

## PRELIMINARY OFFICIAL STATEMENT DATED MARCH 26, 2026

NEW ISSUE – BOOK ENTRY ONLY

Rating: S&P Global Ratings Rated "AA" (Stable outlook)  
BAM Insured  
Intermediate Unit's Moody's Underlying Rating "A2"  
See "RATING" and "BOND INSURANCE" herein

*In the opinion of Bond Counsel, under existing law and assuming continuing compliance by the Intermediate Unit with certain covenants to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on and accruals of original issue discount with respect to the Bonds are excluded from gross income for Federal income tax purposes and are not items of tax preference for purposes of the Federal alternative minimum tax imposed on individuals (See "TAX EXEMPTION AND OTHER TAX MATTERS" herein.)*

*In the opinion of Bond Counsel, interest on the Bonds is exempt under present statutory and case law from the Pennsylvania Corporate Net Income Tax and from personal income and corporate net income taxation by the Commonwealth of Pennsylvania, or by any of its political subdivisions. (See "TAX EXEMPTION AND OTHER TAX MATTERS" herein.)*

*The intermediate Unit has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265 of the Code (relating to deduction of interest expense allocable to tax-exempt obligations held by certain financial institutions), and in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of said Section 265.*

**\$8,000,000\***

### Beaver Valley Intermediate Unit (Beaver County, Pennsylvania) Educational Facility Revenue Bonds, Series of 2026

**Dated:** Date of Delivery

**Principal Due:** June 1, as shown on inside cover

**Interest Due:** June 1 and December 1

**First Interest Payment:** December 1, 2026

**Legal Investment for Fiduciaries in Pennsylvania:** The Bonds (hereinafter defined) are a legal investment for fiduciaries in the Commonwealth of Pennsylvania under the Probate, Estate and Fiduciaries Code, Act of June 30, 1972, No. 164, P.L. 508, as amended and supplemented.

**Payable:** The Educational Facility Revenue Bonds, Series of 2026, in the aggregate amount of \$8,000,000\* (the "Bonds" or "Series of 2026 Bonds") of the Beaver Valley Intermediate Unit, Beaver County, Pennsylvania (the "Intermediate Unit" or the "BVIU") will be issued in fully registered form without coupons and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, ("DTC"). So long as Cede & Co. is the registered owner, reference herein to the registered owner of Bonds shall mean Cede & Co., and not the Beneficial Owners (as defined herein). DTC will act as securities depository of the Bonds, and purchases of beneficial ownership interests in the Bonds will be made in book-entry form only, in denominations of \$5,000 or integral multiples thereof. Beneficial Owners will not receive certificates representing their interests in the Bonds. Interest on the Bonds is payable on June 1 and December 1 of each year until maturity or earlier redemption, commencing December 1, 2026 by Zions Bancorporation, National Association Pittsburgh, Pennsylvania, as paying agent, transfer agent, bond registrar and sinking fund depository (the "Paying Agent"). So long as Cede & Co. is the registered owner, the Paying Agent will pay principal of and interest on the Bonds to DTC, which will remit such principal and interest to its Participants (as defined herein), which will in turn remit such principal and interest to the Beneficial Owners of the Bonds, as more fully described herein. See "BOOK-ENTRY ONLY SYSTEM" herein.

**Redemption:** The Bonds stated to mature on and after June 1, \_\_\_\_\_ are subject to optional redemption on or after June 1, \_\_\_\_, at 100% of the principal amount to be redeemed, plus accrued interest to the redemption date.

**Purpose:** Proceeds of the Bonds will be used towards (1) the construction, renovation, and improvements to the facilities of the New Horizon school operated by the Intermediate Unit (as Operating Agent); and (2) pay the costs and expenses of issuance of the Bonds.

**Security:** The Bonds are direct obligations of the Intermediate Unit, payable solely from the revenues (excluding restricted revenues) of the Intermediate Unit. The Intermediate Unit has covenanted that it will provide in its budget in each year, and will appropriate in each such year, the amount necessary to pay debt service on the Bonds for such year and will duly and punctually pay or cause to be paid the principal of every Bond and the interest thereon at the dates and places and in the manner stated in the Bonds, and for such budgeting, appropriation and payment, the Intermediate Unit irrevocably has pledged its full faith and credit.

The Bonds are not obligations of the Member Districts (as herein defined). Neither the credit nor the taxing power of the Commonwealth of Pennsylvania (the "Commonwealth") or any of the Member Districts are pledged for the payment of the principal of, the interest on, or the premium, if any, payable upon the redemption of the Bonds. The Bonds shall not be deemed to be an obligation of said Commonwealth or any of the Member Districts nor shall said Commonwealth or any of the Member Districts be liable for the payment of the principal of, the interest on, or the premium, if any, payable upon the redemption of, the Bonds. The Intermediate Unit has no taxing power.

**Bond Insurance:** The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"). (See "Bond Insurance" herein).



#### MATURITIES, AMOUNTS, RATES AND PRICES [As shown on inside cover]

The Bonds are offered when, as and if issued, subject to withdrawal or modification of the offer without notice, and subject to the approving legal opinion of John F. Salopek Esquire, Bond Counsel, of Ambridge, Pennsylvania, to be furnished upon delivery of the Bonds. Certain other matters will be passed upon for the Intermediate Unit by Alfred L. Steff Jr., Beaver, Pennsylvania, Intermediate Unit Solicitor, and for the Underwriter by Dinsmore & Shohl LLP, Pittsburgh, Pennsylvania, Underwriter's Counsel. It is expected that the Bonds will be available for delivery in New York, New York, on or about \_\_\_\_\_, 2026.

# STIFEL

\* Preliminary, subject to change.

**\$8,000,000\***  
**Beaver Valley Intermediate Unit**  
**(Beaver County, Pennsylvania)**  
**Educational Facility Revenue Bonds, Series of 2026**

**Dated:** Date of Delivery  
**Interest Due:** June 1 and December 1

**Principal Due:** June 1, as shown below  
**First Interest Payment:** December 1, 2026

**BOND MATURITY SCHEDULE:**

[PLACEHOLDER]

<sup>(1)</sup>These Committee on Uniform Securities Identification Procedures numbers have been assigned by an organization not affiliated with the Intermediate Unit or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the Intermediate Unit nor the Underwriter have agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

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\*Preliminary, subject to change

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\* Preliminary, subject to change.

**Beaver Valley Intermediate Unit  
(Beaver County, Pennsylvania)**

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<b>BOARD OF DIRECTORS</b>			
<b>Name</b>	<b>Title</b>	<b>Member School District</b>	<b>I.U. Term</b>
Mr. Ronald Miller	President	Big Beaver Falls	2026
Mr. Gerald Inman	Vice-President	Freedom Area	2027
Mr. Anthony D'Itri	Treasurer	Midland Borough	2026
Mr. Thomas Mowad	Secretary	Central Valley	2028
Ms. Sandra Gill	Member	Aliquippa	2026
Mrs. Kelly Romasco	Member	Ambridge Area	2028
Mrs. Robin Thompson	Member	Beaver Area	2027
Mr. Adam VanZalinge	Member	Blackhawk	2028
Mr. Anissa Klesser	Member	Hopewell Area	2027
Mrs. Christeen Ceratti	Member	New Brighton Area	2028
Mrs. Kathie Marino	Member	South Side Area	2026
Mr. Michael Hunter	Member	Riverside Beaver County	2026
Mr. Lawrence Blackwell	Member	Rochester Area	2027
Mrs. Madeline Hanes	Member	Western Beaver County	2026
Attorney Alfred L. Steff, Jr.	Solicitor		

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**ADMINISTRATION**

Dr. Eric Rosendale	Executive Director
Michelle McKinley	Director of Curriculum Services
Terri Johnson	Business Manager
Melissa Niedbala	Director of Special Education
John Sanderbeck	Director of Technology

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**SOLICITOR**

ALFRED L. STEFF JR.  
Beaver, Pennsylvania

**BOND COUNSEL**

JOHN F. SALOPEK, ESQUIRE  
Ambridge, Pennsylvania

**UNDERWRITER**

STIFEL, NICOLAUS & COMPANY, INCORPORATED  
Pittsburgh, Pennsylvania

**UNDERWRITER'S COUNSEL**

DINSMORE & SHOHL LLP  
Pittsburgh, Pennsylvania

**PAYING AGENT**

ZIONS BANCORPORATION, NATIONAL ASSOCIATION  
Pittsburgh, Pennsylvania

**ADDRESS**

147 Poplar Avenue  
Monaca, Pennsylvania 15061

No dealer, broker, salesperson or other person has been authorized by the Intermediate Unit or the Underwriter to give any information or to make any representations, other than those contained in this Preliminary Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Intermediate Unit and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter or, as to information from other sources, by the Intermediate Unit. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof or the earliest date as of which said information is given.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER HEREOF MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER WITHOUT PRIOR NOTICE.

THE ORDER AND PLACEMENT OF THE MATERIALS IN THIS PRELIMINARY OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS PRELIMINARY OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE PRELIMINARY OFFICIAL STATEMENT.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS PRELIMINARY OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS PRELIMINARY OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THIS PRELIMINARY OFFICIAL STATEMENT IS SUBMITTED IN CONNECTION WITH THE SALE OF THE SECURITIES REFERRED TO HEREIN, AND MAY NOT BE REPRODUCED OR BE USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE. NEITHER THE DELIVERY OF THIS PRELIMINARY OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES AT ANY TIME IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

Neither the Intermediate Unit's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the forecasted information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the forecasted information.

If and when included in this Preliminary Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements, such as the Intermediate Unit's current budget, and any such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the revenues and obligations of the Intermediate Unit include, among others, changes in economic conditions, mandates from other governments and various other events, conditions and circumstances, many of which are beyond the control of the Intermediate Unit. Such forward-looking statements speak only as of the date of this Preliminary Official Statement. The Intermediate Unit disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Intermediate Unit's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The Intermediate Unit does not generally publish its business plans and strategies or make external disclosures of its anticipated financial position or results of operations. Accordingly, the Intermediate Unit does not intend to update or otherwise revise the forecasted financial information to reflect circumstances existing since its preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error. Furthermore, the Intermediate Unit does not intend to update or revise the forecasted financial information to reflect changes in general economic or industry conditions.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information BAM, supplied by BAM and presented under the heading "Bond Insurance" and "Appendix C – Specimen Municipal Bond Insurance Policy".

## SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained in this Official Statement. No person is authorized to detach this **SUMMARY STATEMENT** from this Official Statement or otherwise use it without the entire Official Statement.

<b>Issuer</b> .....	Beaver Valley Intermediate Unit, Beaver County, Pennsylvania (the "Intermediate Unit").
<b>The Bonds</b>	Educational Facility Revenue Bonds, Series of 2026 (the "Bonds"), in the aggregate principal amount of \$8,000,000*. The Bonds are initially dated the Date of Delivery. Interest on the Bonds will begin to accrue on the Date of Delivery, and is payable initially on December 1, 2026, and on each June 1 and December 1 thereafter. (See " <b>THE BONDS</b> " herein.)
<b>Redemption Provisions</b> .....	The Bonds are subject to redemption prior to maturity as set forth herein. (See " <b>REDEMPTION OF BONDS</b> " herein.)
<b>Form of Bonds</b> .....	Book-entry form only.
<b>Purpose of the Issue</b>	Proceeds of the Bonds will be used towards (1) the construction, renovation, and improvements to the facilities of the New Horizon school operated by the Intermediate Unit (as Operating Agent); and (2) pay the costs and expenses of issuance of the Bonds. (See " <b>PURPOSE OF THE ISSUE</b> " and " <b>SOURCES AND USES OF FUNDS</b> " herein.)
<b>Security for the Bonds</b>	The Bonds are direct obligations of the Intermediate Unit, from its revenues (excluding restricted revenues) of the Intermediate Unit. The Intermediate Unit has covenanted that it will provide in its budget in each year, and will appropriate in each such year, the amount necessary to pay debt service on the Bonds for such year and will duly and punctually pay or cause to be paid the principal of every Bond and the interest thereon at the dates and places and in the manner stated in the Bonds, and for such budgeting, appropriation and payment, the Intermediate Unit irrevocably has pledged its full faith and credit. (See " <b>SECURITY</b> " including the description of the Taxpayer Relief Act and other legislation described herein.)
<b>Credit Enhancement</b> .....	The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by BAM (See " <b>BOND INSURANCE</b> " herein.)
<b>Rating</b> .....	The Bonds are expected to receive a credit rating of "A2" from Moody's Investor's Service, New York, New York, with the understanding that the above-described municipal bond insurance policy will be issued at the time of settlement of the Bonds. (See " <b>RATING</b> " herein.)
<b>Continuing Disclosure Undertaking</b> .....	The Intermediate Unit has agreed to provide, or cause to be provided, in a timely manner, certain information in accordance with the requirements of Rule 15c2-12, as promulgated under the Securities and Exchange Act of 1934, as amended and interpreted (the "Rule"). (See " <b>CONTINUING DISCLOSURE UNDERTAKING</b> " herein.)

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## **PRELIMINARY OFFICIAL STATEMENT**

**\$8,000,000\***

### **Beaver Valley Intermediate Unit (Beaver County, Pennsylvania) Educational Facility Revenue Bonds, Series of 2026**

#### **INTRODUCTION**

This Official Statement, including the Cover Page hereof and the Appendices hereto, is furnished in connection with the offering by the Beaver Valley Intermediate Unit (the "Intermediate Unit") of \$8,000,000\* aggregate principal amount, of its Educational Facility Revenue Bonds, Series of 2026 (the "Bonds"). The Bonds are authorized to be issued pursuant to the provisions of the Pennsylvania Local Government Unit Debt Act, 53 Pa. C.S.A. §8001 et seq., as amended (the "Act"), and are described in, and are being issued pursuant to the provisions of, a Resolution of the Board of Directors of the Intermediate Unit duly adopted on January 28, 2026 (the "Resolution").

The Bonds shall be issued in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2026. Interest on any Bond is payable by check mailed to the registered owner at the address as it appears on the registration books on the appropriate Record Date, as defined herein. The principal of the Bonds is payable at the corporate trust office of Zions Bancorporation, National Association in Pittsburgh, Pennsylvania (the "Paying Agent"). The Bonds are only transferable on the registration books maintained by the Paying Agent upon presentation and surrender thereof (see "Description of the Bonds" herein).

When issued, the Bonds will be registered in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"), New York, New York. Purchasers of the Bonds (the "Beneficial Owners") will not receive any physical delivery of bond certificates and beneficial ownership of the Bonds will be evidenced only by book entries. See "BOOK-ENTRY ONLY SYSTEM" herein.

The information which follows contains summaries of the Resolution, the Intermediate Unit's Budget and the Intermediate Unit's Financial Statements. Such summaries do not purport to be complete and reference is made to the Resolution, the Intermediate Unit's Budget and the Intermediate Unit's Financial Statements, copies of which are on file and available for examination at the offices of the Intermediate Unit.

The Intermediate Unit is one of 29 regional educational service agencies established in 1971 by legislation of the Commonwealth. The Beaver Valley Intermediate Unit is comprised of each one of the 14 school districts located in Beaver County, (termed "component school districts" in the parlance of the School Code, but referred to herein, collectively, as the "Member Districts").

The Bonds are direct obligations of the Intermediate Unit from its revenues (excluding restricted revenues) of the Intermediate Unit. The Intermediate Unit has no taxing power. The Bonds are not obligations of the Member Districts. Neither the credit nor the taxing power of the Commonwealth of Pennsylvania (the "Commonwealth") or any of the Member Districts are pledged for the payment of the principal of, the interest on, or the premium, if any, payable upon the redemption of the Bonds. The Bonds shall not be deemed to be an obligation of said Commonwealth or any of the Member Districts; nor shall said Commonwealth or any of the Member Districts be liable for the payment of the principal of, the interest on, or the premium, if any, payable upon the redemption of the Bonds. The Bonds will be issued in accordance with the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), including the Act.

Neither the delivery of the Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create an implication that there have been no changes in the affairs of the Intermediate Unit, or in the communities or areas within the Intermediate Unit, since the date of the Official Statement, or the date as of which certain information contained herein is given, if earlier.

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\* Preliminary, subject to change.

**The Project and Purpose of the Bond Issue**

The Beaver County Special School Authority (the "Authority") was incorporated in 1972 by the Beaver Area School District for the purpose of acquiring, holding, constructing, improving, maintaining, owning, operating and leasing of public school buildings and other public school projects for public school purposes pertaining to exceptional children. On February 24, 2026, the term of existence of the Authority was extended to September 21, 2072. The New Horizon School Building was first placed into service for the 1973 school year and has been in service for the special needs students of the school districts of Beaver County. The Authority, through a long-term lease (the "Lease"), gave the authority to the BVIU, as the operating agent, and the Beaver County Joint School Board as the authorizing agent, for the operation and maintenance of the building to provide the special education services required for Beaver County special education students pursuant to the laws, rules and regulations of the United States and Commonwealth Departments of Education, specifically including the federal Individuals with Disabilities Education Act (IDEA). Pursuant to the lease, with the prior approval of the member school districts through the Joint School Board, the BVIU, as the operating agent, may undertake approved construction projects, including grading, leveling and filling of land, removal of trees and shrubs, installing roadways, and walkways and installing utilities, provided that the foregoing serve the improvements erected on the leased premises; the cost of all such projects as approved by the member school districts through the Joint School Board shall be borne by the member school districts through the Joint School Board on the basis of the then current STEM Market Value share of each member school district.

The New Horizon School is presently unusable due to its need for remediation of mold and asbestos. To fund the Costs of the Project, the BVIU will seek to pursue all possible grants, awards or other financial assistance from the Commonwealth and Federal governments to help defray the cost of the Project, and will issue the Bonds to cover any costs of the Project not paid for through grants and awards. The Joint School Board approved by a vote of 13 districts approving and one dissenting which included 109 out of 126 Directors adopting resolutions approving the BVIU, as operating agent, to issue the Bonds with the understanding that the annual cost of the debt service will become part of each District's contribution to the cost of operation of the New Horizon School Building.

Proceeds of the Bonds, along with equity contributions from some of the member school districts, will be used towards the construction, renovation, and improvements to the facilities of the New Horizon School Building operated by the Intermediate Unit as Operating Agent under the Lease and pay the costs and expenses of issuance of the Bonds.

**Sources and Uses of Bond Proceeds**

The following is a summary of the sources and uses of the proceeds from the issuance of the Bonds.

<b><u>SOURCE OF FUNDS</u></b>	<b><u>Total</u></b>
Bond Proceeds	\$8,000,000.00*
School District's Cash Contribution	7,000,000.00
Net Original Issue Premium/Discount	
Total Source of Funds	\$
<b><u>USE OF FUNDS</u></b>	
Project Fund Deposit	\$
Cost of Issuance <sup>(1)</sup>	
Total Use of Funds	\$

<sup>(1)</sup> Includes legal, printing, rating, underwriter's discount, municipal bond insurance, CUSIP, paying agent, and other miscellaneous costs.

\*Preliminary, subject to change

**THE BONDS**

**Description**

The Bonds will be issued in registered form, without coupons, in denominations of \$5,000 principal amount and integral multiples thereof, will be in the aggregate principal amount of \$8,000,000\* and will be dated the date of delivery, which is also the date upon which interest begins to accrue. The Bonds will bear interest in

the rates and mature in the amounts and on the dates set forth on the inside front cover of this Preliminary Official Statement. Interest on each of the Bonds will be payable initially on December 1, 2026, and thereafter, semiannually on June 1 and December 1 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for.

*When issued, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York. Purchasers of the Bonds (the “Beneficial Owners”) will not receive any physical delivery of bond certificates, and beneficial ownership of the Bonds will be evidenced only by book entries. See “BOOK – ENTRY ONLY SYSTEM” herein.*

### **Payment of Principal and Interest**

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of, redemption premium, if any, and interest on the Bonds, when due, are to be made to DTC, and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the BVIU with respect to, and to the extent of, principal, redemption premium, if any, and interest so paid. If the use of the Book-Entry Only System for the Bonds is discontinued for any reason, bond certificates will be issued to the Beneficial Owners of the Bonds and payment of principal, redemption premium, if any, and interest on the Bonds shall be made as described in the following paragraphs:*

The principal of certificated Bonds, when due upon maturity or upon any earlier redemption, will be paid to the registered owners of such Bonds, or registered assigns, upon surrender of such Bonds to Zions Bancorporation, National Association (the “Paying Agent”), acting as paying agent and sinking fund depository for the Bonds, at its specified corporate trust office (or to any successor paying agent or alternate designated office(s)).

Interest will be payable to the registered owner of a Bond from the interest payment date next preceding the date of registration and authentication of such Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding December 1, 2026, in which event such Bond shall bear interest from \_\_\_\_\_, 2026 or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond. Interest on each certificated Bond will be payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth calendar day of the month (whether or not a day on which the Paying Agent is open for business) next preceding each interest payment date (the “Record Date”), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date, unless the BVIU shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such certificated Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of such Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names such Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

If the date for payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania (the “Commonwealth”) are authorized or required by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

### **Transfer, Exchange and Registration of Bonds**

Subject to the provisions described below under “**BOOK-ENTRY ONLY SYSTEM**,” certificated Bonds are transferable or exchangeable upon surrender of such Bonds to the Paying Agent, accompanied by a written

instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of such Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of certificated Bonds in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same series, maturity date and interest rate for the aggregate principal amount which the registered owner is entitled to receive. The BVIU and the Paying Agent may deem and treat the registered owner of such Bond as the absolute owner thereof (whether or not a Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the BVIU and the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity date and interest rate.

The BVIU and the Paying Agent shall not be required (a) to register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15<sup>th</sup>) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed or (b) to register the transfer of or exchange any portion of any Bond selected for redemption until after the redemption date. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity and interest rate.

### **BOOK-ENTRY-ONLY SYSTEM**

***The information in this section has been provided by The Depository Trust Company, New York, New York ("DTC") and is not deemed to be a representation of the BVIU or the Underwriter.***

DTC, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, respectively, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the

books of Direct and Indirect Participants acting on behalf of Beneficial Owners. **Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.**

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the BVIU as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from BVIU or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as if the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or BVIU, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of BVIU or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the BVIU or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The BVIU may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the BVIU believes to be reliable, but the BVIU takes no responsibility for the accuracy thereof.

#### **Disclaimer of Liability for Failures of DTC**

The Intermediate Unit and the Underwriter cannot and do not give any assurances that DTC, the Direct and Indirect Participants or others will distribute payments of principal, interest or premium with respect to the

Bonds paid to DTC or its nominee as the owner of Bonds, or will distribute any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The BVIU and the Underwriter are not responsible or liable for the failure of DTC or any Participant to make any payment or give any notice to a Beneficial Owner with respect to the Bonds, or any error or delay relating thereto.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondholders or registered owners of the Bonds (other than under the caption "**TAX MATTERS**") shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds. Payments made by the paying agent to DTC or its nominee shall satisfy the BVIU's obligations with respect to the Bonds to the extent of such payments.

### **Discontinuance of Book-Entry-Only System**

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the BVIU and the Paying Agent. In addition, BVIU may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Under either of such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered, and the following provisions will apply: (i) principal or redemption price of the Bonds will be payable upon surrender of the Bonds at the designated corporate trust office of the Paying Agent; (ii) Bonds may be transferred or exchanged for other Bonds of authorized denominations at the designated office of the Paying Agent of the Bonds, without cost to the owner thereof except for any tax or other governmental charge; and (iii) Bonds will be issued in denominations as described above under "**THE BONDS**".

## **BOND INSURANCE**

### **Bond Insurance Policy**

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **Build America Mutual Assurance Company**

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27<sup>th</sup> Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.bambonds.com](http://www.bambonds.com).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may

have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

#### *Capitalization of BAM*

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2025 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$514.1 million, \$290 million and \$224 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at [www.bambonds.com](http://www.bambonds.com), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

#### *Additional Information Available from BAM*

**Credit Insights Videos.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Credit Profiles.** Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Disclaimers.** The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

## BOND INSURANCE RISK FACTORS

In the event of a default in the payment of principal or interest with respect to the Bonds when any such payment becomes due, any owner of the Bonds shall have a claim under the applicable Municipal Bond Insurance Policy (the "Policy") for such payment. However, in the event of any acceleration of the due date of such principal resulting from any default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, any payments to be made pursuant to the Policy will be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. In addition, the Policy does not insure the payment of any redemption premium.

Under most circumstances, any default in the payment of principal and interest does not accelerate the obligations of the Bond Insurer without its consent. The Bond Insurer may direct, and must consent to, any remedies that a trustee might exercise following such a default and the Bond Insurer's consent may be required in connection with amendments to the Resolution in those circumstances.

In the event that the Bond Insurer is unable to make any payments of principal and interest as such payments become due under the Policy, the Bonds will be payable solely from the money received by the Paying Agent pursuant to the Resolution. In the event that the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors that could change over time. No assurance is given that the long-term ratings of the Bond Insurer and, therefore, the ratings on the Bonds insured, will not be subject to downgrade, and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "**RATING**" herein.

The obligations of the Bond Insurer under the Policy are general obligations of the Bond Insurer and, upon an event of default by the Bond Insurer, the remedies available to a trustee may be limited by applicable bankruptcy law or other similar laws related to the insolvency of entities like the Bond Insurer.

**NEITHER THE INTERMEDIATE UNIT, NOR THE UNDERWRITER, HAS MADE AN INDEPENDENT INVESTIGATION INTO THE CLAIMS PAYING ABILITY OF THE BOND INSURER AND NO ASSURANCE OR REPRESENTATION REGARDING THE FINANCIAL STRENGTH OR PROJECTED FINANCIAL STRENGTH OF THE BOND INSURER IS GIVEN. THUS, WHEN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS SHOULD CAREFULLY CONSIDER THE ABILITY OF THE INTERMEDIATE UNIT TO PAY PRINCIPAL AND INTEREST ON THE BONDS AND THE CLAIMS PAYING ABILITY OF THE BOND INSURER, PARTICULARLY OVER THE LIFE OF THE INVESTMENT. SEE "BOND INSURANCE" HEREIN FOR FURTHER INFORMATION PROVIDED BY THE BOND INSURER WITH RESPECT TO ITSELF AND THE POLICY, WHICH INCLUDES FURTHER INSTRUCTIONS FOR OBTAINING CURRENT FINANCIAL INFORMATION CONCERNING THE BOND INSURER.**

## REDEMPTION OF BONDS

### Optional Redemption

The Bonds stated to mature on or after June 1, \_\_\_\_ are subject to redemption prior to maturity, at the option of the Intermediate Unit, as a whole or, from time to time, in part, (and if in part, in such maturity or maturities as the Intermediate Unit shall select for redemption and within a maturity by lot), on \_\_\_\_\_, or on any date thereafter, upon payment of a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. If less than all Bonds of any maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.

### Mandatory Redemption

The Bonds maturing on June 1, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ are subject to mandatory redemption by the Intermediate Unit in part, by lot, at a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption, on June 1, in the years and in amounts set forth below:

## Bonds stated to mature June 1

<u>                    </u>	<u>Principal Amount</u>	<u>                    </u>	<u>Principal Amount</u>	<u>                    </u>	<u>Principal Amount</u>
<u>Redemption Date</u>	<u>to be Redeemed</u>	<u>Redemption Date</u>	<u>to be Redeemed</u>	<u>Redemption Date</u>	<u>to be Redeemed</u>

\* Stated Maturity

### Notice of Redemption

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, the Intermediate Unit and the Paying Agent shall send redemption notices only to Cede & Co. See "BOOK-ENTRY ONLY SYSTEM" herein for further information regarding conveyance of notices to Beneficial Owners.*

If at time of mailing of a notice of redemption the Intermediate Unit shall not have deposited with the Paying Agent (or, in the case of a refunding, with another bank or depository acting as refunding escrow agent) money sufficient to redeem all Bonds called for redemption, the notice of redemption may state that it is conditional, *i.e.*, that it is subject to the deposit of sufficient redemption money with the Paying Agent not later than the opening of business on the redemption date, and such notice shall be of no effect unless such money is so deposited.

Notice of any redemption shall be given not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption addressed to each of the registered owners of Bonds to be redeemed, in whole or in part, at the addresses shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption as to which proper notice has been given.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Resolution, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

### Manner of Redemption

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payment of the redemption price shall be made to Cede & Co. in accordance with the existing arrangements by and among the Intermediate Unit, the Paying Agent and DTC and, if less than all Bonds of any particular maturity are to be redeemed, the amount of the interest of each DTC Participant, Indirect Participant and Beneficial Owner in such Bonds to be redeemed shall be determined by the governing arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY ONLY SYSTEM" herein for further information regarding redemption of Bonds registered in the name of Cede & Co.*

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, a Bond shall be treated as representing the number of Bonds that is equal to the principal amount thereof divided by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the case of partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for a Bond or Bonds of authorized denominations of the same series, maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of the principal, premium, if any, and interest upon such redemption shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized

or required to close, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

## **SECURITY**

### **Sources of Payment of the Bonds**

The Bonds are direct obligations of the Intermediate Unit, payable from its revenues (excluding restricted revenues). A portion of such revenues arise as payments for educational services under the approved Program of Services of the Intermediate Unit. Although the Member Districts may choose not to participate in particular portions of the approved Program of Services, all Member Districts are required to provide a share of payments to support the Program of Services, unless otherwise excepted by the Board of Directors of the Intermediate Unit. See also "APPENDIX A- THE INTERMEDIATE UNIT- Program of Services" herein. In addition, certain school districts which are members of the Intermediate Unit may contract for specialized services not included in the approved Program of Services, and non-public schools may likewise contract for any or all such services. No absolute assurance can be given regarding the scope and nature of any Program of Services which may be adopted by the Board of Directors of the Intermediate Unit for ensuing school years, nor how such program and budget would affect the revenues of the Intermediate Unit.

The Intermediate Unit has pledged the full faith and credit of the Intermediate Unit for the punctual payment of the principal of and interest on the Bonds, when due, along with any additional bonds or indebtedness authorized to be issued under the Pledge Certificate.

Neither the credit nor the taxing power of the Commonwealth of Pennsylvania (the "Commonwealth") or any of the Member Districts are pledged for the payment of the principal of, the interest on, or the premium, if any, payable upon the redemption of, the Bonds. The Bonds shall not be deemed to be an obligation of said Commonwealth or any of the Member Districts; nor shall said Commonwealth or any of the Member Districts be liable for the payment of the principal of, the interest on, or the premium, if any, payable upon the redemption of the Bonds. The Intermediate Unit has no taxing power.

### **Actions in the Event of Default**

In the event the Intermediate Unit defaults in the payment of the principal of or the interest on any of the Bonds after the same shall become due, whether at the stated maturity or upon call for prior redemption, and such default shall continue for thirty days, or if the Intermediate Unit fails to comply with any provision of the Bonds or the Resolution, the Act provides that the holders of 25% in aggregate principal amount of the Bonds then outstanding may, upon appropriate action, appoint a trustee (who may be the Paying Agent) to represent the Bondholders. The trustee may, and upon request of the holders of 25% in principal amount of the Bonds then outstanding, and upon being provided with indemnity satisfactory to it, shall take such action on behalf of the Bondholders as is more specifically set forth in the Act. Such representation by the trustee shall be exclusive.

The Resolution defines certain other financial and operational circumstances as events of default, in addition to the above-described payment defaults, and specific remedies in such cases.

### **Sinking Fund**

In the Resolution, the Intermediate Unit has set forth that a sinking fund, designated as the "Sinking Fund, Educational Facility Revenue Bonds, Series of 2026" (the "Sinking Fund"), shall be established and maintained with the Paying Agent, as sinking fund depository (in such capacity, the "Sinking Fund Depository") and segregated from all other funds of the Intermediate Unit. The Intermediate Unit shall deposit in the Sinking Fund, not later than the date when principal or interest is to become due on the Bonds, an amount sufficient to provide for the payment of interest and principal becoming due on the Bonds.

The Sinking Fund shall be held by the Paying Agent and separately invested by the Paying Agent in such securities or shall be deposited in such deposit accounts as are authorized by the Act, upon direction of the Intermediate Unit. Such deposits and securities shall be in the name of the Intermediate Unit but subject

to withdrawal or collection only by the Paying Agent, and such deposits and securities, together with the interest thereon, shall be a part of the Sinking Fund.

The Paying Agent is authorized and directed to pay from the Sinking Fund the principal of and interest on the Bonds when due and payable.

## **INTERMEDIATE UNITS IN THE COMMONWEALTH OF PENNSYLVANIA**

### **Origination**

Act No. 1970-102, adopted by the General Assembly of the Commonwealth of Pennsylvania on May 4, 1970, as an amendment of the Public School Code of 1949, as amended (the "School Code"), states, in relevant part, "Each school district of the Commonwealth shall be assigned to an intermediate unit and shall be entitled to the services of an intermediate unit in accordance with a program of services adopted by the intermediate unit board of directors... Intermediate units shall be part of the public school system of (the) Commonwealth, and shall become operative on July 1, 1971."

### **Statement of Purpose**

An intermediate unit is more descriptively known as an educational service agency. The primary function of an intermediate unit is to plan and coordinate those educational services accomplished more effectively and more efficiently when school districts work collectively as opposed to individually. An intermediate unit receives its direction from Member School Districts and provides those services that are requested by Member school districts. As an intermediary between the Pennsylvania Department of Education ("PDE") and local districts, an intermediate unit has a liaison function with other agencies, i.e., PDE, professional associations and local agencies.

All school districts in the Commonwealth are assigned to one of the state's twenty-nine intermediate units based on criteria such as:

- the ability of the unit to provide adequate basic services,
- geographic proximity and ease of travel within the unit, and
- the number of public school children in kindergarten through grade twelve.

### **Organization**

The standard intermediate unit board of directors consists of thirteen members. However, in intermediate units having more than thirteen component school districts, and if approved by the intermediate unit's Board of Directors, each school district may have one director on the intermediate unit board, up to a maximum of twenty-two members.

The Intermediate Unit Board of Directors is composed of board members elected from among the boards of school directors of the member school districts located in Beaver County. School directors elected to the Intermediate Unit Board serve three-year staggered terms.

The Intermediate Unit Board of Directors is the policymaking body of the Intermediate Unit. Its powers and duties include:

- a) Appointment of an executive director and determination of compensation;
- b) Appointment of assistant executive directors, upon recommendation of the executive director, and determinations of compensation;
- c) Adoption of a Program of Services;
- d) Adoption and advertisement of the general operating budget of the Intermediate Unit;
- e) Submission of the annual general operating budget to the boards of school directors of the Intermediate Unit's component school districts for their approval; and

- f) Provision and administration of programs of services authorized by the State Board of Education, including services performed under contract with component school districts.

The Intermediate Unit staff prepares an annual general operating budget, which reflects payments from the Commonwealth and other revenue sources, including interest income, and identifies the total amount required from the component school districts to fund expenditures not covered by Commonwealth appropriations.

The Intermediate Unit Board of Directors must approve the proposed budget. After approval, the general operating budget must be advertised and approved through:

- a) Approval by a majority of the boards of school directors of the component school districts, and
- b) Approval by a majority of the proportionate votes of all school directors of the component school districts. Both actions must occur on or before May 1.

The general operating budget must also be submitted to the Commonwealth for approval by May 1, including the proposed Program of Services for the upcoming school year. By January 1, the Commonwealth transmits to the Intermediate Unit the subsidies withheld from school districts to cover the amount by which the approved budget exceeds Commonwealth allocations.

