

**REPORT ON
PLEASANT VALLEY SCHOOL DISTRICT
SINGLE AUDIT REPORT
FISCAL YEAR ENDED JUNE 30, 2025**

PLEASANT VALLEY SCHOOL DISTRICT

Single Audit Report

For the Fiscal Year Ended June 30, 2025

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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, 2025, 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,

Gorman & Associates, P.C.

January 22, 2026

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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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, 2025, 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, 2025, 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 79-83, 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 17, 2025, 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 17, 2025

**PLEASANT VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
(UNAUDITED)
For the Year Ended June 30, 2025**

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, 2025. 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 \$22,631,968, increasing by \$21,956,144 over the prior fiscal period. In the General Fund, the revenues in the amount of \$119,133,964 were sufficient to cover the governmental expenses of \$107,924,410. The total net position of the District for business-type activities was \$1,382 increasing by \$395,236 over the prior fiscal period. Total revenues in the amount of \$2,894,300 were sufficient to cover the business-type expenses of \$2,499,064. As of June 30, 2025, the school district had a total net position of \$22,633,350 for governmental and business type activities. This positive net position is the result of the mandated implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting of Pensions. This statement requires governmental employees that sponsor defined benefit pension plans, in this case, the Pennsylvania School Employees Retirement System or PSERS, to recognize a net pension liability on its statement of net position. The District's prorated share of the PSERS net unfunded liability is \$94,470.733 for governmental activities and \$1,461,267 for business type activities.

During the year, the District revenues were \$7,557,520 more than budgeted revenues, due to revenues from local, state, and federal sources. Expenditures were \$2,781,834 less than the budget.

The Pleasant Valley School District Board of Education has begun the high school renovation project and continues to assess 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 2025 and 2024.

**Table 1
Condensed Statement of Net Position
Fiscal Years Ended June 30, 2025 and June 30, 2024**

	2025			2024			
	Govern- mental Activities	Business- Type Activities	Total	Govern- mental Activities	Business- Type Activities	Total	
Current and other assets	\$ 155,710,467	\$ 1,096,199	\$ 156,806,666	\$ 106,292,669	\$ 1,051,360	\$ 107,163,048	(1)
Non-current assets	86,044,916	419,050	86,463,966	80,799,074	466,447	81,265,521	
Deferred Outflow of Resources	15,153,372	332,640	15,486,012	17,471,969	362,144	17,834,113	
Total Assets & Deferred Outflow of Resources	\$ 256,908,755	\$ 1,847,889	\$ 258,756,644	\$ 204,563,712	\$ 1,879,951	\$ 206,262,682	
Current and other liabilities	\$ 19,698,136	\$ 52,608	\$ 19,750,744	\$ 16,534,184	\$ 61,397	\$ 16,414,600	(1)
Non-current liabilities	195,561,558	1,566,571	197,128,129	178,564,453	1,966,579	180,350,051	
Deferred Inflow of Resources	19,017,093	227,328	19,244,421	25,323,435	307,226	25,630,661	
Total Liabilities & Deferred Inflow of Resources	234,276,787	1,846,507	236,123,294	220,422,072	2,335,202	222,395,312	
Net Position							
Net Investment in Capital Assets	77,180,220	419,050	77,599,270	70,649,645	466,447	71,116,092	
Restricted For:							
Retirement of Long-term debt	-	-	-	-	-	-	
Capital Projects	31,900,606	-	31,900,606	23,748,145	-	23,748,145	
Other Restrictions	-	-	-	-	-	-	
Unrestricted	(86,448,858)	(417,668)	(86,866,526)	(93,721,966)	(860,301)	(94,582,267)	
Total Net Position	22,631,968	1,382	22,633,350	675,824	(393,854)	281,970	
Total Liabilities, Deferred Inflow of Resources & Net Position	\$ 256,908,755	\$ 1,847,889	\$ 258,756,644	\$ 204,563,712	\$ 1,879,951	\$ 206,262,682	

