GROVE CITY AREA SCHOOL DISTRICT

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

GROVE CITY AREA SCHOOL DISTRICT

MERCER COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

AND

OTHER INFORMATION REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND UNIFORM GUIDANCE

WITH REPORTS OF

CERTIFIED PUBLIC ACCOUNTANT

FOR THE YEAR ENDED
JUNE 30, 2024

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MERCER COUNTY, PENNSYLVANIA
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MERCER COUNTY, PENNSYLVANIA
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Mark C. Turnley

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To the Board of Education
Grove City Area School District
Grove City, Pennsylvania

Independent Auditor's Report

Opinions

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Grove City Area School District, Mercer County, Pennsylvania as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Grove City Area School District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Grove City Area School District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Grove City Area School District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Grove City 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 Responsibilities for the Audit of the Financial Statements

My 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 my 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, I:

- 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 Grove City 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Grove City Area School District's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

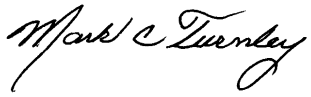
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iv-xiii and the other required supplementary information on pages 48-55 be presented to supplement the basic financial statements. Such information is the responsibility 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grove City Area School District's basic financial statements. The accompanying supplementary information – schedule of expenditures of federal awards on page 61 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 19, 2024 on my consideration of the Grove City Area School District's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Grove City Area School District's internal control over financial reporting and compliance.



Mark C. Turnley, CPA

December 19, 2024
New Brighton, Pennsylvania

The discussion and analysis of Grove City Area School District's financial performance provides an overall review of the School District's financial activities for the 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 financial statements and notes to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2024 are as follows:

- The District's total governmental activities net position as of June 30, 2024 was a deficit of $13,181,118. Business-type activities net position was a deficit of $141,321. This was a total increase in net position of $543,777 over June 30, 2023. This increase was mainly the result of the District's required implementation of GASB 75 'Accounting and Financial Reporting for Postemployment Benefits other than Pensions' which started with the June 30, 2018 fiscal year and GASB 68 'Accounting and Financial Reporting for Pensions' which started with the June 30, 2015 fiscal year. The District is now required to recognize a liability for their post-employment healthcare plan, to recognize a liability for their proportionate share of the Pennsylvania School Employees Retirement System (PSERS) overall net healthcare obligation, and to recognize their proportionate share of the Pennsylvania School Employees Retirement System (PSERS) overall net pension obligation. For the Grove Area School District, these liabilities are as follows as of June 30, 2024: $8,841,000, $2,094,260, and $51,748,900, respectively for the governmental activities and $0, $42,740, and $1,056,100, respectively for the business-type activities, which is a net decrease of $2,949,000. (Exhibit A).

- Net position increased in total by $543,777. Net position of the governmental activities increased by $415,539 and net position in business-type activities increased by $128,238. (Exhibit B).

- Total governmental activities revenues were $40,665,449. General revenues accounted for $25,948,907 or 64% of all revenues. Program specific revenues in the form of charges for services and grants accounted for $14,716,542 or 36% of total revenues. (Exhibit B).

- The School District had $40,249,910 in expenses related to governmental activities; $14,716,542 of these expenses were offset by program specific charges for services and grants. General revenue (primarily taxes and basic subsidy) of $25,948,907 covered a majority of the remaining net cost of program expenses. (Exhibit B).

- At the end of the current fiscal year, unassigned fund balance of the General Fund was $3,071,823.

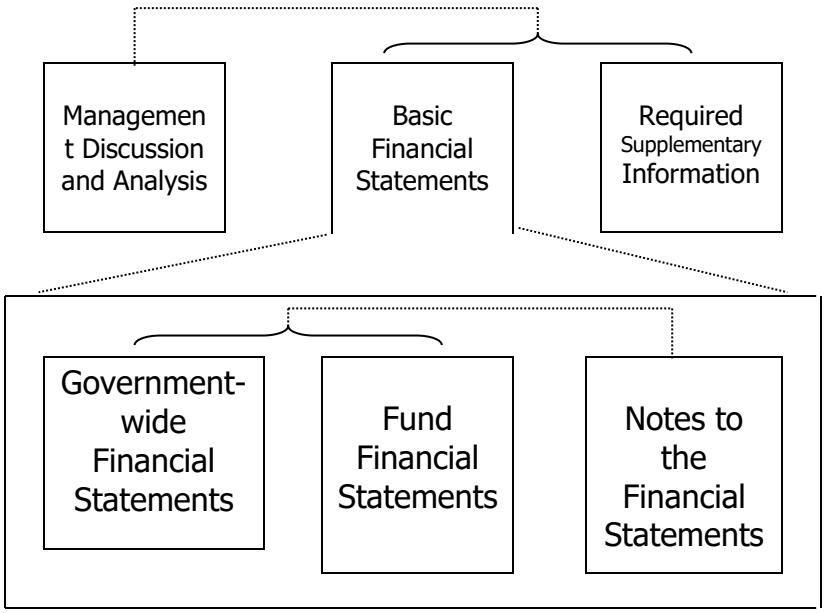
USING THE ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Grove City Area School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and longer-term view of these finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds. In the case of Grove City Area School District, the general fund is by far the most significant fund.

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
Grove City Area School District's
Financial Report



USING THE ANNUAL REPORT (Continued)

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.

Figure A-2
Major Features of Grove City Area School District's
Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
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 – Activity Funds
Required financial statements	Statement of net position Statement of activities	Balance Sheet Statement of revenues, expenditures, and changes in fund balance	Statement of net position Statement of revenues, expenses and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of 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

REPORTING THE SCHOOL DISTRICT AS A WHOLE

Governmental-Wide Financial Statements

Statement of Net Position and the Statement of Activities

While this document contains a majority of the funds (excludes fiduciary funds) used by the School District to provide programs and activities, the view of the School District as a whole, looks at all financial transactions and asks the questions, "How did we do financially during 2023-2024"? The Statement of Net Position and the Statement of Activities answer the question. These statements include all assets and liabilities using the accrual basis of accounting which is similar to the accounting used by most public companies. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. The change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, student enrollment, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District financial information is divided into two distinct kinds of activities:

Governmental Activities – Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover the expenses of the goods or services provided. The School District Food Service Fund is reported as a business activity.

These Governmental-Wide Financial Statements can be found on pages 1-2 of this report.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the School District's major funds begins on page 3. Fund financial reports provide detailed information about the School District's major funds. The School District uses three funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental fund is the General Fund.

Governmental Funds – Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds 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 funds statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements on page 4 and page 6, respectively.

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these fund financial statements will essentially match the government-wide financial statements.

Fiduciary Funds – 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. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position on Pages 11 and 12.

THE SCHOOL DISTRICT AS A WHOLE

The District's total net position increased $543,777 from the previous fiscal year-end. A comparative breakdown of the assets, deferred outflows, liabilities, deferred inflows and net position of the District for the past two fiscal years is as follows:

THE SCHOOL DISTRICT AS A WHOLE (Continued)

Table A-1
Fiscal Year ended June 30, 2024 and 2023
Net Position

	JUNE 30, 2024			JUNE 30, 2023
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	TOTAL
Current Assets	$ 27,661,690	$ 554,680	$ 28,216,370	$ 23,553,775
Capital Assets	63,622,449	366,884	63,989,333	61,995,083
Deferred Outflows of Resources	9,397,398	169,110	9,566,508	9,685,457
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 100,681,537**	**$ 1,090,674**	**$ 101,772,211**	**$ 95,234,315**
Current Liabilities	$ 7,091,908	$ 22,358	$ 7,114,266	$ 7,101,774
Long-term Liabilities	99,608,267	1,128,117	100,736,384	94,846,757
Deferred Inflows of Resources	7,162,480	81,520	7,244,000	7,152,000
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$ 113,862,655**	**$ 1,231,995**	**$ 115,094,650**	**$ 109,100,531**
Net Investment in Capital Assets	$ 25,959,437	$ 366,884	$ 26,326,321	$ 33,536,667
Restricted	6,063,606	-	6,063,606	5,885,330
Unrestricted (Deficit)	(45,204,161)	(508,205)	(45,712,366)	(53,288,213)
TOTAL NET POSITION (Deficit)	**$ (13,181,118)**	**$ (141,321)**	**$ (13,322,439)**	**$ (13,866,216)**

The increase in current assets is due to an increase in cash related to proceeds from General Obligation Bonds, Series of 2023. The increase in capital assets is due to capital outlays exceeding depreciation expense. The increase in long-term liabilities is due to the issuance of General Obligation Bonds, Series of 2023 totaling $9,745,000. The change in deferred outflows and inflows of resources along with the decrease in the District's net position is primarily attributed to the aforementioned implementation at June 30, 2015 of GASB 68 and June 30, 2018 of GASB 75.

The results of this year's operations as a whole are reported in the Statement of Activities on Page 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the 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.

Table A-2 takes the information from the Statement of Activities, rearranges it slightly, so you can see our total revenues, expenses, and change to the net position for the past two fiscal years.

THE SCHOOL DISTRICT AS A WHOLE (Continued)

Table A-2
Fiscal Year ended June 30, 2024 and June 30, 2023
Changes in Net Position

	JUNE 30, 2024			JUNE 30, 2023
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	TOTAL
REVENUES				
Program Revenues:				
Charges for Services	$ 4,383,587	$ 367,464	$ 4,751,051	$ 6,043,682
Grants and Contributions	10,332,955	804,341	11,137,296	15,202,949
General Revenues:				
Property Taxes	12,303,580	-	12,303,580	11,604,281
Other Taxes	2,464,827	-	2,464,827	2,378,631
Grants, Subsidies and Contributions	9,744,143	-	9,744,143	9,411,437
Other	1,436,357	32,904	1,469,261	753,909
TOTAL REVENUES	**$ 40,665,449**	**$ 1,204,709**	**$ 41,870,158**	**$ 45,394,889**
EXPENSES				
Instruction	$ 25,457,381	$ -	$ 25,457,381	$ 25,461,042
Instructional Student Support	3,604,068	-	3,604,068	3,488,297
Administrative and Financial Support	3,531,315	-	3,531,315	3,083,441
Operation and Maintenance of Plant	2,994,175	-	2,994,175	3,035,596
Pupil Transportation	2,328,173	-	2,328,173	2,340,530
Student Activities	1,083,145	-	1,083,145	1,008,800
Community Services	9,458	-	9,458	11,965
Interest on Long Term Debt	1,242,195	-	1,242,195	900,223
Food Services	-	1,076,471	1,076,471	983,834
TOTAL EXPENSES	**$ 40,249,910**	**$ 1,076,471**	**$ 41,326,381**	**$ 40,313,728**
CHANGE IN NET POSITION	**$ 415,539**	**$ 128,238**	**$ 543,777**	**$ 5,081,161**

Total revenues decreased by $3,532,732 primarily due to State PlanCon reimbursements for building projects in 22-23 totaling $3,187,150 as opposed to $280,381 in 23-24. Expenses increased by $1,012,653 (2.5%), from 2022-2023 to 2023-2024 as a result of various expense categories increasing.

THE SCHOOL DISTRICT AS A WHOLE (Continued)

Table A-3 shows the District's seven largest functions - instructional programs, instructional student support, administrative, operation and maintenance of plant, pupil transportation, student activities, long-term debt, as well as each program's net cost (total cost less revenues generated by the activities) for the past two fiscal years. This table also shows the net costs offset by the other unrestricted grants, subsides, and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues.

Table A-3
Fiscal Year ended June 30, 2024 and June 30, 2023
Governmental Activities

	JUNE 30, 2024		JUNE 30, 2023	
	TOTAL COST OF SERVICE	NET COST OF SERVICE	TOTAL COST OF SERVICE	NET COST OF SERVICE
EXPENSES				
Instruction	$ 25,457,381	$ 13,484,677	$ 25,461,042	$ 11,454,493
Instructional Student Support	3,604,068	3,095,002	3,488,297	2,160,494
Administrative and Financial Support	3,531,315	3,130,390	3,083,441	2,694,049
Operation and Maintenance of Plant	2,994,175	2,490,622	3,035,596	2,645,645
Pupil Transportation	2,328,173	1,437,425	2,340,530	1,668,137
Student Activities	1,083,145	923,980	1,008,800	852,262
Community Services	9,458	9,458	11,965	11,965
Interest on Long-term Debt	1,242,195	961,814	900,223	(2,286,927)
TOTAL EXPENSES	**$ 40,249,910**	**$ 25,533,368**	**$ 39,329,894**	**$ 19,200,118**
Less:				
Unrestricted Grants, Subsidies		9,112,021		8,778,434
TOTAL NEEDS FROM LOCAL TAXES AND OTHER REVENUES		**$ 16,421,347**		**$ 10,421,684**

Table A-4 reflects the activities of the Food Service program, the only Business-type activity of the District.

