

**POTTSVILLE AREA SCHOOL DISTRICT  
SINGLE AUDIT REPORT  
POTTSVILLE, PENNSYLVANIA  
FOR THE YEAR ENDED JUNE 30, 2024**

***CERTIFIED PUBLIC ACCOUNTANTS***

***Jones & Co.***

***A PROFESSIONAL CORPORATION***

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Board of School Directors  
Pottsville Area School District  
Pottsville, Pennsylvania

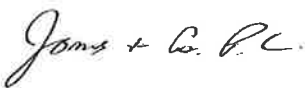
We have performed the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) of the Pottsville Area School District for the year ended June 30, 2024. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) indicates that the auditee is responsible for ensuring appropriate submission of the audit reports to appropriate government officials.

The reporting packages must be submitted no later than 30 days after you receive our Single Audit Report but no later than nine months after the year end (March 31, 2025).

The Single Audit was done to fulfill the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance). It entailed: (1) an audit of the general purpose financial statements and our opinion thereon; (2) an examination of the Schedule of Expenditures of Federal Awards and our opinion thereon; (3) a review of the internal control structure based solely on the understanding obtained as part of the audit of the general purpose financial statements; (4) a review of the internal control structure made as a part of the audit of the federal financial assistance programs; (5) a review of compliance based on an audit of the general purpose financial statements in accordance with Government Auditing Standards; and (6) a review of compliance with laws and regulations related to the federal financial assistance programs and our opinion thereon.

As part of our report, we have enclosed a management letter for the fiscal year ended June 30, 2024.

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) requires that when filing the Single Audit Report and the Data Collection Form with the agencies listed on Page 2, the District must enclose the appropriate number of reports as listed.



December 9, 2024  
Pottsville, Pennsylvania

**POTTSVILLE AREA SCHOOL DISTRICT**

**LIST OF REPORT DISTRIBUTION**

**JUNE 30, 2024**

- |   |   |
|---|---|
| 1 Single Audit Report -   | Prothonotary Office<br>Schuylkill County Courthouse<br>Pottsville, PA   |
| 1 Single Audit Report,<br>Data Collection Form<br>Single Audit Reporting<br>Package Checklist | Must be submitted Via Electronic<br>Mail (E-mail)<br>Commonwealth of Pennsylvania<br>Office of the Budget - Bureau of<br>Audits, Special Audit Services<br>Division<br><a href="mailto:RA-BAFMSingleAudit@pa.gov">RA-BAFMSingleAudit@pa.gov</a> |
| 1 Single Audit Report and<br>Data Collection Form   | Federal Audit Clearinghouse<br>Via Internet Website<br><a href="http://www.fac.gov">www.fac.gov</a>   |
| 1 Single Audit Report -   | Schuylkill IU #29<br>Marlin, PA   |

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**INDEPENDENT AUDITOR'S REPORT**

Board of School Directors  
Pottsville Area School District  
Pottsville, Pennsylvania

**Report on the Audit of the Financial Statements**

***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 the Pottsville Area School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Pottsville Area 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 the Pottsville Area School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pottsville Area School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pottsville Area 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 information on pages 10-23 and the schedule of the District's proportionate share of the net pension liability, the schedule of the District's contributions, the District's proportionate share of the net OPEB-PSERS liability, the schedule of the District's contributions - OPEB-PSERS, the schedule of the District's proportionate share of the OPEB liability and the schedule of District contributions – OPEB on pages 84-89 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.

### ***Supplemental Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pottsville Area School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and 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*, are presented for purpose of additional analysis and are not required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

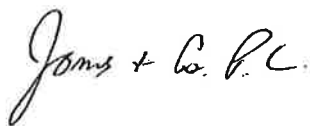
### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024, on our consideration of the Pottsville Area 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pottsville Area School District's internal control over financial reporting and compliance.



December 9, 2024  
Pottsville, Pennsylvania

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

Board of School Directors  
Pottsville Area School District  
Pottsville, 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 the Pottsville Area School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Pottsville Area School District's basic financial statements, and have issued our report thereon dated December 9, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Pottsville Area School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pottsville Area School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pottsville Area School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 may exist that have not been identified.

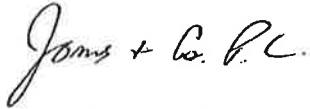


**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Pottsville Area 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 determination of financial statement amounts. 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.



December 9, 2024  
Pottsville, Pennsylvania

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

Board of Directors  
Pottsville Area School District  
Pottsville, Pennsylvania

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

In our opinion, the Pottsville Area 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 the Pottsville Area 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 the Pottsville Area School District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Pottsville Area 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 the Pottsville Area 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 the Pottsville Area 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 the Pottsville Area 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 the Pottsville Area School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Pottsville Area 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.

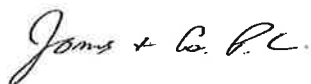
### **Report on Internal Control over Compliance**

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.



December 9, 2024  
Pottsville, Pennsylvania

**POTTSVILLE AREA SCHOOL DISTRICT  
POTTSVILLE, PENNSYLVANIA**

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

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

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

**FINANCIAL HIGHLIGHTS**

During the fiscal year 2023-2024, the Pottsville Area School District experienced another year of significant increases in the costs for instruction and health benefits for our employees. In the budgeting process, the Board of School Directors approved an increase in millage to our taxpayers in order to balance the budget.

**USING THE ANNUAL FINANCIAL REPORT (AFR)**

This annual report consists of two distinct series of financial statements: district-wide and fund.

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

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

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

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

**Figure A-1  
Required Components of  
Pottsville Area School District's  
Financial Report**

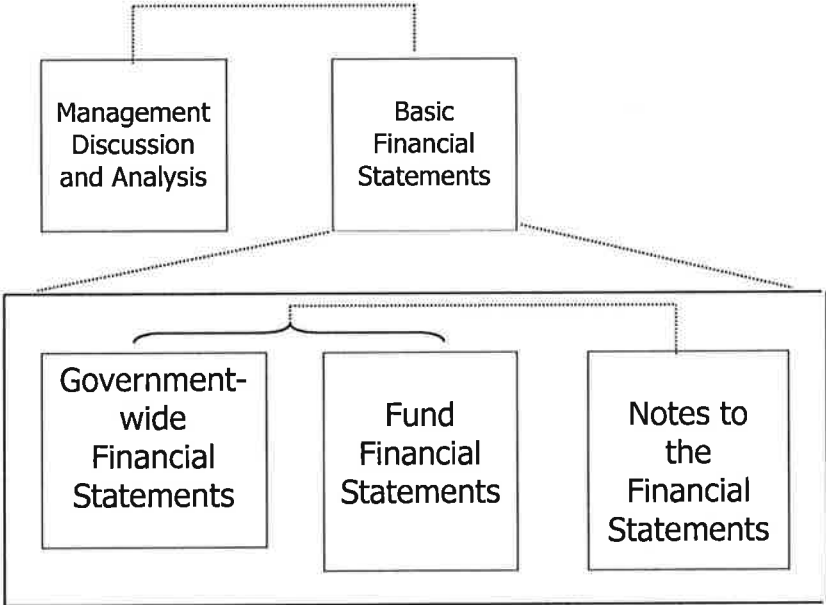


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain. The remainder of this overview section of management discussion and analysis explains the structure and contents of each of the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

<b>Figure A-2 Major Features of Pottsville Area School District's Government-wide and Fund Financial Statements</b>				
		<b>Fund Statements</b>		
	<b>Government-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as education, administration, and community services	Activities the District operates similar to private business – Food Services	Instances in which the District is the trustee or agent to someone else's resources – Scholarship Funds
Required financial statements	Statement of Net Position  Statement of Activities (SOA)	Balance Sheet (NAG)  Statement of Revenues, Expenditures, and Changes in Fund Balance (REG)	Statement of Net Assets (NAP)  Statement of Revenues, Expenses, and Changes in Fund Net Assets (REP)  Statement of Cash Flows (CFP)	Statement of Fiduciary Net Position  Statement of Changes in Fiduciary Net Assets (CNAF)
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 inflow-outflow information	All revenues and expenses during 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 year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

## OVERVIEW OF FINANCIAL STATEMENTS

### Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets 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 District's net assets and how they have changed. Net assets, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position.

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

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

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

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

### Fund Financial Statements

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

**Governmental funds** – Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. 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 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 District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

**Fiduciary funds** - The District is the trustee, or fiduciary, for some scholarship and agency funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets. We exclude these activities from the District's other financial statement because the District cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position:** The District's combined net position increased on June 30, 2024 when compared to the prior fiscal year. Total net position increased \$14,456,663 during the year from (\$29,415,180) to (\$14,958,517) on June 30, 2024. (See Table A-3.)

**Table A-3  
Pottsville Area School District  
For Years Ended June 30, 2024 and 2023  
Net Position**

	<b>Governmental Activities 2023-2024</b>	<b>Governmental Activities 2022- 2023</b>	<b>Business Type Activities 2023-2024</b>	<b>Business Type Activities 2022-2023</b>	<b>Total 2023-2024</b>	<b>Total 2022-2023</b>
Current And Other Assets	35,433,407	28,577,530	633,015	495,966	36,066,422	29,073,496
Capital Assets	12,846,946	10,375,184	6,677	8,136	12,853,623	10,383,320
<b>Total Assets</b>	<b>48,280,353</b>	<b>38,952,714</b>	<b>639,692</b>	<b>504,102</b>	<b>48,920,045</b>	<b>39,456,816</b>
<b>Deferred Outflows of Resources</b>	<b>2,502,080</b>	<b>1,946,915</b>	<b>102,239</b>	<b>78,587</b>	<b>2,604,319</b>	<b>2,025,502</b>
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>50,782,433</b>	<b>40,899,629</b>	<b>741,931</b>	<b>582,689</b>	<b>51,524,364</b>	<b>41,482,318</b>
Deferred Inflows Resources	4,113,004	7,616,913	213,283	349,804	4,326,327	7,966,717
Current And Other Liabilities	7,983,116	6,772,099	-271,903	-243,567	7,711,213	6,528,532
Long Term Liabilities	52,441,403	54,403,875	2,003,938	1,998,374	54,445,341	56,402,249
<b>Total Liabilities</b>	<b>64,537,563</b>	<b>61,175,974</b>	<b>1,945,318</b>	<b>1,754,807</b>	<b>66,482,881</b>	<b>62,930,781</b>
Invested In Capital Assets - Net Of Related Net	8,832,628	4,254,436	6,677	8,136	8,839,305	4,262,572
Restricted for Capital Projects	2,671,672	1,823,441	0	0	2,671,672	1,823,441
Restricted for Scholarship Funds	917,792	883,388	0	0	917,792	883,388
Unrestricted Total Net Assets (Deficit)	-26,177,222	-34,854,523	-1,210,064	-1,530,058	-27,387,286	-36,384,581
<b>Total Net Position (Deficit)</b>	<b>-13,755,130</b>	<b>-27,893,258</b>	<b>-1,203,387</b>	<b>-1,521,922</b>	<b>-14,958,517</b>	<b>-29,415,180</b>
<b>Total Liabilities And Net Position</b>	<b>50,782,433</b>	<b>40,899,629</b>	<b>741,931</b>	<b>582,689</b>	<b>51,524,364</b>	<b>41,482,318</b>

Most of the District's net assets are invested in capital assets (buildings, land, and equipment).



**Table A-4**  
**Pottsville Area School District**  
**Change in Net Position**  
**For Years Ended June 30, 2024 and 2023**

	<b>Governmental Activities 2023-2024</b>	<b>Governmental Activities 2022-2023</b>	<b>Business Type Activities 2023-2024</b>	<b>Business Type Activities 2022-2023</b>	<b>Total 2023-2024</b>	<b>Total 2022-2023</b>
<b>REVENUES:</b>						
Program Revenues						
Charges for Services			454,597	515,042	454,597	515,042
Operating Grants & Contributions	11,479,879	13,145,637	1,852,475	1,787,279	13,332,354	14,932,916
General Revenues						
Property Taxes	11,152,844	11,223,141	0	0	11,152,844	11,223,141
Other Taxes	5,640,243	5,395,604	0	0	5,640,243	5,395,604
State Formula Aid/Grants	19,172,199	16,819,107	0	0	19,172,199	16,819,107
Investment Earnings	1,264,491	468,905	10,205	7,316	1,274,696	476,221
Other	3,392,908	3,263,249	0	0	3,392,908	3,263,249
Transfers	0	0	0	0	0	0
Gain(Loss) Sale – Fixed Assets	239,448	88,132	0	0	239,448	88,132
<b>Total Revenues</b>	<b>52,342,012</b>	<b>50,403,775</b>	<b>2,317,277</b>	<b>2,309,637</b>	<b>54,659,289</b>	<b>52,713,412</b>
<b>EXPENSES:</b>						
Depreciation - Unallocated	845,905	796,075	0	0	845,905	796,075
Instruction	25,376,704	24,545,324	0	0	25,376,704	24,545,324
Instructional Student Support	2,732,175	2,504,678	0	0	2,732,175	2,504,678
Administration	3,787,826	4,216,824	0	0	3,787,826	4,216,824
Operation & Maintenance of Facilities	3,454,393	2,146,824	0	0	3,454,393	2,146,824
Pupil Transportation	916,929	783,867	0	0	916,929	783,867
Student Activities	830,432	635,880	0	00	830,432	635,880
Community Services	118,186	137,476	0	0	118,186	137,476
Interest on Long-Term Debt	141,334	170,422	0	0	141,334	170,422
Food Service	0	0	1,998,742	1,863,799	1,998,741	1,863,799
Capital Outlay	0	532,551	0	0	0	532,551
<b>Total Expenses</b>	<b>38,203,884</b>	<b>36,470,056</b>	<b>1,998,742</b>	<b>1,863,799</b>	<b>40,202,626</b>	<b>38,333,855</b>
<b>INCREASE (DECREASE)in Net Position</b>	<b>14,138,128</b>	<b>13,933,719</b>	<b>318,535</b>	<b>445,838</b>	<b>14,456,663</b>	<b>14,379,557</b>

The District's total revenues were \$54,659,289 for the year ended June 30, 2024. Taxes and State Formula Aid amounted to \$35,965,286 or 66% of total revenue for the year. Another \$13,332,354 or 24% came from State and Federal Aid for specific programs (Operating Grants and Contributions) and the remainder totaling \$5,361,649 or 10% from Fees Charged for Services as well as Investment Earnings and Miscellaneous Sources. (See Table A-4.)