(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, 2025 and June 30, 2024**

	2025			2024		
	Govern- mental Activities	Business- Type Activities	Total	Govern- mental Activities	Business- Type Activities	Total
REVENUES						
<i>Program Revenues:</i>						
Charges for services	\$ 101,428	\$ 274,296	\$ 375,724	\$ 155,878	\$ 207,144	\$ 363,022
Operating Grants	24,828,060	2,564,715	27,392,775	26,737,951	2,469,173	29,207,124
Capital Grants	-	-	-	-	-	-
<i>General Revenues:</i>						
Property taxes levied for general purposes	51,717,764	-	51,717,764	51,609,455	-	51,609,455
Taxes levied for specific purposes	5,478,077	-	5,478,077	5,250,218	-	5,250,218
Grants, subsidies and contributions not restricted	34,465,840	-	34,465,840	31,078,458	-	31,078,458
Investment earnings	5,666,166	37,454	5,703,620	4,047,712	38,011	4,085,723
Miscellaneous	843,810	1,122	844,932	911,857	3,631	915,488
Other	(16,713)	16,713	-	1,870	348,464	350,334
TOTAL REVENUES	123,084,432	2,894,300	125,978,732	119,793,399	3,066,423	122,859,822
PROGRAM EXPENSES						
Instruction	59,641,438	-	59,641,438	53,753,344	-	53,753,344
Instruction Student Support	6,583,815	-	6,583,815	5,838,740	-	5,838,740
Administrative and Financial Support	-	-	-	-	-	-
	8,803,445	-	8,803,445	7,298,126	-	7,693,433
Operation and Maintenance of Plant Services	10,797,983	-	10,797,983	9,676,425	-	9,676,425
Pupil Transportation	8,872,836	-	8,872,836	8,792,897	-	8,792,897
Student Activities	1,331,316	-	1,331,316	1,261,813	-	1,261,813
Community Services	617,584	-	617,584	612,736	-	612,736
Interest on Long-Term Debt	1,544,790	-	1,544,790	765,818	-	765,818
Unallocated Depreciation	2,935,081	-	2,935,081	2,873,352	-	2,873,352
Food Service	-	2,499,064	2,499,064	-	2,464,170	2,464,170
TOTAL EXPENSES	101,128,288	2,499,064	103,627,352	90,873,251	2,464,170	93,732,728
Increase (decrease) in Net Position	21,956,144	395,236	22,351,380	28,920,148	602,253	29,522,401
Prior Period Adjustment	-	-	-	-	-	-
Net Position - Beginning	675,824	(393,854)	281,970	(28,244,324)	(996,107)	(29,240,431)
Net Position - Ending	\$ 22,631,968	\$ 1,382	\$ 22,633,350	\$ 675,824	\$ (393,854)	\$ 281,970

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

Governmental Activities

The increase of \$21,956,144 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 \$395,236 for year-end 2025. This increase is a result of revenues exceeding expenses for the 2024-2025 year in the amount of \$395,236. Expenses increased by \$34,894 from \$2,464,170 in 2024 to \$2,499,064 in 2025. Revenues decreased by 6% while expenses increased by 2%. 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 2024-2025 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 2024-2025:

	Budget Amounts		Actual	Variance with
	Original	Final	(GAAP Basis)	Final Budget Positive (Neg.)
Revenues	\$ 111,576,444	\$ 111,576,444	\$ 119,133,964	\$ 7,557,520
Expenditures	110,776,444	110,706,244	107,924,410	\$ 2,781,834
Excess (Deficiency) of Revenues Over Expenditures	800,000	870,200	11,209,554	10,339,354
Other Financing Sources/Uses	(800,000)	(870,200)	(9,010,862)	(8,140,662)
Special Items	-	-	-	-
Extraordinary	-	-	-	-
Net Change in Fund Balances	-	-	2,198,692	2,198,692
Fund Balance – Beginning	38,714,014	38,714,014	31,337,685	(7,376,329)
Fund Balance – Ending	\$ 38,714,014	\$ 38,714,014	\$ 33,536,377	\$ (5,177,637)

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 2025 included \$111,576,444 in revenues, \$111,576,444 in expenditures and a beginning unreserved fund balance available for appropriation in the amount of \$38,714,014.