Table A-4
Fiscal Year ended June 30, 2024 and June 30, 2023
Business-Type Activities

	JUNE 30, 2024		JUNE 30, 2023	
	TOTAL COST OF SERVICE	NET COST OF SERVICE	TOTAL COST OF SERVICE	NET COST OF SERVICE
EXPENSES				
Food Service	$ 1,076,471	$ 95,334	$ 983,834	$ 133,021
Investment Earnings		32,904		24,903
TOTAL BUSINESS-TYPE ACTIVITIES CHANGE IN NET POSITION		**$ 128,238**		**$ 157,924**

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues

Total General Fund Revenues exceeded budget by $107,418.

Local revenues in total yielded a surplus of $79,355 over budget and significant budget variances are as follows:

- Real Estate Tax Revenue was under budget by $367,532, primarily due to a tax assessment appeal with the Grove City Factory Shops.

-Earned Income Tax Revenue was over budget by $150,745 due to continued growth in the District and the overall increasing wage environment.

-Investment revenue was over budget by $376,087 due to rising interest rates.

State revenues were $145,268 over budget in total primarily due to an increase in the Transportation Subsidy as a result of the new transportation contract that was effective July 1, 2022 and increased transportation expenditures.

Federal Revenues were $117,205 under budget due primarily to a decrease in Title I funding.

Expenditures

Total General Fund Expenditures were under budget by $1,609,720.

The budget variances in Exhibit G are the result of budgetary transfers approved by the Board throughout the school year. The Budgetary Reserve was established for emergency purposes, most of the Budgetary Reserve was still available as of the end of the year.

Regular salaries were under budget by $285,210 and employee benefits were under budget by $191,466. These were both due to retirements and resignations that were either determined to no longer be needed or were filled with entry level employees that had lower salary and benefit costs.

Summer school and tutoring payroll expenses were over budget by $147,030. These expenditures were funded by the remaining ESSER federal stimulus dollars from COVID.

Transportation expenditures were $142,711 under budget primarily due to the elimination of two out of district placement routes.

Interest on debt was $250,680 over budget due to the 2023 bond issuance that was unknown when the budget was adopted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the District had $63,989,333 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents an increase (including additions, deletions, and depreciation) of $1,994,250 or 3.2% from the prior year.

Debt Administration

As of July 1, 2023, the District had total outstanding bond principal of $28,215,000 on its General Obligation Bond Issues and $1,209,620 on the Mercer County Career Center General Obligation Note – Series 2014.

At June 30, 2024 the District had total outstanding debt of $37,190,000 on its various bond issues. The District's outstanding balance on the MCCC School Building Revenue Bonds at June 30, 2024 was $1,051,589. The Statement of Net Position reflects bonds payable at $37,663,012, which includes an un-accreted bond premium of $473,012. The District's portion of the outstanding balance due to the Mercer County Career Center is not reflected in the Statement of Net Position as the related assets purchased with the bond proceeds are not the property of the Grove City Area School District.

Other long-term obligations include the net pension liability, accrued vacation pay and sick leave for specific employees of the District, as well as retiree health insurance obligations. More detailed information about our long-term liabilities is included in Notes 10, 12 and 13 to the financial statements.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

The 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 School District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact the Grove City Area School District Business Office at 511 Highland Avenue, Grove City, PA 16127, 724-458-7993.

GROVE CITY AREA SCHOOL DISTRICT **EXHIBIT A**
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 21,977,215	$ 520,186	$ 22,497,401
Internal Balances	4,182	(4,182)	-
Taxes Receivable (Net)	1,166,863	-	1,166,863
Due From Other Governments	2,598,808	6,014	2,604,822
Tuition Receivable (Net)	1,796,243	-	1,796,243
Inventories	-	22,663	22,663
Accrued Interest	118,379	-	118,379
Other Accounts Receivable	-	6,242	6,242
Prepaid Expenses	-	3,757	3,757
Total Current Assets	**$ 27,661,690**	**$ 554,680**	**$ 28,216,370**
Noncurrent Assets:			
Land (Non-Depreciable)	$ 50,000	$ -	$ 50,000
Work in Progress (Non-Depreciable)	1,656,381	-	1,656,381
Site Improvements (Net)	1,373,117	-	1,373,117
Building & Building Improvements (Net)	59,463,982	-	59,463,982
Furniture & Equipment (Net)	1,078,969	366,884	1,445,853
Total Noncurrent Assets	**$ 63,622,449**	**$ 366,884**	**$ 63,989,333**
TOTAL ASSETS	**$ 91,284,139**	**$ 921,564**	**$ 92,205,703**
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows Related to Pension	$ 7,969,849	$ 162,650	$ 8,132,499
Deferred Outflows Related to OPEB	1,427,549	6,460	1,434,009
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ 9,397,398**	**$ 169,110**	**$ 9,566,508**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 100,681,537**	**$ 1,090,674**	**$ 101,772,211**
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 372,822	$ -	$ 372,822
Bonds Payable - Current Portion	1,135,000	-	1,135,000
Accrued Interest Payable	420,828	-	420,828
Accrued Salaries and Benefits	4,756,071	-	4,756,071
Unearned Revenue	18,433	22,358	40,791
Other Current Liabilities	388,754	-	388,754
Total Current Liabilities	**$ 7,091,908**	**$ 22,358**	**$ 7,114,266**
Noncurrent Liabilities:			
Compensated Absences	$ 396,095	$ 29,277	$ 425,372
Net Pension Liability	51,748,900	1,056,100	52,805,000
Net OPEB Liability	10,935,260	42,740	10,978,000
Bonds Payable - Long-Term Portion (Net)	36,528,012	-	36,528,012
Total Noncurrent Liabilities	**$ 99,608,267**	**$ 1,128,117**	**$ 100,736,384**
TOTAL LIABILITIES	**$ 106,700,175**	**$ 1,150,475**	**$ 107,850,650**
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pension	$ 3,388,840	$ 69,160	$ 3,458,000
Deferred Inflows Related to OPEB	3,773,640	12,360	3,786,000
TOTAL DEFERRED INFLOWS OF RESOURCES	**$ 7,162,480**	**$ 81,520**	**$ 7,244,000**
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$ 113,862,655**	**$ 1,231,995**	**$ 115,094,650**
NET POSITION			
Net Investment in Capital Assets	$ 25,959,437	$ 366,884	$ 26,326,321
Restricted for Capital Projects	6,063,606	-	6,063,606
Unrestricted (Deficit)	(45,204,161)	(508,205)	(45,712,366)
TOTAL NET POSITION (Deficit)	**$ (13,181,118)**	**$ (141,321)**	**$ (13,322,439)**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	**$ 100,681,537**	**$ 1,090,674**	**$ 101,772,211**

The accompanying notes are an integral part of these financial statements

EXHIBIT B

GROVE CITY AREA SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:							
Instruction	$ 25,457,381	$ 4,326,147	$ 7,646,557	$ -	$ (13,484,677)		$ (13,484,677)
Instructional Student Support	3,604,068	-	509,066	-	(3,095,002)		(3,095,002)
Administrative and Financial Support Services	3,531,315	-	400,925	-	(3,130,390)		(3,130,390)
Operation and Maintenance of Plant Services	2,994,175	10,629	492,924	-	(2,490,622)		(2,490,622)
Pupil Transportation	2,328,173	-	890,748	-	(1,437,425)		(1,437,425)
Student Activities	1,083,145	46,811	112,354	-	(923,980)		(923,980)
Community Services	9,458	-	-	-	(9,458)		(9,458)
Interest on Long Term Debt	1,242,195	-	-	280,381	(961,814)		(961,814)
Total Governmental Activities	**$ 40,249,910**	**$ 4,383,587**	**$ 10,052,574**	**$ 280,381**	**$ (25,533,368)**		**$ (25,533,368)**
Business-Type Activities:							
Food Service	$ 1,076,471	$ 367,464	$ 804,341	$ -	$ -	$ 95,334	$ 95,334
Total Business-Type Activities	**$ 1,076,471**	**$ 367,464**	**$ 804,341**	**$ -**	**$ -**	**$ 95,334**	**$ 95,334**
Total Primary Government	**$ 41,326,381**	**$ 4,751,051**	**$ 10,856,915**	**$ 280,381**	**$ (25,533,368)**	**$ 95,334**	**$ (25,438,034)**
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes (net)					$ 12,303,580	$ -	$ 12,303,580
Taxes Levied for Specific Purposes					2,464,827	-	2,464,827
Property Tax Relief Payment					632,122	-	632,122
Basic Subsidy					9,112,021	-	9,112,021
Investment Earnings					1,363,651	32,904	1,396,555
Miscellaneous Income					72,706	-	72,706
Total General Revenues					**$ 25,948,907**	**$ 32,904**	**$ 25,981,811**
Change in Net Position					**$ 415,539**	**$ 128,238**	**$ 543,777**
Net Position - July 1, 2023 (Deficit)					(13,596,657)	(269,559)	(13,866,216)
Net Position - June 30, 2024 (Deficit)					**$ (13,181,118)**	**$ (141,321)**	**$ (13,322,439)**

The accompanying notes are an integral part of these financial statements

GROVE CITY AREA SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

EXHIBIT C

	GENERAL FUND	CAPITAL RESERVE FUND	CAPITAL PROJECTS FUND	TOTAL
ASSETS:				
Cash and Cash Equivalents	$ 9,705,901	$ 6,059,230	$ 6,212,084	$ 21,977,215
Due From Other Funds	4,182	-	-	4,182
Taxes Receivable, net	1,166,863	-	-	1,166,863
Due From Other Governments	2,598,808	-	-	2,598,808
Tuition Receivable (Net)	1,796,243	-	-	1,796,243
Accrued Interest	114,003	4,376	-	118,379
TOTAL ASSETS	**$ 15,386,000**	**$ 6,063,606**	**$ 6,212,084**	**$ 27,661,690**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	$ 372,822	$ -	$ -	$ 372,822
Accrued Salaries and Benefits	4,756,071	-	-	4,756,071
Unearned Revenue	18,433	-	-	18,433
Other Current Liabilities	388,754			388,754
TOTAL LIABILITIES	**$ 5,536,080**	**$ -**	**$ -**	**$ 5,536,080**
DEFERRED INFLOWS OF RESOURCES:				
Delinquent Real Estate Taxes	$ 629,256	$ -	$ -	$ 629,256
TOTAL DEFERRED INFLOWS OF RESOURCES	**$ 629,256**	**$ -**	**$ -**	**$ 629,256**
FUND BALANCES:				
Assigned	$ 6,148,841	$ -	$ 6,212,084	$ 12,360,925
Restricted	-	6,063,606	-	6,063,606
Unassigned	3,071,823	-	-	3,071,823
TOTAL FUND BALANCES	**$ 9,220,664**	**$ 6,063,606**	**$ 6,212,084**	**$ 21,496,354**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 15,386,000**	**$ 6,063,606**	**$ 6,212,084**	**$ 27,661,690**

The accompanying notes are an integral part of these financial statements

GROVE CITY AREA SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balances - Governmental Funds		**$ 21,496,354**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds. The cost of assets is $105,752,508, and the accumulated depreciation is $42,130,059.		63,622,449
Property and wage taxes receivable in the statement of net position, which will not be available soon enough to pay for the current period's expenditures, are deferred and not recognized as revenue in governmental funds.		629,256
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions		7,969,849
Deferred outflows of resources related to OPEB		1,427,549
Deferred inflows of resources related to pensions		(3,388,840)
Deferred inflows of resources related to OPEB		(3,773,640)
Long term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:		
Bonds Payable, Net	$ 37,663,012	
Net Pension Liability	51,748,900	
Net OPEB Liability	10,935,260	
Accrued Interest Payable	420,828	
Compensated Absences	396,095	
		(101,164,095)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (Deficit)		**$ (13,181,118)**