The total cost of all programs and services was \$40,202,626 for the year ended June 30, 2024. The majority of the District's costs related to educating and servicing students (Instruction, Instructional Student Support, Pupil Transportation, Student Activities), in the amount of \$29,856,240 or 74%, Administrative Costs accounted for \$3,787,826 or 9%, Operation of the District's Facilities accounted for \$3,454,393 or 9%, Food Service Costs made up \$1,998,742 or 5%, and all other expenses accounted for \$1,105,425 or 3%. (See Table A-4.)

Total revenues exceeded expenditures increasing net assets by \$14,456,663. (See Table A-4.)

The cost of all District activities was \$40,202,626. (See Table A-4.)

- Some of the cost was paid by the users of the District's programs (\$239,448).
- Federal and state governments subsidized certain programs with grants and contributions (\$11,470,879).
- Most of the District's costs (\$40,202,626) however, were paid for by District taxpayers and taxpayers of our state.

This portion of governmental activities was paid for with taxes and state aid based on the statewide education aid formula and with investment earnings and other general revenues.

**Table A-5**  
**Pottsville Area School District**  
**Net Cost of Governmental Activities**  
**For Years Ended June 30, 2024 and 2023**

	<b>Total Cost of Services 2023-2024</b>	<b>Total Cost of Services 2022-2023</b>	<b>Percentage Change 2023-2024</b>	<b>Net Cost of Services 2023-2024</b>	<b>Net Cost of Services 2022-2023</b>	<b>2023-2024</b>
Depreciation - Unallocated	845,905	796,075		-845,905	-796,075	
Instruction	25,376,704	24,545,324		-15,984,452	-13,332,779	
Instructional Student Support	2,732,175	2,504,678		-2,219,907	-2,014,668	
Administration	3,787,826	4,216,959		3,330,590	-3,773,221	
Operation & Maintenance of Facilities	3,454,393	2,146,824		-3,151,757	-1,902,288	
Pupil Transportation	916,929	783,867		-235,407	-150,171	
Student Activities	830,432	635,880		-701,173	-522,449	
Community Services	118,186	137,476		-113,480	-129,795	
Interest & Charges on Long Term Debt	141,334	170,422		-141,334	-170,422	
Capital Outlay	0	532,551		0	-532,551	
Less on Disposal of Assets	0	0		0		
<b>Total Expenses</b>	<b>38,203,884</b>	<b>36,470,056</b>	<b>5%</b>	<b>-26,724,005</b>	<b>-23,324,419</b>	<b>-15%</b>

The results of this year's operations as a whole are reported in the Statement of Activities. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the Basic Education Subsidy provided by the State of Pennsylvania, and the local taxes assessed to community taxpayers. (See Table A-5.)

**FINANCIAL ANALYSIS OF DISTRICT FUNDS**

As of June 30, 2024 the District's governmental funds reported a combined fund balance of \$26,362,447, an increase of \$6,279,015 from the prior year amount of \$20,083,432. (See Table A-6.) The primary reasons for this are specific to two funds:

**General Fund:**

The District budgeted significantly for health benefit costs, costs for anticipated needs of special education, and transportation. These costs continue to increase from year to year and are a challenge for the district in budgeting. Special education costs are dependent upon the type of student enrolled in the District each year. Enrollment and/or withdrawal of severely handicapped students can cause this expenditure to fluctuate. While the District does prepare a budget with a modest reserve each year for unexpected emergencies; this expenditure is dependent upon actual experience during the fiscal year. There were no significant unexpected expenditures during the year so the budgeted reserve amount was not needed. Additionally, grant money was received to offset some of the expenditures caused by COVID19.

**Capital Reserve Fund:**

The District has this fund for unforeseen and various capital expenditures.

**Table A-6  
Pottsville Area School District  
Change in Fund Balances  
For Years Ended June 30, 2024 and 2023**

	<b>Fund Balance June 30, 2024</b>	<b>Fund Balance June 30, 2023</b>	<b>Increase (Decrease)</b>
General Fund	23,690,805	18,259,991	
Capital Reserve Fund	2,671,672	1,823,441	
Capital Projects			
Non-Major Funds			
<b>Totals</b>	<b>26,362,447</b>	<b>20,083,432</b>	<b>6,279,015</b>

**General Fund Budget**

During the fiscal year, the Board of School Directors (The Board) authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. All adjustments are again confirmed at the time the annual audit is accepted, which is after the end of the fiscal year, which is not prohibited by state law.

The District applies for federal, state, and local grants and these grants cannot always be anticipated in the budgeting process.

Budgeted expenditures and other financing uses also increased this same amount to compensate for the additional approved grants. Transfers between specific categories of expenditures/financing uses occur during the year.

The Budgetary Reserve includes amounts that will be funded by designated fund balance for planned opportunities of expenditures for improvements/enhancements to the District operations. These amounts will only be appropriated into expenditure categories if the fiscal results of the prior year-end with a positive addition to fund balance, which exceeds the total of these projected expenditures. The Board is using this method of budgeting to control tax increases while also protecting the integrity of the fund balance.

The following provides a summary of General Fund revenues:

**Table A-7  
Pottsville Area School District  
General Fund Revenues  
For Years Ended June 30, 2024 and 2023**

	<b>Revenues 2023-2024</b>	<b>Revenues 2022-2023</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Local Sources				
Taxes	16,651,662	16,826,828		
Interest	1,166,260	429,711		
Other	3,287,569	3,048,927		
State Sources	27,918,067	25,836,357		
Federal Sources	2,734,011	4,128,386		
Other Sources	296,870	823,398		
<b>Total Revenue</b>	<b>52,054,439.</b>	<b>51,093,607</b>	<b>960,832.</b>	<b>2%</b>

Total General Fund revenue increased by \$960,832 or 2% from the previous year. (See Table A-7.) The increase in State sources for 2023-2024 is due to additional grant money received by the District.

The following provides a summary of General Fund expenditures:

**Table A-8  
Pottsville Area School District  
General Fund Expenditures  
For Years Ended June 30, 2023 and 2024**

	<b>Expenditures 2023-2024</b>	<b>Expenditures 2022-2023</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Salaries	17,530,427	16,152,763		
Employee Benefits	12,628,187	11,864,098		
Purchased Services	8,866,225	9,671,058		
Supplies	2,314,207	2,881,462		
Equipment	1,044,252	843,965		
Debt Service	1,401,910	1,668,540		
Other Expenditures	227,918	1,004,971		
<b>Total Expenditures</b>	<b>44,013,126</b>	<b>44,086,857</b>	<b>-73,731</b>	<b>-0.17%</b>

Total General Fund expenditures decreased \$73,731 or -0.17% from the previous year. The primary reason for the 2023-2024 decrease would be the amount which is spent on budgeted expenses. The District continues to evaluate all resignations, hires, retirement positions and non-essential spending. (See Table A-8.)

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2024, the District had \$12,853,623, an increase of \$2,470,303, invested in a broad range of capital assets, including land, buildings and furniture, and equipment. (See Table A-9.)

The following provides a summary of our Capital Assets:

**Table A-9  
Pottsville Area School District  
Capital Assets – Net of Depreciation  
For Years Ended June 30, 2024 and 2023**

	<b>Governmental Activities 2023-2024</b>	<b>Governmental Activities 2022-2023</b>	<b>Business Type Activities 2023- 2024</b>	<b>Business Type Activities 2022- 2023</b>	<b>Total 2023-2024</b>	<b>Total 2022-2023</b>	<b>% Change</b>
Site Improvements	287,136	126,809	0	0	287,136	126,809	
Building & Building Improvements	7,552,002	7,452,207	0	0	7,552,002	7,452,207	
Furniture and Equipment	4,204,146	624,411	6,677	8,136	4,210,823	632,547	
Construction in Progress	496,145	1,684,507	0	0	496,145	1,684,507	
Long Term Prepayments	307,517	487,250	0	0	307,517	487,250	
<b>Totals</b>	<b>12,846,946</b>	<b>10,375,184</b>	<b>6,677</b>	<b>8,136</b>	<b>12,853,623</b>	<b>10,383,320</b>	<b>24%</b>

**Debt Administration**

The District has an outstanding balance of \$11,058. from Dell Financial Inc. for computers. The District has an energy conservation lease with Banc of America with an outstanding balance of \$531,801. The District also has a lease agreement with Apple with the following outstanding balance of \$441,660.

On March 2, 2021 the District issued \$4,585,000 of General Obligation Bonds Series of 2021 for the purpose of refunding the General Obligation Bonds Series 2012 and Series 2016. The outstanding balance for the General Obligation Bond Series 2021 is \$3,175,000. On August 1, 2021 the District issued a \$1,000,000 General Obligation Note for the purpose of providing temporary funding for the Redevelopment Assistance Capital Program Martz Hall project. The outstanding balance is \$1,000,000. This note was satisfied in full on August 26, 2024.

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

An extension for Redevelopment Assistance Capital Program (RACP) was granted by the Office of Budget until February 5, 2021 for the submission of the RACP application; the Pottsville Redevelopment Authority requested an extension for the RACP project on behalf of the Pottsville Area School District. The RACP project was started in October 2021 for the renovations of the Martz Hall Roof. Due to an extension of the RACP project, the projects were completed for RACP in 2023. The District has not yet received the grant reimbursement for the RACP project.

Solar Renewable Energy, LLC, completed the installation of all 3,633 modules on JSC Elementary, DHH Lengel Middle School, and Academic Center with the final module counts being 2,502; 987; & 144 respectively. In addition, the company completed the installation off all wiring and system inverters at both locations. The installation of the switchgear at the JSC Elementary school location was completed in November 2020. Solar Renewable Energy, LLC was granted permission to operate from PPL.

The following provides a summary of our Long – Term Liabilities:

**Table A-10  
Pottsville Area School District  
Long-Term Liabilities  
For Years Ended June 30, 2024 and 2023**

	<b>Year Ending June 30, 2024</b>	<b>Year Ending June 30, 2023</b>	<b>Increase (Decrease)</b>
General Obligation Bonds/LOC	4,175,000	4,675,000	
Other Outstanding Debt & Compensated Absences	5,110,755	6,131,541	
Net PSERS Pension Liability	47,156,000	46,993,000	
<b>Totals</b>	<b>56,441,755</b>	<b>57,799,541</b>	<b>-1,357,786</b>

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

A major financial issue facing the District again in fiscal year 2024-2025 will be the funding of our employer contribution to PSERS. The rate established by the PSERS Board for 2022-2023 was 34.00% and for 2023-2024 the rate was 34.00%. The 2024-2025 rate will be decreasing to 33.90%. Another significant cost is the tuition paid to cyber/charter schools which have exceeded \$1.5 million in the 2013-14 and grew to \$1.9 million in 2015-16. Special education costs have grown significantly each year which has a direct correlation to rising costs in the related transportation for the special education students. Historically, the District was part of a consortium arrangement with Schuylkill Intermediate Unit No. 29 for their special education services. The consortium was comprised of twelve county public school districts during the 2002-2003 school year, eleven during the 2003-2004 school year, and has been declining since then. Over this time period our percentage of students requiring special education services has increased which has a direct correlation with the level of costs dependent on the severity of the disability.

Starting with the 2005-2006 school year, the District had taken over their district-located special education classes. As a result, the District will have to continue to budget for district-located special education costs as well as budgeting for special education students still located at the Intermediate Unit.

Please note that after the reconciliation was received in October 2024, there was a decrease in the payment to the Intermediate Unit in the amount of \$142,336 for 2023-2024. Special Education costs were \$839,752 in 2023-2024.

There is a tentative projected decrease in the payment to the Intermediate Unit for 2024-2025 in the amount of \$113,549 noting that more could be owed after reconciliation in December 2024. In addition to the Intermediate Unit costs, the District has projected \$9,139,402 of Special Education costs for District-located classes.

It will be necessary to continue to closely monitor future special education costs due to the fact of the District taking over its District-located special education classes as well as our reconciliation from the Intermediate Unit not being received until December of the following year. (See Table A-11.)

**Table A-11  
Pottsville Area School District  
Intermediate Unit Special Education Costs  
For Years Ended June 30, 2024, 2023, 2022, 2021**

	<b>IU Special Ed 2024-2025</b>	<b>IU Special Ed 2023-2024</b>	<b>% Change</b>	<b>IU Special Ed 2022-2023</b>	<b>% Change</b>
Projected Figure Adjustment Final Owed	868,540	\$839,336	-12%	\$982,488	0%

The District's retirement contribution on behalf of its employees to the Pennsylvania School Employees Retirement System (PSERS) decreased for 2024-2025 by .10% (See Table A-12.) The District also expects health care premiums to increase approximately 12% per year for the foreseeable future. Specifically, The PSERS rate scheduled beginning July 1, 2025 is 33.90%. All of these factors may cause the Board to reduce programs, increase taxes, or both.

