

**Pine-Richland School District
Financial Statements
June 30, 2024**

 Hosack, Specht
Muetzel & Wood

CERTIFIED PUBLIC ACCOUNTANTS

**Pine-Richland School District
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Independent Auditor's Report

Members of the Board
Pine-Richland School District
Gibsonia, Pennsylvania

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pine-Richland School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Pine-Richland School District'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, the business-type activities, each major fund, and the aggregate remaining fund information of Pine-Richland School District as of June 30, 2024, and the respective changes in financial position 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 Pine-Richland School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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 Pine-Richland School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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 judgement 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 the expressing an opinion on the effectiveness of Pine-Richland School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pine-Richland School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, post-employment benefit information and pension information, as shown in the table of contents, be presented to supplement the basic financial statements. Such information 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 Pine-Richland School District's basic financial statements. The accompanying schedule of expenditures of federal awards, 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*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024, on our consideration of Pine-Richland School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pine-Richland School District's 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 Pine-Richland School District's internal control over financial reporting and compliance.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
December 12, 2024

**Pine-Richland School District
Management's Discussion and Analysis
June 30, 2024**

The discussion and analysis of Pine-Richland School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

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

Financial Highlights

During the fiscal year 2023/2024, the School District's total general fund expenditures increased by \$3,741,794 or 3.9% over the prior year's spending. The School District exceeded its budgeted allocations for the year due to some distinct factors. Total general fund expenditures for the 2023/2024 fiscal year were \$98,976,011 which represented a negative variance from the budget of (\$484,646).

General fund revenues for the School District totaled \$105,261,963 for the year. This represents an increase from the prior year of approximately \$1.977 million or 1.9%. The millage rate for real estate tax was 19.5867 mills for 2023/2024 which represents no increase in millage rate from the prior year. The School District's actual revenues within the general fund for the fiscal year exceeded projections by \$3,847,176. This variance is primarily attributable to two sources of local revenue and one state revenue: (1) earned income tax received was higher than budgeted by \$438,754 and (2) earnings on investments were higher than expected by \$1,340,022, (3) state transportation subsidy was \$675,830. Real Estate Taxes (Current and Delinquent) had a negative variance of \$1,113,482 due to the Common Level Ratio reductions in Allegheny County. The Basic Education Funding subsidy formula increased the School District's funding by an additional \$279,421 than budgeted based on the timing of state funding communications.

The School District's overall expenditures exceeded overall revenues in the general fund, thus resulting in a decrease in its fund balance of \$2,068,171 to its current level of \$34,317,992. Budgeted use of fund balance was \$3,120,200 resulting in a \$1,052,029 positive variance from budgeted. This level of fund balance represents approximately 31.97% of total budgeted expenditures and other financing uses, which is considered healthy for public school systems. The School District has committed a portion of fund balance for the Public School Employees' Retirement System and assigned portions of fund balance for employee benefit obligations, such as retirement contributions and healthcare premiums, future capital improvements, and debt service.

Using the Annual Financial Report

The Annual Financial Report consists of a financial section and a single audit section which is issued to comply with federal guidelines as required in the Government Auditing Standards and the Uniform Grant Guidance. Within the financial section are the management's discussion and analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand Pine-Richland School District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

**Pine-Richland School District
Management’s Discussion and Analysis
June 30, 2024**

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

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

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

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

Figure A – 1
Required Components of
Pine-Richland School District’s
Financial Report

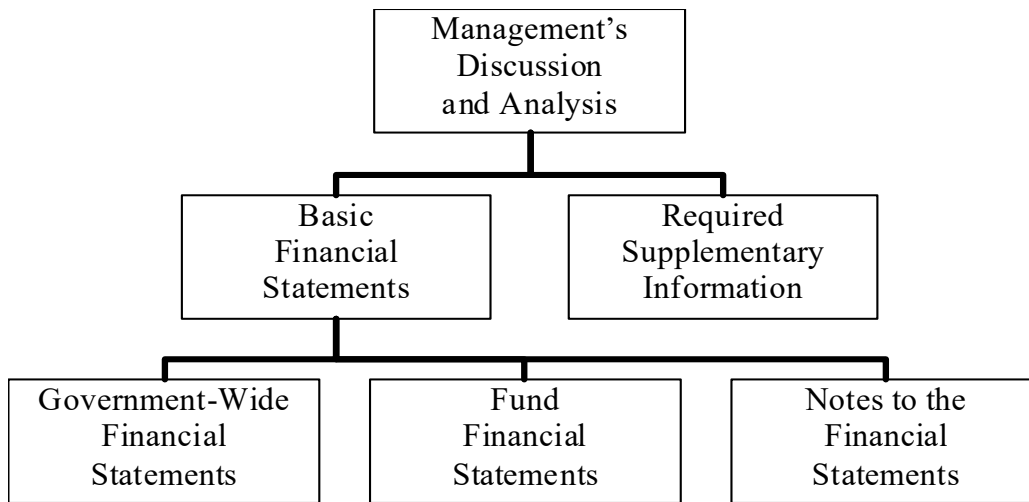


Figure A-2 summarizes the major features of the School District’s financial statements, including the portion of the School District they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents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

**Pine-Richland School District
Management’s Discussion and Analysis
June 30, 2024**

Figure A – 2
Major Features of Pine-Richland School District’s
Government-Wide and Fund Financial Statements

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

Pine-Richland School District
Management's Discussion and Analysis
June 30, 2024

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did the School District perform financially during fiscal year ended June 30, 2024?" The statement of net position and the statement of activities help to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in the net position. This change in net position is important because it tells the reader, for the School District as a whole, whether the financial position of the School District has improved or diminished. The changes presented on this statement may be the result of many factors, some financial, some not. Nonfinancial factors include the School District's property tax base, current property tax laws in Pennsylvania restricting revenue growth, legislative law, specifically Act 1 of 2006, facility conditions and improvements, required educational programs and initiatives, student population growth, mandated services, capital asset depreciation and other factors.

Overview of Financial Statements

Government-Wide Statements

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

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

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

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

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

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

Pine-Richland School District
Management's Discussion and Analysis
June 30, 2024

Fund Financial Statements

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

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

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

Fiduciary funds - The School District is the trustee, or fiduciary, for student activity funds. All of the School District's fiduciary activities are reported in separate statements of fiduciary net position on Exhibit 10 and statement of change in net position on Exhibit 11. We exclude these activities from the School District's other financial statement because the School District cannot use these assets to finance its operations.

**Pine-Richland School District
Management's Discussion and Analysis
June 30, 2024**

Financial Analysis of the School District as a Whole

The School District's total net position was a deficit \$(56,205,370) at June 30, 2024 and a deficit \$(66,894,240) at June 30, 2023.

Table A - 1
Years Ended June 30, 2024 and 2023
Net Position

	2024			2023		
	Governmental Activities	Business- Type Activities	Totals	Governmental Activities	Business- Type Activities	Totals
Current and Other Assets	\$ 58,809,715	\$ 1,622,659	\$ 60,432,374	\$ 59,131,600	\$ 1,377,026	\$ 60,508,626
Capital Assets	<u>91,864,631</u>	<u>271,413</u>	<u>92,136,044</u>	<u>89,575,553</u>	<u>187,472</u>	<u>89,763,025</u>
Total Assets	<u>150,674,346</u>	<u>1,894,072</u>	<u>152,568,418</u>	<u>148,707,153</u>	<u>1,564,498</u>	<u>150,271,651</u>
Deferred Outflows of Resources	<u>21,327,035</u>	<u>-</u>	<u>21,327,035</u>	<u>22,268,263</u>	<u>-</u>	<u>22,268,263</u>
Current and Other Liabilities	12,588,565	113,476	12,702,041	12,637,806	150,331	12,788,137
Noncurrent Liabilities						
Due Within One Year	6,359,375	-	6,359,375	6,510,257	-	6,510,257
Due in More Than One Year	<u>206,562,407</u>	<u>-</u>	<u>206,562,407</u>	<u>216,012,760</u>	<u>-</u>	<u>216,012,760</u>
Total Liabilities	<u>225,510,347</u>	<u>113,476</u>	<u>225,623,823</u>	<u>235,160,823</u>	<u>150,331</u>	<u>235,311,154</u>
Deferred Inflows of Resources	<u>4,477,000</u>	<u>-</u>	<u>4,477,000</u>	<u>4,123,000</u>	<u>-</u>	<u>4,123,000</u>
Net Position						
Net Investment in Capital Assets	(2,270,894)	271,413	(1,999,481)	(4,539,297)	187,472	(4,351,825)
Unrestricted	<u>(55,715,072)</u>	<u>1,509,183</u>	<u>(54,205,889)</u>	<u>(63,769,110)</u>	<u>1,226,695</u>	<u>(62,542,415)</u>
Total Net Position	<u>\$ (57,985,966)</u>	<u>\$ 1,780,596</u>	<u>\$ (56,205,370)</u>	<u>\$ (68,308,407)</u>	<u>\$ 1,414,167</u>	<u>\$ (66,894,240)</u>

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

**Pine-Richland School District
Management's Discussion and Analysis
June 30, 2024**

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

The 2023/2024 financial statements offer a view of the financial condition of the School District on a consolidated basis. For example, investment earnings not only include interest earnings in the general fund, but also interest earnings in the food service fund and all other governmental funds.

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

Table A - 2
Years Ended June 30, 2024 and 2023
Changes in Net Position

	2024			2023		
	Governmental Activities	Business- Type Activities	Totals	Governmental Activities	Business- Type Activities	Totals
Revenues						
Program Revenues						
Charges for Services	\$ 149,360	\$ 1,510,823	\$ 1,660,183	\$ 148,959	\$ 810,203	\$ 959,162
Operating Grants and Contribs.	14,243,109	806,430	15,049,539	14,224,829	1,521,793	15,746,622
Capital Grants and Contribs.	1,014,111	-	1,014,111	1,049,853	-	1,049,853
General Revenues						
Property Taxes	65,891,894	-	65,891,894	66,611,116	-	66,611,116
Other Taxes	12,057,540	-	12,057,540	11,640,950	-	11,640,950
Grants, Subsidies and Contribs.						
Unrestricted	7,973,543	-	7,973,543	7,692,024	-	7,692,024
Investment Earnings	3,009,357	69,006	3,078,363	2,616,492	37,670	2,654,162
Other	771,942	-	771,942	532,662	-	532,662
Total Revenues	105,110,856	2,386,259	107,497,115	104,516,885	2,369,666	106,886,551

**Pine-Richland School District
Management's Discussion and Analysis
June 30, 2024**

Table A - 2
Years Ended June 30, 2024 and 2023
Changes in Net Position

	2024			2023		
	Governmental Activities	Business- Type Activities	Totals	Governmental Activities	Business- Type Activities	Totals
Expenses						
Instruction	57,497,405	-	57,497,405	53,294,181	-	53,294,181
Instructional Student Support	7,036,546	-	7,036,546	6,106,035	-	6,106,035
Admin. and Fin. Support Svcs.	9,021,971	-	9,021,971	8,386,675	-	8,386,675
Operation and Maintenance						
of Plant Services	8,083,366	-	8,083,366	9,714,426	-	9,714,426
Pupil Transportation	5,955,033	-	5,955,033	5,744,769	-	5,744,769
Student Activities	2,334,114	-	2,334,114	2,293,303	-	2,293,303
Community Services	73,000	-	73,000	70,950	-	70,950
Interest on Long-Term Debt	2,695,101	-	2,695,101	4,215,614	-	4,215,614
Unallocated Depreciation Expense	2,091,879	-	2,091,879	2,292,372	-	2,292,372
Food Service	-	2,019,830	2,019,830	-	2,031,928	2,031,928
Total Expenses	<u>94,788,415</u>	<u>2,019,830</u>	<u>96,808,245</u>	<u>92,118,325</u>	<u>2,031,928</u>	<u>94,150,253</u>
Increase (Decrease) in Net Position	10,322,441	366,429	10,688,870	12,398,560	337,738	12,736,298
Beginning Net Position	<u>(68,308,407)</u>	<u>1,414,167</u>	<u>(66,894,240)</u>	<u>(80,706,967)</u>	<u>1,076,429</u>	<u>(79,630,538)</u>
Ending Net Position	<u>\$ (57,985,966)</u>	<u>\$ 1,780,596</u>	<u>\$ (56,205,370)</u>	<u>\$ (68,308,407)</u>	<u>\$ 1,414,167</u>	<u>\$ (66,894,240)</u>