### **Program of Services**

Each year, in conjunction with the adoption of its budget, the Intermediate Unit approves a Program of Services. Although Member Districts may choose not to participate in particular portions of the approved Program of Services, all Member Districts are required to provide a share of payments to support the Program of Services, unless otherwise excepted by the Board of Directors of the Intermediate Unit. See also "APPENDIX A- THE INTERMEDIATE UNIT- Program of Services" herein. In addition, Member Districts may contract for specialized services not included in the approved Program of Services, and non-public schools may likewise contract for any or all such services. No absolute assurance can be given regarding the scope and nature of any Program of Services which may be adopted by the Board of Directors of the Intermediate Unit for ensuing school years, nor how such program and budget would affect the revenues of the Intermediate Unit.

### **Commonwealth Support for Special Education Programs**

Until the 1991-92 school year, intermediate units, including the Intermediate Unit, received funding for the full cost of providing special education through a combination of district, state, and federal funds. Pennsylvania was the only state that funded 100% of the "excess costs" of educating children with disabilities.

Act 25 of 1991 replaced the "excess cost" model with a formula based on average daily membership (ADM). The majority of special education funds are now allocated directly to local school districts, based on the number of students and their cost categories.

Under this system, intermediate units-including the Intermediate Unit receive 5.5% of the total state special education appropriation, intended to support core administrative services.

The General Operating Budget is adopted through a multi-step process: The intermediate unit administrative staff prepares a proposed budget for presentation to the intermediate unit's board. After preliminary approval by the intermediate unit's board, the budget is sent to the individual school district board members for action. Once approved by a majority of the Member School District boards, the intermediate unit board then considers the budget for final adoption. Annual increases or decreases to the Intermediate Unit budget are determined by the needs of the Intermediate Unit to service its Member School Districts.

Intermediate units account for their operations under a number of fund types and account groups. The most common are: General Fund, Special Education Fund, Special Education Transportation Fund, State Funded Early Intervention Fund and Institutionalized Children.

## School District Pro Rata Payments

When the approved Intermediate Unit budget exceeds the Commonwealth allocation, each component school district must contribute a pro rata share of the excess amount.

The Intermediate Unit executive director calculates each district's share by:

- a. Determining a weight factor for each district by multiplying its weighted average daily membership (WADM) by the difference between 1,000 and its aid ratio;
- b. Determining the value per weight factor by dividing the excess budget amount by the total weight factors of all component districts; and
- c. Multiplying the district's weight factor by the value per weight factor to determine its required contribution.

Payments due from component school districts are withheld from state subsidies during November and transmitted by the Commonwealth to the Intermediate Unit no later than January 1 of each year.

## THE BEAVER VALLEY INTERMEDIATE UNIT

### Administration

The Beaver Valley Intermediate Unit is governed by a Board of Directors consisting of representatives elected from the boards of school directors of its Member Districts. Directors serve three-year staggered terms, consistent with the statutory framework available to intermediate units in Pennsylvania.

The Executive Director serves as the chief administrative and executive officer of the Intermediate Unit and is appointed by the Board of Directors. The Executive Director oversees all programs, operations, and services of the Intermediate Unit.

	<b>Services Provided</b>				
	<b><u>2020-21</u></b>	<b><u>2021-22</u></b>	<b><u>2022-23</u></b>	<b><u>2023-24</u></b>	<b><u>2024-25</u></b>
<b><u>Early Childhood:</u></b>	-	733	855	970	1,039
<b><u>School Age Students:</u></b>					
Act 89	640	604	672	777	654
Special Education – New Horizon School	164	153	195	210	192
Special Education – New Horizon North	-	-	-	22	53
ESL Students	130	133	80	91	83
<b>TOTAL</b>	<b>934</b>	<b>1,623</b>	<b>1,802</b>	<b>2,070</b>	<b>2,021</b>

### Annual Budget Development

The Intermediate Unit is required by law to adopt an annual budget for the Governmental Fund Types. The Intermediate Unit's Board of Directors approves, at the beginning of each year, the annual budgets on the modified accrual basis of accounting for each of the individual programs within the Governmental Fund types. The Board of Directors may amend a budget during the fiscal year for which the budget was adopted as long as the amendment does not result in expenditures exceeding available resources. The budget data reflected in the combined financial statements includes the effect of such approved budget amendments and, for comparative purposes, the actual amounts have also been presented. The level of control over expenditures is exercised by individual programs within each fund with consideration of available resources. Budget to actual information on a program basis is maintained in the finance office.

## **Explanation of Financial Structure**

BVIU prepares its financial statements and budgets according to accounting principles generally accepted in the United States of America. In accordance with these principles, all governmental fund type budgets are prepared on the modified accrual basis of accounting.

The Board of Directors has the oversight responsibility of BVIU. The criteria for such oversight responsibility are financial interdependency, selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters. There were no additional entities required to be included in the reporting entity under the criteria in the current fiscal year. Furthermore, BVIU is not included as a component unit in any other reporting entity on the basis of such criteria.

## **Basis of Accounting**

The Intermediate Unit's financial statements have been prepared in accordance with Governmental Accounting Standards Board Statement No. 34, and present both entity-wide and fund-type reports using both the accrual and modified accrual basis of accounting, respectively.

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

The financial statements of the governmental fund types are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the related fund liability is incurred if measurable.

Revenues from local sources consist primarily of payments for services provided to other local governmental units and are recognized when susceptible to accrual. Revenues received from the Commonwealth are also recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash, because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

The firm of Mark C. Turnley of New Brighton, Pennsylvania, serves as the Intermediate Unit's auditor.

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**Table 1**  
**Beaver Valley Intermediate Unit**

**SUMMARY OF COMPARATIVE TOTAL GOVERNMENTAL BALANCE SHEET**

<b>ASSETS</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Cash and Cash Equivalents	\$ 7,056,500	\$ 3,415,633	\$ 5,443,869	\$ 1,727,276	\$ 5,625,824
Investments	-	-	-	-	740,001
Other Receivables	6,697,923	477,056	22,579	4,062,019	11,773
Due from Other Funds	25,387	26,258	26,454	18,785	81,492
Prepaid Expenses	-	-	32	24,860	-
Due from Other Governments	2,152,729	3,343,707	3,084,673	3,528,247	3,549,023
<b>TOTAL ASSETS</b>	<b>\$ 15,932,539</b>	<b>\$ 7,262,654</b>	<b>\$ 8,577,607</b>	<b>\$ 9,361,187</b>	<b>\$ 10,008,113</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to Other Funds	\$ -	\$ 26,258	\$ 26,454	\$ 24,860	\$ 81,492
Accounts Payable	452,130	2,175,558	1,725,627	584,354	2,318,722
Accrued Salaries and Benefits	1,671,726	2,236,191	2,455,384	2,887,229	3,318,500
Payroll Deductions and Withholdings	23,914	26,185	29,748	34,044	39,257
Unearned Revenues	266,508	171,319	458,495	561,100	431,346
<b>TOTAL LIABILITIES</b>	<b>\$ 2,414,278</b>	<b>\$ 4,635,511</b>	<b>\$ 4,695,708</b>	<b>\$ 4,091,587</b>	<b>\$ 6,189,317</b>
<b>FUND BALANCES (DEFICIT)</b>					
Committed	\$ 1,562,813	\$ 1,107,758	\$ 1,620,734	\$ 2,101,026	\$ 912,504
Restricted	\$ 38,373	-	-	940	-
Assigned	470,003	460,003	460,003	1,192,803	1,192,803
Unassigned	555,939	1,059,382	1,801,162	1,974,831	1,713,489
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>\$ 2,627,128</b>	<b>\$ 2,627,143</b>	<b>\$ 3,881,899</b>	<b>\$ 5,269,600</b>	<b>\$ 3,818,796</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,041,406</b>	<b>\$ 7,262,654</b>	<b>\$ 8,577,607</b>	<b>\$ 9,361,187</b>	<b>\$ 10,008,113</b>

Source: Intermediate Unit 2021-2025 Annual Audited Financial Reports.

**TABLE 2**

**Beaver Valley Intermediate Unit**

**SUMMARY OF TOTAL GOVERNMENTAL FUNDS REVENUES AND EXPENDITURES**

<b>Revenues</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Local Sources	\$ 7,056,500	\$ 9,869,428	\$ 11,104,700	\$ 14,597,434	\$ 15,023,276
State Sources	6,697,923	7,026,382	8,425,379	9,467,527	10,077,966
Federal Sources	7,883,560	9,928,510	8,967,786	8,491,272	8,539,926
<b>Total Revenues</b>	<b>\$ 21,637,983</b>	<b>\$ 26,824,320</b>	<b>\$ 28,497,865</b>	<b>\$ 32,556,233</b>	<b>\$ 33,641,168</b>
<b>Expenditures</b>					
<b>Instruction</b>					
Regular Programs	\$ 3,469,692	\$ 570,214	\$ 348,258	\$ 486,128	\$ 446,166
Special Programs	9,179,160	12,316,598	13,764,432	16,167,473	18,750,897
Non-Public School Programs	-	863,057	1,367,369	877,176	758,234
<b>Support Services</b>					
Pupil Personnel	-	-	-	39,401	115,495
Instructional Staff	821,908	850,859	748,230	881,589	942,662
Administration	1,531,304	1,819,806	1,983,869	2,284,143	2,655,222
Pupil Health	796,992	996,674	1,301,637	1,611,300	1,840,539
Business	271,822	274,303	289,862	309,386	354,674
Operation and Maintenance of Plant					
Services	1,180,868	792,598	954,338	1,173,870	1,506,146
Student Transportation Services	93,362	156,139	175,290	237,021	306,881
Central	232,925	323,610	599,572	510,336	571,405
Other Support Services	5,057,326	6,773,440	5,519,366	6,152,787	5,833,004
Community Services	-	-	3,301	-	-
<b>Facilities Acquisition, Construction and Improvement</b>					
Capital Outlay	169,050	907,635	12,822	262,234	833,199
<b>Total Expenditures</b>	<b>\$ 22,804,409</b>	<b>\$ 26,644,933</b>	<b>\$ 27,068,346</b>	<b>\$ 30,992,844</b>	<b>\$ 34,914,524</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (1,166,426)</b>	<b>\$ 179,387</b>	<b>\$ 1,429,519</b>	<b>\$ 1,563,389</b>	<b>\$ (1,273,356)</b>
<b>Other Financing Sources (Uses)</b>					
<b>Proceeds from Issuance of Debt</b>	-	-	-	-	-
<b>Bond Premium</b>	-	-	-	-	-
Debt Service	(177,387)	(178,563)	(174,662)	(175,688)	(176,562)
Refund of Prior Year Revenues	-	(809)	(101)	-	(886)
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (177,387)</b>	<b>\$ (179,372)</b>	<b>\$ (174,763)</b>	<b>\$ (175,688)</b>	<b>\$ (177,448)</b>
<b>Net Change in Fund Balances</b>	<b>(1,343,813)</b>	<b>15</b>	<b>1,254,756</b>	<b>1,387,701</b>	<b>(1,450,804)</b>
<b>Fund Balances (Deficit) Beginning of Year</b>	<b>1,999,645</b>	<b>2,627,128</b>	<b>2,627,143</b>	<b>3,881,899</b>	<b>5,269,600</b>
<b>Fund Balances (Deficit) End of Year</b>	<b>\$ 655,832</b>	<b>\$ 2,627,143</b>	<b>\$ 3,881,899</b>	<b>\$ 5,269,600</b>	<b>\$ 3,818,796</b>

Source: Intermediate Unit 2021-2025 Annual Audited Financial Reports.

**TABLE 3**  
**BEAVER COUNTY INTERMEDIATE UNIT GOVERNMENTAL FUND**  
**SUMMARY OF FUND BALANCES\***

<b>Fund Balances</b>	<b>Actual</b>				
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Committed	\$1,077,099	\$1,562,813	\$1,107,758	\$1,620,734	\$2,101,026
Restricted	34,438	38,373	-	-	940
Assigned	470,003	470,003	460,003	460,003	1,192,803
Unassigned	418,104	555,939	1,059,382	1,801,162	1,974,831
<b>Ending Fund Balance</b>	<b>\$1,999,644</b>	<b>\$2,627,128</b>	<b>\$2,627,143</b>	<b>\$3,881,899</b>	<b>\$5,269,600</b>

\*Totals may not add due to rounding.

**TABLE 4**  
**Trend in Assessed Valuation for Beaver County**

<b>Year</b>	<b>Market</b>	<b>Assessed</b>	<b>Ratio</b>
	Value	Value	
2020	9,013,744,703	2,217,258,446	24.60%
2021	9,024,202,476	2,214,543,099	24.54%
2022	9,734,868,560	2,213,525,759	22.74%
2023	9,760,323,758	2,219,055,366	22.74%
2024*	13,763,152,422	15,613,188,680	113.44%

\*County wide reassessment went into effect.

Source: 2020-2024 STEB total assessed valuations for all municipalities within Beaver County.

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**TABLE 5**

**Assessed Valuation by Member School Districts (BVIU)**

<b>Member School District</b>	<b>2023 Assessed Value</b>	<b>2024* Assessed Value</b>
Western Beaver	\$ 69,601,370	\$ 489,864,110
Midland Borough	249,790,367	122,225,420
Freedom Area School District	140,339,377	1,120,356,680
New Brighton Area School District	96,382,257	646,064,620
Aliquippa Area School District	84,544,227	490,223,450
Ambridge Area School District	283,243,278	2,001,777,860
Beaver Area School District	228,374,332	1,783,092,370
Big Beaver Falls Area School District	117,222,022	728,109,990
Blackhawk School District	273,006,216	1,914,512,880
Central Valley School District	304,808,994	2,159,961,910
Hopewell Area School District	249,790,367	1,795,031,990
Riverside Beaver School District	138,919,345	1,052,385,120
Rochester Area School District	71,090,591	435,946,700
South Side Area School District	141,364,975	851,611,180

\*County wide reassessment went into effect during 2024  
Source: Pennsylvania State Tax Equalization Board.

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**TABLE 6**

**Market Value and Aid Ratio Data by Member School District (BVIU)**

<b>Member School District</b>	<b>2023 Market Value</b>	<b>2023 Aid Ratio</b>	<b>2024* Market Value</b>	<b>2024 Aid Ratio</b>
Aliquippa Area School District	28,245,059	79.78%	401,313,437	81.09%
Ambridge Area School District	1,237,987,626	63.13%	2,001,777,860	62.47%
Beaver Area School District	1,127,805,993	56.63%	1,783,092,370	57.06%
Big Beaver Falls Area School District	395,971,574	81.28%	728,109,990	81.68%
Blackhawk School District	1,215,028,621	58.89%	1,914,512,880	59.89%
Central Valley School District	1,427,065,774	49.25%	2,159,961,910	49.66%
Freedom Area School District	686,862,999	58.92%	1,120,356,680	58.78%
Hopewell Area School District	1,115,758,272	59.79%	1,795,031,990	58.92%
Midland Borough	85,886,955	82.63%	122,225,420	82.47%
New Brighton Area School District	386,147,973	77.59%	646,064,620	77.59%
Riverside Beaver School District	665,271,053	61.28%	1,052,385,120	61.87%
Rochester Area School District	240,825,088	74.15%	435,946,700	75.57%
South Side Area School District	593,356,156	51.02%	851,611,180	51.66%
Western Beaver	292,706,729	67.02%	489,864,110	66.88%

\*County wide reassessment went into effect during 2024  
Source: Pennsylvania State Tax Equalization Board.

**Outstanding Intermediate Unit Financing**

The outstanding debt of the Intermediate Unit as of March 26, 2026 is shown below.

	<b>Gross Outstanding</b>
<b>NONELECTORAL DEBT</b>	
Educational Facility Revenue Bonds, Series of 2026 (last maturity 2046) .....	\$8,000,000
Educational Facility Revenue Bonds, Series of 2019 (last maturity 2033).....	<u>\$1,275,000</u>
<b>TOTAL NONELECTORAL DEBT</b> .....	<u>\$9,275,000</u>
<b>LEASE RENTAL DEBT</b>	
<b>TOTAL LEASE RENTAL DEBT</b> .....	<u>\$9,275,000</u>
<b>TOTAL PRINCIPAL OF NONELECTORAL AND LEASE RENTAL DEBT</b> <sup>(1)</sup>	<u>\$9,275,000</u>

(1) The IU entered into a Revenue Anticipation Note in the amount of \$5 million on November 5, 2025 that is due on June 30, 2026.

**Debt Limit and Remaining Borrowing Capacity**

The statutory borrowing limit of the Intermediate Unit under the Act is computed as a percentage of the Intermediate Unit's "Borrowing Base". The "Borrowing Base" is defined as the annual arithmetic average of "Total Revenues" (as defined by the Act), for the three full fiscal years ended next preceding the date of incurring debt. The Intermediate Unit calculates its present borrowing base and borrowing capacity as follows:

Under the Act as presently in effect, (i) new nonelectoral debt may not be incurred if the net amount of such new nonelectoral debt plus all outstanding net nonelectoral debt would cause total net nonelectoral debt to exceed 250% of the Borrowing Base and (ii) new lease rental debt or new nonelectoral debt may not be incurred if the net amount of such new debt plus all outstanding net nonelectoral debt and net lease rental debt would cause the total net nonelectoral plus net lease rental debt to exceed 350% of the Borrowing Base. The application of the aforesaid percentages to the Intermediate Unit's Borrowing Base produces the following products:

Total Revenues for 2022-23 .....	\$28,497,865
Total Revenues for 2023-24 .....	\$32,556,233
Total Revenues for 2024-25 .....	\$33,618,920
<b>Total</b> .....	<b>\$94,673,018</b>
 Annual Arithmetic Average (Borrowing Base).....	 \$31,557,673

	<u>Legal Limit</u>	<u>Net Debt Outstanding*</u>	<u>Remaining Borrowing Capacity</u>
<b>Net Nonelectoral Debt Limit:</b>			
250% of Borrowing Base.....	\$78,894,183	\$9,275,000	\$69,169,183
<b>Net Nonelectoral and Lease Rental Debt Limit:</b>			
350% of Borrowing Base.....	\$110,451,856	\$9,275,000	\$101,176,856

\*Includes the estimated Bonds described herein.

**Future Financing**

The Intermediate Unit does not anticipate issuing additional debt in the foreseeable future.

**INTERMEDIATE UNIT PENSION PROGRAM**

Currently, all Pennsylvania school districts and intermediate units participate in a pension program administered by the Commonwealth. The program is formally known as the Public School Employees' Retirement System ("PSERS"), and a percentage of each eligible employee's salary is contributed by the employee, the BVIU and the Commonwealth. All full-time employees, part-time employees salaried over eighty days per year and hourly employees with over five hundred hours per year participate in the program.

Contributions are required by active members, School Districts, and the Commonwealth of Pennsylvania as established by the Public School Employees' Retirement Code. Members who enrolled prior to January 1, 2002 range from 5.28% to 7.5% of compensation, depending upon the date of commencement of employment and elections made by each employee member. Members who enrolled in the pension plan on or after January 1, 2002 and before July 1, 2011 is 7.5% of compensation. The contribution rate for PSERS members who enrolled on or after July 1, 2011 is 7.5% or 10.3%, depending upon elections made by each employee member. The PSERS Board of Trustees certified an annual employer contribution rate of 34.0% for the fiscal year 2025-26. Current financial projections indicate the possibility of increases in the contribution rate in the next five years.

The Commonwealth will reimburse the BVIU at the rate of 50% of its total contributions with respect to all employees who were hired prior to July 1, 1994. With respect to employees hired after July 1, 1994, and who were not previously employed by another public school system in the Commonwealth, the BVIU will be reimbursed by the Commonwealth at the rate of the higher of 50% of contributions made by the BVIU or the current Market Value/Personal Income Aid Ratio. The BVIU is reimbursed on a quarterly basis.

Under Act 5 of 2017 (“Act 5”) PSERS will transition from a traditional defined benefit system and begin to offer defined contribution plans as well. Beginning July 1, 2019, in addition to other transaction rules and options based on members’ classifications, certain classes of active members may choose to switch from the current defined benefit plan to one of three new retirement benefit plan options which will be available. Additionally, all active members newly hired on or after July 1, 2019 will be required to select one of those three new retirement benefit plan options and will not be eligible to participate in the current defined benefit plan. The three new plans consist of two hybrid plans, with defined benefit and defined contribution components, along with a stand-alone defined contribution plan.

In addition to its comprehensive change in available plans for active members, Act 5 also made certain changes to the PSERS Board of Trustees and administrative protocols and created the Public Pension Management and Asset Investment Review Commission to study and make recommendations to the General Assembly and the Governor regarding investment performance and strategies.

According to the Independent Fiscal Office, Act 5 is not expected to reduce school district and state contributions to PSERS over the first fifteen years. However, beginning in fiscal 2034-35 through fiscal 2049-50, employer contribution rates are expected to begin to decline due to the lower long-term employer costs of the new benefit plans and will be lower, in the aggregate, over the study period.

Annual Intermediate Unit contributions have been as follows:

2019-20	\$2,303,740
2020-21	2,497,648
2021-22	2,806,488
2022-23	3,052,466
2023-24	3,399,963
2024-25	3,913,928

At June 30, 2024, the Intermediate Unit reported a liability of \$25,936,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, reduced by contributions subsequent to the measurement date, and the total pension liability used to calculate the net pension liability was determined by rolling forward the PSERS total pension liability as of June 30, 2022 to June 30, 2023. The Intermediate Unit’s proportion of the net pension liability was calculated utilizing its one-year reported covered payroll as it relates to the total one-year reported covered payroll of all school districts. On June 30, 2024, the Intermediate Unit’s proportion an .0583% which was a increase of 0.0018% from its proportion measured as of June 30, 2023.

As of June 30, 2024, the PSERS plan was 64.63% funded, with an unfunded actuarial accrued liability of approximately \$42.3 billion. PSERS’ rate of return for fiscal year ended June 30, 2024 was 7.05%. The Fund had planned net assets of \$76.5 billion on June 30, 2024. For more information, visit the PSERS website at [www.psers.pa.gov](http://www.psers.pa.gov), which is not incorporated by specific reference into this Preliminary Official Statement.

Source: Intermediate Unit Officials and PSERS.

#### Premium Assistance Eligibility Criteria

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

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

#### Contributions

The Intermediate Unit’s contractually required contribution for the fiscal year ended June 30, 2025 was 0.66% of covered payroll, actuarially determined as an amount that, when combined with employee

contributions, is expected to finance any unfunded accrued liability. During the 2024-2025 fiscal year, the Beaver Valley Intermediate Unit contributed \$75,721 to the premium assistance program.

**LABOR RELATIONS**

The Intermediate Unit currently employs approximately 225 persons, as shown below:

Administrators .....	18
Professional/Instructional .....	97
Classified Support Personnel (Union) .....	101
Classified Support Personnel (Non-Union).....	4
Transportation .....	0
Maintenance .....	5
<b>Total .</b> .....	<b>225</b>

Ninety-Seven (97) professional employees of the Intermediate Unit are organized for collective bargaining purposes in accordance with the Public Employee Relations Act (Act 195) enacted by the Pennsylvania Legislature on July 23, 1970. These employees are represented by the Beaver County Education Association Professional Employees as affiliates of the Pennsylvania State Education Association (PSEA) which represents the majority of location education agencies' professional employee bargaining units in Pennsylvania. The Intermediate Unit's professional contract expires June 30, 2028.

Teacher Aides in the Intermediate Unit are represented for purposes of collective bargaining by the Beaver County Education Association Teacher Aides. The expiration date of this collective bargaining agreement is June 30, 2028.

Clerical personnel in the Intermediate Unit are represented for purposes of collective bargaining by the Beaver County Education Association Clerical Association PPSPA/PSEA. The expiration date of this collective bargaining agreement is June 30, 2028.

School Service Personnel in the Intermediate Unit are represented for purposes of collective bargaining by the Beaver County Education Association School Service Personnel Association. The expiration date of this collective bargaining agreement is June 30, 2028.

Mental Health Professionals in the Intermediate Unit are represented for purposes of collective bargaining by the Beaver County Education Association Mental Health Professionals. The expiration date of this collective bargaining agreement is June 30, 2028.

**PENNSYLVANIA BUDGET ADOPTION**

Over several of the past years, the Commonwealth has started its fiscal year without a fully adopted state budget.

The Governor timely signed the state's 2021-22 fiscal year budget on June 30, 2021. That budget included an increase of \$300 million for basic education, with \$100 million of that targeted to the one hundred historically underfunded school districts that included some in both urban and rural areas of the state. Special education received a \$50 million increase, boosting that budget line to \$1.24 billion, while preschool and Head Start programs received a \$30 million increase, to \$311.5 million. All told, funding for K-12 schools reached a then record high of \$13.55 billion in the 2021-22 budget.

After a week's delay and intense negotiations, a \$42.7 billion budget for the state's 2022-23 fiscal year was signed by then Governor Tom Wolf on July 8, 2022, which included \$7.6 billion for the basic education funding appropriation and \$225 million to supplement school districts with a higher at risk student population. The total amount was a \$525 million increase over the 2021-22 fiscal year appropriation.

After over a month delay, a \$44.9 billion budget for the state's 2023-24 fiscal year was signed by Governor Josh Shapiro on August 3, 2023, which included \$7.87 billion for the basic education funding appropriation. The total amount was a \$567 million increase over the 2022-23 fiscal year appropriation. The budget also provided \$50 million in additional aid to school districts for special education services for a total of \$1.4 billion. Certain funds authorized within the 2023-24 Budget required companion implementation

language amending the Fiscal Code to be fully implemented. On December 13, 2023, multiple code bills were passed finalizing the 2023-24 Budget for education.

Governor Josh Shapiro signed the state's budget for the 2024-25 fiscal year 11 days late on July 11, 2024. The \$47.6 billion budget includes \$8.097 billion for the basic education funding appropriation. The total amount is a \$225 million increase over the 2023-24 fiscal year appropriation. The budget also provides \$100 million in additional aid to school districts for special education services for a total of \$1.487 billion and \$100 million for cyber charter school tuition reimbursement. 348 school districts will receive additional funding totaling \$493.8 million under a new Adequacy Supplement. 182 school districts will receive an additional \$60 million in total of Hold Harmless Relief Supplement as a component of their basic education funding.

After months of negotiations, Governor Josh Shapiro signed the state's budget for the 2025-26 fiscal year late on November 12, 2025. The \$50.1 billion budget includes (i) \$8.262 billion for the basic education funding appropriation, which is more than a \$100 million increase over the basic education funding appropriation for the 2024-25 fiscal year, and (ii) \$1.526 billion for the special education appropriation, which is a \$40,000,000 increase over the same appropriation for the 2024-25 fiscal year. The budget also increases the Ready to Learn Block Grant program appropriation by approximately 68% from the 2024-25 fiscal year. In addition, the budget hopes to provide \$175 million in estimated savings for school districts through reforms to the existing cyber charter school law.

*During a state budget impasse, Intermediate Units in Pennsylvania cannot be certain when state subsidies and revenues owed them from the Commonwealth will become available. This includes many of the major state subsidies, and overall revenues, that a Pennsylvania Intermediate Unit receives including special education funding, transportation funding, nonpublic auxiliary services funding, and many state and federal grants. Future budget impasses may affect the timeliness or amount of payments by the Commonwealth under the withholding provisions of Section 633 of the School Code, however recent legislation included in Act 85 of 2016 has attempted to address the timeliness of the withholding provisions of Section 633 of the School Code during any future budget impasses. See "Act 85 of 2016" hereinafter.*

#### **Act 85 of 2016**

On July 13, 2016, the Governor of the Commonwealth signed into law Act No. 85 of 2016, (P.L. 664, No. 85) ("Act 85 of 2016", an amendment to the Act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code ("Fiscal Code"). Act 85 of 2016 adds to the Fiscal Code Article XVI-E.4, entitled "School District Intercepts for the Payment of Debt Service During Budget Impasse", which provides for intercept of subsidy payments by PDE from a school district subject to an intercept statute or an intercept agreement in the event of a Commonwealth budget impasse in any fiscal year.

Act 85 of 2016 includes in the definition of "intercept statutes" Sections 633 of the Public-School Code. A school district's general obligation bonds are subject to Section 633 of the Public School Code.

Act 85 of 2016 provides that the amounts as may be necessary for PDE to comply with the provisions of the applicable intercept statute or intercept agreement "shall be appropriated" to PDE from the General Fund of the Commonwealth after PDE submits justification to the majority and minority chairs of the appropriations committees of the Pennsylvania Senate and House of Representatives allowing ten (10) calendar days for their review and comment, if, in any fiscal year:

1. annual appropriations for payment of Commonwealth money to school districts have not been enacted by July 1 and continue not to be enacted when a payment is due;
2. the conditions under which PDE is required to comply with an intercept statute or intercept agreement have occurred thereby requiring PDE to withhold payments which would otherwise be due to school districts; and
3. the Secretary of PDE, in consultation with the Secretary of the Budget, determines that there are no payments or allocations due to be paid to the applicable school districts from which PDE may withhold money as required by the applicable intercept statute or intercept agreement.

The necessary amounts shall be appropriated on the expiration of the tenth (10<sup>th</sup>) day following submission of the justification described above to the majority and minority chairs of the appropriations committees, who may comment on the justification but cannot prevent the effectiveness of the appropriation.

The total of all intercept payments under Article XVII-E.4 for a school district may not exceed 50% of the total nonfederal general fund subsidy payments made to that school district in the prior fiscal year.

Act 85 of 2016 requires that each school district subject to an intercept statute or intercept agreement must deliver to PDE, in such format as PDE may direct, a copy of the final Official Statement for the relevant bonds or notes or the loan documents relating to the obligations, within thirty (30) days of receipt of the proceeds of the obligations. Act 85 of 2016 provides that any obligation for which PDE does not receive the required documents shall not be subject to the applicable intercept statute or intercept agreement.

The provisions of Act 85 of 2016 are not part of any contract with the holders of the Bonds and may be amended or repealed by future legislation.

## **TAXING POWERS OF THE MEMBER DISTRICTS**

Although the Bonds are not obligations of the Member Districts and although the taxing power of the Member Districts is not pledged to the payments of the Bonds, nonetheless the ability of the Member Districts to tax and to raise revenue is essential to their ability to pay the Intermediate Unit for their share of the Program of Services and /or individually contracted services. Accordingly, the following information is provided for general informational purposes.

*Subject to certain limitations imposed by the Taxpayer Relief Act (see "Local Tax Limitations under Act 1 of 2006" below), the Member School Districts are empowered by the Public School Code and other statutes to levy the following taxes:*

1. A basic annual tax on all real property taxable for school purposes, not to exceed twenty-five mills on each dollar of assessed valuation, to be used for general school purposes.
2. An unlimited ad valorem tax on the property taxable for school purposes to provide funds:
  - a. for minimum salaries and increments of the teaching and supervisory staff;
  - b. to pay rentals due any municipality authority or non-profit corporation or due the State Public School Building Authority;
  - c. to pay interest and principal on any indebtedness incurred pursuant to the Local Government Unit Debt Act, or any prior or subsequent act governing the incurrence of indebtedness of the school district; and
  - d. to pay for the amortization of a bond or note issue which provided a school building prior to the first Monday of July, 1959.
3. An annual per capita tax on each resident or inhabitant over 18 years of age of not more than \$5.00.
4. Additional taxes subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction, or privilege, under Act No. 511, enacted December 31, 1965, as amended ("The Local Tax Enabling Act"). These taxes, which may include, among others, an additional per capita tax, a wage and other earned income tax, a real estate transfer tax, a gross receipts tax, a local services tax and an occupation tax, shall not exceed, in the aggregate, an amount equal to the product of the market valuation of real estate in the school district (as certified by the State Tax Equalization Board of the Commonwealth – "STEB") multiplied by twelve mills. All local taxing authorities are required by the Local Tax Enabling Act to exempt disabled veterans and members of the armed forces reserve who are called to active duty at any time during the tax year from any local services tax and to exempt from any local services tax levied at a rate in excess of \$10 those persons whose total income and net profits from all sources within the political subdivision is less than \$12,000 for the tax year. The Local Tax Enabling Act also authorizes, but does not require, taxing authorities to exempt from per capita, occupation, and earned income taxes and any local services tax levied at a rate of \$10 or less per year, any person whose total income from all sources is less than \$12,000 per year.

## PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS

### Act 1 of Special Session 2006 (The Taxpayer Relief Act)

Under Pennsylvania Act No. 1 of the Special Session of 2006, as amended by Act 25 of 2011 ("The Taxpayer Relief Act" or "Act 1"), a school district may not, in fiscal year 2007-2008 or in any subsequent fiscal year, levy any tax for the support of the public schools which was not levied in the 2006-2007 fiscal year, raise the rate of any earned income and net profits tax if already imposed under the authority of the Local Tax Enabling Act (Act 511), or increase the rate of any tax for school purposes by more than the Index (defined below), unless in each case either (a) such increase is approved by the voters in the school district at a public referendum or (b) one of the exceptions summarized below is applicable and the use of such exception is approved by the Pennsylvania Department of Education (PDE):

1. to pay interest and principal on indebtedness incurred (i) prior to September 4, 2004, in the case of a school district which had elected to become subject to the provisions of the prior Homeowner Tax Relief Act, Act 72 of 2004, or (ii) prior to June 27, 2006, in the case of a school district which had not elected to become subject to Act 72 of 2004; to pay interest and principal on any indebtedness approved by the voters at referendum (electoral debt); and to pay interest and principal on debt refunding or refinancing debt for which one of the above exceptions is permitted, as long as the refunding or refinancing incurs no additional debt other than for costs and expenses related to the refunding or refinancing and the funding of appropriate debt service reserves;
2. to pay costs incurred in providing special education programs and services to students with disabilities, under specified circumstances; and
3. to make payments into the State Public School Employees' Retirement System when the increase in the estimated payments between the current year and the upcoming year is greater than the Index, as determined by PDE in accordance with the provisions of Act 1.

Any revenue derived from an increase in the rate of any tax allowed under the exception numbered 1 above may not exceed the anticipated dollar amount of the expenditure, and any revenue derived from an increase in the rate of any tax allowed pursuant to any other exception enumerated above may not exceed the rate increase required, as determined by PDE. If a school district's petition or request to increase taxes by more than the Index pursuant to one or more of the allowable exceptions is not approved, the school district may submit the proposed tax increase to a referendum.

The Index (to be determined and reported by PDE by September of each year for application to the following fiscal year) is the average of the percentage increase in the statewide average weekly wage, as determined by the State Department of Labor and Industry for the preceding calendar year, and the employment cost index for elementary and secondary schools, as reported by the federal Bureau of Labor Statistics for the preceding 12-month period beginning July 1 and ending June 30. If and when a school district has a Market Value/Income Aid Ratio greater than 0.40 for the prior school year, however, the Index is adjusted upward by multiplying the unadjusted Index by the sum of 0.75 and such Aid Ratio.

The boards of school directors of school districts, as required by The Taxpayer Relief Act, submitted a referendum question to the voters at the primary elections of 2007 seeking voter approval allowing their school district to levy, assess and collect an earned income and net profits tax ("EIT") or a personal income tax ("PIT") for the purpose of annually funding homestead and farmstead exclusions from real property taxes. Election results show that only 8 out of 498 school districts in Pennsylvania, subject to Act 1 approved the referendum question to increase EIT or PIT in order to decrease real estate taxes.

