

**REPORT ON
PLEASANT VALLEY SCHOOL DISTRICT
SINGLE AUDIT REPORT
FISCAL YEAR ENDED JUNE 30, 2024**

PLEASANT VALLEY SCHOOL DISTRICT

Single Audit Report

For the Fiscal Year Ended June 30, 2024

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INTRODUCTORY SECTION



GORMAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Members of
American Institute of Certified Public Accountants
Pennsylvania Institute of Certified Public Accountants

Board of School Directors
Pleasant Valley School District
2233 Route 115
Brodheads ville, PA 18322

We have performed the Single Audit of the Pleasant Valley School District for the fiscal year ended June 30, 2024, and have enclosed the Single Audit reporting package.

The Single Audit was done to fulfill the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, which entailed:

1. An audit of the basic financial statements, and our opinion thereon;
2. A review of compliance and of internal control over financial reporting based on an audit of the financial statements performed in accordance with Governmental Auditing Standards, and our report thereon;
3. An examination of the Schedule of Expenditures of Federal Awards and our report thereon; and,
4. An opinion on compliance with requirements applicable to each major program, and a review of internal control over compliance in accordance with the Uniform Guidance, explained above, and our report thereon.

Respectfully submitted,

December 20, 2024

REPORT DISTRIBUTION LIST

The Pleasant Valley School District has distributed copies of the Single Audit Act Package to:

ONE COPY TO: (Electronically Submitted)	FEDERAL AUDIT CLEARINGHOUSE GENERAL SERVICES ADMINISTRATION
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ONE COPY TO: (Electronically Submitted)	COMMONWEALTH OF PENNSYLVANIA OFFICE OF THE BUDGET/BUREAU OF AUDITS
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FINANCIAL SECTION



GORMAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Members of
American Institute of Certified Public Accountants
Pennsylvania Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of School Directors
Pleasant Valley School District
2233 Route 115
Brodheadsville, PA 18322

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-14, the schedules associated with the District's Defined Benefit Pension Plan, and the Schedules of the District's OPEB Plans, on pages 79-86, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pleasant Valley School District's basic financial statements. The accompanying combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2024, on our consideration of the Pleasant Valley School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pleasant Valley School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pleasant Valley School District's internal control over financial reporting and compliance.

Respectfully submitted,



Northampton, Pennsylvania
November 20, 2024

**PLEASANT VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
(UNAUDITED)
For the Year Ended June 30, 2024**

The discussion and analysis of Pleasant Valley School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. This summary is designed to a) assist the reader in focusing on significant financial issues, b) provide an overview of the District's financial activity, c) identify changes in the District's financial position, d) identify any material deviations from the approved budget, and e) identify individual fund issues or concerns.

FINANCIAL HIGHLIGHTS

The total net position of the District for governmental activities was \$675,824, increasing by \$28,920,148 over the prior fiscal period. For governmental activities, the revenues in the amount of \$119,793,399 were sufficient to cover the governmental expenses of \$90,873,251. The total net position of the District for business-type activities was (\$393,854) increasing by \$602,253 over the prior fiscal period. Total revenues in the amount of \$3,066,423 were sufficient to cover the business-type expenses of \$2,464,170. As of June 30, 2024, the school district had a total net position of \$281,970 for governmental and business type activities.

During the year, the District revenues were \$14,055,003 more than budgeted revenues, due to revenues from local, state, and federal sources. Expenditures were \$2,683,421 less than the budget.

The Pleasant Valley School District Board of Education is assessing its building needs and is planning updates to existing buildings.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

• *Government-Wide Financial Statements*

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances. These statements are prepared using the accrual basis of accounting. The focus of these statements is long-term.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or declining.

**PLEASANT VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

Table 1 reflects the condensed Statement of Net Position for the years ended 2024 and 2023.

**Table 1
Condensed Statement of Net Position
Fiscal Years Ended June 30, 2024 and June 30, 2023**

	2024			2023			
	Govern- mental Activities	Business- Type Activities	Total	Govern- mental Activities	Business- Type Activities	Total	
Current and other assets	\$ 106,292,669	\$ 1,051,360	\$ 107,163,048	\$ 60,527,473	\$ 957,495	\$ 61,315,545	(1)
Non-current assets	80,799,074	466,447	81,265,521	78,311,849	152,039	78,463,888	
Deferred Outflow of Resources	17,471,969	362,144	17,834,113	16,425,042	342,006	16,767,048	
Total Assets & Deferred Outflow of Resources	\$ 204,563,712	\$ 1,879,951	\$ 206,262,682	\$ 155,264,364	\$ 1,451,540	\$ 156,546,481	
Current and other liabilities	\$ 16,534,184	\$ 61,397	\$ 16,414,600	\$ 15,873,788	\$ 91,692	\$ 15,796,057	(1)
Non-current liabilities	178,564,453	1,966,579	180,350,051	161,351,515	2,257,182	163,439,274	
Deferred Inflow of Resources	25,323,435	307,226	25,630,661	22,157,173	190,465	22,347,638	
Total Liabilities & Deferred Inflow of Resources	220,422,072	2,335,202	222,395,312	199,382,476	2,539,339	201,582,969	
Net Position							
Net Investment in Capital Assets	70,649,645	466,447	71,116,092	67,875,248	152,039	68,027,287	
Restricted For:							
Retirement of Long-term debt	-	-	-	-	-	-	
Capital Projects	23,748,145	-	23,748,145	8,543,147	-	8,543,147	
Other Restrictions	-	-	-	-	-	-	
Unrestricted	(93,721,966)	(860,301)	(94,582,267)	(104,662,719)	(1,148,146)	(105,810,865)	
Total Net Position	675,824	(393,854)	281,970	(28,244,324)	(996,107)	(29,240,431)	
Total Liabilities, Deferred Inflow of Resources & Net Position	\$ 204,563,712	\$ 1,879,951	\$ 206,262,682	\$ 155,264,364	\$ 1,451,540	\$ 156,546,481	

(1) The amounts in the total columns include the internal balances reported in the individual Activity columns.

**PLEASANT VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

The statement of activities, in Table 2, presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal period (e.g. uncollected taxes and earned, but unused, compensated absences).

**Table 2
Changes in Net Position
For the Years Ended June 30, 2024 and June 30, 2023**

	2024			2023		
	Govern- mental Activities	Business- Type Activities	Total	Govern- mental Activities	Business- Type Activities	Total
REVENUES						
<i>Program Revenues:</i>						
Charges for services	\$ 155,878	\$ 207,144	\$ 363,022	\$ 82,148	\$ 211,792	\$ 293,940
Operating Grants	26,737,951	2,469,173	29,207,124	24,378,407	2,180,645	26,559,052
Capital Grants	-	-	-	-	-	-
<i>General Revenues:</i>						
Property taxes levied for general purposes	51,609,455	-	51,609,455	50,854,064	-	50,854,064
Taxes levied for specific purposes	5,250,218	-	5,250,218	5,284,461	-	5,284,461
Grants, subsidies and contributions not restricted	31,078,458	-	31,078,458	28,951,892	-	28,951,892
Investment earnings	4,047,712	38,011	4,085,723	2,250,883	15,962	2,266,845
Miscellaneous	911,857	3,631	915,488	751,037	25,178	776,215
Other	1,870	348,464	350,334	(55,094)	54,844	(250)
TOTAL REVENUES	119,793,399	3,066,423	122,859,822	112,497,798	2,488,421	114,986,219
PROGRAM EXPENSES						
Instruction	53,753,344	-	53,753,344	52,991,177	-	52,991,177
Instruction Student Support	5,838,740	-	5,838,740	5,918,769	-	5,918,769
Administrative and Financial Support	-	-	-	-	-	-
	7,298,126	-	7,693,433	7,019,272	-	7,693,433
Operation and Maintenance of Plant Services	9,676,425	-	9,676,425	9,418,468	-	9,418,468
Pupil Transportation	8,792,897	-	8,792,897	8,702,826	-	8,702,826
Student Activities	1,261,813	-	1,261,813	1,246,364	-	1,246,364
Community Services	612,736	-	612,736	613,491	-	613,491
Interest on Long-Term Debt	765,818	-	765,818	313,069	-	313,069
Unallocated Depreciation	2,873,352	-	2,873,352	2,852,918	-	2,852,918
Food Service	-	2,464,170	2,464,170	-	2,076,573	2,076,573
TOTAL EXPENSES	90,873,251	2,464,170	93,732,728	89,076,354	2,076,573	91,827,088
Increase (decrease) in Net Position	28,920,148	602,253	29,522,401	23,421,444	411,848	23,833,292
Prior Period Adjustment	-	-	-	-	-	-
Net Position - Beginning	(28,244,324)	(996,107)	(29,240,431)	(51,665,768)	(1,407,955)	(53,073,723)
Net Position - Ending	\$ 675,824	\$ (393,854)	\$ 281,970	\$ (28,244,324)	\$ (996,107)	\$ (29,240,431)

**PLEASANT VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

Governmental Activities

The increase of \$28,920,148 in net position of governmental activities was the result of an increase in total assets and deferred outflow of resources.

The District's food service program showed an increase in net position of \$602,253 for year-end 2024. This increase is a result of revenues exceeding expenses for the 2023-2024 year in the amount of \$602,253. Expenses increased by \$387,597 from \$2,076,573 in 2023 to \$2,464,170 in 2024. Revenues increased by 19% while expenses increased by 16%. The increase in revenues was due the District began participating in the Community Eligibility Provision (CEP) Program and the Governor's Universal Free Breakfast Program during the 2023-2024 school year.

Both of the governmental-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The governmental activities include all of the District's instructional programs and support services except for its food service program, which is considered a business-type activity.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of fund financial statements is short-term. Fund financial statements are prepared using the modified accrual basis of accounting. The District uses several different types of funds, but the two most significant types are the governmental and proprietary fund types.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**PLEASANT VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the District's major funds, which are the General fund and Capital Projects funds. The District's non-major funds include the Western Pocono Library fund.

The District adopts an annual budget for its General fund. This adoption, by law, occurs prior to June 30 of each year for the subsequent fiscal year. A comprehensive budgetary comparison, original to final is provided in this report. Below is the summarized version of the budget comparison for 2023-2024:

	Budget Amounts		Actual (GAAP Basis)	Variance with Final Budget Positive (Neg.)
	Original	Final		
Revenues	\$ 104,787,479	\$ 104,787,479	\$ 118,842,482	\$ 14,055,003
Expenditures	103,959,480	103,959,479	101,276,058	\$ 2,683,421
Excess (Deficiency) of Revenues Over				
Expenditures	827,999	828,000	17,566,424	16,738,424
Other Financing Sources/Uses	(827,999)	(828,000)	(16,339,083)	(15,511,083)
Special Items	-	-	-	-
Extraordinary	-	-	-	-
Net Change in Fund Balances	-	-	1,227,341	1,227,341
Fund Balance – Beginning	18,620,946	18,620,946	30,110,344	11,489,398
Fund Balance – Ending	\$ 18,620,946	\$ 18,620,946	\$ 31,337,685	\$ 12,716,739

Proprietary Funds

The District accounts for its food service operation in a proprietary fund, which reports the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds

The District is the trustee, or fiduciary, for its scholarship program. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**PLEASANT VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

GENERAL FUND BUDGETARY HIGHLIGHTS

The District prepares a budget each year for its General fund according to Pennsylvania law. The budget complied with all applicable Commonwealth laws and financial policies approved by the Board of School Directors.

The General fund's originally approved budget for 2024 included \$104,787,479 in revenues, \$103,959,480 in expenditures and a beginning unreserved fund balance available for appropriation in the amount of \$30,110,344.

The actual revenues received for 2024 were \$118,842,482 or approximately 12.0% higher. The final actual expenditures to the budget amounted to \$101,276,058, a variance from the budget of \$2,683,421 or an expenditure rate of 3.0%.

Differences between the final budget and actual results for the general fund were:

- Local revenues increased from the original budget due to actual collection of school and delinquent real estate taxes.
- State revenues increased from the original budget. These subsidies are based on formulas as established by the Pennsylvania Department of Education that utilize demographical statistics and actual payments.
- Federal revenues increased from the original budget due to ARP ESSER Funding.
- The 3.0% expenditure rate was due primarily to decreased expense for charter school tuition being below budget. These decreased expenditures are attributed to the bringing students back to brick and mortar from outside charter schools.

FINANCIAL ANALYSIS OF MAJOR FUNDS

GENERAL FUND

The following chart represents a summary of general fund revenue, by source, along with changes from 2023:

	2024 Amount	2023 Amount	Increase (Decrease)	% Change
Local Sources	\$ 61,873,561	\$ 59,593,520	\$ 2,280,041	3.8%
State Sources	51,549,628	49,195,720	\$ 2,353,908	4.8%
Federal Sources	5,419,293	3,280,722	\$ 2,138,571	65.2%
Other Sources	371,407	1,068,982	\$ (697,575)	-65.3%
TOTAL	<u>\$ 119,213,889</u>	<u>\$ 113,138,944</u>	<u>\$ 6,074,945</u>	<u>5.4%</u>

**PLEASANT VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

Local Sources

The increase in local sources was \$2,280,041, or 3.8%. This increase is due to an increase in school and delinquent real estate property tax collections.

State Sources

The increase in state sources was \$2,353,908 or 4.8% this increase was driven by an increase in several state subsidies.

Federal Sources

The increase in federal sources was \$2,138,571 or 65.2%%

General fund expenditures totaled \$117,986,548, which represents a increase of \$16,337,002 or 16.1% from 2022-2023. The following represents a summary of general fund expenditures for the year ended June 30, 2024 by function, along with changes from 2022-2023.

	2024 Amount	2023 Amount	Increase (Decrease)	% Change
Instruction	\$ 60,862,375	\$ 59,945,347	\$ 917,028	1.5%
Support Services	36,975,622	34,119,572	\$ 2,856,050	8.4%
Noninstructional	1,447,590	1,425,770	\$ 21,820	1.5%
Facilities Acquisition	-	-	\$ -	100.0%
Other Financing Uses	18,700,961	6,158,857	\$ 12,542,104	<u>203.6%</u>
TOTAL	<u>\$ 117,986,548</u>	<u>\$ 101,649,546</u>	<u>\$ 16,337,002</u>	<u>16.1%</u>

Instruction

Increases in instructional expenses were primarily due to increases in all instructional areas: regular and special education, vocational and other programs.

Support Services

Increases in support services were due to contractual salary increases and related benefits as described above under instruction.

Non-instructional Services

These increased expenditures are attributed to the bringing students back to brick and mortar from outside charter schools.

Facilities Acquisition, Construction and Improvement Services

Each year, this service area fluctuates depending upon the needs of the district. There were \$0.00 of improvement services that occurred during the 2023-2024 year.

Other Financing Uses

The increased expenses are due to scheduled debt service payments.

**PLEASANT VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

CAPITAL PROJECTS FUND

The District's capital projects fund accounts for financial resources expended to acquire or construct property or equipment.

CAPITAL RESERVE FUND

The District's capital reserve is established under 53 P.S. 1432 of the Municipal Code. Under this section, the fund is legally restricted to capital improvements, replacements and additions to public works, deferred maintenance, purchase or replacement of school buses, debt service repayment and lease agreement obligations. During 2024, expenditures of \$1,973,148 were made from this fund. The June 30, 2024 balance was \$23,748,145.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2024 is summarized in Table 3 below.

**Table 3
Capital Assets
For the Years Ended June 30, 2024 and June 30, 2023**

	2024			Total % Change	2023		
	Govern- mental Activities	Business- Type Activities	Total		Govern- mental Activities	Business- Type Activities	Total
Land	\$ 1,724,661	\$ -	\$ 1,724,661	0.00%	\$ 1,724,661	\$ -	\$ 1,724,661
Site Improvements	2,109,141	-	2,109,141	46.50%	1,439,654	-	1,439,654
Building and Bldg. Improve- ments (net Acc. Dep.)	65,467,529	-	65,467,529	-3.83%	68,071,847	-	68,071,847
Furniture and Equipment (net Acc. Dep.)	1,662,969	466,447	2,129,416	45.04%	1,345,288	122,913	1,468,201
Intangible Right to Use Equipment	694,117	-	694,117	100.00%	958,377	-	958,377
Construction in Progress	4,631,484	-	4,631,484	100.00%	333,872	-	333,872
TOTAL	\$ 76,289,901	\$ 466,447	\$ 76,756,348	3.73%	\$ 73,873,699	\$ 122,913	\$ 73,996,612

LONG TERM DEBT

At June 30, 2024, the District had \$38,367,855 in outstanding bonds and lease obligations. The District's bonds have an "Aa3" rating from Moody's Investors Service.

In addition, the long term portion of compensated absences totaled \$2,584,026; liability for other post-employment benefits totaled \$976,574 and net pension liability totaled \$101,349,520, and net OPEB liability for single and multiple employer plans totaled \$21,334,575.

**PLEASANT VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

FACTORS EXPECTED TO HAVE AN EFFECT ON FUTURE OPERATIONS

While the District experienced significant student growth over many years, the past several years have shown a decrease in student population. A small decrease in student enrollment occurred during the 2023-2024 school year. A review of the enrollment is shown in the table below. Because of the current national economic conditions, the district anticipates that district enrollment will remain consistent over the next few years.

Pupil Enrollment – Historical			
School Year	Elementary	Secondary	Total
1998-99	3,118	2,589	5,707
1999-00	3,221	2,671	5,892
2000-01	3,294	2,835	6,129
2001-02	3,360	2,995	6,355
2002-03	3,507	3,209	6,716
2003-04	3,494	3,403	6,897
2004-05	3,466	3,558	7,024
2005-06	3,411	3,547	6,958
2006-07	3,332	3,436	6,768
2007-08	3,181	3,375	6,556
2008-09	3,103	3,298	6,401
2009-10	2,773	3,112	5,885
2010-11	2,715	3,071	5,786
2011-12	2,594	2,944	5,538
2012-13	2,532	2,903	5,435
2013-14	2,395	2,998	5,393
2014-15	2,342	2,648	4,990
2015-16	2,279	2,584	4,863
2016-17	2,257	2,542	4,799
2017-18	2,196	2,408	4,604
2018-19	2,221	2,301	4,522
2019-20	2,194	2,199	4,393
2020-21	1,791	2,001	3,792
2021-22	1,773	2,312	4,085
2022-23	1,854	2,349	4,203
2023-24	1,818	2,358	4,176

The District is continuing a building plan to provide for adequate resources for the students. Future plans will depend upon actual student enrollment.

REQUESTS FOR INFORMATION

Our financial report is designed to provide our citizens, taxpayers, parents, students, staff, investors and creditors with a general overview of the District's financial condition and to provide accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the, Business Manager/Board Secretary at Pleasant Valley School District, 2233 Route 115, Brodheadsville, PA 18322, (570) 402-1000, ext. 1260.

BASIC FINANCIAL STATEMENTS

Pleasant Valley School District
Statement of Net Position
As of June 30, 2024

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 79,497,541	\$ 826,480	\$ 80,324,021
Investments	15,265,528	-	15,265,528
Receivables, Net	3,828,432	-	3,828,432
Internal Balances	12,754	168,227	- (1)
Due From Other Governments	6,347,808	-	6,347,808
Lease Receivables	1,166,926	-	1,166,926
Other Receivables	59,177	13,577	72,754
Inventories	114,503	43,076	157,579
Total Current Assets	106,292,669	1,051,360	107,163,048
Non-Current Assets:			
Restricted Cash and Cash Equivalents	63,149	-	63,149
Land	1,724,661	-	1,724,661
Site Improvements (Net of Depreciation)	2,109,141	-	2,109,141
Building and Bldg. Improvements (Net of Depreciation)	65,467,528	-	65,467,528
Furniture and Equipment (Net of Depreciation)	1,662,970	466,447	2,129,417
Intangible Right To Use Equipment (Net of Amortization)	694,117	-	694,117
Construction in Progress	4,631,484	-	4,631,484
Long-term Receivable	4,446,024	-	4,446,024
Total Non-Current Assets	80,799,074	466,447	81,265,521
TOTAL ASSETS	187,091,743	1,517,807	188,428,569
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources - Related to Pension	16,327,211	358,433	16,685,644
Deferred Outflows of Resources - Related to OPEB	1,144,758	3,711	1,148,469
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 204,563,712	\$ 1,879,951	\$ 206,262,682
LIABILITIES			
Current Liabilities:			
Internal Balances	\$ 168,227	\$ 12,754	\$ - (1)
Due to Other Governments	501,804	-	501,804
Accounts Payable	2,179,209	-	2,179,209
Current Portion of Long-Term Obligations	2,582,281	-	2,582,281
Accrued Salaries and Benefits	7,535,309	995	7,536,304
Payroll Withholdings	3,242,937	-	3,242,937
Prepayments	-	39,774	39,774
Other Current Liabilities	324,417	7,874	332,291
Total Current Liabilities	16,534,184	61,397	16,414,600
Non-Current Liabilities:			
Bonds and Notes Payable	36,601,216	-	36,601,216
Lease Obligations	329,465	-	329,465
Finance Purchase Obligations	25,493	-	25,493
Long-Term Portion of Compensated Absences	1,413,426	53,014	1,466,440
Other Retirement Benefits	976,574	-	976,574
Net Pension Liability	101,349,520	1,791,790	103,141,310
Net OPEB Liability - Single Employer Plan	17,144,663	-	17,144,663
Net OPEB Liability - Multiple Employer Plan	4,189,912	60,378	4,250,290
TOTAL LIABILITIES	178,564,453	1,966,579	180,350,051
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources - Lease	1,166,926	-	1,166,926
Deferred Inflows of Resources - Related to Pension	16,965,929	281,709	17,247,638
Deferred Inflows of Resources - Related to OPEB	7,019,202	25,517	7,044,719
Deferred Inflows of Resources - Related to Bond Refundings, net	171,378	-	171,378
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	203,887,888	2,273,805	205,980,712
NET POSITION			
Net Investment in Capital Assets	70,649,645	466,447	71,116,092
Restricted For:			
Retirement of Long-Term Debt	-	-	-
Capital Projects	23,748,145	-	23,748,145
Other Restrictions	-	-	-
Unrestricted (Deficit)	(93,721,966)	(860,301)	(94,582,267)
TOTAL NET POSITION	675,824	(393,854)	281,970
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 204,563,712	\$ 1,879,951	\$ 206,262,682

The Accompanying Notes are an integral part of these financial statements.