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

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

**Pine-Richland School District
Management's Discussion and Analysis
June 30, 2024**

Table A - 3
Years Ended June 30, 2024 and 2023
Governmental Activities

Functions/Programs	2024		2023	
	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Instruction	\$ 57,497,405	\$47,406,639	\$ 53,294,181	\$43,665,126
Instructional Student Support	7,036,546	6,235,057	6,106,035	4,980,934
Admin. and Fin. Support Svcs.	9,021,971	8,320,409	8,386,675	7,702,622
Operation and Maintenance of Plant Services	8,083,366	7,523,130	9,714,426	8,324,848
Pupil Transportation	5,955,033	3,927,253	5,744,769	4,408,456
Student Activities	2,334,114	2,123,478	2,293,303	2,083,615
Community Services	73,000	73,000	70,950	70,950
Interest on Long-Term Debt	2,695,101	1,680,990	4,215,614	3,165,761
Unallocated Depreciation Expense	2,091,879	2,091,879	2,292,372	2,292,372
Total Governmental Activities	\$ 94,788,415	79,381,835	\$ 92,118,325	76,694,684
Less:				
Unrestricted Grants, Subsidies		(7,973,543)		(7,692,024)
Total Needs from Local Taxes and Other Revenues		\$71,408,292		\$69,002,660

The dependence upon tax revenues for governmental activities is apparent. Approximately, eighty-two percent (82%) of instruction activities are supported through taxes and other local revenues. For all governmental activities, local revenue support is seventy-five percent (75%). The community, as a whole, is the primary support for School District students.

Pine-Richland School District
Management's Discussion and Analysis
June 30, 2024

Business-Type Activities

The only major business-type activity of the School District is the food service operations. As noted on the statement of revenues, expenses, and changes in net position - proprietary funds on Exhibit 8, this program had operating revenues of \$1,510,623 and operating expenses of \$2,019,830 for the fiscal year 2023/2024. Operating revenue has remained at levels more comparable to amounts prior to the pandemic. The food service management company, Sodexo, guarantees a profit from their services. The guarantee for 2023/2024 was \$122,000 which is extended to the School District as a credit during the school year. The food service operations ended the year with an increase in net position of \$366,151.

State and Federal revenues in 2023/2024 decreased by \$3,773 from the prior year. On the expenditure side, overall expenditures decreased by \$8,108 .

The School District and the food service management company, Sodexo, remain committed to quality food choices for students and increasing participation through the breakfast and lunch programs. Both the School District and Sodexo actively worked with students, parents, staff and school directors during recent years to obtain their thoughts and suggestions on improving the program. The food service department has since focused on providing meals with higher quality of food as well as offering: (1) more scratch-cooked products; (2) more plant-based options; and (3) more fresh products. To be able to offer these options, a new pricing system was introduced to allow more flexibility for meals. Starting with the 2017/2018 school year, two types of meals are offered. The first type is the DAILY meal and the second type, the RAM meal. The RAM meal has not been served due to staffing shortages. A variety of expanded lunch options are available at both prices. Those with free and reduced meals enjoy the same options as well.

The School District continues to monitor food costs to ensure that meal prices remain at appropriate levels to cover expenditures.

School District Funds

The general fund, which accounts for the School District's operations, represents one of the School District's most significant major funds. At June 30, 2024, the School District's governmental funds reported a combined fund balance of \$46,174,027, which is a decrease of \$174,119 from the amount at June 30, 2023. This is due to an increase of \$1,894,052 in the capital projects fund and a decrease in the operations of the general fund of \$(2,068,171). School District fund balance in the general fund remains healthy and is currently \$34 million. Total fund balance consists of amounts allocated as nonspendable, restricted, committed, assigned and unassigned as shown on Exhibit 3.

General Fund Budgeting Highlights

The School District's budget is prepared according to Pennsylvania law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general operating fund.

During the fiscal year, the School Board of Directors (the Board) authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the School District.

**Pine-Richland School District
Management’s Discussion and Analysis
June 30, 2024**

The budgeting systems are designed to tightly control budgets by administrators responsible for their individual areas. A schedule showing the School District’s original and final budget amounts compared with amounts actually paid and received is provided within the financial statements.

For the general operating fund, original and final budget revenue totals remain unchanged throughout the year at \$103,725,288. Total expenditures budgeted at \$98,491,365 were increased from the original budget by \$450,000 via board approved transfers throughout the fiscal year from other financing uses. The difference between expenditure and revenue budget allocations consists of other financing sources and uses, such as interfund transfers and budgetary reserve. For the 2023/2024 fiscal year, local and state revenues were higher than budget projections. Federal Revenues were less than budgeted due no draw down of ACCESS taking place in 2023/2024. Local revenues higher than anticipated primarily due to collections for earned income tax and earnings on investments. These two revenue classifications helped minimize the real estate revenue losses due to the Common Level Ratio court case in Allegheny County reducing real estate assessment values over the past three years. Total actual revenues collected were \$105,261,963.

Expenditures were budgeted at \$98,491,365 after considering approved budget transfers throughout the fiscal year. Actual expenditures were \$98,976,011. Negative variances did occur in a few program areas leading to expenditures exceeding budget by \$484,646. Special Education had a negative variance was due to personnel and contracted services. Transportation had negative variance results. Transportation has become more volatile recently due to the increase in specialized and individual transportation required by state regulations. Prior year refunds for real estate tax payments due to the Common Level Ratio adjustment resulted in over \$540,809.65. That amount does not include the refunds for the current year which reduce revenue by \$576,640.05. Also, due to a change in legal counsel and legal issues these expenditures exceeded the original budget by \$269,399.71 prior to budget transfers.

As a result of operations, the general operating fund balance decreased by \$2,068,171 to its current level of \$34,317,992.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2024, the School District had \$91,238,159 invested in a broad range of capital assets, including land, site improvements, buildings, furniture and equipment and construction in progress. This amount represents a net increase of \$2,698,762 or 3.05% from last year. The increase in capital assets is primarily a result of ongoing construction in progress.

Table A - 4
Governmental Activities
Capital Assets - Net of Depreciation

	2024	2023
Land	\$ 1,542,645	\$ 1,542,645
Land Improvements	5,974,814	5,971,835
Buildings and Building Improvements	72,088,389	76,063,139
Furniture and Equipment	1,485,473	1,488,376
Construction in Progress	10,146,838	3,473,402

**Pine-Richland School District
Management’s Discussion and Analysis
June 30, 2024**

Debt Administration

As of June 30, 2024, the School District had total outstanding bonds and note principal of \$89,654,401 as listed in Note 7 of the financial statements. Table A-5 below depicts the School District’s total outstanding debt by issue.

Table A - 5
Outstanding Debt

General Obligation	As of 06/30/24	As of 06/30/23
Bonds - Series A of 1996	\$ 6,171,308	\$ 9,177,921
Refunding Series of 2014B	15,395,000	15,700,000
Refunding Series of 2015B	6,670,000	7,010,000
Bonds - State Public School Authority Revenue, 2016	738,093	870,961
Refunding Series of 2017	6,905,000	7,045,000
Refunding Series of 2019	5,620,000	6,060,000
Refunding Series of 2019A	5,030,000	5,435,000
Refunding Series of 2019B	2,835,000	3,045,000
Refunding Series of 2020A	7,990,000	8,280,000
Refunding Series of 2020B	23,245,000	23,600,000
Refunding Series of 2021	3,200,000	3,670,000
Refunding Series of 2022	5,855,000	5,870,000

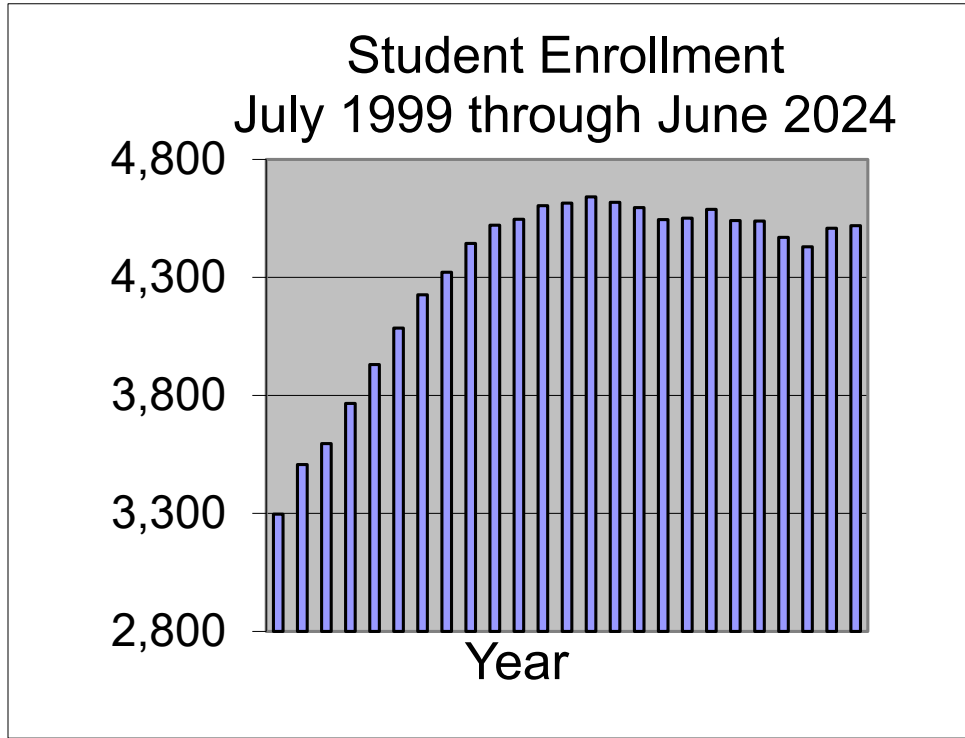
Other obligations include accrued and compensated vacation pay, sick leave pay and post-employment benefits for qualifying employees who retire from the School District. More detailed information about our long-term liabilities is included in Note 7 to the financial statements.

Economic Factors and Next Year’s Budget and Rates

Pine-Richland School District has a bond rating of “AA-/Stable” in April of 2024 by Standard & Poor’s (S&P), a New York municipal finance agency. The “AA-/Stable” rating reflects the School District’s stable outlook and strong capacity to meet financial commitments.

**Pine-Richland School District
Management's Discussion and Analysis
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The community has experienced substantial growth in population and economic wealth. The graph below depicts the student population growth over the past 25 years.



Historically, the rapid growth within Pine-Richland School District has put additional burden on local taxpayers. Each year, an analysis is conducted of staffing levels, transportation services, educational programs, support services and extracurricular activities to meet student needs and demand. In prior years, facilities were updated and expanded to meet the needs of increased student enrollment. The construction of Eden Hall Upper Elementary School, which accommodates fourth, fifth and sixth grade students, was completed and opened in August 2008. The School District also completed a significant expansion project to Pine-Richland High School in August 2012. At this time, student enrollment has reached a level point.