A board of school directors may submit, but is not required to submit, a further referendum question to the voters at a municipal election in any later year seeking approval to levy or increase the rate of an EIT or a PIT for the purpose of funding homestead and farmstead exclusions, but the proposed rate of the EIT or PIT shall not exceed the rate which is required to provide the maximum homestead and farmstead exclusions allowable under law.

This summary is not intended to be an exhaustive discussion of the provisions of Act 1 nor a legal interpretation of any provision of Act 1.

**No exceptions under Act 1 apply to the Member Districts' obligations to make payments for services of the Intermediate Unit, which constitute operating expenses, and which payments must fit within the limitation on annual tax increases without a referendum. The Bonds are not obligations of the Member Districts.**

**Act 130 of 2008**

Act 130 of 2008 of the Commonwealth amended the Local Tax Enabling Act so as to authorize school districts levying an occupation tax to replace that occupation tax with an increased earned income tax or, if the school district has implemented a personal income tax in accordance with the Taxpayer Relief Act, an increased personal income tax, in a revenue neutral manner. To replace an occupation tax, the board of school directors must first hold at least one public hearing on the matter and then place a binding referendum question on the ballot at a general or municipal election for approval by the voters.

**Act 48 of 2003**

Pennsylvania Act No. 2003-48 (enacted December 23, 2003) prohibits a school district from increasing real property taxes unless the school district has adopted a budget for such school year that includes an estimated ending unreserved undesignated fund balance which is not more than a specified percentage of the total budgeted expenditures, as set forth below:

<u>Total Budgeted Expenditures</u>	<u>Estimated Ending Unreserved Undesignated Fund Balance as a Percentage of Total Budgeted Expenditures<sup>(1)</sup></u>
Less than or equal to \$11,999,999	12.0%
Between \$12,000,000 and \$12,999,999	11.5%
Between \$13,000,000 and \$13,999,999	11.0%
Between \$14,000,000 and \$14,999,999	10.5%
Between \$15,000,000 and \$15,999,999	10.0%
Between \$16,000,000 and \$16,999,999	9.5%
Between \$17,000,000 and \$17,999,999	9.0%
Between \$18,000,000 and \$18,999,999	8.5%
Greater than or equal to \$19,000,000	8.0%

“Estimated Ending Unreserved Undesignated Fund Balance” is defined in Act 2003-48 as that portion of the fund balance which is appropriable for expenditure or not legally or otherwise segregated for a specific or tentative future use, projected for the close of the school year for which a school district’s budget was adopted and held in the general fund accounts of the school district.

<sup>(1)</sup> Effective June 30, 2011, GASB 54 fund designations renamed.

**TAX EXEMPTION AND OTHER TAX MATTERS**

Pennsylvania Tax Exemption

In the opinion of Bond Counsel, under existing law, the Bonds are exempt from personal property taxes in Pennsylvania and the interest on the Bonds is exempt from the Pennsylvania corporate net income tax and from personal income taxation by the Commonwealth of Pennsylvania or any of its political subdivisions.

Federal Tax Exemption

As of the date of closing, Bond Counsel will issue an opinion to the effect that under existing law, the interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excluded from gross income for Federal income tax purposes and that, furthermore, interest on the Bonds is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals. For the purpose of rendering the opinion set forth in this paragraph, Bond Counsel has assumed compliance by

the Intermediate Unit with requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Bonds in order that interest thereon be and remain excluded from gross income for Federal income tax purposes. Failure to comply with such requirements could cause the interest on Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Bond Counsel expresses no opinion regarding other Federal tax consequences arising with respect to the Bonds.

#### Original Issue Discount

Those Bonds whose initial reoffering prices are listing as less than 100% on the inside front cover hereof (the "Tax-Exempt Discount Bonds") are being offered and sold to the public at an original issue discount ("OID") from the amounts payable at their maturity. OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the "issue price" of such bond. The issue price is the initial offering price to the public (other than to bondhouses, brokers to similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold pursuant to that initial offering. For Federal income tax purposes, OID on each Bond will accrue over the term of the Bond, and for the Tax-Exempt Discount Bonds, the amount of the accrual will be based upon a single rate of interest, compounded semiannually (the "Yield to maturity"). The amount of OID that accrues during each semi-annual period will do so ratably over that period on a daily basis. With respect to an initial purchaser of a Tax-Exempt Discount Bond at its issue price, the portion of OID that accrues during the period that such purchaser owns such Tax-Exempt Discount Bond is added to the purchaser's tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Tax-Exempt Discount bond and thus, in practical effect, is treated as stated interest, which is excludable from gross income for Federal income tax purposes.

Holders of Tax-Exempt Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Tax-Exempt Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.

#### Original Issue Premium

"Acquisition Premium" is the excess of the cost of a bond over the stated redemption price of such bond at maturity or, for Bonds that have one or more call dates, the amount payable at the next earliest call date. Those Bonds whose initial reoffering prices are listed as more than 100% on the inside front cover hereof (the "Premium Bonds") are being initially offered and sold to the public at an Acquisition Premium on each Premium bond, the interest on which is excludable from gross income, must be amortized and will reduce the bondholder's basis in that Premium Bond. However, no amount of amortized Acquisition Premium on tax-exempt bonds may be deducted in determining a bondholder's taxable income for Federal income tax purposes. The amount of any Acquisition Premium paid on the Premium bonds that must be amortized during any period will be based on the "constant yield" method, using the original bondholder's basis in such Premium Bonds and compounding semiannually. This amount is amortized ratably over that semiannual period on a daily basis.

Holders of any Premium Bonds should consult their tax advisors as to the actual effect of such Acquisition Premium with respect to the holder's tax situation and as to the treatment of Acquisition Premium for state tax purposes.

#### **Interest Expense Deductions for Financial Institutions**

Under Section 265 of the Code, financial institutions are denied any deduction for interest expenses that are allocable, by a formula, to tax-exempt obligations acquired after August 7, 1986. An exception, which permits a deduction for 80% of such interest expenses, is provided in respect of certain tax-exempt obligations issued by a qualified issuer that specifically designates such obligations as "qualified tax-exempt obligations" under Section 265 of the Code.

The Intermediate Unit is a qualified issuer and the Intermediate Unit has designated the Bonds as "qualified tax-exempt obligations" for the purposes and effect contemplated by Section 265 of the Code.

Financial institutions intending to purchase Bonds should consult their own tax advisors to determine the effect of the interest expense deduction on their federal tax liability.

#### Other Tax Matters

Except as expressly stated above, Bond Counsel will express no opinion regarding any other state or Federal income tax consequences of acquiring, carrying, owning or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include original issue discount, original issue premium, purchase at a market discount or premium, taxation upon sale, redemption or other disposition and various withholding requirements which may apply to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain "S" corporations with "excess net passive income," foreign corporations subject to the branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds.

#### Information Reporting

Prospective purchasers should be aware that interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. This reporting requirement does not, in and of itself, affect or alter the excludability of such interest from gross income for Federal tax purposes or any other Federal tax consequences of purchasing, holding or selling tax-exempt obligations. The Paying Agent on behalf of the Intermediate Unit will report annually (or more frequently if required) to owners of record and to the Internal Revenue Service in respect of interest paid on the Bonds.

#### Interest Expense Deductions for Financial Institutions

Under Section 265 of the Code, financial institutions are denied any deduction for interest expenses that are allocable, by a formula, to tax-exempt obligations acquired after August 7, 1986. An exception, which permits a deduction for 80% of such interest expenses, is provided in respect of certain tax-exempt obligations issued by a qualified issuer that specifically designates such obligations as "qualified tax-exempt obligations" under Section 265 of the Code.

The Intermediate Unit is a qualified issuer, and the Intermediate Unit has designated the Bonds as "qualified tax-exempt obligations" for the purposes and effect contemplated by Section 265 of the Code.

Financial institutions intending to purchase Bonds should consult their own tax advisors to determine the effect of the interest expense deduction on their federal tax liability.

#### Continuing Compliance

The Code imposes various terms, restrictions, conditions and requirements relating to the exclusion from gross income for Federal income tax purposes of interest on obligations such as the Bonds. The Intermediate Unit has covenanted to comply with all such requirements, including non-arbitrage requirements under Section 148 of the Code, which are necessary to ensure that interest on the Bonds will not be includable in gross income for Federal income tax purposes. Failure to comply with these covenants could result in interest on the Bonds being includable in gross income for Federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with the aforesaid covenants. Moreover, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax-exempt status of the interest on the Bonds.

Certain requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Such changes or actions could constitute an exchange or other tax event with respect to the Bonds, which could result in gain or loss to the holder of a Bond, and a consequent tax liability.

## Backup Withholding

Payments of interest on the Bonds may under certain circumstances be subject to “backup withholding” at rates provided in the Code. This withholding generally applies if the owner (i) fails to furnish the Paying Agent such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnishes to the Paying agent an incorrect TIN, (iii) fails to properly report interest, dividends or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the Paying Agent or such owner’s securities broker with a certified statement signed under penalties of perjury, that the TIN is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds should consult their own tax advisors as to their qualifications for exemption for backup withholding and the procedures for obtaining the exemption.

THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE LIST OF THE PROVISIONS OF FEDERAL TAX LAW WHICH MAY HAVE AN EFFECT ON INDIVIDUALS AND CORPORATIONS HOLDING THE BONDS OR RECEIVING INTEREST THEREON. PROSPECTIVE PURCHASERS SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE EFFECT ON THEIR AFFAIRS, OF HOLDING THE BONDS OR RECEIVING INTEREST THEREON INCLUDING, BUT NOT LIMITED TO THE EFFECT ON STATE AND LOCAL TAXES.

For example, corporations are required to include all tax-exempt interest in determining “adjusted current earnings” under Section 56(c) of the Code, which may increase the amount of any alternative minimum tax owed. Other tax consequences for certain taxpayers include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies under Section 832 of the Code, increasing the federal tax liability of certain “S” corporations subject to Sections 1362 and 1375 of the Code, increasing the federal tax liability of certain individual recipients of social security or railroad retirement benefits under Section 86 of the Code, limiting the use of the Earned Income Credit under Section 32 of the Code, and denying an interest expense deduction to certain financial institutions under Section 265 of the Code (unless, and in the circumstance when, the Bonds have been designated by the issuer as “qualified tax-exempt obligations”).

### *Change in Law; Adverse Determinations*

From time to time, certain legislative proposals may be introduced, or are pending, in the Congress of the United States, including some that carry retroactive effective dates, that, if, enacted, could alter or amend the federal tax matters described above or affect the market value of the Bonds. No prediction can be made whether, or in what form, any such proposal or proposals might be enacted into law or whether, if enacted, the same would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “Service”) regularly audits tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No prediction can be made whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures, the Service may treat the Intermediate Unit as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until such time as the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations such as the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bondholder who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or to any Bondholder who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns.

This Official Statement contains tax advice written to assist the marketing, distribution, sale and placement of the Bonds. Whether authored by Bond Counsel, the Intermediate Unit, the Underwriter, counsel to any of the foregoing, or any other tax practitioner, such advice is not intended to be used, and may not be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer.

**THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE LIST OF THE PROVISIONS OF FEDERAL, STATE AND LOCAL TAX LAWS WHICH MAY HAVE AN EFFECT ON INDIVIDUALS AND CORPORATIONS HOLDING THE BONDS OR RECEIVING INTEREST THEREON. PROSPECTIVE PURCHASERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE EFFECT ON THEIR FEDERAL, STATE OR LOCAL TAX LIABILITY AND GENERAL FINANCIAL AFFAIRS OF HOLDING THE BONDS OR RECEIVING INTEREST THEREON.**

### **CONTINUING DISCLOSURE UNDERTAKING**

In accordance with the requirements of the Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”), the Intermediate Unit (being an “obligated person” with respect to the Bonds, within the meaning of the Rule), will execute a Continuing Disclosure Undertaking. See Appendix E for the proposed form of Continuing Disclosure Undertaking (the “Continuing Disclosure Undertaking”).

With respect to the filing of annual financial and operating information, the Intermediate Unit reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information to the extent necessary or appropriate as a result of a change in legal requirements or a change in the nature of the Intermediate Unit or its operations or financial reporting, but the Intermediate Unit will agree that any such modification will be done in a manner consistent with the Rule.

The Intermediate Unit acknowledges that its undertaking pursuant to the Rule described herein is intended to be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by the holders and beneficial owners of the Bonds, but the right of the holders and beneficial owners of the Bonds to enforce the provisions of the Intermediate Unit’s continuing disclosure undertaking shall be limited to a right to obtain specific enforcement, and any failure by the Intermediate Unit to comply with the provisions of the undertaking shall not be an event of default with respect to the Bonds.

The Intermediate Unit’s obligations with respect to continuing disclosure described herein shall terminate upon the prior redemption or payment in full of all of the Bonds or if and when the Intermediate Unit is no longer an “obligated person” with respect to the Bonds, within the meaning of the Rule.

The SEC has designated the Municipal Securities Rulemaking Board (the “MSRB”) to be the central and sole repository for continuing disclosure information filed by issuers of municipal securities since July 1, 2009. Information and notices filed by municipal issuers (and other “obligated persons” with respect to municipal securities issues) are made available through the MSRB’s Electronic Municipal Market Access (“EMMA”) System, which may be accessed on the internet at <http://www.emma.msrb.org>.

### **COMPLIANCE WITH PREVIOUS CONTINUING DISCLOSURE UNDERTAKINGS**

The Intermediate Unit has entered into prior undertakings to provide certain annual financial information, as defined in the continuing disclosure agreements or certificates associated with prior bond issues, including its audited financial statements, annual operating budgets and notice of certain events under the Rule. The Intermediate Unit has failed to comply in the past five years in that it: (1) failed to timely file its required operating budget for fiscal years 2021 through and including 2025; (2) failed to timely file a notice relating to providing operating budget for fiscal years 2021 through and including 2025; and (3) failed to timely file a notice relating to entering into a financial obligation relating to the Intermediate Unit’s Revenue Anticipation Note. All required filings have since been remedied and the Intermediate Unit is current with all previous continuing disclosure requirements.

## LITIGATION

At the time of settlement, the Intermediate Unit and the Solicitor will deliver a certificate and opinion, respectively stating that there is no litigation pending with respect to the Bonds, the Resolution or the right of the Intermediate Unit to issue the Bonds.

## LEGAL MATTERS

### **Negotiability of the Bonds**

Under the Act, the Bonds have all the qualities of negotiable instruments under the Uniform Commercial Code of the Commonwealth of Pennsylvania relating to negotiable instruments.

### **Regarding the Obligation for the Bonds**

Neither the credit nor the taxing power of the Commonwealth of Pennsylvania or of any political subdivision thereof, including the Member Districts, is pledged for the interest thereon or the principal payable upon the maturity of any of the Bonds. The Bonds represent a revenue obligation of the Intermediate Unit alone; the Intermediate Unit has no taxing power.

### **Pending Legal Proceedings**

At closing, the President of the Board of Directors of the Intermediate Unit and the Solicitor will certify that there is no litigation presently pending that would materially and adversely affect the validity of the Bonds or that questions the proceedings for the issuance thereof.

### **Legality**

All legal matters incident to the authorization, issuance and sale of the Bonds will be approved by John F. Salopek, Esq., Ambridge, Pennsylvania, Bond Counsel. Certain additional matters will be passed upon for the Intermediate Unit by Alfred L. Steff, Jr., Esq., Beaver, Pennsylvania, Solicitor to the Intermediate Unit.

## LEGAL OPINION

The issuance and delivery of the Bonds is subject to the unqualified approving legal opinion of John F. Salopek Esquire, of Ambridge, Pennsylvania, Bond Counsel, and to the delivery at settlement of a certificate that there is no litigation pending affecting the validity of the Bonds. Certain legal matters will be passed upon for the Intermediate Unit by Alfred L. Steff, Jr., Esq., Beaver, Pennsylvania, Intermediate Unit Solicitor.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement his opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on his review of existing law and in reliance on the representations and covenants that he deems relevant to such opinions.

## BONDHOLDER CONSIDERATIONS

*The Bonds, like all investment securities, carry a risk of loss of the investment, in whole or in part. This Preliminary Official Statement does not purport to describe all the risks of an investment in the Bonds. The Intermediate Unit and the Underwriter disclaim any responsibility to advise prospective investors of such risks either as they may exist at the date of dissemination of this Preliminary Official Statement or as they may appear or change from time to time in the future. Prospective purchasers of the Bonds should consult their own legal and tax advisors as to the risks associated with an investment in the Bonds, their ability to bear a loss from an investment in the Bonds, and the suitability of investing in the Bonds, in light of their particular, individual circumstances. Prospective purchasers should carefully consider the matters described*

*below, as well as all the information contained within this entire Preliminary Official Statement inclusive of its Appendices.*

## **Cybersecurity**

The Intermediate Unit, like other public and private entities, relies on computers and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the Intermediate Unit may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the Intermediate Unit's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. The Intermediate Unit has not been the subject of a cybersecurity breach that has had a material adverse impact on the operations or financial condition of the Intermediate Unit.

The Intermediate Unit has measures in place to respond to and mitigate cybersecurity incidents. No assurance can be given that the Intermediate Unit's current efforts to manage cyber threats and security will, in all cases, be successful. The Intermediate Unit cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances. In addition to the various processes in place to safeguard against cyber security attacks, the Intermediate Unit also maintains a comprehensive insurance policy which includes privacy liability, cyber incident response, data breach, network security, internet media and network extortion coverages.

The Intermediate Unit relies on other entities and service providers in the course of operating the Intermediate Unit, including its accountants, attorneys, the Paying Agent, and banks, as well as vendors with respect to outsourced critical digital network operations and functions. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will have a material adverse impact on the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Undertaking.

## **No Assurance of Secondary Market for the Bonds**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that the Bonds can be sold for any particular price. Accordingly, purchasers of the Bonds should be prepared to have their funds committed until the Bonds mature. It is not the present practice of the Underwriter to make a secondary market in the Bond issues for which it serves as Underwriter. Prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different than the original purchase price.

## **Risk of Audit by the Internal Revenue Service**

The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Intermediate Unit as the taxpayer and Bond purchasers may have no right to participate in such procedure. Neither the Intermediate Unit, the Underwriter nor Bond Counsel is obligated to defend the tax-exempt status of the Bonds on behalf of the Bond purchasers, nor to pay or reimburse the cost of any Bond purchaser with respect to any audit or litigation relating to the Bonds. See "**TAX MATTERS**" herein.

## **RATING**

S&P Global Ratings ("S&P") is expected to assign an insured bond rating of "AA" (Stable) to the Bonds with the understanding that, upon delivery of the Bonds, a Municipal Bond Insurance Policy guaranteeing when due the scheduled payment of the principal of and the interest on the Bonds will be issued concurrently with the delivery of the Bonds by BAM. Moody's Investors Service ("Moody's") has assigned an underlying rating of "A2" to the Bonds.

Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following address: S&P Global Ratings, 55 Water Street, New York, New York,

10041 or Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There is no assurance that this credit rating will be maintained for any given period of time, or that it may not be lowered or withdrawn entirely by the rating agency if, in its judgement, circumstances so warrant. Any such downward change in or withdrawal of such credit rating may have an adverse effect on the market price of the Bonds.

## **UNDERWRITING**

The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the Intermediate Unit at an aggregate price of \$\_\_\_\_, (which represents par, less underwriter's discount of \$\_\_\_\_\_, plus/less net original issue premium/discount of \$\_\_\_\_\_). The Underwriter's obligations are subject to certain conditions precedent; however, the Underwriter will be obligated to purchase all such Bonds if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

Stifel and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the Intermediate Unit and to persons and entities with relationships with the Intermediate Unit, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Intermediate Unit (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Intermediate Unit.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Intermediate Unit.

## **MISCELLANEOUS**

This Official Statement has been prepared under the direction of the Intermediate Unit by Stifel, Nicolaus & Company Inc., Pittsburgh, Pennsylvania, in its capacity as Underwriter to the Intermediate Unit. The information set forth in this Official Statement has been obtained from the Intermediate Unit and from other sources believed to be reliable. Insofar as any statement herein includes matters of opinion or estimates about future conditions, it is not intended as representation of fact, and there is no guarantee that it is, or will be, realized. Summaries or descriptions of provisions of the Bonds, the Resolution, and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof. Reference is hereby made to the complete documents, copies of which will be furnished by the Intermediate Unit or the Underwriter upon request. The information assembled in this Official Statement is not to be construed as a contract with holders of the Bonds. The Intermediate Unit has authorized the distribution of this Official Statement.

## **BEAVER VALLEY INTERMEDIATE UNIT**

By: \_\_\_\_\_  
President

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## APPENDIX A

Demographic and Economic Information Relating to Beaver Valley Intermediate Unit

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## Introduction

The Intermediate Unit is comprised of fourteen school districts located throughout Beaver County. These fourteen Member School Districts are Aliquippa School District, Ambridge Area School District, Beaver Area School District, Big Beaver Falls Area School District, Blackhawk School District, Central Valley School District, Freedom Area School District, Hopewell Area School District, Midland Borough School District, New Brighton Area School District, Riverside Beaver County School District, Rochester Area School District, South Side Area School District and Western Beaver County School District (collectively, the "Member School Districts"). The Intermediate Unit covers a land area of some 435 square miles.

## Program of Services

The Program of Services, as part of the general operation budget presentation, is presented for the approval of the board of school directors of the fourteen (14) local school districts that comprise the Beaver Valley Intermediate Unit. In addition, the Program of Services must conform to law and to regulations adopted by the State Board of Education. The Intermediate Unit Board of Directors submits its Program of Services to the Secretary of Education when the budget is presented.

Some of the component elements of the Program of Services provided by the Intermediate Unit are as shown herein:

1. Carnegie STEM Excellence Pathway
2. Data Quality Curriculum
3. Data Quality Network
4. Discovery Streaming Education
5. District Technology Coordinators' Meetings
6. Energy and Advanced Manufacturing Partnership
7. E-Rate Support
8. Impero Classroom Management/Mobile Device Management Statewide Sales
9. Math Design Collaborative
10. Mobile Device Management
11. Mobile Me Program
12. Online Learning
13. OverDrive Consortium
14. Pennsylvania Information Management System (PIMS) Point of Contact
15. Regional Wide Area Network (RWAN)
16. Room Rental
17. STEAM Makers
18. STEM Lending Library
19. STEM Workshops
20. Ticket Space
21. Assistive Technology
22. Audiology
23. Augmentative and Alternative Communication Consultations
24. Autism Support
25. BrainSTEPS
26. Child Accounting
27. Classroom Management
28. Deaf/Hard of Hearing Support Program
29. Differentiated Instruction
30. Disability Awareness
31. Early Intervention Transition Services
32. Educational Benefits Review (EBR)
33. Emotional Support
34. Employment Applications
35. Extended School Year
36. Functional Behavior Assessments (FBA)
37. IEP Writing
38. Inclusive Practices
39. Indicator 13 (Transition IEPs)
40. Intensive Interagency Support
41. Language Essentials for Teachers of Reading and Spelling (LETRS)
42. Least Restrictive Environment/Inclusive Practices
43. Life Skills Support
44. Local Task Force
45. Math Literacy and Numeracy

Source: Intermediate Unit Administrative Officials.

## COMPARATIVE POPULATION TRENDS

The following table depicts the comparative population trends of the Member School Districts, the Counties, and the Commonwealth of Pennsylvania.

	2010 U. S. Census	2020 U. S. Census	Percentage of Change 2000-2020
Beaver Valley Intermediate Unit	170,539	168,215	-1.36%
Beaver County	170,539	168,215	-1.36 %
Commonwealth of Pennsylvania	12,702,379	13,002,700	2.36%

Source: U.S. Census Bureau, 2010 and 2020 Decennial Census.

### Enrollment History and Projections

Total enrollment across the Beaver Valley Intermediate Unit's Member School Districts has continued the gradual decline observed over the previous decade, consistent with the county's demographic shift (-1.6% population decrease from 2020 to 2024). The most recent Department of Education data for the 2024-2025 school year indicates that total public school enrollment in the county continues to trend downward, driven by lower birth rates and an aging population (median age 44.7). While specific annual totals for the Intermediate Unit are not consolidated in recent state reports, individual district data confirms this trend. For example, the largest districts (such as Ambridge Area and Central Valley) have seen stable to slightly declining numbers, while smaller districts face more pronounced shifts. Projections through 2025 suggest this slow contraction will persist, mirroring the county's overall population trajectory.

School Year Ending June 30	Total Enrollment
2021	20,312
2022	20,041
2023	19,912
2024	19,808
2025	19,389 <i>(Third-Day Enrollment for 2025-26 school year)</i>

Source: Beaver Valley Intermediate Unit Composite Third-Day Enrollment Reports; PDE Enrollment Files

### Major Real Estate Taxpayers

The largest taxpayers in Beaver County and the Percentage of their total assessed valuation.

January 1, 2024

<u>Taxpayer</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
First Energy Corporation (Bruce Mansfield, BV2)	\$131,047,700	0.84%
Comprehensive Health Care Management	59,657,800	0.38%
The Buncher Company	57,375,300	0.37%
Bettors Real Estate Holdings, LP	53,950,200	0.34%
ARC TMMONPA001, LLC – Lowes, Eat'N Park, Texas Roadhouse	32,934,500	0.21%
United States Gypsum Company	31,466,200	0.20%
UDE of Freedom Road, LTD	30,630,700	0.20%
Morgan Kane Road Apartments	27,316,500	0.17%
STAG Industrial Holdings LLC	27,262,800	0.17%
Wal-Mart Real Estate Business Trust	<u>26,168,200</u>	<u>0.17%</u>
	<u>\$477,809,900</u>	<u>3.05%</u>
 Total Assessed Valuation	 <u>\$15,679,487,810</u>	

Source: Beaver County 2024 ACFR

**Participating Districts Enrollment Third Day Enrollment Summary (BVIU)**

<b>Participating School District</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Aliquippa SD	940	1,016	949	912	989
Ambridge Area SD	2,308	2,279	2,254	2,218	2,101
Beaver Area SD	1,972	2,008	1,973	1,994	1,986
Big Beaver Falls Area SD	1,665	1,683	1,666	1,619	1,598
Blackhawk SD	2,292	2,321	2,327	2,353	2,326
Central Valley SD	2,221	2,286	2,203	2,209	2,215
Freedom Area SD	1,249	1,233	1,217	1,164	1,167
Hopewell Area SD	2,107	2,073	2,063	2,070	2,044
Midland Borough SD	256	239	211	233	209
New Brighton Area SD	1,333	1,325	1,304	1,279	1,249
Riverside Beaver County SD	1,368	1,412	1,411	1,428	1,424
Rochester Area SD	688	718	726	753	756
South Side Area SD	952	971	937	903	843
Western Beaver County SD	746	743	726	688	639
Beaver Valley IU	171	193	231	231	264
<b>TOTAL</b>	<b>20,268</b>	<b>20,500</b>	<b>20,198</b>	<b>20,054</b>	<b>19,810</b>

Source: Pennsylvania Department of Education

**Participating Districts Composite 2024-2025 Third Day Enrollment Figures (BVIU)**

<b>Participating School District</b>	<b>K</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>Total</b>
Aliquippa SD	64	59	73	91	59	74	68	94	80	90	97	78	62	989
Ambridge Area SD	150	137	134	159	162	153	164	168	169	178	162	187	178	2,101
Beaver Area SD	119	147	134	160	161	154	165	145	148	180	147	159	167	1,986
Big Beaver Falls Area SD	108	134	125	136	100	133	119	110	135	128	138	115	117	1,598
Blackhawk SD	164	158	174	184	171	169	188	173	171	171	186	192	225	2,326
Central Valley SD	195	162	139	174	140	179	163	169	172	179	172	182	189	2,215
Freedom Area SD	69	83	80	97	101	92	79	92	94	102	90	100	88	1,167
Hopewell Area SD	137	145	153	147	159	172	193	164	139	162	166	162	145	2,044
Midland Borough SD	27	18	29	21	26	31	18	9	30	0	0	0	0	209
New Brighton Area SD	85	93	106	102	86	91	103	93	98	101	101	88	102	1,249
Riverside Beaver County SD	115	106	94	103	126	108	104	96	107	117	114	107	127	1,424
Rochester Area SD	59	55	49	78	43	64	61	70	50	59	54	46	68	756
South Side Area SD	40	58	60	76	74	62	77	52	67	72	66	66	73	843
Western Beaver County SD	45	38	47	53	49	44	58	54	49	43	60	54	45	639

Source: Pennsylvania Department of Education

## Demographic Characteristics

### Introduction

In 2023, Beaver County, PA had a population of approximately 165,540 people with a median age of 44.8 and a median household income of \$70,156. Between the 2010 and 2020 census, the population of Beaver County, PA declined from 170,539 to 168,215, a -1.4% decrease.

The population of Beaver County, PA is 87.69% White Alone, 6.20% Black or African American Alone, and 4.79% Two or More Races. Approximately 3.1% of the people in Beaver County, PA speak a non-English language and the vast majority are U.S. Citizens.

The median property value in Beaver County, PA is \$195,000 (2024 estimate), and the homeownership rate is 74.5%.

The economy of Beaver County, PA employs approximately 79,000 people. The largest industries remain Health Care & Social Assistance, Retail Trade, and Manufacturing (bolstered by the new petrochemical complex).

### Population

Table A-1 shows population trends for Beaver County and the Commonwealth of Pennsylvania. Table A-2 shows the age composition for 2023 and the average number of persons per household in Beaver County and for the State.

**TABLE A-1**

#### AGE COMPOSITION

	0-17 Years	18-64 Years	65+ Years	Persons Per Household
Beaver County.....	19.3%	57.6%	23.2%	2.28
Pennsylvania.....	20.3%	59.7%	20.0%	2.44

Source: U.S. Census Bureau, 2024 American Community Survey / QuickFacts.

### Employment

Overall employment data are not compiled for the School District or municipalities within it, but such data are compiled for the Pittsburgh Metropolitan Statistical Market Area (the "MSA") as shown below.

**TABLE A-2**

#### DISTRIBUTION OF EMPLOYMENT\*

#### Pittsburgh Metropolitan Statistical Area

(Allegheny, Beaver, Butler, Fayette, Washington and Westmoreland Counties)

Category	United States	Pittsburgh MSA
Total nonfarm	1.9%	1.1%
Leisure and hospitality	4.6%	2.2%
Education and health services	3.5%	3.9%
Financial activities	2.3%	1.2%
Information	2.7%	-2.8%
Manufacturing	0.6%	0.7%
Professional and business services	2.0%	-0.2%
Trade, transportation and utilities	2.8%	0.9%
Government	1.8%	2.1%
Other services	3.2%	1.7%

Source: U.S. Bureau of Labor Statistics / Allegheny Conference on Community Development.

**Major Employers (2024)**

The following list represents the largest employers in Beaver County as of the 4th Quarter, 2024.

1. Valley Medical Facilities Inc.
2. Wal-Mart Associates Inc.
3. Beaver County Government
4. Energy Harbor Nuclear Corp.
5. Veka Inc.
6. Giant Eagle, Inc.
7. Chippewa, Inc.
8. Eaton Corporation
9. McGuire Memorial
10. Heritage Valley Medical Group, Inc.

Source: U.S. Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics (LAUS)

Table A-3 shows recent trends in labor force, employment and unemployment for Beaver County and the Commonwealth. The unemployment rate for Beaver County has been lower than the statewide average.

**TABLE A-3  
RECENT TRENDS IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT\*  
(Beaver County)**

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025<sup>(1)</sup></b>
<b>Beaver County</b>						
Civilian Labor Force (000)	81,500	80,700	82,070	82,300	83,100	82,600
Employment (000)	74,400	75,600	77,912	79,200	79,800	78,700
Unemployment (000)	7,100	5,100	4,158	3,100	3,200	3,900
Unemployment Rate	8.7%	6.3%	5.1%	3.8%	3.9%	4.7%
<b>Pennsylvania</b>						
Civilian Labor Force (000)	6,375	6,308	6,400	6,469	6,577	6,536
Employment (000)	5,790	5,910	6,158	6,103	6,337	6,267
Unemployment Rate	9.1%	6.3%	3.8%	5.4%	3.6%	4.1%

<sup>(1)</sup>As of September 2025

Source: U.S. Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics (LAUS)

**Income**

The data on Table A-4 shows trends in per capita income for Beaver County and Pennsylvania over the 2019-2023 period. Per capita income in Beaver County is lower than the per capita income of the State.

**TABLE A-4  
TRENDS IN PER CAPITA INCOME\***

	<b>2019</b>	<b>2023</b>	<b>Compound Average Annual Percentage Change 2019-2023</b>
Beaver County .....	\$48,549	\$58,206	4.6%
Pennsylvania.....	56,727	68,649	4.9%

\*Income is defined by the Bureau of the Census as the sum of wage and salary income, non-farm self-employment income, net self-employment income, Social Security and Railroad retirement income, public assistance income, interest, dividends, pensions, etc. before deductions for personal income taxes, Social Security, etc.

Source: U.S. Bureau of Economic Analysis (BEA) & St. Louis FRED.

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## APPENDIX B

Audited Financial Statements of the Intermediate Unit  
Fiscal Year Ending June 30, 2025

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# **BEAVER VALLEY INTERMEDIATE UNIT**

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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**BEAVER VALLEY  
INTERMEDIATE UNIT**  
BEAVER COUNTY, PENNSYLVANIA

BASIC FINANCIAL STATEMENTS

SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

AND

SUPPLEMENTARY INFORMATION AS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
AND THE UNIFORM GUIDANCE

WITH

INDEPENDENT AUDITOR'S REPORT

**FOR THE YEAR ENDED JUNE 30, 2025**

**BEAVER VALLEY INTERMEDIATE UNIT**  
**BEAVER COUNTY, PENNSYLVANIA**  
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**BEAVER VALLEY INTERMEDIATE UNIT**  
**BEAVER COUNTY, PENNSYLVANIA**  
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**BEAVER VALLEY INTERMEDIATE UNIT**  
**BEAVER COUNTY, PENNSYLVANIA**  
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# **Turnley Robertson & Associates LLC**

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**To the Board of Directors of the  
Beaver Valley Intermediate Unit  
Beaver County, Pennsylvania**

## **Independent Auditor's Report**

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Beaver Valley Intermediate Unit, Beaver County, Pennsylvania as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Beaver Valley Intermediate Unit's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Beaver Valley Intermediate Unit as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

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

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

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

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

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

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

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iv-xii and other required supplementary information on pages 54-61 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Beaver Valley Intermediate Unit's basic financial statements. The accompanying supplementary information – Combining Balance Sheet (General Fund, Other Programs, and Federal Programs) Combining Statement of Revenues, Expenditures and Change in Fund Balance (General Fund, Other Programs, and Federal Programs), Combining Balance Sheet (Special Revenue Funds) and Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Special Revenue Funds) on pages 46-53 is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards on page 67 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Balance Sheet (General Fund, Other Programs, and Federal Programs) Combining Statement of Revenues, Expenditures and Change in Fund Balance (General Fund, Other Programs, and Federal Programs), Combining Balance Sheet (Special Revenue Funds) and Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Special Revenue Funds) and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2026, on our consideration of the Beaver Valley Intermediate Unit's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Beaver Valley Intermediate Unit's internal control over financial reporting and compliance.