The actual revenues received for 2025 were \$119,133,964 or approximately 6.0% higher. The final actual expenditures to the budget amounted to \$107,924,410, a variance from the budget of \$3,652,034 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 and the new funding formula for special education charter school students..

FINANCIAL ANALYSIS OF MAJOR FUNDS

GENERAL FUND

The following chart represents a summary of general fund revenue, by source, along with changes from 2024:

	2025 Amount	2024 Amount	Increase (Decrease)	% Change
Local Sources	\$ 61,258,072	\$ 61,873,561	\$ (615,489)	-1.0%
State Sources	54,450,091	51,549,628	\$ 2,900,463	5.6%
Federal Sources	3,425,801	5,419,293	\$ (1,993,492)	-36.8%
Other Sources	-	371,407	\$ (371,407)	-100.0%
TOTAL	\$ 119,133,964	\$ 119,213,889	\$ (79,925)	-0.1%

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

Local Sources

The increase in local sources was \$615,489 or 1.0%. This decrease is due to taxpayer requested reassessments of real estate properties.

State Sources

The increase in state sources was \$2,900,463 or 5.6%. This increase was driven by an increase in several state subsidies.

Federal Sources

The decrease in federal sources was \$1,993,492 or 36.8%. This decrease is due to ESSER Funding ending at the end of the 2023-2024 school year.

General fund expenditures totaled \$116,935,272, which represents a decrease of \$1,051,276 or 1.0% from 2023-2024. The following represents a summary of general fund expenditures for the year ended June 30, 2025 by function, along with changes from 2023-2024.

	2025 Amount	2024 Amount	Increase (Decrease)	% Change
Instruction	\$ 65,519,353	\$ 60,862,375	\$ 4,656,978	7.7%
Support Services	37,538,972	36,975,622	563,350	1.5%
Noninstructional	1,533,956	1,447,590	86,366	6.0%
Facilities Acquisition	118,012	-	118,012	100.0%
Other Financing Uses	12,224,979	18,700,961	(6,475,982)	-34.6%
TOTAL	\$ 116,935,272	\$ 117,986,548	\$ (1,051,276)	-0.9%

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 contractual salary increases and related benefits as described under instruction.

Facilities Acquisition, Construction and Improvement Services

Each year, this service area fluctuates depending upon the needs of the district. There were \$118,012 of improvement services that occurred during the 2024-2025 year.

Other Financing Uses

The decreased expenses are due to revised 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 2025, expenditures of \$1,823,132 were made from this fund. The June 30, 2025 fund balance was \$31,900,606.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2025 is summarized in Table 3 below.

**Table 3
Capital Assets
For the Years Ended June 30, 2025 and June 30, 2024**

	2025			Total % Change	2024		
	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	1,987,283	-	1,987,283	-5.78%	2,109,141	-	2,109,141
Building and Bldg. Improve- ments (net Acc. Dep.)	64,996,298	-	64,996,298	-0.72%	65,467,529	-	65,467,529
Furniture and Equipment (net Acc. Dep.)	2,018,783	419,050	2,437,833	14.48%	1,662,969	466,447	2,129,416
Intangible Right to Use Equipment	422,612	-	422,612	100.00%	694,117	-	694,117
Construction in Progress	9,965,882	-	9,965,882	100.00%	4,631,484	-	4,631,484
TOTAL	\$ 81,115,519	\$ 419,050	\$ 81,534,569	6.23%	\$ 76,289,901	\$ 466,447	\$ 76,756,348

LONG TERM DEBT

At June 30, 2025, the District had \$77,184,053 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 \$2,813,957; liability for other post-employment benefits totaled \$870,254 and net pension liability totaled \$94,470,733, and net OPEB liability for single and multiple employer plans totaled \$21,665,950.