In July 2006, the Governor of Pennsylvania signed into law Act 1 of 2006 that imposes a limitation by which school board directors are not permitted to raise the real estate tax rate beyond a predetermined index or percentage each year. Currently, the law does provide for some exceptions to exceed this limitation. Examples of these include special education costs, employer retirement contribution rate costs and certain construction costs. Increases in tax rates beyond those permissible under the Act would require referendum approval by the voters of the Pine-Richland School District before budget adoption could occur. This represents a significant change to school district finances that has caused 500 school districts in the Commonwealth of Pennsylvania to accelerate their budget timeline. The base index under Act 1 for Pine-Richland School District for the 2023/2024 school year (2024/2025 budget year) was 5.3%

**Pine-Richland School District
Management's Discussion and Analysis
June 30, 2024**

Next Year's Budget Comparison

The revenue and expenditure budget for the 2024/2025 school year is \$2,030,357 more than the prior year budget. This represents an overall increase of 1.96% in budgeted revenues and expenditures.

Major revenue budget changes are as follows:

	Budgeted Revenue 2024/2025	Actual Revenue 2023/2024	Percentage Change
Real estate taxes	\$ 66,701,317	\$ 66,637,848	0.1%
Act 511 taxes	12,095,410	11,990,413	0.9%
Other local revenue	3,221,665	4,142,437	-22.2%
Basic instructional subsidies	6,449,094	6,395,154	0.8%
Special education subsidies	1,956,567	1,956,490	0.0%
Other state revenue	14,793,866	13,784,229	7.3%
Federal revenue	537,725	242,798	121.5%
Other financing sources*	-	112,594	-100.0%
	<u>\$ 105,755,644</u>	<u>\$ 105,261,963</u>	

* Represents bond refunding activity.

Major expenditure budget changes are as follows:

	Budgeted Expenditures 2024/2025	Actual Expenditures 2023/2024	Percentage Change
Wages and Salaries	\$ 42,948,533	\$ 40,715,083	5.5%
Employer share - benefits	29,732,430	27,089,629	9.8%
Purchased professional services	5,003,306	5,194,509	-3.7%
Purchased property services	662,119	668,982	-1.0%
Other purchased services	10,075,827	9,817,602	2.6%
Books and supplies	5,283,524	5,358,975	-1.4%
Capitalized equipment	21,737	43,839	-50.4%
Debt service	9,264,675	9,227,611	0.4%
Other expenditures	1,253,644	859,781	45.8%
Fund Transfers	8,389,199	8,354,123	0.4%
Budgetary reserve	500,000	-	100.0%
	<u>\$ 113,134,994</u>	<u>\$ 107,330,134</u>	

This budget includes \$500,000 of contingency (budgetary reserves) for unanticipated expenditures.

**Pine-Richland School District
Management’s Discussion and Analysis
June 30, 2024**

The comparison of revenue and expenditure categories is as follows:

Table A - 6

	Budgeted Revenue 2024/2025	Actual Revenue 2023/2024
Local	77.9%	78.6%
State	21.6%	21.1%
Federal	0.5%	0.2%
Other Financing Sources	0.0%	0.1%

	Budgeted Expenditures 2024/2025	Actual Expenditures 2023/2024
Instruction	54.9%	54.8%
Support Services	26.0%	26.0%
Noninstructional Services	2.2%	2.2%
Fund Transfers/Debt/Other	16.9%	17.0%

Pine-Richland School District has been active in controlling costs where possible and promoting fiscal responsibility. The current real estate millage rate has been established at 19.5867 mills and represents a flat millage rate for the 2024/2025 fiscal year which includes funds for projects identified in the ten-year capital funding plan. All efforts to utilize School District growth to fund future needs without additional taxpayer support is a primary goal of the Board of Directors and management of the School District.

Contacting the School District Financial Management

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the School District’s finances and to show the Board’s accountability for the money it receives. If you have questions about this report or wish to request additional information, please contact Christopher Juzwick, Director of Financial and Operational Services, Pine-Richland School District, 702 Warrendale Road, Gibsonia, PA 15044. You may also make requests via email to cjuzwick@pinerichland.org.

Pine-Richland School District
Statement of Net Position
June 30, 2024

Exhibit 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 51,056,020	\$ 1,581,038	\$ 52,637,058
Taxes Receivable, Net	1,205,174	-	1,205,174
Due From Other Governments	4,395,864	-	4,395,864
Other Receivables	222,662	2,336	224,998
Inventories	-	39,285	39,285
Prepaid Items	1,929,995	-	1,929,995
Capital Assets not Being Depreciated			
Land	1,542,645	-	1,542,645
Construction in Progress	10,146,838	-	10,146,838
Capital Assets, Net			
Land Improvements	5,974,814	-	5,974,814
Building & Building Improvements	72,088,389	-	72,088,389
Furniture & Equipment	1,485,473	271,413	1,756,886
Intangible Right-to-Use Assets	22,948	-	22,948
Investment in Joint Venture	603,524	-	603,524
TOTAL ASSETS	150,674,346	1,894,072	152,568,418
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	603,117	-	603,117
Amounts Related to OPEB - PSERS	19,812,535	-	19,812,535
Amounts Related to Pension	911,383	-	911,383
TOTAL DEFERRED OUTFLOWS OF RESOURCES	21,327,035	-	21,327,035
LIABILITIES			
Accounts Payable	849,339	4,356	853,695
Contracts Payable	705,415	-	705,415
Accrued Salaries and Benefits	10,048,714	-	10,048,714
Accrued Interest Payable	985,097	-	985,097
Other Current Liabilities	-	109,120	109,120
Noncurrent Liabilities:			
Due Within One Year	6,359,375	-	6,359,375
Due in More Than One Year:			
Notes Payable	6,438,469	-	6,438,469
Compensated Absences	1,389,569	-	1,389,569
Bonds Payable	81,804,369	-	81,804,369
Other Post-Employment Benefits - PSERS	4,557,000	-	4,557,000
Net Pension Liability	112,373,000	-	112,373,000
TOTAL LIABILITIES	225,510,347	113,476	225,623,823
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to OPEB - PSERS	1,013,000	-	1,013,000
Amounts Related to Pension	3,464,000	-	3,464,000
TOTAL DEFERRED INFLOWS OF RESOURCES	4,477,000	-	4,477,000
NET POSITION			
Net Investment in Capital Assets	(2,270,894)	271,413	(1,999,481)
Unrestricted	(55,715,072)	1,509,183	(54,205,889)
TOTAL NET POSITION	\$ (57,985,966)	\$ 1,780,596	\$ (56,205,370)

See Accompanying Notes

**Pine-Richland School District
Statement of Activities
Year Ended June 30, 2024**

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
Instruction	\$ 57,497,405	\$ -	\$ 10,090,766	\$ -	\$ (47,406,639)	\$ -	\$ (47,406,639)
Instructional Student Support	7,036,546	-	801,489	-	(6,235,057)	-	(6,235,057)
Administrative and Financial Support Services	9,021,971	-	701,562	-	(8,320,409)	-	(8,320,409)
Operation and Maintenance of Plant Services	8,083,366	149,360	410,876	-	(7,523,130)	-	(7,523,130)
Pupil Transportation	5,955,033	-	2,027,780	-	(3,927,253)	-	(3,927,253)
Student Activities	2,334,114	-	210,636	-	(2,123,478)	-	(2,123,478)
Community Services	73,000	-	-	-	(73,000)	-	(73,000)
Interest on Long-Term Debt	2,695,101	-	-	1,014,111	(1,680,990)	-	(1,680,990)
Unallocated Depreciation Expense	2,091,879	-	-	-	(2,091,879)	-	(2,091,879)
Total Governmental Activities	94,788,415	149,360	14,243,109	1,014,111	(79,381,835)	-	(79,381,835)
Business-type Activities:							
Food Service	2,019,830	1,510,823	806,430	-	-	297,423	297,423
Total Primary Government	\$ 96,808,245	\$ 1,660,183	\$ 15,049,539	\$ 1,014,111	(79,381,835)	297,423	(79,084,412)
General Revenues							
Taxes							
Property Taxes Levied for General Purposes, Net					65,891,894	-	65,891,894
Earned Income Taxes					10,576,459	-	10,576,459
Real Estate Transfer Taxes					1,245,814	-	1,245,814
Other Taxes Levied for General Purposes, Net					235,267	-	235,267
Grants, Subsidies and Contributions not Restricted					7,973,543	-	7,973,543
Investment Earnings					3,009,357	69,006	3,078,363
Miscellaneous Income					750,963	-	750,963
Proceeds from Insurance Recoveries					112,594	-	112,594
Gain (Loss) on Sale of Capital Assets					(91,615)	-	(91,615)
Total General Revenues					89,704,276	69,006	89,773,282
Change in Net Position					10,322,441	366,429	10,688,870
Net Position - July 1, 2023					(68,308,407)	1,414,167	(66,894,240)
Net Position - June 30, 2024					\$ (57,985,966)	\$ 1,780,596	\$ (56,205,370)

See Accompanying Notes

**Pine-Richland School District
Balance Sheet
Governmental Funds
June 30, 2024**

Exhibit 3

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 38,486,494	\$ 12,569,526	\$ 51,056,020
Taxes Receivable, Net	1,205,174	-	1,205,174
Due from Other Governments	4,395,864	-	4,395,864
Other Receivables	73,847	148,815	222,662
Prepaid Items	1,929,995	-	1,929,995
	<u>\$ 46,091,374</u>	<u>\$ 12,718,341</u>	<u>\$ 58,809,715</u>
TOTAL ASSETS	<u>\$ 46,091,374</u>	<u>\$ 12,718,341</u>	<u>\$ 58,809,715</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts Payable	692,448	156,891	849,339
Contracts Payable	-	705,415	705,415
Accrued Salaries and Benefits	10,048,586	-	10,048,586
Other Current Liabilities	128	-	128
	<u>10,741,162</u>	<u>862,306</u>	<u>11,603,468</u>
Total Liabilities	<u>10,741,162</u>	<u>862,306</u>	<u>11,603,468</u>
Deferred Inflows of Resources			
Unavailable Revenues - Property Taxes	1,032,220	-	1,032,220
	<u>1,032,220</u>	<u>-</u>	<u>1,032,220</u>
Fund Balances			
Nonspendable	1,929,995	-	1,929,995
Committed	192,471	-	192,471
Assigned	30,320,498	11,856,035	42,176,533
Unassigned	1,875,028	-	1,875,028
	<u>34,317,992</u>	<u>11,856,035</u>	<u>46,174,027</u>
Total Fund Balances	<u>34,317,992</u>	<u>11,856,035</u>	<u>46,174,027</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 46,091,374</u>	<u>\$ 12,718,341</u>	<u>\$ 58,809,715</u>

See Accompanying Notes

**Pine-Richland School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024**

Exhibit 4

Total Fund Balances - Governmental Funds \$ 46,174,027

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 \$197,928,532, and the accumulated depreciation is \$106,690,373. 91,238,159

Intangible right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The value of these assets is \$1,511,863 and the accumulated amortization is \$1,488,915. 22,948

Property taxes receivable will be collected in the future, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred inflows in the funds. 1,032,220

Premiums and discounts on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net position. (4,923,061)

Deferred charges on refunding bonds issued are amortized over the life of the bonds as deferred outflows of resources in the statement of net position. 603,117

The payment to the joint venture career and technical center is capitalized and amortized over the life of the notes in the statement of net position. 603,524