(1) Internal balances represent the amount owed to or from the two types of activities within the Primary Government. Since internal balances do not represent assets or liabilities of the total Primary Government, their balances are eliminated in the "total" column (GASB Statement No. 34, para. 58).

**Pleasant Valley School District
Statement of Activities
For the Year Ended June 30, 2024**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES:							
Instruction	\$ 53,753,344	\$ 113,998	\$ 17,783,594	\$ 21,397	\$ (35,834,355)	\$ -	\$ (35,834,355)
Instructional Student Support	5,838,740	-	1,143,639	-	(4,695,101)	-	(4,695,101)
Admin. & Fin'l Support Services	7,298,126	-	996,244	57,762	(6,244,120)	-	(6,244,120)
Oper. & Maint. of Plant Svcs.	9,676,425	-	1,164,615	2,557,644	(5,954,166)	-	(5,954,166)
Pupil Transportation	8,792,897	-	2,811,743	-	(5,981,154)	-	(5,981,154)
Student Activities	1,261,813	41,880	183,149	-	(1,036,784)	-	(1,036,784)
Community Services	612,736	-	18,164	-	(594,572)	-	(594,572)
Interest on Long-Term Debt	765,818	-	-	-	(765,818)	-	(765,818)
Unallocated Depreciation Expense	2,873,352	-	-	-	(2,873,352)	-	(2,873,352)
TOTAL GOVERNMENTAL ACTIVITIES	90,873,251	155,878	24,101,148	2,636,803	(63,979,422)	-	(63,979,422)
BUSINESS-TYPE ACTIVITIES:							
Food Services	2,464,170	207,144	2,469,173	-	-	212,147	212,147
TOTAL PRIMARY GOVERNMENT	<u>\$ 93,337,421</u>	<u>\$ 363,022</u>	<u>\$ 26,570,321</u>	<u>\$ 2,636,803</u>	<u>\$ (63,979,422)</u>	<u>\$ 212,147</u>	<u>\$ (63,767,275)</u>
GENERAL REVENUES:							
Property Taxes, Levied for General Purposes, Net					\$ 51,609,455	\$ -	\$ 51,609,455
Taxes Levied for Specific Purposes					5,250,218	-	5,250,218
Grants, Subsidies, & Contributions not Restricted					31,078,458	-	31,078,458
Investment Earnings					4,047,712	38,011	4,085,723
Miscellaneous Income					911,857	3,631	915,488
Special item - Insurance Recoveries					12,360	-	12,360
Transfers					(10,490)	348,464	337,974
TOTAL GENERAL REVENUES, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND TRANSFERS					<u>92,899,570</u>	<u>390,106</u>	<u>93,289,676</u>
CHANGES IN NET POSITION					28,920,148	602,253	29,522,401
NET POSITION - BEGINNING					(28,244,324)	(996,107)	(29,240,431)
NET POSITION - ENDING					<u>\$ 675,824</u>	<u>\$ (393,854)</u>	<u>\$ 281,970</u>

The Accompanying Notes are an integral part of these financial statements.

**Pleasant Valley School District
Balance Sheet
Governmental Funds
As of June 30, 2024**

	GENERAL	CAPITAL PROJECTS	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 47,131,552	\$ 32,428,534	\$ 603	\$ 79,560,689
Investments	265,528	15,000,000	-	15,265,528
Taxes Receivable, Net	3,785,629	-	42,803	3,828,432
Due From Other Funds	33,541	9,000,000	-	9,033,541
Due from Other Governments	6,328,500	-	19,308	6,347,808
Lease Receivable	1,166,926	-	-	1,166,926
Other Receivables	59,177	-	-	59,177
TOTAL ASSETS	58,770,853	56,428,534	62,714	115,262,101
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
	-	-	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 58,770,853	\$ 56,428,534	\$ 62,714	\$ 115,262,101
<u>LIABILITIES</u>				
Due to Other Funds	\$ 9,168,227	\$ 1,479	\$ 19,308	\$ 9,189,014
Due to Other Governments	501,804	-	-	501,804
Accounts Payable	1,531,258	647,950	-	2,179,208
Current Portion of Long-Term Debt	1,170,599	-	-	1,170,599
Accrued Salaries and Benefits	7,535,309	-	-	7,535,309
Payroll Deductions and Withholdings	3,242,937	-	-	3,242,937
Prepayments	5,866	-	-	5,866
Other Current Liabilities	440	-	-	440
TOTAL LIABILITIES	23,156,440	649,429	19,308	23,825,177
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Related to Leases	1,166,926	-	-	1,166,926
Related to Tax Revenue	3,109,802	-	42,803	3,152,605
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	27,433,168	649,429	62,111	28,144,708
<u>FUND BALANCES:</u>				
Nonspendable Fund Balance	-	-	-	-
Restricted Fund Balance	63,149	55,779,105	-	55,842,254
Committed Fund Balance	17,821,296	-	-	17,821,296
Assigned Fund Balance	8,666,717	-	603	8,667,320
Unassigned Fund Balance	4,786,523	-	-	4,786,523
TOTAL FUND BALANCES	31,337,685	55,779,105	603	87,117,393
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 58,770,853	\$ 56,428,534	\$ 62,714	\$ 115,262,101

The Accompanying Notes are an integral part of these financial statements.

**Pleasant Valley School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
As of June 30, 2024**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 87,117,393**

**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 the assets is \$150,263,197 and the accumulated depreciation is \$73,973,296. 76,289,901

Additional receivables established that do not meet the availability criteria reflected in the fund financial statements. This amount represents the difference between the prior year receivables and the current year receivables established under the accrual basis of accounting. 4,446,024

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 3,152,606

This represents deferred outflows of resources resulting in deferred charges on refunding prior bond issues. (171,378)

This represents deferred outflows of resources, net of deferred inflows of resources pertaining to the Net Pension/OPEB Liability. (6,513,163)

The governmental funds follow the purchase method of inventory; therefore, no inventory is reflected on the balance sheet, except for general supplies. However, the Statement of Net Position uses the consumption method of inventory for all supplies. 114,503

This represents payments to be paid within the next twelve months for employees who have elected to retire under the District's early retirement incentive program. (341,682)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of: (163,418,380)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 675,824**

The Accompanying Notes are an integral part of these financial statements.

Pleasant Valley School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES				
Local Sources	\$ 61,873,561	\$ 858,874	\$ 597,175	\$ 63,329,610
State Sources	51,549,628	-	-	51,549,628
Federal Sources	5,419,293	-	-	5,419,293
TOTAL REVENUES	<u>118,842,482</u>	<u>858,874</u>	<u>597,175</u>	<u>120,298,531</u>
EXPENDITURES				
Instruction	60,862,375	-	-	60,862,375
Support Services	36,975,622	426,734	88,937	37,491,293
Operation of Non-Instructional Services	1,447,590	-	597,175	2,044,765
Capital Outlay	-	2,609,904	-	2,609,904
Debt Service	1,990,471	-	-	1,990,471
TOTAL EXPENDITURES	<u>101,276,058</u>	<u>3,036,638</u>	<u>686,112</u>	<u>104,998,808</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>17,566,424</u>	<u>(2,177,764)</u>	<u>(88,937)</u>	<u>15,299,723</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Bond Issues	-	28,390,000	6,195,000	34,585,000
Bond Premium	-	1,608,086	597,475	2,205,561
Proceeds from Extended Term Financing	230,523	-	-	230,523
Proceeds from Leases	51,075	-	-	51,075
Interfund Transfers In	-	16,700,000	-	16,700,000
Sale/Compensation for Fixed Assets	77,449	-	-	77,449
Insurance Recoveries	12,360	-	-	12,360
Payment to bond refunding escrow agent	-	-	(6,702,935)	(6,702,935)
Operating Transfers Out	(16,710,490)	-	-	(16,710,490)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(16,339,083)</u>	<u>46,698,086</u>	<u>89,540</u>	<u>30,448,543</u>
SPECIAL/EXTRAORDINARY ITEMS				
Special Items	-	-	-	-
Extraordinary Items	-	-	-	-
NET CHANGE IN FUND BALANCES	1,227,341	44,520,322	603	45,748,266
FUND BALANCES - BEGINNING	<u>30,110,344</u>	<u>11,258,783</u>	<u>-</u>	<u>41,369,127</u>
FUND BALANCES - ENDING	<u>\$ 31,337,685</u>	<u>\$ 55,779,105</u>	<u>\$ 603</u>	<u>\$ 87,117,393</u>

The Accompanying Notes are an integral part of these financial statements.

**Pleasant Valley 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**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ 45,748,266**

Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlays 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 depreciation exceeded capital outlays in the current period.

Depreciation expense	\$ 3,620,637	
less - capital outlays	<u>6,036,838</u>	2,416,201

Some of the capital assets acquired this year were financed with leases and finance purchases. The amount financed by the leases or finance purchase is reported in the governmental funds as a source of financing. On the other hand, the leases and finance purchases are not revenues in the Statement of Activities, but rather constitute long-term liabilities.

(281,598)

In the Statement of Activities, only the gain on the sale of the capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of fixed assets sold.

-

Because some property 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.

(584,450)

Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

1,421,693

In the Statement of Activities, certain operating expenses--compensated absences (vacations) and special termination benefits (early retirement)--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. This amount represents the difference between the amount earned versus the amount used.

(624,168)

SUBTOTAL IN CHANGES BETWEEN BASIS OF ACCOUNTING **\$ 48,095,944**

**Pleasant Valley 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**

SUBTOTAL IN CHANGES BETWEEN BASIS OF ACCOUNTING (CONT'D) **\$ 48,095,944**

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. This would include accumulated interest accreted on capital appreciation bonds. The additional interest accrued in the Statement of Activities over the amount due is shown here. (197,040)

In the Statement of Activities, certain operating revenues are recognized when earned versus the revenues using the modified accrual basis of accounting in the fund statements that are recognized when the funds are available. As such, the amount shown here represents the difference between earned revenues and revenues that are earned, but not available. 134,112

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of assets. Refunding bond issues becomes a use of current financial resources in governmental funds, but refunding represent payments of long-term debt in the statement of net position. This figure represents the difference between bond proceeds and refunding payments made to paying agents. (30,087,626)

The governmental funds use the purchase method of inventory for most supplies, where all items purchased are charged to expenditures. However, the Statement of Activities is reflected on the consumption method of recording inventory type items; therefore, this adjustment reflects the inventory difference. 72,848

The difference between current year pension/OPEB expense reported on the governmental activities column of the government-wide financial statements and the pension/OPEB contributions made this past year reported as expenditures in the governmental funds. 10,901,910

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 28,920,148**

The Accompanying Notes are an integral part of these financial statements.

**Pleasant Valley School District
Statement of Fund Net Position
Proprietary Funds
As of June 30, 2024**

	FOOD SERVICE
<u>ASSETS</u>	
CURRENT ASSETS:	
Cash and Cash Equivalents	\$ 826,480
Due from Other Funds	169,827
Other Receivables	11,977
Inventories	43,076
TOTAL CURRENT ASSETS	1,051,360
NON-CURRENT ASSETS:	
Machinery & Equipment (Net)	466,447
TOTAL NON-CURRENT ASSETS	466,447
TOTAL ASSETS	1,517,807
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows of Resources - Related to Pension	358,433
Deferred Outflows of Resources - Related to OPEB	3,711
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 1,879,951
<u>LIABILITIES</u>	
CURRENT LIABILITIES:	
Due to Other Funds	\$ 12,754
Accrued Salaries and Benefits	995
Other Current Liabilities	7,874
Prepayments	39,774
TOTAL CURRENT LIABILITIES	61,397
NON-CURRENT LIABILITIES:	
Long-Term Portion of Compensated Absences	53,014
Net OPEB Liability - Multiple Employer Plan	60,378
Net Pension Liability	1,791,790
TOTAL NON-CURRENT LIABILITIES	1,905,182
TOTAL LIABILITIES	1,966,579
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Inflows of Resources - Related to Pension	281,709
Deferred Inflows of Resources - OPEB	25,517
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	2,273,805
<u>FUND NET POSITION</u>	
Net Investment in Capital Assets	466,447
Unrestricted	(860,301)
TOTAL FUND NET POSITION	(393,854)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND NET POSITION	\$ 1,879,951

The Accompanying Notes are an integral part of these financial statements.

Pleasant Valley School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	FOOD SERVICE
OPERATING REVENUES:	
Food Service Revenue	\$ 207,144
Other Operating Revenues	<u>3,631</u>
TOTAL OPERATING REVENUES	<u>210,775</u>
OPERATING EXPENSES:	
Salaries	558,053
Employee Benefits	293,749
Purchased Professional and Technical Services	9,522
Purchased Property Service	6,300
Other Purchased Services	337,413
Supplies	1,214,146
Depreciation	<u>44,987</u>
TOTAL OPERATING EXPENSES	<u>2,464,170</u>
OPERATING INCOME (LOSS)	<u>(2,253,395)</u>
NON-OPERATING REVENUES (EXPENSES)	
Earnings on Investments	38,011
State Sources	376,225
Federal Sources	<u>2,092,948</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>2,507,184</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	\$ 253,789
Capital Contributions	337,974
Transfers in (out)	<u>10,490</u>
CHANGES IN FUND NET POSITION	602,253
FUND NET POSITION - BEGINNING	<u>(996,107)</u>
FUND NET POSITION - ENDING	<u><u>\$ (393,854)</u></u>

The Accompanying Notes are an integral part of these financial statements.

**Pleasant Valley School District
Statement of Cash Flows
Proprietary Funds
As of June 30, 2024**

	FOOD SERVICE
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Users	\$ 181,890
Cash Received from Other Operating Revenue	9,542
Cash Payments to Employees for Services	(1,014,492)
Cash Payments to Suppliers for Goods and Services	(1,453,239)
Cash Payments to Other Operating Expenses	-
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(2,276,299)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Sources	376,225
Federal Sources	1,934,087
Operating Transfers In (Out)	10,490
NET CASH PROVIDED BY (USED FOR) NON-CAPITAL FINANCING ACTIVITIES	2,320,802
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Facilities Acquisition/Const./Improvement Svcs.	(21,421)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(21,421)
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on Investments	38,011
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	38,011
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	61,093
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	765,387
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 826,480
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
OPERATING INCOME (LOSS)	\$ (2,253,395)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Depreciation and Net Amortization	44,987
Donated Commodities Used	158,861
CHANGES IN ASSETS AND LIABILITIES:	
(Increase) Decrease in Accounts Receivable	(11,977)
(Increase) Decrease in Advances to Other Funds	(2,138)
(Increase) Decrease in Inventories	(18,657)
(Increase) Decrease in Deferred Outflows of Resources - Current Year Contributions	32,485
(Increase) Decrease in Deferred Outflows of Resources - Change in Assumptions	26,773
(Increase) Decrease in Deferred Outflows of Resources - Diff. in Projected vs Actual Invest. Earnings	(87,648)
Increase (Decrease) in Accounts Payable	(44,810)
Increase (Decrease) in Accrued Salaries and Benefits	(10,935)
Increase (Decrease) in Advances from Other Funds	11,020
Increase (Decrease) in Other Current Liabilities	2,500
Increase (Decrease) in Net OPEB Liability - Multiple Employer Plan	(11,408)
Increase (Decrease) in Net Pension Liability	(236,970)
Increase (Decrease) in Deferred Inflows of Resources - Diff. in Projected vs Actual Contributions	(3,143)
Increase (Decrease) in Deferred Inflows of Resources - Change in Assumptions	4,886
Increase (Decrease) in Deferred Inflows of Resources - Change in Proportion of NPL	114,917
Increase (Decrease) in Deferred Inflows of Resources - Diff. in Expected vs Actual Experience	8,353
TOTAL ADJUSTMENTS	(22,904)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (2,276,299)

The Accompanying Notes are an integral part of these financial statements.

Pleasant Valley School District
Statement of Fiduciary Net Position
Fiduciary Funds
As of June 30, 2024

	PRIVATE- PURPOSE TRUST	CUSTODIAL FUNDS
ASSETS		
Cash and Cash Equivalents	\$ 72,922	\$ 170,298
Investments	9,600	-
Other Receivables	16	-
Other Current Assets	-	-
TOTAL ASSETS	<u>82,538</u>	<u>170,298</u>
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 82,538</u>	<u>\$ 170,298</u>
	-----	-----
LIABILITIES		
Accounts Payable	\$ -	\$ 7,938
Due to Other Funds	-	1,600
Other Current Liabilities	-	-
TOTAL LIABILITIES	-	<u>9,538</u>
DEFERRED INFLOWS OF RESOURCES	-	-
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>9,538</u>
NET POSITION		
Restricted for		
Individuals, Organizations, and Other Governments	<u>82,538</u>	<u>160,760</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	<u>\$ 82,538</u>	<u>\$ 170,298</u>

The Accompanying Notes are an integral part of these financial statements.

Pleasant Valley School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	PRIVATE- PURPOSE TRUST	CUSTODIAL FUNDS
ADDITIONS		
Contributions - Students	\$ -	\$ 32,865
Contributions - Other	9,550	-
Special Events	-	157,690
Other Income	-	263
INVESTMENT EARNINGS:		
Interest and Dividends	131	9,219
Net Increase (Decrease) in Fair Value of Investments	-	-
Less: Investment Expense	-	-
TOTAL ADDITIONS	<u>9,681</u>	<u>200,037</u>
	-----	-----
DEDUCTIONS		
Administrative Expense	-	9,578
Benefits Paid to Participants or Beneficiaries	2,500	19,925
Payments for Student Club Activities	-	158,647
Other	-	-
TOTAL DEDUCTIONS	<u>2,500</u>	<u>188,150</u>
	-----	-----
CHANGES IN NET POSITION	7,181	11,887
NET POSITION - BEGINNING OF YEAR	<u>75,357</u>	<u>148,873</u>
	-----	-----
NET POSITION - END OF YEAR	<u>\$ 82,538</u>	<u>\$ 160,760</u>

The Accompanying Notes are an integral part of these financial statements.

Pleasant Valley School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2024

	BUDGETED AMOUNTS		ACTUAL (GAAP BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources	\$ 55,957,619	\$ 55,957,619	\$ 61,873,561	\$ 5,915,942
State Sources	47,044,860	47,044,860	51,549,628	4,504,768
Federal Sources	1,785,000	1,785,000	5,419,293	3,634,293
TOTAL REVENUES	104,787,479	104,787,479	118,842,482	14,055,003
EXPENDITURES				
Regular Instruction	39,788,067	39,052,334	39,026,615	25,719
Special Programs	18,972,751	18,370,080	18,279,769	90,311
Vocational Programs	3,135,289	3,289,677	3,166,323	123,354
Other Instructional Programs	544,220	579,178	378,047	201,131
Nonpublic Schools	-	11,621	11,621	-
Pupil Personnel Services	3,866,781	4,220,222	4,052,640	167,582
Instructional Staff Services	2,353,764	2,497,517	2,113,752	383,765
Administrative Services	5,005,091	5,106,704	4,266,709	839,995
Pupil Health	841,059	864,126	856,526	7,600
Business Services	1,606,254	1,693,229	1,336,844	356,385
Operation & Maintenance of Plant Services	10,993,719	13,512,888	13,445,637	67,251
Student Transportation Services	8,696,793	8,901,421	8,807,722	93,699
Central Support Services	2,330,154	2,346,141	2,069,661	276,480
Other Support Services	35,000	35,000	26,131	8,869
Student Activities	1,462,363	1,471,795	1,430,515	41,280
Community Services	8,100	17,075	17,075	-
Debt Service	4,320,075	1,990,471	1,990,471	-
TOTAL EXPENDITURES	103,959,480	103,959,479	101,276,058	2,683,421
Excess (deficiency) of revenues over expenditures	827,999	828,000	17,566,424	16,738,424
OTHER FINANCING SOURCES (USES)				
Proceeds from Leases	-	-	230,523	230,523
Proceeds from Finance Purchases	-	-	51,075	51,075
Sale/Compensation for Fixed Assets	-	-	77,449	77,449
Insurance Recoveries	-	-	12,360	12,360
Fund Transfers Out	(27,999)	(28,000)	(16,710,490)	(16,682,490)
Budgetary Reserve	(800,000)	(800,000)	-	800,000
TOTAL OTHER FINANCING SOURCES (USES)	(827,999)	(828,000)	(16,339,083)	(15,511,083)
Special Items	-	-	-	-
Extraordinary Items	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	1,227,341	1,227,341
FUND BALANCE - JULY 1, 2023	\$ 18,620,946	\$ 18,620,946	\$ 30,110,344	\$ 11,489,398
FUND BALANCE - JUNE 30, 2024	\$ 18,620,946	\$ 18,620,946	\$ 31,337,685	\$ 12,716,739

The Accompanying Notes are an integral part of these financial statements.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Note 1 - Description of the School District and Reporting Entity

School District

The Pleasant Valley School District is located in Northeastern Pennsylvania, in Monroe County. The School District is comprised of Chestnuthill, Eldred, Polk, and Ross Townships.