**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 increase in student enrollment occurred during the 2022-2023 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
2024-25	2,154	1,876	4,030

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, 2025**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 93,210,355	\$ 884,883	\$ 94,095,238
Investments	53,395,198	-	53,395,198
Receivables, Net	3,344,422	-	3,344,422
Internal Balances	7,406	151,335	- (1)
Due From Other Governments	4,457,613	11,388	4,469,001
Lease Receivables	816,056	-	816,056
Other Receivables	340,192	1	340,193
Inventories	139,225	48,592	187,817
Total Current Assets	155,710,467	1,096,199	156,647,925
Non-Current Assets:			
Restricted Cash and Cash Equivalents	156,599	-	156,599
Land	1,724,661	-	1,724,661
Site Improvements (Net of Depreciation)	1,987,283	-	1,987,283
Building and Bldg. Improvements (Net of Depreciation)	64,996,297	-	64,996,297
Furniture and Equipment (Net of Depreciation)	2,018,784	419,050	2,437,834
Intangible Right To Use Equipment (Net of Amortization)	422,612	-	422,612
Construction in Progress	9,965,882	-	9,965,882
Long-term Receivable	4,772,798	-	4,772,798
Total Non-Current Assets	86,044,916	419,050	86,463,966
TOTAL ASSETS	241,755,383	1,515,249	243,111,891
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources - Related to Pension	13,966,244	329,143	14,295,387
Deferred Outflows of Resources - Related to OPEB	1,187,128	3,497	1,190,625
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 256,908,755	\$ 1,847,889	\$ 258,597,903
LIABILITIES			
Current Liabilities:			
Internal Balances	\$ 151,335	\$ 7,406	\$ - (1)
Due to Other Governments	354,903	-	354,903
Accounts Payable	5,255,041	36,950	5,291,991
Current Portion of Long-Term Obligations	1,443,389	-	1,443,389
Accrued Salaries and Benefits	7,857,230	1,993	7,859,223
Payroll Withholdings	3,424,486	-	3,424,486
Prepayments	-	1,059	1,059
Other Current Liabilities	1,211,752	5,200	1,216,952
Total Current Liabilities	19,698,136	52,608	19,592,003
Non-Current Liabilities:			
Bonds and Notes Payable	75,684,095	-	75,684,095
Lease Obligations	80,133	-	80,133
Finance Purchase Obligations	13,123	-	13,123
Long-Term Portion of Compensated Absences	2,777,270	43,480	2,820,750
Other Retirement Benefits	870,254	-	870,254
Net Pension Liability	94,470,733	1,461,267	95,932,000
Net OPEB Liability - Single Employer Plan	17,668,774	-	17,668,774
Net OPEB Liability - Multiple Employer Plan	3,997,176	61,824	4,059,000
TOTAL LIABILITIES	215,259,694	1,619,179	216,720,132
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources - Lease	816,056	-	816,056
Deferred Inflows of Resources - Related to Pension	11,974,249	204,751	12,179,000
Deferred Inflows of Resources - Related to OPEB	6,088,146	22,577	6,110,723
Deferred Inflows of Resources - Related to Bond Refundings, net	138,642	-	138,642
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	234,276,787	1,846,507	235,964,553
NET POSITION			
Net Investment in Capital Assets	77,180,220	419,050	77,599,270
Restricted For:			
Capital Projects	31,900,606	-	31,900,606
Unrestricted (Deficit)	(86,448,858)	(417,668)	(86,866,526)
TOTAL NET POSITION	22,631,968	1,382	22,633,350
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 256,908,755	\$ 1,847,889	\$ 258,597,903