The accompanying notes are an integral part of these financial statements

EXHIBIT E

GROVE CITY AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL FUND	CAPITAL RESERVE FUND	CAPITAL PROJECTS FUND	TOTAL
REVENUES				
Local Sources	$ 20,249,062	$ 335,059	$ 402,505	$ 20,986,626
State Sources	17,424,107	-	-	17,424,107
Federal Sources	2,196,961	-	-	2,196,961
Total Revenue	**$ 39,870,130**	**$ 335,059**	**$ 402,505**	**$ 40,607,694**
EXPENDITURES				
Instruction	$ 25,621,426	$ -	$ -	$ 25,621,426
Support Services	12,397,548	-	240,083	12,637,631
Noninstructional Services	1,098,327	-	-	1,098,327
Capital Outlay	-	156,783	3,948,228	4,105,011
Debt Service	1,911,414	-	-	1,911,414
Total Expenditures	**$ 41,028,715**	**$ 156,783**	**$ 4,188,311**	**$ 45,373,809**
Excess (Deficiency) of Revenue over Expenditures	**$ (1,158,585)**	**$ 178,276**	**$ (3,785,806)**	**$ (4,766,115)**
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	$ -	$ -	$ 9,745,000	$ 9,745,000
Original Issue Premium	-	-	252,732	252,732
Total Other Financing Sources (Uses)	**$ -**	**$ -**	**$ 9,997,732**	**$ 9,997,732**
NET CHANGE IN FUND BALANCES	**$ (1,158,585)**	**$ 178,276**	**$ 6,211,926**	**$ 5,231,617**
FUND BALANCE - JULY 1, 2023	10,379,249	5,885,330	158	16,264,737
FUND BALANCE - JUNE 30, 2024	**$ 9,220,664**	**$ 6,063,606**	**$ 6,212,084**	**$ 21,496,354**

The accompanying notes are an integral part of these financial statements

GROVE CITY AREA SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	**$**	**5,231,617**
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays ($4,248,843) exceeded depreciation expense ($2,489,534).		1,759,309
Deferred interest on bond refunding is recognized in the government-wide financial statements when bonds are refunded and amortized over the life of the bond issue as interest expense.		-
Govermental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		2,145,338
Bond premiums are reported in governmental funds as revenues. However, in the statement of activities, this amount is capitalized and is accreted over the life of the bond issue as interest expense.		(229,596)
Repayment of bonds payable & capital leases are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		770,000
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus required the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(123,917)
Proceeds from long-term debt obligations are recorded as revenues in the governmental funds. However, in the statement of net position, these proceeds and related bond issue costs are recognized as long-term liabilities and contra-liabilities.		(9,745,000)
Because certain property and wage taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount this year.		57,756
In the statement of activities, certain operating expenses - compensated absences and retiree health benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid). This is the amount by which the amount paid for compensated absences and retiree health benefits exceeded benefits earned.		550,032
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	**$**	**415,539**

The accompanying notes are an integral part of these financial statements

GROVE CITY AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL
GOVERNMENTAL FUNDS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
REVENUES				
Local Sources	$ 20,169,707	$ 20,169,707	$ 20,249,062	$ 79,355
State Sources	17,278,839	17,278,839	17,424,107	145,268
Federal Sources	2,314,166	2,314,166	2,196,961	(117,205)
Total Revenues	**$ 39,762,712**	**$ 39,762,712**	**$ 39,870,130**	**$ 107,418**
EXPENDITURES				
Regular Programs	$ 17,206,206	$ 16,853,106	$ 16,792,530	$ 60,576
Special Programs	6,089,788	7,163,228	7,117,696	45,532
Vocational Programs	1,431,944	1,465,805	1,453,731	12,074
Other Instructional Programs	32,483	259,232	257,469	1,763
Pupil Personnel Services	1,788,521	1,757,661	1,736,297	21,364
Instructional Staff Services	1,101,719	1,099,878	1,077,959	21,919
Administrative Services	2,614,474	2,604,646	2,571,551	33,095
Pupil Health	784,132	811,067	807,710	3,357
Business Services	479,712	483,589	477,163	6,426
Operation & Maintenance of Plant Services	3,388,227	3,214,202	3,135,677	78,525
Student Transportation Services	2,427,401	2,352,750	2,328,557	24,193
Support Services Central	240,671	240,671	239,361	1,310
Other Support Services	27,000	27,000	23,273	3,727
Student Activities	1,143,895	1,127,755	1,088,869	38,886
Community Services	21,528	16,528	9,458	7,070
Debt Service (Principal & Interest)	1,660,734	1,911,414	1,911,414	-
Total Expenditures	**$ 40,438,435**	**$ 41,388,532**	**$ 41,028,715**	**$ 359,817**
Excess (Deficiency) of Revenues over Expenditures	**$ (675,723)**	**$ (1,625,820)**	**$ (1,158,585)**	**$ 467,235**
OTHER FINANCING SOURCES (USES)				
Budgetary Reserve	$ (2,200,000)	$ (1,249,903)	$ -	$ 1,249,903
Total Other Financing Sources (Uses)	**$ (2,200,000)**	**$ (1,249,903)**	**$ -**	**$ 1,249,903**
NET CHANGE IN FUND BALANCES	**$ (2,875,723)**	**$ (2,875,723)**	**$ (1,158,585)**	**$ 1,717,138**
FUND BALANCE - JULY 1, 2023	8,183,951	8,183,951	10,379,249	2,195,298
FUND BALANCE - JUNE 30, 2024	**$ 5,308,228**	**$ 5,308,228**	**$ 9,220,664**	**$ 3,912,436**

The accompanying notes are an integral part of these financial statements

GROVE CITY AREA SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2024

	FOOD SERVICES
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 520,186
Due From Other Governments	6,014
Inventories	22,663
Prepaid Expense	3,757
Other Accounts Receivable	6,242
TOTAL CURRENT ASSETS	**$ 558,862**
Noncurrent Assets:	
Furniture and Equipment (net)	$ 366,884
TOTAL NONCURRENT ASSETS	**$ 366,884**
TOTAL ASSETS	**$ 925,746**
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows Related to Pension	$ 162,650
Deferred Outflows Related to OPEB	6,460
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ 169,110**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 1,094,856**
LIABILITIES	
Current Liabilities:	
Unearned Revenue	$ 22,358
Due to Other Funds	4,182
TOTAL CURRENT LIABILITIES	**$ 26,540**
Noncurrent Liabilities:	
Compensated Absences	$ 29,277
Net Pension Liability	1,056,100
Net OPEB Liability	42,740
TOTAL NONCURRENT LIABILITIES	**$ 1,128,117**
TOTAL LIABILITIES	**$ 1,154,657**
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflows Related to Pension	$ 69,160
Deferred Inflows Related to OPEB	12,360
TOTAL DEFERRED INFLOWS OF RESOURCES	**$ 81,520**
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$ 1,236,177**
NET POSITION	
Net Investment in Capital Assets	$ 366,884
Unrestricted (Deficit)	(508,205)
TOTAL NET POSITION (Deficit)	**$ (141,321)**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$ 1,094,856**

The accompanying notes are an integral part of these financial statements

GROVE CITY AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

		FOOD SERVICES
OPERATING REVENUES		
Food Services Revenue	$	367,464
Total Operating Revenues	**$**	**367,464**
OPERATING EXPENSES		
Salaries	$	290,070
Employee Benefits		170,214
Purchased Prof/Technical Services		1,390
Purchased Property Services		2,530
Other Purchased Services		577
Supplies		589,343
Miscellaneous		241
Depreciation		22,106
Total Operating Expenses	**$**	**1,076,471**
OPERATING INCOME/(LOSS)	**$**	**(709,007)**
NONOPERATING REVENUES (EXPENSES)		
Earnings on investments	$	32,904
State sources		159,880
Federal sources		644,461
Total Nonoperating Revenues (Expenses)	**$**	**837,245**
CHANGE IN NET POSITION	**$**	**128,238**
NET POSITION - JULY 1, 2023 (Deficit)		(269,559)
NET POSITION - JUNE 30, 2024 (Deficit)	**$**	**(141,321)**

The accompanying notes are an integral part of these financial statements

GROVE CITY AREA SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	FOOD SERVICES
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Users	$ 366,480
Cash Payments to Employees for Services	(502,551)
Cash Payments to Suppliers for Goods and Services	(511,088)
Net Cash Provided (Used) by Operating Activities	**$ (647,159)**
CASH FLOWS CAPITAL FINANCING ACTIVITIES	
Capital Purchases	$ (257,047)
Net Cash Provided (Used) by Capital Financing Activities	$ (257,047)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Sources	$ 160,248
Federal Sources	556,037
Net Cash Provided (Used) by Non-Capital Financing Activities	**$ 716,285**
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on Investments	$ 32,904
Net Cash Provided (Used) by Investing Activities	**$ 32,904**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**$ (155,017)**
CASH AND CASH EQUIVALENTS - JULY 1, 2023	675,203
CASH AND CASH EQUIVALENTS - JUNE 30, 2024	**$ 520,186**
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	**$ (709,007)**
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Depreciation	22,106
Donated Commodities	90,937
(Increase) Decrease in Deferred Outflows of Resources	(2,300)
(Increase) Decrease in Accounts Receivable	(2,155)
(Increase) Decrease in Prepaid Expenses	538
(Increase) Decrease in Inventory	(8,479)
Increase (Decrease) in Due to Students	1,169
Increase (Decrease) in Net Pension Liabiity	(56,260)
Increase (Decrease) in Net OPEB Liability	(3,200)
Increase (Decrease) in Deferred Inflows of Resources	16,300
Increase (Decrease) in Due to Other Funds	1,381
Increase (Decrease) in Compensated Absences	1,811
Total Adjustments	**$ 61,848**
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$ (647,159)**

NONCASH NONCAPITAL FINANCING ACTIVITIES:
During the year, the District received $90,937 of food commodities from the U.S. Department of Agriculture

The accompanying notes are an integral part of these financial statements

EXHIBIT K

GROVE CITY AREA SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2024

	STUDENT ACTIVITY CUSTODIAL FUNDS
ASSETS	
Cash and Cash Equivalents	$ 77,091
TOTAL ASSETS	**$ 77,091**
LIABILITIES AND NET POSITION	
LIABILITIES:	
Other Current Liabilities	$ -
TOTAL LIABILITIES	$ -
NET POSITION:	
Unrestricted	$ 77,091
TOTAL NET POSITION	**$ 77,091**
TOTAL LIABILITIES AN NET POSITION	**$ 77,091**

The accompanying notes are an integral part of these financial statements

GROVE CITY AREA SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	STUDENT ACTIVITY CUSTODIAL FUNDS
ADDITIONS	
Student Club Organization Receipts	$ 71,357
Interest Income	815
TOTAL ADDITIONS	**$ 72,172**
DEDUCTIONS	
Student Club Organization Disbursements	$ 62,947
TOTAL DEDUCTIONS	**$ 62,947**
CHANGE IN NET POSITION	**$ 9,225**
NET POSITION - JULY 1, 2023	67,866
NET POSITION - JUNE 30, 2024	**$ 77,091**

The acompanying notes are an integral part of these financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Grove City Area School District was established under the authority of an act of the state legislature that designated a school board as the governing body. This District serves the surrounding municipalities which include the Townships of Liberty, Pine, Springfield, and Wolf Creek, and the Borough of Grove City. The School District operates under a locally elected nine-member Board form of government and provides educational services as mandated by the Commonwealth of Pennsylvania and selected federal agencies. The Board of Education has complete authority over the operations and administration of the School District's activities.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Grove City Area School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. Generally accepted accounting principles defines component units as legally separate entities that are included in the School District's reporting entity because of the significance of their operating or financial relationships with the School District. Based on the application of these criteria, the Grove City Area School District has no component units.