The Pleasant Valley School District consists of Pleasant Valley High School, Pleasant Valley Middle School, Pleasant Valley Intermediate School, Pleasant Valley Elementary School, and Polk Elementary School.

The Pleasant Valley School District is a unit established, organized, and empowered by the Commonwealth of Pennsylvania for the express purpose of carrying out, on the local level, the Commonwealth's obligation to public education, as established by the constitution of the Commonwealth and by the School Law Code of the same (Article II; Act 150, July 8, 1968).

As specified under the School Law Code of the Commonwealth of Pennsylvania, this and all other school districts of the state "shall be and hereby are vested as bodies corporate, with all necessary powers to carry out the provisions of this act." (Article II, Section 211).

Board of School Directors

The public school system of the Commonwealth shall be administered by a board of school directors, to be elected or appointed, as hereinafter provided. At each election of school directors, each qualified voter shall be entitled to cast one vote for each school director to be elected.

The Pleasant Valley School District is governed by a board of nine School Directors who are residents of the School District and who are elected every two years, on a staggered basis, for a four-year term.

The Board of School Directors has the power and duty to establish, equip, furnish, and maintain a sufficient number of elementary, secondary, and other schools necessary to educate every person, residing in such district, between the ages of six and twenty-one years, who may attend.

In order to establish, enlarge, equip, furnish, operate, and maintain any schools herein provided, or to pay any school indebtedness which the school district is required to pay, or to pay any indebtedness that may at any time hereafter be created by the school district, the board of school directors are vested with all the necessary authority and power annually to levy and collect the necessary taxes required and granted by the legislature, in addition to the annual state appropriation, and are vested with all necessary power and authority to comply with and carry out any or all of the provisions of the Public School Code of 1949.

Administration

The Superintendent shall be the executive officer of the Board of School Directors, and in that capacity, shall administer the School District in conformity with board policies and the School Laws of Pennsylvania. The Superintendent shall be directly responsible to, and therefore appointed by, the Board of School Directors. The Superintendent shall be responsible for the overall administration, supervision, and operation of the School District.

The Business Manager, recommended by the Superintendent and appointed by the Board of School Directors, shall supervise and coordinate all business aspects of the School District. In this capacity, he or she shall be responsible to ensure that all work accomplished by him/her, or by persons under his/her supervision, is in the best interests of the Pleasant Valley School District. The Business Manager is directly responsible to the Superintendent.

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Pleasant Valley School District, this includes general operations, food service, and student related activities of the School District.

Pleasant Valley School District is a municipal corporation governed by an elected nine-member board. As required by accounting principles, generally accepted in the United States of America, these financial statements are to present Pleasant Valley School District (the primary government) and organizations for which the primary government is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are financially dependent on the School District in that the School District approved the budget, the issuance of debt, or the levying of taxes. The Pleasant Valley School District does not have any component units.

Joint Ventures

Monroe Career & Technical Institute

The School District is a participating member of the Monroe Career & Technical Institute (MCTI). The MCTI is run by a joint committee consisting of members from each participating district. No participating district appoints a majority of the joint committee. The board of directors of each participating district must approve the MCTI's annual operating budget. Each participating district pays a pro-rata share of the MCTI's operating costs based on the number of students attending the MCTI's for each District. The District's share of the MCTI's operating costs for 2023-24 was \$1,743,982.

On dissolution of the Monroe Career & Technology Institute, the net position of MCTI will be shared on a pro-rata basis of each participating district's current market value of taxable real property as certified by the Pennsylvania State Tax Equalization Board. However, the district does not have an equity interest in the MCTI as redefined by GASB Statement No. 14, except a residual interest in the net position upon dissolution that should no longer be reflected on the basic financial statements. Complete financial statements for the MCTI can be obtained from the MCTI's administrative office at Laurel Lake Drive, Bartonsville, PA 18321.

Jointly Governed Organizations

Colonial Intermediate Unit

The School District is a participating member of the Colonial Intermediate Unit (CIU). The CIU is run by a joint committee consisting of members from each participating district. No participating district appoints a majority of the joint committee. The board of directors of each participating district must approve the CIU's annual operating budget. The CIU is a self-sustaining organization that provides services for fees to participating districts. As such, the District has no on-going financial interest or financial responsibility in the CIU. The CIU contracts with participating districts to supply special education services, computer services, and acts as a conduit for certain federal programs.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Note 2 - Summary of significant accounting policies

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced. GASB Statement No. 62 was issued to include all prior Financial Accounting Standards Board's statements and interpretations, along with predecessors' statements and interpretation pertaining to governments into the hierarchy of the Governmental Accounting Standards Board's jurisdiction.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Position, a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities 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 Statement of Net Position presents the financial condition of the governmental and business-type activities of the School District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for one business-type activity of the School District. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business activity or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Deferred outflows of resources are recorded in a particular governmental fund where costs are spent for a future period. Current Liabilities are assigned to the governmental fund from which they will be paid. Deferred inflows of

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

resources are recorded in a particular governmental fund that has received resources for a future period. The difference between the sum of assets and deferred outflows of resources minus the sum of liabilities and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

General Fund

The general fund should be used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Fund

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term proceeds of specific revenue sources establish that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund.

Under this definition, the District does not have any special revenue funds.

Capital Projects Fund

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The District has the following Capital Project Funds:

Construction Fund

During the 2023-24 fiscal year, this fund received \$28,390,000 from the General Obligation Bonds - Series 2023 and Series 2024A to provide funds for Capital improvements and upgrades to existing buildings and facilities.

Capital Reserve Fund

This fund was created in accordance with Section 1432 of the Municipal Code. The Municipal Code restricts how the resources are spent within this fund.

Debt Service Fund

Debt Service Fund(s) account for resources accumulated to provide for payment of general long-term debt principal and interest. The Pennsylvania Local Government unit Debt Act authorized Pennsylvania public Schools to maintain this fund.

The district has the following Debt Service Fund(s):

2024 Bond Fund

This fund was created with the issuance of General Obligation Bonds Series of 2024 to record the transactions of the refunding a portion of the General Obligation Bonds Series of

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

2018. This fund is reported under non-major governmental funds in the statement of revenues, expenditures, and changes in fund balance and the governmental fund balance sheet in the basic financial statements.

Proprietary Funds Proprietary funds focus on the determination of changes in net position, financial position, and cash flows and are classified as enterprise funds. The Proprietary Funds of the School District have operating and nonoperating revenues and/or expenses. Transactions for which cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are reported as nonoperating revenues and/or expenses, including subsidies received from the state and federal government for school lunches, donated commodities, and amounts received for fica and retirement subsidies. Operating revenues reported are consistent with the fees or charges incurred based on the intent of the individual proprietary fund.

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The School District's major enterprise fund is:

Food Service Fund

This fund accounts for the financial transactions related to the food service operations of the School District.

Fiduciary Funds Fiduciary funds reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: Pension (and other employee benefit) trust funds, Investment trust funds, Private-purpose trust funds and Custodial funds. The School District has two Fiduciary Funds

Scholarship Trust Funds – These funds are considered private purpose trust funds and are reported as such in the Statement of Net Position Fiduciary Funds and the Statement of Changes in Fiduciary Net Position. 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.

Student Activity Fund – This fund is considered a custodial fund and is reported as such in the Statement of Net Position Fiduciary Funds and the Statement of Changes in Fiduciary Net Position. Custodial funds are used to report fiduciary activities that are not required to be reported in one of the other three Fiduciary fund types.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet, along with deferred outflows of resources or deferred inflows of resources required to be reported. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation's with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

Like the government-wide statements, all enterprise funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities, including required deferred outflows of resources or required deferred inflows of resources, 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 (i.e., revenues) and decreases (i.e., expenses) in net total position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its enterprise activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions. 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 become 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.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

E. Budgetary Process

An operating budget is adopted prior to the beginning of each year for the General Fund on a modified accrual basis of accounting. The General Fund is the only fund for which a budget is legally required.

In accordance with Act 1 of 2006, the Board shall annually, but not later than the first business meeting of January, decide the budget option to be used for the following fiscal year. The Board shall approve either the Accelerated Budget Process Option or the Board Resolution Option.

Accelerated Budget Process Option

Under this option a preliminary budget must be prepared 150 days prior to the primary election. Under this Option, the preliminary budget must be available for public inspection at least 110 days prior to the primary election. The Board shall give public notice of its intent to adopt the preliminary budget at least 10 days prior to the adoption. The adoption must occur at least 90 days prior to the primary election.

If the preliminary budget exceeds the increase authorized by the Index, an application for an exception may be filed with either a Court of Common Pleas with jurisdiction or PDE and made available for public inspection. The Board may opt to forego applying for an exception by submitting a referendum question seeking voter approval for a tax increase, in accordance with Act 1.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

The final budget shall include any necessary changes from the adopted preliminary budget. Any reduction required as the result of the failure of referendum shall be clearly stated. The final budget shall be made available for public inspection at least 20 days prior to final adoption. The Board shall annually adopt the final budget by a majority vote of all members of the Board prior to June 30.

Board Resolution Option

Under the Board Resolution Option, the Board shall adopt a resolution that it will not raise the rate of any tax for the following fiscal year by more than the Index. Such resolution shall be adopted no later than 110 days prior to the primary election. At least 30 days prior to adoption of the final budget the Board shall prepare a proposed budget. The proposed budget shall be available for public inspection at least 20 days prior to adoption of the budget. The Board shall give public notice of its intent to adopt at least 10 days prior to adoption of the proposed budget. The Board shall annually adopt the final budget by a majority vote of all members of the Board by June 30.

Legal budgetary control is maintained at the sub-function/major object level. The PA School Code allows the School Board to make budgetary transfers between major function and major object codes only within the last nine months of the fiscal year, unless there is a two-thirds majority of the Board approving the transfer. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at or below the level of budgetary control and includes the effect of approved budget amendments.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the PDE 2028 when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after 2023-24 budget transfers.

F. Use of Estimates

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

G. Changes in Accounting Principles

During the 2022-23 fiscal year the School District implemented the following new generally accepted accounting principles:

GASB Statement No. 100 (Accounting Changes and Error Corrections). This statement was implemented to improve the clarity in the accounting for changes in estimates, principles, and the correction of errors in the financial statements.

H. Pensions

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

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

I. Other Postemployment Benefits

Multiple Employer Cost Sharing OPEB Plan

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

Single Employer OPEB Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information was obtained from the Actuary Report conducted by Conrad Siegel. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The single employer plan is not funded.

J. Assets, Liabilities, and Net Position

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Proprietary Fund type considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

Investments

In accordance to GASB Statement No. 72, investments generally are to be measured at fair value. An investment is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has the present service capacity based solely on its ability to generate cash or to be sold to generate cash. Investments not measured at fair value continue to include, for example, money market investments, 2a7-like external investment pools, investments in life insurance contracts, common stock meeting the criteria for applying the equity method, unallocated insurance contracts, and synthetic guaranteed investment contracts.

A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value per share of the investment.

This statement requires measurement at acquisition value (an entry price) for donated capital assets, donated works of art, historical treasures, and similar assets. These assets were previously required to be measured at fair value. Fair value is measured using a hierarchy of inputs using valuation techniques. The hierarchy has three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs.

The valuation techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The cost approach reflects the amount that would be required to replace the present service capacity of an asset. The income approach converts future amounts (such as cash flows or income and expenses) to a single current (discounted) amount.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Receivables and Payables

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

Property Tax Levy

Property taxes, which were levied during the fiscal year ended June 30, 2024, are recognized as revenue in the fund financial statements when received by the District during the fiscal year and also estimated to be received by the District within sixty (60) days after the fiscal year ended.

Property taxes that were levied during the current fiscal year, which are not estimated to be received within sixty (60) days after the fiscal year-end, are recorded as receivable and deferred inflows of resources in the fund financial statements.

In the government-wide financial statements, all property taxes levied during the fiscal year are recognized as revenue, net of estimated uncollectible amount.

Inventories

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis, and are expensed when used. A physical inventory taken at June 30, 2024, shows \$114,503 as an asset in the governmental activities column of the Government-wide Statement of Net Position; a physical inventory taken at June 30, 2024, shows \$43,076 as an asset in the business-type activities column of the Government-Wide Statement of Net Position.

Inventory type items in governmental funds utilize the purchase method. As such, no inventory is shown as an asset in the General Fund or as nonspendable fund balance in the General Fund.

Inventory type items in Proprietary Funds use the consumption method, in which items are purchased for inventory and charged to expenses when used. The only Proprietary Fund of the District is the Food Service Fund. Inventory within this fund consists of donated commodities, which are valued at U.S.D.A.'s approximate costs, and purchased food.

Inventories on hand at June 30, 2024, consist of:

Supplies	\$	13,221
Purchased Food		21,981
Donated Commodities		7,874
TOTAL	\$	43,076

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Prepaid Expenses

In both the government-wide and fund financial statements, prepaid expenses are recorded as assets in the specific governmental fund in which future benefits will be derived.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the Government-wide Statement of Net Position, but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the Government-wide Statement of Net Position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of two thousand-five hundred (\$2,500) dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets utilized by the enterprise funds is also capitalized. All reported capital assets except land, certain land improvements, and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Site Improvements	10 - 20 years	10 - 20years
Buildings and Improvements	20 - 50 years	20 - 50 years
Furniture and Equipment	5 - 20 years	5 - 20 years
Right-to-use Equipment	Length of Lease	Length of Lease

Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. In enterprise funds, the entire amount of compensated absences is reported as a fund liability.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Leases

Lessee:

The District is a lessee for a noncancellable leases of capital assets. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$20,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor:

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

SBITAs (Subscription Based Information Technology Arrangements)

Occasionally the District enters into Subscription-Based Information Technology Arrangements. These arrangements grant the District the right to access use of software that is hosted by third-party vendors over a specified contract term. Unlike traditional software, the District does not take physical possession of or have the right to control the software; instead, it accesses the software remotely.

In the entity-wide financial statements, SBITAs are reported as intangible assets based on the present value of future subscription payments to be made over the life of the arrangement. Correspondingly, a liability is recognized for the future payments, and it is amortized over the life of the SBITA. The amortization expense related to the intangible asset and any interest expense associated with the recognized liability are reported in the Statement of Activities.

In the fund financial statements, under the modified accrual basis of accounting, expenditures are recognized for SBITA payments when they are due. Therefore, no intangible asset or corresponding liability is reported in the governmental fund statements. The expenditures related to SBITA payments are recognized in the fund's Statement of Revenues, Expenditures, and Changes in Fund Balances in the period the payment is due.

Other Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Bond premiums and discounts, and deferred amounts on refundings are deferred and amortized over the life of the bonds using modification of the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Any deferred amount on refundings are reported as deferred outflows of resources and amortized over the life of the bond issue. Bond issuance costs are expensed in the year they are incurred.

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

Reclassification

Certain amounts have been reclassified to conform to the June 30, 2024, presentation of government-wide financial statements on the accrual basis of accounting versus the governmental fund financial statements reported on the modified accrual basis of accounting.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources.

Net Investment in Capital Assets component of Net Position is comprised of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. In addition, any deferred outflows of resources and/or deferred inflows of resources related to such capital assets or liabilities associated with the capital assets should also be added to or deducted from the overall Net Investment in Capital Assets. The restricted component of Net Position is used when there are limitations imposed on their use either through the enabling legislation adopted by a higher governmental authority or

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining component of Net Position is unrestricted.

The School District applies restricted resources first when an expense is incurred for purposes for which both the restricted and unrestricted components of net position are available.

Fund Balance Categories

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Below are the potential categories of fund balance the government may use with their definitions, the actual categories used is explained in Note 7 to the financial statements:

Nonspendable Fund Balance

This category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance

Fund balance should be reported as restricted when constraints placed on the use of resources are externally imposed by creditors, grantors, contributors, or other government laws or regulations, or the constraint is imposed by enabling legislation or constitutional provisions.

Committed Fund Balance

This category pertains to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action.

This government's governing body is the School Board and the formal action taken to commit resources is done by resolution.

Assigned Fund Balance

This category includes all remaining amounts that are reported in governmental funds, except the General Fund, that are not classified in one of the above-mentioned categories. In the General Fund, this category represents the District's intent to use resources for a specific purpose, which does not require formal action by the governing body. The District's policy dictates the Superintendent and Business manager are responsible to make these assignments.

Unassigned Fund Balance

This category of fund balance represents the residual classification for the General Fund after segregating resources used in the other categories listed above.

Unassigned fund balance will only be shown in other governmental funds if those governmental funds have a negative net fund balance.

The District's policy on fund balance does not dictate which category of unrestricted fund balance is spent first, when resources are available to be spent in various categories. As such, committed amounts will be reduced first, followed by assigned amounts, and then unassigned amounts. The District's policy also does not dictate whether restricted (nonspendable or restricted) or unrestricted (committed, assigned, and

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

unassigned) is spent first when resources are available in both categories. As such, in these circumstances, restricted will be assumed to have been spent first followed by the unrestricted categories.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. The proprietary funds did not receive any capital contributions during this fiscal year.

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position.

The Governmental Fund Balance Sheet includes a reconciliation between "fund balance - total governmental funds" and "net position - governmental activities" as reported in the Government-Wide Statement of Net Position. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

The details of the \$163,418,380 difference are:

Bonds payable	\$ 35,475,000
Less: Issuance discount (to be amortized as interest expense)	(594)
Add: Issuance premium (to be amortized as a contra to interest expense)	2,196,810
Accrued interest payable	318,111
Lease Obligations	329,465
Finance Purchase Obligations	25,493
Net Pension Liability	101,349,520
Compensated absences	1,413,426
Net OPEB Liability - Single Employer Plan	17,144,663
Net OPEB Liability - Multiple Employer Plan	4,189,912
Other Retirement Benefits	976,574
Net adjustment to reduce "fund balance - total governmental funds" to arrive at "net position - governmental activities"	<u>\$ 163,418,380</u>

B. Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities.

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. Differences between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown in the columns on the following page represent:

- a) Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the Statement of Activities. The long-term expenses reported below recognize the change in vested employee benefits.

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

- b) Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording of depreciation expense on those items as recorded in the Statement of Activities.
- c) Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the Statement of Activities, long-term debt proceeds are recorded as a liability; principal payments are recorded as a reduction of liabilities.