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

Bonds Payable	\$ (83,061,308)	
Accrued Interest on the Bonds	(985,097)	
Notes Payable	(6,593,093)	
Lease Payable	(24,751)	
Compensated Absences	<u>(1,389,569)</u>	(92,053,818)

**Pine-Richland School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024**

Exhibit 4

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

OPEB Liability - PSERS	(4,557,000)	
Net Pension Liability	<u>(112,373,000)</u>	(116,930,000)

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	19,812,535	
Deferred Inflows of Resources Related to Pensions	(3,464,000)	
Deferred Outflows of Resources Related to OPEB - PSERS	911,383	
Deferred Inflows of Resources Related to OPEB - PSERS	<u>(1,013,000)</u>	<u>16,246,918</u>

Total Net Position - Governmental Activities		<u>\$ (57,985,966)</u>
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See Accompanying Notes

**Pine-Richland School District
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024**

Exhibit 5

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues			
Local Sources	\$ 82,770,698	\$ 619,335	\$ 83,390,033
State Sources	22,135,873	-	22,135,873
Federal Sources	242,798	-	242,798
	<u>105,149,369</u>	<u>619,335</u>	<u>105,768,704</u>
Total Revenues			
Expenditures			
Instruction	58,776,167	-	58,776,167
Support Services	27,942,181	439,469	28,381,650
Noninstructional Services	2,367,331	236,507	2,603,838
Capital Outlay	123,334	6,403,430	6,526,764
Debt Service (Principal & Interest)	9,227,611	-	9,227,611
Refunds of Prior Year's Receipts	539,387	-	539,387
	<u>98,976,011</u>	<u>7,079,406</u>	<u>106,055,417</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>6,173,358</u>	<u>(6,460,071)</u>	<u>(286,713)</u>
Other Financing Sources (Uses)			
Insurance Recoveries	112,594	-	112,594
Transfers In	-	8,354,123	8,354,123
Transfers Out	(8,354,123)	-	(8,354,123)
	<u>(8,241,529)</u>	<u>8,354,123</u>	<u>112,594</u>
Total Other Financing Sources (Uses)			
Net Changes in Fund Balances	(2,068,171)	1,894,052	(174,119)
Fund Balances - July 1, 2023	<u>36,386,163</u>	<u>9,961,983</u>	<u>46,348,146</u>
Fund Balances - June 30, 2024	<u>\$ 34,317,992</u>	<u>\$ 11,856,035</u>	<u>\$ 46,174,027</u>

See Accompanying Notes

**Pine-Richland School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2024**

Exhibit 6

Total Net Change in Fund Balances - Governmental Funds \$ (174,119)

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 difference between depreciation/amortization and capital outlays in the period.

Depreciation Expense	\$ (5,138,866)	
Intangible Right-to-Use Assets Amortization	(274,884)	
Net Book Value of Assets Retired	(91,615)	
Capital Outlays	7,929,243	2,423,878

Because some property taxes and other revenues will not be collected within the current financial resources measurement focus period, they are not considered as "available" revenues in the governmental funds. Unavailable revenues decreased by this amount this year. (140,863)

Repayment of bond, note and lease payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 6,510,257

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

Compensated Absences	21,285	
Other Post-Employment Benefits	103,722	125,007

**Pine-Richland School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2024**

Exhibit 6

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

Net Change in Accrued Interest on Bonds	42,338	
Accretion of Interest on Capital Appreciation Bonds	<u>(108,387)</u>	(66,049)

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

Amortization of Discount, Premium and Deferred Loss on Refunding		221,170
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Governmental funds report School District pension contributions as expenditures. However in the statement of activities the cost of pension benefits earned is reported as pension expense.

District Pension Contributions to PSERS	13,347,570	
Cost of Benefits Earned	<u>(11,924,410)</u>	<u>1,423,160</u>

Change in Net Position of Governmental Activities		<u><u>\$ 10,322,441</u></u>
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See Accompanying Notes

**Pine-Richland School District
Statement of Net Position
Proprietary Funds
June 30, 2024**

Exhibit 7

	Food Service Fund	Non- Major Funds	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 1,569,054	\$ 11,984	\$ 1,581,038
Other Receivables	2,336	-	2,336
Inventories	39,285	-	39,285
	1,610,675	11,984	1,622,659
Noncurrent Assets			
Machinery and Equipment, Net	271,413	-	271,413
	1,882,088	11,984	1,894,072
LIABILITIES			
Current Liabilities			
Accounts Payable	4,356	-	4,356
Unearned Revenues	6,792	-	6,792
Other Current Liabilities	102,328	-	102,328
	113,476	-	113,476
NET POSITION			
Invested in Capital Assets	271,413	-	271,413
Unrestricted	1,497,199	11,984	1,509,183
	\$ 1,768,612	\$ 11,984	\$ 1,780,596

See Accompanying Notes

Pine-Richland School District
Statement of Revenues, Expenditures and Changes
in Net Position
Proprietary Funds
Year Ended June 30, 2024

Exhibit 8

	Food Service Fund	Non- Major Funds	Totals
Operating Revenues			
Food Service Revenue	\$ 1,510,623	\$ -	\$ 1,510,623
Other Operating Revenues	<u>-</u>	<u>200</u>	<u>200</u>
Total Operating Revenues	<u>1,510,623</u>	<u>200</u>	<u>1,510,823</u>
Operating Expenses			
Purchased Property Services	35,464	-	35,464
Other Purchased Services	1,781,089	-	1,781,089
Supplies	170,104	-	170,104
Depreciation	23,098	-	23,098
Dues and Fees	<u>10,075</u>	<u>-</u>	<u>10,075</u>
Total Operating Expenses	<u>2,019,830</u>	<u>-</u>	<u>2,019,830</u>
Operating Income (Loss)	<u>(509,207)</u>	<u>200</u>	<u>(509,007)</u>
Nonoperating Revenues (Expenses)			
Earnings on Investments	68,928	78	69,006
State Sources	167,150	-	167,150
Federal Sources	<u>639,280</u>	<u>-</u>	<u>639,280</u>
Total Nonoperating Revenues (Expenses)	<u>875,358</u>	<u>78</u>	<u>875,436</u>
Change in Net Position	366,151	278	366,429
Net Position - July 1, 2023	<u>1,402,461</u>	<u>11,706</u>	<u>1,414,167</u>
Net Position - June 30, 2024	<u>\$ 1,768,612</u>	<u>\$ 11,984</u>	<u>\$ 1,780,596</u>

See Accompanying Notes

**Pine-Richland School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024**

Exhibit 9

	Food Service Fund	Non- Major Funds	Totals
Cash Flows From Operating Activities			
Cash Received from Users	\$ 1,520,576	\$ 200	\$ 1,520,776
Cash Payments to Suppliers for Goods and Services	(1,861,622)	-	(1,861,622)
Cash Payments for Other Operating Expenses	<u>(10,075)</u>	<u>-</u>	<u>(10,075)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(351,121)</u>	<u>200</u>	<u>(350,921)</u>
Cash Flows From Non-Capital Financing Activities			
State Sources	171,265	-	171,265
Federal Sources	<u>470,079</u>	<u>-</u>	<u>470,079</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>641,344</u>	<u>-</u>	<u>641,344</u>
Cash Flows From Capital and Related Financing Activities			
Facilities Acquisition/Const./Imp.Serv	<u>(107,039)</u>	<u>-</u>	<u>(107,039)</u>
Cash Flows From Investing Activities			
Earnings on Investments	<u>68,928</u>	<u>78</u>	<u>69,006</u>
Net Increase (Decrease) in Cash and Cash Flows	252,112	278	252,390
Cash and Cash Equivalents - July 1, 2023	<u>1,316,942</u>	<u>11,706</u>	<u>1,328,648</u>
Cash and Cash Equivalents - June 30, 2024	<u>\$ 1,569,054</u>	<u>\$ 11,984</u>	<u>\$ 1,581,038</u>

**Pine-Richland School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024**

Exhibit 9

	Food Service Fund	Non- Major Funds	Totals
Operating Income (Loss)	\$ (509,207)	\$ 200	\$ (509,007)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation and Net Amortization	23,098	-	23,098
Donated Commodities	164,206	-	164,206
(Increase) Decrease in Accounts Receivable	(14)	-	(14)
(Increase) Decrease in Inventories	(9,745)	-	(9,745)
Increase (Decrease) in Accounts Payable	(29,426)	-	(29,426)
Increase (Decrease) in Other Current Liabilities	9,967	-	9,967
	158,086	-	158,086
Total Adjustments	158,086	-	158,086
Cash Provided by (Used for) Operating Activities	\$ (351,121)	\$ 200	\$ (350,921)

Noncash Non-Capital Financing Activities

During the year ended June 30, 2024, the School District received \$168,502 of U.S.D.A Donated Commodities in the food service fund.

See Accompanying Notes

**Pine-Richland School District
Statement of Net Position
Fiduciary Funds
June 30, 2024**

Exhibit 10

	Custodial Fund
ASSETS	
Cash and Cash Equivalents	<u>\$ 183,943</u>
NET POSITION	
Restricted for:	
Student Groups	<u> 183,943</u>
TOTAL NET POSITION	<u><u>\$ 183,943</u></u>

See Accompanying Notes

**Pine-Richland School District
Statement of Change in Net Position
Fiduciary Funds
June 30, 2024**

Exhibit 11

	Custodial Fund
Additions	
Revenue from Student Activities	\$ 232,241
Interest	<u>1,122</u>
Total Additions	<u>233,363</u>
Deductions	
Student Activities Program Expenses	<u>189,248</u>
Change in Net Position	44,115
Net Position - July 1, 2023	<u>139,828</u>
Net Position - June 30, 2024	<u><u>\$ 183,943</u></u>

See Accompanying Notes

Pine-Richland School District
Notes to Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies

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

A. Basic Financial Statements - Government-Wide Statements

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

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

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

B. Basic Financial Statements - Fund Financial Statements

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

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

Pine-Richland School District
Notes to Financial Statements
June 30, 2024

1. Governmental Funds

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

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

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

2. Proprietary Funds

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

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

3. Fiduciary Funds

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

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

Fiduciary funds are not incorporated into the government-wide financial statements.

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

Pine-Richland School District
Notes to Financial Statements
June 30, 2024

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

C. Measurement Focus and Basis of Accounting

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

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

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

Property taxes, intergovernmental revenues, interest, rent and certain miscellaneous income associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

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

Pine-Richland School District
Notes to Financial Statements
June 30, 2024

D. Joint Ventures

The School District is one of nine member school districts of the A. W. Beattie Career Center (“Beattie”). Beattie provides vocational-technical training and education to participating students of the member districts. Beattie is controlled and governed by the Joint Board, which is composed of all the school board members of all the member districts. Beattie’s operations are the responsibility of the Joint Committee, which consists of two representatives from each participating school district. No member of the Jointure exercises specific control over the fiscal policies or operations of Beattie. The School District’s share of annual operating and capital costs for Beattie fluctuates, based on the percentage of enrollment of each member district in the school. The School District’s financial obligation for these costs to Beattie for the year ended June 30, 2024 was \$497,339 which was paid in the year ended June 30, 2024 to Beattie and reported in the School District’s general fund. The School District has no equity interest in Beattie as of June 30, 2024. Complete financial statements for Beattie can be obtained from the administrative offices at 9600 Babcock Boulevard, Allison Park, PA 15101-2091.