The School District is associated with three jointly governed organizations (Note 11) and one public entity risk pool (Note 14). These organizations are:

- Jointly Governed Organizations:
  - Mercer County Career Center
  - Midwestern Intermediate Unit IV
  - George Junior Republic

- Public Entity Risk Pool:
  - Allegheny County Schools Health Insurance Consortium

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

FINANCIAL STATEMENT PRESENTATION

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL STATEMENT PRESENTATION (Continued)

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

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

BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

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

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

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses, and changes in fund net position presents increases (revenues) and decreases (expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (Continued)

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

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

The management of the Grove City Area School District has determined that the revenues most susceptible to accrual (measurable and available) at June 30, 2024 under the modified accrual basis are **1)** delinquent real estate taxes collected by the district within 60 days following the close of the fiscal year, **2)** certain Act 511 taxes, **3)** federal and state subsidies earned in the fiscal year 2023-2024, and **4)** other miscellaneous revenues earned in fiscal year 2023-2024 but received subsequent to June 30, 2024. On the governmental fund financial statements, delinquent real estate taxes receivable that will not be collected within the 'available' period have been reported as 'deferred inflows of resources'.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. The primary expenditures deemed susceptible to accrual at June 30, 2024, are those for which the Board of Educations' intention was to expense these items as budgeted for the 2023-2024 official budget, and for which the District has incurred an obligation, but has not paid as of June 30, 2024.

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

FUND ACCOUNTING

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

The following are the School District's major funds:

MAJOR GOVERNMENTAL FUNDS:

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

CAPITAL RESERVE FUND - The Capital Reserve Fund accounts for financial resources used for the acquisition, construction, or improvement of capital facilities and other assets financed through the issuance of general obligation bonds and General Fund appropriations.

CAPITAL PROJECTS FUND – The Capital Projects Fund accounts for financial resources used for the acquisition, construction, or improvement of capital facilities and other assets financed through the issuance of general obligation bonds and General Fund appropriations.

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

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Custodial funds report fiduciary activities that are not held in a Trust or equivalent arrangement that meets specific criteria. The School District reports one student activity custodial fund to account for various student organization activity accounts administered by the District on behalf of the student organizations.

BUDGETS

In June of 2023 the Grove City Area School District adopted its June 30, 2024 annual budget for the General Fund totaling $42,638,435, in accordance with the provisions of the Pennsylvania School Code. The budgeted expenditures were subsequently amended to include additional appropriations from grant funding as permitted by the provisions of the Pennsylvania School Code. The budget is prepared utilizing the modified accrual basis of accounting in accordance with generally accepted accounting principles. The original and final budgetary amounts are reflected in these financial statements (Exhibit G). All annual appropriations of the General Fund lapse at year-end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETS (Continued)

The School District uses the following procedures in establishing this budgetary data:

a. Prior to May of the preceding fiscal year, the school district prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the revenues and other sources of funds used to finance these expenditures.
b. At least 20 days prior to the date set for budget adoption, the budget is made available for public inspection.
c. A meeting of the Board of Education is then held for the purpose of adopting the proposed budget. The meeting may only be held after 10 days of public notification.
d. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board of Education.
e. The budget must be filed with the Commonwealth of Pennsylvania, Department of Education by July 15 of the fiscal year or within 30 days of adoption.
f. Budgetary transfers are permitted after the first 90 days of the school district's fiscal year.

CASH AND CASH EQUIVALENTS

For the purpose of these basic financial statements, cash and cash equivalents include amounts in demand deposit accounts, deposits pooled with the Pennsylvania Local Government Investment Trust (PLGIT), the Pennsylvania School District Liquid Asset Fund (PSDLAF), and any other highly liquid, short-term investments, with original maturity terms of less than three months.

INVESTMENTS

Under Section 440.1 of the Pennsylvania Public School Code of 1949, as amended, and PA Act 10 of 2016, Grove City Area School District is permitted to invest funds consistent with sound business practices in the following types of investments:

I. Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

II. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.

III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.

Investments of the Grove City Area School District include deposits pooled for investment purposes with the Pennsylvania Local Government Investment Trust (PLGIT) and the Pennsylvania School District Liquid Asset Fund (PSDLAF). Investments are reported at fair value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

INVENTORIES

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

CAPITAL ASSETS AND DEPRECIATION

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

All capital assets are recorded at cost (or estimated historical cost). Donated fixed assets are recorded at fair value at the time of receipt. The School District maintains a capitalization threshold of $5,000 per item. The cost of infrastructure is included as part of site improvements in the government-wide statement of net position. Routine repair and maintenance costs that do not add to the value of the asset or extend its useful life are charged as an expense in the government-wide statement of activities.

All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the following useful lives:

CATEGORY	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
Land Improvements	15-20 years	N/A
Buildings	25-50 years	N/A
Building Improvements	10-20 years	N/A
Furniture	10-20 years	N/A
Equipment	5-15 years	15 years
Vehicles	10 years	N/A
Library Books	5-7 years	N/A

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS AND DEPRECIATION (Continued)

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

LONG-TERM DEBT FINANCING COSTS

Bond and note issue costs are recorded as expenditures in the governmental fund financial statements in the year paid. The School District incurred $240,083 in bond issuance costs during the 2023-2024 fiscal year related to General Obligation Bonds, Series of 2023.

PENSIONS

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS), and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment assets are reported at fair value. More information on pension activity is included in Note 12.

OTHER POSTEMPLOYMENT BENEFITS

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS), and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment assets are reported at fair value. More information on other postemployment benefits activity is included in Note 13.

COMPENSATED ABSENCES

The School District reports compensated absences in accordance with the provisions of applicable GASB Statements. Separation payment benefits are accrued for administrators up to a maximum of sixty days as detailed in the collective bargaining agreement. The District allows all employees to accumulate unused sick leave. Employees may accumulate an unlimited amount of sick days and upon retirement or termination may receive credits, which can be used to purchase various insurance coverage options. Professional employees shall receive separation benefits based upon the total days of unused sick leave accumulated while in the employment of the District per day substitute rate. A liability for sick days is reported only when it is probably that an employee will utilize the accumulated credits based on accumulated sick days at retirement. The entire compensated absences liability of $425,372 is shown as a non-current liability in the government-wide statement of net position. For governmental fund financial statements, compensated absences are recorded as expenditures when paid, rather than accrued when earned, as the likelihood of payment in the immediate fiscal year with available expendable resources is not assured.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion of compensated absences and retiree health benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been paid with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. The District's General Fund is typically used to liquidate long-term liability obligations.

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

UNEARNED REVENUE

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

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

NET POSITION

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION (Continued)

- **Net Investment in Capital Assets** – This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.

- **Restricted Net Position** – This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets. Restricted net position of $6,063,606 represents the balance of Capital Reserve Fund monies at June 30, 2024.

- **Unrestricted** – Consists of net position that do not meet the definition of 'restricted' or 'net investment in capital assets'.

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

FUND EQUITY

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

- **Non-spendable fund balance** – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

- **Restricted fund balance** – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation. Restricted fund balance of $6,063,606 represents the balance of Capital Reserve Fund monies at June 30, 2024.

- **Committed fund balance** – amount constrained to specific purposes by the School District itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

- **Assigned fund balance** – amounts the School District intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. At June 30, 2024 the management of the Grove City Area School District assigned $38,035 for the educational services program, $481,488 for OPEB, $2,550,000 for expected increases in employer retirement (PSERS) contributions, $3,079,318 for bond payments, and $6,212,084 for high school renovation project, for a total assigned fund balance of $12,360,925.

- **Unassigned fund balance** – amount that are available for any purpose.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND EQUITY (Continued)

Act 48 of 2003 prohibits school districts from increasing real property taxes beyond the annual index increase permitted by law, unless the school district has adopted a budget for such school year that includes an estimated ending unassigned fund balance which is not more than a specified percentage of the district's total budgeted expenditures. For the Grove City Area School District, estimated ending unassigned fund balance must not exceed 8% of total budgeted expenditures. The District's unassigned General Fund balance at June 30, 2024, was approximately 7.2% of its 2024-2025 budgeted expenditures.

The School District establishes (and modifies and rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. The Board of Education has authority to assign fund balance.

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

ESTIMATES

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

OPERATING / NON-OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Grove City Area School District, these revenues are food service charges for lunch and breakfast service. Operating expenses are the necessary costs incurred to provide the aforementioned food service. Non-operating revenues of the District's food service proprietary fund are comprised of **1)** investment earnings and **2)** state and federal subsidies, including donated commodities, received from the U.S. Department of Agriculture. The District did not have non-operating expenses during the fiscal year.

ADOPTION OF GASB PRONOUNCEMENTS

The requirements of the following GASB Statements were adopted for the School District's 2023-2024 financial statements. Except where noted, the adoption of these pronouncements did not have a significant impact on Grove City Area School District's financial statements.

- **GASB issued Statement No. 99**, '*Omnibus 2022'.*
- **GASB issued Statement No. 100**, *'Accounting Changes and Error Correction'.*

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PENDING GASB PRONOUNCEMENTS

- **GASB issued Statement No. 101**, *'Compensated Absences'.* The provisions of this statement are effective for the School's June 30, 2025 financial statements.

- **GASB issued Statement No. 102**, '*Certain Risk Disclosures'.* The provisions of this statement are effective for the School's June 30, 2025 financial statements.

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

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

The School District has not yet determined the impact of the adoption of the above pending GASB pronouncements on its financial statements.

NOTE 2 - CASH DEPOSITS

At June 30, 2024, Grove City Area School District had the following carrying values on its cash and cash equivalents accounts:

	BANK BALANCE	CARRYING VALUE
General Fund	$ 10,402,023	$ 9,705,901
Capital Projects Fund	6,232,084	6,212,084
Capital Reserve Fund	6,059,230	6,059,230
Enterprise Fund	583,815	520,186
Student Activity Custodial Fund	78,182	77,091
TOTAL	**$ 23,355,334**	**$ 22,574,492**

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

Cash and cash equivalents at June 30, 2024 include the following monies held with PLGIT and PSDLAF:

	Fair Value	No Stated Maturity	Credit Rating
Governmental:			
PLGIT	$ 21,046,740	$ 21,046,740	AAAm
PSDLAF	18,284	18,284	AAAm
	$ 21,065,024	**$ 21,065,024**	
Business-Type:			
PLGIT	**$ 570,616**	**$ 570,616**	AAAm

NOTE 2 - CASH DEPOSITS (Continued)

The purpose of the Pennsylvania Local Government Investment Trust (PLGIT) and the Pennsylvania School District Liquid Asset Fund (PSDLAF) is to enable governmental units to pool their available funds for investments authorized under the Intergovernmental Cooperation Act of 1972. The funds operate in a manner consistent with the SEC's Rule 2(a)7 of the Investment Company Act of 1940. The funds use amortized cost to report net position to compute share prices. These funds maintain net asset values of $1 per share. Accordingly, the fair value of the position in these funds is the same as the value of these shares.

These funds are rated by a nationally recognized statistical rating organization as shown above. PLGIT and PSDLAF do not put any limitations or restrictions on withdrawals.

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 to it. The School District does not have a separate policy for custodial credit risk in addition to the requirements of State Law. As of June 30, 2024, $23,011,393 of the School District's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the School District's name. In accordance with Act Number 7201971 Session on the Commonwealth of Pennsylvania, the aforementioned deposits, in excess of $250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

NOTE 3 - PROPERTY TAXES

The Grove City Area School District levies property taxes July 1 of each fiscal year. The tax millage assessment for the 2023-2024 fiscal year was 71.00 mills, which represents $71.00 of revenue for every $1,000 of assessed property value. Taxpayers are entitled to a 2% discount if taxes are paid prior to September 30. Collections beginning December 1 are assessed a 10% penalty. Tax collectors are required under Act 169 of the Commonwealth of Pennsylvania to submit a reconciliation of their tax duplicate to the District by January 15th of the year following levy. Unpaid taxes are submitted to the Mercer County Tax Claim Bureau for collection. The final tax collector reconciliations reflected $343,495 in unpaid 2023 property taxes, which represents 2.7% of the total assessed property taxes ($12,920,030) for the current fiscal year.

Taxes receivable as shown in the government-wide statement of net position includes property taxes of $629,256. For purposes of the governmental fund financial statements, the above property taxes receivable, although measurable, do not meet the available criteria to finance current fiscal year operations. Accordingly, this amount is equally off-set as a credit to 'deferred inflow of resources' in the fund financial statements.