Explanation of Differences between Governmental Fund Statements and District-Wide Statements

	TOTAL GOVERN- MENTAL FUNDS	LONG-TERM REVENUES/ EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANS- ACTIONS	TOTAL FOR STATEMENT OF ACTIVITIES
REVENUES AND OTHER SOURCES					
LOCAL SOURCES:					
Property Taxes	\$ 52,193,905	\$ (584,450)	\$ -	\$ -	\$ 51,609,455
Taxes Levied for Specific Purposes	5,250,218	-	-	-	5,250,218
Interest and Investment Earnings	4,047,712	-	-	-	4,047,712
Miscellaneous	831,149	-	77,449	-	908,598
Contributions and Donations	3,259	-	-	-	3,259
Charges for Services	155,878	-	-	-	155,878
Grants, Subsidies & Contributions not Restricted	31,078,458	-	-	-	31,078,458
STATE SOURCES:					
Operating and Capital Grants and Contributions	20,496,162	-	-	-	20,496,162
FEDERAL SOURCES:					
Operating and Capital Grants and Contributions	6,241,789	-	-	-	6,241,789
SPECIAL AND EXTRAORDINARY ITEMS:					
Proceeds from Leases	230,523	-	-	(230,523)	-
Proceeds from Finance Purchases	51,075	-	-	(51,075)	-
Bond Premium	2,205,561	-	-	(2,205,561)	-
Proceeds from Bond Issues	34,585,000	-	-	(34,585,000)	-
Insurance Recoveries	12,360	-	-	-	12,360
Gain or (Loss) on Disposal of Assets	77,449	-	(77,449)	-	-
TOTAL REVENUES	<u>157,460,498</u>	<u>(584,450)</u>	<u>-</u>	<u>(37,072,159)</u>	<u>119,803,889</u>
EXPENDITURES/EXPENSES					
Instruction	60,862,374	(7,033,943)	(75,087)	-	53,753,344
Instructional Student Support	7,022,918	(1,154,740)	(29,438)	-	5,838,740
Admin. & Fin'l Support Services	8,215,016	(922,529)	5,639	-	7,298,126
Oper. & Maint. Of Plant Svcs.	13,445,637	(1,145,234)	(2,623,978)	-	9,676,425
Pupil Transportation	8,807,722	(14,825)	-	-	8,792,897
Student Activities	1,430,515	(211,916)	43,214	-	1,261,813
Community Services	614,250	(1,514)	-	-	612,736
Capital Outlay	2,609,904	-	(2,609,904)	-	-
Debt Service	8,693,406	-	-	(7,927,588)	765,818
Transfers Out	10,490	-	-	-	10,490
Depreciation - Unallocated	-	-	2,873,352	-	2,873,352
TOTAL EXPENDITURES/EXPENSES	<u>111,712,232</u>	<u>(10,484,701)</u>	<u>(2,416,202)</u>	<u>(7,927,588)</u>	<u>90,883,741</u>
NET CHANGE FOR THE YEAR	<u>\$ 45,748,266</u>	<u>\$ 9,900,251</u>	<u>\$ 2,416,202</u>	<u>\$ (29,144,571)</u>	<u>\$ 28,920,148</u>

Note 4 - Stewardship, Compliance, and Accountability

A. Compliance with Finance Related Legal and Contractual Provisions

The District has no material violations of finance related legal and contractual provisions.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

B. Deficit Fund Balance or Net Position of Individual Funds

No individual fund contains a deficit fund balance or net position at June 30, 2024, except the business-type activities (Food Service Fund) has deficits of \$393,854.

C. Excess of Expenditures over Appropriations in Individual Funds

No individual fund, which had a legally adopted budget, had an excess of expenditures over appropriations.

D. Budgetary Compliance

The District's only legally adopted budget is for the General Fund. All budgetary transfers were made within the last nine months of the fiscal year. The District cancels all purchase orders open at year-end; therefore, it does not have any outstanding encumbrances at June 30, 2024. In addition, the District includes a portion of the prior year's fund balance represented by unappropriated liquid assets remaining in the fund as budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue as it represents prior period's excess of revenues over expenditures.

Note 5 - Detailed Notes on All Funds and Account Groups

Assets

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a policy for custodial credit risk. As of June 30, 2024, \$18,024,251 of the District's bank balance of \$18,525,735 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 63,149
Collateralized with securities held by the pledging financial institution	-
Uninsured and collateral held by the pledging bank's trust department not in the District's name	17,961,102
TOTAL	<u>\$ 18,024,251</u>

Reconciliation to Financial Statements

Uncollateralized Amount Above	\$ 18,024,251
Plus: Insured Amount	501,483
Less: Outstanding Checks	<u>(1,430,592)</u>
Carrying Amount - Bank balances	17,095,142
Plus: Petty Cash	11,725
Deposits in Pooled Investments Considered Cash Equivalents	63,798,651
Deposits in Money Market Mutual Funds Considered Cash Equivalents	-
Less: Certificates of Deposit considered Investment by School Code	<u>(275,128)</u>
Total Cash Per Financial Statements	<u>\$ 80,630,390</u>

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Investments

Permitted investments for Pleasant Valley School District are defined in the Public School Code of 1949, as amended by Act 10 of 2016 as:

1. United States Treasury Bills;
2. Short-term obligations of the United States Government or its agencies or instrumentalities;
3. Deposits in savings accounts or time deposits or share accounts of institutions insured by the F.D.I.C; and,
4. Obligations of the United States of America or any of its agencies or instrumentalities, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities or any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities.
5. Obligations, participations or other instruments of any federal agency, instrumentality or United States government sponsored enterprise, including those issued or fully guaranteed as the principal and interest by federal agencies, instrumentalities or United States government sponsored enterprises, if the debt obligations are rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.
6. Repurchase agreements with respect to United States Treasury bills or obligations, participations or other instruments of or guaranteed by the United States or any federal agency, instrumentality or United States government sponsored enterprise.
7. Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less, issued by a nationally or state-chartered bank, a Federal or State savings and loan association or a state-licensed branch of a foreign bank. For obligations with a maturity of one year or less, the debt obligations of the issuing institution or its parent must be rated in the top short-term rating category by at least two nationally recognized statistical ratings organizations. For obligations with a maturity in excess of one year, the senior debt obligations of the issuing institution or its parent must be rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.
8. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days maturity and the accepting bank is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.
9. Commercial paper issued by corporations or other business entities organized in accordance with Federal or State law, with a maturity not to exceed 270 days, if the paper is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.
10. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933 and, if all of the following conditions are met:
 - The investments of the company are the authorized investments listed above.
 - The investment company is managed in accordance with 17 CFR 270.2a-7 (related to money market funds).
 - The investment company is rated in the highest category by a nationally recognized rating agency.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

11. Savings or demand deposits placed in accordance with the following conditions:

- The money is initially deposited and invested through a federally insured institution having a place of business in this Commonwealth, which is selected by the public corporation or municipal authority.
- The selected institution arranges for the redeposit of the money in savings or demand deposits in one or more financial institutions insured by the Federal Deposit Insurance Corporation, for the account of the public corporation or municipal authority.
- The full amount of principal and any accrued interest of each such deposit is insured by the Federal Deposit Insurance Corporation.
- On the same date that the money is redeposited pursuant to above, the selected institution receives an amount of deposits from customers of other financial institutions equal to or greater than the amount of money initially invested through the selected institution by the public corporation or municipal authority.

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

<i>Investment</i>	Maturities	Fair Value
Certificates of Deposit - ESSA	12 Months	\$ 265,528
Certificates of Deposit - FNBT	60 Months	9,600
Certificates of Deposit - PSDLAF	6 Months	15,000,000
PA School District Liquid Asset Fund	N/A	54,018,913
Treasury Bills	3 Months	5,998,886
Wilmington Trust	N/A	603
PA Local Government Investment Trust	N/A	3,780,249
TOTAL		\$ 79,073,779

Interest Rate Risk

The District does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District has no investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2024, the District's investments were rated as follows:

<i>Investment</i>	Standard & Poor's
PA Local Government Investment Trust	AAAm
PA School District Liquid Asset Fund	AAAm

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer. Of the Capital Projects fund's investments 46.84% and 18.73% were invested in PSDLAF Collateralized CD pools and US Treasury Bills, respectively. Of the Governmental Activities investments, 7.64% were held in US Treasury

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Bills. Of the Fiduciary Funds' investments, 8.00% are in certificates of deposit at First Northern Bank 7 Trust. Of the entity wide investments, 18.79% and 7.59% were held in PSDLAF Collateralized CD pools and US Treasury Bills, respectively.

Custodial Credit Risk

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

Reconciliation to Financial Statements

Total Investments Above	\$ 79,073,779
Less: Deposits in Investment Pool Considered Cash Equivalents	(63,798,651)
Deposits in Money Market Mutual Funds Considered Cash Equivalents	-
Total Investments Per Financial Statements	<u>\$ 15,275,128</u>

Fair Value Reporting

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District did not have any recurring fair value investments at June 30, 2024. The District did have Cash Equivalents in 2a7-like external investment pools, which GASB Statement No. 72 allows to be recorded at amortized cost as provided in paragraph 16 of GASB Statement No. 31.

Property Taxes

Property taxes are levied on August 1, on the assessed value listed, as of that date, for all taxable real property located in the District. Assessed values are established by the County Board of Assessments. All taxable real property was assessed at \$2,303,931,663. In accordance with Act 1 of 2006, the District received \$5,092,460 in property tax reduction funds for the 2023-24 fiscal year. The tax rate for the year was \$2.51233 per \$100 of assessed valuation or 25.1233 mills.

The property tax calendar is:

August 1	-	Full year tax assessed for current year.
August 1 - September 30	-	Discount period during which a 2% discount is allowed.
October 1 - November 30	-	Face amount of tax is due
December 1 - December 31	-	A 10% penalty is added to all payments.
January 15	-	All unpaid taxes become delinquent and are turned over to the County Tax Claim Bureau for Collection.

The School District, in accordance with GAAP, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes as determined by the administration. A portion of the net amount estimated to be collectible, which was measurable and available within 60 days, was recognized as revenue and the balance deferred in the fund financial statements.

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

Receivables

Receivables, as of year-end, for the government's individual major funds and non-major and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are:

Schedule on Receivables for Major, Nonmajor, and Fiduciary Funds

	GENERAL FUND	CAPITAL PROJECT FUND	FOOD SERVICE FUND	NON- MAJOR FUNDS	FIDUCIARY FUNDS	TOTAL
RECEIVABLES:						
Interest	\$ -	\$ -	\$ -	\$ -	\$ 16	\$ 16
Taxes	3,785,629	-	-	42,803	-	3,828,432
Accounts	59,177	-	13,577	-	-	72,754
Lease	1,166,926	-	-	-	-	1,166,926
Intergovernmental	6,328,500	-	-	19,308	-	6,347,808
GROSS RECEIVABLES	11,340,232	-	13,577	62,111	16	11,415,936
Less: Allowance for Uncollectibles	-	-	-	-	-	-
NET RECEIVABLES	\$ 11,340,232	\$ -	\$ 13,577	\$ 62,111	\$ 16	\$ 11,415,936

Lease Receivables

SBA Communication Land Lease - Effective July 1, 2021, the District was leasing the use of a tract of a land for a communications tower to SBA Communications. The lease term is for 14 years, with an initial term through April 30, 2026, and a five-year option followed by a four-year option to extend that are both reasonably certain to be exercised. The District will receive monthly payments of \$1,647 which will increase by 2% each year. The District recognized \$15,642 in lease revenue and \$4,589 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the District's receivable for lease payments was \$220,916. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$220,916.

The remaining lease payments as of June 30, 2024, were as follows:

<u>FISCAL YEAR</u>	<u>PAYMENTS</u>
2024-25	\$ 16,366
2025-26	17,113
2026-27	17,883
2027-28	18,677
2028-33	106,189
2033-35	44,688
Totals	\$ 220,916

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

First Student Facility Lease - Effective July 1, 2021, the District was leasing the use of its transportation facility to First Student for the storage of buses. The lease is for five years. The District will receive monthly payments of \$15,640 which will increase each year by fixed amounts as stipulated in the contract. The District recognized \$210,554 in lease revenue and \$6,727 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the District's receivable for lease payments was \$457,307. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$457,307.

The remaining lease payments as of June 30, 2024, were as follows:

<u>FISCAL YEAR</u>	<u>PAYMENTS</u>
2024-25	\$ 222,439
2025-26	234,868
Totals	\$ 457,307

The Growing Place Lease - Effective July 1, 2023, the District started leasing the use of its facilities at the Polk and Chestnut Hill locations to The Growing Place for the purposes of conducting Early Care and Education activities. The lease is for 5 years. The District will receive monthly payments of \$10,400 which will increase 2% each year. The District recognized \$107,512 in lease revenue and \$17,288 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the District's receivable for lease payments was \$488,703. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$488,703.

The remaining lease payments as of June 30, 2024, were as follows:

<u>FISCAL YEAR</u>	<u>PAYMENTS</u>
2024-25	\$ 112,065
2025-26	118,615
2026-27	125,448
2027-28	132,575
Totals	\$ 488,703

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were:

	<u>UNAVAILABLE</u>	<u>UNEARNED</u>
Delinquent Property taxes - General Fund	\$ 3,109,802	\$ -
Related to Leases - General Fund	-	1,166,926
Delinquent Property taxes - Library Fund	42,803	-
TOTAL	\$ 3,152,605	\$ 1,166,926

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

Capital Assets

Capital asset balances and activity for the year ending June 30, 2024, were:

CAPITAL ASSET BALANCES AND CURRENT YEAR ACTIVITY

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
GOVERNMENTAL ACTIVITIES:				
Capital Assets not being Depreciated:				
Land	\$ 1,724,661	\$ -	\$ -	\$ 1,724,661
Construction in Progress	333,872	5,256,840	(959,228)	4,631,484
Total Capital Assets not being Depreciated	<u>2,058,533</u>	<u>5,256,840</u>	<u>(959,228)</u>	<u>6,356,145</u>
Capital Assets being Depreciated/Amortized:				
Site Improvements	4,767,275	777,917	-	5,545,192
Buildings and Bldg. Improvements	126,806,111	181,311	-	126,987,422
Furniture and Equipment	9,090,226	546,210	(62,050)	9,574,386
Intangible Right to Use Equipment	1,566,262	233,788	-	1,800,050
TOTAL CAPITAL ASSETS BEING DEPRECIATED/AMORTIZED	<u>142,229,874</u>	<u>1,739,226</u>	<u>(62,050)</u>	<u>143,907,050</u>
Less Accumulated Depreciation for:				
Site Improvements	(3,327,621)	(108,430)	-	(3,436,051)
Buildings and Bldg. Improvements	(58,734,264)	(2,785,629)	-	(61,519,893)
Furniture and Equipment	(7,744,938)	(228,529)	62,050	(7,911,417)
Intangible Right to Use Equipment	(607,885)	(498,048)	-	(1,105,933)
TOTAL ACCUMULATED DEPRECIATION/AMORTIZATION	<u>(70,414,708)</u>	<u>(3,620,636)</u>	<u>62,050</u>	<u>(73,973,294)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED/AMORTIZED NET OF ACCUMULATED DEPRECIATION/AMORTIZATION	<u>71,815,166</u>	<u>(1,881,410)</u>	<u>-</u>	<u>69,933,756</u>
 GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION/AMORTIZATION	 <u>\$ 73,873,699</u>	 <u>\$ 3,375,430</u>	 <u>\$ (959,228)</u>	 <u>\$ 76,289,901</u>
 BUSINESS-TYPE ACTIVITIES:				
Capital Assets being depreciated:				
Furniture and Equipment	\$ 1,648,160	\$ 359,395	\$ -	\$ 2,007,555
Less: Accumulated Depreciation	(1,496,121)	(44,987)	-	(1,541,108)
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	<u>\$ 152,039</u>	<u>\$ 314,408</u>	<u>\$ -</u>	<u>\$ 466,447</u>

*** DEPRECIATION EXPENSE WAS CHARGED TO GOVERNMENTAL FUNCTIONS AS FOLLOWS:**

Instruction	\$ 243,474
Instructional Student Support	11,123
Admin. & Fin'l Support Services	313,336
Oper. & Maint. of Plant Svcs.	136,137
Student Activities	43,214
Depreciation - Unallocated	<u>2,873,352</u>
TOTAL DEPRECIATION FOR GOVERNMENTAL ACTIVITIES	<u>\$ 3,620,636</u>

The District's governmental activities scrapped \$62,050 of capital assets during the year, with accumulated depreciation of \$62,050, this resulted in a net loss on disposition of \$0 for the year. The business-type activities did not dispose of any capital assets during the year.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Commitments

Encumbrances

Any encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. The General Fund Budget is maintained on the modified accrual basis of accounting, except that budgetary basis expenditures include any encumbrances issued for goods or services not received at year-end and not terminated.

The actual results of operations are presented in accordance with GAAP and the District's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. If budgetary encumbrances exist at year-end, they are included in the fund financial statements to reflect actual revenues and expenditures on a budgetary basis consistent with the District's legally adopted budget.

Long-Term Construction Commitments

The district has the following construction commitments as of June 30, 2024:

	<u>CONTRACT AMOUNT</u>	<u>EXPENDED TO 6/30/24</u>	<u>OUTSTANDING COMMITMENTS</u>
<u>Districtwide HVAC</u>			
Myco Mechanical	\$ 3,138,000	\$ 2,137,677	\$ 1,000,323
<u>PVHS Renovations</u>			
KCBA Architects	\$ 3,550,000	\$ 1,657,329	\$ 1,892,671
<u>Geotechnical Investigation and Construction</u>			
Kleinfelder	<u>150,000</u>	<u>19,980</u>	<u>130,020</u>
	<u>\$ 6,838,000</u>	<u>\$ 3,814,986</u>	<u>\$ 3,023,014</u>

Short-term debt

Interfund balances between funds represent temporary loans recorded at year end subsequent to a final allocation of expenses. The balances generally are paid shortly after year end. Transfers represent funds set aside for the anticipation of future capital needs.

Interfund receivables and payables

The following interfund receivables and payables were in existence on June 30, 2024:

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
General Fund	\$ 33,541	\$ 9,168,227
Special Revenue (Western Pocono) Fund	-	19,308
Capital Project (Capital Reserve) Fund	9,000,000	-
Capital Projects (Construction) Fund		1,479
Enterprise (Food Service) Fund	169,827	12,754
Agency (Activity) Fund	-	1,600
TOTAL	<u>\$ 9,203,368</u>	<u>\$ 9,203,368</u>

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

Interfund Transfers

The District also made the following interfund transfers during the fiscal year ended June 30, 2024:

	TRANSFER IN	TRANSFER OUT
General Fund	\$ -	\$ 16,710,490
Capital Project (Capital Reserve) Fund	16,700,000	-
Enterprise (Food Service) Fund	10,490	-
TOTAL	\$ 16,710,490	\$ 16,710,490

Long-term liabilities

Long-term liability balances and activity for the year ended June 30, 2024, were:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	AMOUNTS DUE WITHIN ONE YEAR
<u>GOVERNMENTAL ACTIVITIES:</u>					
<i>General Obligation Debt:</i>					
<i>Bonds and Notes Payable:</i>					
Bonds	\$ 8,714,087	\$ 36,791,003	\$ 7,833,874	\$ 37,671,216	\$ 1,070,000
Notes	-	-	-	-	-
Total General Obligation debt	8,714,087	36,791,003	7,833,874	37,671,216	1,070,000
<i>Other Liabilities:</i>					
Lease Obligations	946,734	230,523	517,772	659,485	330,021
Finance Purchases	-	51,075	13,921	37,154	11,661
<i>Vested Employee Benefits:</i>					
Vacation Pay	342,010	18,570	-	360,580	97,840
Sick Pay	1,304,947	918,499	-	2,223,446	1,072,759
Other Retirement Benefits	1,102,812	-	126,238	976,574	-
Net Pension Liability	114,476,187	-	13,126,667	101,349,520	-
Net OPEB Liability - Single Employer Plan	15,972,878	1,171,785	-	17,144,663	-
Net OPEB Liability - Multiple Employer Plan	4,822,391	-	632,479	4,189,912	-
Total other liabilities	138,967,959	2,390,452	14,417,077	126,941,334	1,512,281
TOTAL GOVERNMENTAL ACTIVITY					
LONG-TERM LIABILITIES	\$ 147,682,046	\$ 39,181,455	\$ 22,250,951	\$ 164,612,550	\$ 2,582,281
<u>BUSINESS-TYPE ACTIVITIES:</u>					
<i>Other Liabilities:</i>					
Net Pension Liability	\$ 2,028,760	\$ -	\$ 236,970	\$ 1,791,790	\$ -
Net OPEB Liability - Multiple Employer Plan	71,786	-	11,408	60,378	-
<i>Vested Employee Benefits:</i>					
Vacation Pay	9,439	-	9,439	-	-
Sick Pay	55,505	-	2,491	53,014	-
TOTAL BUSINESS-TYPE ACTIVITY					
LONG-TERM LIABILITIES	\$ 2,165,490	\$ -	\$ 260,308	\$ 1,905,182	\$ -

Payments on bonds and notes are made by the general fund. Vested employee benefits will be liquidated by governmental and proprietary funds. The School District currently does not have any bonds or notes payable in business-type activities.

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

Total Interest paid and accrued during the year:

	EXPENSE	PAID
GOVERNMENTAL ACTIVITIES		
General obligation debt	\$ 708,852	\$ 525,734
Finance Purchases	13,921	13,921
Refunds of Prior Year Receipts	25,644	25,644
Leases	17,401	17,401
TOTAL INTEREST FOR GOVERNMENTAL ACTIVITIES	\$ 765,818	\$ 582,700

Lease - Copiers – Xerox

On July 1, 2022, the District entered into a 44-month lease as lessee for the acquisition and use of copiers. An initial lease liability was recorded in the amount of \$814,606. As of June 30, 2024, the value of the lease liability was \$376,871. The District is required to make monthly fixed payments of \$19,197. The lease has an interest rate of 2.445%. The equipment has a four-year estimated useful life. The value of the right to use asset as of June 30, 2024, was \$814,606 with accumulated amortization of \$407,303.

The remaining principal and interest lease payments as of June 30, 2024, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2024-25	\$ 224,697	\$ 6,700
2025-26	152,174	1,399
TOTAL OUTSTANDING	\$ 376,871	\$ 8,099

Lease – HP Notebooks, ProBooks – HP Financial Services

On July 1, 2023, the District entered into a 4-year lease as lessee for the acquisition and use of computer equipment. An initial lease liability was recorded in the amount of \$97,272. As of June 30, 2024, the value of the lease liability was \$35,958. The District is required to make yearly fixed payments of \$25,115. The lease has an interest rate of 2.193%. The Equipment has a four-year estimated useful life. The value of the right to use asset as of June 30, 2024 was \$97,272 with accumulated amortization of \$24,318.

