



# Pine-Richland School Board

*Focused on Learning for Every Student Every Day*

## December 16 Finance Meeting Recap

Dear Pine-Richland Community,

On December 16, the Pine-Richland School Board held a Financial Joint Governance Meeting.

The meeting began with a review of the audited financial statements for the 2023-24 school year by Mr. Justin Vancheri, auditor from Hosack, Specht, Muetzel & Wood, LLP.

Key points included:

- An unmodified opinion was issued, indicating that the financial statements present fairly in all material respects.
- The general fund's total fund balance at year-end was approximately \$34.3 million, with various categories including nonspendable, committed, assigned, and unassigned fund balances.
- Total revenues were about \$105 million, and total expenditures were \$98.9 million, resulting in a net use of \$8.2 million, primarily due to transfers to capital projects.
- The capital projects fund had revenues of about \$619,000 and expenditures of \$7 million, mainly for the Middle School HVAC renovation and athletic expenditure renovations.
- The food service fund generated a profit of about \$366,000.
- The net pension liability was \$112 million, and the district's long-term debt included \$83 million in general obligation bonds and \$6.6 million in general obligation notes.
- A single audit was completed with no internal control issues, financial statement findings, or compliance findings.

Mr. Tony Misiti from PNC Capital Markets provided a debt update, discussing the district's current portfolio and market conditions.

Key points included:

- Interest rates have been volatile, with significant increases since early 2022.
- The district's underlying credit rating was raised from AA- to AA, which could result in lower interest rates for future debt.
- The district's remaining debt portfolio is stable, with a weighted average maturity of 6.05 years.
- Potential refunding opportunities for various series of bonds were discussed, with the 2014B and 2015B series being the most likely candidates for refunding in 2025.

Mr. Chris Juzwick, director of financial and operational services, provided an update on the budget for the 2025-26 school year.

The 2024-2025 budget was used as a base to use general projections to show a possible scenario for a 2025-2026 budget projection. Common Level Ratio (CLR) has caused leveling (best-case) and declining (worst-case) real estate tax bases in Allegheny County. As a result, PRSD has realized at least \$57 million in assessment loss that is compounded over the past three years, which will suppress real estate revenue by \$2.5 million in 2025-2026 and will result in a projected \$3 million operational deficit for the 2025-26 school year.

The meeting concluded with a discussion on the district's operational efficiencies and expenditures, highlighting the importance of maintaining a balanced budget and

exploring all available options to address the projected \$3 million operational deficit for 2025-26.

Additional Finance Joint Government Meetings are scheduled for February 10 and March 17 at 6:00 pm.

Sincerely,  
Pine-Richland School Board

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