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, 2025**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES:							
Instruction	\$ 59,641,438	\$ 96,565	\$ 18,164,069	\$ -	\$ (41,380,804)	\$ -	\$ (41,380,804)
Instructional Student Support	6,583,815	-	1,298,535	-	(5,285,280)	-	(5,285,280)
Admin. & Fin'l Support Services	8,803,445	-	980,041	-	(7,823,404)	-	(7,823,404)
Oper. & Maint. of Plant Svcs.	10,797,983	-	1,210,598	1,874,192	(7,713,193)	-	(7,713,193)
Pupil Transportation	8,872,836	-	2,960,609	-	(5,912,227)	-	(5,912,227)
Student Activities	1,331,316	4,863	192,069	-	(1,134,384)	-	(1,134,384)
Community Services	617,584	-	22,139	-	(595,445)	-	(595,445)
Interest on Long-Term Debt	1,544,790	-	-	-	(1,544,790)	-	(1,544,790)
Unallocated Depreciation Expense	2,935,081	-	-	-	(2,935,081)	-	(2,935,081)
TOTAL GOVERNMENTAL ACTIVITIES	101,128,288	101,428	24,828,060	1,874,192	(74,324,608)	-	(74,324,608)
BUSINESS-TYPE ACTIVITIES:							
Food Services	2,499,064	274,296	2,564,715	-	-	339,947	339,947
TOTAL PRIMARY GOVERNMENT	<u>\$ 103,627,352</u>	<u>\$ 375,724</u>	<u>\$ 27,392,775</u>	<u>\$ 1,874,192</u>	<u>\$ (74,324,608)</u>	<u>\$ 339,947</u>	<u>\$ (73,984,661)</u>
GENERAL REVENUES:							
Property Taxes, Levied for General Purposes, Net					\$ 51,717,764	\$ -	\$ 51,717,764
Taxes Levied for Specific Purposes					5,478,077	-	5,478,077
Grants, Subsidies, & Contributions not Restricted					32,591,648	-	32,591,648
Investment Earnings					5,666,166	37,454	5,703,620
Miscellaneous Income					843,810	1,122	844,932
Transfers					(16,713)	16,713	-
TOTAL GENERAL REVENUES, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND TRANSFERS					<u>96,280,752</u>	<u>55,289</u>	<u>96,336,041</u>
CHANGES IN NET POSITION					21,956,144	395,236	22,351,380
NET POSITION - BEGINNING					675,824	(393,854)	281,970
NET POSITION - ENDING					<u>\$ 22,631,968</u>	<u>\$ 1,382</u>	<u>\$ 22,633,350</u>

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

**Pleasant Valley School District
Balance Sheet
Governmental Funds
As of June 30, 2025**

	GENERAL	CAPITAL PROJECTS	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 24,770,819	\$ 68,596,134	\$ -	\$ 93,366,953
Investments	20,687,798	32,707,400	-	53,395,198
Taxes Receivable, Net	3,314,068	-	30,354	3,344,422
Due From Other Funds	717,206	4,015,000	-	4,732,206
Due from Other Governments	4,439,074	-	18,539	4,457,613
Lease Receivable	816,056	-	-	816,056
Other Receivables	13,114	-	-	13,114
TOTAL ASSETS	54,758,135	105,318,534	48,893	160,125,562
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	-	-	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 54,758,135	\$ 105,318,534	\$ 48,893	\$ 160,125,562
<u>LIABILITIES</u>				
Due to Other Funds	\$ 4,151,335	\$ 706,261	\$ 18,539	\$ 4,876,135
Due to Other Governments	354,903	-	-	354,903
Accounts Payable	1,109,432	4,145,608	-	5,255,040
Current Portion of Long-Term Debt	36,687	-	-	36,687
Accrued Salaries and Benefits	7,857,230	-	-	7,857,230
Payroll Deductions and Withholdings	3,424,486	-	-	3,424,486
Prepayments	884,891	-	-	884,891
TOTAL LIABILITIES	17,818,964	4,851,869	18,539	22,689,372
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Related to Leases	816,056	-	-	816,056
Related to Tax Revenue	2,586,738	-	30,354	2,617,092
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	21,221,758	4,851,869	48,893	26,122,520
FUND BALANCES:				
Restricted Fund Balance	156,599	100,466,665	-	100,623,264
Committed Fund Balance	19,821,296	-	-	19,821,296
Assigned Fund Balance	8,666,717	-	-	8,666,717
Unassigned Fund Balance	4,891,765	-	-	4,891,765
TOTAL FUND BALANCES	33,536,377	100,466,665	-	134,003,042
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 54,758,135	\$ 105,318,534	\$ 48,893	\$ 160,125,562