The remaining principal and interest lease payments as of June 30, 2024, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2024-25	\$ 23,533	\$ 1,582
2025-26	24,049	1,066
2026-27	24,576	539
TOTAL OUTSTANDING	\$ 72,158	\$ 3,187

SBITA – Athletic Software - Hudl

On August 15, 2022, the District entered a three-year subscription for the licensing of Athletic Software from Hudl. An initial subscription liability was recorded in the amount of \$38,110. As of June 30, 2024, the value of the subscription liability was \$12,701. The District is required to make

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

yearly fixed payments of \$13,000. The lease has an interest rate of 2.354%. The value of the right to use asset as of June 30, 2024, was \$38,110 with accumulated amortization of \$25,407.

The remaining principal and interest lease payments as of June 30, 2024, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2024-25	\$ 12,701	\$ 299
TOTAL OUTSTANDING	\$ 12,701	\$ 299

SBITA – Firewall, – CIU20

On July 1, 2022, the District entered a five-year subscription for hosted firewall which includes, 4G firewall, threat prevention, filtering, support, and onboarding. An initial subscription liability was recorded in the amount of \$64,555. As of June 30, 2024, the value of the subscription liability was \$38,716. The District is required to make yearly fixed payments of \$14,175. The lease has an interest rate of 2.536%. The value of the right to use asset as of June 30, 2024, was \$64,555 with accumulated amortization of \$25,822.

The remaining principal and interest lease payments as of June 30, 2024, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2024-25	\$ 13,348	\$ 827
2025-26	13,691	485
2026-27	11,677	136
TOTAL OUTSTANDING	\$ 38,716	\$ 1,448

SBITA – Human Capital Management, – Frontline Education

On December 31, 2022, the District entered a five-year subscription for use of Human Resources Software with Frontline Education. An initial subscription liability was recorded in the amount of \$97,027. As of June 30, 2024, the value of the subscription liability was \$56,826. The District is required to make yearly payments. The lease has an interest rate of 3.409%. The value of the right to use asset as of June 30, 2024, was \$107,827 with accumulated amortization of \$53,913.

The remaining principal and interest lease payments as of June 30, 2024, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2024-25	\$ 27,220	\$ 1,937
2025-26	29,606	1,009
TOTAL OUTSTANDING	\$ 56,826	\$ 2,946

SBITA – Document Delivery and Storage - PowerSchool

On November 1, 2023, the District entered a 3-year subscription for digital document delivery and storage SAAS with PowerSchool. An initial subscription liability was recorded in the amount of \$28,352. As of June 30, 2024, the value of the subscription liability was \$18,617. The District is required to make yearly fixed payments of \$9,735 with an implementation fee of \$3,265. The lease has an interest rate of 3.041%. The value of the right to use asset as of June 30, 2024 was \$31,617 with accumulated amortization of \$7,026.

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

The remaining principal and interest lease payments as of June 30, 2024, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2024-25	\$ 9,169	\$ 566
2025-26	9,448	287
TOTAL OUTSTANDING	\$ 18,617	\$ 853

SBITA – CRM Platform, – Active Internet

On July 1, 2023, the District entered a 5-year subscription for a community relationship management (CRM) platform with Active Internet. An initial subscription liability was recorded in the amount of \$104,900. As of June 30, 2024, the value of the subscription liability was \$83,598. The District is required to make yearly fixed payments. The lease has an interest rate of 2.876%. The value of the right to use asset as of June 30, 2024 was \$104,900 with accumulated amortization of \$7,026.

The remaining principal and interest lease payments as of June 30, 2024, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2024-25	\$ 19,353	\$ 2,404
2025-26	20,364	1,848
2026-27	21,405	1,262
2027-28	22,476	646
TOTAL OUTSTANDING	\$ 83,598	\$ 6,160

General Obligation Bonds – Series of 2012

On March 1, 2012, the District issued \$3,715,000 of General Obligation Bonds – Series of 2012. The purpose of this issue is (1) used to provide funds for energy improvements and upgrades to existing buildings and facilities of the District and (2) to pay certain costs relating to issuing and insuring of the bonds.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with the paying agent. The bonds mature from November 1, 2012 to November 1, 2026. Interest rates range from 2.00% to 2.75% with total interest indebtedness of \$730,129.

The outstanding debt service requirements at June 30, 2024, are:

FISCAL YEAR	PRINCIPAL	INTEREST
2024-25	\$ 290,000	\$ 19,887
2025-26	300,000	12,325
2026-27	305,000	4,194
SUB-TOTAL	895,000	\$ 36,406
Unamortized Discount	(594)	
Unamortized Premium	2,232	
TOTAL OUTSTANDING	\$ 896,638	

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

General Obligation Bonds – Series of 2018

On July 19, 2018, the District issued \$9,325,000 of General Obligation Bonds – Series of 2018. The purpose of this issue is (1) to provide funds for Capital projects which will include implementation of energy conservation measures installation of new roofs at various buildings and facilities of the district, alterations, additions, renovations and/or other improvements to the security entrance of the high school, completion of additional capital projects of the district and related expenses (2) to pay certain costs relating to issuing and insuring of the bonds. The bonds mature from May 1, 2018 to May 1, 2033. Interest rates range from 1.75% to 5.00% with total interest indebtedness of \$3,408,452.

On April 23, 2024, the District refunded the General Obligation Bonds Series 2018 with the issuance of the General Obligation Bonds Series of 2024. Below is the economic gain calculation of the following refunding.

SOURCES

Gross Proceeds of Bonds	\$ 6,195,000
Plus: Accrued Interest	-
Premium	597,475
Less: Original Issue Discount	-
Underwriter's Discount	(54,206)
TOTAL SOURCES	<u>\$ 6,738,269</u>

USES

Escrow Deposit	\$ 6,702,935
Issuance Costs	34,731
Sinking Fund Deposit	603
TOTAL USES	<u>\$ 6,738,269</u>

DIFFERENCE IN CASH FLOW REQUIREMENTS

Old Debt Service Cash Flows	\$ 8,120,000
Cash Flows From New Debt:	
New Debt Service Cash Flow	\$ 7,852,633
Plus Amount Contributed by District	-
Less: Excess Funds Deposited in Sinking Fund	(603)
Net Cash Flows From New Debt	<u>7,852,030</u>
Net Difference in Cash Flows	<u>267,970</u>

ECONOMIC GAIN/LOSS

Present Value of Old Debt Service Cash Flows	\$ 6,949,525
Present Value of New Debt Service Cash Flows	\$ 6,703,538
Plus Amount Contributed by District	-
Less: Excess Funds Deposited in Sinking Fund	(603)
Total	<u>6,702,935</u>
Economic Gain(Loss)	<u>\$ 246,590</u>

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

General Obligation Bonds – Series 2023

On November 16, 2023, the District issued \$14,645,000 of General Obligation Bonds – Series of 2023. The purpose of this issue is to fund various capital improvements to school facilities owned and operated by the District and pay costs and expenses associated with the issuance of the Bonds.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with a paying agent. The Bonds matures from May 1, 2028 to May 1, 2043. Interest rates range from 4.00% to 5.00% with total interest indebtedness of \$11,061,052.

The outstanding debt service requirements at June 30, 2024 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2024-25	\$ 5,000	\$ 747,419
2025-26	5,000	747,219
2026-27	5,000	747,019
2027-28	145,000	746,819
2028-29	150,000	741,019
2029-34	1,750,000	2,585,595
2034-39	6,275,000	2,604,820
2039-43	6,305,000	798,487
SUB-TOTAL	14,640,000	\$ 9,718,397
Unamortized Premium	343,566	
TOTAL OUTSTANDING	\$ 14,983,566	

General Obligation Bonds – Series 2024

On April 23, 2024, the District issued \$6,195,000 of General Obligation Bonds – Series of 2024. The purpose of this issue was to refund a portion of the General Obligations Bonds, Series of 2018, currently outstanding in the aggregate principal amount of \$7,200,000 of which \$6,600,000 was refunded and \$600,000 remained outstanding until May 1, 2024.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with a paying agent. The Bonds matures from May 1, 2025 to May 1, 2033 with a fixed interest rate of 5.00% with total interest indebtedness of \$7,852,633.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

The outstanding debt service requirements at June 30, 2024 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2024-25	\$ 555,000	\$ 316,633
2025-26	590,000	282,000
2026-27	620,000	252,500
2027-28	650,000	221,500
2028-29	685,000	189,000
2029-33	3,095,000	396,000
SUB-TOTAL	6,195,000	\$ 1,657,633
Unamortized Premium	597,475	
TOTAL OUTSTANDING	\$ 6,792,475	

General Obligation Bonds – Series A of 2024

On April 23, 2024, the District issued \$13,745,000 of General Obligation Bonds – Series A of 2024. The purpose of this issue is to fund various capital improvements to school facilities owned and operated by the District and pay costs and expenses associated with the issuance of the Bonds.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with a paying agent. The Bonds matures from May 1, 2025 to May 1, 2044 and with a fixed interest rate of 5.00% with total interest indebtedness of \$9,242,522.

The outstanding debt service requirements at June 30, 2024 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2024-25	\$ 220,000	\$ 702,522
2025-26	245,000	676,250
2026-27	260,000	664,000
2027-28	440,000	651,000
2028-29	465,000	629,000
2029-34	2,680,000	2,772,250
2034-39	3,365,000	2,038,250
2039-44	6,070,000	1,109,250
SUB-TOTAL	13,745,000	\$ 9,242,522
Unamortized Premium	1,253,537	
TOTAL OUTSTANDING	\$ 14,998,537	

The School District general obligation bonds and notes contain a provision that in the event of default for nonpayment of principal and interest, the School Code allows for the Commonwealth of Pennsylvania to withhold monies from the School District's subsidies and pay any past due amounts directly to the paying agent for payment to the bond or note holders

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

Combined Long-Term Debt

The combined long-term debt obligations for subsequent years are:

Bonds

Fiscal Year Ended June 30	GO Bonds - 2012		GO Bonds - 2023		GO Bonds - 2024	
	Interest	Principal	Interest	Principal	Interest	Principal
2025	\$ 19,887	\$ 290,000	\$ 747,419	\$ 5,000	\$ 316,633	\$ 555,000
2026	12,325	300,000	747,219	5,000	282,000	590,000
2027	4,194	305,000	747,019	5,000	252,500	620,000
2028	-	-	746,819	145,000	221,500	650,000
2029	-	-	741,019	150,000	189,000	685,000
2030-2034	-	-	3,585,595	1,750,000	396,000	3,095,000
2035-2039	-	-	2,604,820	6,275,000	-	-
2040-2044	-	-	798,487	6,305,000	-	-
TOTAL	\$ 36,406	\$ 895,000	\$ 10,718,397	\$ 14,640,000	\$ 1,657,633	\$ 6,195,000

Fiscal Year Ended June 30	GO Bonds - 2024A		Total Bonds	
	Interest	Principal	Interest	Principal
2025	\$ 702,522	\$ 220,000	\$ 1,786,461	\$ 1,070,000
2026	676,250	245,000	1,717,794	1,140,000
2027	664,000	260,000	1,667,713	1,190,000
2028	651,000	440,000	1,619,319	1,235,000
2029	629,000	465,000	1,559,019	1,300,000
2030-2034	2,772,250	2,680,000	6,753,845	7,525,000
2035-2039	2,038,250	3,365,000	4,643,070	9,640,000
2040-2044	1,109,250	6,070,000	1,907,737	12,375,000
TOTAL	\$ 9,242,522	\$ 13,745,000	\$ 21,654,958	\$ 35,475,000

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Compensated Absences

Sick-Pay

Under the District's various bargaining agreements and plans, professional and eligible support personnel accumulate unused sick days from year to year based on their classification. These accumulated sick days are non-vesting during the employee's tenure. Personal days not used are added to the sick leave accumulation. Upon retirement, these employees are eligible for remuneration on unused sick days for the following bargaining agreements:

1. Pleasant Valley Education Assoc. Members.
2. Pleasant Valley Educational Support Personnel, ESPA/PSEA/NEA Members.
3. Administrative Plan Members.

The District maintains records of each employee's accumulated sick days that are vested with employees who are eligible to retire and those under the administrative plan. In accordance with GASB Statement No. 16, the amount recorded for sick leave termination benefit earned as of June 30, 2024, in the General Fund, that will use currently available financial resources is \$1,072,759 which includes the employer's share of FICA tax (net of reimbursement). This amount is also shown as a current liability in the governmental activities column of the Government-wide Statement of Net Position. The amount of termination benefits earned and recorded in the Enterprise Fund and in the business-type activities column of the Government-wide Statement of Net Position, is \$53,014, including FICA tax (net of reimbursement). The remaining balance of termination benefits of \$1,150,687, including FICA tax (net of reimbursement), is recorded as a long-term liability in the governmental activities column of the Government-wide Statement of Net Position.

Vacation Leave

Unused vacation leave is paid upon an employee's termination; therefore, a liability has been recorded. The vacation leave earned and recorded in the Enterprise Fund and in the business-type activities column of the Government-wide Statement of Net Position is \$0, including FICA tax and retirement contributions (net of reimbursement). The vacation leave earned as of June 30, 2024, in the General Fund that will use currently available financial resources is \$97,840, including FICA tax and retirement contributions (net of reimbursement). This amount is also shown as a current liability in governmental activities column of the Government-wide Statement of Net Position. The remaining vacation leave earned as of June 30, 2024, of \$262,740 including FICA tax and retirement contributions (net of reimbursement), is recorded as a long-term liability in the governmental activities column of the Government-wide Statement of Net Position.

Defined Benefit Pension Plans

Public School Employees' Retirement System (PSERS) Pension Plan

Summary of Significant Accounting Policies

Pensions

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

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

General Information about the Pension Plan

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.

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.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

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: 10.80%
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%

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

Employer Contributions:

The school 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 \$12,125,463 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$103,141,310 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

reported contributions. At June 30, 2024, the District's proportion was 0.2347 percent, which was a decrease of 0.0307 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$2,176,797. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Sources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Proportionate Share vs Actual		
Paid Separately Finance Liabilities	\$ 48,181	\$ -
Changes in Assumptions	1,558,000	-
Net difference between projected and actual contributions made	-	73,638
Net difference between projected and actual earnings on pension plan investments	2,954,000	-
Difference between expected and actual experience	-	1,406,000
Changes in proportion of the Net Pension Liability	-	15,768,000
District contributions subsequent to the measurement date	12,125,463	-
Total	<u>\$ 16,685,644</u>	<u>\$ 17,247,638</u>

\$12,125,463 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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:

<u>Year ended June 30:</u>	<u>Amount</u>
2024	\$ (5,841,000)
2025	(7,632,129)
2026	(248,862)
2027	1,013,645
Thereafter	20,889
Total	<u>\$ (12,687,457)</u>

Changes in Actuarial Assumptions

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

- Valuation Date - June 30, 2022
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.50%.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

- 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.

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

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

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

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

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

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Discount Rate

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 135,343,000	\$ 104,410,000	\$ 78,310,000

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.

State Funding

The Commonwealth of Pennsylvania generally reimburses the School District for 50%-60% of its retirement expense. This arrangement does not meet the criteria of a special funding situation in accordance with GASB standards. Therefore, the net pension liabilities and related pension expense represent 100% of the School District's share of these amounts. During the year ended June 30, 2023, the School District recognized revenue of \$7,872,394 as reimbursement from the State for its current year pension payments

Payables to the Pension Plan
Payables to the Pension Plan

As of June 30, 2024, the School had \$4,257,715 included in accrued wages liability, of which \$2,816,886 is for the contractually required contribution for the second quarter of 2024 and \$1,440,829 is related to the accrued payroll liability for wages incurred as of June 30, 2024.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Other Long-Term Retirement Benefits

Sabbatical/Accumulated Sick-Day Exchange Options for Health Insurance Payments Upon Retirement for Act 93 Employees.

An administrator who is eligible for a sabbatical and who has never exercised the option of prior paid sabbatical from the District may choose to exchange a sabbatical leave for a monetary/escrow upon retirement. The escrow account shall be used only for the purchase of health and/or long-term care insurance as designated by the administrator. The sabbatical exchange escrow is calculated by determining the cost difference between the total cost of an administrative sabbatical and continuous employment in the district. A replacement administrator's salary shall be determined at 10% less than the incumbent administrator.

We have estimated a long-term liability of \$976,574, shown under the governmental activities column on the government-wide Statement of Net Position as of June 30, 2024.

Other Post-Employment Benefits

- a) Public School Employees' Retirement System (PSERS) Multiple Employer OPEB Plan on Health Insurance Premium Assistance Program

Summary of Significant Accounting Policies

Other Postemployment Benefits

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

General Information about the Health Insurance Premium Assistance Program

Health Insurance Premium Assistance Program

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

Premium Assistance Eligibility Criteria

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

- Have 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

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

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

Pension Plan Description

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

Benefits Provided

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

Contributions

Employer Contributions:

The school districts' 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 \$234,521 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 \$4,250,290 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 0.2340 percent, which was a decrease of 0.0310 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized OPEB expense of \$109,961. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Proportionate Share vs Actual Paid Separately Finance Liabilities	\$ 2,142	\$ -
Changes in Assumptions	-	435,000
Net difference between projected and actual contributions made	-	3,748
Net difference between projected and actual investment earnings	10,000	-
Difference between expected and actual experience	-	14,000
Changes in proportion of the Net OPEB Liability	-	1,020,000
District contributions subsequent to the measurement date	234,521	-
Total	<u>\$ 246,663</u>	<u>\$ 1,472,748</u>

\$234,521 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	<u>Amount</u>
2024	\$ (330,000)
2025	(330,776)
2026	(340,911)
2027	(345,025)
2028	(114,596)
Thereafter	<u>702</u>
Total	<u>\$ (1,460,606)</u>

Actuarial Assumptions

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

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

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

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

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

The following assumptions were used to determine the contribution rate:

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

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

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

OPEB - Asset Class	Long-Term	
	Target Allocation	Expected Real Rate of Return
Cash	100.0%	1.2%
	100%	

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

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

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

to be sufficient to meet projected future benefit payments, therefore the plan is considered a “pay-as-you-go” plan. A discount rate of 4.13% which represents the S&P 20-year Municipal Bond Rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

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

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

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

	1% Decrease	Current Trend Rate	1% Increase
System net OPEB liability	\$ 4,233,000	\$ 4,234,000	\$ 4,234,000

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

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

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
District's proportionate share of the net OPEB liability	\$ 4,787,000	\$ 4,234,000	\$ 3,771,000

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.

Payables to the Multiple Employer OPEB Plan

As of June 30, 2024, the School had \$81,683 included in accrued wages liability, of which \$54,041 is for the contractually required contribution for the second quarter of 2024 and \$27,642 is related to the accrued payroll liability for wages incurred as of June 30, 2024.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Single Employer OPEB Plan

The following table represents Pleasant Valley School District's other post-employment benefit plan provisions:

SUMMARY OF PLAN PROVISIONS			
Group	Eligibility	Coverage and Premium Sharing	Duration
<u>I. ADMINISTRATORS</u>			
A) Retired prior to July 1, 2013	N/A – Already retired.	- Coverage: Medical, Dental, Prescription Drug, and Vision. - Premium Sharing: If member has 25 years of service with the District and retires through PSERS, the district will contribute 100% of the premium rate for the member less the active co-pay at the time of retirement. Based on the contract, the annual active co-pay was \$780 for 2009-2011, \$910 for 2011-2012, and \$975 for 2012-2013. Dependents must pay the full premium to continue coverage. If Act 110/43, member must pay premium determined for the purpose of COBRA. Upon the death of a retiree, the dependent may continue coverage by paying the full premium. - Dependents: Family included.	Member – Coverage ceases upon Medicare age. Spouse – Coverage ceases upon the earlier of Medicare age and member Medicare age. Upon the death of a retiree, the spouse may continue coverage until Medicare age.
B) Retired on or after July 1, 2013	Must have 20 years of service with the district or 10 years as an administrator and retire through PSERS or be eligible for Act 110/43.	- Coverage: Medical, Dental, Prescription Drug, and Vision. - Premium Sharing: If member has 20 years of service with the District or 10 years as an administrator and retires through PSERS, the district will contribute 100% of the premium rate for the member less the greater of the active co-pay at the time of retirement and the PSERS supplement. Based on the current contract, the annual active co-pay is \$1,200. Dependents must pay the full premium to continue coverage. If Act 110/43, member must pay premium determined for the purpose of COBRA. Upon the death of a retiree, the dependent may continue coverage by paying the full premium - Dependents: Family included.	Same as IA
<u>II. CONFIDENTAL SECRETARIES</u>	Same as IB.	Same as IB.	Same as IA

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

<i>SUMMARY OF PLAN PROVISIONS (continued)</i>			
<i>Group</i>	<i>Eligibility</i>	<i>Coverage and Premium Sharing</i>	<i>Duration</i>
<u>III. TEACHERS</u>			
A) Retired prior to July 1, 2013	N/A – Already retired	- Coverage: Medical, Dental, Prescription Drug, and Vision - Premium Sharing: If member has 25 years of service with the District and retires through PSERS, the District will contribute 100% of the premium rate for the member less the active co-pay at the time of retirement. Based on the contract, the annual active co-pay was \$780 for 2009-2011, \$910 for 2011-2012, and \$975 for 2012-2013. Dependents must pay the full premium to continue coverage. If Act 110/43, member must pay premium determined for the purpose of COBRA. Upon the death of a retiree, the dependent may continue coverage by paying the full premium. - Dependents: Family included.	Same as IA.
B) Retired on or after July 1, 2013	Must have 25 years of service with the and retire through PSERS or be eligible for Act 110/43.	- Coverage: Medical, Dental, Prescription Drug, and Vision - Premium Sharing: If member has 25 years of service with the District and retires through PSERS, the District will contribute 100% of the premium rate for the member less the greater of the active co-pay at the time of retirement and the PSERS supplement. Based on the current contract, the annual active co-pay is \$1,200. Dependents must pay the full premium to continue coverage. If Act 110/43, member must pay premium determined for the purpose of COBRA. Upon the death of a retiree, the dependent may continue coverage by paying the full premium. - Dependents: Family included.	Same as IA.
<u>IV. SUPPORT STAFF</u>	Same as II	Act 110/43	Same as IA

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Notes: Act 110/43 Eligibility: All employees are eligible for this benefit upon retirement with 30 years of PSERS service or upon superannuation retirement.

