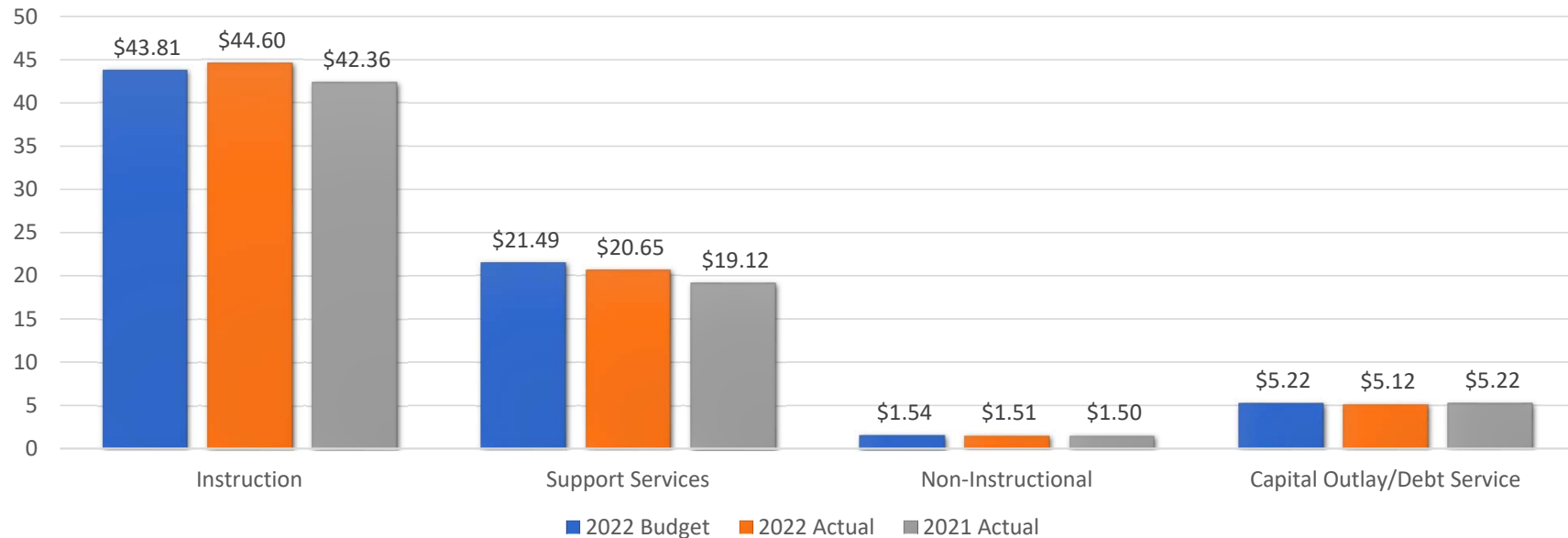
General Fund Revenues

Dollars Expressed in Millions



General Fund Expenditures

Dollars Expressed in Millions



Fund Balance for the Capital Improvement Fund

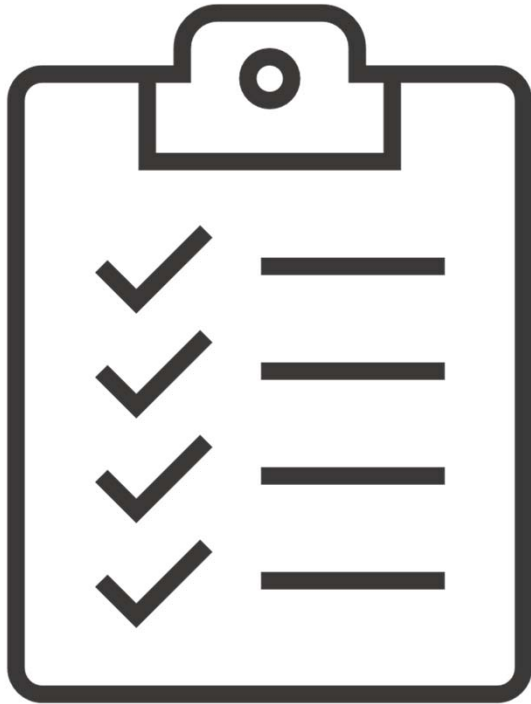
- Breakdown of Capital Improvement Fund Balance
 - Bond Fund - \$16,620,107 restricted
 - Capital Reserve Fund - \$953,120 committed (funds to be spent on current vehicle financed purchase payments)
 - No additional capital reserve funds currently available for future projects

- \$750,000 was transferred to the Capital Reserve Fund from the General Fund during 2022

Annual Debt Service Requirements (Bonds and Financed Purchases)


Fiscal Year	Principal	Interest	Total
2023	\$2,647,349	\$3,171,033	\$5,818,382
2024	2,676,627	3,069,043	5,745,670
2025	2,746,873	2,986,684	5,733,557
2026	2,605,755	2,902,217	5,507,972
2027	2,567,374	2,795,711	5,363,085
Thereafter	85,220,000	37,520,803	122,740,803
Total	\$98,463,978	\$52,445,491	\$150,909,469

Note: Final maturity year is 2050.




Future Considerations

Considerations/Changes for Next Year




Budget constraints:


- Collective Bargaining Agreements
- Common Level Ratio



End of COVID related funding



Cybersecurity risks



Pending accounting standards
(IT Arrangements)

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