E. Cash and Cash Equivalents

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

F. Investments

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

G. Budgets

The School Board approves, prior to the beginning of each year, an annual budget on the modified accrual basis of accounting for the general fund. This is the only fund for which a budget is required and for which taxes may be levied. The general fund is the only fund that has an annual budget that has been legally adopted by the School Board. The Public School Code allows the School Board to authorize budget transfer amendments during the year, but only during the last nine months of the fiscal year. There were no supplemental budgetary appropriations made during the year ended June 30, 2024.

Pine-Richland School District
Notes to Financial Statements
June 30, 2024

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

H. Receivables and Payables

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

I. Inventories

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

Inventories in governmental funds are stated at cost by the first-in, first-out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, an estimated value of inventories is reported as an asset in the general fund, if considered material. There was no material inventory balance as of June 30, 2024.

The inventory of the food service fund consists of food supplies and government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies, both valued at cost using the first-in, first-out (FIFO) method. Any unused commodities donated by the federal government at June 30, 2024 are reported as unavailable revenue.

J. Prepaid Items

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

K. Capital Assets

Capital assets, which include property, plant, equipment and land improvements are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Pine-Richland School District
Notes to Financial Statements
June 30, 2024

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

Assets	Years
Buildings	20-40
Building Improvements	20-30
Site Improvements	15-20
Furniture and Equipment	5-15

Proprietary fund equipment purchases are capitalized in the proprietary fund at cost and depreciated on a straight-line basis over 10-20 years.

L. Intangible Right-to-Use Assets

The School District has recorded intangible right-to-use assets as a result of implementing Governmental Accounting Standards Board (GASB) Statements No. 87 and 96. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease/subscription liability plus any payment made prior to the term, less any incentives, and plus any ancillary charges necessary to place the lease/subscription into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease/subscription. Per review of the information technology arrangements identified by the School District as potential SBITAs, the arrangements were determined to either not meet the definition of a SBITA or were immaterial to the financial statements.

M. Long-Term Obligations

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

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

N. Compensated Absences

The School District's policies regarding compensated absences varies by contract and provides for employees to accumulate sick days, personal days and emergency time which they are paid for upon retirement or termination of service. The amount the employee is compensated and the number of days varies based on their contract and their years of service.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the amount of reimbursable unused vacation or sick leave to employees who have terminated their employment as of the end of the fiscal year, while the proprietary funds report the liability as it is incurred.

Pine-Richland School District
Notes to Financial Statements
June 30, 2024

O. Defining Operating Revenues and Expenses

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

P. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the School District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the School District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications, committed and then assigned fund balances before using assigned fund balances.

Q. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School District has three items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other items in the government-wide statement of net position are related to the participation in the cost sharing defined benefit pension plan and other post-employment benefit plan. The School District reports no deferred outflows of resources in the fund financial statements.

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

Pine-Richland School District
Notes to Financial Statements
June 30, 2024

S. Equity Classifications

Government-Wide Statements

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

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

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

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

Fund Statements - Fund Balance

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

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

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

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

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

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

The purposes of the fund balance classification as of June 30, 2024, are as follows:

1. The nonspendable fund balance of \$1,929,995 in the general fund represents prepaid items.
2. The committed fund balance in the general fund of \$192,471 is for future PSERS retirement costs.

Pine-Richland School District
Notes to Financial Statements
June 30, 2024

3. The assigned fund balance of \$30,320,498 in the general fund consists of \$18,817,176 for future capital improvements, \$15,118 for future athletic expenditures, \$,379,350 for the 2024-2025 budget, \$1,500,000 for future debt service expenditures and \$2,608,854 for future employee benefits costs.
4. The assigned fund balance in the capital projects fund of \$11,856,035 is for current and future construction projects.

Note 2 - Deposits and Investments

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in an event of a bank failure, the government’s deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution’s name. As of June 30, 2024, \$31,061,630 of the School District’s bank balance of \$42,728,897 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging	
Bank’s Agent not in the School District’s Name	<u>\$31,061,630</u>

As of June 30, 2024, the School District had the following investments:

Investments	Fair Value
PLGIT	\$ 6,087,523
PSDLAF	<u>6,601,108</u>
	<u>\$ 12,688,631</u>

Interest Rate Risk – The School District’s investment policy does not place limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates; however, one of the primary objectives of the School District’s investments is to ensure investments remain sufficiently liquid to meet all operating requirements that are reasonably anticipated.

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

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

Pine-Richland School District
Notes to Financial Statements
June 30, 2024

Investments

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

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

Note 3 - Real Estate Taxes

The municipal tax collectors bill and collect real estate taxes on behalf of the School District based upon assessed values provided by the County. The School District’s tax rate for all purposes in 2023/2024 was 19.5867 mills (\$19.5867 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied for 2023/2024 is as follows:

Tax Levy Date	July 1, 2023
2% Discount Period	Through August 31, 2023
Face Payment Period	September 1 – October 31, 2023
10% Penalty Period	November 1 Until Liened
Lien Filing Date	January 1, 2024

The amounts shown as delinquent real estate taxes receivable have not yet been recorded as revenue on the fund statements. These taxes are, however, recorded as unavailable revenues on the balance sheet until they are received. The amounts reported for this receivable are reported on the balance sheet in the amount of \$1,032,220 along with other taxes receivable of \$172,954.

Note 4 - Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the School District. At June 30, 2024, the following amounts are due from other governmental units:

	Governmental Funds
Federal (through the state)	\$ 449,170
State	3,818,102
Local	<u>128,592</u>
	<u>\$ 4,395,864</u>

Pine-Richland School District
Notes to Financial Statements
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Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance 07/01/23	Additions	Deletions/ Transfers	Balance 06/30/24
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 1,542,645	\$ -	\$ -	\$ 1,542,645
Construction in Progress	<u>3,473,402</u>	<u>7,024,221</u>	<u>(350,785)</u>	<u>10,146,838</u>
Total Capital Assets not Being Depreciated	<u>5,016,047</u>	<u>7,024,221</u>	<u>(350,785)</u>	<u>11,689,483</u>
Capital Assets Being Depreciated/Amortized				
Site Improvements	17,543,649	423,383	276,650	18,243,682
Buildings and Building Improv.	159,304,951	138,935	-	159,443,886
Furniture and Equipment	8,231,464	342,704	(22,687)	8,551,481
Intangible Right-to-use Assets	<u>1,511,863</u>	<u>-</u>	<u>-</u>	<u>1,511,863</u>
Total Capital Assets Being Depreciated/Amortized	<u>186,591,927</u>	<u>905,022</u>	<u>253,963</u>	<u>187,750,912</u>
Less Accumulated Depreciation/Amortization				
Site Improvements	11,571,814	697,054	-	12,268,868
Buildings and Building Improv.	83,241,812	4,113,685	-	87,355,497
Furniture and Equipment	6,743,088	328,127	(5,207)	7,066,008
Intangible Right-to-use Assets	<u>1,214,031</u>	<u>274,884</u>	<u>-</u>	<u>1,488,915</u>
Total Accumulated Depreciation/Amortization	<u>102,770,745</u>	<u>5,413,750</u>	<u>(5,207)</u>	<u>108,179,288</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>83,821,182</u>	<u>(4,508,728)</u>	<u>259,170</u>	<u>79,571,624</u>
Governmental Activities Capital Assets, Net	<u>\$ 88,837,229</u>	<u>\$ 2,515,493</u>	<u>\$ (91,615)</u>	<u>\$ 91,261,107</u>
Business-Type Activities				
Furniture and Equipment	\$ 824,379	\$ 107,039	\$ -	\$ 931,418
Less Accumulated Depreciation and Equipment	<u>636,907</u>	<u>23,098</u>	<u>-</u>	<u>660,005</u>
Business-Type Activities Capital Assets, Net	<u>\$ 187,472</u>	<u>\$ 83,941</u>	<u>\$ -</u>	<u>\$ 271,413</u>

Pine-Richland School District
Notes to Financial Statements
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Depreciation/Amortization expense was charged to functions/programs as follows:

Governmental Activities	
Instruction	\$ 15,492
Instructional Student Support	1,381
Administration and Financial Support Services	375,372
Operation and Maintenance of Plant Services	2,851,711
Student Activities	77,915
Unallocated Depreciation Expense	<u>2,091,879</u> *
Total Depreciation/Amortization Expense	<u><u>\$ 5,413,750</u></u>
Business-Type Activities - Food Service	<u><u>\$ 23,098</u></u>

* Unallocated depreciation expense represents assets or portions of assets that are not able to be identified with any particular function.

Note 6 - Interfund Transfers

For the year ended June 30, 2024, interfund transfers consisted of the following:

	<u>Transfer From</u>
	General
	Fund
<u>Transfers To</u>	
Capital Projects Fund	<u><u>\$ 8,354,123</u></u>

The general fund transferred \$8,354,123 to the capital projects fund for current and future capital projects.

**Pine-Richland School District
Notes to Financial Statements
June 30, 2024**

Note 7 - Long-Term Liabilities

Long-term liability for the year ended June 30, 2024 was as follows:

	Balance 07/01/23	Additions	Accretions	Reductions	Balance 06/30/24	Due Within One Year
Governmental Activities						
Bonds Payable						
General Obligation Bonds	\$ 89,022,921	\$ -	\$ 108,387	\$ 6,070,000	\$ 83,061,308	\$ 6,180,000
Plus: Bond Premium	<u>5,399,141</u>	<u>-</u>	<u>-</u>	<u>476,080</u>	<u>4,923,061</u>	<u>-</u>
Total Bonds Payable	<u>94,422,062</u>	<u>-</u>	<u>108,387</u>	<u>6,546,080</u>	<u>87,984,369</u>	<u>6,180,000</u>
General Obligation Notes	6,740,961	-	-	147,868	6,593,093	154,624
Compensated Absences	<u>1,410,854</u>	<u>-</u>	<u>-</u>	<u>21,285</u>	<u>1,389,569</u>	<u>-</u>
Governmental Activities						
Long-Term Liabilities	<u>\$ 102,573,877</u>	<u>\$ -</u>	<u>\$ 108,387</u>	<u>\$ 6,715,233</u>	<u>\$ 95,967,031</u>	<u>\$ 6,334,624</u>
Lease Liabilities	<u>\$ 317,140</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 292,389</u>	<u>\$ 24,751</u>	<u>\$ 24,751</u>
Total Long-Term Obligations as Reported in the Statement of Net Position					<u>\$ 95,991,782</u>	<u>\$ 6,359,375</u>

General Obligation Bonds

1996 Capital Appreciation Bonds in the amount of
\$3,961,252; due serially through September 1, 2025;
yield/interest rate 6.000 to 6.030%

\$ 6,171,308

2014B General Obligation Bonds in the amount of
\$17,880,000; due serially through September 1, 2033;
interest rate 0.200% to 3.550%

15,395,000

2015B General Obligation Bonds in the amount of
\$9,515,000; due serially through July 15, 2034; interest rate
0.300% to 3.900%

6,670,000

2017 General Obligation Bonds in the amount of
\$8,030,000; due serially through March 1, 2029; interest rate
0.850% to 2.600%