Act 110/43 Coverage and Premium Sharing: Retired employees are allowed to continue coverage for themselves and their dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment equal to the premium determined for the purpose of COBRA.

PSERS Retirement:

- 1) Pension Class T-C or T-D: An employee is eligible for PSERS retirement if he (or she) is eligible for either: i) PSERS early retirement while under 62 with 5 years of PSERS Service or ii) PSERS superannuation retirement upon reaching age 60 with 30 years of PSERS service, age 62 with 1 year of PSERS service or 35 years of PSERS service regardless of age. In general, these pension classes apply to individuals who were members of PSERS prior to July 1, 2011.
- 2) Pension Class T-E or T-F: An employee is eligible for PSERS retirement if he (or she) is eligible for either: i) PSERS early retirement while under 65 with 10 years of PSERS service or ii) PSERS superannuation retirement upon reaching age 65 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 92 with a minimum of 35 years of PSERS service. In general, these pension classes apply to individuals who became members of PSERS on or after July 1, 2011 and prior to July 1, 2019.
- 3) Pension Class T-G: An employee is eligible for PSERS retirement if he (or she) is eligible for either: i) PSERS early retirement while under 67 with 10 years of PSERS service or ii) PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 97 with a minimum of 35 years of PSERS service. In general, this pension class applies to individuals who became members of PSERS on or after July 1, 2019.
- 4) Pension Class T-H: An employee is eligible for PSERS retirement if he (or she) is eligible for either: i) PSERS early retirement while under 67 with 10 years of PSERS service or ii) PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS. In general, this pension class applies to individuals who became members of PSERS on or after July 1, 2019.
- 5) All individuals except those in Pension Class T-G are eligible for a special early retirement upon reaching age 55 with 25 years of PSERS service. Individuals in Pension Class T-G are eligible for a special early retirement upon reaching age 57 with 25 years of PSERS service

Benefits Not Reflected in Valuation: Unused sick leave and sabbatical conversions are not covered under GASB No. 75. They should be accounted for GASB No. 16

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the benefit terms:

Active Participants	482
Vested Former Participants	0
Retired Participants	<u>58</u>
Total	540

Total OPEB Liability

The School's total OPEB liability under this single employer plan of \$17,144,663, was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions and other inputs

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the benefits and the annual required contributions of the employer are subject to continual revision, actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, presented as required supplementary information, provides multiyear trend information that shows whether the actuarial value of plan Net Position is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the district and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Single Employer OPEB Healthcare Benefit	
Actuarial Valuation Date	7/1/2023
Actuarial Cost Method	Entry Age Normal
Interest Rate	4.13%
Projected salary increases	4.00% to 6.75%
Healthcare inflation rate	7.0% in 2023 with 0.5% decrease per year until 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 to 4.1 in 2075 and later on the Society of Actuaries Long-Run Medical Cost Trend Model.
Asset Valuation Method	pay as you go basis
The discount rate is based on S&P Municipal Bond 20-year high grade rate index at July 1, 2023.	

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

Mortality rates are assumed pre-retirement and post-retirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. Incorporated into the tables are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

Changes in the Total OPEB Liability

	<u>2023-24</u>
Total OPEB Liability	
Service Cost	\$ 701,600
Interest	663,559
Changes in Benefit Terms	(527,809)
Difference between expected and actual experience	671,744
Changes in assumptions	273,120
Benefit payments	<u>(610,429)</u>
Net change in total OPEB Liability	1,171,785
Total OPEB Liability - beginning	<u>15,972,878</u>
Total OPEB Liability - ending	<u>\$ 17,144,663</u>
 Covered employee payroll	 <u>\$ 33,096,833</u>

Total OPEB Liability as a percentage of covered employee payroll 51.80%

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

For the year ended June 30, 2024, the School recognized OPEB expense of \$141,288. At June 30, 2024, the School reported deferred outflows of resource and deferred inflows of resources related to this single employer OPEB plan from the following sources:

<u>Sources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ -	\$ 2,337,679
Net difference between projected and actual investment earnings	-	-
Difference between expected and actual experience	-	3,234,292
Changes in proportion of the Net OPEB Liability	-	-
District contributions subsequent to the measurement date	<u>901,806</u>	<u>-</u>
Total	<u>\$ 901,806</u>	<u>\$ 5,571,971</u>

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

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

Year ended June 30:	<u>Amount</u>
2025	\$ (696,062)
2026	(696,062)
2027	(696,062)
2028	(696,064)
2029	(794,810)
Thereafter	<u>(1,992,911)</u>
Total	<u>\$ (5,571,971)</u>

Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School's single employer OPEB plan, as well as what the School's total 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 discount rate:

	<u>1% Decrease 3.13%</u>	<u>Current Discount Rate 4.13%</u>	<u>1% Increase 5.13%</u>
District's proportionate share of the net OPEB liability	\$ 18,343,919	\$ 17,144,663	\$ 15,996,939

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

The following presents the total OPEB liability of the School's single employer OPEB plan, as well as what the School's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point or 1-percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
System net OPEB liability	\$ 15,445,542	\$ 17,144,663	\$ 19,095,465

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024

Combined Deferred Outflows/Inflows on Pensions and OPEB

As a result of having multiple pension and other post-employment benefit plans, the following schedule is prepared to illustrate the individual components reflected on the Statement of Net Position:

GOVERNMENTAL ACTIVITIES				
	<i>Pension - GASB 68</i>	<i>Single Employer OPEB - GASB 75</i>	<i>Multiple Employer OPEB - GASB 75</i>	<i>Pension & OPEB Total</i>
	<u>DR OR (CR)</u>	<u>DR OR (CR)</u>	<u>DR OR (CR)</u>	<u>DR OR (CR)</u>
	<u>CURRENT YR</u>	<u>CURRENT YR</u>	<u>CURRENT YR</u>	<u>CURRENT YR</u>
<u>IN DEFERRED OUTFLOWS/INFLOWS</u>	<u>BALANCE</u>	<u>BALANCE</u>	<u>BALANCE</u>	<u>BALANCE</u>
Change in Proportion	\$ (15,515,219)	\$ -	\$ (1,003,832)	\$ (16,519,051)
Current Year Contributions	11,940,764	901,806	230,949	13,073,519
Change in Assumption	1,553,930	(2,337,679)	(426,044)	(1,209,793)
Diff in Projected Vs Actual Contributions	(72,765)	-	(3,687)	(76,452)
Difference in Investment Earnings	2,784,336	-	9,861	2,794,197
Diff. between Expected vs Actual Experience	(1,377,945)	(3,234,292)	(13,668)	(4,625,905)
Diff. between Prop. Share vs Actual POS	48,181	-	2,142	50,323
Net Pension Liability	\$ 101,349,520	\$ -	\$ -	\$ 101,349,520
Net OPEB Liability	\$ -	\$ 17,144,663	\$ 4,189,912	\$ 21,334,575

BUSINESS-TYPE ACTIVITIES				
	<i>Pension - GASB 68</i>	<i>Single Employer OPEB - GASB 75</i>	<i>Multiple Employer OPEB - GASB 75</i>	<i>Pension & OPEB Total</i>
	<u>DR OR (CR)</u>	<u>DR OR (CR)</u>	<u>DR OR (CR)</u>	<u>DR OR (CR)</u>
	<u>CURRENT YR</u>	<u>CURRENT YR</u>	<u>CURRENT YR</u>	<u>CURRENT YR</u>
<u>IN DEFERRED OUTFLOWS/INFLOWS</u>	<u>BALANCE</u>	<u>BALANCE</u>	<u>BALANCE</u>	<u>BALANCE</u>
Change in Proportion	\$ (252,781)	\$ -	\$ (16,168)	\$ (268,949)
Current Year Contributions	184,699	-	3,572	188,271
Change in Assumption	4,070	-	(8,956)	(4,886)
Diff in Projected Vs Actual Contributions	(873)	-	(61)	(934)
Difference in Investment Earnings	169,664	-	139	169,803
Diff. between Expected vs Actual Experience	(28,055)	-	(332)	(28,387)
Diff. between Prop. Share vs Actual POS	-	-	-	-
Net Pension Liability	\$ 1,791,790	\$ -	\$ -	\$ 1,791,790
Net OPEB Liability	\$ -	\$ -	\$ 60,378	\$ 60,378

STATEMENT OF NET POSITION	
<i>Governmental & Business-Type Activities</i>	<i>Total</i>
	<u>DR OR (CR)</u>
	<u>CURRENT YR</u>
<u>IN DEFERRED OUTFLOWS/INFLOWS</u>	<u>BALANCE</u>
Change in Proportion	\$ (16,788,000)
Current Year Contributions	13,261,790
Change in Assumption	(1,214,679)
Diff in Projected Vs Actual Contributions	(77,386)
Difference in Investment Earnings	2,964,000
Diff. between Expected vs Actual Experience	(4,654,292)
Diff. between Prop. Share vs Actual POS	50,323
Net Pension Liability	\$ 103,141,310
Net OPEB Liability	\$ 21,394,953

RECONCILIATION TO FINANCIAL STATEMENTS		
	<i>Governmental Activities</i>	<i>Business-Type Activities</i>
<i>Pension Plan</i>		
Net Pension Liability	\$ 101,349,520	\$ 1,791,790
Deferred Outflow Related to Pension	(16,327,211)	(358,433)
Deferred Inflows Related to Pension	16,965,929	281,709
Total liab. Net deferred inflows/outflows	\$ 101,988,238	\$ 1,715,066
<i>OPEB - Single & Multiple Employer Plans</i>		
Net OPEB Liability	\$ 21,334,575	\$ 60,378
Deferred Outflows Related to OPEB	(1,144,758)	(3,711)
Deferred Inflows Related to OPEB	7,019,202	25,517
Total liab. Net deferred inflows/outflows	\$ 27,209,019	\$ 82,184

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Other Employee Benefits

Employee Medical Insurance

The Pleasant Valley School District is one of the ten members comprising the Employee Benefit Trust of Eastern Pennsylvania. Trustees, acting as representatives of the members, manage the schedule of benefits as determined by respective members, ensure the trust is adequately funded, review claims administration and obtain excess catastrophe insurance. The Trustees have appointed independent consultants to provide the administrative services for the Trust. The accountability for the Trust's fiscal matters remains with the Board of Trustees. The Trust owes \$4,446,023, to the District as of June 30, 2024, for excess premiums paid.

Note 6 - Risk Management

The District is subject to risk of loss from employee acts, property damage, personal injury, auto accidents, theft, etc. The District covers those risks through the purchase of commercial insurance. The premiums for the District's worker's compensation policy is a retrospectively rated policy, the final total premium is based on the actual payroll for the policy year and is determined by the insurance company. Any settlements received or paid by the District are recorded as revenue or expenditures (expenses) in the subsequent year.

Note 7 - Fund Balance Allocations

Restricted Fund Balance

The two Capital Project Funds have restrictions on the use of the resources at year end. The Capital Reserve Fund's \$23,748,145 fund balance at year end is restricted because of enabling legislation under the Municipal Code in Pennsylvania. Section 1432 of this Code restricts the use of resources for limited purposes. In addition, the debt covenant on previous bond issues restrict the proceeds shown in the balance of \$32,030,960, at year end within this fund is considered restricted.

Committed Fund Balance

The governing body (Board of School Directors) has committed \$11,821,296 for future capital needs, and \$6,000,000 for tax rate stabilization.

Assigned Fund Balance

The General Fund has \$8,666,717 in assigned fund balance. \$3,666,717 is assigned for PSERS rate stabilization, \$2,000,000 for Special Education, \$1,500,000 Healthcare, and \$1,500,000 for Charter/Cyber costs.

Note 8 - Restricted Net Position

Net Investment in Capital Assets

The components of this restriction are total capital assets of \$76,289,901 , unspent proceeds of \$32,030,960 with related debt of \$137,671,216, which includes unamortized bonds discounts, and premiums. The business-type activities column reflects \$466,447 invested in capital assets with no related debt. The governmental activities also restricted \$23,748,145 for capital projects.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2024**

Note 9 - Contingencies

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and a condition specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund, or other applicable funds. However, in the opinion of management any such disallowed claims will not have a material adverse effect on the overall financial position of the School District as of June 30, 2024.

Litigation

The School District is party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District, except for the following:

Note 10 - New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following standards, which have not yet been implemented:

- GASB Statement No. 101, Compensated Absences: This statement establishes standards for the recognition and measurement of liabilities for compensated absences. It will be effective for fiscal years beginning after December 15, 2023 and will be adopted by the District for the fiscal year ending June 30, 2025.
- GASB Statement No. 102, Risks and Uncertainties Disclosures: This statement requires governments to disclose risks and uncertainties that could significantly affect financial outcomes. It is effective for fiscal years beginning after June 15, 2024.
- GASB Statement No. 103, Conduit Debt Obligations (Amendment): This standard clarifies the reporting of conduit debt obligations and will be effective for fiscal years beginning after December 15, 2024.

**REQUIRED
SUPPLEMENTAL INFORMATION**

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
CUMULATIVE TEN FISCAL YEARS REPORT
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
District's proportion of the net pension liability (asset)	0.2347%	0.2654%	0.2836%	0.2951%	0.3003%	0.3032%	0.3094%	0.3044%	0.3028%	0.3129%
District's proportionate share of the net pension liability (asset)	\$ 104,410,000	\$ 117,993,000	\$ 116,437,000	\$ 145,304,000	\$ 140,488,000	\$ 145,551,000	\$ 152,808,000	\$ 150,851,000	\$ 131,159,000	\$ 123,848,000
District's covered employee payroll	36,643,890	35,581,667	38,744,073	40,310,773	42,679,617	41,435,834	40,808,182	39,813,278	39,351,697	38,943,017
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	284.93%	331.61%	300.53%	360.46%	329.17%	351.27%	374.45%	378.90%	333.30%	318.02%
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%

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
CUMULATIVE TEN FISCAL YEARS REPORT
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Contractually required contribution	\$ 12,125,463	\$ 12,208,070	\$ 13,227,226	\$ 13,580,699	\$ 14,276,332	\$ 13,508,082	\$ 12,952,517	\$ 11,625,477	\$ 9,837,925	\$ 7,983,318
Contributions in relation to the contractually required contribution	<u>12,125,463</u>	<u>12,208,070</u>	<u>13,227,226</u>	<u>13,580,699</u>	<u>14,276,332</u>	<u>13,508,082</u>	<u>12,952,517</u>	<u>11,625,477</u>	<u>9,837,925</u>	<u>7,983,318</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 36,643,890	\$ 35,581,667	\$ 38,744,073	\$ 40,310,773	\$ 42,679,617	\$ 41,435,834	\$ 40,808,182	\$ 39,813,278	\$ 39,351,697	\$ 38,943,017
Contributions as a percentage of covered employee payroll	33.09%	34.31%	34.14%	33.69%	33.45%	32.60%	31.74%	29.20%	25.00%	20.50%

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
MULTIPLE EMPLOYER OPEB PLAN
CUMULATIVE TEN FISCAL YEARS REPORT
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
District's proportion of the net OPEB liability	0.2340%	0.2652%	0.2837%	0.2960%	0.3003%	0.3032%	0.3094%	0.3044%
District's proportionate share of the net OPEB liability (asset)	\$ 4,234,000	\$ 4,882,000	\$ 6,725,000	\$ 6,396,000	\$ 6,387,000	\$ 6,322,000	\$ 6,304,000	\$ 6,557,000
District's covered-employee payroll	35,852,045	39,000,065	40,224,599	40,310,773	42,679,617	41,435,834	40,808,182	39,813,278
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	11.81%	12.52%	16.72%	15.87%	14.96%	15.26%	15.45%	16.47%
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%	5.47%

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
MULTIPLE EMPLOYER OPEB PLAN
CUMULATIVE TEN FISCAL YEARS REPORT
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Contractually required contribution	\$ 234,521	\$ 266,862	\$ 309,953	\$ 330,548	\$ 358,509	\$ 343,917	\$ 338,708	\$ 330,450	\$ 330,554	\$ 350,488
Contributions in relation to the contractually required contribution	<u>234,521</u>	<u>266,862</u>	<u>309,953</u>	<u>330,548</u>	<u>358,509</u>	<u>343,917</u>	<u>338,708</u>	<u>330,450</u>	<u>330,554</u>	<u>350,488</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 36,643,890	\$ 35,581,667	\$ 38,744,073	\$ 40,310,773	\$ 42,679,617	\$ 41,435,834	\$ 40,808,182	\$ 39,813,278	\$ 39,351,697	\$ 38,943,017
Contributions as a percentage of covered employee payroll	0.64%	0.75%	0.80%	0.82%	0.84%	0.83%	0.83%	0.83%	0.84%	0.90%

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
SINGLE EMPLOYER HEALTH INSURANCE PLAN
CUMULATIVE TEN FISCAL YEARS REPORT
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
Total OPEB Liability							
Service Cost	\$ 701,600	\$ 1,074,763	\$ 1,442,902	\$ 1,037,279	\$ 1,083,811	\$ 1,019,133	\$ 995,141
Interest	663,559	460,459	456,080	690,599	629,634	633,409	462,423
Changes in Benefit Terms	(527,809)	-	-	-	807,536	-	(62,238)
Difference between expected and actual experience	671,744	-	(4,595,107)	-	(1,688,821)	-	821,942
Changes in assumptions	273,120	(4,387,681)	(580,054)	2,565,698	(585,927)	7,130	264,306
Benefit payments	<u>(610,429)</u>	<u>(644,702)</u>	<u>(722,900)</u>	<u>(743,442)</u>	<u>(811,872)</u>	<u>(856,706)</u>	<u>(820,379)</u>
Net change in total OPEB Liability	1,171,785	(3,497,161)	(3,999,079)	3,550,134	(565,639)	802,966	1,661,195
Total OPEB Liability - beginning	<u>15,972,878</u>	<u>19,470,039</u>	<u>23,469,118</u>	<u>19,918,984</u>	<u>20,484,623</u>	<u>19,681,657</u>	<u>18,020,462</u>
Total OPEB Liability - ending	<u>\$ 17,144,663</u>	<u>\$ 15,972,878</u>	<u>\$ 19,470,039</u>	<u>\$ 23,469,118</u>	<u>\$ 19,918,984</u>	<u>\$ 20,484,623</u>	<u>\$ 19,681,657</u>
 Covered employee payroll	 <u>\$ 33,096,833</u>	 <u>\$ 36,031,963</u>	 <u>\$ 36,031,963</u>	 <u>\$ 39,326,245</u>	 <u>\$ 39,326,245</u>	 <u>\$ 37,098,830</u>	 <u>\$ 37,098,830</u>
 Total OPEB Liability as a percentage of covered employee payroll	 51.80%	 44.33%	 54.04%	 59.68%	 50.65%	 55.22%	 53.05%

**Pleasant Valley School District
Notes to Required Supplemental Information
Fiscal Year Ended June 30, 2024**

Public School Employees' Retirement System

Changes of Benefit Terms

None.

Changes in Assumptions

The actuarially determined contributions, by PSERS, are calculated as of the June 30 preceding the fiscal year in which contributions are made. It does not include an adjustment made for the difference between projected vs actual contributions or separately financed liabilities. The following methods and assumptions were used to determine contribution rates reported:

- 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 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 to 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.

Proportionate Share of the Net Pension Liability

The amount reported as the District's proportionate share of the net pension liability (asset) does not include the adjustment for the difference between projected vs actual contributions made and the adjustment for the difference between proportionate share vs actual paid separately financed liabilities.