**Table A-12  
Pottsville Area School District  
Employer's Retirement Contributions**

<b>Retirement 2025-2026</b>	<b>Retirement 2024-2025</b>	<b>Retirement 2023-2024</b>	<b>Retirement 2022-2023</b>	<b>Retirement 2021-2022</b>
TBD	33.90%	34.00%	35.26%	34.51%

The percentage of the total budget of revenue and expenditure by category for 2024-2025 as compared to 2023-2024 is as follows:

**BUDGETED REVENUES**

	<u>2024-2025</u>	<u>2023-2024</u>
Local	35%	36%
State	55%	54%
Federal/Other	10%	10%

**BUDGETED EXPENDITURES**

	<u>2024-2025</u>	<u>2023-2024</u>
Instruction	60%	56%
Support Services	27%	23%
Non-Instruction/Community	2%	10%
Fund Transfers/Debt	11%	11%

The Pottsville Area School District continues to monitor student enrollment. While the District's student enrollment significantly decreased by approximately 1,000 students from 1990 (3,414) through January, 2021 (2,456), enrollment has consecutively slightly increased to 2,531 as of December 1, 2023 and 2,587 as of December 1, 2024.

The District's 2023 and 2024's Assessed Values of \$295,530,550 and \$296,719,853 bucked the trend from the previous five (5) years of a decreasing Assessed Value trend (\$296,594,395 in 2017; \$296,535,100 in 2018; \$296,438,220 in 2019; \$295,474,815 in 2020; \$294,620,140 in 2021; and \$293,597,770 in 2022). These two (2) years of significant Assessed Value increases erased the decreases to bring the District back to above 2017's mark. The Assessed Value for 2025 is \$295,279,815, which is a result of downward reassessments likely due to the requested processes before the impending Countywide Reassessment.



The School District has two tax advantaged employer sponsored retirement plans. PSERS Defined Benefit (DB) Plan is based on a calculation. PSERS Defined Contribution (DC) Plan is retirement benefits based on the amount of contributions made to the plan and the investment performance of those contributions.

The District is seeing effects of the COVID 19. Revenue from Earned Income Tax, Occupation Tax, LST Tax and Business Privilege Tax is trending lower. On the expenditure side, there are Charter School enrollment fluctuations. The District is working closely with the elementary and secondary buildings in keeping expenditures down.

**The Pottsville Area School District received the following Grants in the 2024/2025 school year:**

- Title I, Part A – Improving Basic Programs - \$1,015,705.00
- Title II, Part A – Support Effective Instruction - \$110,789.00 (transferred to Title I)
- Title IVA, Part A – Student Support and Academic Enrichment - \$77,385.00 (transferred to Title I)
- Bipartisan Safer Communities Act Stronger Connections Grant - \$996,189.00 is for the two school year period of 2024-2025 and 2025-2026.
- Ready to Learn - \$2,051,004.26

**Funding was also available with the following grants in previous school years:**

- ARP ESSER - \$5,519,491.00
- Continuity of Education Grants for A-TSI - \$68,069.00 – Grant closed
- ESSER II - \$2,728,760.00 – Grant closed
- Special Education COVID – 19 Impact Grant - \$9,925.00 – Grant closed
- ARP Homeless Children and Youth (HCY) II Grant - \$53,985.00 – Grant closed
- ARP ESSER A-TSI 2.5% Set Aside - \$62,671.00 – Grant closed
- ESSER Fund (ARP ESSER) 7% Set Asides Consolidated
  - ARP ESSER After School Set Aside - \$61,284.00 – Grant closed
  - ARP ESSER Summer School Set Aside - \$61,284.00 – Grant closed
  - ARP ESSER Learning Loss Set Aside - \$306,421.00 – Grant closed

**CONTACTING THE DISTRICT FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the 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 financial information, please contact Mrs. Stephanie Wood, Business Manager at Pottsville Area School District, 1501 West Laurel Boulevard, Pottsville, PA 17901, (570) 621-2900.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION (DEFICIT)**

JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents - Unrestricted	\$ 20,566,275	\$ 567,395	\$ 21,133,670
Cash and cash equivalents - Restricted	3,589,464	0	3,589,464
Investments	4,121,430	0	4,121,430
Taxes receivable, net	2,941,987	0	2,941,987
Intergovernmental receivables	4,212,980	0	4,212,980
Other receivables	1,271	0	1,271
Inventories	0	65,620	65,620
<b>TOTAL CURRENT ASSETS</b>	<b>35,433,407</b>	<b>633,015</b>	<b>36,066,422</b>
<b>NON-CURRENT ASSETS</b>			
Land and site improvements - net of accumulated depreciation	287,136	0	287,136
Building and building improvements - net of accumulated depreciation	7,552,002	0	7,552,002
Furniture, equipment, and automobiles - net of accumulated depreciation	4,204,146	6,677	4,210,823
Construction in progress	496,145	0	496,145
Leased assets - net of accumulated amortization	307,517	0	307,517
<b>TOTAL NON-CURRENT ASSETS</b>	<b>12,846,946</b>	<b>6,677</b>	<b>12,853,623</b>
<b>TOTAL ASSETS</b>	<b>48,280,353</b>	<b>639,692</b>	<b>48,920,045</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
	2,502,080	102,239	2,604,319
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 50,782,433</b>	<b>\$ 741,931</b>	<b>\$ 51,524,364</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 920,589	\$ 20,538	\$ 941,127
Intergovernmental payables	0	0	0
Accrued salaries and benefits	3,157,491	9,497	3,166,988
Current portion of long-term debt	2,077,154	0	2,077,154
Current portion of compensated absences	75,000	0	75,000
Internal balances	301,938	(301,938)	0
Accrued expenses	1,420,217	0	1,420,217
Accrued interest	30,727	0	30,727
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,983,116</b>	<b>(271,903)</b>	<b>7,711,213</b>
<b>NON-CURRENT LIABILITIES</b>			
Bonds/notes payable	2,640,000	0	2,640,000
Extended term financing agreements payable	662,444	0	662,444
Long-term portion of compensated absences	571,309	7,375	578,684
Leased assets long-term liabilities	100,627	0	100,627
Net PSERS pension liability	45,248,399	1,907,601	47,156,000
Other postemployment benefits	3,062,885	88,962	3,151,847
Unamortized bond premium	155,739	0	155,739
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>52,441,403</b>	<b>2,003,938</b>	<b>54,445,341</b>
<b>TOTAL LIABILITIES</b>	<b>60,424,519</b>	<b>1,732,035</b>	<b>62,156,554</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	4,113,044	213,283	4,326,327
<b>NET POSITION (DEFICIT)</b>			
Invested in capital assets, net of related debt	8,832,628	6,677	8,839,305
Restricted for capital projects	2,671,672	0	2,671,672
Restricted for scholarship funds	917,792	0	917,792
Unrestricted	(26,177,222)	(1,210,064)	(27,387,286)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>(13,755,130)</b>	<b>(1,203,387)</b>	<b>(14,958,517)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)</b>	<b>\$ 50,782,433</b>	<b>\$ 741,931</b>	<b>\$ 51,524,364</b>

See notes to financial statements  
which are an integral part of this statement.

POTTSVILLE AREA SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>						
Unallocated depreciation/amortization	\$ 845,905	\$ 0	\$ 0	\$ (845,905)	\$ 0	\$ (845,905)
Instruction	25,376,704	0	9,392,252	(15,984,452)	0	(15,984,452)
Instructional student support	2,732,175	0	512,268	(2,219,907)	0	(2,219,907)
Administrative and financial support services	3,787,826	0	457,236	(3,330,590)	0	(3,330,590)
Operation and maintenance of plant services	3,454,393	0	302,636	(3,151,757)	0	(3,151,757)
Pupil transportation	916,929	0	681,522	(235,407)	0	(235,407)
Student activities	830,432	0	129,259	(701,173)	0	(701,173)
Community services	118,186	0	4,706	(113,480)	0	(113,480)
Capital outlay	0	0	0	0	0	0
Interest on long-term debt	141,334	0	0	(141,334)	0	(141,334)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>38,203,884</b>	<b>0</b>	<b>11,479,879</b>	<b>(26,724,005)</b>	<b>0</b>	<b>(26,724,005)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Food services	1,998,742	454,597	1,852,475	0	308,330	308,330
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>40,202,626</b>	<b>454,597</b>	<b>13,332,354</b>	<b>(26,724,005)</b>	<b>308,330</b>	<b>(26,415,675)</b>
<b>GENERAL REVENUES AND TRANSFERS</b>						
<b>Taxes:</b>						
Property taxes, levied for general purposes, net				11,152,844	0	11,152,844
Public utility, realty, earned income and miscellaneous taxes levied for general purposes, net				5,640,243	0	5,640,243
Grants, subsidies, and contributions not restricted				19,172,199	0	19,172,199
Investment earnings				1,264,491	10,205	1,274,696
Transfers				0	0	0
Gain (loss) on the sale of fixed assets				239,448	0	239,448
Miscellaneous				3,392,908	0	3,392,908
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>				<b>40,862,133</b>	<b>10,205</b>	<b>40,872,338</b>
<b>CHANGE IN NET POSITION</b>				<b>14,138,128</b>	<b>318,535</b>	<b>14,456,663</b>
<b>NET POSITION (DEFICIT) - BEGINNING</b>				<b>(27,893,258)</b>	<b>(1,521,922)</b>	<b>(29,415,180)</b>
<b>NET POSITION (DEFICIT) - ENDING</b>				<b>\$ (13,755,130)</b>	<b>\$ (1,203,387)</b>	<b>\$ (14,958,517)</b>

See notes to financial statements  
which are an integral part of this statement.

**POTTSVILLE AREA SCHOOL DISTRICT**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2024**

	<u>General</u>	<u>Capital Reserve</u>	<u>Total Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Cash - Unrestricted	\$ 20,566,275	\$ 0	\$ 20,566,275
Cash - Restricted	917,792	2,671,672	3,589,464
Investments	4,121,430	0	4,121,430
Taxes receivable, net	4,212,980	0	4,212,980
Due from other funds	293,556	0	293,556
Other receivables	1,270	0	1,270
Intergovernmental receivables	<u>2,941,987</u>	<u>0</u>	<u>2,941,987</u>
<b>TOTAL ASSETS</b>	<u>33,055,290</u>	<u>2,671,672</u>	<u>35,726,962</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 33,055,290</u>	<u>\$ 2,671,672</u>	<u>\$ 35,726,962</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 920,590	\$ 0	\$ 920,590
Due to other funds	595,494	0	595,494
Accrued expenses	1,420,217	0	1,420,217
Accrued salaries, benefits, and payroll withholdings	<u>3,157,491</u>	<u>0</u>	<u>3,157,491</u>
<b>TOTAL LIABILITIES</b>	<u>6,093,792</u>	<u>0</u>	<u>6,093,792</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	3,270,693	0	3,270,693
<b>FUND BALANCES</b>			
Restricted	917,792	2,671,672	3,589,464
Committed	18,839,402	0	18,839,402
Unassigned	<u>3,933,611</u>	<u>0</u>	<u>3,933,611</u>
<b>TOTAL FUND BALANCES</b>	<u>23,690,805</u>	<u>2,671,672</u>	<u>26,362,477</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 33,055,290</u>	<u>\$ 2,671,672</u>	<u>\$ 35,726,962</u>

See notes to financial statements  
which are an integral part of this statement.

POTTSVILLE AREA SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION (DEFICIT)

GOVERNMENTAL FUNDS

AS OF JUNE 30, 2024

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 26,362,477</b>
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	
Cost of capital assets	36,451,099
Less: accumulated depreciation/amortization	(23,604,153)
Long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds.	
Bonds/Notes payable	(4,175,000)
Leased asset liabilities	(320,706)
Extended term financing agreements payable	(984,518)
Other postemployment benefits	(3,062,885)
Net PSERS pension liability	(45,248,399)
Compensated absences	(646,309)
Unamortized bond discount	(155,739)
Delinquent personal and property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds.	3,270,693
Net Deferred outflows (inflows) related to PSERS net pension and OPEB liabilities	(1,610,963)
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(30,727)</u>
<b>TOTAL NET POSITION (DEFICIT) - GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>(13,755,130)</u></b>

See notes to financial statements  
which are an integral part of this statement.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**

**ALL GOVERNMENTAL FUNDS**

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

	General	Capital Reserve	Total Governmental Funds
<b>REVENUES</b>			
Local sources	\$ 21,217,864	\$ 98,231	\$ 21,316,095
State sources	27,918,067	0	27,918,067
Federal sources	2,734,011	0	2,734,011
<b>TOTAL REVENUES</b>	<b>51,869,942</b>	<b>98,231</b>	<b>51,968,173</b>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from acquisition of GASB 87 leased assets	50,673	0	50,673
Proceeds from sales of fixed assets	240,516	0	240,516
Proceeds from insurance recoveries	5,680	0	5,680
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>296,869</b>	<b>0</b>	<b>296,869</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>52,166,811</b>	<b>98,231</b>	<b>52,265,042</b>
<b>EXPENDITURES</b>			
Instruction	28,859,937	0	28,859,937
Support services	12,653,178	0	12,653,178
Non-instructional services	1,059,547	0	1,059,547
Capital outlay	1,899,441	0	1,899,441
Debt service	1,513,894	0	1,513,894
<b>TOTAL EXPENDITURES</b>	<b>45,985,997</b>	<b>0</b>	<b>45,985,997</b>
<b>OTHER FINANCING (USES)</b>			
Interfund transfer	(750,000)	750,000	0
<b>TOTAL OTHER FINANCING (USES)</b>	<b>(750,000)</b>	<b>750,000</b>	<b>0</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>46,735,997</b>	<b>(750,000)</b>	<b>45,985,997</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,430,814</b>	<b>848,231</b>	<b>6,279,045</b>
<b>FUND BALANCES - BEGINNING</b>	<b>18,259,991</b>	<b>1,823,441</b>	<b>20,083,432</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 23,690,805</b>	<b>\$ 2,671,672</b>	<b>\$ 26,362,477</b>

See notes to financial statements  
which are an integral part of this statement.