6,905,000

**Pine-Richland School District
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2019 General Obligation Bonds in the amount of \$7,760,000; due serially through March 1, 2030; interest rate 1.600% to 2.150%	5,620,000
2019A General Obligation Bonds in the amount of \$6,670,000; due serially through September 1, 2028; interest rate 1.450% to 2.250%	5,030,000
2019B General Obligation Bonds in the amount of \$3,835,000; due serially through March 1, 2038; interest rate 2.000% to 4.000%	2,835,000
2020A General Obligation Bonds in the amount of \$8,835,000; due serially through January 15, 2035; interest rate 2.000% to 4.000%	7,990,000
2020B General Obligation Bonds in the amount of \$24,465,000; due serially through March 1, 2037; interest rate 3.000% to 5.000%	23,245,000
2021 General Obligation Bonds in the amount of \$4,615,000; due serially through January 15, 2031; interest rate 2.000% to 3.000%	<u>3,200,000</u>
	<u>\$ 83,061,308</u>
 Notes Payable	
Series of 2022 in the amount of \$5,885,000; due serially through July 15, 2031; interest rate 2.920%	\$ 5,855,000
School Revenue Bonds in the amount of \$1,662,539; interest rate of 0.500% to 5.000%; final payment April 1, 2029	<u>738,093</u>
	<u>\$ 6,593,093</u>

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

Pine-Richland School District
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The annual requirements of School District funds to amortize all debt outstanding (excluding compensated absences) as of June 30, 2024, including interest, are as follows:

Year Ended June 30,	General Obligation Bonds		General Obligation Notes		Totals
	Principal (On Issuance Amount)	Interest	Principal	Interest	
2025	\$ 3,663,485	\$ 5,075,094	\$ 154,624	\$ 186,781	\$ 9,079,984
2026	3,743,940	4,991,882	160,254	181,401	9,077,477
2027	6,235,000	2,300,602	158,069	178,102	8,871,773
2028	6,410,000	2,123,130	170,884	174,580	8,878,594
2029	6,325,000	1,951,833	164,262	170,803	8,611,898
2030-2034	29,885,000	6,756,046	5,785,000	347,261	42,773,307
2035-2038	21,790,000	1,447,312	-	-	23,237,312
	78,052,425	24,645,899	6,593,093	1,238,928	110,530,345
Accretion to Date	5,008,883	(5,008,883)	-	-	-
	<u>\$ 83,061,308</u>	<u>\$ 19,637,016</u>	<u>\$ 6,593,093</u>	<u>\$ 1,238,928</u>	<u>\$ 110,530,345</u>

Note 8 – Lease Liabilities

On January 1, 2019, the School District entered into an agreement to lease copiers. The term of the lease is for five and a half years requiring monthly payments of \$24,810. The lease agreement qualifies as other than short-term lease under GASB 87 and, therefore, has been recorded at present value of the future minimum lease payments as of the date of its inception. For purposes of discounting future payments, the School District determined an interest rate of 2.9% to be an appropriate discount rate.

As of June 30, 2024, the value of the lease liability recorded for the above lease was \$24,751. As a result, the School District has recorded an Intangible Right-to-Use asset with a net book value of \$22,948 as of June 30, 2024.

	Balance 07/01/23	Additions	Deletions/ Transfers	Balance 06/30/24
Governmental Activities				
Intangible Right-to-use Assets:				
Leased Equipment	<u>\$ 1,511,863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,511,863</u>
Less Accumulated Amortization	<u>1,214,031</u>	<u>274,884</u>	<u>-</u>	<u>1,488,915</u>
Net Intangible Right-to-use Assets	<u>\$ 297,832</u>	<u>\$ (274,884)</u>	<u>\$ -</u>	<u>\$ 22,948</u>

Pine-Richland School District
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Future minimum lease payments under this lease are as follows:

Year Ended	Lease Payable		
June 30,	Principal	Interest	Totals
2025	\$ 24,751	\$ 59	\$ 24,810

Note 9 - Public School Employees' Retirement System (PSERS)

A. Summary of Significant Accounting Policies

Pensions

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

B. General Information about the Pension Plan

1. Plan Description

PSERS is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania.

The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

2. Benefits Provided

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

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).

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Notes to Financial Statements
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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% and 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service.

For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

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

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

3. Contributions

Member Contributions

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%/6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.5% After 7/1/21: 8.0%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.3% After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Pine-Richland School District
Notes to Financial Statements
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Shared Risk Program Summary				
Membership Class	Defined Benefit (DB) Base Rate	Shared Risk Increment	Minimum	Maximum
T-E	7.50%	+/- 0.50%	5.50%	9.50%
T-F	10.30%	+/- 0.50%	8.30%	12.30%
T-G	5.50%	+/- 0.75%	2.50%	8.50%
T-H	4.50%	+/- 0.75%	1.50%	7.50%

Employer Contributions

The School District’s contractually required contribution rate for fiscal year ended June 30, 2024 was 33.36% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School District were \$13,347,570 for the year ended June 30, 2024.

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

At June 30, 2024, the School District reported a liability of \$112,373,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System’s total pension liability as of June 30, 2022 to June 30, 2023. The School District’s proportion of the net pension liability was calculated utilizing the employer’s one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2024, the School District’s proportion was 0.2526%, which was a decrease of 0.0058% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of \$11,924,410. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 25,000	\$ 1,539,000
Net difference between projected and actual investment earnings	3,180,000	-
Changes in assumptions	1,677,000	-
Changes in proportions	1,460,000	1,925,000
Difference between employer contributions and proportionate share of total contributions	122,965	-
Contributions subsequent to the measurement date	13,347,570	-
	<u>\$ 19,812,535</u>	<u>\$ 3,464,000</u>

Pine-Richland School District
Notes to Financial Statements
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\$13,347,570 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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:

Year Ended June 30,	
2025	\$ 1,897,325
2026	(2,723,073)
2027	2,758,775
2028	<u>1,067,938</u>
	<u>\$ 3,000,965</u>

1. Changes in Actuarial Assumptions

The total pension liability as of June 30, 2023 was determined by rolling forward the System’s total pension liability as of June 30, 2022 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed Income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	<u>-10.5%</u>	1.2%
	<u>100%</u>	

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

2. Discount Rate

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

**Pine-Richland School District
Notes to Financial Statements
June 30, 2024**

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

The following presents the net pension liability, calculated using the discount rate of 7.00%, 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:

	(In Thousands)		
	1.00% Decrease 6.00%	Current Discount Rate 7.00%	1.00% Increase 8.00%
School District's proportionate share of the net pension liability	\$ 145,666	\$ 112,373	\$ 84,283

4. Pension Plan Fiduciary Net Position

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

Note 10 – Risk Management

The School District is one of forty-six members of the Allegheny County Schools Health Insurance Consortium (Consortium) which purchases health benefits on behalf of participating public school districts. The School District is billed monthly based on employee count and coverage information at rates established by the Consortium at the beginning of each fiscal year. As the Consortium is self-insured, rates are established with the objective of satisfying estimated claims and other costs, as well as maintaining working capital requirements. Contributions to the Consortium totaled \$10,958,394 for the year ended June 30, 2024.

Participating school districts are permitted to withdraw from the Consortium under terms specified in the agreement. Withdrawing participants are entitled to or responsible for a proportionate share of the Consortium net position or deficiency in net position, respectively, as determined on the fiscal year-end date after withdrawal. As of June 30, 2024, the net position of the Consortium was \$64,607,800 of which \$1,678,163 is attributable to the School District.

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

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

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

Pine-Richland School District
Notes to Financial Statements
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Note 11 - Other Post-Employment Benefits - PSERS

A. Summary of Significant Accounting Policies

Other Post-Employment Benefits

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

B. General Information about the Health Insurance Premium Assistance Program

1. Health Insurance Premium Assistance Program

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

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

2. Premium Assistance Eligibility Criteria

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

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

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.

Pine-Richland School District
Notes to Financial Statements
June 30, 2024

3. Pension Plan Description

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

4. Benefits Provided

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

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2024 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were \$258,158 for the year ended June 30, 2024.

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

At June 30, 2024, the School District reported a liability of \$4,557,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the School District's proportion was 0.2519%, which was a decrease of 0.0062% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized OPEB expense of \$154,436.

Pine-Richland School District
Notes to Financial Statements
June 30, 2024

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 30,000	\$ 45,000
Changes in assumptions	394,000	862,000
Net difference between projected and actual investment earnings	10,000	-
Changes in proportions	214,000	106,000
Difference between employer contributions and proportionate share of total contributions	5,225	-
Contributions subsequent to the measurement date	<u>258,158</u>	<u>-</u>
	<u>\$ 911,383</u>	<u>\$ 1,013,000</u>

\$258,158 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the 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:

Year Ended June 30,	
2025	\$ (30,994)
2026	(70,395)
2027	(96,771)
2028	(132,615)
2029	(29,000)
Thereafter	<u>-</u>
	<u>\$ (359,775)</u>

1. Actuarial Assumptions

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

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return – 4.13%, 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.

**Pine-Richland School District
Notes to Financial Statements
June 30, 2024**

- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate pre age 65 at 50%.
 - Eligible retirees will elect to participate post age 65 at 70%.

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

The following assumptions were used to determine the contribution rate:

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	<u>100%</u>	1.20%

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

Pine-Richland School District
Notes to Financial Statements
June 30, 2024

2. Discount Rate

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

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

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

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

	(In Thousands)		
	1.00% Decrease	Current Trend Rate	1.00% Increase
System net OPEB Liability	\$ 4,557	\$ 4,557	\$ 4,558

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

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

	(In Thousands)		
	1.00% Decrease 3.13%	Current Discount Rate 4.13%	1.00% Increase 5.13%
School District's proportionate share of the net OPEB liability	\$ 5,153	\$ 4,557	\$ 4,059

Pine-Richland School District
Notes to Financial Statements
June 30, 2024

5. OPEB Plan Fiduciary Net Position

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

Note 12 – On-Behalf Payments

The amounts recognized for revenues and expenditures for on-behalf payments relating to fringe benefits for the year ended June 30, 2024, were \$8,354,078.

This includes \$6,866,375 recognized for revenues and expenditures relating to pension contributions for its employees that the Commonwealth of Pennsylvania paid to the Public School Employees' Retirement System (PSERS) for pension and \$1,487,703 to the federal government for social security and Medicare taxes for the year ended June 30, 2024. The School District pays these on-behalf payments directly to PSERS and the government and is reimbursed by the Commonwealth for their appropriate share.

Note 13 – Construction Commitments

As of June 30, 2024, the School had construction commitments in the amount of approximately \$501,712 for various capital projects. It is anticipated these projects will be completed in the 2024/2025 fiscal year.