*Turnley Robertson & Associates LLC*

Turnley Robertson & Associates LLC

March 19, 2026  
New Brighton, Pennsylvania

## **BEAVER VALLEY INTERMEDIATE UNIT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)**

**JUNE 30, 2025**

#### **Required Supplementary Information (RSI)**

The Beaver Valley Intermediate Unit (BVIU) complies with the School Laws of Pennsylvania, as enacted by the Commonwealth legislature, requiring that Intermediate Units approve an annual budget on the modified accrual basis of accounting for the operation of the General and Special Revenue Funds prior to the start of the fiscal year. The Intermediate Unit approves a preliminary budget in February which must be approved by the fourteen (14) local school districts' Boards of Education. The General Operating Budget of the Intermediate Unit must be received by the Pennsylvania Department of Education by May 1<sup>st</sup> to start the fiscal year on July 1<sup>st</sup>.

The budgeting cycle begins in the fall of each year when the Administration seeks input from the Board, Superintendents' Advisory Council, and professional staff concerning potential needs for the upcoming school year. All General Operating and Special Fund revenue needs are first reviewed by the Executive Director and Director of Special Education, respectively, through the review of the previous year's expenditures to establish starting points in determining budget figures. The General Operating and Special Revenue Fund (Special Education) budgets are reviewed with the BVIU Board of School Directors prior to the February and/or spring adoption. Each specific area of each budget is analyzed for cost effectiveness prior to presentation of the proposed General Operating and Special Education budget(s). The BVIU Board formally adopts the proposed budgets in February of each year and the General Operating budget is then sent to the fourteen (14) local school district boards for adoption by each Board. A majority of Boards through a weighted proportionate vote must approve the General Operating budget of the BVIU before it is sent to PDE for review. The Special Education budget is approved using only a vote by the BVIU Board of School Directors and it is not acted upon individually by the fourteen (14) local Boards. The Special Education budget and component budgets under the Special Education budget are only approved by our local BVIU Board but are reviewed and approved by the Pennsylvania Department of Education's Bureau of Special Education.

Developing the various budgets by the BVIU is always a challenging project but perhaps especially for an entity such as an Intermediate Unit because of the complexities of local, state and federal regulations and laws governing its action for students and professional staff. Attention to detail, comparison with historical records and keeping a keen eye on the future are required when examining mandated and potential educational requirements and estimating a concomitant anticipated revenue.

The Management Discussion and Analysis (MD&A) is part of the reporting model adopted by GASB 34 requiring state and local government entities to present their financial information in the traditional manner of businesses, which is by accounting for assets and liabilities.

#### **FINANCIAL HIGHLIGHTS**

The liabilities and deferred inflows of resources of the Beaver Valley Intermediate Unit exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$16,439,098 (deficit net position). This deficit is primarily the result of the BVIU's recognition of its proportionate share of the Pennsylvania School Employees Retirement System (PSERS) overall net pension obligation. For the BVIU, this liability stands at \$27,080,000 as of June 30, 2025.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD & A)**

**JUNE 30, 2025**

**FINANCIAL HIGHLIGHTS (Continued)**

For the 2024-2025 school year, governmental activities revenue increased by approximately \$1,016,901 and governmental activities expenses increased by approximately \$3,184,396 compared to the previous fiscal year. The increase in governmental activities revenue is primarily due to increases in the following categories:

- 1) ESL services provided to school districts increased \$118,353
- 2) PCCD Grant revenues increased by \$172,848
- 3) Special Education program revenues increased \$1,236,381
- 4) State-Funded Early Intervention revenue increased \$398,343

The increase in governmental activities expenses is primarily due to increases in the following categories:

- 1) Outpatient service costs increased \$600,281
- 2) PCCD Grant expenses increased by \$172,848
- 3) Access expenses increased \$142,053
- 4) Special Education program expenses increased \$2,777,316
- 5) State-Funded Early Intervention expenses increased \$398,343

In October 2019, the BVIU issued an Educational Facility Revenue Bonds, Series of 2019 in the amount of \$2,085,000. By utilizing existing revenue sources, including additional programs, projects and contracted services, the BVIU continues to fund its debt service obligations without requesting any direct funding from its constituent school districts.

In planning to be proactive, the Beaver Valley Intermediate Unit has established a “Committed Fund Balance” (Special Education) aimed at improvements and renovations for New Horizon School. In addition, the Intermediate Unit has established a “Committed Fund Balance” (General Fund) aimed at future improvements and renovations at the Central Office Building.

The Beaver Valley Intermediate Unit Board of Directors has for many years approved a budget adequate to cover necessary expenditures, but which is not necessarily a commitment to spend. Administrators and staff are directed to continue careful evaluation of expenditures throughout the year without affecting the quality of programs.

Rebuilding of funds used to support the one-time expenses involved in the Beaver Valley Intermediate Unit’s building project is a priority for upcoming budgets. Because the Beaver Valley Intermediate Unit has no tax base and it must continue to provide expanding quality and services to its member districts, it must be somewhat entrepreneurial in discovering new revenue sources to cover ever increasing costs. It is our belief that we can and will continue to obtain revenues that will adequately meet expenses.

**BEAVER VALLEY INTERMEDIATE UNIT**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD & A)**

**JUNE 30, 2025**

**USING THE BASIC FINANCIAL STATEMENT REPORT**

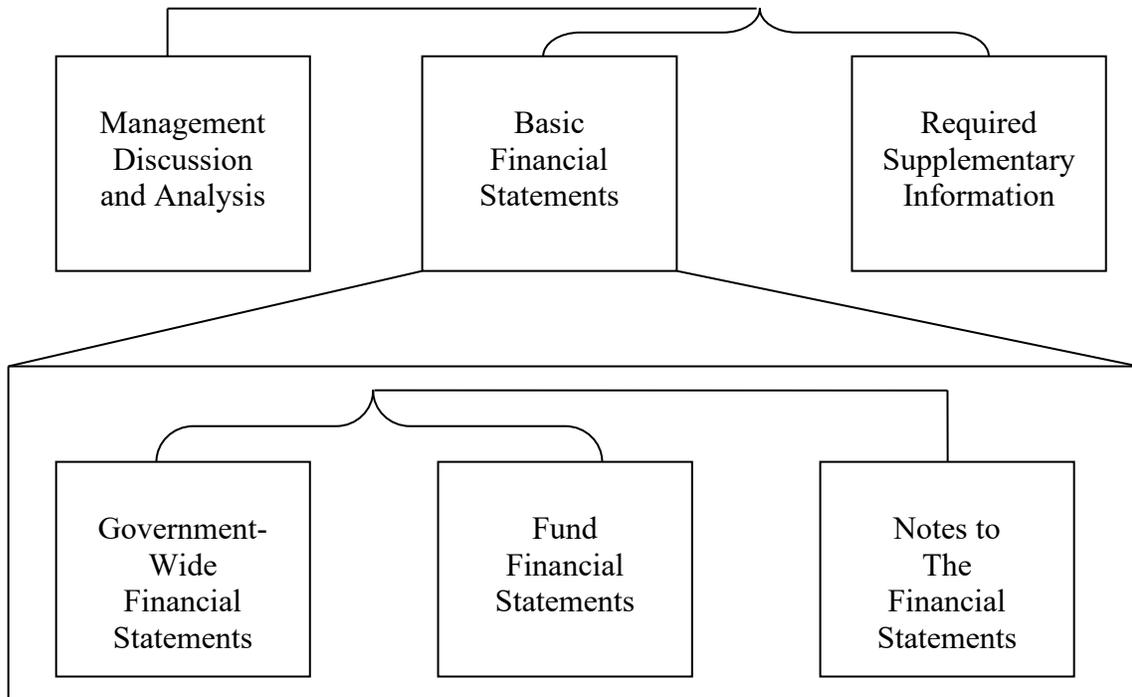
This Basic Financial Statement Report consists of the Management Discussion and Analysis and a series of financial statements and notes to those statements. The Statement of Net Position and Statement of Activities, on pages 1 and 2, provide information about the activities of the School as a whole and present a longer-term view of the School’s financial position.

Fund Financial Statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

The Fund Financial Statements also look at the Intermediate Unit’s general fund, special revenue funds, and capital project fund. Lastly, the financial statements include notes that explain some of the information in the financial statements and provide more detailed data.

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

Figure A-1  
Required components of  
Beaver Valley Intermediate Unit’s  
Financial Report



**BEAVER VALLEY INTERMEDIATE UNIT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD & A)**

**JUNE 30, 2025**

**REPORTING THE INTERMEDIATE UNIT AS A WHOLE**

**Statement of Net Position and the Statement of Activities**

Following this MD&A are a series of financial statements organized so that the reader can understand the Beaver Valley Intermediate Unit as an entire operating entity using accounting methods similar to those used by private-sector companies. The first two are government-wide: the Statement of Net Position and the Statement of Activities. These provide both long-term and short-term information about the Intermediate Unit’s overall financial status.

Over time, this new method of reporting can be used as an indication of whether the Intermediate Unit’s financial health is improving or deteriorating as the net position increase or decrease, respectively. To assess the overall health of the Intermediate Unit, however, additional factors, such as changes in the Intermediate Unit’s goals and programs, and the performance of students, should also be considered.

The Statement of Activities shows the cost of program services by category, which are defined by the *Manual of Accounting and Financial Reporting for PA Public Schools*.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil. It includes regular and special education, vocational and other programs.

Support Services include pupil personnel and instructional staff, which are activities involved with assisting staff with the content and process of teaching pupils, school nurse and others. It also includes administration, business office, custodial and maintenance services, transportation and central support such as technology and telephones.

Non-Instructional Services include student clubs, community services, lunch aides, as well as any debt service.

**REPORTING THE INTERMEDIATE UNIT’S MOST SIGNIFICANT FUNDS**

Statements regarding the Intermediate Unit’s major, or Governmental Funds, follow the government-wide statements. Fund financial reports provide detailed information about each fund. The Intermediate Unit has two major funds: the General Fund, which includes all of the anticipated annual revenue and expenditures not required to be accounted for in any other fund and the Special Revenue Funds which account for funds received from the Department of Education for special education, transportation and early intervention programs.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)**

**JUNE 30, 2025**

**REPORTING THE INTERMEDIATE UNIT'S MOST SIGNIFICANT FUNDS (Continued)**

Most of the Intermediate Unit's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. 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 fund statements provide a detailed short-term view of the Intermediate Unit's operations and the services it provides. This information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance Intermediate Unit educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and the governmental funds is reconciled in the financial statements.

The remaining statements are fund financial statements that focus on individual parts of the Intermediate Unit's operations in more detail.

Proprietary Fund statements offer short and long-term financial information about the activities that the Intermediate Unit operates like a business. For the Intermediate Unit, the only proprietary fund is our Cafeteria Fund.

Fiduciary Fund statements provide information about financial relationships where the Intermediate Unit acts solely as a trustee or agent for the benefit of others, to whom the resources reviewed belong. For the Intermediate Unit, this includes the Student Activity Custodial Fund, which includes clubs and other student groups and a business manager account maintained on behalf of the school district business managers for training meetings. We exclude these funds from the Intermediate Unit's other financial statements because the Intermediate Unit cannot use these assets to finance its operations.

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

**BEAVER VALLEY INTERMEDIATE UNIT**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD & A)**

**JUNE 30, 2025**

**REPORTING THE INTERMEDIATE UNIT’S MOST SIGNIFICANT FUNDS (Continued)**

**Table 1  
Statement of Net Position  
Fiscal Years Ended June 30,**

|                                  | 2025            |                    |                 | 2024            |                    |                 |
|----------------------------------|-----------------|--------------------|-----------------|-----------------|--------------------|-----------------|
|                                  | Governmental    | Business-          | Total           | Governmental    | Business-          | Total           |
|                                  | Activities      | Type<br>Activities |                 | Activities      | Type<br>Activities |                 |
| Current and other assets:        | \$ 9,926,621    | \$ 17,006          | \$ 9,943,627    | \$ 9,336,327    | \$ 132,902         | \$ 9,469,229    |
| Noncurrent assets *              | 3,501,024       | 15,500             | 3,516,524       | 2,864,837       | -                  | 2,864,837       |
| Total assets                     | \$ 13,427,645   | \$ 32,506          | \$ 13,460,151   | \$ 12,201,164   | \$ 132,902         | \$ 12,334,066   |
| Deferred Outflow of Resources:   | \$ 7,901,042    | \$ -               | \$ 7,901,042    | \$ 6,951,190    | \$ -               | \$ 6,951,190    |
| Current and other liabilities:   | \$ 6,265,075    | \$ 4,658           | \$ 6,269,733    | \$ 4,216,282    | \$ 4,229           | \$ 4,220,511    |
| Long-term liabilities            | 30,769,558      | -                  | 30,769,558      | 29,701,460      | -                  | 29,701,460      |
| Total liabilities                | \$ 37,034,633   | \$ 4,658           | \$ 37,039,291   | \$ 33,917,742   | \$ 4,229           | \$ 33,921,971   |
| Deferred Inflow of Resources:    | \$ 761,000      | \$ -               | \$ 761,000      | \$ 657,000      | \$ -               | \$ 657,000      |
| Net Position:                    |                 |                    |                 |                 |                    |                 |
| Net investment in capital assets | \$ 2,006,489    | \$ 15,500          | \$ 2,021,989    | \$ 1,217,939    | \$ -               | \$ 1,217,939    |
| Restricted for:                  |                 |                    |                 |                 |                    |                 |
| Special Revenue Fund             | 307,504         | -                  | 307,504         | 1,596,966       | -                  | 1,596,966       |
| Unrestricted (Deficit)           | (18,780,939)    | 12,348             | (18,768,591)    | (18,237,293)    | 128,673            | (18,108,620)    |
| Total Net Position (Deficit)     | \$ (16,466,946) | \$ 27,848          | \$ (16,439,098) | \$ (15,422,388) | \$ 128,673         | \$ (15,293,715) |

\*net of depreciation

Current and other assets include cash and cash equivalents (money in banks and liquid investments), subsidies still to be received from the state and federal government, amounts due from other funds and other receivables.

Noncurrent assets include land values, site improvements, building and building improvements, furniture and equipment (all net of amortization or depreciation) as well as net OPEB assets. Most of the Intermediate Unit’s assets are invested in capital assets.

Current liabilities include accounts payable, current portion of long-term debt, short-term payables, accrued salaries and benefits (July and August costs for teachers who do not take “balance of contract” in June).

Long-term liabilities include long-term portion of Educational Facility Revenue Bonds – Series of 2019, lease purchase obligations (copiers and other computer related equipment), long-term portion of compensated absences (value of sick days should employees use all their accumulated entitlements), net pension liability and other post-employment benefit obligations.

**BEAVER VALLEY INTERMEDIATE UNIT**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD & A)**

**JUNE 30, 2025**

**REPORTING THE INTERMEDIATE UNIT’S MOST SIGNIFICANT FUNDS (Continued)**

Net position (deficit) includes a net investment in capital assets, funds restricted for capital projects, and unrestricted funds (deficit) for general operations.

Table A-2 takes the information from the Statement of Activities and rearranges it slightly so you can see our total revenues and expenses for the year.

**Table A-2**  
**Changes in Net Position**  
**Fiscal Year ended June 30,**

|                                                  | <b>2025</b>                              |                                                      |                       | <b>2024</b>                              |                                                      |                      |
|--------------------------------------------------|------------------------------------------|------------------------------------------------------|-----------------------|------------------------------------------|------------------------------------------------------|----------------------|
|                                                  | <u>Governmental</u><br><u>Activities</u> | <u>Business-</u><br><u>Type</u><br><u>Activities</u> | <u>Total</u>          | <u>Governmental</u><br><u>Activities</u> | <u>Business-</u><br><u>Type</u><br><u>Activities</u> | <u>Total</u>         |
| <b>Revenues</b>                                  |                                          |                                                      |                       |                                          |                                                      |                      |
| <b><u>Program revenues:</u></b>                  |                                          |                                                      |                       |                                          |                                                      |                      |
| Charges for services                             | \$ 14,542,996                            | \$ 52,909                                            | \$ 14,595,905         | \$ 14,100,609                            | \$ 71,717                                            | \$ 14,172,326        |
| Operating grants and contributions               | 18,617,893                               | 222,101                                              | 18,839,994            | 17,958,798                               | 210,652                                              | 18,169,450           |
| <b>Total Primary Government</b>                  | <b>\$ 33,160,889</b>                     | <b>\$ 275,010</b>                                    | <b>\$ 33,435,899</b>  | <b>\$ 32,059,407</b>                     | <b>\$ 282,369</b>                                    | <b>\$ 32,341,776</b> |
| <b><u>General Revenues</u></b>                   |                                          |                                                      |                       |                                          |                                                      |                      |
| Grants, subsidies & contributions not restricted | \$ 171,866                               | \$ -                                                 | \$ 171,866            | \$ 171,866                               | \$ -                                                 | \$ 171,866           |
| Investment earnings                              | 308,413                                  | -                                                    | 308,413               | 324,959                                  | -                                                    | 324,959              |
| Refund Prior Year Expenses                       | -                                        | -                                                    | -                     | 68,125                                   | -                                                    | 68,125               |
| <b>Total revenues</b>                            | <b>\$ 33,641,168</b>                     | <b>\$ 275,010</b>                                    | <b>\$ 33,916,178</b>  | <b>\$ 32,624,357</b>                     | <b>\$ 282,369</b>                                    | <b>\$ 32,906,726</b> |
| <b>Expenses</b>                                  |                                          |                                                      |                       |                                          |                                                      |                      |
| Instruction                                      | \$ 20,397,092                            | \$ -                                                 | \$ 20,397,092         | \$ 18,011,114                            | \$ -                                                 | \$ 18,011,114        |
| Support services                                 | 14,253,994                               | -                                                    | 14,253,994            | 13,452,336                               | -                                                    | 13,452,336           |
| Non-Instruct. Services                           | -                                        | 375,835                                              | 375,835               | -                                        | 222,297                                              | 222,297              |
| Interest on Long Term Debt                       | 34,640                                   | -                                                    | 34,640                | 37,880                                   | -                                                    | 37,880               |
| <b>Total expenses</b>                            | <b>\$ 34,685,726</b>                     | <b>\$ 375,835</b>                                    | <b>\$ 35,061,561</b>  | <b>\$ 31,501,330</b>                     | <b>\$ 222,297</b>                                    | <b>\$ 31,723,627</b> |
| <b>Incr. (decr.) in net position</b>             | <b>\$ (1,044,558)</b>                    | <b>\$ (100,825)</b>                                  | <b>\$ (1,145,383)</b> | <b>\$ 1,123,027</b>                      | <b>\$ 60,072</b>                                     | <b>\$ 1,183,099</b>  |

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

At June 30, 2025, the Governmental and Business-Type Activities of the Intermediate Unit had \$3,516,524 invested in a broad range of capital assets, including land, buildings and furniture and equipment net of accumulated depreciation. Total capital additions for the year were \$895,428, consisting mainly of technology equipment. Table 3 presents a detailed look at the composition of the Intermediate Unit’s capital assets as of June 30, 2025 and 2024.

**BEAVER VALLEY INTERMEDIATE UNIT**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD & A)**

**JUNE 30, 2025**

**CAPITAL ASSETS (Continued)**

Table 3  
Governmental and Business-Type Activities  
Capital assets - net of depreciation

|                          | 2025                       |                                 |                     | 2024                       |                                 |                     |
|--------------------------|----------------------------|---------------------------------|---------------------|----------------------------|---------------------------------|---------------------|
|                          | Governmental<br>Activities | Business-<br>type<br>Activities | Total               | Governmental<br>Activities | Business-<br>type<br>Activities | Total               |
| Land                     | \$ 50,000                  | \$ -                            | \$ 50,000           | \$ 50,000                  | \$ -                            | \$ 50,000           |
| Construction in Progress | 624,005                    | -                               | 624,005             | -                          | -                               | -                   |
| Buildings & Improv.      | 2,396,748                  | -                               | 2,396,748           | 2,306,253                  | -                               | 2,306,253           |
| Furniture & Equipment    | 430,271                    | 15,500                          | 445,771             | 508,584                    | -                               | 508,584             |
| <b>Total</b>             | <b>\$ 3,501,024</b>        | <b>\$ 15,500</b>                | <b>\$ 3,516,524</b> | <b>\$ 2,864,837</b>        | <b>-</b>                        | <b>\$ 2,864,837</b> |

**DEBT ADMINISTRATION**

In October of 2019, BVIU issued an Educational Facility Revenue Bond issue, Series of 2019 in the amount of \$2,085,000. The terms of the loan call for principal and semi-annual interest payments through December of 2033 at an interest rate ranging between 2-3%. The Bonds are secured by the assets and revenues of the BVIU. Principal and interest payments totaling approximately \$176,563 were made during the 2024-2025 fiscal year, and total payments of \$177,288 are scheduled for the 2025-2026 fiscal year.

During the 2022-2023 fiscal year, the Beaver Valley Intermediate Unit entered into a financing lease agreement with Canon Business Solutions for the purchase of copier equipment totaling \$65,080. The terms of the lease call for 60 monthly payments of principal and interest of \$1,914.23 at an interest rate of approximately 25.10. Principal and interest payments totaling approximately \$22,971 were made during the 2024-2025 fiscal year, and total payments of \$22,971 are scheduled for the 2025-2026 fiscal year.

Information regarding all of the Intermediate Unit’s long-term debt obligations is detailed in Note 6 in the accompanying financial statements.

**THE INTERMEDIATE UNIT FUNDS**

The Intermediate Unit’s Balance Sheet – Governmental Funds reflected fund balances totaling \$3,818,796 as of June 30, 2025. Included in this total was \$307,504 committed by the board of directors for future capital purposes related to the New Horizon building and \$605,000 committed by the board of directors for future improvements and renovations to the central office building. In addition, \$1,192,800 was assigned for budgetary reserve and \$3 was assigned by the BVIU for special education. The remaining fund balance of 1,713,489 is considered unassigned.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD & A)**

**JUNE 30, 2025**

**THE INTERMEDIATE UNIT FUNDS (Continued)**

The Intermediate Unit continues to examine budgeted funds from all sources to make the best and most informed decisions regarding expenditures. With general inflationary increases, the Beaver Valley Intermediate Unit continues to review all programs and services to determine if short and long-range goals in providing educational opportunities for students are being met. Special Education costs are dependent upon the type and numbers of students who are placed by districts in our programs. As such, any enrollment surge will increase revenues but conversely, enrollment withdrawals can negatively impact revenues. It is our expectation that these fluctuations will be minor, or at least not directed at any one trend.

The Intermediate Unit applies for multiple federal, state and local grants that can be used to supplement the budgeting process, but not to "supplant" those funding sources. With the securing of various grants, additional funds can help in building a fund balance.

**SUMMARY**

The operation of the Intermediate Unit is contingent on our enrollment in Special Education programs, and the General Operating Budget of the Intermediate Unit continues to look for funding sources outside the local district contributions and PDE's funding. We, as an Intermediate Unit, continue to receive requests for programs and services that are needed by our local school districts. While PDE also continues to make demands on all Intermediate Units, it is providing additional dollars to help meet the needs of their initiatives. They continue to ask us to assist districts in the school improvement process to meet the ever-increasing demands of the federal government's initiatives. In summary, the Beaver Valley Intermediate Unit tries to provide the best possible programs and services to students, educators and districts in Beaver County.

**CONTACTING THE INTERMEDIATE UNIT FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the Intermediate Unit's finances and to show the Board's accountability for the money it receives. If you have questions about this report or to request additional financial information, please contact Connie Harmotto, Business Manager at Beaver Valley Intermediate Unit, 147 Poplar Drive, Monaca, PA 15001, or e-mail at [clh@bviu.org](mailto:clh@bviu.org).

**BEAVER VALLEY INTERMEDIATE UNIT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

|                                                                               | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>           |
|-------------------------------------------------------------------------------|------------------------------------|-------------------------------------|------------------------|
| <b>ASSETS:</b>                                                                |                                    |                                     |                        |
| <b>Current Assets:</b>                                                        |                                    |                                     |                        |
| Cash and Cash Equivalents                                                     | \$ 5,625,824                       | \$ 16,556                           | \$ 5,642,380           |
| Investments                                                                   | 740,001                            | -                                   | 740,001                |
| Due From Other Governments                                                    | 3,549,023                          | -                                   | 3,549,023              |
| Other Receivables                                                             | 11,773                             | -                                   | 11,773                 |
| Inventories                                                                   | -                                  | 450                                 | 450                    |
| <b>Total Current Assets</b>                                                   | <b>\$ 9,926,621</b>                | <b>\$ 17,006</b>                    | <b>\$ 9,943,627</b>    |
| <b>Noncurrent Assets:</b>                                                     |                                    |                                     |                        |
| Land (non-depreciable)                                                        | \$ 50,000                          | \$ -                                | \$ 50,000              |
| Construction in Progress (non-depreciable)                                    | 624,005                            | -                                   | 624,005                |
| Building & Building Improvements (net)                                        | 2,396,748                          | -                                   | 2,396,748              |
| Furniture & Equipment (net)                                                   | 430,271                            | 15,500                              | 445,771                |
| <b>Total Noncurrent Assets</b>                                                | <b>\$ 3,501,024</b>                | <b>\$ 15,500</b>                    | <b>\$ 3,516,524</b>    |
| <b>TOTAL ASSETS</b>                                                           | <b>\$ 13,427,645</b>               | <b>\$ 32,506</b>                    | <b>\$ 13,460,151</b>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>                                        |                                    |                                     |                        |
| Deferred Outflows of Resources related to Pension                             | \$ 7,314,928                       | \$ -                                | \$ 7,314,928           |
| Deferred Outflows of Resources related to OPEB                                | 586,114                            | -                                   | 586,114                |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>                                   | <b>\$ 7,901,042</b>                | <b>\$ -</b>                         | <b>\$ 7,901,042</b>    |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS<br/>OF RESOURCES</b>                    | <b>\$ 21,328,687</b>               | <b>\$ 32,506</b>                    | <b>\$ 21,361,193</b>   |
| <b>LIABILITIES:</b>                                                           |                                    |                                     |                        |
| <b>Current Liabilities:</b>                                                   |                                    |                                     |                        |
| Accounts Payable                                                              | \$ 2,318,722                       | \$ 4,658                            | \$ 2,323,380           |
| Unearned Revenues                                                             | 431,346                            | -                                   | 431,346                |
| Accrued Salaries and Benefits                                                 | 3,318,500                          | -                                   | 3,318,500              |
| Payroll Deductions and Withholdings                                           | 39,257                             | -                                   | 39,257                 |
| Financing Lease Obligations - Current Portion                                 | 12,250                             | -                                   | 12,250                 |
| Bonds Payable - Current Portion                                               | 145,000                            | -                                   | 145,000                |
| <b>Total Current Liabilities</b>                                              | <b>\$ 6,265,075</b>                | <b>\$ 4,658</b>                     | <b>\$ 6,269,733</b>    |
| <b>Noncurrent Liabilities:</b>                                                |                                    |                                     |                        |
| Financing Lease Obligations - Long Term Portion                               | \$ 35,827                          | \$ -                                | \$ 35,827              |
| Bonds Payable - Long Term Portion (Net)                                       | 1,301,458                          | -                                   | 1,301,458              |
| Net Pension Liability                                                         | 27,080,000                         | -                                   | 27,080,000             |
| Other Post-Employment Benefits Liability (OPEB)                               | 1,808,000                          | -                                   | 1,808,000              |
| Compensated Absences - Long Term Portion                                      | 544,273                            | -                                   | 544,273                |
| <b>Total Noncurrent Liabilities</b>                                           | <b>\$ 30,769,558</b>               | <b>\$ -</b>                         | <b>\$ 30,769,558</b>   |
| <b>TOTAL LIABILITIES</b>                                                      | <b>\$ 37,034,633</b>               | <b>\$ 4,658</b>                     | <b>\$ 37,039,291</b>   |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                                         |                                    |                                     |                        |
| Deferred Inflows of Resources related to Pension                              | \$ 426,000                         | \$ -                                | \$ 426,000             |
| Deferred Inflows of Resources related to OPEB                                 | 335,000                            | -                                   | 335,000                |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                    | <b>\$ 761,000</b>                  | <b>\$ -</b>                         | <b>\$ 761,000</b>      |
| <b>NET POSITION:</b>                                                          |                                    |                                     |                        |
| Net Investment in Capital Assets                                              | \$ 2,006,489                       | \$ 15,500                           | \$ 2,021,989           |
| Restricted - Expendable for Special Revenue Funds                             | 307,504                            | -                                   | 307,504                |
| Unrestricted (Deficit)                                                        | (18,780,939)                       | 12,348                              | (18,768,591)           |
| <b>TOTAL NET POSITION (Deficit)</b>                                           | <b>\$ (16,466,946)</b>             | <b>\$ 27,848</b>                    | <b>\$ (16,439,098)</b> |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND NET POSITION</b> | <b>\$ 21,328,687</b>               | <b>\$ 32,506</b>                    | <b>\$ 21,361,193</b>   |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

**EXHIBIT B**

| Functions/Programs                                | Expenses             | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes in Net Assets |                          |                        |
|---------------------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|-------------------------------------------------|--------------------------|------------------------|
|                                                   |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                         | Business-type Activities | Total                  |
| <b>Governmental Activities:</b>                   |                      |                      |                                    |                                  |                                                 |                          |                        |
| Instruction                                       | \$ 20,397,092        | \$ 8,741,716         | \$ 10,149,423                      | \$ -                             | \$ (1,505,953)                                  | \$ -                     | \$ (1,505,953)         |
| Instructional Student Support                     | 2,933,060            | 2,331,517            | 1,387,746                          | -                                | 786,203                                         | -                        | 786,203                |
| Administrative and Financial Support Services     | 3,623,489            | 2,192,437            | 829,188                            | -                                | (601,864)                                       | -                        | (601,864)              |
| Other Support Services                            | 5,833,004            | -                    | 5,719,597                          | -                                | (113,407)                                       | -                        | (113,407)              |
| Operation and Maintenance of Plant Services       | 1,544,482            | 1,277,326            | 257,355                            | -                                | (9,801)                                         | -                        | (9,801)                |
| Pupil Transportation                              | 319,959              | -                    | 274,584                            | -                                | (45,375)                                        | -                        | (45,375)               |
| Capital Outlay                                    | -                    | -                    | -                                  | -                                | -                                               | -                        | -                      |
| Interest on Long-Term Debt/Refunds Prior Year     | 34,640               | -                    | -                                  | -                                | (34,640)                                        | -                        | (34,640)               |
| <b>Total Governmental Activities</b>              | <b>\$ 34,685,726</b> | <b>\$ 14,542,996</b> | <b>\$ 18,617,893</b>               | <b>\$ -</b>                      | <b>\$ (1,524,837)</b>                           | <b>\$ -</b>              | <b>\$ (1,524,837)</b>  |
| <b>Business-Type Activities:</b>                  |                      |                      |                                    |                                  |                                                 |                          |                        |
| Food Services                                     | \$ 375,835           | \$ 52,909            | \$ 222,101                         | \$ -                             | \$ -                                            | \$ (100,825)             | \$ (100,825)           |
| <b>Total Business-Type Activities</b>             | <b>\$ 375,835</b>    | <b>\$ 52,909</b>     | <b>\$ 222,101</b>                  | <b>\$ -</b>                      | <b>\$ -</b>                                     | <b>\$ (100,825)</b>      | <b>\$ (100,825)</b>    |
| <b>Total Primary Government</b>                   | <b>\$ 35,061,561</b> | <b>\$ 14,595,905</b> | <b>\$ 18,839,994</b>               | <b>\$ -</b>                      | <b>\$ (1,524,837)</b>                           | <b>\$ (100,825)</b>      | <b>\$ (1,625,662)</b>  |
| <b>General Revenues:</b>                          |                      |                      |                                    |                                  |                                                 |                          |                        |
| Grants, subsidies, & contributions not restricted |                      |                      |                                    |                                  | \$ 171,866                                      | \$ -                     | \$ 171,866             |
| Investment Earnings                               |                      |                      |                                    |                                  | 308,413                                         | -                        | 308,413                |
| <b>Total general revenues and transfers</b>       |                      |                      |                                    |                                  | <b>\$ 480,279</b>                               | <b>\$ -</b>              | <b>\$ 480,279</b>      |
| <b>Change in Net Position</b>                     |                      |                      |                                    |                                  | <b>\$ (1,044,558)</b>                           | <b>\$ (100,825)</b>      | <b>\$ (1,145,383)</b>  |
| Net Position - July 1, 2024 (Deficit)             |                      |                      |                                    |                                  | (15,422,388)                                    | 128,673                  | (15,293,715)           |
| <b>Net Position - June 30, 2025 (Deficit)</b>     |                      |                      |                                    |                                  | <b>\$ (16,466,946)</b>                          | <b>\$ 27,848</b>         | <b>\$ (16,439,098)</b> |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

|                                            | <b>General</b>      | <b>Special<br/>Revenue<br/>Funds</b> | <b>Totals<br/>Governmental<br/>Funds</b> |
|--------------------------------------------|---------------------|--------------------------------------|------------------------------------------|
| <b>ASSETS:</b>                             |                     |                                      |                                          |
| Cash and Cash Equivalents                  | \$ 6,015,813        | \$ (389,989)                         | \$ 5,625,824                             |
| Investments                                | 481,343             | 258,658                              | 740,001                                  |
| Other Receivables                          | 10,745              | 1,028                                | 11,773                                   |
| Due From Other Funds                       | 54,910              | 26,582                               | 81,492                                   |
| Due from Other Governments                 | 524,833             | 3,024,190                            | 3,549,023                                |
| <b>Total Assets</b>                        | <b>\$ 7,087,644</b> | <b>\$ 2,920,469</b>                  | <b>\$ 10,008,113</b>                     |
| <b>LIABILITIES AND FUND BALANCES:</b>      |                     |                                      |                                          |
| <b>Liabilities:</b>                        |                     |                                      |                                          |
| Due to Other Funds                         | \$ 79,819           | \$ 1,673                             | \$ 81,492                                |
| Accounts Payable                           | 2,124,595           | 194,127                              | 2,318,722                                |
| Accrued Salaries and Benefits              | 696,766             | 2,621,734                            | 3,318,500                                |
| Payroll Deductions and Withholdings        | 39,257              | -                                    | 39,257                                   |
| Unearned Revenues                          | 431,346             | -                                    | 431,346                                  |
| <b>Total Liabilities</b>                   | <b>\$ 3,371,783</b> | <b>\$ 2,817,534</b>                  | <b>\$ 6,189,317</b>                      |
| <b>Fund Balances:</b>                      |                     |                                      |                                          |
| Committed                                  | \$ 605,000          | \$ 307,504                           | \$ 912,504                               |
| Assigned                                   | 1,192,800           | 3                                    | 1,192,803                                |
| Unassigned (Deficit)                       | 1,918,061           | (204,572)                            | 1,713,489                                |
| <b>Total Fund Balances</b>                 | <b>\$ 3,715,861</b> | <b>\$ 102,935</b>                    | <b>\$ 3,818,796</b>                      |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 7,087,644</b> | <b>\$ 2,920,469</b>                  | <b>\$ 10,008,113</b>                     |

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

**BEAVER VALLEY INTERMEDIATE UNIT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 3,818,796**

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 \$9,160,839 and the accumulated depreciation is \$5,659,815. 3,501,024

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 7,314,928

Deferred outflows of resources related to OPEB 586,114

Deferred inflows of resources related to pensions (426,000)

Deferred inflows of resources related to OPEB (335,000)