POTTSVILLE AREA SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES

GOVERNMENTAL FUNDS

1FOR THE YEAR ENDED JUNE 30, 2024

<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 6,279,045</b>
Because some property taxes will not be collected for several months after the District's year end, they are not considered as available revenues in the government funds.	105,052
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	1,607,122
Compensated absences reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	32,783
Other postemployment benefits reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	679,425
Amortization of bond premiums are recognized in the Statement of Activities	22,791
Interest is recognized in governmental funds when paid but is accrued in the Statement of Activities.	16,118
Gains (losses) on dispositions of assets are recognized in the Statement of Activities	239,448
Governmental funds report issuance of long term debt as revenues. In the Statement of Net Position these are listed as long-term debt.	(50,673)
Governmental funds recognize sales of fixed assets as revenue while they are part of recognized gains (losses) in the statement of Activities	(240,516)
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.	3,283,255
Pension expense related to the PSERS net pension liability	3,225,583
Depreciation and amortization expense is recognized in the Statement of Activities but is not recognized in governmental funds.	<u>(1,061,305)</u>
<b>CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>14,138,128</u></b>

See notes to financial statements  
which are an integral part of this statement.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**GENERAL FUND**

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources	\$ 17,169,193	\$ 17,169,193	\$ 21,217,864	\$ 4,048,671
State sources	26,309,735	26,309,735	27,918,067	1,608,332
Federal sources	5,335,494	5,335,494	2,734,011	(2,601,483)
<b>TOTAL REVENUES</b>	<u>48,814,422</u>	<u>48,814,422</u>	<u>51,869,942</u>	<u>3,055,520</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from acquisition of GASB 87 leased assets	0	0	50,673	50,673
Proceeds from sales of fixed assets	0	0	240,516	240,516
Proceeds from insurance recoveries	0	0	5,680	5,680
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>0</u>	<u>0</u>	<u>296,869</u>	<u>296,869</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>48,814,422</u>	<u>48,814,422</u>	<u>52,166,811</u>	<u>3,352,389</u>
<b>EXPENDITURES</b>				
Regular programs	17,238,378	17,206,403	17,854,154	(647,751)
Special programs	8,652,091	8,684,154	9,139,402	(455,248)
Vocational programs	1,088,388	1,083,657	1,090,848	(7,191)
Other instructional programs	360,391	360,391	749,049	(388,658)
Nonpublic school programs	0	0	26,484	(26,484)
Pupil personnel services	1,487,262	1,482,252	1,630,464	(148,212)
Instructional staff services	923,816	907,916	1,037,453	(129,537)
Administrative services	2,127,985	2,105,905	2,110,685	(4,780)
Pupil health	388,051	387,211	439,476	(52,265)
Business services	892,298	937,298	894,228	43,070
Operation and maintenance of plant services	4,056,015	4,095,015	3,752,584	342,431
Student transportation services	954,508	969,008	989,993	(20,985)
Central and other support services	1,487,139	1,487,139	1,798,294	(311,155)
Student activities	457,480	486,480	937,528	(451,048)
Community services	0	0	42,271	(42,271)
Scholarships and awards	0	0	79,748	(79,748)
Capital outlay	4,193,731	4,193,731	1,899,441	2,294,290
Debt service (principal and interest)	2,678,298	2,678,298	1,513,894	1,164,404
Budgetary reserve	1,078,591	999,564	0	999,564
<b>TOTAL EXPENDITURES</b>	<u>48,064,422</u>	<u>48,064,422</u>	<u>45,985,997</u>	<u>2,078,425</u>
<b>OTHER FINANCING (USES)</b>				
Interfund transfers	(750,000)	(750,000)	(750,000)	0
<b>TOTAL OTHER FINANCING (USES)</b>	<u>(750,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>0</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>48,814,422</u>	<u>48,814,422</u>	<u>46,735,997</u>	<u>2,078,425</u>
<b>NET CHANGE IN FUND BALANCES</b>	0	0	5,430,814	5,430,814
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>10,372,838</u>	<u>10,372,838</u>	<u>18,259,991</u>	<u>7,887,153</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 10,372,838</u>	<u>\$ 10,372,838</u>	<u>\$ 23,690,805</u>	<u>\$ 13,317,967</u>

See notes to financial statements  
which are an integral part of this statement.



POTTSVILLE AREA SCHOOL DISTRICT  
STATEMENT OF NET POSITION (DEFICIT)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Food Service
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 567,395
Intergovernmental receivables	0
Other receivables	0
Due from other funds	595,494
Inventories	65,620
<b>TOTAL CURRENT ASSETS</b>	<b>1,228,509</b>
<b>NON-CURRENT ASSETS</b>	
Machinery and equipment	686,299
Less: accumulated depreciation	(679,622)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,677</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>102,239</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,337,425</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 20,538
Due to other funds	293,556
Accrued salaries and benefits	9,497
<b>TOTAL CURRENT LIABILITIES</b>	<b>323,591</b>
<b>NON-CURRENT LIABILITIES</b>	
PSERS Pension Liability	1,907,601
PSERS and District OPEB Liability	88,962
Long-term portion of compensated absences	7,375
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,003,938</b>
<b>TOTAL LIABILITIES</b>	<b>2,327,529</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>213,283</b>
<b>NET POSITION (DEFICIT)</b>	
Invested in capital assets - net of related debt	6,677
Unrestricted	(1,210,064)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>(1,203,387)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)</b>	<b>\$ 1,337,425</b>

See notes to financial statements  
which are an integral part of this statement.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION (DEFICIT)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Food Service
<b>OPERATING REVENUES</b>	
Food service revenues	\$ 432,158
Other operating revenues	22,439
<b>TOTAL OPERATING REVENUES</b>	454,597
<b>OPERATING EXPENSES</b>	
Personal services - salaries	688,657
Personal services - employee benefits	370,329
Purchased property services	20,816
Supplies, food, and milk	916,965
Depreciation	1,459
Other operating expenses	516
<b>TOTAL OPERATING EXPENSES</b>	1,998,742
<b>OPERATING (LOSS)</b>	(1,544,145)
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Earnings on investments	10,205
State sources	331,364
Federal sources	1,521,111
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	1,862,680
<b>CONTRIBUTIONS AND TRANSFERS</b>	
Transfers in (out)	0
Contributions and donations	0
<b>TOTAL CONTRIBUTIONS AND TRANSFERS</b>	0
<b>CHANGE IN NET POSITION</b>	318,535
<b>NET POSITION (DEFICIT) - BEGINNING OF YEAR</b>	(1,521,922)
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	\$ (1,203,387)

See notes to financial statements  
which are an integral part of this statement.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers and intergovernments	\$ 454,597
Cash paid to employees for services	(1,058,986)
Cash paid to suppliers for goods and services	<u>(1,116,018)</u>
<b>NET CASH (USED FOR) OPERATING ACTIVITIES</b>	<u>(1,720,407)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
State sources	331,364
Transfers in (out)	0
Contributions and donations	0
Federal sources	<u>1,521,111</u>
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<u>1,852,475</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Earnings on investments	<u>10,205</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	142,273
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>425,122</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 567,395</u>
<b>OPERATING INCOME (LOSS)</b>	\$ (1,544,145)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH (USED) BY OPERATING ACTIVITIES:</b>	
Depreciation	1,459
Changes in current assets and current liabilities	
(Increase) Decrease in intergovernmental receivables	0
(Increase) Decrease in inventories	(7,148)
(Increase) Decrease in deferred outflows of resources	(23,652)
(Increase) Decrease in other receivables	12,372
(Increase) Decrease in due from other funds	(147,092)
Increase (Decrease) in accounts payable	15,136
Increase (Decrease) in net PSERS net pension liability	6,381
Increase (Decrease) in PSERS and District OPEB net liability	208
Increase (Decrease) in compensated absences	(1,025)
Increase (Decrease) in advances to other funds	99,432
Increase (Decrease) in accrued salaries and benefits	4,188
Increase (Decrease) in deferred inflows of resources	<u>(136,521)</u>
<b>TOTAL ADJUSTMENTS</b>	<u>(176,262)</u>
<b>TOTAL CASH (USED FOR) OPERATING ACTIVITIES</b>	<u>\$ (1,720,407)</u>

See notes to financial statements  
which are an integral part of this statement.

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

	Private- Purpose Trust Funds	Custodial Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
Cash	\$ 20,070	\$ 416,742
<b>TOTAL ASSETS</b>	20,070	416,742
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	0	0
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 20,070	\$ 416,742
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
<b>LIABILITIES</b>		
Other current liabilities	\$ 0	\$ 0
<b>TOTAL LIABILITIES</b>	0	0
<b>DEFERRED INFLOWS OF RESOURCES</b>	0	0
<b>NET POSITION</b>		
Restricted for:		
Individuals and other organizations	20,070	416,742
<b>TOTAL NET POSITION</b>	20,070	416,742
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	\$ 20,070	\$ 416,742

See notes to financial statements  
which are an integral part of this statement.

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

	<u>Private Purpose Trust Fund</u>	<u>Custodial Funds</u>
<b>ADDITIONS</b>		
Gifts and contributions	\$ 73	\$ 0
Investment interest earnings	210	0
Custodial funds receipts	<u>0</u>	<u>556,080</u>
<b>TOTAL ADDITIONS</b>	<u>283</u>	<u>556,080</u>
 <b>DEDUCTIONS</b>		
Scholarships awarded	1,600	0
Custodial funds expenditures	<u>0</u>	<u>572,879</u>
<b>TOTAL DEDUCTIONS</b>	<u>1,600</u>	<u>572,879</u>
 <b>CHANGE IN NET POSITION</b>	 <u>(1,317)</u>	 <u>(16,799)</u>
 <b>NET POSITION - BEGINNING OF YEAR</b>	 <u>21,387</u>	 <u>433,541</u>
 <b>NET POSITION - END OF YEAR</b>	 <u>\$ 20,070</u>	 <u>\$ 416,742</u>

See notes to financial statements  
which are an integral part of this statement.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The Pottsville Area School District (the "District") is governed by the Pottsville Area School District Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters.

The financial statements of the Pottsville Area School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) approved Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis -for State and Local Governments.

The financial statements include:

- Management's Discussion and Analysis (MDA), providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full-accrual accounting for all of the District's activities.
- A change in the fund financial statements to focus on major funds

**OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS**

During the year ended June 30, 2019, the District adopted the provisions of GASB Statement No. 74, "*Financial Reporting for Postemployment Benefits Plan other than Pension Plan*" and GASB Statement No. 75, "*Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions.*" This statement provides the accounting and reporting requirements for the benefit plans as well as require that public sector employers accrue the cost of any postretirement healthcare or similar benefits (OPEB) they may offer to employees. For the purpose of the financial statements, GASB Statement No. 75 requires that governments account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in the same manner as they currently do for pensions. Accordingly, the District's net OPEB obligations are reported on the statement of net assets.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

REPORTING ENTITY

The District is not a component unit of any other primary government.

BASIS OF PRESENTATION

*District-wide statements* - The statement of net assets and the statement of activities provide information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-Type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each business-type activity of the District and for each function of the District's governmental activities.

- Direct Expenses are those that are clearly identifiable with a specific program.
- Program revenues include 1) charges to students or recipients 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 as general revenues.

Depreciation expense can be specifically identified by function and is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. The effect of interfund activity has been removed from these statements.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**BASIS OF PRESENTATION - continued**

*Fund Financial Statements* - The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category - *governmental, proprietary and fiduciary*-are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Enterprise fund operating revenues are related to charges for food in the District's cafeteria. The primary non-operating revenues are federal nutrition program grants and commodities received from the U.S. Department of Agriculture.

The fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the District, these funds are not incorporated into the District-wide statements.

The District reports the following major governmental funds:

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

**Capital Reserve Fund** - The Capital Reserve Fund is used to account for financial resources to be used for the acquisition or construction of capital items or extraordinary expenditures.

The District reports the following major proprietary fund types:

**Food Service Fund** - The Food Service Fund is used to account for all financial transactions related to the food service operation.



**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**BASIS OF ACCOUNTING**

The district-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

**BUDGETING**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. Project-length financial plans are used for capital projects funds. All unencumbered budget appropriations, except capital projects, lapse at the end of each fiscal year.

At the fund level, actual expenditures cannot exceed budgeted appropriations; however, with proper approval by the school board, budgetary transfers between accounts can be made. The budgeted financial statements represented in this report reflect the final budget authorization, including all transfers.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**DEPOSITS AND INVESTMENTS**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments with a maturity of one year or less at the time of purchase are recorded at cost or amortized cost. Those with a maturity of greater than one year are reported at fair value. Changes in the fair value of investments are recorded as investment income.