**REQUIRED SUPPLEMENTARY
INFORMATION SECTION**

**Pine-Richland School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Sources				
Taxes				
Current Real Estate Taxes	\$ 66,230,201	\$ 66,230,201	\$ 65,450,410	\$ (779,791)
Delinquent Real Estate Taxes	1,454,002	1,454,002	1,120,311	(333,691)
Public Utility Realty Taxes	69,800	69,800	67,127	(2,673)
Current Per Capita Taxes - Sec. 679	87,005	87,005	84,070	(2,935)
Current Per Capita Taxes - Act 511	87,005	87,005	84,070	(2,935)
Earned Income Taxes	9,807,024	9,807,024	10,245,778	438,754
Delinquent Earned Income Taxes	216,000	216,000	330,681	114,681
Real Estate Transfer Taxes	1,657,000	1,657,000	1,245,814	(411,186)
Earnings on Investments	1,050,000	1,050,000	2,390,022	1,340,022
Other Local Revenues				
Revenue from Student Activities	149,200	149,200	149,360	160
Federal Revenues from IU	742,000	742,000	847,049	105,049
Contributions & Donations from Private Sources	39,350	39,350	5,042	(34,308)
Rentals	125,620	125,620	135,901	10,281
Admissions	134,000	134,000	151,813	17,813
Refund of Prior Year's Expenditures	95,000	95,000	269,343	174,343
Miscellaneous Revenue	165,945	165,945	193,907	27,962
Total Revenues from Local Sources	<u>82,109,152</u>	<u>82,109,152</u>	<u>82,770,698</u>	<u>661,546</u>
State Sources				
Basic Instructional & Oper. Subsidies				
Basic Instructional Subsidy	6,115,733	6,115,733	6,395,154	279,421
Subsidies for Spec. Educ. Programs				
Special Education of Excep. Pupils	1,891,591	1,891,591	1,956,490	64,899
Subsidies for Noneduc. Programs				
Transportation (Regular & Additional)	1,325,696	1,325,696	2,001,526	675,830
Rentals & Sinking Fund Payments	1,000,000	1,000,000	1,014,111	14,111
Ready to Learn Block Grant	418,675	418,675	418,675	-
Health Services	90,000	90,000	86,969	(3,031)
State Property Tax Reduction	1,573,347	1,573,347	1,573,347	-
Social Security Payments	1,547,458	1,547,458	1,487,703	(59,755)
State Retirement Revenue	6,884,012	6,884,012	6,866,375	(17,637)
Other State Revenue	234,024	234,024	335,523	101,499
Total Revenues from State Sources	<u>21,080,536</u>	<u>21,080,536</u>	<u>22,135,873</u>	<u>1,055,337</u>

**Pine-Richland School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Federal Sources				
Restricted Grants-In-Aid from the Fed. Gov't. through the Commonwealth				
Title I	132,000	132,000	125,397	(6,603)
Title II	62,000	62,000	61,816	(184)
Title IV	10,600	10,600	10,813	213
ARP ESSER (ESSER III)	-	-	11,968	11,968
ARP ESSER Learning Loss	-	-	20,853	20,853
ARP ESSER Afterschool Programs	-	-	11,355	11,355
Medical Assistance - Access	325,000	325,000	-	(325,000)
Medical Assistance - Admin.	6,000	6,000	596	(5,404)
	<u>535,600</u>	<u>535,600</u>	<u>242,798</u>	<u>(292,802)</u>
Total Revenues from Federal Sources				
	<u>103,725,288</u>	<u>103,725,288</u>	<u>105,149,369</u>	<u>1,424,081</u>
Other Financing Sources				
Insurance Recoveries	-	-	112,594	112,594
	<u>103,725,288</u>	<u>103,725,288</u>	<u>105,261,963</u>	<u>1,536,675</u>
Total Revenues and Other Financing Sources				
Expenditures				
Instruction				
Regular Programs				
Personal Services				
Salaries	25,125,385	25,125,385	25,062,876	62,509
Employee Benefits	16,211,282	16,188,874	16,018,167	170,707
Purchased Prof. and Tech. Services	643,465	690,089	769,729	(79,640)
Purchased Property Services	21,690	22,546	14,160	8,386
Other Purchased Services	736,860	641,571	569,976	71,595
Supplies	1,430,287	1,516,432	1,475,826	40,606
Property	-	5,286	5,286	-
Other Objects	46,862	47,507	37,874	9,633
	<u>44,215,831</u>	<u>44,237,690</u>	<u>43,953,894</u>	<u>283,796</u>
Total Regular Programs				

**Pine-Richland School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2024**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Programs				
Personal Services				
Salaries	5,358,804	5,358,804	5,533,787	(174,983)
Employee Benefits	4,419,465	4,422,308	4,399,790	22,518
Purchased Prof. and Tech. Services	1,664,500	1,563,993	1,698,119	(134,126)
Purchased Property Services	300	300	-	300
Other Purchased Services	2,353,986	2,449,016	2,442,349	6,667
Supplies	47,165	60,408	43,374	17,034
Other Objects	3,709	5,021	4,547	474
Total Special Programs	<u>13,847,929</u>	<u>13,859,850</u>	<u>14,121,966</u>	<u>(262,116)</u>
Vocational Education Programs				
Other Purchased Services	<u>653,054</u>	<u>653,254</u>	<u>653,254</u>	<u>-</u>
Other Instructional Programs				
Personal Services				
Salaries	13,800	13,800	11,084	2,716
Employee Benefits	5,882	5,882	6,506	(624)
Other Purchased Services	-	-	37	(37)
Total Other Instructional Programs	<u>19,682</u>	<u>19,682</u>	<u>17,627</u>	<u>2,055</u>
Nonpublic School Programs				
Purchased Prof. and Tech. Services	13,500	22,142	29,426	(7,284)
Supplies	936	936	-	936
Total Nonpublic School Programs	<u>14,436</u>	<u>23,078</u>	<u>29,426</u>	<u>(6,348)</u>
Total Instruction	<u>58,750,932</u>	<u>58,793,554</u>	<u>58,776,167</u>	<u>17,387</u>
Support Services				
Pupil Personnel				
Personal Services				
Salaries	1,864,975	1,769,693	1,813,943	(44,250)
Employee Benefits	1,254,884	1,254,884	1,211,506	43,378
Purchased Prof. and Tech. Services	265,192	265,192	290,348	(25,156)
Other Purchased Services	2,650	2,650	873	1,777
Supplies	180,529	125,137	76,957	48,180
Other Objects	30,315	34,201	32,304	1,897
Total Pupil Personnel	<u>3,598,545</u>	<u>3,451,757</u>	<u>3,425,931</u>	<u>25,826</u>

**Pine-Richland School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2024**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Instructional Staff				
Personal Services				
Salaries	905,219	1,000,501	1,061,410	(60,909)
Employee Benefits	633,680	633,680	732,846	(99,166)
Purchased Prof. and Tech. Services	33,495	63,489	78,470	(14,981)
Purchased Property Services	5,500	5,315	9,338	(4,023)
Other Purchased Services	3,700	3,700	3,751	(51)
Supplies	148,280	193,504	173,315	20,189
Other Objects	1,815	1,985	1,919	66
Total Instructional Staff	1,731,689	1,902,174	2,061,049	(158,875)
Administration				
Personal Services				
Salaries	2,450,586	2,450,586	2,486,587	(36,001)
Employee Benefits	1,585,171	1,585,171	1,533,806	51,365
Purchased Prof. and Tech. Services	679,258	876,333	900,110	(23,777)
Purchased Property Services	6,350	6,350	3,916	2,434
Other Purchased Services	73,238	73,083	59,706	13,377
Supplies	74,962	78,405	69,303	9,102
Other Objects	75,544	45,534	42,484	3,050
Total Administration	4,945,109	5,115,462	5,095,912	19,550
Pupil Health				
Personal Services				
Salaries	635,905	635,905	660,199	(24,294)
Employee Benefits	416,292	416,292	424,517	(8,225)
Purchased Prof. and Tech. Services	59,250	92,060	134,391	(42,331)
Purchased Property Services	1,000	1,000	359	641
Other Purchased Services	200	200	18	182
Supplies	25,400	20,400	19,410	990
Other Objects	250	-	-	-
Total Pupil Health	1,138,297	1,165,857	1,238,894	(73,037)

**Pine-Richland School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2024**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Business				
Personal Services				
Salaries	339,869	339,869	352,016	(12,147)
Employee Benefits	222,763	227,354	220,053	7,301
Purchased Prof. and Tech. Services	-	-	6,000	(6,000)
Purchased Property Services	343,301	343,301	39,145	304,156
Other Purchased Services	23,800	23,800	13,782	10,018
Supplies	94,974	94,974	81,551	13,423
Other Objects	13,952	14,602	16,201	(1,599)
Total Business	1,038,659	1,043,900	728,748	315,152
Oper. and Maint. of Plant Svcs.				
Personal Services				
Salaries	2,066,337	2,066,337	2,033,027	33,310
Employee Benefits	1,661,863	1,676,841	1,549,762	127,079
Purchased Prof. and Tech. Services	245,006	245,006	409,021	(164,015)
Purchased Property Services	471,304	452,019	426,308	25,711
Other Purchased Services	253,364	253,364	209,677	43,687
Supplies	2,001,518	1,996,287	2,079,877	(83,590)
Property	7,000	5,231	5,231	-
Other Objects	950	1,831	1,816	15
Total Oper. and Maint. of Plant Svcs.	6,707,342	6,696,916	6,714,719	(17,803)
Student Transportation Services				
Personal Services				
Salaries	52,179	52,179	14,216	37,963
Employee Benefits	31,321	31,321	7,760	23,561
Purchased Prof. and Tech. Services	247,000	333,458	431,107	(97,649)
Other Purchased Services	5,555,283	5,209,992	5,427,088	(217,096)
Supplies	11,145	11,145	20,873	(9,728)
Other Objects	125	54,591	54,480	111
Total Student Transportation Services	5,897,053	5,692,686	5,955,524	(262,838)

**Pine-Richland School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Central				
Personal Services				
Salaries	598,721	598,721	627,134	(28,413)
Employee Benefits	391,177	391,177	430,983	(39,806)
Purchased Prof. and Tech. Services	393,600	320,764	297,728	23,036
Purchased Property Services	20,200	21,253	24,150	(2,897)
Other Purchased Services	139,448	163,879	156,446	7,433
Supplies	1,063,819	1,046,705	1,069,287	(22,582)
Property	-	19,743	19,743	-
Other Objects	1,020	2,880	3,090	(210)
Total Central	<u>2,607,985</u>	<u>2,565,122</u>	<u>2,628,561</u>	<u>(63,439)</u>
Other				
Other Purchased Services	90,590	92,842	92,843	(1)
Total Support Services	<u>27,755,269</u>	<u>27,726,716</u>	<u>27,942,181</u>	<u>(215,465)</u>
Noninstructional Services				
Student Activities				
Personal Services				
Salaries	1,064,731	1,064,731	1,058,804	5,927
Employee Benefits	511,354	511,354	553,933	(42,579)
Purchased Prof. and Tech. Services	164,479	160,254	150,058	10,196
Purchased Property Services	70,884	49,611	41,850	7,761
Other Purchased Services	168,175	180,997	187,802	(6,805)
Supplies	264,257	266,755	249,203	17,552
Other Objects	49,555	59,733	52,681	7,052
Total Student Activities	<u>2,293,435</u>	<u>2,293,435</u>	<u>2,294,331</u>	<u>(896)</u>
Community Services				
Other Objects	78,500	73,000	73,000	-
Total Noninstructional Services	<u>2,371,935</u>	<u>2,366,435</u>	<u>2,367,331</u>	<u>(896)</u>

**Pine-Richland School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2024**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Facilities Acquisition, Construction and Improvement Services				
Purchased Property Services	-	102,372	109,755	(7,383)
Property	-	13,579	13,579	-
	<u>-</u>	<u>115,951</u>	<u>123,334</u>	<u>(7,383)</u>
Total Facilities Acquisition, Construction and Improvement Services	<u>-</u>	<u>115,951</u>	<u>123,334</u>	<u>(7,383)</u>
Debt Service				
Interest	2,853,229	2,813,788	2,850,222	(36,434)
Refunds of Prior Year's Receipts	225,000	550,480	539,387	11,093
Redemption of Principal	6,085,000	6,124,441	6,377,389	(252,948)
	<u>9,163,229</u>	<u>9,488,709</u>	<u>9,766,998</u>	<u>(278,289)</u>
Total Debt Service	<u>9,163,229</u>	<u>9,488,709</u>	<u>9,766,998</u>	<u>(278,289)</u>
Total Expenditures	<u>98,041,365</u>	<u>98,491,365</u>	<u>98,976,011</u>	<u>(484,646)</u>
Other Financing Sources (Uses)				
Fund Transfers				
Capital Projects Fund	8,354,123	8,354,123	8,354,123	-
Budgetary Reserve	450,000	-	-	-
	<u>8,804,123</u>	<u>8,354,123</u>	<u>8,354,123</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>8,804,123</u>	<u>8,354,123</u>	<u>8,354,123</u>	<u>-</u>
Total Expenditures and Other Financing Sources (Uses)	<u>106,845,488</u>	<u>106,845,488</u>	<u>107,330,134</u>	<u>(484,646)</u>
Net Change in Fund Balance	(3,120,200)	(3,120,200)	(2,068,171)	1,052,029
Fund Balance - July 1, 2023	<u>34,046,394</u>	<u>34,046,394</u>	<u>36,386,163</u>	<u>2,339,769</u>
Fund Balance - June 30, 2024	<u>\$ 30,926,194</u>	<u>\$ 30,926,194</u>	<u>\$ 34,317,992</u>	<u>\$ 3,391,798</u>