The effect of recognizing property tax revenue when taxes are levied, as opposed to when they are received using the 'measurable and available' criteria under the modified accrual basis of accounting, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

NOTE 3 - PROPERTY TAXES (Continued)

Taxes receivable, as reflected on Exhibits A and C, are comprised of the following at June 30, 2024:

Delinquent Property Taxes	$	629,256
Delinquent Property Taxes, Collected Within 60 Days of Fiscal Year End		80,661
Wage Taxes		409,165
Deed Transfer Taxes		40,046
Local Service Taxes		7,031
Per Capita Taxes		704
	$	**1,166,863**

NOTE 4 – DUE FROM OTHER GOVERNMENTS

The amount of 'due from other governments', as reflected on the government-wide statement of net position and the governmental funds balance sheet, is comprised of the following:

	Governmental Activities	Business-Type Activities
Commonwealth of Pennsylvania:		
State Subsidies	$ 2,146,663	$ 181
Federal Subsidies	393,031	5,833
Other Intergovernmental Receivables	59,114	-
	$ 2,598,808	**$ 6,014**

NOTE 5 – TUITION RECEIVABLE

The amount of 'tuition receivable', totaling $1,796,243, as reflected on the government-wide statement of net position and the governmental funds balance sheet, is comprised of amounts due from home districts for tuition for the George Junior Republic.

NOTE 6 – INTER-FUND OBLIGATIONS AND TRANSFERS

Inter-fund receivables and payables as reflected on the governmental funds balance sheet (Exhibit C) and the proprietary fund statement of net position (Exhibit H) are as follows:

	RECEIVABLE	PAYABLE
General Fund	$ 4,182	$ -
Food Service Fund	-	4,182
	$ 4,182	**$ 4,182**

NOTE 6 – INTER-FUND OBLIGATIONS AND TRANSFERS (Continued)

These inter-fund obligations have been eliminated in the government-wide statement of net position. The amount due to the General Fund is for general operating costs. All interfund payables are expected to be paid during the 2024-2025 fiscal year.

NOTE 7 – UNEARNED REVENUE

The amount of unearned revenue at June 30, 2024, totaling $40,791, as reflected on the government-wide statement of net position, the governmental funds balance sheet, and the proprietary fund statement of net position, is comprised of $18,433 in unearned federal grant revenue and $22,358 in amounts due on student accounts.

NOTE 8 - OTHER ACCOUNTS RECEIVABLE

The amount of other accounts receivable at June 30, 2024, totaling $6,242, as reflected on the government-wide statement of net position and the proprietary fund statement of net position, is comprised of balances due on student accounts.

NOTE 9 - CAPITAL ASSETS

A summary of the governmental and business-type fixed asset activity for the 2023-2024 fiscal year was as follows:

	Balance 7/1/2023	Additions	Deductions	Balance 6/30/2024
Governmental Activities:				
Capital Assets, not being depreciated				
Land	$ 50,000	$ -	$ -	$ 50,000
Construction in Progress	95,500	1,560,881	-	1,656,381
Total Capital Assets, not being depreciated	**$ 145,500**	**$ 1,560,881**	**$ -**	**$ 1,706,381**
Capital Assets, being depreciated				
Site Improvements	$ 4,172,496	$ 13,416	$ -	$ 4,185,912
Building and Improvements	92,110,800	2,486,518	-	94,597,318
Furniture and Equipment	5,179,738	188,028	104,868	5,262,898
Total Capital Assets, being depreciated	**$ 101,463,034**	**$ 2,687,962**	**$ 104,868**	**$ 104,046,127**
Less: Accumulated depreciation				
Site Improvements	$ (2,650,189)	$ (162,604)	$ -	$ (2,812,793)
Building and Improvements	(33,074,246)	(2,059,091)	-	(35,133,337)
Furniture and Equipment	(4,020,958)	(267,839)	(104,868)	(4,183,929)
Total Accumulated Depreciation	**$ (39,745,393)**	**$ (2,489,534)**	**$ (104,868)**	**$ (42,130,059)**
Governmental Activities Capital Assets, Net	**$ 61,863,141**	**$ 1,759,309**	**$ -**	**$ 63,622,449**

NOTE 9 - CAPITAL ASSETS (Continued)

	Balance 7/1/2023	Additions	Deductions	Balance 6/30/2024
Business-Type Activities:				
Capital Assets, being depreciated				
Furniture and Equipment	$ 653,230	$ 257,047	$ -	$ 910,277
Less: Accumulated Depreciation	(521,289)	(22,106)	-	(543,394)
Business-Type Activities Capital Assets, Net	**$ 131,942**	**$ 234,941**	**$ -**	**$ 366,884**

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 1,801,033
Instructional Student Support	220,516
Administrative and Financial Support Services	247,855
Operation and Maintenance of Plant Services	144,879
Pupil Transportation	4,723
Student Activities	70,528
	$ 2,489,534

NOTE 10 - LONG-TERM LIABILITIES

GENERAL OBLIGATION BONDS - SERIES OF 2017

The Grove City Area School District issued General Obligation Bonds – Series of 2017, dated November 28, 2017 in the amount of $9,905,000. The proceeds of the bond issue will be used towards the consolidation of the Highland Primary Center and Hillview Elementary School, and to pay the costs related to issuance of the bonds. The bonds were issued in denominations of $5,000 with interest payable on March 1 and September 1 of each year through maturity. Interest rates range between 1.15% and 3.30% with the bonds scheduled to mature on September 1, 2045. The bonds provide for early redemption options for the School District for those bonds maturing on or after March 1, 2023 as detailed in the official statement of the issue.

A summary of the debt service requirements on the Grove City Area School District's General Obligation Bonds – Series of 2017 outstanding at June 30, 2024 is as follows:

YEAR END	PRINCIPAL	INTEREST	TOTAL
2025	$ 290,000	$ 264,033	$ 554,033
2026	295,000	258,183	553,183
2027	300,000	252,232	552,232
2028	310,000	245,978	555,978
2029	315,000	239,179	554,179
2030-2034	1,830,000	1,044,225	2,874,225
2035-2039	2,130,000	747,898	2,877,898
2040-2044	2,485,000	390,208	2,875,208
2045-2046	1,115,000	37,109	1,152,109
TOTAL	**$ 9,070,000**	**$ 3,479,045**	**$ 12,549,045**

NOTE 10 - LONG-TERM LIABILITIES (Continued)

GENERAL OBLIGATION BONDS - SERIES OF 2017 (Continued)

The School District's General Obligation Bond Issue - Series of 2017, was issued at a premium totaling $91,134. The un-accreted amount of bond premium totaling $69,294 is added as a component of bonds payable – long-term portion on the government-wide statement of net position. Premium accretion for the year ended June 30, 2024 was $3,276.

GENERAL OBLIGATION BONDS - SERIES OF 2018

The Grove City Area School District issued General Obligation Bonds – Series of 2018, dated June 20, 2018 in the amount of $9,920,000. The proceeds of the bond issue will be used towards the consolidation of the Highland Primary Center and Hillview Elementary School, and to pay the costs related to issuance of the bonds. The bonds were issued in denominations of $5,000 with interest payable on March 1 and September 1 of each year through maturity. Interest rates range between 2.1% and 5.0% with the bonds scheduled to mature on September 1, 2045. The bonds provide for early redemption options for the School District for those bonds maturing on or after September 1, 2023 as detailed in the official statement of the issue.

A summary of the debt service requirements on the Grove City Area School District's General Obligation Bonds – Series of 2018 outstanding at June 30, 2024 is as follows:

YEAR END	PRINCIPAL	INTEREST	TOTAL
2025	$ 240,000	$ 319,238	$ 559,238
2026	245,000	311,963	556,963
2027	255,000	304,463	559,463
2028	265,000	296,663	561,663
2029	275,000	288,563	563,563
2030-2034	1,860,000	1,301,695	3,161,695
2035-2039	2,220,000	925,150	3,145,150
2040-2044	2,660,000	482,350	3,142,350
2045-2046	1,215,000	46,031	1,261,031
TOTAL	**$ 9,235,000**	**$ 4,276,116**	**$ 13,511,116**

The School District's General Obligation Bond Issue - Series of 2018, was issued at a premium totaling $76,729. The un-accreted amount of bond premium totaling $59,574 is added as a component of bonds payable – long-term portion on the government-wide statement of net position. Premium accretion for the year ended June 30, 2024 was $2,820.

GENERAL OBLIGATION BONDS - SERIES OF 2019

The Grove City Area School District issued General Obligation Bonds – Series of 2019, dated March 13, 2019 in the amount of $9,865,000. The proceeds of the bond issue will be used towards the cost of construction, renovation, equipping, and furnishing certain improvements in connection with the consolidation of Highland Primary Center and Hillview Elementary School, and to pay the costs related to issuance of the bonds. The bonds were issued in denominations of $5,000 with interest payable on March 1 and September 1 of each year through maturity. Interest rates range between 2.1% and 3.40% with the bonds scheduled to mature on September 1, 2045. The bonds provide for early redemption options for the School District for those bonds maturing on or after September 1, 2045 as detailed in the official statement of the issue.

NOTE 10 - LONG-TERM LIABILITIES (Continued)

GENERAL OBLIGATION BONDS - SERIES OF 2019 (Continued)

A summary of the debt service requirements on the Grove City Area School District's General Obligation Bonds – Series of 2019 outstanding at June 30, 2024 is as follows:

YEAR END	PRINCIPAL	INTEREST	TOTAL
2025	$ 265,000	$ 279,363	$ 544,363
2026	285,000	269,888	554,888
2027	290,000	263,956	553,956
2028	290,000	257,613	547,613
2029	295,000	250,663	545,663
2030-2034	1,865,000	1,098,000	2,963,000
2035-2039	2,165,000	794,425	2,959,425
2040-2044	2,545,000	409,795	2,954,795
2045-2046	1,140,000	39,100	1,179,100
TOTAL	**$ 9,140,000**	**$ 3,662,803**	**$ 12,802,803**

The School District's General Obligation Bond Issue - Series of 2019, was issued at a premium totaling $129,260. The un-accreted amount of bond premium totaling $103,556 is added as a component of bonds payable – long-term portion on the government-wide statement of net position. Premium accretion for the year ended June 30, 2024 was $4,896.

GENERAL OBLIGATION BONDS – SERIES OF 2023

The Grove City Area School District issued General Obligation Bonds – Series of 2023, dated July 20, 2023 in the amount of $9,745,000. The proceeds of the bond issue will be used towards the cost of acquiring and constructing certain repairs and capital improvements to and renovations of, the High School facility, being primarily roof and HVAC replacements and other basic mechanical and energy savings upgrades, and to pay the costs related to issuance of the bonds. The bonds were issued in denominations of $5,000 with interest payable on March 1 and September 1 of each year through maturity. Interest rates range between 3.25% and 4.0% with the bonds scheduled to mature on September 1, 2042. The bonds provide for early redemption options for the School District for those bonds maturing on or after September 1, 2029, as detailed in the official statement of the issue.

A summary of the debt service requirements on the Grove City Area School District's General Obligation Bonds – Series of 2023 outstanding at June 30, 2024 is as follows:

YEAR END	PRINCIPAL	INTEREST	TOTAL
2025	$ 340,000	$ 399,850	$ 739,850
2026	350,000	382,600	732,600
2027	370,000	364,600	734,600
2028	385,000	345,725	730,725
2029	410,000	325,850	735,850
2030-2034	2,195,000	1,380,300	3,575,300
2035-2039	2,910,000	857,400	3,767,400
2040-2043	2,785,000	228,100	3,013,100
TOTAL	**$ 9,745,000**	**$ 4,284,425**	**$ 14,029,425**

NOTE 10 - LONG-TERM LIABILITIES (Continued)

GENERAL OBLIGATION BONDS – SERIES OF 2023 (Continued)

The School District's General Obligation Bond Issue - Series of 2023, was issued at a premium totaling $252,732. The un-accreted amount of bond premium totaling $240,588 is added as a component of bonds payable – long-term portion on the government-wide statement of net position. Premium accretion for the year ended June 30, 2024 was $12,144.