Long-term liabilities, including notes 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, Net                 | 1,446,458  |              |
| Financing Lease Obligations        | 48,077     |              |
| Net Other Post-employment Benefits | 1,808,000  |              |
| Net Pension Liability              | 27,080,000 |              |
| Compensated Absences               | 544,273    | (30,926,808) |
|                                    |            |              |

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (DEFICIT)** **\$ (16,466,946)**

**BEAVER VALLEY INTERMEDIATE UNIT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

|                                                                   | <b>General</b>       | <b>Special<br/>Revenue<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-------------------------------------------------------------------|----------------------|--------------------------------------|-----------------------------------------|
| <b>REVENUES AND OTHER FINANCING SOURCES:</b>                      |                      |                                      |                                         |
| <b>Revenues:</b>                                                  |                      |                                      |                                         |
| Local Sources                                                     | \$ 3,979,981         | \$ 11,043,295                        | \$ 15,023,276                           |
| State Sources                                                     | 1,355,576            | 8,722,390                            | 10,077,966                              |
| Federal Sources                                                   | 8,374,018            | 165,908                              | 8,539,926                               |
| <b>Total Revenues</b>                                             | <b>\$ 13,709,575</b> | <b>\$ 19,931,593</b>                 | <b>\$ 33,641,168</b>                    |
| <b>EXPENDITURES AND OTHER FINANCING USES:</b>                     |                      |                                      |                                         |
| <b>Instruction:</b>                                               |                      |                                      |                                         |
| Regular Programs                                                  | \$ 446,166           | \$ -                                 | \$ 446,166                              |
| Special Programs                                                  | 3,425,956            | 15,324,941                           | 18,750,897                              |
| Non-Public School Programs                                        | 758,234              | -                                    | 758,234                                 |
| <b>Total Instruction</b>                                          | <b>\$ 4,630,356</b>  | <b>\$ 15,324,941</b>                 | <b>\$ 19,955,297</b>                    |
| <b>Support Services:</b>                                          |                      |                                      |                                         |
| Pupil Personnel                                                   | \$ -                 | \$ 115,495                           | \$ 115,495                              |
| Instructional Staff                                               | 942,662              | -                                    | 942,662                                 |
| Administration                                                    | 806,772              | 1,848,450                            | 2,655,222                               |
| Pupil Health                                                      | 254,699              | 1,585,840                            | 1,840,539                               |
| Business                                                          | 17,177               | 337,497                              | 354,674                                 |
| Operation and Maintenance of Plant Services                       | 344,411              | 1,161,735                            | 1,506,146                               |
| Student Transportation Services                                   | -                    | 306,881                              | 306,881                                 |
| Central                                                           | 571,405              | -                                    | 571,405                                 |
| Other Support Services                                            | 5,833,004            | -                                    | 5,833,004                               |
| <b>Total Support Services</b>                                     | <b>\$ 8,770,130</b>  | <b>\$ 5,355,898</b>                  | <b>\$ 14,126,028</b>                    |
| <b>Facilities Acquisition, Construction and Improvement:</b>      |                      |                                      |                                         |
| Capital Outlay                                                    | \$ 624,005           | \$ 209,194                           | \$ 833,199                              |
| <b>Total Facilities Acquisition, Construction and Improvement</b> | <b>\$ 624,005</b>    | <b>\$ 209,194</b>                    | <b>\$ 833,199</b>                       |
| <b>Other Financing Sources (Uses):</b>                            |                      |                                      |                                         |
| Debt Service                                                      | \$ (65,000)          | \$ (111,562)                         | \$ (176,562)                            |
| Refund of Prior Year Revenues                                     | (886)                | -                                    | (886)                                   |
| Transfers In / (Out)                                              | 424,032              | (424,032)                            | -                                       |
| <b>Total Financing Sources (Uses)</b>                             | <b>\$ 358,146</b>    | <b>\$ (535,594)</b>                  | <b>\$ (177,448)</b>                     |
| <b>Net Change in Fund Balances</b>                                | <b>\$ 43,230</b>     | <b>\$ (1,494,034)</b>                | <b>\$ (1,450,804)</b>                   |
| Fund Balance - July 1, 2024                                       | 3,672,631            | 1,596,969                            | 5,269,600                               |
| <b>Fund Balance - June 30, 2025</b>                               | <b>\$ 3,715,861</b>  | <b>\$ 102,935</b>                    | <b>\$ 3,818,796</b>                     |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** **\$ (1,450,804)**

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 (\$880,018) exceeded depreciation expense (\$243,831) during the fiscal year. 636,187

The amortization of the bond premium liability results in a reduction of interest expense in the statement of activities. 2,808

The governmental funds report the repayment of debt principal as an expenditure. However, in the statement of activities, these payments decrease long-term debt obligations, including capital leases. 149,555

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

|                                                       |                    |           |
|-------------------------------------------------------|--------------------|-----------|
| Pension contributions                                 | \$ 3,913,928       |           |
| Cost of benefits earned net of employee contributions | <u>(4,133,963)</u> | (220,035) |

In the statement of activities, certain operating expenses-compensated absences and other post-employment benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount represents the amounts earned in excess of these benefits paid. (162,269)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ (1,044,558)**

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES,**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

|                                                          | <u>Budgeted Amounts</u> |                     | <u>Actual</u><br><u>(Budgetary Basis)</u> | <u>Variance with</u><br><u>Final Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|----------------------------------------------------------|-------------------------|---------------------|-------------------------------------------|-------------------------------------------------------------------------------------|
|                                                          | <u>Original</u>         | <u>Final</u>        |                                           |                                                                                     |
| <b>REVENUES</b>                                          |                         |                     |                                           |                                                                                     |
| Local revenues                                           | \$ 1,577,201            | \$ 1,577,201        | \$ 1,111,441                              | \$ (465,760)                                                                        |
| State program revenues                                   | 566,275                 | 566,275             | 368,332                                   | (197,943)                                                                           |
| Federal program revenues                                 | 250,000                 | 250,000             | 210,220                                   | (39,780)                                                                            |
| <b>TOTAL REVENUES</b>                                    | <b>\$ 2,393,476</b>     | <b>\$ 2,393,476</b> | <b>\$ 1,689,993</b>                       | <b>\$ (703,483)</b>                                                                 |
| <b>EXPENDITURES</b>                                      |                         |                     |                                           |                                                                                     |
| Instruction                                              | \$ 525,287              | \$ 525,287          | \$ 556,052                                | \$ (30,765)                                                                         |
| Support Services                                         | 1,848,189               | 1,848,189           | 1,340,400                                 | 507,789                                                                             |
| <b>TOTAL EXPENDITURES</b>                                | <b>\$ 2,373,476</b>     | <b>\$ 2,373,476</b> | <b>\$ 1,896,452</b>                       | <b>\$ 477,024</b>                                                                   |
| <b>Excess (deficiency) of revenues over expenditures</b> | <b>\$ 20,000</b>        | <b>\$ 20,000</b>    | <b>\$ (206,459)</b>                       | <b>\$ (226,459)</b>                                                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |                         |                     |                                           |                                                                                     |
| Debt Service                                             | \$ (65,000)             | \$ (65,000)         | \$ (65,000)                               | \$ -                                                                                |
| Special and Extraordinary Items                          | (300,000)               | (300,000)           | -                                         | (300,000)                                                                           |
| Interfund Transfers (Out)                                | 445,000                 | 445,000             | 424,032                                   | (20,968)                                                                            |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>              | <b>\$ 80,000</b>        | <b>\$ 80,000</b>    | <b>\$ 359,032</b>                         | <b>\$ (320,968)</b>                                                                 |
| <b>Net change in fund balances</b>                       | <b>\$ 100,000</b>       | <b>\$ 100,000</b>   | <b>\$ 152,573</b>                         | <b>\$ (547,427)</b>                                                                 |
| Fund Balance - July 1, 2024                              | 2,441,165               | 2,441,165           | 2,633,881                                 | 192,716                                                                             |
| <b>Fund Balance - June 30, 2025</b>                      | <b>\$ 2,541,165</b>     | <b>\$ 2,541,165</b> | <b>\$ 2,786,454</b>                       | <b>\$ (354,711)</b>                                                                 |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES,**  
**BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

|                                                          | <u>Budgeted Amounts</u>     |                             | <u>Actual</u><br><u>(Budgetary Basis)</u> | <u>Variance with</u><br><u>Final Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|----------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------------------|-------------------------------------------------------------------------------------|
|                                                          | <u>Original</u>             | <u>Final</u>                |                                           |                                                                                     |
| <b>REVENUES</b>                                          |                             |                             |                                           |                                                                                     |
| Local revenues                                           | \$ 13,770,604               | \$ 13,770,604               | \$ 11,043,295                             | \$ (2,727,309)                                                                      |
| State program revenues                                   | 8,164,342                   | 8,164,342                   | 8,722,390                                 | 558,048                                                                             |
| Federal program revenues                                 | 352,983                     | 352,983                     | 165,908                                   | (187,075)                                                                           |
| <b>TOTAL REVENUES</b>                                    | <b><u>\$ 22,287,929</u></b> | <b><u>\$ 22,287,929</u></b> | <b><u>\$ 19,931,593</u></b>               | <b><u>\$ (2,356,336)</u></b>                                                        |
| <b>EXPENDITURES</b>                                      |                             |                             |                                           |                                                                                     |
| Instruction                                              | \$ 16,566,388               | \$ 16,566,388               | \$ 15,324,941                             | \$ 1,241,447                                                                        |
| Support Services                                         | 5,375,157                   | 5,375,157                   | 5,355,898                                 | 19,259                                                                              |
| Facilities Acquisition, Construction and Improvement     | -                           | -                           | 209,194                                   | (209,194)                                                                           |
| <b>TOTAL EXPENDITURES</b>                                | <b><u>\$ 21,941,545</u></b> | <b><u>\$ 21,941,545</u></b> | <b><u>\$ 20,890,033</u></b>               | <b><u>\$ 1,051,512</u></b>                                                          |
| <b>Excess (deficiency) of revenues over expenditures</b> | <b><u>\$ 346,384</u></b>    | <b><u>\$ 346,384</u></b>    | <b><u>\$ (958,440)</u></b>                | <b><u>\$ (1,304,824)</u></b>                                                        |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |                             |                             |                                           |                                                                                     |
| Debt Service                                             | \$ -                        | \$ -                        | \$ (111,562)                              | \$ (111,562)                                                                        |
| Interfund Transfers                                      | (346,384)                   | (346,384)                   | (424,032)                                 | (77,648)                                                                            |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>              | <b><u>\$ (346,384)</u></b>  | <b><u>\$ (346,384)</u></b>  | <b><u>\$ (535,594)</u></b>                | <b><u>\$ (189,210)</u></b>                                                          |
| <b>Net change in fund balances</b>                       | <b><u>\$ -</u></b>          | <b><u>\$ -</u></b>          | <b><u>\$ (1,494,034)</u></b>              | <b><u>\$ (1,494,034)</u></b>                                                        |
| Fund Balance - July 1, 2024                              | -                           | -                           | 1,596,969                                 | 1,596,969                                                                           |
| <b>Fund Balance - June 30, 2025</b>                      | <b><u>\$ -</u></b>          | <b><u>\$ -</u></b>          | <b><u>\$ 102,935</u></b>                  | <b><u>\$ 102,935</u></b>                                                            |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2025**

|                                                        | <b>Food<br/>Service<br/>Fund</b> |
|--------------------------------------------------------|----------------------------------|
| <b>ASSETS:</b>                                         |                                  |
| <b>Current Assets:</b>                                 |                                  |
| Cash and Cash Equivalents                              | \$ 16,556                        |
| Inventories                                            | 450                              |
| <b>Total Current Assets</b>                            | <b>\$ 17,006</b>                 |
| <b>Noncurrent Assets:</b>                              |                                  |
| Building & Building Improvements (net of depreciation) | \$ -                             |
| Furniture & Equipment (net of depreciation)            | 15,500                           |
| <b>Total Noncurrent Assets</b>                         | <b>\$ 15,500</b>                 |
| <b>TOTAL ASSETS</b>                                    | <b>\$ 32,506</b>                 |
| <b>LIABILITIES:</b>                                    |                                  |
| <b>Current Liabilities:</b>                            |                                  |
| Accounts Payable                                       | \$ 4,658                         |
| <b>Total Current Liabilities</b>                       | <b>\$ 4,658</b>                  |
| <b>TOTAL LIABILITIES</b>                               | <b>\$ 4,658</b>                  |
| <b>NET POSITION:</b>                                   |                                  |
| Net Investment in Capital Assets                       | \$ 15,500                        |
| Unrestricted                                           | 12,348                           |
| <b>TOTAL NET POSITION</b>                              | <b>\$ 27,848</b>                 |
| <b>TOTAL LIABILITIES AND NET POSITION</b>              | <b>\$ 32,506</b>                 |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

|                                                | <b>Food<br/>Service<br/>Fund</b> |
|------------------------------------------------|----------------------------------|
| <b>Operating Revenues:</b>                     |                                  |
| Food Service Revenues                          | \$ 13,768                        |
| Special Functions                              | 39,141                           |
| <b>Total Operating Revenues</b>                | <b><u>\$ 52,909</u></b>          |
| <b>Operating Expenses:</b>                     |                                  |
| Other Purchased Services                       | \$ 24,875                        |
| Supplies                                       | 281,633                          |
| Personnel Services                             | 69,327                           |
| <b>Total Operating Expenses</b>                | <b><u>\$ 375,835</u></b>         |
| <b>Operating Income (Loss)</b>                 | <b><u>\$ (322,926)</u></b>       |
| <b>Non-operating Revenues (Expenses):</b>      |                                  |
| State Sources                                  | \$ 6,370                         |
| Federal Sources                                | 215,731                          |
| <b>Total Non-operating Revenues (Expenses)</b> | <b><u>\$ 222,101</u></b>         |
| <b>Net Income (Loss)</b>                       | <b><u>\$ (100,825)</u></b>       |
| Net Position - July 1, 2024                    | <u>128,673</u>                   |
| <b>Net Position - June 30, 2025</b>            | <b><u>\$ 27,848</u></b>          |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

|                                                                                        | <b>Food<br/>Service<br/>Fund</b> |
|----------------------------------------------------------------------------------------|----------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                            |                                  |
| Cash Received from Users                                                               | \$ 52,909                        |
| Cash Payments to Suppliers for Goods and Services                                      | (342,288)                        |
| Cash Payments for Other Operating Expenses                                             | (24,875)                         |
| <b>NET CASH (USED BY) OPERATING ACTIVITIES</b>                                         | <b>\$ (314,254)</b>              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                            |                                  |
| Purchase of Fixed Assets                                                               | \$ (15,500)                      |
| <b>NET CASH USED BY INVESTING ACTIVITIES</b>                                           | <b>\$ (15,500)</b>               |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                                |                                  |
| State Sources                                                                          | \$ 6,370                         |
| Federal Sources                                                                        | 207,425                          |
| <b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>                           | <b>\$ 213,795</b>                |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                                       | <b>\$ (115,959)</b>              |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR                                          | 132,515                          |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                                         | <b>\$ 16,556</b>                 |
| <br>                                                                                   |                                  |
| <b>Reconciliation of Operating Income to Net Cash<br/>Used by Operating Activities</b> |                                  |
| <b>Operating Loss</b>                                                                  | <b>\$ (322,926)</b>              |
| Government Commodities Used in Operations                                              | 8,306                            |
| <b>Change in Assets and Liabilities:</b>                                               |                                  |
| (Increase)/Decrease in Inventories                                                     | (63)                             |
| (Decrease)/Increase in Accounts Payable                                                | 429                              |
| <b>Total Adjustments</b>                                                               | <b>\$ 8,672</b>                  |
| <b>Net Cash (Used by) Operating Activities</b>                                         | <b>\$ (314,254)</b>              |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2025**

|                                           | <b>Student<br/>Activity<br/>Custodial<br/>Fund</b> | <b>Business<br/>Managers<br/>Custodial<br/>Fund</b> | <b>Totals</b>    |
|-------------------------------------------|----------------------------------------------------|-----------------------------------------------------|------------------|
| <b>ASSETS:</b>                            |                                                    |                                                     |                  |
| Cash and Cash Equivalents                 | \$ 21,228                                          | \$ 1,629                                            | \$ 22,857        |
| <b>TOTAL ASSETS</b>                       | <b>\$ 21,228</b>                                   | <b>\$ 1,629</b>                                     | <b>\$ 22,857</b> |
| <b>LIABILITIES:</b>                       |                                                    |                                                     |                  |
| Due to Other Funds                        | \$ -                                               | \$ -                                                | \$ -             |
| <b>TOTAL LIABILITIES</b>                  | <b>\$ -</b>                                        | <b>\$ -</b>                                         | <b>\$ -</b>      |
| <b>NET POSITION:</b>                      |                                                    |                                                     |                  |
| Restricted                                | \$ 21,228                                          | \$ 1,629                                            | \$ 22,857        |
| <b>TOTAL NET POSITION</b>                 | <b>\$ 21,228</b>                                   | <b>\$ 1,629</b>                                     | <b>\$ 22,857</b> |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b>\$ 21,228</b>                                   | <b>\$ 1,629</b>                                     | <b>\$ 22,857</b> |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2025**

|                                         | <b>Student<br/>Activity<br/>Custodial<br/>Fund</b> | <b>Business<br/>Managers<br/>Custodial<br/>Fund</b> | <b>Totals</b>    |
|-----------------------------------------|----------------------------------------------------|-----------------------------------------------------|------------------|
| <b>ADDITIONS:</b>                       |                                                    |                                                     |                  |
| Student Club Organization Receipts      | \$ 26,884                                          | \$ -                                                | \$ 26,884        |
| Business Manager Receipts               | -                                                  | 800                                                 | 800              |
| <b>TOTAL ADDITIONS</b>                  | <b>\$ 26,884</b>                                   | <b>\$ 800</b>                                       | <b>\$ 27,684</b> |
| <b>DEDUCTIONS:</b>                      |                                                    |                                                     |                  |
| Student Club Organization Disbursements | \$ 23,809                                          | \$ -                                                | \$ 23,809        |
| Business Manager Disbursements          | -                                                  | 510                                                 | 510              |
| <b>TOTAL DEDUCTIONS</b>                 | <b>\$ 23,809</b>                                   | <b>\$ 510</b>                                       | <b>\$ 24,319</b> |
| <b>CHANGE IN NET POSITION</b>           | <b>\$ 3,075</b>                                    | <b>\$ 290</b>                                       | <b>\$ 3,365</b>  |
| NET POSITIONS - JULY 1, 2024            | 18,153                                             | 1,339                                               | 19,492           |
| <b>NET POSITIONS - JUNE 30, 2025</b>    | <b>\$ 21,228</b>                                   | <b>\$ 1,629</b>                                     | <b>\$ 22,857</b> |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**REPORTING ENTITY**

The Beaver Valley Intermediate Unit (BVIU) was established in 1970 by Act 102 of the Commonwealth of Pennsylvania to function as a regional educational service agency for 14 school districts and 1 career and technical school located in Beaver County. The BVIU provides services related to curriculum development, continuing education, educational planning, instructional materials, pupil personnel, state and federal agency liaison and managerial oversight. The Beaver Valley Intermediate Unit is governed by a fourteen (14) member board elected by the school board members of the participating districts. The Board of Directors appoints an Executive Director to administer the daily operations of the BVIU, as well as implement board policies. The mission of the Beaver Valley Intermediate Unit is to provide only the best educational services that support learners of all ages.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the BVIU consists of all funds, departments, boards and agencies that are not legally separate from the BVIU. Generally accepted accounting principles define component units as legally separate entities that are included in the BVIU's reporting entity because of the significance of their operating or financial relationships with the Intermediate Unit. Based on the application of these criteria, the BVIU has no component units. The BVIU is associated with one public entity risk pool - Beaver County Health Care Insurance Consortium - as described in Note 9.

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

**FINANCIAL STATEMENT PRESENTATION**

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

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

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**FINANCIAL STATEMENT PRESENTATION (Continued)**

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

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

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

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

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

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

Fiduciary funds are reported using the economic resources measurement focus.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

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

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

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

The management of the Beaver Valley Intermediate Unit has determined that the revenues most susceptible to accrual (measurable and available) at June 30, 2025 under the modified accrual basis are **1)** available federal and state subsidies, that have been earned by the BVIU through approved program expenditures as of June 30, 2025 and **2)** billings to participating school districts for contracted service performed during the 2024-2025 fiscal year.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. The primary expenditures deemed susceptible to accrual at June 30, 2025 under the modified accrual basis are **1)** salaries, retirement, and social security budgeted and pertaining to the 2024-2025 fiscal year, but which were paid in July and August of 2025 in accordance with labor agreements **2)** the BVIU's share of retirement cost on salaries and wages earned during the second quarter of 2025 and **3)** other operating and grant related costs obligated prior to June 30, 2025.

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

**FUND ACCOUNTING**

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

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**FUND ACCOUNTING (Continued)**

**Governmental Funds** – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the BVIU's major governmental funds:

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

**SPECIAL EDUCATION FUND (SPECIAL REVENUE FUND)** - The BVIU's two special education funds are used to account for grant funding from the Department of Education to be used solely for special education related activities.

**SPECIAL EDUCATION TRANSPORTATION FUND (SPECIAL REVENUE FUND)** - The special education transportation fund is used to account for grant funding from the Department of Education to be used solely for special education transportation related activities.

**EARLY INTERVENTION FUND (SPECIAL REVENUE FUND)** - The early intervention fund is used to account for grant funding from the Department of Education to be used solely for early intervention related activities.

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

**Fiduciary Funds** – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Custodial funds report fiduciary activities that are not held in a Trust or equivalent arrangement that meets specific criteria. The BVIU's Custodial Funds are comprised of the various student organization activity accounts administered by the Intermediate Unit on behalf of the various student organizations, and a business manager account that is held on behalf of all the local business managers for training meetings.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**BUDGETS**

Section 914-A of the Public School Code of 1949 requires the Beaver Valley Intermediate Unit Board of Directors to adopt and advertise the Intermediate Unit's budget. The budget shall be approved by 1) at least a majority of the school districts comprising the BVIU and 2) at least a majority of the proportionate votes of all school directors. The budget shall be filed annually with the Secretary of Education and advertised or notice thereof given to the public in each of the component school districts as required of local school district budgets by Section 687 of this Act, on or before the first day of May.

On April 17, 2024, the Board of Directors of the Beaver Valley Intermediate Unit adopted the fiscal year 2024-2025 annual budget for the general operating fund ("Fund 03"), and the BVIU's Act 89 Program, totaling \$2,838,476 in accordance with the provisions of the aforementioned Public-School Code. This budget was subsequently ratified by the participating school districts. The Board of Directors also approved budgets for the BVIU's special revenue funds (special education, transportation, and early intervention) totaling \$22,287,929. The budgets are prepared utilizing the modified accrual method of accounting in accordance with generally accepted accounting principles. Budgetary transfers among various expenditure line items are performed as needed by the Intermediate Unit and approved by the Board of Directors in compliance with the Public-School Code. The original and adjusted budgetary amounts are reflected in these financial statements (Exhibits G and H). All annual appropriations of the general fund lapse at fiscal year-end.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include amounts in demand deposit accounts and any other highly liquid, short-term investments, with original maturity terms of less than three months.

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

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

**INVENTORIES**

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

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**CAPITAL ASSETS AND DEPRECIATION**

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

All capital assets are recorded at cost (or estimated historical cost). Donated fixed assets are recorded at fair value at the time of receipt. The BVIU maintains a current capitalization threshold minimum of \$4,000 per item. The cost of infrastructure is included as part of building and building improvements in the government-wide statement of net position. Routine repair and maintenance costs that do not add to the value of the asset or extend its useful life are charged as an expense in the government-wide statement of activities. All reported capital assets, except land, are depreciated using the straight-line method over the following useful lives:

| <u>CATEGORY</u>            | <u>GOVERNMENTAL<br/>ACTIVITIES</u> | <u>BUSINESS-TYPE<br/>ACTIVITIES</u> |
|----------------------------|------------------------------------|-------------------------------------|
| Site Improvements          | 5-40 Years                         | N/A                                 |
| Buildings and Improvements | 10-40 Years                        | N/A                                 |
| Furniture and Equipment    | 3-15 Years                         | 3-15 Years                          |

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

**COMPENSATED ABSENCES**

The Beaver Valley Intermediate Unit reports compensated absences in accordance with the provisions of applicable GASB Statements. Sick leave benefits are accrued as follows:

- Beaver County Education Association Professional Employees – Each professional employee shall be compensated for all accumulated sick leave days upon retiring from the Beaver Valley Intermediate Unit provided the professional employee has served ten (10) or more years of continuous service in the BVIU. The compensation shall be based upon the total number of accumulated sick leave days and shall be one-half of the current daily salary paid to substitutes plus ten dollars (\$10) for each day accumulated up to one hundred (100) and shall be one-half of the current daily salary paid to substitutes for the remainder of the days.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**COMPENSATED ABSENCES (Continued)**

- Beaver County Education Association School Service Personnel Association – Each employee retiring from the Beaver Valley Intermediate Unit who has served ten (10) or more years of continuous service shall be compensated for all unused sick days upon retirement at the rate of \$50 per day.
- Beaver County Education Association Teacher Aides – Each Aide retiring from the Beaver Valley Intermediate Unit who has served ten (10) or more years of continuous service shall receive payment for all unused sick leave days in the amount of one-half of the current daily salary rate paid to substitute Teacher Aides (currently \$100).
- Beaver County Intermediate Unit Clerical – Each employee retiring from the Beaver Valley Intermediate Unit who has served ten (10) or more years of continuous service shall be compensated for all unused sick days while employed by the BVIU at the rate of \$25 per day.

The entire compensated absences liability of \$544,273 is shown as a non-current liability in the government-wide statement of net position. For governmental fund financial statements, compensated absences are recorded as expenditures when paid, rather than accrued when earned, as the likelihood of payment in the immediate fiscal year with available expendable resources is not assured.

**PENSIONS**

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS), and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment assets are reported at fair value. More information on pension activity is included in Note 7.

**OTHER POSTEMPLOYMENT BENEFITS**

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS), and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment assets are reported at fair value. More information on other postemployment benefits activity is included in Note 8.

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

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

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion of compensated absences is reported as a liability in the fund financial statements only to the extent that amounts will be paid with current, expendable and available financial resources.

In general, liabilities that mature or come due for payment within 60 days of the end of the fiscal year-end, are considered to be paid with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. The BVIU General Fund is typically used to liquidate long-term liability obligations.

The results of recognizing these long-term obligations as liabilities on the government-wide statement of net position and statement of activities, as opposed to recording these same obligations as an expenditure in the fund financial statements (Exhibit E) only when paid, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

**LONG-TERM DEBT FINANCING COSTS**

Bond issuance costs are recorded as expenditures in the governmental fund financial statements in the year paid. The BVIU did not incur bond issuance costs during the 2024-2025 fiscal year.

**UNEARNED REVENUE**

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

**DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

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

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The BVIU has two items that qualify for reporting in this category. They are deferred inflows related to the pension and OPEB plans, which are reported on the statement of net position (Exhibit A).

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**NET POSITION**

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

- Net Investment in Capital Assets – This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted Net Position – This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets.
- Unrestricted – Consists of net position that does not meet the definition of ‘restricted’ or ‘net investment in capital assets’. BVIU had a deficit governmental activities unrestricted net position of \$18,473,435 as of June 30, 2025.

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

**FUND EQUITY**

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

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory and prepaid expenses) or are required to be maintained intact. The BVIU had no nonspendable fund balance at June 30, 2025.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the BVIU itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the BVIU takes the same highest-level action to remove or change the constraint. The Beaver Valley Intermediate Unit Board of Directors committed \$307,504 of Special Education Fund monies for future capital needs, including the renovation of New Horizon School. These funds are comprised of the following:

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**FUND EQUITY (Continued)**

|                                               |                          |
|-----------------------------------------------|--------------------------|
| Transfer from Unassigned Fund Balance (14/15) | \$ 177,287               |
| Transfer from Unassigned Fund Balance (16/17) | 80,820                   |
| Transfer from Unassigned Fund Balance (17/18) | 107,110                  |
| Transfer from Unassigned Fund Balance (18/19) | 198,017                  |
| Transfer from Unassigned Fund Balance (19/20) | 363,865                  |
| Transfer from Unassigned Fund Balance (20-21) | 475,714                  |
| Transfer from Unassigned Fund Balance (21-22) | (465,055)                |
| Transfer from Unassigned Fund Balance (22-23) | 502,976                  |
| Transfer from Unassigned Fund Balance (23-24) | 155,292                  |
| Transfer from Unassigned Fund Balance (24-25) | (1,288,522)              |
|                                               | <b><u>\$ 307,504</u></b> |

In addition, the BVIU's Board of Directors committed funds for future improvements and renovations at the Central Office Building. These funds are comprised of the following:

|                                                             |                          |
|-------------------------------------------------------------|--------------------------|
| Transfer from Unassigned Fund Balance (13-14 through 15-16) | \$ 110,000               |
| Transfer from Unassigned Fund Balance (16-17)               | 10,000                   |
| Transfer from Unassigned Fund Balance (17-18)               | 10,000                   |
| Transfer from Unassigned Fund Balance (18-19)               | 10,000                   |
| Transfer from Unassigned Fund Balance (19-20)               | 10,000                   |
| Transfer from Unassigned Fund Balance (20-21)               | 10,000                   |
| Transfer from Unassigned Fund Balance (21-22)               | 10,000                   |
| Transfer from Unassigned Fund Balance (22-23)               | 10,000                   |
| Transfer from Unassigned Fund Balance (23-24)               | 325,000                  |
| Transfer from Unassigned Fund Balance (24-25)               | 100,000                  |
|                                                             | <b><u>\$ 605,000</u></b> |

- Assigned fund balance – amounts the BVIU intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The BVIU assigned \$1,192,800 for budgetary reserves and \$3 for special education.
- Unassigned fund balance – amounts that are available for any purpose.

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

**ESTIMATES**

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

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**OPERATING / NONOPERATING REVENUES AND EXPENSES**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the BVIU, these revenues are food service charges for lunch service. Operating expenses are the necessary costs incurred to provide the aforementioned food service. Non-operating revenues of the BVIU's food service proprietary fund are comprised of state and federal subsidies, including donated commodities, received from the U.S. Department of Agriculture. The Intermediate Unit did not have non-operating expenses during the fiscal year.

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statements were adopted for the Intermediate Unit's 2024-2025 financial statements. Except where noted, the adoption of these pronouncements did not have a significant impact on Beaver Valley Intermediate Unit's financial statements.

- **GASB issued Statement No. 101, 'Compensated Absences'.**
- **GASB issued Statement No. 102, 'Certain Risk Disclosures'.**

**PENDING GASB PRONOUNCEMENTS**

- **GASB issued Statement No. 103, 'Financial Reporting Model Improvements'.** The provisions of this statement are effective for the BVIU's June 30, 2026 financial statements.
- **GASB issued Statement No. 104, 'Disclosure of Certain Capital Assets'.** The provisions of this statement are effective for the BVIU's June 30, 2026 financial statements.

The effects of implementing these statements on the BVIU's financial statements have not yet been determined.

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS**

The Beaver Valley Intermediate Unit had the following bank deposit balances and carrying values on its cash and cash equivalents at June 30, 2025:

|                    | <b><u>BANK<br/>BALANCE</u></b> | <b><u>CARRYING<br/>VALUE</u></b> |
|--------------------|--------------------------------|----------------------------------|
| Governmental Funds | \$ 6,716,414                   | \$ 5,625,824                     |
| Enterprise Funds   | 16,556                         | 16,556                           |
| Custodial Funds    | 22,959                         | 22,857                           |
|                    | <b><u>\$ 6,755,929</u></b>     | <b><u>\$ 5,665,237</u></b>       |

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**CASH DEPOSITS (Continued)**

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

**Custodial Credit Risk:**

Custodial credit risk is the risk that in the event of a bank failure, the BVIU's deposits may not be returned to it. BVIU's investment policy complies with Section 440.1 of the Public-School Code of 1949 with the primary objectives being safety, liquidity and yield. As of June 30, 2025, \$6,484,599 of the BVIU's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Intermediate Unit's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, the aforementioned deposits, in excess of \$250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

**INVESTMENTS**

The fair value and maturity terms of the District's investments as of June 30, 2025 are as follows:

|                            | <b>Fair Value</b> | <b>No Stated<br/>Maturity</b> |
|----------------------------|-------------------|-------------------------------|
| <b>Governmental Funds:</b> |                   |                               |
| PSDLAF                     | \$ 740,001        | \$ 740,001                    |

Investments held in external investment pools such as PSDLAF are not subject to the provisions of fair value measurements as they are recorded at amortized cost and/or cost.

The purpose of the Pennsylvania School District Liquid Asset Fund (PSDLAF) is to enable governmental units to pool their available funds for investments authorized by Section 440.1 of the Pennsylvania Public School Code, as amended. The fund operates in a manner consistent with the SEC's Rule 2(a)7 of the Investment Company Act of 1940. The fund uses amortized cost to report net position to compute share prices. The fund maintains net asset values of \$1 per share. Accordingly, the fair value of the position in this fund is the same as the value of these shares. This fund is rated by a nationally recognized statistical rating organization as shown above. PSDLAF does not put any limitations or restrictions on withdrawals.

**Custodial Credit Risk:**

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

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**INVESTMENTS (Continued)**

**Credit Risk:**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Center has no formal investment policy that limits its investment choices based on credit ratings by nationally recognized rating organizations. As of June 30, 2025, PSDLAF is rated AAAM by the Standard & Poors nationally recognized statistical rating organization.

**Interest Rate Risk:**

The Intermediate Unit does not have a formal investment policy that limits investment maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Concentration of Credit Risk:**

The Intermediate Unit places no limit on the amount it may invest in any one issuer.

**NOTE 3 – INTER-FUND RECEIVABLES/PAYABLES/TRANSFERS**

Inter-fund receivables and payables, as reflected on the governmental funds (Exhibit C) balance sheet is as follows:

|                        | <b>RECEIVABLE</b> | <b>PAYABLE</b>   |
|------------------------|-------------------|------------------|
| General Fund           | \$ 54,910         | \$ 79,819        |
| Special Education Fund | 26,582            | 1,673            |
|                        | <b>\$ 81,492</b>  | <b>\$ 81,492</b> |

Interfund receivables and payables primarily represent routine payroll and other obligations due between the Intermediate Unit's various Funds. Inter-fund transfers during the 2024-2025 fiscal year are as follows:

|                        | <b>TRANSFERS IN</b> | <b>TRANSFERS OUT</b> |
|------------------------|---------------------|----------------------|
| General Fund           | \$ 424,032          | \$ -                 |
| Special Education Fund | -                   | 356,090              |
| Early Intervention     | -                   | 67,942               |
|                        | <b>\$ 424,032</b>   | <b>\$ 424,032</b>    |

The above transfers between programs were made during the 2024-2025 fiscal year to reimburse each program for general operating and debt service costs.