Pine-Richland School District
Note to the Required Supplementary Information
Budget Comparison
June 30, 2024

Note 1 – Budgetary Information

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

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

**Pine-Richland School District
Required Supplementary Information
Schedule of School District's Contributions
PSERS
Last Ten Years**

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution	\$ 13,247,215	\$ 13,199,540	\$ 12,842,509	\$ 12,295,666	\$ 11,561,846	\$ 10,850,672	\$ 10,136,892	\$ 8,911,141	\$ 7,523,406	\$ 5,781,418
Contributions in Relation to the Contractually Required Contribution	<u>13,247,215</u>	<u>13,199,540</u>	<u>12,842,509</u>	<u>12,295,666</u>	<u>11,561,846</u>	<u>10,850,672</u>	<u>10,136,892</u>	<u>8,911,141</u>	<u>7,523,406</u>	<u>5,781,418</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 40,123,525	\$ 38,591,364	\$ 37,948,846	\$ 36,479,264	\$ 34,667,793	\$ 33,339,153	\$ 32,277,082	\$ 31,071,467	\$ 31,596,148	\$ 29,094,802
Contributions as a Percentage of Covered Payroll	33.02%	34.20%	33.84%	33.71%	33.35%	32.55%	31.41%	28.68%	23.81%	19.87%

The covered-payroll amount reported for June 30, 2023 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2024.

Pine-Richland School District
Required Supplementary Information
Schedule of School District's Proportionate Share
of the Net Pension Liability
PSERS
Last Ten Years
(Dollar Amount in Thousands)

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
School District's Proportion of the Net Pension Liability (Asset)	0.2526%	0.2584%	0.2576%	0.2470%	0.2417%	0.2397%	0.2334%	0.2440%	0.2245%	0.0210%
School District's Proportionate Share of the Net Pension Liability (Asset)	\$ 112,373	\$ 114,881	\$ 105,762	\$ 121,620	\$ 113,074	\$ 115,068	\$ 115,273	\$ 120,919	\$ 97,243	\$ 83,120
School District's Covered Payroll	\$ 38,591	\$ 37,949	\$ 34,679	\$ 34,668	\$ 33,339	\$ 32,277	\$ 31,071	\$ 31,596	\$ 28,887	\$ 26,800
School District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	291.19%	302.72%	304.97%	350.81%	339.16%	356.50%	371.00%	382.70%	336.63%	310.15%
Plan Fiduciary Net Position as a Percentage of The Total Pension Liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%

**Pine-Richland School District
Required Supplementary Information
Schedule of School District's Contributions
PSERS OPEB Plan
Last Seven Years**

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution	\$ 258,158	\$ 289,918	\$ 305,229	\$ 300,879	\$ 293,006	\$ 279,146	\$ 264,044
Contributions in Relation to the Contractually Required Contribution	<u>258,158</u>	<u>289,918</u>	<u>305,229</u>	<u>300,879</u>	<u>293,006</u>	<u>279,146</u>	<u>264,044</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$40,123,525	\$38,591,364	\$37,948,846	\$36,479,264	\$34,667,793	\$33,339,153	\$32,277,082
Contributions as a Percentage of Covered Payroll	0.64%	0.75%	0.80%	0.82%	0.85%	0.84%	0.82%

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

The covered-payroll amount reported for June 30, 2023 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2024.

**Pine-Richland School District
Required Supplementary Information
Schedule of School District's Proportionate Share
of the Net OPEB Liability
PSERS OPEB Plan
Last Seven Years
(Dollar Amount in Thousands)**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
School District's Proportion of the Net OPEB Liability (Asset)	0.2519%	0.2581%	0.2573%	0.2470%	0.2417%	0.2397%	0.2334%
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 4,557	\$ 4,751	\$ 6,099	\$ 5,337	\$ 5,141	\$ 4,998	\$ 4,755
School District's Covered Payroll	\$ 38,591	\$ 37,949	\$ 36,479	\$ 34,668	\$ 33,339	\$ 32,277	\$ 31,071
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	11.81%	12.52%	16.72%	15.39%	15.42%	15.48%	15.30%
Plan Fiduciary Net Position as a Percentage of The Total OPEB Liability	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

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

SINGLE AUDIT SECTION

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Members of the Board
Pine-Richland School District
Gibsonia, Pennsylvania

Dear Members:

The reports contained in this single audit section are required in addition to the financial statements. The various reports for Pine-Richland School District for the period ended June 30, 2024 were prepared to fulfill the requirements of the Government Auditing Standards and the Uniform Grant Guidance. A summary of the reports is as follows:

- A. 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*
- B. Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- C. Schedule of Findings and Questioned Costs
- D. Schedule of Expenditures of Federal Awards
- E. List of Report Distribution

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
December 12, 2024

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EXHIBIT A

**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***

Members of the Board
Pine-Richland School District
Gibsonia, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pine-Richland School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Pine-Richland School District's basic financial statements, and have issued our report thereon dated December 12, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
December 12, 2024

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EXHIBIT B

**Independent Auditor's Report on Compliance for Each Major Program and
on Internal Control Over Compliance Required by the Uniform Guidance**

Members of the Board
Pine-Richland School District
Gibsonia, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pine-Richland School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Pine-Richland School District's major federal programs for the year ended June 30, 2024. Pine-Richland School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. In our opinion, Pine-Richland School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Pine-Richland School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgment made by a reasonable user of the report on compliance about Pine-Richland School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Pine-Richland School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pine-Richland School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Pine-Richland School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hosack, Specht, Muetzl & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
December 12, 2024

Pine-Richland School District
Schedule of Findings and Questioned Costs
June 30, 2024

EXHIBIT C

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report was unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes ✓ no
- Significant deficiency(ies) identified? _____ yes ✓ none reported

Noncompliance material to financial statements noted? _____ yes ✓ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes ✓ no
- Significant deficiency(ies) identified? _____ yes ✓ none reported

Type of auditor's report issued on compliance for major programs was unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? _____ yes ✓ no

Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
84.027 and 84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ✓ yes _____ no

**Pine-Richland School District
Schedule of Findings and Questioned Costs
June 30, 2024**

EXHIBIT C

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were noted.

Section IV – Status of Prior Year’s Findings

No prior year’s findings.

Pine-Richland School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

EXHIBIT D

Federal Grantor/ Pass Through Grantor/ Project Title	Source Code	Federal ALN Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 07/01/23	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/24
U.S. Department of Education										
Passed through the Pennsylvania										
Department of Education										
Title I Improving Basic Programs	I	84.010	013-230339	08/25/22-09/30/23	\$ 138,118	\$ 9,863	\$ 9,863	\$ -	\$ -	\$ -
Title I Improving Basic Programs	I	84.010	013-240339	08/23/23-09/30/24	125,397	125,397	-	125,397	125,397	-
Title I Improving Basic Programs	I	84.010	013-220339	07/01/21-09/30/22	140,592	-	4,525	-	-	4,525
						135,260	14,388	125,397	125,397	4,525
Title II Improving Teacher Quality	I	84.367	020-230339	08/25/22-09/30/23	61,924	(1,423)	(1,423)	-	-	-
Title II Improving Teacher Quality	I	84.367	020-240339	08/23/23-09/30/24	61,816	61,816	-	61,816	61,816	-
						60,393	(1,423)	61,816	61,816	-
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-230339	08/25/22-09/30/23	10,987	521	521	-	-	-
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-240339	08/23/23-09/30/24	10,813	3,089	-	10,813	10,813	7,724
						3,610	521	10,813	10,813	7,724
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	I	84.425U	223-210339	03/13/20-09/30/24	1,022,657	-	(11,968)	11,968	11,968	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER 7%)	I	84.425U	225-210339	03/13/20-09/30/24	79,483	18,787	2,476	32,208	32,208	15,897
						18,787	(9,492)	44,176	44,176	15,897
Special Education Cluster										
Passed through the Lancaster-Lebanon										
Intermediate Unit										
IDEA B	I	84.027	062-210033	07/01/22-09/30/23	25,625	11,345	11,345	-	-	-
Passed through the Allegheny Intermediate Unit										
IDEA B	I	84.027	062-230003	07/01/22-09/30/23	761,202	362,913	362,913	-	-	-
IDEA B	I	84.027	062-240003	07/01/23-09/30/24	843,143	422,119	-	843,143	843,143	421,024
IDEA B Section 619	I	84.173	131-230003	07/01/23-06/30/24	3,906	3,906	-	3,906	3,906	-
Subtotal Special Education Cluster						800,283	374,258	847,049	847,049	421,024
Subtotal U.S. Department of Education						1,018,333	378,252	1,089,251	1,089,251	449,170

Pine-Richland School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

EXHIBIT D

Federal Grantor/ Pass Through Grantor/ Project Title	Source Code	Federal ALN Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 07/01/23	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/24
U.S. Department of Health and Human Services Passed through the Pennsylvania Department of Public Welfare Medical Assistance Reimb. for Adm. Title 19	I	93.778	N/A	07/01/23-06/30/24	N/A	596	-	596	596	-
U.S. Department of Agriculture Passed through the Pennsylvania Department of Education P-EBT Administrative Costs Grant	I	10.649	N/A	07/01/23-06/30/24	N/A	653	-	653	653	-
National School Lunch Program	I	10.555	N/A	07/01/23-06/30/24	N/A	418,331	(6,443)	424,774	424,774	-
National School Breakfast Program	I	10.553	N/A	07/01/23-06/30/24	N/A	51,095	1,448	49,647	49,647	-
Passed through the Pennsylvania Department of Agriculture National School Lunch Program (Donated Commodities Non Cash Assistance)	I	10.555	N/A	07/01/23-06/30/24	N/A	168,502	(2,496)	164,206	164,206	(6,792)
Total Child Nutrition Cluster						637,928	(7,491)	638,627	638,627	(6,792)
Total U.S. Department of Agriculture						638,581	(7,491)	639,280	639,280	(6,792)
Total Federal Financial Assistance						<u>\$ 1,657,510</u>	<u>\$ 370,761</u>	<u>\$ 1,729,127</u>	<u>\$ 1,729,127</u>	<u>\$ 442,378</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Pine-Richland School District
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

EXHIBIT D

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Pine-Richland School District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Pine-Richland School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Pine-Richland School District.

Note B - Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pine-Richland School District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note C - Source Code

The Source Code (I) indicates funds received indirectly.

Note D - Reconciliation with Subsidy Confirmation

Amounts Received Per Schedule	\$ 1,657,510
Less: Commodities Received	(168,502)
Less: Passage Through AIU	(800,283)
Less: Title 19	(596)
Add: State Funding on Confirmation	<u>171,264</u>
 Per Subsidy Confirmation	 <u><u>\$ 859,393</u></u>

Note E - Subrecipients

The School District did not pass through any federal expenditures to subrecipients.

**Pine-Richland School District
List of Report Distribution
June 30, 2024**

EXHIBIT E

1 Copy – Bureau of Audits
1 Copy – General Services Administration