DEFAULT PROVISIONS – GENERAL OBLIGATION BONDS

The Bonds are payable from tax and other general revenues of the School District. The School District has covenanted that it will provide in its budget in each fiscal year, and will appropriate from its general revenues in each such fiscal year, the amount of the debt service on the Bonds for such year and will duly and punctually pay or cause to be paid from funds in the sinking fund established in the Resolution or from any other of its revenues or funds the principal of and interest on every Bond, and for such budgeting, appropriation and payment the School District irrevocably has pledged its full faith, credit and taxing power subject to the limitations of bankruptcy, insolvency, and other laws or equitable principles affecting creditor rights generally.

In the event of a default in the payment of the interest or principal and such default continues for 30 days, or if the School District fails to comply with any provisions of the Bonds or Resolutions, the Local Government Unit Debt Act of the Commonwealth of Pennsylvania provides that the holders of 25% in aggregate principal amount of the Bonds outstanding may appoint a trustee to represent the Bondholders. The trustee may, and upon request of the holders of 25% in principal amount of the Bonds then outstanding and upon being furnished with indemnity satisfactory to it, shall take such action on behalf of the Bondholders as is more specifically set forth in the Act. Such representation by the trustee shall be exclusive.

MERCER COUNTY CAREER CENTER OBLIGATION - 2020

The Grove City Area School District is a participating member of the Mercer County Career Center (MCCC). In February 2020, through and agreement with the MCCC and the participating school districts, the Grove City Area Hospital Authority issued School Building Revenue Bonds – Series A and B of 2020 totaling $8,195,000 and $1,035,000 respectively.

The proceeds of the Bond issues will be used for the purpose of currently refunding School Revenue Bonds – Series of 2014, financing various capital improvements to the MCCC's physical plant including, but not limited to, repair and/or replacement of the roof, and paying the costs and expenses related to issuance of the bonds. The Grove City Area School District's portion of the debt is $1,800,773 or 19.51%. Interest is payable on November 1 and May 1 each year through maturity. Interest rates range between 2.0% and 4.0% with the Series A Bonds scheduled to mature on May 1, 2029 and the Series B Bonds scheduled to mature on May 1, 2030.

NOTE 10 - LONG-TERM LIABILITIES (Continued)

MERCER COUNTY CAREER CENTER OBLIGATION – 2020 (Continued)

A summary of the Grove City Area School District's share of the MCCC debt service requirements outstanding at June 30, 2024 is as follows:

YEAR END	SERIES A 2020	SERIES B 2020	INTEREST	TOTAL
2025	$ 161,933	$ 1,951	$ 24,290	$ 188,174
2026	168,762	1,951	17,754	188,467
2027	171,688	1,951	12,428	186,067
2028	175,590	1,951	10,867	188,408
2029	178,516	2,927	7,316	188,759
2030	-	184,369	3,687	188,056
TOTAL	**$ 856,489**	**$ 195,100**	**$ 76,342**	**$ 1,127,931**

DEFAULT PROVISIONS – MERCER COUNTY CAREER CENTER OBLIGATION – 2020

In the event of default, the Authority may, in addition to its other rights and remedies, exercise any one or more of the following remedies: **1)** declare all sums due or to become due under the agreement to be immediately due and payable, or **2)** by mandamus, suit, action , or proceeding at law or in equity, enforce all rights of the Authority, and require the School District and the Operating Committee to carry out any agreements with or for the benefit of the Owners of the Bonds and to perform their duties under the Municipality Authorities Act of 1945. The Authority shall notify the Secretary of the Department of Education of such event of default and request the Secretary **1)** to notify the School District of its obligation under the Loan Agreement and its respective Note, **2)** to withhold out of any state appropriation due School District an amount equal to the amount of loan repayment or repayments owing by School District under the Loan Agreement and it respective Note, and **3)** to pay over the amount so withheld directly to the Trustee, as assignee of the Authority, all in accordance with the provisions of the School Code and the Act.

The following represents the changes in long-term liabilities for the District's governmental and business-type activities during the 2023-2024 fiscal year:

	Balance 7/1/2023	Additions	Reductions	Balance 6/30/2024	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 28,215,000	$ 9,745,000	$ 770,000	$ 37,190,000	$ 1,135,000
Net Pension Liability	54,506,640	-	2,757,740	51,748,900	-
Net OPEB Liability	11,067,060	-	131,800	10,935,260	-
Compensated Absences	399,875	-	3,780	396,095	-
	$ 94,188,575	**$ 9,745,000**	**$ 3,663,320**	**$ 100,270,255**	**$ 1,135,000**

	Balance 7/1/2023	Additions	Reductions	Balance 6/30/2024	Due Within One Year
Business-Type Activities:					
Net Pension Liability	$ 1,112,360	$ -	$ 56,260	$ 1,056,100	$ -
Net OPEB Obligation	45,940	-	3,200	42,740	-
Compensated Absences	27,466	1,811	-	29,277	-
	$ 1,185,766	**$ 1,811**	**$ 59,460**	**$ 1,128,117**	**$ -**

NOTE 10 - LONG-TERM LIABILITIES (Continued)

The District's portion of the outstanding balance due to the Mercer County Career Center is not reflected in the Statement of Net Position as the related assets purchased with the bond proceeds are not the property of the Grove City Area School District, and therefore not listed in the above schedule.

NOTE 11 – JOINTLY GOVERNED ORGANIZATIONS

MERCER COUNTY CAREER CENTER

The Grove City Area School District, in conjunction with nine other Mercer County School Districts, funds the operating budget of the Mercer County Career Center. The Career Center is designed to teach students trade related professions. Each District's share of tuition is based on the percentage of the District's enrollment to the total enrollment at the Mercer County Career Center. A representative from each District's school board sits on the joint operating committee of the Career Center. The District's annual financial obligation to the Career Center during the 2023-2024 fiscal year was $681,684 ($443,283 for regular education, $49,769 for special education and $188,632 for debt service). The Mercer County Career Center issues separate financial statements annually which can be obtained by contacting the Career Center directly.

MIDWESTERN INTERMEDIATE UNIT IV

The Grove City Area School District participates with 26 other School Districts located in the Counties of Butler, Lawrence, and Mercer in the Midwestern Intermediate Unit IV (IU IV). The IU IV was established in 1971 by Act 102 of the Commonwealth of Pennsylvania to function as a regional educational service agency for 27 School Districts, as well as nonpublic schools and other institutions, located within the aforementioned counties. The IU IV provides services relative to curriculum development, continuing education, educational planning, instructional materials, pupil personnel, state and federal agency liaison and managerial oversight. The Midwestern Intermediate Unit IV is governed by a thirteen (13) member board appointed by the 27 participating School Districts on a rotating basis. The School District contributed $23,273 for operating contributions and transportation recovery costs to IU IV through state subsidy withholdings for the year ended June 30, 2024. Midwestern Intermediate Unit IV issues separate financial statements annually which can be obtained by contacting the IU IV directly.

GEORGE JUNIOR REPUBLIC

The Grove City Area School District provides instructional services to approximately 100 students housed at the George Junior Republic in Pennsylvania (GJR), an institution for neglected and delinquent youth. The costs, consisting principally of teacher salaries and related fringe benefits, are reflected as part of the District's budget and are recouped by charges to the GJR student's home district based upon one and one-half times an approved tuition rate. No provision for potential uncollectible tuition charges is reflected since the District will appeal to the Pennsylvania Department of Education to utilize its collection powers in the event a home district refuses to pay.

Under provisions of legislation enacted in 1983, Grove City Area School District is to return pro-rata to the home districts any excess of tuition revenues over expenditures for the GJR educational programs.

NOTE 12 - PENSION PLAN

The Grove City Area School District participates in the Public School Employees' Retirement System (PSERS). PSERS is a component unit of the Commonwealth of Pennsylvania. A brief description of the plan, and summary of the plan's provisions, are as follows:

Plan Description

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

Benefits Provided

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

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

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

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

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

NOTE 12 – PENSION PLAN (Continued)

Benefits Provided (Continued)

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

Contributions

Member Contributions:

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

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

NOTE 12 – PENSION PLAN (Continued)

Member Contributions: (Continued)

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

Employer Contributions

The school districts' contractually required contribution rate for the 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 $5,838,499 for the year ended June 30, 2024.

*The defined contribution rate of 0.27% is an estimated rate. It is recommended employers use the actual defined contributions made to the PSERS defined contribution plan. This may impact contributions made to the pension plan.

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

At June 30, 2024, the School District reported a liability of $52,805,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2024 the School District's proportion was .1187% which was a decrease of .0064% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of $3,641,235. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 12,000	$ 723,000
Changes in assumptions	788,000	-
Net difference between projected and actual investment earnings	-	-
Changes in proportion	1,494,000	2,735,000
Contributions subsequent to the measurement date	5,838,499	-
	$ 8,132,499	**$ 3,458,000**

NOTE 12 – PENSION PLAN (Continued)

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

The $5,838,499 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ended June 30, 2024.

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

Measurement Date Year ended June 30,	Reporting Date Year ended June 30,	Amortization Amount
2024	2025	$ (621,000)
2025	2026	(1,919,000)
2026	2027	878,000
2027	2028	498,000

Changes in Actuarial Assumptions

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

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

    - Salary growth rate – decreased from 5.00% to 4.50%
    - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00% respectively.
    - Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

NOTE 12 – PENSION PLAN (Continued)

Changes in Actuarial Assumptions (Continued)

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	5.20%
Private equity	12.0%	7.90%
Fixed Income	33.0%	3.20%
Commodities	7.5%	2.70%
Infrastructure/MLP's	10.0%	5.40%
Real estate	11.0%	5.70%
Absolute return	4.0%	4.10%
Cash	3.0%	1.20%
Leverage	-10.5%	1.20%
	100%	

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

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

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

NOTE 12 – PENSION PLAN (Continued)

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
School District's proportionate share of the net pension liability	$ 68,450,000	$ 52,805,000	$ 39,606,000

Pension plan fiduciary net position

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

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM

General Information about the Health Insurance Premium Assistance Program

PSERS provides Premium Assistance, which is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of $100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2023, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

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

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

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

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

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)

Plan Description

Grove City Area School District employees participate in the PSERS – Health Insurance Premium Assistance program, which is a governmental cost sharing, multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public-school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.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 coverage through either their school employer or PSERS' Health Options Program.

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were $112,009 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of $2,137,000 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 0.1181%, which is a decrease of .0067% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, Grove City Area School District recognized OPEB expense of $27,922. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 14,000	$ 21,000
Changes in assumptions	185,000	404,000
Net difference between projected and actual investment earnings	5,000	-
Changes in proportion	7,000	193,000
Contributions subsequent to the measurement date	112,009	-
	$ 323,009	**$ 618,000**

The $112,009 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 for the measurement 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:

Measurement Date Year ended June 30,	Reporting Date Year ended June 30,	Amortization Amount
2024	2025	$ (81,000)
2025	2026	(98,000)
2026	2027	(99,000)
2027	2028	(104,000)
2028	2029	(25,000)
Thereafter	Thereafter	-

Actuarial Assumptions

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

- Actuarial Cost Method – Entry Age Normal – level % of pay.
- Investment Return – 4.13% based on the S&P 20 Year Municipal Bond Rate.
- Salary Growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at $1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than $1,200 in premium assistance per year.

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)

Actuarial Assumptions (Continued)

- Mortality rates were based a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
  - Eligible retirees will elect to participate Pre age 65 at 50%
  - Eligible retirees will elect to participate Post age 65 at 70%

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

The following assumptions were used to determine the contribution rate:

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

Investments consist primarily of short-term assets designed to protect the principal of 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%	1.20%
	100.0%	

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

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (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 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 and 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 net OPEB liability for June 30, 2023, calculated using current Healthcare cost trends as well as what the District net OPEB liability would be if its health cost trends were 1-percentage point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend Rates	1% Increase
Net OPEB Liability	$ 2,137,000	$ 2,137,000	$ 2,137,000

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

The following presents the net OPEB liability, calculated using the discount rate of 4.13%, 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%
Net OPEB Liability	$ 2,416,000	$ 2,137,000	$ 1,903,000

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.