**NOTE 4 – DUE FROM OTHER GOVERNMENTS**

Due from other governments totaling \$3,549,023, as reflected in Exhibits A and C represents various grant funds due to the Beaver Valley Intermediate Unit from the Pennsylvania Department of Education, as well as billings due from participating school districts for services provided. Receivables due to the BVIU are recorded at net realizable value.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 5 - CAPITAL ASSETS**

A summary of the governmental and business-type fixed asset activity for the 2024-2025 fiscal year was as follows:

|                                                         | <b>Balance 7/1/2024</b> | <b>Additions</b>    | <b>Deductions</b> | <b>Balance<br/>6/30/2025</b> |
|---------------------------------------------------------|-------------------------|---------------------|-------------------|------------------------------|
| <b>Governmental Activities</b>                          |                         |                     |                   |                              |
| <b>Capital Assets, not being depreciated</b>            |                         |                     |                   |                              |
| Land                                                    | \$ 50,000               | \$ -                | \$ -              | \$ 50,000                    |
| Construction in Progress                                | -                       | 624,005             | -                 | 624,005                      |
| <b>Total Capital Assets,<br/>not being depreciated</b>  | <b>\$ 50,000</b>        | <b>\$ 624,005</b>   | <b>\$ -</b>       | <b>\$ 674,005</b>            |
| <b>Capital Assets, being depreciated</b>                |                         |                     |                   |                              |
| Building and Improvements                               | \$ 7,181,646            | \$ 209,194          | \$ -              | \$ 7,390,840                 |
| Furniture and Equipment                                 | 1,049,175               | 46,819              | -                 | 1,095,994                    |
| <b>Total Capital Assets,<br/>being depreciated</b>      | <b>\$ 8,230,821</b>     | <b>\$ 256,013</b>   | <b>\$ -</b>       | <b>\$ 8,486,834</b>          |
| <b>Less: Accumulated depreciation</b>                   |                         |                     |                   |                              |
| Building and Improvements                               | \$ (4,875,393)          | \$ (118,699)        | \$ -              | \$ (4,994,092)               |
| Furniture and Equipment                                 | (540,591)               | (125,132)           | -                 | (665,723)                    |
|                                                         | <b>\$ (5,415,984)</b>   | <b>\$ (243,831)</b> | <b>\$ -</b>       | <b>\$ (5,659,815)</b>        |
| <b>Governmental Activities<br/>Capital Assets, Net</b>  | <b>\$ 2,864,837</b>     | <b>\$ 636,187</b>   | <b>\$ -</b>       | <b>\$ 3,501,024</b>          |
| <br>                                                    |                         |                     |                   |                              |
|                                                         | <b>Balance 7/1/2024</b> | <b>Additions</b>    | <b>Deductions</b> | <b>Balance<br/>6/30/2025</b> |
| <b>Business-Type Activities</b>                         |                         |                     |                   |                              |
| <b>Capital Assets, being depreciated</b>                |                         |                     |                   |                              |
| Building and Improvements                               | \$ 155,029              | \$ -                | \$ -              | \$ 155,029                   |
| Furniture and Equipment                                 | 123,400                 | 15,500              | -                 | 138,900                      |
|                                                         | <b>\$ 278,429</b>       | <b>\$ 15,500</b>    | <b>\$ -</b>       | <b>\$ 293,929</b>            |
| <b>Less: Accumulated depreciation</b>                   |                         |                     |                   |                              |
| Building and Improvements                               | \$ (155,029)            | \$ -                | \$ -              | \$ (155,029)                 |
| Furniture and Equipment                                 | (123,400)               | -                   | -                 | (123,400)                    |
|                                                         | <b>\$ (278,429)</b>     | <b>\$ -</b>         | <b>\$ -</b>       | <b>\$ (278,429)</b>          |
| <b>Business-Type Activities<br/>Capital Assets, Net</b> | <b>\$ -</b>             | <b>\$ 15,500</b>    | <b>\$ -</b>       | <b>\$ 15,500</b>             |

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 5 - CAPITAL ASSETS (Continued)**

Depreciation expense was charged to governmental functions as follows:

|                                               |                   |
|-----------------------------------------------|-------------------|
| Instruction                                   | \$ 202,663        |
| Instructional Student Support                 | 6,053             |
| Administrative and Financial Support Services | 14,796            |
| Operation and Maintenance of Plant Services   | 20,319            |
|                                               | <b>\$ 243,831</b> |

**NOTE 6 - LONG-TERM LIABILITIES**

**EDUCATIONAL FACILITY REVENUE BONDS**

In October of 2019, the Beaver Valley Intermediate Unit issued Educational Facility Revenue Bonds, Series of 2019 in the amount of \$2,085,000 to provide funds to refund the outstanding principal balance due on BVIU's Revenue Refunding Note, Series of 2012. The bonds were issued in denominations of \$5,000 with interest paid semi-annually at interest rates ranging between 2% and 3%. The bonds are scheduled to mature on December 1, 2033. The bonds provide for early redemption options for the BVIU for those bonds maturing on or after December 1, 2025 as stated in the official statement of issue.

**DEFAULT PROVISIONS**

The Bonds are payable from the general revenues of the BVIU subject to certain priorities for required program expenditures to be made from restricted revenues. In the event of default of the payment of principal and interest on any of the bonds after the same shall become due, whether at the stated maturity or upon call for prior redemption, and such default shall continue for 30 days, or if the BVIU fails to comply with any provisions of the Bonds then outstanding may, upon appropriate action, appoint a trustee to represent the Bondholders. The trustee may, upon the request of the holders of 25% in principal amount of the Bonds then outstanding, and upon being provided with indemnity satisfactory to it shall take such action on behalf of the Bondholders as is more specifically set forth in the Pennsylvania Local Government Unit Debt Act.

A summary of the debt service requirements on the BVIU outstanding bonds payable at June 30, 2025 is as follows:

| <b><u>YEAR END</u></b><br><b><u>JUNE 30,</u></b> | <b><u>TOTAL</u></b><br><b><u>PRINCIPAL</u></b> | <b><u>TOTAL</u></b><br><b><u>INTEREST</u></b> | <b><u>ANNUAL</u></b><br><b><u>DEBT</u></b><br><b><u>SERVICE</u></b> |
|--------------------------------------------------|------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------------|
| 2026                                             | \$ 145,000                                     | \$ 32,288                                     | \$ 177,288                                                          |
| 2027                                             | 145,000                                        | 27,937                                        | 172,937                                                             |
| 2028                                             | 150,000                                        | 23,512                                        | 173,512                                                             |
| 2029                                             | 155,000                                        | 19,712                                        | 174,712                                                             |
| 2030                                             | 160,000                                        | 16,562                                        | 176,562                                                             |
| 2031-2034                                        | 665,000                                        | 29,981                                        | 694,981                                                             |
|                                                  | <b>\$ 1,420,000</b>                            | <b>\$ 149,992</b>                             | <b>\$ 1,569,992</b>                                                 |

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 6 - LONG-TERM LIABILITIES (Continued)**

**EDUCATIONAL FACILITY REVENUE BONDS (Continued)**

The Intermediate Unit's Educational Facility Revenues Bonds Series of 2019 were issued with premiums of \$42,135.80. The premium is being accreted as a component of interest expense on the straight-line basis over the life of the bond issue. The un-accreted amount of bond premium totaling \$26,458 is reflected as a component of 'Bonds Payable – Long-Term Portion (Net)', in the governmental activities' column on the government-wide statement of net position. Premium accretion for the year ended June 30, 2025 was \$2,808. This amount was credited to the 'Interest on Long-Term Debt' expense category in the statement of activities.

**DIRECT BORROWING - FINANCING LEASE OBLIGATIONS**

During the 2022-2023 fiscal year, the Beaver Valley Intermediate Unit entered into a financing lease agreement with Canon Business Solutions for the purchase of copier equipment totaling \$65,080. The terms of the lease call for 60 monthly payments of principal and interest of \$1,914.23 at an interest rate of approximately 25.10%. The lease contains a 'non-appropriation' clause in the event the Intermediate Unit does not have sufficient funds to appropriate toward the lease agreement. In the event of default, Canon Business Solutions will take possession of the copier equipment.

A summary of the debt service requirements on the capital lease agreements outstanding at June 30, 2025 is as follows:

| <b><u>YEAR END</u></b><br><b><u>JUNE 30,</u></b> | <b><u>CANON</u></b><br><b><u>PRINCIPAL</u></b> | <b><u>INTEREST</u></b>  | <b><u>TOTAL</u></b>     |
|--------------------------------------------------|------------------------------------------------|-------------------------|-------------------------|
| 2026                                             | \$ 12,250                                      | \$ 10,721               | \$ 22,971               |
| 2027                                             | 15,704                                         | 7,267                   | 22,971                  |
| 2028                                             | 20,123                                         | 2,848                   | 22,971                  |
|                                                  | <b><u>\$ 48,077</u></b>                        | <b><u>\$ 20,836</u></b> | <b><u>\$ 68,913</u></b> |

The following represents the changes in the BVIU's long-term liabilities during the 2024-2025 fiscal year:

|                             | <b><u>Balance</u></b><br><b><u>7/1/2024</u></b> | <b><u>Additions</u></b>    | <b><u>Reductions</u></b> | <b><u>Balance</u></b><br><b><u>6/30/2025</u></b> | <b><u>Due Within</u></b><br><b><u>One Year</u></b> |
|-----------------------------|-------------------------------------------------|----------------------------|--------------------------|--------------------------------------------------|----------------------------------------------------|
| Educational Facility Bond   | \$ 1,560,000                                    | \$ -                       | \$ 140,000               | \$ 1,420,000                                     | \$ 145,000                                         |
| Financing Lease Obligations | 57,632                                          | -                          | 9,555                    | 48,077                                           | 12,250                                             |
| Net Pension Liability       | 25,936,000                                      | 1,144,000                  | -                        | 27,080,000                                       | -                                                  |
| OPEB Benefits               | 1,741,000                                       | 98,000                     | 31,000                   | 1,808,000                                        | -                                                  |
| Compensated Absences        | 527,117                                         | 17,156                     | -                        | 544,273                                          | -                                                  |
|                             | <b><u>\$ 29,821,749</u></b>                     | <b><u>\$ 1,259,156</u></b> | <b><u>\$ 180,555</u></b> | <b><u>\$ 30,900,350</u></b>                      | <b><u>\$ 157,250</u></b>                           |

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 – PENSION PLAN**

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

**Plan Description**

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

**Benefits Provided**

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

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

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

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

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

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 – PENSION PLAN (Continued)**

**Benefits Provided (Continued)**

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.

**Contributions**

**Member Contributions:**

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

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

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 – PENSION PLAN (Continued)**

**Contributions (Continued)**

**Member Contributions: (Continued)**

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

**Employer Contributions:**

The BVIU’s contractually required contribution rate for the fiscal year ended June 30, 2025, was 32.92%\* 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 BVIU were \$3,913,928 for the year ended June 30, 2025.

\*The defined contribution rate of 0.35% is an estimated rate. It is recommended employers use the actual defined contributions made to the PSERS defined contribution plan. This may impact contributions made to the pension plan.

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

At June 30, 2025, the BVIU reported a liability of \$27,080,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023, to June 30, 2024. The BVIU’s proportion of the net pension liability was calculated utilizing the employer’s one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2025, the BVIU’s proportion was .0647% which was an increase of .0064% from its proportion measured as of June 30, 2024.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 – PENSION PLAN (Continued)**

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

For the year ended June 30, 2025, the BVIU recognized pension expense of \$3,670,697. At June 30, 2025, the BVIU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                 | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|-----------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Difference between expected and actual experience               | \$ -                                      | \$ 426,000                               |
| Changes in assumptions                                          | -                                         | -                                        |
| Net difference between projected and actual investment earnings | 449,000                                   | -                                        |
| Changes in proportion                                           | 2,952,000                                 | -                                        |
| Contributions subsequent to the measurement date                | 3,913,928                                 | -                                        |
|                                                                 | <u>\$ 7,314,928</u>                       | <u>\$ 426,000</u>                        |

The \$3,913,928 reported as deferred outflows of resources related to pensions resulting from BVIU contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ended June 30, 2025.

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

| <u>Measurement<br/>Date<br/>Year ended<br/>June 30,</u> | <u>Reporting<br/>Date<br/>Year ended<br/>June 30,</u> | <u>Amortization<br/>Amount</u> |
|---------------------------------------------------------|-------------------------------------------------------|--------------------------------|
| 2025                                                    | 2026                                                  | \$ 632,000                     |
| 2026                                                    | 2027                                                  | 1,624,000                      |
| 2027                                                    | 2028                                                  | 810,000                        |
| 2028                                                    | 2029                                                  | (91,000)                       |

**Changes in Actuarial Assumptions**

The Total Pension Liability as of June 30, 2024, was determined by rolling forward the System's Total Pension Liability as of June 30, 2023 to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 – PENSION PLAN (Continued)**

**Changes in Actuarial Assumptions (Continued)**

- Valuation Date – June 30, 2023
- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 7.00%, includes inflation at 2.50%
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023, and as of June 30, 2024.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021, actuarial valuation:
  - Salary growth rate – decreased from 5.00% to 4.50%
  - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00% respectively.
  - Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

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

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

| <u>Asset Class</u>   | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|--------------------------|-----------------------------------------------|
| Global public equity | 30.0%                    | 4.80%                                         |
| Private equity       | 12.0%                    | 6.70%                                         |
| Fixed Income         | 33.5%                    | 3.90%                                         |
| Commodities          | 5.0%                     | 2.50%                                         |
| Infrastructure       | 10.0%                    | 6.40%                                         |
| Real estate          | 9.5%                     | 5.90%                                         |
|                      | <u>100%</u>              |                                               |

The above table was the Board’s adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 – PENSION PLAN (Continued)**

**Discount Rate**

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

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

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

|                                                            | <b>1%<br/>Decrease<br/>6.00%</b> | <b>Current<br/>Discount<br/>Rate<br/>7.00%</b> | <b>1%<br/>Increase<br/>8.00%</b> |
|------------------------------------------------------------|----------------------------------|------------------------------------------------|----------------------------------|
| BVIU's proportionate share of<br>the net pension liability | <u>\$ 35,673,000</u>             | <u>\$ 27,080,000</u>                           | <u>\$ 19,824,000</u>             |

**Pension plan fiduciary net position**

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

**NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION**

**PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM**

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

PSERS provides Premium Assistance, which is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2024, there were no assumed future benefit increases to participating eligible retirees.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

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

**Premium Assistance Eligibility Criteria**

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

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

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

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

**Plan Description**

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

**Benefits Provided**

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

**Employer Contributions**

The BVIU's contractually required contribution rate for the fiscal year ended June 30, 2025, was 0.63% 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 BVIU were \$74,114 for the year ended June 30, 2025.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

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

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

At June 30, 2025, the BVIU reported a liability of \$1,160,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, 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, 2023, to June 30, 2024. The BVIU'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, 2025, the BVIU's proportion was 0.0653%, which is an increase of .0066% from its proportion measured as of June 30, 2024.

For the year ending June 30, 2025, the Beaver Valley Intermediate Unit recognized OPEB expense of \$99,454. At June 30, 2025, the BVIU reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                                 | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|-----------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Difference between expected and actual experience               | \$ 4,000                                  | \$ 17,000                                |
| Changes in assumptions                                          | 71,000                                    | 177,000                                  |
| Net difference between projected and actual investment earnings | 2,000                                     | -                                        |
| Changes in proportion                                           | 223,000                                   | -                                        |
| Contributions subsequent to the measurement date                | 74,114                                    | -                                        |
|                                                                 | <b>\$ 374,114</b>                         | <b>\$ 194,000</b>                        |

The \$74,114 reported as deferred outflows of resources related to OPEB resulting from BVIU contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the measurement year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <b>Measurement<br/>Date<br/>Year ended<br/>June 30,</b> | <b>Reporting<br/>Date<br/>Year ended<br/>June 30,</b> | <b>Amortization<br/>Amount</b> |
|---------------------------------------------------------|-------------------------------------------------------|--------------------------------|
| 2025                                                    | 2026                                                  | \$ 34,000                      |
| 2026                                                    | 2027                                                  | 21,000                         |
| 2027                                                    | 2028                                                  | 8,000                          |
| 2028                                                    | 2029                                                  | 24,000                         |
| 2029                                                    | 2030                                                  | 19,000                         |
| Thereafter                                              | Thereafter                                            | -                              |

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

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

**Actuarial Assumptions**

The Total OPEB Liability as of June 30, 2024, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2023, to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial Cost Method – Entry Age Normal – level % of pay.
- Investment Return – 4.21% based on the S&P 20 Year Municipal Bond Rate.
- Salary Growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
  - Eligible retirees will elect to participate Pre-age 65 at 50%
  - Eligible retirees will elect to participate Post age 65 at 70%

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022, determined the employer contribution rate for fiscal year 2024.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021, was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

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

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

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

**Actuarial Assumptions (Continued)**

| <u>OPEB - Asset Class</u> | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|---------------------------|------------------------------|-------------------------------------------------------|
| Cash                      | 100.0%                       | 1.70%                                                 |
|                           | 100.0%                       |                                                       |

The above table was the Board’s adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

**Discount Rate**

The discount rate used to measure the Total OPEB Liability was 4.21%. Under the plan’s funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan’s fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a “pay-as-you-go” plan. A discount rate of 4.21%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2024, 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, 2024, 92,149 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2024, 489 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the net OPEB liability for June 30, 2024, calculated using current Healthcare cost trends as well as what the BVIU net OPEB liability would be if its health cost trends were 1-percentage point lower or 1-percentage-point higher than the current healthcare cost trend rate:

|                    | <u>1%<br/>Decrease</u> | <u>Current<br/>Trend<br/>Rates</u> | <u>1%<br/>Increase</u> |
|--------------------|------------------------|------------------------------------|------------------------|
| Net OPEB Liability | \$ 1,160,000           | \$ 1,160,000                       | \$ 1,160,000           |

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

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

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

The following presents the net OPEB liability, calculated using the discount rate of 4.21%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.21%) or 1-percentage-point higher (5.21%) than the current rate:

|                    | <b>1%</b>       | <b>Current Discount</b> | <b>1%</b>       |
|--------------------|-----------------|-------------------------|-----------------|
|                    | <b>Decrease</b> | <b>Rate</b>             | <b>Increase</b> |
|                    | <b>3.21%</b>    | <b>4.21%</b>            | <b>5.21%</b>    |
| Net OPEB Liability | \$ 1,310,000    | \$ 1,160,000            | \$ 1,034,000    |

**OPEB plan fiduciary net position**

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

**INTERMEDIATE UNIT- POST-RETIREMENT HEALTHCARE BENEFIT PLAN**

**Plan Description**

1. **Type of Plans Covered:** Medical and pharmacy benefits are covered by this valuation. The Intermediate Unit self-insures healthcare benefits.
  
2. **Eligibility for Healthcare Coverage:**
  - a. Teachers: Act 110/43
  - b. Administrators: Eligible for Intermediate Unit incentive upon retirement after age 62 and 15 years of PSERS service, including 10 years with the IU. Else, Act 110/43
  - c. Support Staff: Act 110/43
  
3. **Duration of Healthcare Benefits:**
  - a. Teachers: Retiree coverage ends at age 65, or death or qualification for Medicare if earlier. Spousal coverage may continue until age 65, or death, qualification for Medicare, or cessation of retiree's coverage if earlier.
  - b. Administrators: Retiree coverage ends at age 65, or death or qualification for Medicare if earlier. Spousal coverage may continue until age 65, or death, qualification for Medicare, or cessation of retiree's coverage if earlier.
  - c. Support Staff: Retiree coverage ends at age 65, or death or qualification for Medicare if earlier. Spousal coverage may continue until age 65, or death, qualification for Medicare, or cessation of retiree's coverage if earlier.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**INTERMEDIATE UNIT- POST-RETIREMENT HEALTHCARE BENEFIT PLAN (Continued)**

**Plan Description (Continued)**

4. **Participant Contributions for Healthcare Coverage:**
  - a. Teachers: Retiree and spouse contribute the full premium amount.
  - b. Administrators: Under the IU incentive, the retiree does not make a contribution, and the spouse pays the full premium amount. Under Act 110 retiree and spouse contribute the full premium amount.
  - c. Support Staff: Retiree and spouse contribute the full premium amount.
  
5. **Monthly Premium Rates for 2023-2024 Plan Year:** (latest per report)

| <u>Plan</u> | <u>Retiree</u> | <u>Retiree/Spouse</u> |
|-------------|----------------|-----------------------|
| PPO         | \$ 683         | \$ 1,791              |
| QHDHP       | 591            | 1,545                 |

**Changes in Plan Provisions Since the Prior Valuation**

- Administrator incentive has been updated and retirement bonus has been removed

**Participant Data and Total OPEB Liability**

As the BVIU's OPEB Plan is unfunded, the total OPEB liability is equal to the net OPEB liability. Membership in the plan consisted of the following at July 1, 2023:

|                                               |                   |
|-----------------------------------------------|-------------------|
| Retirees and beneficiaries receiving benefits | 2                 |
| Active plan members                           | <u>184</u>        |
| <b>Total</b>                                  | <b><u>186</u></b> |

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

As the BVIU's OPEB Plan is unfunded, the total OPEB liability is equal to the net OPEB liability.

**Changes in the Total OPEB Liability**

|                                      |                          |
|--------------------------------------|--------------------------|
| Balance at July 1, 2024              | \$ 679,000               |
| Changes for the year:                |                          |
| Service cost                         | 51,000                   |
| Interest                             | 26,000                   |
| Effect of Plan Changes               | -                        |
| Effect of liability gains and losses | -                        |
| Effect of assumptions or inputs      | (79,000)                 |
| Benefit payments                     | (29,000)                 |
| <b>Balance at June 30, 2025</b>      | <b><u>\$ 648,000</u></b> |

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**INTERMEDIATE UNIT- POST-RETIREMENT HEALTHCARE BENEFIT PLAN (Continued)**

**OPEB Expense for the fiscal year ended June 30, 2025**

|                                  |           |                       |
|----------------------------------|-----------|-----------------------|
| Service cost                     | \$        | 51,000                |
| Interest                         |           | 26,000                |
| Effect of plan changes           |           | -                     |
| Member contributions             |           | -                     |
| Reconition of gains and losses   |           | 42,000                |
| Recognition of changes or inputs |           | 21,000                |
| <b>OPEB Expense</b>              | <b>\$</b> | <b><u>140,000</u></b> |

At June 30, 2025, the BVIU reported deferred outflows/inflows of resources related to OPEB from the following sources:

|                                                    | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|----------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience | \$ 179,000                                | \$ 14,000                                |
| Changes in assumptions                             | 33,000                                    | 127,000                                  |
|                                                    | <b><u>\$ 212,000</u></b>                  | <b><u>\$ 141,000</u></b>                 |

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

| <u>Year Ended<br/>June 30</u> | <u>Amortization<br/>Amount</u> |
|-------------------------------|--------------------------------|
| 2025                          | \$ 33,000                      |
| 2026                          | 20,000                         |
| 2027                          | 20,000                         |
| 2028                          | 21,000                         |
| 2029                          | (9,000)                        |
| Thereafter                    | (14,000)                       |
|                               | <b><u>\$ 71,000</u></b>        |

**Actuarial Assumptions**

- Cost Method – Entry Age Normal Method
- Mortality – PubT-H2010 Mortality Table adjusted to reflect Mortality Improvement Scale MP-2021
- Discount Rate – 5.20% based on the 20-Bond Go Bond Buyer municipal bond index.
- CPI – 2.30% compounded annually
- Salary Increases – Based on the rates utilized in the Actuarial Valuation for the Pennsylvania Public School Employees’ Retirement System and vary by age.
- Healthcare Trend – 2024-2025 fiscal year 6.70% decreasing on a graduated basis to 3.7% for fiscal years 2074 and later.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**INTERMEDIATE UNIT- POST-RETIREMENT HEALTHCARE BENEFIT PLAN (Continued)**

**Actuarial Assumptions (Continued)**

- Monthly Per Capita Claims Cost - Expected claims costs vary by age, gender and employee versus spouse.
- Coverage Election Rates:

**Teachers:** 75% of current active members are assumed to elect to purchase coverage upon retirement at age 55 or later if eligible for Act 110/43. Actual coverage elections for current retirees are used. (Based on continuous review of experience and actuarial judgement.)

**Administrators:** 100% of current active members are assumed to elect coverage if eligible for the incentive and 50% are assumed to elect to purchase coverage upon retirement at age 62 or later if eligible for Act 110/43. Actual coverage elections for current retirees are used. (Based on continuous review of experience and actuarial judgement.)

**Support Staff:** 50% of current active members are assumed to elect to purchase coverage upon retirement at age 55 or later if eligible for Act 110/43/ Actual coverage elections for current retirees are used. (Based on continuous review of experience and actuarial judgement)

**For all groups:** Actual elections for current retirees are used.

- Dependent Coverage:

**Teachers:** 25% of current active members are assumed to cover a spouse in retirement, with wives three years younger than husbands. (Based on continuous review of experience and actuarial judgement.)

**Administrators:** 50% of current active members are assumed to cover a spouse in retirement, with wives three years younger than husbands. (Based on continuous review of experience and actuarial judgement.)

**Support Staff:** 10% of current active members are assumed to cover a spouse in retirement, with wives three years younger than husbands. (Based on continuous review of experience and actuarial judgement.)

**For all groups:** Actual elections are used for current retirees.

- Termination – Withdraw rates are based on the rates utilized in the Actuarial Valuation for the Pennsylvania Public School Employees' Retirement System and vary by age, service and gender.
- Retirement – Retirement rates are based on the rates utilized in the Actuarial Valuation for the Pennsylvania Public School Employees' Retirement System and vary by age, service and gender. No employee is assumed to work beyond age 65.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**INTERMEDIATE UNIT- POST-RETIREMENT HEALTHCARE BENEFIT PLAN (Continued)**

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

The following presents the net OPEB liability, calculated using the valuation discount rate of as well as what the net OPEB liability would be if it were calculated using a discount rate that 1-percentage-point lower and 1-percentage-point higher than the current rate:

|                      | <b>1% Decrease</b> | <b>Discount Rate</b> | <b>1% Increase</b> |
|----------------------|--------------------|----------------------|--------------------|
|                      | <b>4.20%</b>       | <b>5.20%</b>         | <b>6.20%</b>       |
| Total OPEB Liability | \$ 710,000         | \$ 648,000           | \$ 589,000         |

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

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

|                      | <b>1% Decrease</b> | <b>Current<br/>Trend Rate</b> | <b>1% Increase</b> |
|----------------------|--------------------|-------------------------------|--------------------|
| Total OPEB Liability | \$ 564,000         | \$ 648,000                    | \$ 751,000         |

**NOTE 9 - RISK AND UNCERTAINTIES**

**INSURANCE**

The Beaver Valley Intermediate Unit is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The BVIU carries commercial insurance for all risks of loss except those instances where risk is retained by the BVIU. Settled claims from risks, not retained by the BVIU, have not exceeded commercial insurance coverage in any of the past three fiscal years.

**HEALTH INSURANCE**

The Beaver Valley Intermediate Unit is a member of the Beaver County Health Care Insurance Consortium (BCHCIC), a cooperative joint venture of Beaver County School Districts formed for the purpose of purchasing health care for all participating members at favorable rates. The Consortium is a public entity risk pool designed to administer health and medical insurance risks on a pooled risk basis. The Consortium elected to finance these health care benefits using a self-insured approach known as an Administrative Service Contract (ASC) arrangement.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 9 - RISK AND UNCERTAINTIES (Continued)**

**HEALTH INSURANCE (Continued)**

Under this arrangement, the consortium contracts for an insurer (Highmark Blue Cross/Blue Shield) to settle the payment for benefits at their provider discounted contract amounts plus a fee for administration rather than paying for benefits at non-discounted claims rates. The Reschini Group performs billing and collection services for the Consortium's deposit (medical) and premium (supplemental) amounts. Billing administration is provided through Crown benefits Administration who also monitors and submits to Highmark all enrollment and eligibility changes for all coverages. Contributions from participating members are determined annually in advance by the Consortium's operating committee. These contributions are based on amounts required to fund anticipated benefits and claims, as well as operational costs. The monthly payments of each member are determined by the terms of the medical benefit chosen by such members. Participating members are permitted to withdraw from the Consortium and are entitled to a vested interest in the Consortium fund balance after settlement of all claims related to that member from the date of withdrawal. As of June 30, 2025, the Consortium net position (accrual basis) reflected a balance of a deficit of \$6,012,382. The Intermediate Unit's share of this balance was a deficit of approximately \$390,805 as of June 30, 2025.

**STATE AND FEDERAL SUBSIDIES**

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

**LEGAL MATTERS**

The Beaver Valley Intermediate Unit, in the normal course of operations, is party to various legal matters normally associated with Intermediate Units such as personnel wage and benefits, student education, construction projects, and other miscellaneous legal matters. The Intermediate Unit is not aware of any current claims, litigation or assessments against the Intermediate Unit that would adversely impact the financial position of the Intermediate Unit as of the date of this report.

**NOTE 10 – SUBSEQUENT EVENTS**

Management has determined that there are no events subsequent to June 30, 2025 through March 19, 2026, the date of the 'Independent Auditor's Report', which is the date the financial statements were available to be issued, that require additional disclosure in the financial statements.

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***SUPPLEMENTARY***  
***INFORMATION***

**BEAVER VALLEY INTERMEDIATE UNIT**  
**COMBINING BALANCE SHEET - GENERAL FUND**  
**JUNE 30, 2025**

|                                           | <b><u>Other<br/>Programs</u></b> | <b><u>Federal<br/>Programs</u></b> | <b><u>ACT 89<br/>Program</u></b> | <b><u>Totals</u></b>       |
|-------------------------------------------|----------------------------------|------------------------------------|----------------------------------|----------------------------|
| <b>ASSETS:</b>                            |                                  |                                    |                                  |                            |
| Cash                                      | \$ 3,448,246                     | \$ 2,515,818                       | \$ 51,749                        | \$ 6,015,813               |
| Investments                               | 481,343                          | -                                  | -                                | 481,343                    |
| Other Receivables                         | 10,745                           | -                                  | -                                | 10,745                     |
| Interfund Receivables                     | 54,910                           | -                                  | -                                | 54,910                     |
| Intergovernmental Receivables             | 433,041                          | 57,557                             | 34,235                           | 524,833                    |
| <b>Total Assets</b>                       | <b><u>\$ 4,428,285</u></b>       | <b><u>\$ 2,573,375</u></b>         | <b><u>\$ 85,984</u></b>          | <b><u>\$ 7,087,644</u></b> |
| <b>LIABILITIES AND FUND BALANCE:</b>      |                                  |                                    |                                  |                            |
| <b>Liabilities:</b>                       |                                  |                                    |                                  |                            |
| Due to Other Funds                        | \$ 79,819                        | \$ -                               | \$ -                             | \$ 79,819                  |
| Accounts Payable                          | 136,583                          | 1,988,012                          | -                                | 2,124,595                  |
| Accrued Salaries and Benefits             | 354,553                          | 256,229                            | 85,984                           | 696,766                    |
| Payroll Deductions and Withholdings       | 39,257                           | -                                  | -                                | 39,257                     |
| Unearned Revenue                          | 88,533                           | 342,813                            | -                                | 431,346                    |
| <b>Total Liabilities</b>                  | <b><u>\$ 698,745</u></b>         | <b><u>\$ 2,587,054</u></b>         | <b><u>\$ 85,984</u></b>          | <b><u>\$ 3,371,783</u></b> |
| <b>Fund Balance:</b>                      |                                  |                                    |                                  |                            |
| Committed                                 | \$ 605,000                       | \$ -                               | \$ -                             | \$ 605,000                 |
| Assigned                                  | 1,192,800                        | -                                  | -                                | 1,192,800                  |
| Unassigned (Deficit)                      | 1,931,740                        | (13,679)                           | -                                | 1,918,061                  |
| <b>Total Fund Balance</b>                 | <b><u>\$ 3,729,540</u></b>       | <b><u>\$ (13,679)</u></b>          | <b><u>\$ -</u></b>               | <b><u>\$ 3,715,861</u></b> |
| <b>Total Liabilities and Fund Balance</b> | <b><u>\$ 4,428,285</u></b>       | <b><u>\$ 2,573,375</u></b>         | <b><u>\$ 85,984</u></b>          | <b><u>\$ 7,087,644</u></b> |