Other Post-Employment Benefits -- Teachers Health Insurance Assistance

Changes of Benefit Terms

None.

Changes in Assumptions

The discount rate used to measure the Total OPEB liability decreased from 4.09% as of June 30, 2022 to 4.13% as of June 30, 2023.

**Pleasant Valley School District
Notes to Required Supplemental Information
Fiscal Year Ended June 30, 2024**

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contributions, by PSERS, are calculated as of the June 30 preceding the fiscal year in which contributions are made. It does not include an adjustment made for the difference between projected vs actual contributions or separately financed liabilities. The following methods and assumptions were used to determine contribution rates reported:

- Investment return – 4.13% - S&P 20 Year Municipal Bond Rate.
- Salary increases – Effective average of 4.5%, which reflects an allowance for inflation of 2.50%, and 2.00% for real wage growth and merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 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 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: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Proportionate Share of the Net OPEB Liability

The amount reported as the District's proportionate share of the net opeb liability (asset) does not include the adjustment for the difference between projected vs actual contributions made and the adjustment for the difference between proportionate share vs actual paid separately financed liabilities.

Other Post-Employment Benefits – Single Employer Healthcare Plan

Changes of Benefit Terms

None.

Changes in Assumptions

The discount rate changed from 4.06% to 4.13%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal, and retirement were updated based on new PSERS assumptions.

**Pleasant Valley School District
Notes to Required Supplemental Information
Fiscal Year Ended June 30, 2024**

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

- Actuarial Cost Method – Entry Age Normal
- Salary Increases – 4.00% to 6.75%
- Healthcare cost trend rate – 7.0% in 2023 with 0.5% decrease per year until 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 to 4.1 in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
- Asset Valuation Method – Pay as you go basis
- Discount Rate – The rate of 4.13% is based on S&P Municipal Bond 20-year high grade rate index at July 1, 2023.

S U P P L E M E N T A L I N F O R M A T I O N S E C T I O N

Pleasant Valley School District
Combining Balance Sheet
All Capital Project Funds
As of June 30, 2024

	CAPITAL RESERVE FUND	CONSTRUCTION FUND	TOTAL CAPITAL PROJECT FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 15,318,868	\$ 17,109,666	\$ 32,428,534
Investments	-	15,000,000	15,000,000
Due from Other Funds	9,000,000	-	9,000,000
TOTAL ASSETS	24,318,868.00	32,109,666.00	56,428,534.00
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	-	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 24,318,868	\$ 32,109,666	\$ 56,428,534
<u>LIABILITIES</u>			
Accounts Payable	\$ 570,723	\$ 77,227	\$ 647,950
Due to other funds	-	1,479	1,479
TOTAL LIABILITIES	570,723	78,706	649,429
<u>DEFERRED INFLOWS OF RESOURCES</u>	-	-	-
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	570,723	78,706	649,429
<u>FUND BALANCES:</u>			
Restricted Fund Balance	23,748,145	32,030,960	55,779,105
TOTAL FUND BALANCES	23,748,145	32,030,960	55,779,105
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 24,318,868	\$ 32,109,666	\$ 56,428,534

Pleasant Valley School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Capital Project Funds
For the Year Ended June 30, 2024

	CAPITAL RESERVE FUND	CONSTRUCTION FUND	TOTAL CAPITAL PROJECT FUNDS
REVENUES			
Local Sources	\$ 478,146	\$ 380,728	\$ 858,874
TOTAL REVENUES	<u>478,146</u>	<u>380,728</u>	<u>858,874</u>
	-----	-----	-----
EXPENDITURES			
Support Services	-	426,734	426,734
Capital Outlay	1,973,148	636,756	2,609,904
TOTAL EXPENDITURES	<u>1,973,148</u>	<u>1,063,490</u>	<u>3,036,638</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,495,002)</u>	<u>(682,762)</u>	<u>(2,177,764)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds of long-term capital-related debt	-	28,390,000	28,390,000
Bond Premium	-	1,608,086	1,608,086
Transfers in	16,700,000	-	16,700,000
TOTAL OTHER FINANCING SOURCES AND USES	<u>16,700,000</u>	<u>29,998,086</u>	<u>46,698,086</u>
NET CHANGE IN FUND BALANCES	15,204,998	29,315,324	44,520,322
FUND BALANCES - BEGINNING	<u>8,543,147</u>	<u>2,715,636</u>	<u>11,258,783</u>
FUND BALANCES - ENDING	<u><u>\$ 23,748,145</u></u>	<u><u>\$ 32,030,960</u></u>	<u><u>\$ 55,779,105</u></u>

Pleasant Valley School District
Combining Balance Sheet
All Non-Major Governmental Funds
As of June 30, 2024

	LIBRARY FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ -	\$ 603	\$ 603
Taxes Receivable, net	42,803	-	42,803
Due from Other Governments	19,308	-	19,308
TOTAL ASSETS	62,111	603	62,714
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	-	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 62,111	\$ 603	\$ 62,714
<u>LIABILITIES</u>			
Accounts Payable	\$ -	\$ -	\$ -
Due to other funds	19,308	-	19,308
TOTAL LIABILITIES	19,308	-	19,308
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Related to Tax Revenue	42,803	-	42,803
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	62,111	-	62,111
<u>FUND BALANCES:</u>			
Assigned Fund Balance	-	603	603
TOTAL FUND BALANCES	-	603	603
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 62,111	\$ 603	\$ 62,714

Pleasant Valley School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Non-Major Governmental Funds
For the Year Ended June 30, 2024

	LIBRARY FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES			
Local Sources	\$ 597,175	\$ -	\$ 597,175
TOTAL REVENUES	597,175	-	597,175
	-----	-----	-----
EXPENDITURES			
Support Services	-	88,937	88,937
Operation of Non-Instructional Services	597,175	-	597,175
TOTAL EXPENDITURES	597,175	88,937	686,112
	-----	-----	-----
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(88,937)	(88,937)
	-----	-----	-----
OTHER FINANCING SOURCES (USES)			
Proceeds from Refunding Bond Issues	-	6,195,000	6,195,000
Bond Premium	-	597,475	597,475
Payment to bond refunding escrow agent	-	(6,702,935)	(6,702,935)
TOTAL OTHER FINANCING SOURCES AND USES	-	89,540	89,540
	-----	-----	-----
NET CHANGE IN FUND BALANCES	-	603	603
FUND BALANCES - BEGINNING	-	-	-
	-----	-----	-----
FUND BALANCES - ENDING	\$ -	\$ 603	\$ 603
	-----	-----	-----

**Pleasant Valley School District
General Fund
Schedule on Tax Collectors' Receipts
For the Year Ended June 30, 2024**

	CHESTNUTHILL TOWNSHIP	ELDRED TOWNSHIP	POLK TOWNSHIP	ROSS TOWNSHIP	TOTAL
<u>CURRENT REAL ESTATE TAXES</u>					
Assessed Value	\$ 1,149,043,620	\$ 215,505,573	\$ 558,689,230	\$ 380,693,240	\$ 2,303,931,663
Millage Rate	0.0251233	0.0251233	0.0251233	0.0251233	0.025123
Total Tax to be Collected	28,867,851	5,414,211	14,036,117	9,564,270	57,882,449
Less: Act 1 Deduction	2,490,104	458,198	1,219,002	925,156	5,092,460
Total Taxable Duplicate	26,377,747	4,956,013	12,817,115	8,639,114	52,789,989
PLUS - Additions	5,690	169	452	-	6,311
Penalties	53,518	10,444	28,262	18,532	110,756
TOTAL TAXES TO BE COLLECTED	26,436,955	4,966,626	12,845,829	8,657,646	52,907,056
LESS: Discounts	443,913	81,817	211,206	146,022	882,958
Reductions	-	-	347	-	347
Refunds	170,296	-	-	242	170,538
2.636 Mill Library Tax	258,964	53,246	137,359	95,324	544,893
Returned to County	1,321,549	247,176	684,545	287,297	2,540,567
Upset Sales	-	-	6,224	-	6,224
Exonerations	3,759	-	-	4,724	8,483
NET CURRENT REAL ESTATE TAXES COLLECTED	\$ 24,238,474	\$ 4,584,387	\$ 11,806,148	\$ 8,124,037	\$ 48,753,046
CURRENT INTERIM REAL ESTATE TAXES COLLECTED	\$ 34,512	\$ 7,869	\$ 71,574	\$ 19,295	\$ 133,250

Pleasant Valley School District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual
For the Year Ended June 30, 2024

6000 - Revenue from Local Sources		Budget	Actual	Variance
6111	Current Real Estate Taxes	\$ 48,727,619	\$ 48,753,046	\$ 25,427
6112	Interim Real Estate Taxes	95,000	133,250	38,250
6113	Public Utility	45,000	48,568	3,568
6114	Payment in Lieu of Taxes	5,000	6,862	1,862
6151	Earned Income Tax	3,200,000	4,218,141	1,018,141
6153	Real Estate Transfer Tax	500,000	723,348	223,348
6411	Delinquent Real Estate Taxes	2,000,000	2,710,434	710,434
6451	Delinquent Earned Income Taxes	140,000	253,299	113,299
6510	Interest	30,000	3,188,839	3,158,839
6710	Admissions	30,000	26,742	(3,258)
6740	Fees	10,000	11,303	1,303
6790	Other Student Activity Income	20,000	3,835	(16,165)
6832	Federal IDEA Revenue Received as Pass Through	700,000	780,174	80,174
6833	Federal ARP IDEA Revenue Received as Pass Through	-	42,322	42,322
6910	Rentals	100,000	337,122	237,122
6920	Contributions	15,000	3,259	(11,741)
6944	Receipts from Other LEA's - Education	50,000	113,998	63,998
6970	Services Provided Other Funds	250,000	102,418	(147,582)
6990	Miscellaneous	40,000	57,835	17,835
6991	Refunds of Prior Yr. Expenditures	-	229,163	229,163
6992	Energy Efficiency Revenues	-	24,992	24,992
6999	Other Revenues Not Specified Above	-	104,611	104,611
TOTAL REVENUE FROM LOCAL SOURCES		55,957,619	61,873,561	5,915,942
7000 - Revenue from State Sources				
7111	Basic Education Funding - Formula	24,912,196	25,945,964	1,033,768
7160	Orphan Tuition	400,000	182,668	(217,332)
7271	Special Education	4,466,119	4,399,307	(66,812)
7311	Transportation (Regular and Additional)	2,700,000	2,696,696	(3,304)
7312	Transportation (Nonpublic and Charter School)	40,000	58,905	18,905
7330	Health Services	75,000	69,140	(5,860)
7340	State Property Tax Allocation Reduction	5,130,545	5,132,494	1,949
7362	School Mental Health & Safety and Security Grants	-	181,358	181,358
7369	Other Safe Schools Grants	-	20,000	20,000
7505	Ready to Learn Grant	1,021,000	3,521,256	2,500,256
7810	FICA Revenue	1,800,000	1,606,545	(193,455)
7820	Retirement Revenue	6,500,000	7,735,295	1,235,295
TOTAL REVENUE FROM STATE SOURCES		47,044,860	51,549,628	4,504,768
8000 - Revenue from Federal Source				
8514	Title I	780,000	858,030	78,030
8515	Title II	130,000	128,486	(1,514)
8516	Title III	15,000	14,246	(754)
8517	Title IV	55,000	37,272	(17,728)
8690	Other Restricted Federal Grants-In-Aid Through the	-	19,161	19,161
8743	ESSER II	-	71,898	71,898
8744	ARP ESSER III	-	3,416,556	3,416,556
8751	ARP ESSER Learning Loss	-	160,954	160,954
8752	ARP ESSER Summer Programs	-	10,444	10,444
8754	ARP ESSER Homeless Children and Youth Funds	-	38,296	38,296
8810	Medical Assistance Reimbursements (Access)	780,000	653,314	(126,686)
8820	Medical Assistance Reimbursement for Health-Related	25,000	10,636	(14,364)
TOTAL REVENUE FROM FEDERAL SOURCES		\$ 1,785,000	\$ 5,419,293	\$ 3,634,293

Pleasant Valley School District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual
For the Year Ended June 30, 2024

9000 - Other Financing Sources		Budget	Actual	Variance
9220	Proceeds from Leases	\$ -	\$ 230,523	\$ 230,523
9290	Proceeds from other extended term financing	-	51,075	51,075
9400	Sale of or Compensation For Loss of Fixed Assets	-	77,449	77,449
9990	Insurance Recoveries	-	12,360	12,360
TOTAL OTHER FINANCING SOURCES		-	371,407	371,407
TOTAL REVENUES AND OTHER FINANCING SOURCES		\$ 104,787,479	\$ 119,213,889	\$ 14,426,410
1000 - Instruction				
1110	Regular Programs - Elem./Secondary	\$ 38,033,900	\$ 38,008,181	\$ 25,719
1190	Federally Funded Regular Programs	1,018,434	1,018,434	-
1211	Life Skills Support - Public	952,344	916,714	35,630
1221	Deaf or Hearing Impaired Support	200	-	200
1231	Emotional Support - Public	30,915	30,915	-
1241	Learning Support - Public	16,624,376	16,569,895	54,481
1243	Gifted Support	638,809	638,809	-
1290	Other Support	123,436	123,436	-
1341	Agricultural Education	476,774	476,774	-
1350	Industrial Arts Education	598,203	573,616	24,587
1360	Business Education	371,951	371,951	-
1390	Other Vocational Education Programs	1,842,749	1,743,982	98,767
1410	Drivers' Education	23,500	-	23,500
1420	Summer School	59,378	59,378	-
1430	Homebound Instruction	6,300	3,028	3,272
1442	Alternative Education Programs	490,000	315,641	174,359
1500	Nonpublic School Programs	11,621	11,621	-
Total Instruction		61,302,890	60,862,375	440,515
2000 - Support Services				
2120	Guidance Services	2,084,714	1,917,132	167,582
2130	Attendance Services	234,478	234,478	-
2142	Psychological Services	467,534	467,534	-
2151	Supervision of Speech Pathology and Audiology	1,150,865	1,150,865	-
2160	Social Work Services	103,823	103,823	-
2170	Student Accounting Services	178,808	178,808	-
2220	Technology Support Services	9,453	9,453	-
2240	Computer Assisted Instruction Services	700	-	700
2250	School Library Services	725,120	725,120	-
2260	Instructional & Curriculum Dev. Service	1,400,631	1,072,295	328,336
2270	Instructional Staff Development Services	3,000	413	2,587
2271	Instructional Staff Development Services (Certified)	155,800	103,658	52,142
2272	Instructional Staff Development Services (Non-Certified)	9,400	9,400	-
2290	Other Instructional Staff Services	193,413	193,413	-
2310	Board Services	384,850	227,989	156,861
2330	Tax Assessment & Collection Service	401,200	226,674	174,526
2350	Legal Services	440,000	310,564	129,436
2360	Office of the Superintendent Services	833,495	833,495	-
2380	Office of the Principal Services	2,966,865	2,587,693	379,172
2390	Other Administration Services	80,294	80,294	-
2420	Medical Services	6,850	-	6,850
SUB-TOTAL SUPPORT SERVICES (Carried Over)		\$ 11,831,293	\$ 10,433,101	\$ 1,398,192

**Pleasant Valley School District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual
For the Year Ended June 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
SUB-TOTAL SUPPORT SERVICES (Carried Forward)	\$ 11,831,293	\$ 10,433,101	\$ 1,398,192
2430 Dental Services	750	-	750
2440 Nursing Services	856,526	856,526	-
2511 Supervision of Fiscal Services	87,521	87,035	486
2512 Budgeting Services	154,035	153,293	742
2513 Receiving and Disbursing Funds Services	86,530	86,530	-
2514 Payroll Services	261,611	261,611	-
2515 Financial Accounting Services	272,294	272,294	-
2519 Other Fiscal Services	316,238	316,238	-
2540 Printing, Publishing and Duplicating Services	515,000	159,843	355,157
2611 Supervision of Operation and Maintenance of Plant Services - Head	253,659	186,633	67,026
2619 Supervision of Operation and Maintenance of Plant Services	69,587	69,362	225
2620 Operation of Building Services	11,216,869	11,216,869	-
2660 Security Services	1,972,773	1,972,773	-
2711 Supervision of Student Transportation Services - Head	103,727	103,727	-
2720 Vehicle Operation Services	8,250,000	8,156,301	93,699
2750 Non-Public Transportation	547,694	547,694	-
2818 System-Wide Technology Services	1,869,504	1,701,826	167,678
2831 Supervision of Staff Services	418,150	310,216	107,934
2833 Staff Accounting Services	47,218	47,218	-
2834 Staff Development Services - Non-Instructional, Certified	3,769	3,769	-
2836 Staff Development Services - Non-Instructional, Non-Certified	7,500	6,632	868
2910 Other Support Services	35,000	26,131	8,869
Total Support Services	39,177,248	36,975,622	2,201,626
 <u>3000 - Operation of Non-Instructional Services</u>			
3210 School Sponsored Student Activities	310,428	269,148	41,280
3250 School Sponsored Athletics	1,161,367	1,161,367	-
3300 Community Services	17,075	17,075	-
Total Non-Instructional Services	1,488,870	1,447,590	41,280
 <u>4000 - Facilities Acquisition, Construction, and Improvement Svcs.</u>			
4600 Existing Building Improvement Services	-	-	-
Total Facilities Acquisition, Construction, and Improvement Services	-	-	-
 <u>5000 - Other Expenditures and Financing Uses</u>			
5110 Debt Service	1,429,654	1,429,654	-
5130 Refund of Prior Year Receipts	25,644	25,644	-
5140 Lease Payments	535,173	535,173	-
5230 Capital Projects Funds Transfers Out	-	16,700,000	(16,700,000)
5251 Food Service Fund Transfers Out	28,000	10,490	17,510
5900 Budgetary Reserve	800,000	-	800,000
Total Other Expenditures and Financing Uses	2,818,471	18,700,961	(15,882,490)
 TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 104,787,479	\$ 117,986,548	\$ (13,199,069)

**Pleasant Valley School District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual
For the Year Ended June 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 104,787,479	\$ 119,213,889	\$ 14,426,410
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>104,787,479</u>	<u>117,986,548</u>	<u>(13,199,069)</u>
NET REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	1,227,341	1,227,341
Special Items	-	-	-
Extraordinary Items	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES AFTER SPECIAL ITEMS AND EXTRAORDINARY ITEMS	-	1,227,341	1,227,341
FUND BALANCE - JULY 1, 2023	<u>18,620,946</u>	<u>30,110,344</u>	<u>11,489,398</u>
FUND BALANCE - JUNE 30, 2024	<u>\$ 18,620,946</u>	<u>\$ 31,337,685</u>	<u>\$ 12,716,739</u>

Pleasant Valley School District
Food Service Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2024

REVENUES

School Lunches	\$ 201,233	
Special Functions	5,911	
State Subsidy Revenue	207,998	
Donated Commodities	158,861	
Federal Subsidies	1,934,087	
Capital Contributions	337,974	
Interest	38,011	
FICA Revenue	31,129	
Retirement Revenue	137,098	
Miscellaneous	3,631	
Transfer from General Fund	10,490	
	<u>10,490</u>	
TOTAL REVENUES		\$ 3,066,423

COST OF FOOD AND COMMODITIES	<u>1,193,631</u>
-------------------------------------	------------------

GROSS PROFIT	1,872,792
---------------------	------------------

OPERATING EXPENSES

Salaries	558,053	
Social Security	42,745	
Retirement	35,376	
Medical Insurance	166,305	
Dental Insurance	9,596	
Prescription Benefits	34,425	
Life Insurance	776	
Other Benefits	4,526	
Professional Fees	9,522	
Food Service Management Costs	337,413	
Supplies	20,515	
Rentals	384	
Repairs and Maintenance	5,916	
Depreciation	44,987	
	<u>44,987</u>	
TOTAL EXPENSES		<u>1,270,539</u>

CHANGES IN FUND NET POSITION	602,253
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FUND NET POSITION - JULY 1, 2023	<u>(996,107)</u>
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FUND NET POSITION - JUNE 30, 2024	<u>\$ (393,854)</u>
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**Pleasant Valley School District
Construction Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 2024**

FUND BALANCE - JULY 1, 2023		\$ 2,715,636
<u>REVENUES AND OTHER FINANCING SOURCES</u>		
Earnings on Investments	\$ 380,728	
Proceeds from Bond Issues	28,390,000	
Bond Premiums	<u>1,608,086</u>	
TOTAL REVENUES AND OTHER FINANCING SOURCES		<u>30,378,814</u>
TOTAL FUNDS AVAILABLE		33,094,450
<u>EXPENDITURES AND OTHER FINANCING USES</u>		
SUPPORT SERVICES:		
Dues & Fees	426,734	
CAPITAL OUTLAY:		
Professional Services	<u>636,756</u>	<u>1,063,490</u>
FUND BALANCE - JUNE 30, 2024		<u>\$ 32,030,960</u>