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

DISTRICT - POST-RETIREMENT HEALTHCARE BENEFIT PLAN

Plan Description

In addition to the retirement benefits as described in Note 12, the Grove City Area School District provides post-retirement health care benefits as detailed in the collective bargaining agreement between the District and the Grove City Area Education Association, for eligible employees who elect early retirement and their spouse, during the period between retirement and either attaining age 65 or becoming eligible for Medicare benefits or securing other employment that provides hospitalization coverage. The plan is unfunded and no financial report is prepared. These benefits are accounted for in accordance with GASB Statement No. 75, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

Funding Policy

The contribution requirements of plan members and the School District are established and may be amended by the Grove City Area Board of Education. The plan is funded on a pay-as-you-go basis, i.e., premiums are paid to fund the health care benefits provided to current retirees. There are no assets that have been segregated and restricted to provide for retiree medical benefits. During the 2023-2024 fiscal year, the Grove City Area School District paid premiums of $439,678 for retiree medical benefits.

Participant Data

The July 1, 2022 valuation reflected the following participant data:

	PARTICIPANT DATA
Active employees	268
Retired members	35
Spouses of retirees	16
Total	**319**

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

The District's total OPEB liability of $8,841,000 was measured as of June 30,2024, and was determined by an actuarial valuation performed as of July 1, 2022. As the District's OPEB Plan is unfunded, the total OPEB liability is equal to the net OPEB liability. The July 1, 2022 valuation reflected the following change in total OPEB liability:

Balance at June 30, 2023	$	8,816,000
Changes for the year:		
Service cost		326,000
Interest		314,000
Effect of plan changes		-
Effect of liability gains or losses		-
Effect of assumption changes or inputs		(178,000)
Benefit payments		(437,000)
Net Changes		25,000
Balance at June 30, 2024	**$**	**8,841,000**

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

DISTRICT - POST-RETIREMENT HEALTHCARE BENEFIT PLAN (Continued)

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2024, Grove City Area School District recognized OPEB expense of a negative $24,322. At June 30, 2024, the District report deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 183,000	$ 186,000
Changes in assumptions	928,000	2,982,000
	$ 1,111,000	**$ 3,168,000**

The amount reported as deferred inflows/outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Date Year ended June 30,	Reporting Date Year ended June 30,	Amortization Amount
2024	2025	$ (667,000)
2025	2026	(663,000)
2026	2027	(637,000)
2027	2028	73,000
2028	2029	(20,000)
Thereafter	Thereafter	(143,000)

Sensitivity of the Total OPEB liability to Changes in the Discount Rate

The following presents the Total OPEB liability to the district, as well as the Total OPEB Liability using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Total OPEB Liability	**$ 9,545,000**	**$ 8,841,000**	**$ 8,170,000**

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

DISTRICT - POST-RETIREMENT HEALTHCARE BENEFIT PLAN (Continued)

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

The following presents the Total OPEB Liability of the District, as well as the Total OPEB Liability using healthcare cost trends that 1-percentage point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	$ 7,786,000	$ 8,841,000	$ 10,077,000

Actuarial Assumptions

The total OPEB liability was determined as of the July 1, 2022 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

- Discount Rate – 3.65% based on Bond Buyer 20 Year Bond GO Index.
- Salary Increases – based on the rates utilized in the Actuarial Valuation for the Pennsylvania Public School Employees' Retirement System and vary by age.
- CPI – 2.30% compounded annually.
- Healthcare Trend – 2023-2024 fiscal year 6.30% decreasing on a graduated basis to 4.10% for fiscal year 2052-2053 and then to 3.70% from 2075 and later.
- Monthly Per Capita Claims Cost – Expected claim costs vary by age, gender, and employee versus spouse.
- Participation – Professional Staff - 100% of current active members are assumed to elect coverage at retirement; Support Staff – 25%.
- Dependent Coverage - Professional Staff – 50% are assumed to cover a spouse; Support Staff – 10%.
- Unused Sick Day Notional Accounts – For future Professional Staff retirees, it is assumed that the notional account balance is sufficient to extend medical/dental/vision coverage for one year after the incentive expires, if needed.
- Mortality – PubT-H2010 Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2021 from 2010 base year and projected forward on a generational basis with Scale MP-2021 (based on recommendation of Society of Actuaries' Retirement Plans Experience Committee). As a generational table, it reflects the mortality improvements both before and after the measurement date.
- Termination - Withdrawal rates are based on the rates utilized in the Actuarial Valuation for the Pennsylvania Public School Employee's Retirement System and vary by age, service, and gender.
- Retirement Rates – Based on the rates utilized in the Actuarial Valuation for the Pennsylvania Public School Employee's Retirement System and vary by age, service, and gender. No employee is assumed to work beyond age 65.
- Disability – None assumed.

NOTE 14 - RISK AND UNCERTAINTIES

GENERAL INSURANCE

The Grove City Area School District is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

HEALTH INSURANCE

The Grove City Area School District is one of sixty members of the Allegheny County Schools Health Insurance Consortium (Consortium) which purchases health benefits on behalf of participating public school districts. The School District is billed monthly based on employee count and coverage information at rates established by the Consortium at the beginning of each fiscal year. As the Consortium is self-insured, rates are established with the objective of satisfying estimated claims and other costs, as well as maintaining working capital requirements. Contributions to the Consortium by all member school districts totaled $451,287,095 for the year ended June 30, 2024 with Grove City Area School District contributing $6,391,346 for the 2023-2024 fiscal year.

Participating school districts are permitted to withdraw from the Consortium under terms specified in the agreement. Withdrawing participants are entitled to, or responsible for, a proportionate share of the Consortium's net position, as determined on the fiscal year-end after withdrawal. As of June 30, 2024, the net position available for benefits of the Consortium was $64,607,800, of which $786,765 was attributable to the Grove City Area School District.

STATE AND FEDERAL SUBSIDIES

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

LEGAL MATTERS

The Grove City Area School District, in the normal course of operations, is party to various legal matters normally associated with school district such as real estate tax assessment appeals, personnel wage and benefits, student education and athletics, construction projects, and other miscellaneous legal matters. The District is not aware of any current claims, litigation or assessments against the District that would adversely impact the financial position of the District as of the date of this report.

NOTE 15 – SUBSEQUENT EVENTS

The School District evaluated its June 30, 2024 financial statements for subsequent events through the December 19, 2024 date of the 'Independent Auditor's Report', which is the date the financial statements were available to be issued. The School District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

GROVE CITY AREA SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
DEFINED BENEFIT PENSION PLAN
JUNE 30,

As of the measurement date of June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.1187%	0.1251%	0.1266%	0.1288%	0.1299%	0.1327%	0.1304%	0.1279%	0.1252%	0.1230%
District's proportionate share of the net pension liability	$ 52,805,000	$ 55,618,000	$ 51,978,000	$ 63,420,000	$ 60,771,000	$ 63,703,000	$ 64,402,000	$ 63,383,000	$ 54,231,000	$ 48,684,000
District's covered payroll	$ 18,095,432	$ 18,353,793	$ 17,912,603	$ 18,073,816	$ 17,912,495	$ 17,864,144	$ 16,787,739	$ 15,977,347	$ 15,570,808	$ 15,136,060
District's proportionate share of the net pension liability as a percentage of its covered payroll	291.81%	303.03%	290.18%	350.89%	339.27%	356.60%	383.63%	396.71%	348.29%	321.64%
Plan fiduciary net position as a percentage of the total pension liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%

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

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

GROVE CITY AREA SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL DISTRICT'S CONTRACTUALLY REQUIRED CONTRIBUTIONS
DEFINED BENEFIT PENSION PLAN
JUNE 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	$ 5,838,499	$ 6,215,379	$ 6,236,131	$ 6,017,098	$ 6,018,864	$ 5,816,686	$ 5,644,609	$ 5,115,960	$ 4,181,442	$ 3,349,577
Contribution in relation to the contractually required contribution	(5,838,499)	(6,215,379)	(6,236,131)	(6,017,098)	(6,018,864)	(5,816,686)	(5,644,609)	(5,115,960)	(4,181,442)	(3,349,577)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 17,474,174	$ 18,095,432	$ 18,353,793	$ 17,912,603	$ 18,073,816	$ 17,912,495	$ 17,864,144	$ 16,787,739	$ 15,977,347	$ 15,570,808
Contributions as a percentage of covered payroll	33.41%	34.35%	33.98%	33.59%	33.30%	32.47%	31.60%	30.47%	26.17%	21.51%

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

GROVE CITY AREA SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PSERS PLAN
JUNE 30,

As of the measurement date of June 30,	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability	0.1181%	0.1248%	0.1264%	0.1288%	0.1299%	0.1327%	0.1304%	0.1279%
District's proportionate share of the net OPEB liability	$ 2,137,000	$ 2,297,000	$ 2,995,000	$ 2,783,000	$ 2,763,000	$ 2,767,000	$ 2,657,000	$ 2,603,860
District's covered payroll	$ 18,095,432	$ 18,353,793	$ 17,912,603	$ 18,073,816	$ 17,912,495	$ 17,864,144	$ 16,787,739	$ 15,977,347
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	11.81%	12.52%	16.72%	15.40%	15.42%	15.49%	15.83%	16.30%
Plan fiduciary net position as a percentage of the total OPEB liability	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%	N/A

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

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

GROVE CITY AREA SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL DISTRICT'S CONTRACTUALLY REQUIRED OPEB CONTRIBUTIONS
PSERS PLAN
JUNE 30,

	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	$ 112,009	$ 135,078	$ 146,131	$ 146,453	$ 148,123	$ 148,094	$ 147,607	$ 137,659
Contribution in relation to the contractually required contribution	(112,009)	(135,078)	(146,131)	(146,453)	(148,123)	(148,094)	(147,607)	(137,659)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 17,474,174	$ 18,095,432	$ 18,353,793	$ 17,912,603	$ 18,073,816	$ 17,912,495	$ 17,864,144	$ 16,787,739
Contributions as a percentage of covered payroll	0.64%	0.75%	0.80%	0.82%	0.82%	0.83%	0.83%	0.82%

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

GROVE CITY AREA SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
DISTRICT POST-RETIREMENT HEALTHCARE PLAN
JUNE 30,

	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 326,000	$ 513,000	$ 496,000	$ 427,000	$ 413,000	$ 663,000	$ 641,000
Interest	314,000	296,000	197,000	181,000	246,000	482,000	488,000
Effect of plan changes	-	(180,000)	-	9,000	-	-	-
Effect of liabiity gains or losses	-	(238,000)	-	243,000	-	144,000	-
Effect of assumptions or inputs	(178,000)	329,000	(875,000)	531,000	853,000	(6,536,000)	(284,000)
Benefit payments	(437,000)	(517,000)	(623,000)	(311,000)	(385,000)	(451,000)	(1,078,000)
Net Change in Total OPEB Liability	**$ 25,000**	**$ 203,000**	**$ (805,000)**	**$ 1,080,000**	**$ 1,127,000**	**$ (5,698,000)**	**$ (233,000)**
Total OPEB Liability - Beginning of Year	**8,816,000**	**8,613,000**	**9,418,000**	**8,338,000**	**7,211,000**	**12,909,000**	**13,142,000**
Total OPEB Liability - End of Year	**$ 8,841,000**	**$ 8,816,000**	**$ 8,613,000**	**$ 9,418,000**	**$ 8,338,000**	**$ 7,211,000**	**$ 12,909,000**
Covered payroll	$ 17,547,000	$ 16,954,000	$ 18,015,000	$ 17,406,000	$ 17,633,000	$ 17,037,000	$ 18,074,000
Total OPEB liability as a percentage of covered payroll	50.38%	52.00%	47.81%	54.11%	47.29%	42.33%	71.42%

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

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

Changes in Benefit Terms

None

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

None

Changes in Assumptions used in the Measurement of PSERS' Total Pension Liability Beginning June 30, 2022

None

Actuarial Assumptions used in Calculations of Actuarially Determined Contributions

None

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

Changes in Benefit Terms

None

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

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

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

Changes in Assumptions used in the Measurement of PSERS' Total OPEB Liability Beginning June 30, 2022

- Investment return went from 2.18% S&P 20 Year Municipal Bond Rate to 4.09% S&P 20 Year Municipal Bond Rate
- The discount rate decreased from 2.18% to 4.09%

Changes in Actuarial Assumptions used in Calculations of Actuarially Determined Contributions

None

Actuarial Assumptions used in Calculations of Actuarially Determined Contributions

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

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

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

Changes in Benefit Terms

None

Changes in Assumptions

- Discount Rate – from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.