**TAXES ASSESSED**

The following is a listing of the taxes assessed along with their respective tax levy:

<u>Tax Type</u>	<u>Millage/Rate</u>	<u>Tax Levy</u>
Real Estate - Schuylkill County	44.03 mills	\$ 12,293,890
Occupation Tax - Act 511	\$125.84/person	1,619,057
Per Capita Tax - Act 511	\$ 5.00/person	64,330
Per Capita Tax - Section 679	\$ 5.00/person	64,330
<b>Total Assessed Valuation</b>		<b>\$ 14,041,607</b>

The following is the tax calendar showing levy date, payment periods and delinquent dates for the above listed taxes:

Levy date	July 1
Discount (2%) payment period	July 1 to August 31
Face payment period	September 1 to October 31
Penalty (10%) payment period	November 1 to December 31
Delinquent date	December 31

Taxes which remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent taxes that is not collected within 60 days of year-end is deferred in the fund based financial statements because it is not known to be available to finance the operations of the District in the current year. An allowance has been established to recognize the uncollectible portion.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**INVENTORY**

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method. Surplus commodities are stated at standard costs, as determined by the Department of Agriculture. In the fund based financial statements, commodities received are recorded as deferred revenue until consumed.

**CAPITAL ASSETS**

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$1,250. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Useful Life
Land	Not Depreciated
Land Improvements	20 years
Buildings and Improvements	15-30 years
Furniture and Equipment	5-15 years
Vehicles	3-15 years

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**COMPENSATED ABSENCES**

Compensated absences are those for which employees receive pay. A liability is recorded through the use of estimates, which apply historical data to current factors. The District maintains records of unused absences and applies current and/or contracted compensation rates to the various types of compensated absences. Sick leave is recorded using the termination payment method, which has no current maximum per employee. The District allows only restricted sabbatical leave and therefore, has no recorded liability in advance of the sabbatical.

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

In government-wide financial statements as well as proprietary fund financial statements, all accrued liabilities and long-term debt are reported as liabilities in the statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bond issuance costs are expensed in period incurred.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**FUND EQUITY**

In the fund financial statements, governmental funds report designations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a restricted purpose.

**NET POSITION**

Net assets represent the difference between assets and liabilities in the District-wide financial statements. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

ACCOUNTING STANDARDS ADOPTED IN YEAR ENDED JUNE 30, 2024

GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for fiscal years beginning after June 15, 2023.

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The District did not have any situations subject to this standard during the year ended June 30, 2024.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 2 - DEPOSITS AND INVESTMENTS:**

DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a policy for custodial credit risk on deposits. At June 30, 2024, the carrying amount of the District's deposits were \$25,159,945. and the bank balance was \$26,838,415. Of the bank balance \$500,499. was covered by federal depository insurance, and \$7,513,742. was exposed to custodial credit risk because it was uninsured and the collateral held by the depository's agent was not in the District's name. The District is secured under Act 72 as required by the Commonwealth of Pennsylvania primarily by a pledged pool of securities.

A portion of the District's deposits (\$18,824,174.) are in the Pennsylvania School District Liquid Asset Fund (PSDLAF). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1. per share, is rated by a nationally recognized statistical rating organization, and is subject to an independent annual audit.

INVESTMENTS

Statutes authorize the District to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, state treasurer's investment pools or mutual funds. Investments classified as U.S. agencies are securities of agencies of the U.S. government that have an implied but not explicit guarantee.

Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF, PLGIT and INVEST act like money market mutual funds in that their objective is to maintain a stable net asset value of \$1. per share, is rated by a nationally recognized statistical rating organization and is subject to an independent annual audit.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS – continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 2 - DEPOSITS AND INVESTMENTS – continued**

Investments as of June 30, 2024, consist of United States Treasury Bills due within the coming school year. The cost, carrying, and market values are \$4,121,430.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. It is the practice of the District to limit its interest rate risk by investing in securities with maturity dates under one year.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The District has no investments subject to custodial credit risk.

Credit Risk

The District has no investment policy that would limit its investment choices to those with certain credit ratings. As of June 30, 2024, PSDLAF, PLGIT, INVEST, FHLBs, FHLMCs, and FNMA were rated as AAA by a nationally recognized statistical rating organization.

Concentration Risk

The District does not have a policy that would limit the amount it may invest in any one issuer.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 3 - CAPITAL ASSETS:**

A summary of capital asset activity during the fiscal year follows:

	<u>Balance June 30, 2023</u>	<u>Net Additions (Deductions)</u>	<u>Balance June 30, 2024</u>
<b>Governmental Activities:</b>			
Capital Assets, Not Being Depreciated	\$ 0	\$ 0	\$ 0
Total Capital Assets, Not Being Depreciated	0	0	0
Capital Assets, Being Depreciated/Amortized:			
Land and Site Improvements	1,854,697	36,599	1,891,296
Buildings and Improvements	22,854,401	836,324	23,690,725
Furniture, Equipment, and Vehicles	5,490,596	3,788,217	9,278,813
Leased Assets	<u>1,073,904</u>	<u>20,216</u>	<u>1,094,120</u>
Total Capital Assets, Being Depreciated	31,273,598	4,681,356	35,954,954
Accumulated Depreciation/Amortization For:			
Land and Site Improvements	(1,585,749)	(18,411)	(1,604,160)
Buildings and Improvements	(15,544,333)	(594,390)	(16,138,723)
Furniture, Equipment, and Vehicles	(4,866,185)	(208,482)	(5,074,667)
Leased Assets	<u>(586,654)</u>	<u>(199,949)</u>	<u>(786,603)</u>
Total Accumulated Depreciation/Amortization	(22,582,921)	(1,021,232)	(23,604,153)
Construction in progress	<u>1,684,507</u>	<u>(1,188,362)</u>	<u>496,145</u>
<b>Governmental Activities - Capital Assets, Net</b>	<b><u>\$ 10,375,184</u></b>	<b><u>\$ 2,471,762</u></b>	<b><u>\$ 12,846,946</u></b>
<b>Business-type Activities:</b>			
Furniture/Equipment	\$ 686,299	0	\$ 686,299
Less: Accumulated Depreciation	<u>(678,163)</u>	<u>(1,459)</u>	<u>(679,622)</u>
<b>Business-type Activities - Capital Assets, Net</b>	<b><u>\$ 8,136</u></b>	<b><u>\$ (1,459)</u></b>	<b><u>\$ 6,677</u></b>

Depreciation/amortization expense was charged to functions of the District as follows:

<b>Governmental Activities</b>	
Unallocated	\$ 845,905
Instructional	70,112
Support services	5,816
Non-instructional services	83,962
Student Transportation	49,009
Student Activities	<u>6,501</u>
<b>Total Governmental Activities</b>	<b>1,061,305</b>
<b>Business-Type Activities</b>	
Food Service	<u>1,459</u>
<b>Total Depreciation Expense</b>	<b><u>\$ 1,062,764</u></b>



**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 4 - CHANGES IN GENERAL LONG-TERM DEBT:**

A summary of General Long-Term Debt is as follows:

	Compensated Absences	General Obligation Bonds/Notes	Extended Term Leases/ Financings	Net PSERS Pension Liability	Other Post Employment Benefits	Total
Balance - July 1, 2023	\$ 687,491	\$ 4,675,000	\$ 2,110,793	\$ 46,993,000	\$ 3,154,727	\$ 57,621,011
Additions	0	0	50,673	163,000	23,120	236,793
Principal Reductions	(33,807)	(500,000)	(856,242)	0	(26,000)	(1,416,049)
Balance - June 30, 2024	<u>\$ 653,684</u>	<u>\$ 4,175,000</u>	<u>\$ 1,305,224</u>	<u>\$ 47,156,000</u>	<u>\$ 3,151,847</u>	<u>\$ 56,441,755</u>
Due Within One Year	<u>\$ 75,000</u>	<u>\$ 1,535,000</u>	<u>\$ 542,154</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,152,154</u>

**COMPENSATED ABSENCES**

General Long-Term Debt includes a liability of \$653,684., which represents the amounts of compensated absences computed by using unused sick days. If an employee separates from service for reasons other than sickness or retirement, no payout is required. If an employee retires with unused compensated absences, the payout policy is as follows:

**Emergency and personal - no payout**

**Vacation (administrative personnel) – no payout**

**Sickness -** payout is based on the number of sick days accumulated at time of retirement with payment per day ranging from \$35/day to \$90/day depending upon the number of days accrued with no maximum per professional employee.

Nonprofessional employees - payout is based on the number of sick days accumulated at time of retirement with payment per day of \$25/day. Depending upon the number of days accrued are subject to a minimum payout of \$500 and maximum payout of \$5,000.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 4 - CHANGES IN GENERAL LONG-TERM DEBT - continued**

LEASES – GASB 87

Leases – GASB 87 are comprised of the following agreements:

Fraser Lease

On August 6, 2020, the District entered into an Operating lease with Fraser Advanced Information Services (Leaf) which is subject to recording under GASB 87. The initial recorded lease asset/liability was \$105,204. for the usage of 8 Sharp Copiers. Terms require 60 monthly payments of \$1,860.15 thru August 2025.

\$ 7,410

Pottsville School District Solar Partners LLC

On November 1, 2020, the District entered into an Operating lease with the Pottsville School District Solar Partners LLC which is subject to recording under GASB 87. The initial recorded lease asset/liability was \$898,613. for the usage of a solar energy array system installed on various District buildings. Initial terms require 5 years of monthly payments ranging from \$15,583.33 to \$16,216.08 per month thru October 2025. The system is then available for purchase from the Lessor, or the lease can be extended.

\$ 254,549

Fraser Lease

Effective July 1, 2023, the District entered into an Operating lease with Fraser Advanced Information Services which is subject to recording under GASB 87. The initial recorded lease asset/liability was \$50,673. for the usage of 7 Xerox Laser Printers. Terms require 28 monthly payments of \$1,861.60 thru October 2025.

\$ 29,296

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 4 - CHANGES IN GENERAL LONG-TERM DEBT - continued**

LEASES – GASB 87 - continued

Fraser Lease

On February 17, 2023, the District entered into an Operating lease with Fraser Advanced Information Services which is subject to recording under GASB 87. The initial recorded lease asset/liability was \$39,547. for the usage of 3 Sharp Copiers. Terms require 60 monthly payments of \$699.24 thru March 2028.

\$ 29,451

EXTENDED TERM FINANCINGS

Extended term financings are comprised of the following agreements:

Banc of America Public Capital Corp

On May 14, 2013, the District entered into a Capital Lease with Banc of America Public Capital Corp in the amount of \$3,200,977. to finance a Honeywell energy contract in the amount of \$1,185,000. The balance of the funds (\$2,015,977.) was utilized to satisfy the CITI Capital Lease identified above. Terms require 193 monthly payments ranging from \$8,041.17 to \$32,172.93 including interest at 4.504% per annum through May 14, 2029.

\$ 531,801

Dell Financial Services

On April 1, 2023, the District entered into a Capital Lease with Dell Financial Services in the amount of \$33,234. for the acquisition of various computer equipment. Terms require 3 annual payments of \$11,909.89 including interest through April 1, 2025.

\$ 11,058

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 4 - CHANGES IN GENERAL LONG-TERM DEBT - continued**

EXTENDED TERM FINANCINGS – continued

Apple Inc.

On May 15, 2023, the District entered into a Capital Lease with Apple Inc in the amount of \$6624868. for the acquisition of various computer equipment. Terms require 3 annual payments of \$220,828.64 without interest through July 15, 2025.

\$ 441,660

Dell Financial Services

On October 1, 2019, the District entered into a Capital Lease with Dell Financial Services in the amount of \$206,878. for the acquisition of various computer equipment. Terms require 4 annual payments of \$45,388.95 including interest at 4.75%. This lease was satisfied during the current year.

\$ 0

Santander Bank N.A.

On September 25, 2020, the District entered into a Capital Lease with Santander Bank N.A. in the amount of \$1,093,000. for the acquisition of 25 School Buses. Terms require 2 annual payments of \$283,000. and a final payment of \$527,700. This lease was satisfied during the current year.

\$ 0

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 4 - CHANGES IN GENERAL LONG-TERM DEBT – continued**

GENERAL OBLIGATION BONDS/NOTES

General Obligation Bonds - Series of 2021

On March 2, 2021, the District issued \$4,585,000. of General Obligation Bonds - Series of 2021 for the purpose of refunding the Series of 2012 and 2016 Bonds issue and to pay the costs of issuance. Interest rates range from .42% through 4.00%. Annual installments as set fourth below are required to provide for payment of principal and interest through May 2031.

\$ 3,175,000

General Obligation Note - Series of 2021

On August 1, 2021, the District issued a \$1,000,000. General Obligation Note for the purpose of providing temporary funding pending receipt of \$1,000,000 of funds from the Redevelopment Assistance Capital Program (RACP). Interest is payable monthly at a fixed rate of 2.35% over the term of the Note. The term of the Note is for 3 years from date of issuance and is secured by a pledge of the District's full faith, credit, and taxing power. There is a final payment due of \$1,000,000. on August 1, 2024. This Note was paid in full on August 26, 2024.

\$ 1,000,000

NET PSERS PENSION LIABILITY:

During the year ended June 30, 2024, the District, in conformity with GASB 68, recorded its share of the Net PSERS pension liability. At June 30, 2024, the District's share of the liability is \$47,156,000. See Note 15 for more information.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 4 - CHANGES IN GENERAL LONG-TERM DEBT – continued**

**OTHER POST EMPLOYMENT BENEFITS**

The District also provides other postemployment benefits as more fully discussed in Notes 14 and 16. Total liability at June 30, 2024 was \$3,151,847.

A summary of Long-Term Debt principal maturities and interest requirements follows:

Year Ending June 30,	General Obligation Bonds/Notes	Extended Term Leases/ Financing Agreements	Total
2025	\$ 1,626,521	\$ 574,276	\$ 2,200,797
2026	628,175	414,351	1,042,526
2027	630,375	124,718	755,093
2028	636,450	125,536	761,986
2029	312,300	113,068	425,368
2030-2031	586,600	0	586,600
Subtotal	4,420,421	1,351,949	5,772,370
Less: Interest Expense	(245,421)	(46,725)	(292,146)
<b>Principal Outstanding</b>	<b>\$ 4,175,000</b>	<b>\$ 1,305,224</b>	<b>\$ 5,480,224</b>

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 5 - RISK MANAGEMENT AND LITIGATION:**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets errors and omissions; injuries to employees; and natural disasters. The District maintains coverage from commercial insurance companies to cover these risks of loss.