The accompanying notes are an integral part of these financial statements

**SCHEDULE 2**

**BEAVER VALLEY INTERMEDIATE UNIT  
COMBINING BALANCE SHEET - OTHER PROGRAMS  
JUNE 30, 2025**

|                                           | <b>BVIU<br/>General</b> | <b>In-Service<br/>Program</b> | <b>PCCD<br/>State</b> | <b>EL<br/>OCDEL<br/>Grant</b> | <b>Cyber<br/>Services</b> | <b>Fiberwan<br/>Program</b> | <b>Behavioral<br/>Services</b> | <b>CED<br/>Services</b> | <b>ESL</b>        | <b>Outpatient<br/>Services</b> | <b>Totals</b>       |
|-------------------------------------------|-------------------------|-------------------------------|-----------------------|-------------------------------|---------------------------|-----------------------------|--------------------------------|-------------------------|-------------------|--------------------------------|---------------------|
| <b>ASSETS:</b>                            |                         |                               |                       |                               |                           |                             |                                |                         |                   |                                |                     |
| Cash                                      | \$ 2,384,299            | \$ 31,592                     | \$ (56,132)           | \$ -                          | \$ 126,720                | \$ 78,189                   | \$ 152,826                     | \$ -                    | \$ 179,284        | \$ 551,468                     | \$ 3,448,246        |
| Investments                               | 481,343                 | -                             | -                     | -                             | -                         | -                           | -                              | -                       | -                 | -                              | 481,343             |
| Other Receivables                         | 5,705                   | 5,040                         | -                     | -                             | -                         | -                           | -                              | -                       | -                 | -                              | 10,745              |
| Due from Other Funds                      | 8,754                   | -                             | -                     | -                             | -                         | -                           | 46,156                         | -                       | -                 | -                              | 54,910              |
| Intergovernmental Receivables             | 169,107                 | 6,461                         | 56,132                | -                             | 17,845                    | 1,379                       | 125,768                        | -                       | 51,928            | 4,421                          | 433,041             |
| <b>Total Assets</b>                       | <b>\$ 3,049,208</b>     | <b>\$ 43,093</b>              | <b>\$ -</b>           | <b>\$ -</b>                   | <b>\$ 144,565</b>         | <b>\$ 79,568</b>            | <b>\$ 324,750</b>              | <b>\$ -</b>             | <b>\$ 231,212</b> | <b>\$ 555,889</b>              | <b>\$ 4,428,285</b> |
| <b>LIABILITIES AND FUND BALANCE:</b>      |                         |                               |                       |                               |                           |                             |                                |                         |                   |                                |                     |
| <b>Liabilities:</b>                       |                         |                               |                       |                               |                           |                             |                                |                         |                   |                                |                     |
| Due to Other Funds                        | \$ 31,773               | \$ -                          | \$ -                  | \$ -                          | \$ -                      | \$ -                        | \$ -                           | \$ -                    | \$ 48,046         | \$ -                           | \$ 79,819           |
| Accounts Payable                          | 24,334                  | -                             | -                     | -                             | 100,201                   | 9,095                       | 2,086                          | -                       | 867               | -                              | 136,583             |
| Accrued Salaries and Benefits             | 78,857                  | -                             | -                     | -                             | -                         | -                           | 168,143                        | -                       | 100,527           | 7,026                          | 354,553             |
| Payroll Deductions and Withholdings       | 39,257                  | -                             | -                     | -                             | -                         | -                           | -                              | -                       | -                 | -                              | 39,257              |
| Unearned Revenue                          | 88,533                  | -                             | -                     | -                             | -                         | -                           | -                              | -                       | -                 | -                              | 88,533              |
| <b>Total Liabilities</b>                  | <b>\$ 262,754</b>       | <b>\$ -</b>                   | <b>\$ -</b>           | <b>\$ -</b>                   | <b>\$ 100,201</b>         | <b>\$ 9,095</b>             | <b>\$ 170,229</b>              | <b>\$ -</b>             | <b>\$ 149,440</b> | <b>\$ 7,026</b>                | <b>\$ 698,745</b>   |
| <b>Fund Balance:</b>                      |                         |                               |                       |                               |                           |                             |                                |                         |                   |                                |                     |
| Committed                                 | \$ 605,000              | \$ -                          | \$ -                  | \$ -                          | \$ -                      | \$ -                        | \$ -                           | \$ -                    | \$ -              | \$ -                           | \$ 605,000          |
| Assigned                                  | 1,192,800               | -                             | -                     | -                             | -                         | -                           | -                              | -                       | -                 | -                              | 1,192,800           |
| Unassigned (Deficit)                      | 988,654                 | 43,093                        | -                     | -                             | 44,364                    | 70,473                      | 154,521                        | -                       | 81,772            | 548,863                        | 1,931,740           |
| <b>Total Fund Balance (Deficit)</b>       | <b>\$ 2,786,454</b>     | <b>\$ 43,093</b>              | <b>\$ -</b>           | <b>\$ -</b>                   | <b>\$ 44,364</b>          | <b>\$ 70,473</b>            | <b>\$ 154,521</b>              | <b>\$ -</b>             | <b>\$ 81,772</b>  | <b>\$ 548,863</b>              | <b>\$ 3,729,540</b> |
| <b>Total Liabilities and Fund Balance</b> | <b>\$ 3,049,208</b>     | <b>\$ 43,093</b>              | <b>\$ -</b>           | <b>\$ -</b>                   | <b>\$ 144,565</b>         | <b>\$ 79,568</b>            | <b>\$ 324,750</b>              | <b>\$ -</b>             | <b>\$ 231,212</b> | <b>\$ 555,889</b>              | <b>\$ 4,428,285</b> |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT  
COMBINING BALANCE SHEET - FEDERAL PROGRAMS  
JUNE 30, 2025**

|                                           | <b>Supple-<br/>mental<br/>Program</b> | <b>IDEA<br/>I<br/>Program</b> | <b>IDEA<br/>II<br/>Program</b> | <b>IDEA<br/>III<br/>Program</b> | <b>Title 19<br/>ACCESS</b> | <b>ACCESS<br/>Early<br/>Intervention</b> | <b>EANS<br/>II</b> | <b>ARP<br/>ESSER</b> | <b>Totals</b>       |
|-------------------------------------------|---------------------------------------|-------------------------------|--------------------------------|---------------------------------|----------------------------|------------------------------------------|--------------------|----------------------|---------------------|
| <b>ASSETS:</b>                            |                                       |                               |                                |                                 |                            |                                          |                    |                      |                     |
| Cash                                      | \$ 36,967                             | \$ 60,404                     | \$ 118,890                     | \$ 1,970,423                    | \$ (13,679)                | \$ 342,813                               | \$ -               | \$ -                 | \$ 2,515,818        |
| Due From Other Governments                | 5,230                                 | 17,292                        | 33,418                         | 1,617                           | -                          | -                                        | -                  | -                    | 57,557              |
| <b>Total Assets</b>                       | <b>\$ 42,197</b>                      | <b>\$ 77,696</b>              | <b>\$ 152,308</b>              | <b>\$ 1,972,040</b>             | <b>\$ (13,679)</b>         | <b>\$ 342,813</b>                        | <b>\$ -</b>        | <b>\$ -</b>          | <b>\$ 2,573,375</b> |
| <b>LIABILITIES AND FUND BALANCE:</b>      |                                       |                               |                                |                                 |                            |                                          |                    |                      |                     |
| <b>Liabilities:</b>                       |                                       |                               |                                |                                 |                            |                                          |                    |                      |                     |
| Accounts Payable                          | \$ 18,450                             | \$ -                          | \$ 350                         | \$ 1,969,212                    | \$ -                       | \$ -                                     | \$ -               | \$ -                 | \$ 1,988,012        |
| Accrued Salaries and Benefits             | 23,747                                | 77,696                        | 151,958                        | 2,828                           | -                          | -                                        | -                  | -                    | 256,229             |
| Unearned Revenue                          | -                                     | -                             | -                              | -                               | -                          | 342,813                                  | -                  | -                    | 342,813             |
| <b>Total Liabilities</b>                  | <b>\$ 42,197</b>                      | <b>\$ 77,696</b>              | <b>\$ 152,308</b>              | <b>\$ 1,972,040</b>             | <b>\$ -</b>                | <b>\$ 342,813</b>                        | <b>\$ -</b>        | <b>\$ -</b>          | <b>\$ 2,587,054</b> |
| <b>Fund Balance:</b>                      |                                       |                               |                                |                                 |                            |                                          |                    |                      |                     |
| Unassigned (Deficit)                      | \$ -                                  | \$ -                          | \$ -                           | \$ -                            | \$ (13,679)                | \$ -                                     | \$ -               | \$ -                 | \$ (13,679)         |
| <b>Total Fund Balance</b>                 | <b>\$ -</b>                           | <b>\$ -</b>                   | <b>\$ -</b>                    | <b>\$ -</b>                     | <b>\$ (13,679)</b>         | <b>\$ -</b>                              | <b>\$ -</b>        | <b>\$ -</b>          | <b>\$ (13,679)</b>  |
| <b>Total Liabilities and Fund Balance</b> | <b>\$ 42,197</b>                      | <b>\$ 77,696</b>              | <b>\$ 152,308</b>              | <b>\$ 1,972,040</b>             | <b>\$ (13,679)</b>         | <b>\$ 342,813</b>                        | <b>\$ -</b>        | <b>\$ -</b>          | <b>\$ 2,573,375</b> |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2025**

|                                                                   | <b>Other<br/>Programs</b> | <b>Federal<br/>Programs</b> | <b>Act 89<br/>Program</b> | <b>Totals</b>        |
|-------------------------------------------------------------------|---------------------------|-----------------------------|---------------------------|----------------------|
| <b>Revenues and Other Financing Sources:</b>                      |                           |                             |                           |                      |
| <b>Revenues:</b>                                                  |                           |                             |                           |                      |
| Local Sources                                                     | \$ 3,855,996              | \$ -                        | \$ 123,985                | \$ 3,979,981         |
| State Sources                                                     | 744,195                   | 153,231                     | 458,150                   | 1,355,576            |
| Federal Sources                                                   | 252,612                   | 8,121,406                   | -                         | 8,374,018            |
| <b>Total Revenues and Other Financing Sources</b>                 | <b>\$ 4,852,803</b>       | <b>\$ 8,274,637</b>         | <b>\$ 582,135</b>         | <b>\$ 13,709,575</b> |
| <b>Expenditures:</b>                                              |                           |                             |                           |                      |
| <b>Instruction</b>                                                |                           |                             |                           |                      |
| Regular Programs                                                  | \$ 446,166                | \$ -                        | \$ -                      | \$ 446,166           |
| Special Programs                                                  | 1,511,533                 | 1,914,423                   | -                         | 3,425,956            |
| Non-Public School Programs                                        | -                         | 176,099                     | 582,135                   | 758,234              |
| <b>Total Instruction</b>                                          | <b>\$ 1,957,699</b>       | <b>\$ 2,090,522</b>         | <b>\$ 582,135</b>         | <b>\$ 4,630,356</b>  |
| <b>Support Services</b>                                           |                           |                             |                           |                      |
| Instructional Staff                                               | \$ 587,547                | \$ 355,115                  | \$ -                      | \$ 942,662           |
| Administration                                                    | 720,189                   | 86,583                      | -                         | 806,772              |
| Pupil Health                                                      | 205,699                   | 49,000                      | -                         | 254,699              |
| Business                                                          | 3,677                     | 13,500                      | -                         | 17,177               |
| Operation and Maintenance of Plant                                | 344,411                   | -                           | -                         | 344,411              |
| Central                                                           | 557,001                   | 14,404                      | -                         | 571,405              |
| Other Support Services                                            | 59,533                    | 5,773,471                   | -                         | 5,833,004            |
| <b>Total Support Services</b>                                     | <b>\$ 2,478,057</b>       | <b>\$ 6,292,073</b>         | <b>\$ -</b>               | <b>\$ 8,770,130</b>  |
| <b>Facilities Acquisition, Construction and Improvement:</b>      |                           |                             |                           |                      |
| Capital Outlay                                                    | \$ 624,005                | \$ -                        | \$ -                      | \$ 624,005           |
| <b>Total Facilities Acquisition, Construction and Improvement</b> | <b>\$ 624,005</b>         | <b>\$ -</b>                 | <b>\$ -</b>               | <b>\$ 624,005</b>    |
| <b>Other Financing Sources (Uses):</b>                            |                           |                             |                           |                      |
| Debt Service                                                      | \$ (65,000)               | \$ -                        | \$ -                      | \$ (65,000)          |
| Refund of Prior Year Revenues                                     | (886)                     | -                           | -                         | (886)                |
| Transfers In / (Out)                                              | 424,032                   | -                           | -                         | 424,032              |
| <b>Total Financing Uses</b>                                       | <b>\$ 358,146</b>         | <b>\$ -</b>                 | <b>\$ -</b>               | <b>\$ 358,146</b>    |
| <b>Net Change in Fund Balances</b>                                | <b>\$ 151,188</b>         | <b>\$ (107,958)</b>         | <b>\$ -</b>               | <b>\$ 43,230</b>     |
| Fund Balance - July 1, 2024                                       | 3,578,352                 | 94,279                      | -                         | 3,672,631            |
| <b>Fund Balance - June 30, 2025</b>                               | <b>\$ 3,729,540</b>       | <b>\$ (13,679)</b>          | <b>\$ -</b>               | <b>\$ 3,715,861</b>  |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - OTHER PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2025**

|                                                              | BVIU<br>General     | In-service<br>Program | PCCD<br>State     | EL<br>OCDEL<br>Grant | Cyber<br>Services | Fiberwan<br>Program | Behavioral<br>Services | CED<br>Services | ESL<br>Program     | Outpatient<br>Services | Totals              |
|--------------------------------------------------------------|---------------------|-----------------------|-------------------|----------------------|-------------------|---------------------|------------------------|-----------------|--------------------|------------------------|---------------------|
| <b>Revenues and Other Financing Sources:</b>                 |                     |                       |                   |                      |                   |                     |                        |                 |                    |                        |                     |
| <b>Revenues:</b>                                             |                     |                       |                   |                      |                   |                     |                        |                 |                    |                        |                     |
| Local Sources                                                | \$ 1,111,441        | \$ 68,994             | \$ -              | \$ 52                | \$ 486,425        | \$ 164,537          | \$ 751,660             | \$ -            | \$ 481,573         | \$ 791,314             | \$ 3,855,996        |
| State Sources                                                | 368,332             | -                     | 149,879           | -                    | -                 | -                   | 121,457                | -               | 82,854             | 21,673                 | 744,195             |
| Federal Sources                                              | 210,220             | -                     | 42,392            | -                    | -                 | -                   | -                      | -               | -                  | -                      | 252,612             |
| <b>Total Revenues and Other Financing Sources</b>            | <b>\$ 1,689,993</b> | <b>\$ 68,994</b>      | <b>\$ 192,271</b> | <b>\$ 52</b>         | <b>\$ 486,425</b> | <b>\$ 164,537</b>   | <b>\$ 873,117</b>      | <b>\$ -</b>     | <b>\$ 564,427</b>  | <b>\$ 812,987</b>      | <b>\$ 4,852,803</b> |
| <b>Expenditures:</b>                                         |                     |                       |                   |                      |                   |                     |                        |                 |                    |                        |                     |
| <b>Instruction:</b>                                          |                     |                       |                   |                      |                   |                     |                        |                 |                    |                        |                     |
| Regular Programs                                             | \$ -                | \$ -                  | \$ -              | \$ -                 | \$ 446,166        | \$ -                | \$ -                   | \$ -            | \$ -               | \$ -                   | \$ 446,166          |
| Special Programs                                             | -                   | -                     | -                 | -                    | -                 | -                   | 931,989                | -               | 579,544            | -                      | 1,511,533           |
| <b>Total Instruction</b>                                     | <b>\$ -</b>         | <b>\$ -</b>           | <b>\$ -</b>       | <b>\$ -</b>          | <b>\$ 446,166</b> | <b>\$ -</b>         | <b>\$ 931,989</b>      | <b>\$ -</b>     | <b>\$ 579,544</b>  | <b>\$ -</b>            | <b>\$ 1,957,699</b> |
| <b>Support Services:</b>                                     |                     |                       |                   |                      |                   |                     |                        |                 |                    |                        |                     |
| Instructional Staff                                          | \$ 556,052          | \$ 31,495             | \$ -              | \$ -                 | \$ -              | \$ -                | \$ -                   | \$ -            | \$ -               | \$ -                   | \$ 587,547          |
| Administration                                               | 720,189             | -                     | -                 | -                    | -                 | -                   | -                      | -               | -                  | -                      | 720,189             |
| Pupil Health                                                 | -                   | -                     | -                 | -                    | -                 | -                   | -                      | -               | -                  | 205,699                | 205,699             |
| Business                                                     | 3,677               | -                     | -                 | -                    | -                 | -                   | -                      | -               | -                  | -                      | 3,677               |
| Operation and Maintenance of Plant                           | -                   | -                     | 192,271           | -                    | -                 | 152,140             | -                      | -               | -                  | -                      | 344,411             |
| Central                                                      | 557,001             | -                     | -                 | -                    | -                 | -                   | -                      | -               | -                  | -                      | 557,001             |
| Other Support Services                                       | 59,533              | -                     | -                 | -                    | -                 | -                   | -                      | -               | -                  | -                      | 59,533              |
| <b>Total Support Services</b>                                | <b>\$ 1,896,452</b> | <b>\$ 31,495</b>      | <b>\$ 192,271</b> | <b>\$ -</b>          | <b>\$ -</b>       | <b>\$ 152,140</b>   | <b>\$ -</b>            | <b>\$ -</b>     | <b>\$ -</b>        | <b>\$ 205,699</b>      | <b>\$ 2,478,057</b> |
| <b>Facilities Acquisition, Construction and Improvement:</b> |                     |                       |                   |                      |                   |                     |                        |                 |                    |                        |                     |
| Capital Outlay                                               | \$ -                | \$ -                  | \$ -              | \$ -                 | \$ -              | \$ -                | \$ -                   | \$ -            | \$ -               | \$ 624,005             | \$ 624,005          |
| <b>Total Facilities Acquisition, Construction and Impro</b>  | <b>\$ -</b>         | <b>\$ -</b>           | <b>\$ -</b>       | <b>\$ -</b>          | <b>\$ -</b>       | <b>\$ -</b>         | <b>\$ -</b>            | <b>\$ -</b>     | <b>\$ -</b>        | <b>\$ 624,005</b>      | <b>\$ 624,005</b>   |
| <b>Other Financing Sources (Uses):</b>                       |                     |                       |                   |                      |                   |                     |                        |                 |                    |                        |                     |
| Debt Services                                                | \$ (65,000)         | \$ -                  | \$ -              | \$ -                 | \$ -              | \$ -                | \$ -                   | \$ -            | \$ -               | \$ -                   | \$ (65,000)         |
| Refund of Prior Year Reveniue                                | -                   | -                     | -                 | -                    | -                 | (886)               | -                      | -               | -                  | -                      | (886)               |
| Transfers In / (Out)                                         | 424,032             | -                     | -                 | -                    | -                 | -                   | -                      | -               | -                  | -                      | 424,032             |
| <b>Total Financing Uses</b>                                  | <b>\$ 359,032</b>   | <b>\$ -</b>           | <b>\$ -</b>       | <b>\$ -</b>          | <b>\$ -</b>       | <b>\$ (886)</b>     | <b>\$ -</b>            | <b>\$ -</b>     | <b>\$ -</b>        | <b>\$ -</b>            | <b>\$ 358,146</b>   |
| <b>Net change in Fund Balances</b>                           | <b>\$ 152,573</b>   | <b>\$ 37,499</b>      | <b>\$ -</b>       | <b>\$ 52</b>         | <b>\$ 40,259</b>  | <b>\$ 11,511</b>    | <b>\$ (58,872)</b>     | <b>\$ -</b>     | <b>\$ (15,117)</b> | <b>\$ (16,717)</b>     | <b>\$ 151,188</b>   |
| Fund Balance - July 1, 2024                                  | 2,633,881           | 5,594                 | -                 | (52)                 | 4,105             | 58,962              | 213,393                | -               | 96,889             | 565,580                | 3,578,352           |
| <b>Fund Balance - June 30, 2025 (Deficit)</b>                | <b>\$ 2,786,454</b> | <b>\$ 43,093</b>      | <b>\$ -</b>       | <b>\$ -</b>          | <b>\$ 44,364</b>  | <b>\$ 70,473</b>    | <b>\$ 154,521</b>      | <b>\$ -</b>     | <b>\$ 81,772</b>   | <b>\$ 548,863</b>      | <b>\$ 3,729,540</b> |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - FEDERAL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2025**

| Revenues and Other Financing Sources:             | Supple-<br>mental<br>Program | IDEA<br>I<br>Program | IDEA<br>II<br>Program | IDEA<br>III<br>Program | Title 19<br>ACCESS  | ACCESS<br>Early<br>Intervention | EANS<br>II        | ARP<br>ESSER      | Totals              |
|---------------------------------------------------|------------------------------|----------------------|-----------------------|------------------------|---------------------|---------------------------------|-------------------|-------------------|---------------------|
| <b>Revenues:</b>                                  |                              |                      |                       |                        |                     |                                 |                   |                   |                     |
| State Sources                                     | \$ 12,552                    | \$ 41,050            | \$ 80,248             | \$ 19,381              | \$ -                | \$ -                            | \$ -              | \$ -              | \$ 153,231          |
| Federal Sources                                   | 225,591                      | 436,816              | 767,815               | 6,209,642              | 200,544             | -                               | 176,099           | 104,899           | 8,121,406           |
| <b>Total Revenues and Other Financing Sources</b> | <b>\$ 238,143</b>            | <b>\$ 477,866</b>    | <b>\$ 848,063</b>     | <b>\$ 6,229,023</b>    | <b>\$ 200,544</b>   | <b>\$ -</b>                     | <b>\$ 176,099</b> | <b>\$ 104,899</b> | <b>\$ 8,274,637</b> |
| <b>Expenditures:</b>                              |                              |                      |                       |                        |                     |                                 |                   |                   |                     |
| <b>Instruction:</b>                               |                              |                      |                       |                        |                     |                                 |                   |                   |                     |
| Special Programs                                  | \$ 167,769                   | \$ 441,866           | \$ 403,365            | \$ 502,426             | \$ 308,502          | \$ -                            | \$ -              | \$ 90,495         | \$ 1,914,423        |
| Non-Public School Programs                        | -                            | -                    | -                     | -                      | -                   | -                               | 176,099           | -                 | 176,099             |
| <b>Total Instruction</b>                          | <b>\$ 167,769</b>            | <b>\$ 441,866</b>    | <b>\$ 403,365</b>     | <b>\$ 502,426</b>      | <b>\$ 308,502</b>   | <b>\$ -</b>                     | <b>\$ 176,099</b> | <b>\$ 90,495</b>  | <b>\$ 2,090,522</b> |
| <b>Support Services:</b>                          |                              |                      |                       |                        |                     |                                 |                   |                   |                     |
| Instructional Staff                               | \$ -                         | \$ -                 | \$ 355,115            | \$ -                   | \$ -                | \$ -                            | \$ -              | \$ -              | \$ 355,115          |
| Administration                                    | -                            | -                    | 86,583                | -                      | -                   | -                               | -                 | -                 | 86,583              |
| Pupil Health                                      | 15,000                       | 34,000               | -                     | -                      | -                   | -                               | -                 | -                 | 49,000              |
| Business                                          | 1,500                        | 2,000                | 3,000                 | 7,000                  | -                   | -                               | -                 | -                 | 13,500              |
| Central                                           | -                            | -                    | -                     | -                      | -                   | -                               | -                 | 14,404            | 14,404              |
| Other Support Services                            | 53,874                       | -                    | -                     | 5,719,597              | -                   | -                               | -                 | -                 | 5,773,471           |
| <b>Total Support Services</b>                     | <b>\$ 70,374</b>             | <b>\$ 36,000</b>     | <b>\$ 444,698</b>     | <b>\$ 5,726,597</b>    | <b>\$ -</b>         | <b>\$ -</b>                     | <b>\$ -</b>       | <b>\$ 14,404</b>  | <b>\$ 6,292,073</b> |
| <b>Net change in Fund Balances</b>                | <b>\$ -</b>                  | <b>\$ -</b>          | <b>\$ -</b>           | <b>\$ -</b>            | <b>\$ (107,958)</b> | <b>\$ -</b>                     | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ (107,958)</b> |
| Fund Balance - July 1, 2024                       | -                            | -                    | -                     | -                      | 94,279              | -                               | -                 | -                 | 94,279              |
| <b>Fund Balance - June 30, 2025 (Deficit)</b>     | <b>\$ -</b>                  | <b>\$ -</b>          | <b>\$ -</b>           | <b>\$ -</b>            | <b>\$ (13,679)</b>  | <b>\$ -</b>                     | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ (13,679)</b>  |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT  
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS  
JUNE 30, 2025**

|                                                     | <b>Special<br/>Education<br/>Program</b> | <b>Special<br/>Education (NHN)<br/>Program</b> | <b>Special<br/>Education<br/>Totals</b> | <b>State-Funded<br/>Transportation<br/>Services</b> | <b>State-Funded<br/>Early<br/>Intervention</b> | <b>Totals</b>       |
|-----------------------------------------------------|------------------------------------------|------------------------------------------------|-----------------------------------------|-----------------------------------------------------|------------------------------------------------|---------------------|
| <b>ASSETS:</b>                                      |                                          |                                                |                                         |                                                     |                                                |                     |
| Cash                                                | \$ (563,763)                             | \$ (206,819)                                   | \$ (770,582)                            | \$ (26,431)                                         | \$ 407,024                                     | \$ (389,989)        |
| Investments                                         | 258,658                                  | -                                              | 258,658                                 | -                                                   | -                                              | 258,658             |
| Due From Other Funds                                | 26,582                                   | -                                              | 26,582                                  | -                                                   | -                                              | 26,582              |
| Due From Other Governments                          | 2,488,449                                | 309,567                                        | 2,798,016                               | 2,707                                               | 223,467                                        | 3,024,190           |
| Other Receivables                                   | 1,028                                    | -                                              | 1,028                                   | -                                                   | -                                              | 1,028               |
| <b>Total Assets</b>                                 | <b>\$ 2,210,954</b>                      | <b>\$ 102,748</b>                              | <b>\$ 2,313,702</b>                     | <b>\$ (23,724)</b>                                  | <b>\$ 630,491</b>                              | <b>\$ 2,920,469</b> |
| <b>LIABILITIES AND FUND BALANCE:</b>                |                                          |                                                |                                         |                                                     |                                                |                     |
| <b>Liabilities:</b>                                 |                                          |                                                |                                         |                                                     |                                                |                     |
| Due to Other Funds                                  | \$ -                                     | \$ -                                           | \$ -                                    | \$ -                                                | \$ 1,673                                       | \$ 1,673            |
| Accounts Payable                                    | 156,052                                  | 7,195                                          | 163,247                                 | 3,330                                               | 27,550                                         | 194,127             |
| Accrued Salaries and Benefits                       | 1,747,395                                | 268,768                                        | 2,016,163                               | 4,303                                               | 601,268                                        | 2,621,734           |
| <b>Total Liabilities</b>                            | <b>\$ 1,903,447</b>                      | <b>\$ 275,963</b>                              | <b>\$ 2,179,410</b>                     | <b>\$ 7,633</b>                                     | <b>\$ 630,491</b>                              | <b>\$ 2,817,534</b> |
| <b>Fund Balance:</b>                                |                                          |                                                |                                         |                                                     |                                                |                     |
| Committed                                           | \$ 307,504                               | \$ -                                           | \$ 307,504                              | \$ -                                                | \$ -                                           | \$ 307,504          |
| Assigned                                            | 3                                        | -                                              | 3                                       | -                                                   | -                                              | 3                   |
| Unassigned Fund Balances (Deficit)                  | -                                        | (173,215)                                      | (173,215)                               | (31,357)                                            | -                                              | (204,572)           |
| <b>Total Fund Balance (Deficit)</b>                 | <b>\$ 307,507</b>                        | <b>\$ (173,215)</b>                            | <b>\$ 134,292</b>                       | <b>\$ (31,357)</b>                                  | <b>\$ -</b>                                    | <b>\$ 102,935</b>   |
| <b>Total Liabilities and Fund Balance (Deficit)</b> | <b>\$ 2,210,954</b>                      | <b>\$ 102,748</b>                              | <b>\$ 2,313,702</b>                     | <b>\$ (23,724)</b>                                  | <b>\$ 630,491</b>                              | <b>\$ 2,920,469</b> |

The accompanying notes are an integral part of these financial statements

**BEAVER VALLEY INTERMEDIATE UNIT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - SPECIAL REVENUE FUNDS  
JUNE 30, 2025**

|                                                                   | <u>Special<br/>Education<br/>Program</u> | <u>Special<br/>Education (NHN)<br/>Program</u> | <u>Special<br/>Education<br/>Totals</u> | <u>State-Funded<br/>Transportation<br/>Services</u> | <u>State-Funded<br/>Early<br/>Intervention</u> | <u>Totals</u>         |
|-------------------------------------------------------------------|------------------------------------------|------------------------------------------------|-----------------------------------------|-----------------------------------------------------|------------------------------------------------|-----------------------|
| <b>Revenues and Other Financing Sources:</b>                      |                                          |                                                |                                         |                                                     |                                                |                       |
| <b>Revenues:</b>                                                  |                                          |                                                |                                         |                                                     |                                                |                       |
| Local Sources                                                     | \$ 9,172,416                             | \$ 1,692,584                                   | \$ 10,865,000                           | \$ -                                                | \$ 178,295                                     | \$ 11,043,295         |
| State Sources                                                     | 3,307,971                                | 253,374                                        | 3,561,345                               | 274,584                                             | 4,886,461                                      | 8,722,390             |
| Federal Sources                                                   | -                                        | -                                              | -                                       | -                                                   | 165,908                                        | 165,908               |
| <b>Total Revenues and Other Financing Sources</b>                 | <b>\$ 12,480,387</b>                     | <b>\$ 1,945,958</b>                            | <b>\$ 14,426,345</b>                    | <b>\$ 274,584</b>                                   | <b>\$ 5,230,664</b>                            | <b>\$ 19,931,593</b>  |
| <b>Expenditures:</b>                                              |                                          |                                                |                                         |                                                     |                                                |                       |
| <b>Instruction</b>                                                |                                          |                                                |                                         |                                                     |                                                |                       |
| Special Programs                                                  | \$ 9,283,337                             | \$ 1,610,156                                   | \$ 10,893,493                           | \$ -                                                | \$ 4,431,448                                   | \$ 15,324,941         |
| <b>Total Instruction</b>                                          | <b>\$ 9,283,337</b>                      | <b>\$ 1,610,156</b>                            | <b>\$ 10,893,493</b>                    | <b>\$ -</b>                                         | <b>\$ 4,431,448</b>                            | <b>\$ 15,324,941</b>  |
| <b>Support Services</b>                                           |                                          |                                                |                                         |                                                     |                                                |                       |
| Pupil Personnel                                                   | \$ 115,495                               | \$ -                                           | \$ -                                    | \$ -                                                | \$ -                                           | \$ 115,495            |
| Administration                                                    | 1,324,635                                | 245,370                                        | 1,570,005                               | -                                                   | 278,445                                        | 1,848,450             |
| Pupil Health                                                      | 1,027,285                                | 109,226                                        | 1,136,511                               | -                                                   | 449,329                                        | 1,585,840             |
| Business                                                          | 333,997                                  | -                                              | 333,997                                 | -                                                   | 3,500                                          | 337,497               |
| Operation and Maintenance of Plant                                | 1,007,314                                | 154,421                                        | 1,161,735                               | -                                                   | -                                              | 1,161,735             |
| Student Transportation Services                                   | -                                        | -                                              | -                                       | 306,881                                             | -                                              | 306,881               |
| <b>Total Support Services</b>                                     | <b>\$ 3,808,726</b>                      | <b>\$ 509,017</b>                              | <b>\$ 4,202,248</b>                     | <b>\$ 306,881</b>                                   | <b>\$ 731,274</b>                              | <b>\$ 5,355,898</b>   |
| <b>Facilities Acquisition, Construction and Improvement:</b>      |                                          |                                                |                                         |                                                     |                                                |                       |
| Capital Outlay                                                    | \$ 209,194                               | \$ -                                           | \$ 209,194                              | \$ -                                                | \$ -                                           | \$ 209,194            |
| <b>Total Facilities Acquisition, Construction and Improvement</b> | <b>\$ 209,194</b>                        | <b>\$ -</b>                                    | <b>\$ 209,194</b>                       | <b>\$ -</b>                                         | <b>\$ -</b>                                    | <b>\$ 209,194</b>     |
| <b>Other Financing Sources (Uses):</b>                            |                                          |                                                |                                         |                                                     |                                                |                       |
| Debt Service                                                      | \$ (111,562)                             | \$ -                                           | \$ (111,562)                            | \$ -                                                | \$ -                                           | \$ (111,562)          |
| Transfers In / (Out)                                              | (356,090)                                | -                                              | (356,090)                               | -                                                   | (67,942)                                       | (424,032)             |
| <b>Total Financing Sources (Uses)</b>                             | <b>\$ (467,652)</b>                      | <b>\$ -</b>                                    | <b>\$ (467,652)</b>                     | <b>\$ -</b>                                         | <b>\$ (67,942)</b>                             | <b>\$ (535,594)</b>   |
| <b>Net Change in Fund Balances</b>                                | <b>\$ (1,288,522)</b>                    | <b>\$ (173,215)</b>                            | <b>\$ (1,461,737)</b>                   | <b>\$ (32,297)</b>                                  | <b>\$ -</b>                                    | <b>\$ (1,494,034)</b> |
| Fund Balance - July 1, 2024 (Deficit)                             | 1,596,029                                | -                                              | 1,596,029                               | 940                                                 | -                                              | 1,596,969             |
| <b>Fund Balance - June 30, 2025 (Deficit)</b>                     | <b>\$ 307,507</b>                        | <b>\$ (173,215)</b>                            | <b>\$ 134,292</b>                       | <b>\$ (31,357)</b>                                  | <b>\$ -</b>                                    | <b>\$ 102,935</b>     |

The accompanying notes are an integral part of these financial statements

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***REQUIRED***

***SUPPLEMENTARY***

***INFORMATION***

**BEAVER VALLEY INTERMEDIATE UNIT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF INTERMEDIATE UNIT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**DEFINED BENEFIT PENSION PLAN**  
**JUNE 30,**

| <b>As of the measurement date of June 30,</b>                                                         | <b>2024</b>   | <b>2023</b>   | <b>2022</b>   | <b>2021</b>   | <b>2020</b>   | <b>2019</b>   | <b>2018</b>   | <b>2017</b>   | <b>2016</b>   | <b>2015</b>   |
|-------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| IU's proportion of the net pension liability                                                          | 0.0647%       | 0.0583%       | 0.0565%       | 0.0525%       | 0.0504%       | 0.0478%       | 0.0454%       | 0.0436%       | 0.0467%       | 0.0461%       |
| IU's proportionate share of the net pension liability                                                 | \$ 27,080,000 | \$ 25,936,000 | \$ 25,030,000 | \$ 21,555,000 | \$ 24,816,000 | \$ 22,362,000 | \$ 21,794,000 | \$ 21,533,000 | \$ 23,143,000 | \$ 19,968,000 |
| IU's covered-employee payroll                                                                         | \$ 10,368,309 | \$ 8,997,259  | \$ 8,310,439  | \$ 7,482,789  | \$ 7,096,158  | \$ 6,594,722  | \$ 6,120,110  | \$ 5,802,349  | \$ 6,042,153  | \$ 5,932,963  |
| IU's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 261.18%       | 288.27%       | 301.19%       | 288.06%       | 349.71%       | 339.09%       | 356.10%       | 371.11%       | 383.03%       | 336.56%       |
| Plan fiduciary net position as a percentage of the total pension liability                            | 64.63%        | 61.85%        | 61.34%        | 63.67%        | 54.32%        | 55.66%        | 54.00%        | 51.84%        | 50.14%        | 54.36%        |

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

**BEAVER VALLEY INTERMEDIATE UNIT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INTERMEDIATE UNIT'S CONTRACTUALLY REQUIRED CONTRIBUTIONS  
DEFINED BENEFIT PENSION PLAN  
JUNE 30.**

|                                                                     | <u>2025</u>        | <u>2024</u>        | <u>2023</u>        | <u>2022</u>        | <u>2021</u>        | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        | <u>2017</u>        | <u>2016</u>        |
|---------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually Required Contributions                                | \$ 3,913,928       | \$ 3,399,963       | \$ 3,052,466       | \$ 2,806,488       | \$ 2,497,648       | \$ 2,355,300       | \$ 2,137,846       | \$ 1,918,715       | \$ 1,709,190       | \$ 1,325,065       |
| Contribution in relation to the contractually required contribution | <u>(3,913,928)</u> | <u>(3,399,963)</u> | <u>(3,052,466)</u> | <u>(2,806,488)</u> | <u>(2,497,648)</u> | <u>(2,355,300)</u> | <u>(2,137,846)</u> | <u>(1,918,715)</u> | <u>(1,709,190)</u> | <u>(1,325,065)</u> |
| Contribution deficiency (excess)                                    | <u>\$ -</u>        |
| IU's covered payroll                                                | \$ 13,713,055      | \$ 10,368,309      | \$ 8,997,259       | \$ 8,310,439       | \$ 7,482,789       | \$ 7,096,158       | \$ 6,594,722       | \$ 6,120,110       | \$ 5,802,349       | \$ 6,042,153       |
| Contributions as a percentage of covered-employee payroll           | 28.54%             | 32.79%             | 33.93%             | 33.77%             | 33.38%             | 33.19%             | 32.42%             | 31.35%             | 29.46%             | 21.93%             |

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

**BEAVER VALLEY INTERMEDIATE UNIT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF INTERMEDIATE UNIT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**PSERS PLAN**  
**JUNE 30,**

| As of the measurement date of June 30,                                                                            | 2024          | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         |
|-------------------------------------------------------------------------------------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Intermediate Unit's proportion of the net OPEB liability                                                          | 0.0653%       | 0.0587%      | 0.0565%      | 0.0528%      | 0.0506%      | 0.0478%      | 0.0454%      | 0.0436%      | 0.0467%      |
| Intermediate Unit's proportionate share of the net OPEB liability                                                 | \$ 1,160,000  | \$ 1,062,000 | \$ 1,040,000 | \$ 1,251,000 | \$ 1,093,000 | \$ 1,017,000 | \$ 947,000   | \$ 888,000   | \$ 1,006,000 |
| Intermediate Unit's covered-employee payroll                                                                      | \$ 10,368,309 | \$ 8,997,259 | \$ 8,310,439 | \$ 7,482,789 | \$ 7,096,158 | \$ 6,594,722 | \$ 6,120,110 | \$ 5,802,349 | \$ 6,042,153 |
| Intermediate Unit's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll | 11.19%        | 11.80%       | 12.51%       | 16.72%       | 15.40%       | 15.42%       | 15.47%       | 15.30%       | 16.65%       |
| Plan fiduciary net position as a percentage of the total OPEB liability                                           | 7.13%         | 7.22%        | 6.86%        | 5.30%        | 5.69%        | 5.56%        | 5.56%        | 5.73%        | N/A          |