**Capital Reserve Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 2024**

FUND BALANCE - JULY 1, 2023		\$ 8,543,147
<u>REVENUES AND OTHER FINANCING SOURCES</u>		
Earnings on Investments	\$ 478,146	
Transfer from General Fund	<u>16,700,000</u>	<u>17,178,146</u>
TOTAL FUNDS AVAILABLE		25,721,293
<u>EXPENDITURES AND OTHER FINANCING USES</u>		
CAPITAL OUTLAY		
Professional Fees	<u>1,973,148</u>	<u>1,973,148</u>
FUND BALANCE - JUNE 30, 2024		<u>\$ 23,748,145</u>

**Western Pocono Library Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 2024**

FUND BALANCE - JULY 1, 2023 **\$ -**

REVENUES AND OTHER FINANCING SOURCES

Current Real Estate Taxes	\$ 567,067	
Interim Real Estate Taxes	1,387	
Delinquent Real Estate Taxes	28,721	597,175
TOTAL FUNDS AVAILABLE		\$ 597,175

EXPENDITURES AND OTHER FINANCING USES

Noninstructional Services:

Public Library Services		597,175
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FUND BALANCE - JUNE 30, 2024 **\$ -**

**Debt Service Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 2024**

FUND BALANCE - JULY 1, 2023 **\$ -**

REVENUES AND OTHER FINANCING SOURCES

Proceeds from Bond Issues	\$ 6,195,000	
Bond Premiums	597,475	6,792,475
TOTAL REVENUES AND OTHER FINANCING SOURCES		6,792,475

TOTAL FUNDS AVAILABLE **6,792,475**

EXPENDITURES AND OTHER FINANCING USES

SUPPORT SERVICES:

Bond Insurance	88,937	
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OTHER FINANCING USES:

Payment to Refunded Bonds Escrow Agent	6,702,935	6,791,872
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FUND BALANCE - JUNE 30, 2024 **\$ 603**

**Pleasant Valley School District
Private-Purpose Trust Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024**

ADDITIONS

Contributions	\$ 9,550	
Interest Income	<u>131</u>	
TOTAL ADDITIONS		\$ 9,681

DEDUCTIONS

Awards	<u>2,500</u>	
TOTAL DEDUCTIONS		<u>2,500</u>

NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION **7,181**

FUND NET POSITION - JULY 1, 2023 75,357

FUND NET POSITION - JUNE 30, 2024 **\$ 82,538**

**Private-Purpose Trust Fund
Statement of Fiduciary Net Position
As of June 30, 2024**

ASSETS

Cash and Cash Equivalents	\$ 72,922	
Investments	9,600	
Other Receivables	<u>16</u>	
TOTAL ASSETS		<u>\$ 82,538</u>

LIABILITIES

Accounts Payable	<u>-</u>	
TOTAL LIABILITIES		-

NET POSITION

Restricted for		
Individuals, Organizations, and Other Governments		<u>82,538</u>
TOTAL LIABILITIES AND FUND NET POSITION		<u>\$ 82,538</u>

**Pleasant Valley School District
Student Activity Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024**

ADDITIONS

Interest Income	\$ 9,219	
Student Organization Membership Dues and Fees	1,339	
Student Fees	31,526	
Special Events	157,690	
Other Activity Income	263	
TOTAL ADDITIONS		\$ 200,037

DEDUCTIONS

Professional and Technical Services	6,877	
Rentals	21,720	
Travel	2,373	
General Supplies	120,367	
Food	7,310	
Dues & Fees	9,578	
Donations	19,925	
Miscellaneous Expenses	-	
TOTAL DEDUCTIONS		188,150

NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION **11,887**

FUND NET POSITION - JULY 1, 2023 **148,873**

FUND NET POSITION - JUNE 30, 2024 **\$ 160,760**

**Student Activity Fund
Statement of Fiduciary Net Position
As of June 30, 2024**

ASSETS

Cash and Cash Equivalents	\$ 170,298	
Other Current Assets	-	
TOTAL ASSETS		\$ 170,298

LIABILITIES

Accounts Payable	\$ 7,938	
Due to Other Funds	1,600	
Other Current Liabilities	-	
TOTAL LIABILITIES		9,538

NET POSITION

Restricted for		
Individuals, Organizations, and Other Governments		160,760
TOTAL LIABILITIES AND FUND NET POSITION		\$ 170,298

Pleasant Valley School District
Schedule on General Obligation Bonds - Series of 2012
Dated as of March 1, 2012
For the Year Ended June 30, 2024

<u>FISCAL YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
2024-25	\$ 19,887	\$ 290,000
2025-26	12,325	300,000
2026-27	4,194	305,000
TOTAL OUTSTANDING	\$ 36,406	\$ 895,000

Schedule on General Obligation Bonds - Series of 2023
Dated as of November 16, 2023
For the Year Ended June 30, 2024

	<u>INTEREST</u>	<u>PRINCIPAL</u>
2024-25	\$ 747,419	\$ 5,000
2025-26	747,219	5,000
2026-27	747,019	5,000
2027-28	746,819	145,000
2028-29	741,019	150,000
2029-30	733,519	155,000
2030-31	725,769	165,000
2031-32	717,519	170,000
2032-33	709,019	185,000
2033-34	699,769	1,075,000
2034-35	646,019	1,130,000
2035-36	586,694	1,190,000
2036-37	524,219	1,250,000
2037-38	458,594	1,320,000
2038-39	389,294	1,385,000
2039-40	316,581	1,460,000
2040-41	239,931	1,535,000
2041-42	159,344	1,615,000
2042-43	82,631	1,695,000
TOTAL OUTSTANDING	\$ 10,718,397	\$ 14,640,000

Pleasant Valley School District
Schedule on General Obligation Bonds - Series of 2024
Dated as of April 23, 2024
For the Year Ended June 30, 2024

	<u>INTEREST</u>	<u>PRINCIPAL</u>
2024-25	\$ 316,633	\$ 555,000
2025-26	282,000	590,000
2026-27	252,500	620,000
2027-28	221,500	650,000
2028-29	189,000	685,000
2029-30	154,750	720,000
2030-31	118,750	755,000
2031-32	81,000	790,000
2032-33	41,500	830,000
TOTAL OUTSTANDING	<u>\$ 1,657,633</u>	<u>\$ 6,195,000</u>

Schedule on General Obligation Bonds - Series A of 2024
Dated as of April 23, 2024
For the Year Ended June 30, 2024

	<u>INTEREST</u>	<u>PRINCIPAL</u>
2024-25	\$ 702,522	\$ 220,000
2025-26	676,250	245,000
2026-27	664,000	260,000
2027-28	651,000	440,000
2028-29	629,000	465,000
2029-30	605,750	490,000
2030-31	581,250	510,000
2031-32	555,750	540,000
2032-33	528,750	560,000
2033-34	500,750	580,000
2034-35	471,750	610,000
2035-36	441,250	640,000
2036-37	409,250	675,000
2037-38	375,500	700,000
2038-39	340,500	740,000
2039-40	303,500	775,000
2040-41	264,750	815,000
2041-42	224,000	860,000
2042-43	181,000	900,000
2043-44	136,000	2,720,000
TOTAL OUTSTANDING	<u>\$ 9,242,522</u>	<u>\$ 13,745,000</u>

S I N G L E A U D I T S E C T I O N

**Pleasant Valley School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

<u>FEDERAL GRANTOR PROJECT TITLE</u>	<u>SOURCE CODE</u>	<u>FEDERAL ALN</u>	<u>GRANTOR PASS THROUGH NUMBER</u>	<u>GRANT PERIOD</u>	<u>AWARD AMOUNT</u>	<u>TOTAL RECEIVED</u>	<u>ACCRUED OR (DEFERRED) AT 7/1/23</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>ACCRUED OR (DEFERRED) AT 6/30/24</u>	<u>FOOT- NOTES</u>
U.S. DEPARTMENT OF EDUCATION											
<u>PASSED THROUGH THE PA DEPARTMENT OF EDUCATIONS (PDE)</u>											2
TITLE IA - IMPROVING BASIC PROGRAMS	I	84.010	FA-013-23-0342	07/01/22-09/30/23	\$ 757,956	\$ 202,114	\$ 172,201	\$ 29,913	\$ 29,913	\$ -	
TITLE IA - IMPROVING BASIC PROGRAMS	I	84.010	FA-013-24-0342	07/01/23-09/30/24	\$ 844,560	515,321	-	828,118	828,118	312,797	
TOTAL TITLE I PROGRAM						717,435	172,201	858,031	858,031	312,797	
<u>PASSED THROUGH THE PDE</u>											
TITLE IIA - SUPPORTING EFFECTIVE INSTRUCTION	I	84.367	FA-020-23-0342	07/01/22-09/30/23	\$ 129,543	36,408	36,408	-	-	-	2
TITLE IIA - SUPPORTING EFFECTIVE INSTRUCTION	I	84.367	FA-020-24-0342	07/01/23-09/30/24	\$ 128,486	94,794	-	128,486	128,486	33,692	
TOTAL TITLE II PROGRAM						131,202	36,408	128,486	128,486	33,692	
<u>PASSED THROUGH THE PDE</u>											
TITLE III - LANGUAGE INSTRUCTION	I	84.365	FA-010-23-0342	07/01/22-09/30/23	\$ 17,006	3,934	2,855	1,079	1,079	-	2
TITLE III - LANGUAGE INSTRUCTION	I	84.365	FA-010-24-0342	07/01/23-09/30/24	\$ 14,148	12,639	-	12,877	12,877	238	
TITLE III - LANGUAGE INSTRUCTION FOR IMMIGRANT STUDENTS	I	84.365	FA-010-24-0342	07/01/23-09/30/24	\$ 659	-	-	291	291	291	
TOTAL TITLE III PROGRAM						16,573	2,855	14,246	14,246	528	
<u>PASSED THROUGH THE PDE</u>											
TITLE IVA - STUDENT SUPPORT AND ACADEMIC ENRICHMENT	I	84.424	FA-144-23-0342	07/01/22-09/30/23	\$ 60,290	2,855	(724)	3,579	3,579	-	2
TITLE IVA - STUDENT SUPPORT AND ACADEMIC ENRICHMENT	I	84.424	FA-144-24-0342	07/01/23-09/30/24	\$ 59,337	39,558	-	33,692	33,692	(5,866)	
TOTAL TITLE IV PROGRAM						42,413	(724)	37,271	37,271	(5,866)	
<u>PASSED THROUGH THE PDE</u>											
COVID-19 ESSER FUND - ESSER II	I	84.425D	FA-200-21-0342	03/13/20 - 09/30/23	\$ 2,819,991	64,660	(7,238)	71,898	71,898	-	2
COVID-19 AMERICAN RESCUE PLAN - ESSER (ARP ESSER)	I	84.425U	223-21-0342	03/13/20 - 09/30/24	\$ 5,704,025	725,967	(837,576)	3,416,556	3,416,556	1,853,013	
COVID-19 ARP-ESSER - LEARNING LOSS SET ASIDE	I	84.425U	FA-225-21-0342	03/13/20 - 09/30/24	\$ 316,664	218,785	68,175	160,954	160,954	10,344	
COVID-19 ARP-ESSER - SUMMER SCHOOL SET ASIDE	I	84.425U	FA-225-21-0342	03/13/20 - 09/30/24	\$ 63,333	43,758	36,767	10,444	10,444	3,453	
COVID-19 ARP-ESSER - AFTER SCHOOL SET ASIDE	I	84.425U	FA-225-21-0342	03/13/20 - 09/30/24	\$ 63,333	43,758	47,211	-	-	3,453	
COVID-19 ARP-ESSER - HOMELESS CHILDREN AND YOUTH	I	84.425W	FA-181-21-2345	07/01/21 - 09/30/24	\$ 38,296	34,368	(3,928)	38,296	38,296	-	
TOTAL EDUCATION STABILIZATION FUND						1,131,296	(696,589)	3,698,148	3,698,148	1,870,263	
<u>PASSED THROUGH THE COLONIAL I.U. #20</u>											
IDEA, PART B	I	84.027	N/A	07/01/22 - 06/30/23	\$ 679,180	351,975	323,179	28,796	28,796	-	2
IDEA, PART B	I	84.027	N/A	07/01/23 - 06/30/24	\$ 770,527	321,398	-	735,701	735,701	414,303	1
IDEA, PART B - TRANSITION DISCOVERIES	I	84.027	N/A	12/01/22 - 06/30/23	\$ 7,500	7,500	-	7,500	7,500	-	1
IDEA SECTION 619 - PRESCHOOL	I	84.173	N/A	07/01/22 - 06/30/23	\$ 4,140	-	-	-	-	-	1
IDEA SECTION 619 - PRESCHOOL	I	84.173	N/A	07/01/23 - 06/30/24	\$ 8,177	-	-	8,177	8,177	8,177	1
COVID-19 ARP IDEA	I	84.027X	N/A	07/01/21 - 09/30/23	\$ 181,597	106,881	64,559	42,322	42,322	-	1
TOTAL IDEA CLUSTER						787,754	387,738	822,496	822,496	422,480	
TOTAL U.S. DEPARTMENT OF EDUCATION						2,826,673	(98,111)	5,558,678	5,558,678	2,633,894	

SOURCE: D -DIRECT; I -INDIRECT

**Pleasant Valley School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

<u>FEDERAL GRANTOR PROJECT TITLE</u>	<u>SOURCE CODE</u>	<u>FEDERAL ALN</u>	<u>GRANTOR PASS THROUGH NUMBER</u>	<u>GRANT PERIOD</u>	<u>AWARD AMOUNT</u>	<u>TOTAL RECEIVED</u>	<u>ACCRUED OR (DEFERRED) AT 7/1/23</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>ACCRUED OR (DEFERRED) AT 6/30/24</u>	<u>FOOT NOTES</u>
<u>U. S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>											
<u>PASSED THROUGH THE PDE</u>											2
UKRAINIAN REFUGEE SCHOOL IMPACT PROGRAM	I	93.566	228-23-0005	10/01/23-9/30/24	\$ 22,180	\$ 9,242	\$ -	\$ 19,161	\$ 19,161	\$ 9,919	
						-----	-----	-----	-----	-----	
<u>PASSED THROUGH THE PA DEPARTMENT OF PUBLIC WELFARE</u>											2
TITLE 19 MEDICAL REIMBURSEMENT	I	93.778	N/A	10/01/23-09/30/24	N/A	18,975	14,643	10,636	10,636	6,304	
						-----	-----	-----	-----	-----	
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES						28,217	14,643	29,797	29,797	16,223	
						-----	-----	-----	-----	-----	
<u>U.S. DEPT. OF AGRICULTURE</u>											
<u>PASSED THROUGH THE PDE</u>											2
NATIONAL SCHOOL LUNCH	I	10.555	N/A	07/01/22-06/30/23	N/A	-	-	-	-	-	
NATIONAL SCHOOL LUNCH	I	10.555	N/A	07/01/23-06/30/24	N/A	1,415,284	-	1,415,284	1,415,284	-	
COVID-19 NATIONAL SCHOOL LUNCH - SUPPLY CHAIN ASSISTANCE	I	10.555	N/A	N/A	N/A	101,502	-	101,502	101,502	-	
NATIONAL SCHOOL BREAKFAST - SEVERE NEED	I	10.553	N/A	07/01/22-06/30/23	N/A	-	-	-	-	-	
NATIONAL SCHOOL BREAKFAST - SEVERE NEED	I	10.553	N/A	07/01/23-06/30/24	N/A	390,117	-	390,117	390,117	-	
						-----	-----	-----	-----	-----	
<u>PASSED THROUGH THE DEPARTMENT OF AGRICULTURE</u>											2
NATIONAL SCHOOL LUNCH PROGRAM - USDA COMMODITIES	I	10.555	N/A	07/01/23-06/30/24	N/A	157,991	(8,744)	158,861	158,861	(7,874)	3
TOTAL CHILD NUTRITION CLUSTER						2,064,894	(8,744)	2,065,764	2,065,764	(7,874)	
						-----	-----	-----	-----	-----	
<u>PASSED THROUGH THE PDE</u>											2
CN DISCRETIONARY GRANTS - EQUIPMENT GRANT	I	10.579	FSE-22-0005	03/01/23-06/21/23	N/A	21,421	-	21,421	21,421	-	4
						-----	-----	-----	-----	-----	
<u>PASSED THROUGH THE PDE</u>											2
COVID-19 STATE PANDEMIC ELECTRONIC BENEFIT TRANSFER (P-EBT) ADMIN. COSTS	I	10.649	N/A	N/A	N/A	5,763	-	5,763	5,763	-	
						-----	-----	-----	-----	-----	
TOTAL U.S. DEPARTMENT OF AGRICULTURE						2,092,078	(8,744)	2,092,948	2,092,948	(7,874)	
						-----	-----	-----	-----	-----	
TOTAL FEDERAL FINANCIAL AWARDS						\$ 4,946,968	\$ (92,212)	\$ 7,681,423	\$ 7,681,423	\$ 2,642,243	

SOURCE: D -DIRECT; I -INDIRECT

Pleasant Valley School District
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Note 1 - Basis of Presentation

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

Note 2 - Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is presented on the budgetary basis of accounting for all federal awards charged to governmental funds and on the accrual basis of accounting for all federal awards charged to proprietary funds, as contemplated by generally accepted accounting principles.

Note 3 - Organization and Scope

The District recognized 4.5% of its total general fund revenue in federal awards, and 68.3% of its total enterprise fund revenue.

Note 4 - Indirect Costs

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

Note 5 - Program Disclosure – Footnotes

1. The federal awards passed through the Colonial I.U., under the U.S. Department of Education heading, are part of a consortium of participating school districts. In accordance with directions from the Commonwealth of Pennsylvania, these awards are reported on the basic financial statements as local source revenue.
2. The Federal Grants were passed through the following entities in the totals below:

<u>Passed through</u>	<u>Total Awards</u>	<u>Total</u> <u>Expenditures</u>
PA Department of Education	11,039,807	6,689,430
Colonial I.U.	1,651,122	822,496
PA Department of Public Welfare	N/A	10,636
PA Department of Agriculture	N/A	158,861
Totals	\$ 12,690,929	\$ 7,681,423

3. The District received non-monetary assistance from the U.S. Department of Agriculture of \$157,991, in the form of commodities. These commodities are valued at U.S.D.A.'s approximate costs. During the 2023-24 fiscal year, the District used \$158,861 in commodities and established a year-end inventory of \$7,874 at June 30, 2024.

Pleasant Valley School District
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

4. Of the \$21,421 of expenditures reported for the Child Nutrition Discretionary Equipment Grant, \$21,421 were incurred in the prior fiscal year.
5. The Medical Access grant passed through the PA Department of Education is reflected as federal source revenue on the basic financial statements; however, pursuant to instructions from the Commonwealth of PA, it is not reported as revenue on the Schedule of Expenditures of Federal Awards.

FINANCIAL STATEMENT RECONCILIATION

General Fund Federal Source Revenues	\$ 5,419,293
Federal Grants in Local Sources	822,496
Food Service Fund Federal Revenue	<u>2,092,948</u>
Total Federal Revenue, per financial statements	8,334,737
Less: Medical Access Reimbursement	(653,314)
Total Federal Revenue Reported on SEFA	<u>\$ 7,681,423</u>



GORMAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Members of
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Pennsylvania Institute of Certified Public Accountants

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

Board of School Directors
Pleasant Valley School District
2233 Route 115
Brodheadsville, PA 18322

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison statement of the general fund of the Pleasant Valley School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Pleasant Valley School District's basic financial statements, and have issued our report thereon dated November 20, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



Northampton, Pennsylvania
November 20, 2024



GORMAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Members of
American Institute of Certified Public Accountants
Pennsylvania Institute of Certified Public Accountants

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

Board of School Directors
Pleasant Valley School District
2233 Route 115
Brodheadsville, PA 18322

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pleasant Valley 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 Pleasant Valley School District's major federal programs for the year ended June 30, 2024. Pleasant Valley School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Pleasant Valley School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

Pleasant Valley School District

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

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

Respectfully submitted,

Norman: Associates, P.C.

Northampton, Pennsylvania
November 20, 2024

**Pleasant Valley School District
Schedule of Findings and Questioned Costs
For the Year Ended on June 30, 2024**

Section I - Summary of Auditor Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) Identified? ☐ yes ☒ no
- Significant Deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported
- Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) Identified? ☐ yes ☒ no
- Significant Deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

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 section 200.516 of the Uniform Guidance? ☐ yes ☒ no

Identification of major program:

AL Number(s)	Name of Federal Program or Cluster
84.010	Title I Program
10.553, 10.555	Child Nutrition Cluster

Percentage of programs tested to total awards 38.1%

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

Auditee qualified as low-risk auditee? ☒ yes ☐ no

**Pleasant Valley School District
Schedule of Findings and Questioned Costs
For the Year Ended on June 30, 2024**

Section II - Financial Statement Findings

There were no findings discovered, relating to the financial statements, which are required to be reported in accordance with generally accepted government auditing standards.

Section III – Findings and Questioned Costs for Federal Awards

We did not discover any findings or questioned costs on federal awards, in accordance with Uniform Guidance Section 200.516.

AUDIT FOLLOW UP PROCEDURES

We did not perform any follow-up audit procedures since there were no findings from the previous year.