**NOTE 6 - OTHER DISCLOSURE - JOINT SECONDARY PROGRAM MANAGEMENT AGREEMENT:**

On July 1, 1991, the Saint Clair Area School District and the Pottsville Area School District entered into an agreement which provides for the education of grades 9 through 12 of the Saint Clair Area School District at the Pottsville Area High School. The agreement had been officially ratified by both School Boards.

Significant agreement provisions were:

- (1) Agreement duration - Unless terminated early, as set forth below, the agreement is in force for a period of (5) five years, commencing on July 1, 1991 and ending June 30, 1997. The agreement will automatically renew subject to limitations thereafter.
- (2) Termination provisions - The agreement will remain in effect for a minimum period of five (5) years and is not subject to termination during this period except by written consent of **both** parties. After this period, **either** party may terminate the agreement by giving written notice to the other at least one (1) year prior to the beginning of the school year of intended termination.
- (3) Tuition payments - The Saint Clair Area School District will pay to Pottsville Area for those students who attend school in Pottsville Area tuition payments which will be calculated in accordance with Section 2561 of the Public School Code (as amended). Payment terms provide for estimated monthly payments based on the annual joint program budget with a final reconciliation being done in May with the final payment being due on or before June 30.
- (4) Transportation - The Saint Clair Area School District shall arrange and pay for transportation to and from Pottsville Area.
- (5) Joint School Committee - The program shall be directed by a joint school committee appointed by both School Boards. The committee shall consist of four (4) members elected from the Pottsville Area Board of Directors and one (1) member elected from the Saint Clair Board of Directors.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 6 - OTHER DISCLOSURE - JOINT SECONDARY PROGRAM MANAGEMENT AGREEMENT - continued**

On October 20, 1993, the Saint Clair Area School District and the Pottsville Area School District entered into an extension agreement which will extend the original agreement for an additional five (5) year term extending through and including the 2000-2001 school year. The agreement shall remain in effect for such extended five (5) year period and shall not be subject to termination during such five (5) year extension period, except by the formal action and written consent of **both** parties. After this period, the agreement shall be automatically renewed unless one party indicates its desire to terminate such agreement at least one (1) year prior to the start of the last year as indicated under this extension agreement. The agreement shall continue to be automatically renewable thereafter for a period of one (1) year or as otherwise agreed to by both parties unless **either** party cancels by giving the other party written notice at least one (1) year prior to the termination of any such renewal period.

On October 7, 2015 the District's entered into an updated agreement for the education of St Clair's 9<sup>th</sup> thru 12<sup>th</sup> grade students at Pottsville for a 10-year period starting with the 2015/2016 school year. St Clair agrees to pay Pottsville an annual tuition payment of \$1,600,000 in 10 equal monthly payments. The agreement provides for several potential adjustments to this amount including a provision for any changes in regard to the formula used by the Commonwealth of Pennsylvania for the Basic Education Subsidy and/or the Special Education Subsidy, and a provision for payment by St Clair for special education costs that exceed \$25,000 for any St Clair student. If a merger between both Districts is not reached prior to the end of this agreement, and if notification of this fact is given by either district two years prior to the end of the agreement, both parties agree to negotiate in good faith to extend this agreement. If such notification is not given by either district at least two years prior to the end of the agreement, the agreement will continue until a two-year notification is given by either district.

On January 18, 2023, the District entered an agreement to extend the initial 10 year agreement covering 2016 thru 2026 by one year covering the 2026 – 2027. The tuition to be paid to the Pottsville Area School District by the Saint Clair Area School District will be \$1,800,000. In July 2024 the District entered an agreement to extend the initial 10 year agreement covering 2016 thru 2026 by one year covering the 2027 – 2028. The tuition to be paid to the Pottsville Area School District by the Saint Clair Area School District will be \$1,900,000.

Total tuition paid to the District for the year ended June 30, 2024 was \$1,600,000.



**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 7 - BUDGETARY INFORMATION:**

No budget versus actual comparison for the Capital Reserve Fund has been displayed in the accompanying financial statements as no budget is required nor was adopted for this fund.

**NOTE 8 - INTERFUND ACTIVITY:**

A summary of net interfund accounts receivable (payable), all which are considered current and relate to state subsidy transfers, at June 30, 2024 is as follows:

Fund	Receivable (Payable)
General Fund	\$ (301,938)
Cafeteria Fund	\$ 301,938

**NOTE 9 - GASB STATEMENT NO. 54:**

On June 15, 2010, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54 (Fund Balance Reporting and Governmental Fund Type Definitions). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB-54 establishes criteria for classifying fund balances into specifically defined classifications that should be based on hierarchy that reflects the extent to which the government is bound to honor constraints on how those funds can be spent. Established classifications are as follows:

**Nonexpendable** – Amounts that cannot be spend because they are either in a non-spendable form or are legally or contractually required to be maintained intact.

**Restricted** – Amounts constrained to be used for a specific purpose stipulated by constitution, external resource providers or through enabling legislation.

**Committed** – Amounts constrained to be used for a specific purpose determined by a formal action of the School District Board of Directors (the district’s highest level of decision-making authority).

**Assigned** – Amounts intended to be used for a specific purpose by the finance committee or an individual authorized by the governing body.

**Unassigned** – Residual amounts available for any purpose not contained in other classifications.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 9 - GASB STATEMENT NO. 54 – continued**

**ORDER OF FUND BALANCE SPENDING POLICY**

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting entries.

First, non-spendable fund balances are determined. Then, restricted fund balances for the non-general funds are classified as restricted fund balance.

It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balance for the non-general fund.

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	General	Capital Reserve	Total Governmental Funds
<b>EQUITY</b>			
Nonspendable	\$ 0	\$ 0	\$ 0
Restricted for Capital	0	2,671,672	2,671,672
Restricted for Scholarships	917,792	0	917,792
Committed	18,839,402	0	18,839,402
Unassigned	3,933,611	0	3,933,611
<b>TOTAL FUND BALANCE</b>	<b>\$ 23,690,805</b>	<b>\$ 2,671,672</b>	<b>\$ 26,362,477</b>

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 10 - RELATED ORGANIZATIONS:**

On August 19, 2015, the District revised its policy in regard to Booster Clubs. Effective with this revision, the District High School Athletic Office will administer all financial deposits and disbursements for all Booster clubs in a manner similar to the procedures utilized for District student activity accounts. Each booster club was required to close their individual bank accounts and submit the funds to the District no later than September 30, 2015. An individual "account" was established for each Booster Club in order to segregate each Club's activity and available funds. The Booster Club accounts are reflected in the Districts' financial statement as part of the Fiduciary Activity (Custodial) Funds.

**NOTE 11 - CONTINGENCY – SHAMOKIN AREA SCHOOL DISTRICT:**

Occasionally, there are students attributable to the District that are attending Northwestern Academy (NWA), which is located in the Shamokin Area School District (SASD). The District is responsible for paying tuition invoiced by SASD for students who attended NWA during the applicable year. In prior years the SASD had invoiced for both tuition and rental payments for the NWA. However, the District believed that the assessing of amounts for rental payments is not an appropriate expense. This position has been taken by the majority of the School Districts that have students at NWA. NWA and SASD have been involved in dialogue with the PA Department of Education (PDE) in an effort to determine the allowability of this rental charge, but have not come to an agreement. The District has estimated that its potential exposure for this rental liability if upheld is approximately \$66,011. This has not been accrued as the ultimate outcome of PDE's decision is unknown and presently payment is uncertain. During the current year the NWA and SASD entered into an agreement to settle their litigation. As a result, this contingency has been closed.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 12 – OTHER DISCLOSURE – GILLINGHAM CHARTER SCHOOL CHARTER RENEWAL:**

Pursuant to the Charter School Law (CSL), 24 Pa. C.S.A. 17-1701-A, et seq., the Board of Education of the School District of Pottsville (“School District”) granted a charter to Gillingham Charter School (“Gillingham” or “Charter School”) to operate a charter school from July 1, 2011 until June 30, 2016.

In 2015, the Charter School applied for renewal of the Charter for an additional five-year term and by Resolution dated December 2, 2015, the School District Board of School Directors notified Gillingham Charter School that the Charter School’s Charter not be renewed.

In compliance with Section 1729-A of the Charter School Law, the Board of Directors of the Pottsville Area School District issued a notice of non-renewal by Resolution dated December 2, 2015 setting forth the reasons why the Charter School’s Charter should not be renewed, scheduling a hearing in this matter and authorizing the appointment of a hearing officer to conduct a hearing.

A hearing officer was appointed and held public hearings on April 18, 19, 20, 21, 25, 26, 2016 and May 3, 4, 12, 19, 23, 2016, during which testimony and exhibits were received regarding the recommended non-renewal. A 30-day public comment period was provided following the conclusion of the hearings. Pursuant to the Charter School Law, the Charter School was permitted to remain in operation beyond July 6, 2016, pending the outcome of those proceedings.

On June 28, 2016 the hearing officer submitted a report to the School District’s administration, including Findings of Fact, Conclusions of Law and a proposed adjudication recommending revocation and non-renewal of the Charter. The School District reviewed the Charter School’s request for a renewal, all of the testimony and exhibits admitted during the hearing, the hearing officer’s report, including its findings of fact and conclusions of law, the submissions by all interested counsel, and all public comments received.

The Board of Directors of the Pottsville Area School District denied the Charter School’s request on July 6, 2016 and adopted the hearing officer’s report, its Findings of Fact and Conclusions of Law, as the reasons for this decision.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 12 – OTHER DISCLOSURE – GILLINGHAM CHARTER SCHOOL CHARTER RENEWAL – continued**

The Charter School appealed this decision to the State Charter School Appeal Board (“Appeal Board”), pursuant to the requirement contained in Section 1729-A (f) of the Charter School Law, the Charter shall remain in effect and the Charter School was permitted to remain open pending the conclusion of its appeal before the Appeal Board.

The hearing before the Charter Appeals Board (CAB) took place on July 25, 2017. On September 19, 2017 CAB voted 5-0 to grant Gillingham Charter School’s appeal to award the school another 5-year charter.

On October 25, 2017, the District School Board of Directors was directed to grant the renewal of and sign a Charter for the Gillingham Charter School. On the advice of legal counsel on November 16, 2017 the District indicated it would not be issuing the charter for Gillingham as requested that the CAB issue a standard charter. On December 21, 2017 the District received a letter from the CAB stating that the PA Department of Education Secretary Pedro A. Riveria signed the charter effective commencing July 1, 2017 thru June 30, 2022. As of the report date the Charter has not been renewed.

**NOTE 13 – DEFICIT EQUITY:**

At June 30, 2024, the District’s Cafeteria Fund has an unrestricted deficit in the amount of (\$1,210,064).

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – DISTRICT:**

**PLAN DESCRIPTION**

The Pottsville Area School District Retiree Health Care Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the School Board. The Plan provides postemployment healthcare benefits to eligible retirees of the District in accordance with the various labor contracts and personnel policies. Inasmuch as the Plan has no assets, reporting another employee benefit trust fund in the accompanying financial statements is not required nor was a separate or stand-alone report issued.

**FUNDING POLICY**

The contribution requirements of plan members and the District are established and may be amended by the School Board, subject to applicable labor contracts. Plan members are not required to contribute; however, for the member and the spouse, coverage ceases upon the later of the exhaustion of accumulated sick days at retirement used to obtain health coverage, the exhaustion of an HCA based on accumulated sick days at retirement, or Medicare eligibility. If a retiree runs out of unused sick days prior to reaching Medicare eligibility, they may continue on the District plan by paying 100% of premiums.

For 2023, the District made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to \$110,502. for 2023. These costs are recognized as an expense when claims or premiums are paid.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – DISTRICT-continued**

**Plan Membership**

Inactive plan member or beneficiaries currently receiving benefits	14
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>256</u>
	<u>270</u>

**Components of the net OPEB liability**

Total OPEB liability	\$ 1,237,847
Plan fiduciary net position	<u>0</u>
<b>Net OPEB Liability</b>	<u>\$ 1,237,847</u>

Plan fiduciary net position of the total OPEB liability 0.00%

**Sensitivity of the Net OPEB liability to changes in the discount rate**

	1.00% Decrease 3.13%	Current Discount Rate 4.13%	1.00% Increase 5.13%
Net OPEB liability (asset)	\$ <u>1,329,506</u>	\$ <u>1,237,847</u>	\$ <u>1,151,657</u>

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates**

	1% Decrease 7.00% decreasing to 6.00%	Current Healthcare cost Trend Rate 7.00%	1.00% Increase 7.00% increasing to 8.00%
Net OPEB liability (asset)	\$ <u>1,110,916</u>	\$ <u>1,237,847</u>	\$ <u>1,387,808</u>

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - DISTRICT-continued**

**ACTUARIAL METHODS AND ASSUMPTIONS**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of potential occurrences of certain events in the future. Examples include assumption about future employment, mortality, healthcare costs trends, inflation, etc. Amounts determined regarding the funded status of the plan and the annual required contributions of the District are subject to constant changes and modifications as actual results are compared with past expectations and new estimates and assumptions are formed regarding the future. Projections of retiree benefits for financial reporting purposes are based on current plan activities as it is handled by the District and the benefits are received by the eligible plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the District and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2022 actuarial valuation, the individual entry age normal actuarial cost method was used. There were also merit and seniority salary rate increase assumptions taken into consideration and those are detailed in the actuarial study and are based on age. There was also an inflationary rate assumption factored into the calculation. Per the actuarial study, the assumed rate ranges from 10% in the short-term to 5% in the long-term for health care related costs. The UAAL is being amortized as a level percentage of active member payroll over a period of 20 years.