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, 2025**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 134,003,042
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital Assets – Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of these assets is \$158,636,661 and the accumulated depreciation and amortization totals \$77,521,142	81,115,519
Additional Receivables – Certain receivables are recognized in the statement of net position that do not meet the availability criteria for recognition in the governmental funds. This amount represents the change between prior year and current year receivables established under the accrual basis of accounting.	5,099,876
Deferred Property Taxes – Property taxes receivable are recognized as revenue in the statement of net position but are deferred in the governmental funds because they are not available to finance current period expenditures. These amounts will be collected in	2,617,091
Deferred Charges on Refunding – This amount represents deferred inflows of resources arising from the refunding of prior bond issues. These deferred amounts are amortized over the remaining life of the refunded or refunding debt, whichever is shorter.	(138,642)
Pension and OPEB-Related Deferred Inflows and Outflows – This amount represents deferred outflows of resources, net of deferred inflows of resources, related to the District's net pension and OPEB liabilities. These amounts will be recognized in future periods in accordance with applicable GASB standards.	(2,909,022)
Inventory Reporting – Governmental funds use the purchase method, under which inventory is expensed when purchased and not reported as an asset. In contrast, the statement of net position applies the consumption method, recognizing inventory as an asset until it is used	139,225
Long-Term Obligations – Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. These include bonds and notes payable, accrued interest, lease-purchase obligations, compensated absences, and net pension and OPEB liabilities	(197,295,121)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 22,631,968</u>

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, 2025

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES				
Local Sources	\$ 61,258,072	\$ 2,824,291	\$ 597,176	\$ 64,679,539
State Sources	54,450,091	748,301	-	55,198,392
Federal Sources	3,425,801	-	-	3,425,801
TOTAL REVENUES	<u>119,133,964</u>	<u>3,572,592</u>	<u>597,176</u>	<u>123,303,732</u>
EXPENDITURES				
Instruction	65,519,353	-	-	65,519,353
Support Services	37,538,972	959,227	-	38,498,199
Operation of Non-Instructional Services	1,533,956	-	597,176	2,131,132
Capital Outlay	118,012	7,387,946	-	7,505,958
Debt Service	3,214,117	-	603	3,214,720
TOTAL EXPENDITURES	<u>107,924,410</u>	<u>8,347,173</u>	<u>597,779</u>	<u>116,869,362</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>11,209,554</u>	<u>(4,774,581)</u>	<u>(603)</u>	<u>6,434,370</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Bond Issues	-	38,235,000	-	38,235,000
Bond Premium	-	2,227,141	-	2,227,141
Interfund Transfers In	-	9,000,000	-	9,000,000
Insurance Recoveries	5,851	-	-	5,851
Operating Transfers Out	(9,016,713)	-	-	(9,016,713)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,010,862)</u>	<u>49,462,141</u>	<u>-</u>	<u>40,451,279</u>
NET CHANGE IN FUND BALANCES	2,198,692	44,687,560	(603)	46,885,649
FUND BALANCES - BEGINNING	<u>31,337,685</u>	<u>55,779,105</u>	<u>603</u>	<u>87,117,393</u>
FUND BALANCES - ENDING	<u><u>\$ 33,536,377</u></u>	<u><u>\$ 100,466,665</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 134,003,042</u></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, 2025**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ 46,885,649**

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

Capital Outlay and Depreciation – Governmental funds report capital outlays as expenditures, while in the statement of activities these amounts are capitalized and depreciated over the assets' estimated useful lives. This amount represents the net effect of capital outlay and depreciation during the current period.