Actuarial Assumptions used in Calculations of Actuarially Determined Contributions

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

GROVE CITY AREA SCHOOL DISTRICT

AS REQUIRED BY GOVERNMENT AUDITING STANDARDS AND UNIFORM GUIDANCE

Mark C. Turnley

Certified Public Accountant

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Certified Public Accountant

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

Management and Board of Education
Grove City Area School District

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Grove City Area School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Grove City Area School District's basic financial statements, and have issued my report thereon dated December 19, 2024.

Report on Internal Control over Financial Reporting

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

My 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 weakness or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Management and Board of Education
Grove City Area School District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Grove City Area School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Grove City Area School District'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 Grove City Area School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Mark C. Turnley
Certified Public Accountant

December 19, 2024
New Brighton, Pennsylvania

Mark C. Turnley

Certified Public Accountant

1000 3rd Avenue
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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

To the Board of Education
Grove City Area School District

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

I have audited Grove City 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 Grove City Area School District's major federal programs for the year ended June 30, 2024. Grove City 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 my opinion, Grove City Area School District complied, in all material aspects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

I conducted my 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 Principals, and Audit Requirements for federal Awards (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Grove City Area School District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of Grove City 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 Grove City Area School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My 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 Grove City Area School District's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Grove City Area School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Grove City Area School District's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.

- Obtain an understanding of Grove City 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 Grove City Area School District's internal control over compliance. Accordingly, no such opinion is expressed.

I 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 I identified during the audit.

Report on Internal Control over Compliance

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

My 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 my audit I did not identify any deficiencies in internal control over compliance that I 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.

My 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 my 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.



Mark C. Turnley
Certified Public Accountant

December 19, 2024
New Brighton, Pennsylvania

GROVE CITY AREA SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
6/30/2024

FEDERAL GRANTOR/PROJECT TITLE	FUNDING SOURCE	ASSISTANCE LISTING NUMBER(S)	PASS-THROUGH GRANTOR NUMBER	GRANT PERIOD BEGINNING / ENDING DATE	PROGRAM AWARD AMOUNT	2023-2024 AMOUNTS PASSED TO SUB-RECIPIENTS	TOTAL RECEIVED THIS PERIOD	ACCRUED (UNEARNED) REVENUE JULY 1	REVENUE RECOGNIZED	EXPENDITURES	ACCRUED (UNEARNED) REVENUE JUNE 30
U.S. DEPARTMENT OF EDUCATION:											
Passed through Pa. Department of Education:											
Title I	Indirect	84.010	013-240176	7/1/23-9/30/24	$ 432,611	$ -	$ 380,366	$ -	$ 417,506	$ 417,506 (1)	$ 37,140
Title I	Indirect	84.010	013-230176	7/1/22-9/30/23	499,738	-	65,949	53,450	12,499	12,499 (1)	-
Title I - Delinquent	Indirect	84.010	107-240176	7/1/23-9/30/24	461,892	-	369,514	-	449,967	449,967 (1)	80,453
Title I - Delinquent	Indirect	84.010	107-230176	7/1/22-9/30/23	552,637	-	110,527	75,812	34,715	34,715 (1)	-
Title II	Indirect	84.367	020-240176	7/1/23-9/30/24	54,722	-	48,162	-	54,722	54,722	6,560
Title II	Indirect	84.367	020-230176	7/1/22-9/30/23	64,737	-	8,757	8,757	-	-	-
Title IV	Indirect	84.424	144-240176	7/1/23-9/30/24	39,138	-	28,701	-	36,583	36,583	7,882
Title IV	Indirect	84.424	144-230176	7/1/22-9/30/23	44,598	-	3,889	(8,798)	12,687	12,687	-
COVID-19 - ARP ESSER III Fund Local	Indirect	84.425U	223-210176	3/13/20-9/30/24	4,456,868	-	1,053,441	151,877	983,160	983,160	81,596
COVID-19 - ARP ESSER 7% (Learning Loss)	Indirect	84.425U	225-210176	3/13/20-9/30/24	247,427	-	13,496	(11,247)	8,073	8,073	(16,670)
COVID-19 - ARP ESSER 7% (Summer School)	Indirect	84.425U	225-210176	3/13/20-9/30/24	49,486	-	2,700	2,700	-	-	-
COVID-19 - ARP ESSER 7% (After School)	Indirect	84.425U	225-210176	3/13/20-9/30/24	49,486	-	2,699	2,699	-	-	-
COVID-19 - ARP ESSER (Homeless Children & Youth)	Indirect	84.425W	181-212174	3/13/20-9/30/24	14,889	-	764	(805)	33,569	33,569	32,000
Total passed through Pa. Department of Education						**$ -**	**$ 2,088,965**	**$ 274,445**	**$ 2,043,481**	**$ 2,043,481**	**$ 228,961**
Passed through Mid-Western Intermediate Unit: (Special Education Program Cluster)											
IDEA	Indirect	84.027	N/A	7/1/23-6/30/24	$ 451,202	$ -	$ 451,202	$ -	$ 451,202	$ 451,202	$ -
IDEA - Section 619	Indirect	84.173	N/A	7/1/23-6/30/24	4,829	-	4,829	-	4,829	4,829	-
COVID-19 IDEA - ARP	Indirect	84.027X	N/A	7/1/21-9/30/23	78,441	-	18,026	18,026	-	-	-
Total passed through Mid-Western Intermediate Unit (Special Education Program Cluster)						**$ -**	**$ 474,057**	**$ 18,026**	**$ 456,031**	**$ 456,031**	**$ -**
Total Special Education Program Cluster						**$ -**	**$ 474,057**	**$ 18,026**	**$ 456,031**	**$ 456,031**	**$ -**
TOTAL U.S. DEPARTMENT OF EDUCATION						**$ -**	**$ 2,563,022**	**$ 292,471**	**$ 2,499,512**	**$ 2,499,512**	**$ 228,961**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:											
Passed through Pa. Department of Human Services:											
Title 19 - Medical Assistance	Indirect	93.778	N/A	7/1/23-6/30/24	N/A	$ -	$ 6,080	$ -	$ 6,080	$ 6,080	$ -
Total passed through Pa. Department of Human Services						**$ -**	**$ 6,080**	**$ -**	**$ 6,080**	**$ 6,080**	**$ -**
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						**$ -**	**$ 6,080**	**$ -**	**$ 6,080**	**$ 6,080**	**$ -**
U.S. FEDERAL COMMUNICATIONS COMMISSION:											
COVID-19 - ARP Emergency Connectivity Fund	Direct	32.009	ECF2290009044	7/1/22-6/30/23	$ 376,000	$ -	$ 376,000	$ 376,000	$ -	$ -	$ -
TOTAL U.S. FEDERAL COMMUNICATIONS COMMISSION						**$ -**	**$ 376,000**	**$ 376,000**	**$ -**	**$ -**	**$ -**
U.S. DEPARTMENT OF AGRICULTURE:											
Passed through Pa. Dept. of Education: (Child Nutrition Program Cluster)											
National School											
Lunch Program	Indirect	10.555	N/A	7/1/23-6/30/24	N/A	$ -	$ 384,298	$ -	$ 387,983	$ 387,983	$ 3,685
Lunch Program	Indirect	10.555	N/A	7/1/22-6/30/23	N/A	-	5,886	5,886	-	-	-
Breakfast Program	Indirect	10.553	N/A	7/1/23-6/30/24	N/A	-	117,266	-	119,414	119,414	2,148
Breakfast Program	Indirect	10.553	N/A	7/1/22-6/30/23	N/A	-	2,461	2,461	-	-	-
Supply Chain Assistance	Indirect	10.555	N/A	7/1/23-6/30/24	N/A	-	45,473	-	45,473	45,473	-
Total Passed through Pa. Department of Education (Child Nutrition Program Cluster)						**$ -**	**$ 555,384**	**$ 8,347**	**$ 552,870**	**$ 552,870**	**$ 5,833**
Passed through Pa. Department of Agriculture (Child Nutrition Program Cluster) :											
National School Lunch Program	Indirect	10.555	N/A	7/1/23-6/30/24	N/A	$ -	$ 90,937 *	$ (5,953) **	$ 84,321	$ 84,321	$ (12,569) ***
Total Passed through Pa. Department of Agriculture (Child Nutrition Program Cluster)						**$ -**	**$ 90,937**	**$ (5,953)**	**$ 84,321**	**$ 84,321**	**$ (12,569)**
Total Child Nutrition Program Cluster						**$ -**	**$ 646,321**	**$ 2,394**	**$ 637,191**	**$ 637,191**	**$ (6,736)**
Passed through Pa. Department of Education:											
P-EBT Local Admin Funds	Indirect	10.649	N/A	7/1/22-6/30/23	N/A	$ -	$ 653	$ -	$ 653	$ 653	$ -
Total Passed through Pa. Department of Education						**$ -**	**$ 653**	**$ -**	**$ 653**	**$ 653**	**$ -**
TOTAL U.S. DEPARTMENT OF AGRICULTURE						**$ -**	**$ 646,974**	**$ 2,394**	**$ 637,844**	**$ 637,844**	**$ (6,736)**
TOTAL FEDERAL ASSISTANCE						**$ -**	**$ 3,592,076**	**$ 670,865**	**$ 3,143,436**	**$ 3,143,436**	**$ 222,225**

 # Reconciliation with federal subsidy confirmation:

Per above	$ 3,592,076
School Lunch/Breakfast Matching State Subsidy	103,462
Donated Commodities	(90,937)
ACCESS	131,193
IDEA	(474,057)
Emergency Connectivity Fund	(376,000)
Title 19	(6,080)
Per confirmation	**$ 2,879,657**

* **Total USDA Commodity Received**
** **Represents beginning inventory - 7/1/23**
*** **Represents ending inventory - 6/30/24**
(1) Denotes Major Programs

GROVE CITY AREA SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the 'Schedule') includes the federal grant activity administered by the Grove City Area School District for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grant Guidance – UGG).* Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or changes in net position of the Grove City Area School District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

Expenditures reported on the Schedule are presented using the accrual method of accounting. Under this method, grant revenue is recognized to the extent expenditures are incurred. Expenditures are recognized when the liability for the expenditure is incurred rather than when the disbursement is actually made.

The federal expenditures are recognized, as applicable, under the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or limited to reimbursement.

NOTE 3 - RELATIONSHIP TO FINANCIAL STATEMENTS

Federal financial award revenues are included in the financial statements as 'local source' and 'federal source' revenues.

NOTE 4 – RECEIVABLES AND UNEARNED REVENUE

Federal grants receivable is included as part of 'due from other governments' in Exhibit A and Exhibit C as referenced in Note 4 to the Financial Statements. Unearned federal grant revenue, if any, is included as part of 'unearned revenue' in Exhibit A and Exhibit C as referenced in Note 7 to the Financial Statements.

NOTE 5 - NON-CASH ASSISTANCE

The Grove City Area School District received donated commodities from the Department of Agriculture in connection with its food service program. The amount of non-cash assistance expended in the accompanying schedule of expenditures of federal awards reflects the fair market value of the commodities used during the 2023-2024 fiscal year.

NOTE 6 – INDIRECT COST RATE

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	____yes __X__no
• Significant deficiency(ies) identified?	____yes __X__no
Noncompliance material to financial statements noted?	____yes __X__no

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	____yes ___X_no
• Significant deficiency(ies) identified?	____yes ___X_no
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____yes ___X_no

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.010	Title I - Improving Basic Programs
84.010	Title I - Delinquent

The dollar threshold for distinguishing type A and type B programs:

Type A Program	$750,000-$25,000,000
Type B Program	Less than $750,000

Auditee qualified as low-risk auditee? ____yes __X__no

Section II – Financial Statement Findings

Findings related to the financial statements which are required to be report in accordance with Government Auditing Standards.

None

Section III – Federal Award Findings and Questioned Costs

Findings and questioned costs related to Federal Awards which are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a):

None

GROVE CITY AREA SCHOOL DISTRICT
STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDING JUNE 30, 2024

The audit report of the Grove City Area School District for the year ended June 30, 2023, dated January 20, 2024, contained no audit findings.