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$68,802. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Totals	\$ <u>96,319</u>	\$ <u>(1,551,155)</u>



**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - DISTRICT-continued**

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

Year Ending June 30,	Estimated Amount
2025	\$ (172,876)
2026	(172,876)
2027	(172,876)
2028	(172,876)
2029	(172,876)
Thereafter	(590,456)
<b>Total Deferred Outflows/ Inflows of Resources</b>	<b>\$ <u>(1,454,836)</u></b>

**NOTE 15 – PENSION:**

***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's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms investments are reported at fair value.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 15 – PENSION - continued**

***General Information about the Pension Plan***

**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.state.pa.us](http://www.psers.state.pa.us).

**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-3) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

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

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 15 – PENSION – continued**

**BENEFITS PROVIDED – continued**

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

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

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

**CONTRIBUTIONS**

**Member Contributions:**

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

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

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

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 15 – PENSION – continued**

CONTRIBUTIONS – continued

Members who joined the System after June 30, 2011, automatically contributed at the Membership Class T-E rate of 7.50% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elected Class T-F membership, contribute at 10.30% (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.50% and 9.50% and Membership Class T-F contribution rate to fluctuate between 10.30% and 12.30%.

Employer Contributions:

The school district's contractually required contribution rate for fiscal year ended June 30, 2024 was 33.09% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$6,069,209. for the year ended June 30, 2024.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 15 – PENSION - continued**

***PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS***

At June 30, 2024, the District reported a liability of \$47,156,000. 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 District’s proportion of the net pension liability was calculated utilizing the employer’s one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2023, the District proportion was .1060%, which was an increase of .0003% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$6,069,209. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 11,000	\$ (646,000)
Changes in assumptions	704,000	0
Net difference between projected and actual investment earnings	1,335,000	0
Changes in proportion	261,000	(1,793,000)
Difference between employer contributions and proportionate share of total contributions	0	0
Contributions subsequent to the measurement date	0	0
<b>Total All Funds</b>	<u><u>\$ 2,311,000</u></u>	<u><u>\$ (2,439,000)</u></u>

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 15 – PENSION - continued**

***PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS - continued***

\$2,311,000 reported as deferred outflows of resources related to pensions resulting from 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,	Estimated Amount
2025	\$ (1,210,000)
2026	(813,000)
2027	1,450,000
2028	445,000
<b>Total Deferred Outflows/ (Inflows) of Resources</b>	<b>\$ <u>(128,000)</u></b>

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

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 7.00%, includes inflation at 2.50%
- Salary Growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2022 and June 30, 2023.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS – continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 15 – PENSION - continued**

***PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS – continued***

**ACTUARIAL ASSUMPTIONS**

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

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

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

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%
Absolute return	4.0%	4.1%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Cash	3.0%	1.2%
Leverage	-10.50%	1.2%
	100.00%	

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

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 15 – PENSION - continued**

***PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS - continued***

**DISCOUNT RATE**

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

**SENSITIVITY OF THE 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 position liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ <u>61,127,000</u>	\$ <u>47,156,000</u>	\$ <u>35,368,000</u>

**PENSION PLAN FIDUCIARY NET POSITION**

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



**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’  
RETIREMENT SYSTEM (PSERS)**

**1. Summary of Significant Accounting Policies**

Other Postemployment 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’s 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.

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

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.

Premium Assistance Eligibility Criteria

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

- Have 24½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’  
RETIREMENT SYSTEM (PSERS) - continued**

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

- Attain Medicare eligibility with 24½ 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

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

Benefits provided

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

Employer Contributions:

The school district’s contractually required contribution rate for the fiscal year ended June 30, 2024 was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$121,000 for the year ended June 30, 2024.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’  
RETIREMENT SYSTEM (PSERS) - continued**

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

At June 30, 2024, the District reported a liability of \$1,914,000. for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System’s total OPEB liability as of June 30, 2022 to June 30, 2023. The District’s proportion of the net OPEB liability was calculated utilizing the employer’s one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District’s proportion was .1058% percent, which was an increase of .0004% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized OPEB expense of \$121,000. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 13,000	\$ (19,000)
Changes in assumptions	165,000	(362,000)
Net difference between projected and actual investment earnings	4,000	0
Changes in proportion	15,000	(282,000)
Difference between employer contributions and proportionate share of total contributions	0	0
Contributions subsequent to the measurement date	0	0
<b>Total All Funds</b>	<u>\$ 197,000</u>	<u>\$ (663,000)</u>

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES  
RETIREMENT SYSTEM (PSERS) - continued**

\$197,000. reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Estimated Amount
2024	\$ (144,000)
2025	(108,000)
2026	(108,000)
2027	(102,000)
2028	(4,000)
<b>Total Deferred Outflows/ (Inflows) of Resources</b>	<b>\$ (466,000)</b>

**3. 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, Valuation date June 30, 2023:

- 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.
- 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 Mortality Improvement Scale.

Participation rate:

- Eligible retirees will elect to participate Pre-age 65 at 50%
- Eligible retirees will elect to participate Post age 65 at 70%

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

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’ RETIREMENT SYSTEM (PSERS) - continued**

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 benefitting 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.

OPEB - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	1.2%

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

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’  
RETIREMENT SYSTEM (PSERS) – continued**

**3. Actuarial Assumptions - continued**

Discount rate

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

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2023, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2023, 92,677 retirees were receiving the maximum amount allowed of \$1,200 per year. 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:

	Dollar Amounts in Thousands		
	1% Decrease	Current Trend Rate	1% Increase
System net OPEB liability	\$ 2,164,000	\$ 1,914,000	\$ 1,705,000

**POTTSVILLE AREA SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS - continued**

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

**NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’ RETIREMENT SYSTEM (PSERS) – continued**

Sensitivity of the 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:

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
District's proportionate share of the net OPEB liability	\$ 1,914,000	\$ 1,914,000	\$ 1,914,000

OPEB plan fiduciary net position

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

**NOTE 17 - BUS AND LEASE VAN ACQUISITION AND FUNDING**

On October 1, 2023, the District entered into an operating lease agreement (which is subject to GASB 87 recording requirements) with the KS State Bank for the leasing of 13 Thomas Saf-T-Liner C 72-Passenger Buses, 3 Thomas Saf-T-Liner 48-Passenger Buses, 10 RAM ProMaster Vans, and 3 Ford T-350 Transit Vans. The lease is effective July 1, 2024. Lease terms require 3 annual payments of \$604,158.17 on July 1, 2024, 2025, and 2026 which includes interest at the rate of 5.389%. Upon the expiration of the lease at June 30, 2027, the District can return the assets, re-lease the assets, or purchase the assets at an acquisition price of \$1,716,934.00 on July 1, 2027. At the present time, the District’s intention is to return the assets and seek new quotations for needed transportation equipment at the expiration of this lease.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 18 - \$1,000,000 REDEVELOPMENT ASSISTANCE CAPITAL PROGRAM (RACP)  
FUNDING AND REQUIRED SUPPORTING FINANCING:**

On August 5, 2019, \$1,000,000 was authorized for release by PA Governor Tom Wolf from RACP funding for capital projects at Martz Hall and the PASD High School. Subsequently, due to decrease funding approval, only the Martz Hall project will be undertaken. The project is in the preliminary planning stages. The RACP funding requires various applications, budgets and contracts, which are also in the preliminary stages. The RACP funding requires a local match requirement which will be met by the appraised value of the Martz Hall property. This appraisal was completed effective January 27, 2021 by Moyer Realty Advisors LLC who valued the Martz Hall Property at \$1,530,000. The District's intention is to keep the project cost within the \$1,000,000 RACP award and will include repairs to the Martz Hall roof, sidewalks, stair towers, and parking lot. As the District is not an "eligible" recipient, it has partnered with the Pottsville Redevelopment Authority who will serve as the formal "Sponsor" as the conduit for the funding. As a result of District administrative staff changes, the District applied for and received an extension on the date whereby the District must submit its formal application. The revised due date is February 5, 2021. The application was submitted and the project was commenced in October 2021 with the renovations of the Martz Hall Roof. In addition to the Martz Hall roof the project was amended to add various parking lot and sidewalk repairs. The total project budget is \$3,039,131 which will be funded by the RACP Grant of \$1,000,000, the appraised value of Martz Hall \$1,530,000 and District funds of \$509,131. The project was complete at June 30, 2024. As of the audit date substantially all the necessary documents have been uploaded to the PA Office of the Budget for processing and pending approval.

As part of the RACP program, the District must provide a local financing commitment to support the payment of the project expenditures until the project is complete and is audited by the Commonwealth. On November 4, 2020, the District received a commitment from the Mid Penn Bank for a \$1,000,000. Non-revolving Line of Credit. The interest rate is fixed at 2.35% per annum. The term of the Note is 3 years from inception when all accrued interest and principal is payable. The Note is secured by a pledge of the District's full faith, credit, and taxing power. Effective July 27, 2021, this Line of Credit was replaced by the General Obligation Note – Series 2021 as discussed in Note 4 above. This Note was satisfied in full on August 26, 2024.



**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 19 – DISTRICT-WIDE SOLAR PROJECT:**

At their December 10, 2019 meeting, the board of directors authorized entering into a Solar Energy Power Service Agreement with the Pottsville SD Solar Partners LLC subject to a finalized contract between the parties as reviewed by the District's solicitor and deemed satisfactory to the administration. The project consists of placing solar arrays on the roofs of the Elementary and Middle Schools and the Administration building. It is anticipated that the District will generate approximately 79% of its electricity needs. The cost of the project will be incurred by the LLC with the District leasing the system initially for a 5-year period. The required payments are: Year 1, \$187,000; Year 2, \$188,870; Year 3, \$190,759; Year 4, \$192,666; and Year 5, \$194,593. In year 6, the District can purchase the system for \$1,917,429 with anticipated financing from the US Department of Agriculture. The net electric saving to the District in years 1 thru 5 is approximately \$15,500 per year. If the District purchases the system in year six, the annual savings is anticipated to be approximately \$100,000 per year. Total anticipated savings over the 40-year projected useful life period is approximately \$4,192,491. For additional information, the reader should contact the District administration. As of the date of the audit report, the installation, final inspections, and permission to operate the solar arrays at both JSC Elementary and DHH Lengel Middle School/Academic Center have been completed with the final module counts being 2,502 at the elementary school, 987 at the middle school, and 144 at the academic center. The first contract service payment was made under the Power Service Agreement (PSA) beginning on December 1, 2020.

**NOTE 20 - SUBSEQUENT EVENTS:**

The District has evaluated events and transactions occurring subsequent to the balance sheet date of June 30, 2024 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through December 9, 2024, the date these financial statements were available to be issued.

**REPAYMENT OF \$1,000,000. GENERAL OBLIGATION NOTE OF 2021**

On August 26, 2024, the District satisfied this \$1,000,000. Note which was obtained for the purpose of providing temporary funding pending receipt of \$1,000,000 of funds from the Redevelopment Assistance Capital Program (RACP) for the Martz Hall and other projects.

**OTHER SUPPLEMENTAL  
INFORMATION**

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

**A. SUMMARY OF AUDIT RESULTS**

1. Auditor's report expresses an unqualified opinion on the financial statements of Pottsville Area School District.
2. No significant deficiencies relating to the audit of the financial statements are reported in the report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Pottsville Area School District, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No significant deficiencies conditions relating to the audit of the major federal award programs is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Pottsville Area School District expresses an unqualified opinion.
6. There were no audit findings relative to the major federal programs for the Pottsville Area School District that are to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were as follows:

Program	CFDA #
Elementary and Secondary School Emergency Relief (ESSER II) Funds	84.425D
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund III and 7% Set Asides	84.425U
American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W

**POTTSVILLE AREA SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**A. SUMMARY OF AUDIT RESULTS - continued**

8. The threshold for distinguishing types A and B Programs was \$750,000.
9. Pottsville Area School District was determined to be a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