The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the preceding fiscal year. This schedule is intended to illustrate information for a ten (10) year period. Information for that ten year period will be presented as information becomes available.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF INTERMEDIATE UNIT'S CONTRACTUALLY REQUIRED OPEB CONTRIBUTIONS**  
PSERS PLAN  
JUNE 30,

|                                                                     | <u>2025</u>     | <u>2024</u>     | <u>2023</u>     | <u>2022</u>     | <u>2021</u>     | <u>2020</u>     | <u>2019</u>     | <u>2018</u>     | <u>2017</u>     |
|---------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contractually Required Contributions                                | \$ 74,114       | \$ 65,227       | \$ 66,339       | \$ 65,764       | \$ 60,792       | \$ 59,146       | \$ 54,430       | \$ 50,174       | \$ 47,240       |
| Contribution in relation to the contractually required contribution | <u>(74,114)</u> | <u>(65,227)</u> | <u>(66,339)</u> | <u>(65,764)</u> | <u>(60,792)</u> | <u>(59,146)</u> | <u>(54,430)</u> | <u>(50,174)</u> | <u>(47,240)</u> |
| Contribution deficiency (excess)                                    | <u>\$ -</u>     |
| Intermediate Unit's covered payroll                                 | \$ 13,713,055   | \$ 10,368,309   | \$ 8,997,259    | \$ 8,310,439    | \$ 7,482,789    | \$ 7,096,158    | \$ 6,594,722    | \$ 6,120,110    | \$ 5,802,349    |
| Contributions as a percentage of covered-employee payroll           | 0.54%           | 0.63%           | 0.74%           | 0.79%           | 0.81%           | 0.83%           | 0.83%           | 0.82%           | 0.81%           |

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

**BEAVER VALLEY INTERMEDIATE UNIT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**INTERMEDIATE UNIT'S POST-RETIREMENT HEALTHCARE PLAN**  
**JUNE 30,**

|                                                                  | <u>2025</u>        | <u>2024</u>       | <u>2023</u>       | <u>2022</u>       | <u>2021</u>       | <u>2020</u>         | <u>2019</u>       | <u>2018</u>       |
|------------------------------------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|
| Service cost                                                     | \$ 51,000          | \$ 47,000         | \$ 45,000         | \$ 39,000         | \$ 38,000         | \$ 58,000           | \$ 56,000         | \$ 47,000         |
| Interest                                                         | 26,000             | 23,000            | 21,000            | 8,000             | 9,000             | 31,000              | 33,000            | 24,000            |
| Effect of Plan Changes                                           | -                  | (3,000)           | -                 | -                 | -                 | (571,000)           | -                 | -                 |
| Effect of Liability Gains and Losses                             | -                  | (20,000)          | -                 | 354,000           | -                 | 7,000               | -                 | -                 |
| Effect of Assumptions Changes or Inputs                          | (79,000)           | 26,000            | (4,000)           | (113,000)         | 3,000             | 35,000              | 50,000            | 242,000           |
| Benefit Payments                                                 | (29,000)           | (36,000)          | (42,000)          | (110,000)         | (41,000)          | (51,000)            | (110,000)         | (168,000)         |
| <b>Net Change in Total OPEB Liability</b>                        | <b>\$ (31,000)</b> | <b>\$ 37,000</b>  | <b>\$ 20,000</b>  | <b>\$ 178,000</b> | <b>\$ 9,000</b>   | <b>\$ (491,000)</b> | <b>\$ 29,000</b>  | <b>\$ 145,000</b> |
| <b>Total OPEB Liability - Beginning of Year</b>                  | <b>679,000</b>     | <b>642,000</b>    | <b>622,000</b>    | <b>444,000</b>    | <b>435,000</b>    | <b>926,000</b>      | <b>897,000</b>    | <b>752,000</b>    |
| <b>Total OPEB Liability - End of Year</b>                        | <b>\$ 648,000</b>  | <b>\$ 679,000</b> | <b>\$ 642,000</b> | <b>\$ 622,000</b> | <b>\$ 444,000</b> | <b>\$ 435,000</b>   | <b>\$ 926,000</b> | <b>\$ 897,000</b> |
| Covered-employee payroll                                         | \$ 10,868,000      | \$ 10,500,000     | \$ 8,166,000      | \$ 7,890,000      | \$ 6,986,000      | \$ 6,750,000        | \$ 6,443,000      | \$ 6,225,000      |
| Total OPEB liability as a percentage of covered-employee payroll | 5.96%              | 6.47%             | 7.86%             | 7.88%             | 6.36%             | 6.44%               | 14.37%            | 14.41%            |

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

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2025**

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

**Changes in Benefit Terms**

None

**Changes in Assumptions used in the Measurement of PSERS' Total Pension Liability Beginning June 30, 2024**

None

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

None

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

None

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

**Changes in Benefit Terms**

None

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2025**

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

**Changes in Assumptions used in the Measurement of PSERS' Total OPEB Liability Beginning June 30, 2024**

- Investment return went from 4.13% S&P 20 Year Municipal Bond Rate to 4.21% S&P 20 Year Municipal Bond Rate
- The discount rate increased from 4.13% to 4.21%

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

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

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

None

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

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

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset Valuation Method: Market value
- Participation Rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2025**

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

**Changes in Benefit Terms**

None

**Changes in Assumptions**

- Discount Rate – from 3.93% as of June 30, 2024 to 5.20% as of June 30, 2025.

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

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

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**BEAVER VALLEY  
INTERMEDIATE UNIT**

***SUPPLEMENTARY INFORMATION  
AS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
AND THE UNIFORM GUIDANCE***

**Turnley Robertson & Associates LLC**

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

**Management and Board of Directors  
Beaver Valley Intermediate Unit**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Beaver Valley Intermediate Unit as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Beaver Valley Intermediate Unit's basic financial statements, and have issued our report thereon dated March 19, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Beaver Valley Intermediate Unit's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Beaver Valley Intermediate Unit's internal control. Accordingly, we do not express an opinion on the effectiveness of the Beaver Valley Intermediate Unit's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Management and Board of Directors  
Beaver Valley Intermediate Unit**

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Beaver Valley Intermediate Unit's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Beaver Valley Intermediate Unit's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Turnley Robertson & Associates LLC*  
Turnley Robertson & Associates LLC

March 19, 2026  
New Brighton, Pennsylvania

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

To the Board of Directors  
Beaver Valley Intermediate Unit

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

#### **Opinion on Each Major Federal Program**

We have audited Beaver Valley Intermediate Unit's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Beaver Valley Intermediate Unit's major federal programs for the year ended June 30, 2025. Beaver Valley Intermediate Unit's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Beaver Valley Intermediate Unit complied, in all material aspects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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

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

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

#### **Responsibilities of Management for Compliance**

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

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

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Beaver Valley Intermediate Unit's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Beaver Valley Intermediate Unit's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Beaver Valley Intermediate Unit's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

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

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

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

*Turnley Robertson & Associates LLC*  
Turnley Robertson & Associates LLC

March 19, 2026  
New Brighton, Pennsylvania

**BEAVER VALLEY INTERMEDIATE UNIT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025**

| Federal Grantor/Project Title                                                      | Funding Source | Assistance Listing Number | Pass Through Grantor's Number | Grant Period From--To | Program or Award Amount | 2024-2025 Amount Passed Through to Subrecipients | Total Received For Year | Accrued (Deferred) Revenue 7/1/2024 | Amount Returned | Revenue Recognized  | Expenditures        | Accrued (Deferred) Revenue 6/30/2025 |
|------------------------------------------------------------------------------------|----------------|---------------------------|-------------------------------|-----------------------|-------------------------|--------------------------------------------------|-------------------------|-------------------------------------|-----------------|---------------------|---------------------|--------------------------------------|
| <b>U.S. Department of Education:</b>                                               |                |                           |                               |                       |                         |                                                  |                         |                                     |                 |                     |                     |                                      |
| <b>Passed through the PA Department of Education:</b>                              |                |                           |                               |                       |                         |                                                  |                         |                                     |                 |                     |                     |                                      |
| IDEA-B                                                                             | Indirect       | 84.027                    | 062-25-0027                   | 7/1/24-9/30/25        | \$ 6,977,457            | \$ 5,719,597                                     | \$ 6,977,457            | \$ -                                | \$ -            | \$ 6,977,457        | \$ 6,977,457        | (1) \$ -                             |
| IDEA-B                                                                             | Indirect       | 84.027                    | 062-24-0027                   | 7/1/23-9/30/24        | 6,920,918               | -                                                | 461,395                 | 461,395                             | -               | -                   | -                   | (1) -                                |
| State EI & Federal 619 IDEA                                                        | Indirect       | 84.027                    | 131-24-0027                   | 7/1/24-6/30/25        | 436,816                 | 53,874                                           | 436,816                 | -                                   | -               | 436,816             | 436,816             | (1) -                                |
| State EI & Federal 619 IDEA                                                        | Indirect       | 84.027                    | 131-23-0027                   | 7/1/23-6/30/24        | 419,542                 | -                                                | 39,748                  | 39,748                              | -               | -                   | -                   | (1) -                                |
| IDEA Pre-School                                                                    | Indirect       | 84.173                    | 131-24-0027                   | 7/1/24-6/30/25        | 225,591                 | -                                                | 225,591                 | -                                   | -               | 225,591             | 225,591             | (1) -                                |
| IDEA Pre-School                                                                    | Indirect       | 84.173                    | 131-23-0027                   | 7/1/23-6/30/24        | 229,415                 | -                                                | 21,730                  | 21,730                              | -               | -                   | -                   | (1) -                                |
| <b>Subtotal Special Education Cluster</b>                                          |                |                           |                               |                       |                         | <b>\$ 5,773,471</b>                              | <b>\$ 8,162,737</b>     | <b>\$ 522,873</b>                   | <b>\$ -</b>     | <b>\$ 7,639,864</b> | <b>\$ 7,639,864</b> | <b>\$ -</b>                          |
| Supports for Effective Standards Based Instruction                                 | Indirect       | 84.367                    | 149-25-0627                   | 7/1/24-6/30/25        | \$ 12,000               | \$ -                                             | \$ 6,000                | \$ -                                | \$ -            | \$ 12,000           | \$ 12,000           | \$ 6,000                             |
| Safety Initiatives                                                                 | Indirect       | 84.010                    | 156-25-0627                   | 7/1/24-6/30/25        | 63,460                  | -                                                | 63,460                  | -                                   | -               | 63,460              | 63,460              | -                                    |
| Safety Initiatives                                                                 | Indirect       | 84.010                    | 156-24-0627                   | 1/4/24-6/30/24        | 77,500                  | -                                                | 27,054                  | 27,054                              | -               | -                   | -                   | -                                    |
| Safety Initiatives                                                                 | Indirect       | 84.367                    | 156-25-0627                   | 7/1/24-6/30/25        | 65,800                  | -                                                | 65,800                  | -                                   | -               | 65,800              | 65,800              | -                                    |
| Accelerated Learning - Title II Funded                                             | Indirect       | 84.367                    | 156-24-0627                   | 1/4/24-6/30/24        | 64,400                  | -                                                | 64,400                  | 64,400                              | -               | -                   | -                   | -                                    |
| ARP ESSER                                                                          | Indirect       | 84.425U                   | 224-210627                    | 3/13/20-9/30/24       | 675,186                 | -                                                | 85,933                  | (18,966)                            | -               | 104,899             | 104,899             | -                                    |
| <b>Total Passed through PA Department of Education</b>                             |                |                           |                               |                       |                         | <b>\$ -</b>                                      | <b>\$ 312,647</b>       | <b>\$ 72,488</b>                    | <b>\$ -</b>     | <b>\$ 246,159</b>   | <b>\$ 246,159</b>   | <b>\$ 6,000</b>                      |
| <b>Total U.S. Department of Education</b>                                          |                |                           |                               |                       |                         | <b>\$ 5,773,471</b>                              | <b>\$ 8,475,384</b>     | <b>\$ 595,361</b>                   | <b>\$ -</b>     | <b>\$ 7,886,023</b> | <b>\$ 7,886,023</b> | <b>\$ 6,000</b>                      |
| <b>U.S. Department of the Treasury:</b>                                            |                |                           |                               |                       |                         |                                                  |                         |                                     |                 |                     |                     |                                      |
| <b>Passed through the PA Department of Education:</b>                              |                |                           |                               |                       |                         |                                                  |                         |                                     |                 |                     |                     |                                      |
| Safety Initiatives (COVID)                                                         | Indirect       | 21.027                    | 156-25-0627                   | 7/1/24-6/30/25        | \$ 68,960               | \$ -                                             | \$ 68,960               | \$ -                                | \$ -            | \$ 68,960           | \$ 68,960           | \$ -                                 |
| <b>Total Passed through PA Department of Education</b>                             |                |                           |                               |                       |                         | <b>\$ -</b>                                      | <b>\$ 68,960</b>        | <b>\$ -</b>                         | <b>\$ -</b>     | <b>\$ 68,960</b>    | <b>\$ 68,960</b>    | <b>\$ -</b>                          |
| <b>Passed through the PA Commission on Crime and Delinquency:</b>                  |                |                           |                               |                       |                         |                                                  |                         |                                     |                 |                     |                     |                                      |
| COVID-SFR School Mental Health Grant                                               | Indirect       | 21.027                    | 2023-CM-01-42728              | 1/1/24-12/31/25       | \$ 69,998               | \$ -                                             | \$ -                    | \$ -                                | \$ -            | \$ 42,396           | \$ 42,396           | \$ 42,396                            |
| <b>Total Passed through PA Commission on Crime and Delinquency</b>                 |                |                           |                               |                       |                         | <b>\$ -</b>                                      | <b>\$ -</b>             | <b>\$ -</b>                         | <b>\$ -</b>     | <b>\$ 42,396</b>    | <b>\$ 42,396</b>    | <b>\$ 42,396</b>                     |
| <b>Total U.S. Department of the Treasury</b>                                       |                |                           |                               |                       |                         | <b>\$ -</b>                                      | <b>\$ 68,960</b>        | <b>\$ -</b>                         | <b>\$ -</b>     | <b>\$ 111,356</b>   | <b>\$ 111,356</b>   | <b>\$ 42,396</b>                     |
| <b>U.S. Department of Agriculture:</b>                                             |                |                           |                               |                       |                         |                                                  |                         |                                     |                 |                     |                     |                                      |
| <b>Passed through the PA Department of Education (Child Nutrition Cluster):</b>    |                |                           |                               |                       |                         |                                                  |                         |                                     |                 |                     |                     |                                      |
| National School Lunch Program                                                      | Indirect       | 10.555                    | N/A                           | 7/1/24-6/30/25        | N/A                     | \$ -                                             | \$ 112,904              | \$ -                                | \$ -            | \$ 112,904          | \$ 112,904          | \$ -                                 |
| National School Breakfast Program                                                  | Indirect       | 10.553                    | N/A                           | 7/1/24-6/30/25        | N/A                     | -                                                | 79,021                  | -                                   | -               | 79,021              | 79,021              | -                                    |
| <b>Total Passed through PA Department of Education (Child Nutrition Cluster)</b>   |                |                           |                               |                       |                         | <b>\$ -</b>                                      | <b>\$ 191,925</b>       | <b>\$ -</b>                         | <b>\$ -</b>     | <b>\$ 191,925</b>   | <b>\$ 191,925</b>   | <b>\$ -</b>                          |
| <b>Passed through the PA Department of Agriculture (Child Nutrition Cluster):</b>  |                |                           |                               |                       |                         |                                                  |                         |                                     |                 |                     |                     |                                      |
| National School Lunch Program                                                      | Indirect       | 10.555                    | N/A                           | 7/1/24-6/30/25        | N/A                     | \$ -                                             | \$ 8,306 *              | \$ (387) (2)                        | -               | 8,244               | 8,244               | (449) (3)                            |
| <b>Total Passed through PA Department of Agriculture (Child Nutrition Cluster)</b> |                |                           |                               |                       |                         | <b>\$ -</b>                                      | <b>\$ 8,306</b>         | <b>\$ (387)</b>                     | <b>\$ -</b>     | <b>\$ 8,244</b>     | <b>\$ 8,244</b>     | <b>\$ (449)</b>                      |
| <b>Total U.S. Department of Agriculture - Child Nutrition Cluster</b>              |                |                           |                               |                       |                         | <b>\$ -</b>                                      | <b>\$ 200,231</b>       | <b>\$ (387)</b>                     | <b>\$ -</b>     | <b>\$ 200,169</b>   | <b>\$ 200,169</b>   | <b>\$ (449)</b>                      |
| <b>Passed through the PA Department of Agriculture</b>                             |                |                           |                               |                       |                         |                                                  |                         |                                     |                 |                     |                     |                                      |
| Child Nutrition Discretionary Grant                                                | Indirect       | 10.579                    | N/A                           | 7/1/24-6/30/25        | N/A                     | \$ -                                             | \$ 15,500               | \$ 0                                | -               | 15,500              | 15,500              | 0                                    |
| <b>Total Passed through PA Department of Agriculture</b>                           |                |                           |                               |                       |                         | <b>\$ -</b>                                      | <b>\$ 15,500</b>        | <b>\$ -</b>                         | <b>\$ -</b>     | <b>\$ 15,500</b>    | <b>\$ 15,500</b>    | <b>\$ -</b>                          |
| <b>Total U.S. Department of Agriculture</b>                                        |                |                           |                               |                       |                         | <b>\$ -</b>                                      | <b>\$ 15,500</b>        | <b>\$ -</b>                         | <b>\$ -</b>     | <b>\$ 15,500</b>    | <b>\$ 15,500</b>    | <b>\$ -</b>                          |
| <b>U.S. Department of Health and Human Services:</b>                               |                |                           |                               |                       |                         |                                                  |                         |                                     |                 |                     |                     |                                      |
| <b>Passed through the PA Department of Human Services:</b>                         |                |                           |                               |                       |                         |                                                  |                         |                                     |                 |                     |                     |                                      |
| Title 19                                                                           | Indirect       | 93.778                    | N/A                           | 7/1/24-6/30/25        | N/A                     | \$ -                                             | \$ 69,022               | \$ -                                | \$ -            | \$ 69,022           | \$ 69,022           | \$ -                                 |
| <b>Total Passed through PA Department of Human Services</b>                        |                |                           |                               |                       |                         | <b>\$ -</b>                                      | <b>\$ 69,022</b>        | <b>\$ -</b>                         | <b>\$ -</b>     | <b>\$ 69,022</b>    | <b>\$ 69,022</b>    | <b>\$ -</b>                          |
| <b>Total U.S. Department of Health and Human Services</b>                          |                |                           |                               |                       |                         | <b>\$ -</b>                                      | <b>\$ 69,022</b>        | <b>\$ -</b>                         | <b>\$ -</b>     | <b>\$ 69,022</b>    | <b>\$ 69,022</b>    | <b>\$ -</b>                          |
| <b>Total Federal Assistance</b>                                                    |                |                           |                               |                       |                         | <b>\$ 5,773,471</b>                              | <b>\$ 8,829,097</b>     | <b>\$ 594,974</b>                   | <b>\$ -</b>     | <b>\$ 8,282,070</b> | <b>\$ 8,282,070</b> | <b>\$ 47,947</b>                     |

\* = Total USDA Commodity Received

(1) - Denotes Major Program Tested

(2) - Donated Commodities Inventory 6/30/24

(3) - Donated Commodities Inventory 6/30/25

**Reconciliation to PDE Confirmation:**

|                                                                 |                      |
|-----------------------------------------------------------------|----------------------|
| Amount received per above                                       | \$ 8,829,097         |
| State subsidies included with federal funds on PDE Confirmation | 4,769,488            |
| Title 19                                                        | (69,022)             |
| Medical Assistance - Access                                     | 477,983              |
| ARP Emergency Assistance to Non-Public II                       | (35,725)             |
| Child Nutrition Discretionary Grant not on PDE Confirmation     | (15,500)             |
| Donated Commodities not on PDE Confirmation                     | (8,306)              |
| <b>Amount Received per PDE Confirmation</b>                     | <b>\$ 13,948,015</b> |

**BEAVER VALLEY INTERMEDIATE UNIT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2025**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the 'Schedule') includes the federal grant activity administered by the Beaver Valley Intermediate Unit for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grant Guidance – UGG)*. Because the Schedule presents only a selected portion of the operations of the Intermediate Unit, it is not intended to and does not present the financial position or changes in net position of the Beaver Valley Intermediate Unit.

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

**BASIS OF ACCOUNTING**

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

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

**NOTE 3 - RELATIONSHIP TO FINANCIAL STATEMENTS**

Federal financial award revenues are included in the financial statements as 'federal source' revenues and further detailed by federal program on page 51.

**NOTE 4 – RECEIVABLES AND UNEARNED REVENUE**

Federal grant receivables are included as part of 'due from other governments' in Exhibit A and Exhibit C as referenced in Note 4 to the Financial Statements. These amounts are further detailed by federal program on page 49. Unearned federal grant revenue, if any, is included as part of 'unearned revenue' in Exhibit A and Exhibit C and is further detailed by federal program on page 48.

**NOTE 5 - NON-CASH ASSISTANCE**

The Beaver Valley Intermediate Unit received donated commodities from the Department of Agriculture in connection with its food service program. The amount of non-cash assistance expended in the accompanying schedule of expenditures of federal awards reflects the fair market value of the commodities used during the 2024-2025 fiscal year.

**NOTE 6 – INDIRECT COST RATE**

The Beaver Valley Intermediate Unit has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**BEAVER VALLEY INTERMEDIATE UNIT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? \_\_\_yes    X no

**Federal Awards**

Internal control over major programs:

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

Type of auditor’s report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_yes    X no

Identification of major programs:

| <u>Assistance Listing Number(s)</u> | <u>Name of Federal Program or Cluster</u>                           |
|-------------------------------------|---------------------------------------------------------------------|
| 84.027                              | Individuals with Disabilities Education (Special Education Cluster) |
| 84.173                              | Individuals with Disabilities Education (Special Education Cluster) |

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

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

Auditee qualified as low-risk auditee? \_\_\_X yes    \_\_\_no

**Section II – Financial Statement Findings**

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

None

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

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

None

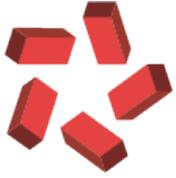
**BEAVER VALLEY INTERMEDIATE UNIT**  
**STATUS OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDING JUNE 30, 2025**

The audit report of the Beaver Valley Intermediate Unit for the year ended June 30, 2024, dated January 26, 2025, contained no audit findings.

## APPENDIX C

Specimen Bond Insurance Policy

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**BAM**

**MUNICIPAL BOND  
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$ \_\_\_\_\_ in aggregate principal  
amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_

Member Surplus Contribution: \$ \_\_\_\_\_

Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the “Trustee”) or paying agent (the “Paying Agent”) for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner’s right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner’s rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner’s right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. “Due for Payment” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. “Nonpayment” means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. “Nonpayment” shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. “Notice” means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “Owner” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “Owner” shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Officer

SPECIMEN

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

200 Liberty Street, 27th floor

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

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## APPENDIX D

Form of Opinion of Bond Counsel

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§ \_\_\_\_\_  
BEAVER VALLEY INTERMEDIATE UNIT  
(Beaver County, Pennsylvania)  
Dated \_\_\_\_\_, 2026 -- Final Maturity \_\_\_\_\_, 202\_\_  
EDUCATIONAL FACILITY REVENUE BONDS, SERIES OF 2026

BOND COUNSEL OPINION

*The form of the approving legal opinion of John F. Salopek, Esquire Bond Counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the Bonds and may vary from the form set forth to reflect circumstances both factual and legal at the time of such delivery. Bond Counsel has no duty, and has assumed no obligation, to revise, update or supplement his opinion to address or reflect a change or changes in such circumstances subsequent to the date of delivery of the Bonds, whether or not he has notice or obtains knowledge of the same, and whether or not this Official Statement shall be recirculated. The approving legal opinion of Bond Counsel represents his considered professional judgment, following a comparison of relevant factual certifications to applicable law. Such opinion is not a guarantee of a particular result, nor is such opinion binding on any administrative or judicial tribunal.*

To and for the attention \_\_\_\_\_, 2026  
of the Purchasers of the  
Described Bonds:

I have served as Bond Counsel to the Beaver Valley Intermediate Unit, Beaver County, Pennsylvania, being Intermediate Unit No. 27 under the arrangement of school districts into intermediate units set forth in §902-A of the School Code (hereinafter defined) (the "Local Government Unit"), a part of the public school system of the Commonwealth of Pennsylvania, organized pursuant to Article IX-A of the School Code, and do hereby undertake to advise you in connection with the issuance, sale and delivery of its \$ \_\_\_\_\_, aggregate principal amount, Educational Facility Revenue Bonds, Series of 2026 (the "Bonds"), issued in fully registered form, dated and bearing interest from \_\_\_\_\_, 2026, maturing on various annual dates ending \_\_\_\_\_, 20\_\_, and subject to redemption prior to maturity at the option of the Local Government Unit beginning \_\_\_\_\_, 20\_\_.

In that capacity, I have examined the Constitution of the Commonwealth of Pennsylvania; the Public School Code of 1949, Act of March 10, 1949, P.L. 30, No. 14, as amended (the "School Code"); the Local Government Unit Debt Act, 53 Pa.C.S.A. §8001 *et seq.*, as amended (the "Debt Act"); the formal action of the Governing Body of the Local Government Unit authorizing the incurrence of nonelectoral debt evidenced by the Bonds (the "Debt Resolution"); the corresponding Certificate of Approval of the Department of Community and Economic Development; the Internal Revenue Code of 1986, as amended (the "Tax Code"); the Federal Income Tax Certificate of an authorized officer; the opinion of Alfred L. Steff, Esquire, Solicitor for the Local Government Unit,

upon which I have relied; and such other certificates, proceedings and law as I deemed necessary in order to render this opinion. Unless separately noted, I have not independently verified factual certifications made to me by the Local Government Unit, its officers and agents during the course of my engagement.

Both principal of and interest on the Bonds are payable at the designated corporate trust office of Zions Bancorporation, National Association, Pittsburgh, Pennsylvania, as Paying Agent for the Local Government Unit; the bank has additionally been appointed Registrar and Sinking Fund Depository for the Bonds.

These proceedings demonstrate that, in the absence of any meritoriously-based action in a governmental or judicial forum affecting the validity of the Bonds, the same have been delivered upon full payment.

Based on the foregoing, I am of the opinion on this date as follows:

1. The Bonds are valid and binding revenue obligations of the Local Government Unit. The Bonds are issued for a valid purpose under the School Code. The Bonds, and all other outstanding debt of the Local Government Unit, are within constitutional and statutory limitations. The Debt Resolution authorizing the Bonds was duly and properly enacted and is in full force and effect. The Bonds conform, in all substantial respects, to the form provided in the Debt Resolution.

2. The Bonds are secured by a pledge of the full faith and credit of the Local Government Unit. The Local Government Unit has effectively covenanted in the Debt Resolution to include the amount of debt service on this issue, in each fiscal year for which such sums are due, in its budget for that year; to appropriate such amounts from its revenues to the payment of such debt service; and to pay or cause to be paid, from time to time as and when due, the principal of the Bonds and the interest thereon on the dates, at the place and in the manner stated in the Bonds.

3. The Bonds are payable and enforceable according to their own terms, those of the Debt Resolution and all provisions of the Debt Act; however, any such payment and enforcement could be restrained by a court of proper jurisdiction operating under the authority of bankruptcy, receivership and other similar laws of accommodation and adjustment of creditors' rights, as then applicable.

4. The Bonds, having all the qualities and incidents of securities under Article 8 of the Uniform Commercial Code, are negotiable instruments.

5. The Bonds are an authorized investment, under the Probate, Estates and Fiduciaries Code, as amended, for fiduciaries and personal representatives (as such terms are therein defined) within the Commonwealth of Pennsylvania.

6. Under the laws, regulations, rulings and judicial decisions in effect as of the date hereof, interest on the Bonds is excludable from gross income for Federal income tax purposes, pursuant to the Tax Code. Furthermore, interest on the Bonds will not be treated as a specific item of tax preference, under Section 57(a)(5) of the Tax Code, in computing the alternative minimum tax for individuals. Due to the designation of the Bonds as "qualified tax-exempt obligations" pursuant

to Section 265(b)(3) of the Tax Code, certain financial institutions may be able to deduct 80% of the interest expense incurred in purchasing or carrying the Bonds. In rendering the opinions in this paragraph, I have assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Tax Code. I express no opinion as to any other Federal income tax consequence arising from ownership of the Bonds.

7. The Bonds are not arbitrage Bonds within the meaning of Section 148 of the Tax Code, assuming compliance by the Local Government Unit with certain covenants made in the Debt Resolution or other certificates of the Local Government Unit provided in connection with the authorization, issuance and sale of the Bonds.

8. The Bonds are exempt from registration under the provisions of the Securities Act of 1933, as amended.

9. The Bonds, and interest therefrom, are exempt from taxation for purposes of personal and corporate net income taxes within the Commonwealth of Pennsylvania. No opinion is expressed as to whether this exemption extends to gift, succession or inheritance taxes or taxes on the realization of profits on the sale of the Bonds. No opinion is expressed as to whether original issue discount allocable to an owner of the Bonds is exempt from Pennsylvania personal income tax or the Pennsylvania corporate net income tax.

10. Notwithstanding the opinions set forth in paragraphs (6) and (9), hereof, no opinion is made or can be made as to whether or not any legislation hereafter introduced and enacted, or regulation hereafter promulgated, will be applied retroactively so as to subject the interest on the Bonds to federal, state or local income taxes or as to otherwise affect the marketability or market value of the Bonds.

This opinion is rendered as the date hereof and I assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter be brought to my attention or any changes in law that may hereafter arise.

Very Truly Yours,

John F. Salopek, Esquire

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## APPENDIX E

Form of Continuing Disclosure Undertaking

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## FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is executed and delivered by Beaver Valley Intermediate Unit (Beaver County, Pennsylvania) (the “Issuer”), in connection with the issuance of its \$ \_\_\_\_\_, aggregate principal amount, Education Facility Revenue Bonds, Series of 2026 (the “Obligations”). The Obligations are being issued pursuant to a resolution adopted by the Board of Directors of the Issuer (the “Governing Body”) on January 28, 2026 (the “Resolution”). The Issuer covenants and agrees as follows:

Section 1. ***Purpose of the Disclosure Undertaking.*** This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the holders of the Obligations and in order to comply with, and constitutes the written undertaking for the benefit of the holders of the Obligations required by, Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12) (the “Rule”).

Section 2. ***Definitions.*** In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“*Disclosure Representative*” means the Business Manager of the Issuer or his or her designee, or such other officer or employee of the Issuer as the Governing Body may designate from time to time.

“*Dissemination Agent*” means any person or entity designated by the Issuer.

“*EMMA*” means the MSRB’s Electronic Municipal Market Access system, as established by SEC Release No. 34-58256, as amended, and approved by SEC Release No. 34-59061.

“*Financial Obligation*” means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Undertaking with respect to the Obligations.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Official Statement*” means the Preliminary Official Statement relating to the Obligations, and the Official Statement relating to the Obligations, dated \_\_\_\_\_, 2026.

“*Operating Data*” shall mean updates to (a) certain tabular information contained in the Official Statement under the subheadings “Services Provided” and (b) certain tabular information contained in Appendix A of the Official Statement under the subheading “Enrollment History and Projections.”

“*Purchaser*” means Stifel, Nicolaus & Company Inc., in its role as original purchaser and underwriter of the Obligations.

“*Tax-exempt*” means that interest on the Obligations is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax.

Section 3. ***Provision of Annual Reports.*** The Issuer shall provide the Annual Report not later than March 31 following the fiscal year ending the previous June 30 (the “Report Date”), beginning with the fiscal year ending June 30, 2026 to EMMA which is consistent with the requirements of Section 4 of this Disclosure Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking, provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report. The Annual Report must be submitted in the manner prescribed by the Municipal Securities Rulemaking Board, currently by uploading a machine word-searchable .pdf file to the EMMA Dataport web site.

Section 4. ***Content of Annual Reports.*** The Issuer's Annual Report shall contain or incorporate by reference the following financial information and operating information for the Issuer:

- (a) financial statements for the Issuer for the most recent fiscal year, prepared in accordance with generally accepted accounting principles for local government units<sup>1</sup>;
- (b) a summary of the budget for the current fiscal year (the fiscal year following the fiscal year of the financial statements being provided); and
- (c) the Operating Data.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to EMMA. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board or EMMA. The Issuer shall clearly identify each other document so incorporated by reference.

Section 5. ***Reporting of Significant Events.*** (a) Pursuant to the provisions of this Section 5, the Issuer shall file, in a timely manner not in excess of ten (10) business days after the occurrence of such event, with the MSRB, notice of the occurrence of any of the following events with respect to the Obligations:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue

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<sup>1</sup> If not submitted as part of the annual financial information, then when and if available, audited financial statements for the Issuer.

(IRS Form 5701-TEB) or other similar events affecting the tax-exempt status of the security;

- (vii) modifications to the rights of Holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the securities, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (xiii) the consummation of a merger, consolidation, or acquisition of the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) the appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) the incurrence of a Financial Obligation of the Issuer, if material, or the agreement, in connection with a Financial Obligation, to new, or additional, covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) The Issuer shall file in a timely manner with the MSRB and accompanied by such identifying information as prescribed by the MSRB, notice of a failure to provide the required annual financial information specified above, on or before the date specified above.

(c) For the purposes of the Listed Event identified in clause (a)(xii) of this Section, the event is considered to occur when any of the following occur: appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

Section 6. **Termination of Reporting Obligation.** The Issuer's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Obligations.

Section 7. **Dissemination Agent.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the holders of the Obligations or any other party. If no replacement Dissemination Agent is appointed, the Issuer shall undertake all obligations thereof hereunder.

Section 8. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 9. **Additional Information.** Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. **Default.** In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Undertaking, any holder of Obligations may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed a default under the Resolution or the Obligations and the rights and remedies provided by the Resolution and the Obligations upon the occurrence of a default shall not apply to any such failure. The sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 11. **Immunities of Individuals.** No recourse shall be had for any claim based hereon against any member, director, officer, or employee, past, present or future, of the Issuer or the officers of the Issuer or of any successor body, as such.

Section 12. **Beneficiaries.** This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the initial purchaser of the Obligations, and holders from time to time of the Obligations, and shall create no rights in any other person or entity.

Section 13. **Notices.**

Any notices or communications to or with the Issuer may be given as follows:

Beaver Valley Intermediate Unit  
147 Poplar Avenue  
Monaca, PA 15061  
Attention: Business Manager

IN WITNESS WHEREOF, the Issuer has caused its duly authorized officer to execute this Certificate as of this \_\_\_ day of \_\_\_\_\_, 2026.

BEAVER VALLEY INTERMEDIATE UNIT

By: \_\_\_\_\_  
President, Board of Directors

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