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

Federal Grantor/ Pass Through Grantor/ Program Title	Source Code	Federal Cluster Code	Federal CFDA Number	Pass Through Grantors' Number	Program or Award Amount	Grant Period Beginning/Ending Date	Total Received For Year	Accrued Or (Deferred) Revenue June 30, 2023	Revenue Recognized	Expenditures	Accrued Or (Deferred) Revenue June 30, 2024	Subrecipient Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>												
<b>Passed Through State Department of Education:</b>												
E.S.E.A. Title I - 2023-2024	(I)		84.010	013-240349	\$ 1,027,559	7-1-23 / 9-30-24	\$ 753,543	\$ 0	\$ 950,028	\$ 950,028	\$ 196,485	\$ 0
E.S.E.A. Title I - 2022-2023	(I)		84.010	013-230349	1,036,048	7-1-22 / 9-30-23	249,470	150,470	99,000	99,000	0	0
E.S.E.A. Title IIA Improving Teacher Quality - 2022-2023	(I)		84.367	020-230349	130,091	7-1-22 / 9-30-23	11,202	3,821	7,381	7,381	0	0
E.S.E.A. Title IIA Improving Teacher Quality - 2023-2024	(I)		84.367	020-240349	107,358	7-1-23 / 9-30-24	85,886	0	106,477	106,477	20,591	0
Title IV Student Support and Academic Enrichment - 2023-2024	(I)		84.424	144-240349	81,108	7-1-23 / 9-30-24	75,700	0	81,108	81,108	5,408	0
Title IV Student Support and Academic Enrichment - 2022-2023	(I)		84.424	144-230349	62,430	7-1-22 / 9-30-23	11,455	(715)	12,170	12,170	0	0
Elementary and Secondary School Emergency Relief Fund (ESSER II)	(I) / (CV)		84.425D	200-210349	2,728,760	3-13-20 / 9-30-23	126,770	(19,630)	146,400	146,400	0	0
ARP - ESSER III	(I) / (CV)		84.425U	223-210349	5,519,491	3-13-20 / 9-30-24	501,772	(200,912)	1,095,241	1,095,241	392,557	0
ARP - 7% - Learning Loss Set Aside	(I) / (CV)		84.425U	225-210349	306,421	3-13-20 / 9-30-24	94,712	(49,186)	177,459	177,459	33,561	0
ARP - 7% - After School Set Aside	(I) / (CV)		84.425U	225-210349	61,284	3-13-20 / 9-30-24	18,942	15,910	11,946	11,946	8,914	0
ARP - 7% - Summer School Set Aside	(I) / (CV)		84.425U	225-210349	61,284	3-13-20 / 9-30-24	18,942	27,856	0	0	8,914	0
ARP - ESSER Homeless Children and Youth	(I) / (CV)		84.425W	181-212352	33,985	3-13-20 / 9-30-24	15,685	8,997	6,688	6,688	0	0
<b>Passed Through Schuylkill IU #29:</b>												
IDEA Part B - 2023-2024	(I)	(SE)	84.027	N/A	496,164	7-1-23 / 6-30-24	496,164	0	496,164	496,164	0	0
IDEA Section 619 - 2023-2024	(I)	(SE)	84.173	N/A	15,057	7-1-23 / 6-30-24	15,057	0	15,057	15,057	0	0
21st Century Community Learning Center - 2023/2024 Cohort 10	(I)		84.287	N/A	119,636	7-1-23 / 9-30-24	71,243	0	86,288	86,288	15,045	0
21st Century Community Learning Center - 2022-2023 Cohort 10	(I)		84.287	N/A	131,580	7-1-22 / 9-30-23	18,544	18,544	0	0	0	0
<b>TOTAL DEPARTMENT OF EDUCATION</b>					<b>11,914,256</b>		<b>2,565,087</b>	<b>(44,845)</b>	<b>3,291,407</b>	<b>3,291,407</b>	<b>681,475</b>	<b>0</b>
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>												
<b>Passed Through State Department of Human Services</b>												
Medical Assistance - Access Administration - 2022/2023	(I)		93.778	NONE	26,957	7-1-22 / 6-30-23	12,402	12,402	0	0	0	0
Medical Assistance - Access Administration - 2023/2024	(I)		93.778	NONE	7,784	7-1-23 / 6-30-24	3,188	0	7,783	7,783	4,595	0
<b>TOTAL DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>					<b>34,741</b>		<b>15,590</b>	<b>12,402</b>	<b>7,783</b>	<b>7,783</b>	<b>4,595</b>	<b>0</b>
<b>FEDERAL COMMUNICATIONS COMMISSION</b>												
<b>Passed Through Universal Service Administrative Co.</b>												
Emergency Connectivity Fund	(I)		32.009	ECF2290013110	924,844	7-1-22 / 12-31-2023	924,844	924,844	0	0	0	0
<b>TOTAL FEDERAL COMMUNICATIONS COMMISSION</b>					<b>924,844</b>		<b>924,844</b>	<b>924,844</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>												
<b>Passed Through State Department of Education:</b>												
National School Lunch - 2023-2024	(I)	(CN)	10.555	129-54-610-03	1,023,579	7-1-23 / 6-30-24	1,023,579	0	1,023,579	1,023,579	0	0
National School Lunch - 2023-2024	(S)		N/A	129-54-610-03	40,913	7-1-23 / 6-30-24	40,913	0	40,913	40,913	0	0
Regular/Severe Need Breakfast - 2023-2024	(I)	(CN)	10.553	129-54-610-03	297,002	7-1-23 / 6-30-24	297,002	0	297,002	297,002	0	0
Regular/Severe Need Breakfast - 2023-2024	(S)		N/A	129-54-610-03	12,861	7-1-23 / 6-30-24	12,861	0	12,861	12,861	0	0
State Breakfast Initiative - 2023-2024	(S)		N/A	129-54-610-03	56,854	7-1-23 / 6-30-24	56,854	0	56,854	56,854	0	0
Supply Chain Assistance 2023-2024	(I)	(CN)	10.555	129-54-610-03	60,349	7-1-23 / 6-30-24	60,349	0	60,349	60,349	0	0
P-EBT Local Admin Funds - 2023 - 2024	(I)		10.649	129-54-610-03	5,763	7-1-23 / 6-30-24	5,763	0	5,763	5,763	0	0
Summer Food Program 2022-2023	(I)	(CN)	10.559	129-54-610-03	26,769	7-1-22 / 6-30-23	12,373	12,373	0	0	0	0
Summer Food Program 2023-2024	(I)	(CN)	10.559	129-54-610-03	17,949	7-1-23 / 6-30-24	17,949	0	17,949	17,949	0	0
<b>Passed Through State Department of Agriculture:</b>												
National School Lunch (Commodities)	(I)	(CN)	10.555	2-07-54-610	115,317	7-1-23 / 6-30-24	(A) 124,817	(B) (29,133)	(C) 116,469	(D) 116,469	(37,481)	0
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>					<b>1,657,356</b>		<b>1,652,460</b>	<b>(16,760)</b>	<b>1,631,739</b>	<b>1,631,729</b>	<b>(37,481)</b>	<b>0</b>
<b>SUB-TOTAL</b>					<b>14,531,197</b>		<b>5,157,981</b>	<b>875,641</b>	<b>4,930,929</b>	<b>4,930,919</b>	<b>648,589</b>	<b>0</b>
<b>STATE AWARD EXPENDITURES</b>					<b>110,628</b>		<b>110,628</b>	<b>0</b>	<b>110,628</b>	<b>110,618</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>					<b>\$ 14,420,569</b>		<b>\$ 5,047,353</b>	<b>\$ 875,641</b>	<b>\$ 4,820,301</b>	<b>\$ 4,820,301</b>	<b>\$ 648,589</b>	<b>\$ 0</b>

**Source Code Legend:**

- (D) Indicates direct federal financial assistance funding.
- (I) Indicates indirect federal financial assistance funding.
- (S) Indicates State matching funding.
- (CV) Indicates Coronavirus Funding

**Federal Cluster Code Legend:**

- (SE) Indicates Special Education Cluster
- (CN) Indicates Child Nutrition Cluster

**Other Code Legend:**

- (A) Indicates value of USDA commodities received in current year.
- (B) Indicates beginning inventory value of USDA commodities.
- (C) Indicates value of USDA commodities used in current year.
- (D) Indicates ending inventory value of USDA commodities.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:**

The accompanying Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

**NOTE 2 - COMMODITIES:**

The beginning and ending deferred income figures listed represent the beginning and ending commodities inventories in the Cafeteria Fund. These commodities are received through the State from the U.S. Department of Agriculture. The commodities are valued at amounts assigned to the various items by the U.S. Department of Agriculture when the commodities are offered.

**NOTE 3 – INDIRECT COSTS:**

The District did not charge any indirect costs to any of the federal grants and programs during this fiscal year. Consequently, the District did not use the 10% de minimis cost rate.

**NOTE 4 - CLUSTER PROGRAMS:**

The following CFDA's have been deemed a cluster of programs by the Office of Management and Budget and, therefore, are treated as one program in determining the major programs to be audited.

Child Nutrition Cluster		Special Education Cluster (IDEA)	
CFDA #	Expenditures	CFDA #	Expenditures
10.553	\$ 297,002	84.027	\$ 496,164
10.555	1,200,397	84.173	15,057
10.559	17,949	<b>Total</b>	<b>\$ 511,221</b>
<b>Total</b>	<b>\$ 1,515,348</b>		

**NOTE 5 - MEDICAL ASSISTANCE:**

Access reimbursements when received under CFDA #93.778 Revenue Code 8810 are classified as fee-for-service revenues and are not recognized as federal awards for the purpose of the Schedule of Expenditures of Federal Awards.

**REQUIRED  
SUPPLEMENTAL INFORMATION**

**POTTSVILLE AREA SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**FOR THE YEAR ENDED 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	June 30, 2014
<b>DISTRICT'S PROPORTION OF THE NET PENSION LIABILITY (ASSET)</b>	10.6000%	10.5700%	10.5000%	11.9900%	0.1243%	0.1271%	0.1418%	0.1484%	0.1439%	0.1433%
<b>DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)</b>	\$ 47,156,000	\$ 46,993,000	\$ 43,110,000	\$ 59,038,000	\$ 58,151,000	\$ 61,014,000	\$ 70,033,000	\$ 73,542,000	\$ 62,330,000	\$ 56,719,000
<b>DISTRICT'S COVERED-EMPLOYEE PAYROLL</b>	\$ 16,212,111	\$ 15,494,589	\$ 14,850,907	\$ 16,818,058	\$ 17,144,138	\$ 17,118,499	\$ 18,879,859	\$ 19,215,689	\$ 18,520,530	\$ 18,285,304
<b>DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL</b>	290.87%	303.29%	290.29%	351.04%	339.19%	356.42%	370.94%	382.72%	336.55%	310.19%
<b>PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY</b>	61.34%	61.34%	63.67%	54.32%	55.56%	54.00%	51.84%	50.14%	54.40%	52.24%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.



**POTTSVILLE AREA SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**FOR THE YEAR ENDED 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	June 30, 2014
<b>CONTRACTUALLY REQUIRED CONTRIBUTION</b>	\$ 5,549,906	\$ 5,268,063	\$ 4,989,526	\$ 5,599,984	\$ 6,237,000	\$ 5,994,000	\$ 5,424,000	\$ 4,721,000	\$ 3,716,000	\$ 3,683,433
<b>CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION</b>	(5,549,906)	(5,268,063)	(4,989,526)	(5,599,984)	(6,237,000)	(5,994,000)	(5,424,000)	(4,721,000)	(3,716,000)	(3,683,433)
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>DISTRICT'S COVERED-EMPLOYEE PAYROLL</b>	\$ 16,212,111	\$ 15,494,589	\$ 14,850,907	\$ 16,818,058	\$ 17,144,138	\$ 17,118,499	\$ 18,879,859	\$ 19,215,689	\$ 18,520,530	\$ 18,285,304
<b>CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL</b>	34.23%	34.00%	33.60%	33.30%	36.38%	35.01%	28.73%	24.57%	20.06%	20.14%

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**POTTSVILLE AREA SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET OPEB- PSERS LIABILITY**  
**FOR THE YEAR ENDED 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
<b>DISTRICT'S PROPORTION OF THE NET OPEB- PSERS LIABILITY (ASSET)</b>								
<b>DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB - PSERS LIABILITY (ASSET)</b>	\$ 1,914,000	\$ 1,940,000	\$ 2,483,000	\$ 2,589,000	\$ 2,644,000	\$ 2,650,000	\$ 2,889,000	\$ 3,197,000
<b>DISTRICT'S COVERED-EMPLOYEE PAYROLL</b>	\$ 16,212,111	\$ 15,494,589	\$ 14,850,907	\$ 16,818,058	\$ 17,144,138	\$ 17,118,499	\$ 18,879,859	\$ 19,215,689
<b>DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB - PSERS LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL</b>	11.8060%	12.5205%	16.7195%	15.3942%	15.4222%	15.4803%	15.3020%	16.6374%
<b>PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB - PSERS LIABILITY</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB-PSERS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>CONTRACTUALLY REQUIRED CONTRIBUTION</b>	\$ 121,000	\$ 123,000	\$ 149,000	\$ 132,000	\$ 120,000	\$ 123,000	\$ 123,000
<b>CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION</b>	<u>121,000</u>	<u>123,000</u>	<u>149,000</u>	<u>132,000</u>	<u>120,000</u>	<u>123,000</u>	<u>123,000</u>
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>DISTRICT'S COVERED-EMPLOYEE PAYROLL</b>	\$ 16,212,111	\$ 15,494,589	\$ 14,850,907	\$ 16,818,058	\$ 17,144,138	\$ 17,118,499	\$ 18,879,859
<b>CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL</b>	0.75%	0.79%	1.00%	0.78%	0.70%	0.72%	0.65%

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**POTTSVILLE AREA SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE DISTRICT NET OPEB LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
<b>DISTRICT'S PROPORTION OF THE NET OPEB LIABILITY (ASSET)</b>								
<b>DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)</b>	\$ 1,237,847	\$ 1,214,727	\$ 1,913,566	\$ 1,928,693	\$ 2,445,739	\$ 2,479,127	\$ 4,982,869	\$ 5,000,000
<b>DISTRICT'S COVERED-EMPLOYEE PAYROLL</b>	\$ 13,372,140	\$ 13,372,140	\$ 13,060,742	\$ 13,060,742	\$ 15,256,433	\$ 15,256,433	\$ 17,181,388	\$ 17,181,388
<b>DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL</b>	9.26%	9.08%	14.65%	14.77%	16.03%	16.25%	29.00%	29.10%
<b>PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

**POTTSVILLE AREA SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB - DISTRICT**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>CONTRACTUALLY REQUIRED CONTRIBUTION</b>	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
<b>CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>DISTRICT'S COVERED-EMPLOYEE PAYROLL</b>	\$ 13,372,140	\$ 13,372,140	\$ 13,060,742	\$ 13,060,742	\$ 15,256,433	\$ 15,256,433	\$ 17,181,388
<b>CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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