Depreciation expense	\$ 3,581,969	
less - capital outlays	<u>8,407,586</u>	4,825,617

Deferred Property Tax Revenues – Because certain property taxes are not collected soon enough after year-end to be considered available, they are deferred in the governmental funds. This amount represents the increase in deferred inflows of resources related to property taxes during the current year. (535,514)

Repayment of Debt, Financed Purchases, and Lease Liabilities – In governmental funds, repayments of bonds, financed purchase, and lease principal are reported as expenditures, while in the statement of activities these payments reduce the related long-term liabilities. 1,411,682

Compensated Absences and Termination Benefits – In governmental funds, expenditures for compensated absences and special termination benefits are recognized when financial resources are used, while in the statement of activities these costs are measured based on the amounts earned during the year. This amount represents the difference between benefits earned and benefits paid in the current period. (1,257,523)

Interest on Long-Term Debt – In governmental funds, interest on long-term debt is recognized when due, while in the statement of activities it is recognized as it accrues. This amount also includes the amortization of bond premiums and discounts and represents the net difference between accrued and paid interest for the current period. 258,247

Revenue Recognition Timing – In governmental funds, revenues are recognized when they are both measurable and available, while in the statement of activities revenues are recognized when earned, regardless of availability. This amount represents the difference between revenues earned and those considered available in the current period. 653,852

Bond and Note Proceeds and Refundings – In governmental funds, bond and note proceeds are reported as sources of current financial resources, while in the statement of activities they result in the recognition of long-term liabilities. Conversely, refunding bond or note issues are reported as uses of current financial resources in the governmental funds but represent payments of long-term debt in the statement of activities. This amount reflects the net difference between bond proceeds and refunding payments made to paying agents during the current period. (40,462,141)

Inventory Reporting – Governmental funds use the purchase method, recognizing inventory items as expenditures when purchased, while the statement of activities applies the consumption method, recognizing expenses as inventory is used. This amount represents the change in inventory balance during the current period. 24,722

Pension and OPEB Expense – In governmental funds, pension and OPEB contributions are reported as expenditures when paid, while in the statement of activities pension and OPEB expense is recognized based on the change in the net pension and OPEB liabilities. This amount represents the difference between current year expense and contributions made during the year. 10,151,553

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 21,956,144**

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, 2025**

	FOOD SERVICE
<u>ASSETS</u>	
CURRENT ASSETS:	
Cash and Cash Equivalents	\$ 884,883
Due from Other Funds	151,335
Due From Other Governments	11,388
Other Receivables	1
Inventories	48,592
TOTAL CURRENT ASSETS	1,096,199
NON-CURRENT ASSETS:	
Machinery & Equipment (Net)	419,050
TOTAL NON-CURRENT ASSETS	419,050
TOTAL ASSETS	1,515,249
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows of Resources - Related to Pension	329,143
Deferred Outflows of Resources - Related to OPEB	3,497
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 1,847,889
<u>LIABILITIES</u>	
CURRENT LIABILITIES:	
Due to Other Funds	\$ 7,406
Accounts Payable	36,950
Accrued Salaries and Benefits	1,993
Other Current Liabilities	5,200
Prepayments	1,059
TOTAL CURRENT LIABILITIES	52,608
NON-CURRENT LIABILITIES:	
Long-Term Portion of Compensated Absences	43,480
Net OPEB Liability - Multiple Employer Plan	61,824
Net Pension Liability	1,461,267
TOTAL NON-CURRENT LIABILITIES	1,566,571
TOTAL LIABILITIES	1,619,179
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Inflows of Resources - Related to Pension	204,751
Deferred Inflows of Resources - OPEB	22,577
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	1,846,507
<u>FUND NET POSITION</u>	
Net Investment in Capital Assets	419,051
Unrestricted	(417,669)
TOTAL FUND NET POSITION	1,382
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND NET POSITION	\$ 1,847,889

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, 2025

	FOOD SERVICE
OPERATING REVENUES:	
Food Service Revenue	\$ 274,296
Other Operating Revenues	<u>1,122</u>
TOTAL OPERATING REVENUES	<u>275,418</u>
OPERATING EXPENSES:	
Salaries	537,277
Employee Benefits	66,097
Purchased Professional and Technical Services	14,650
Purchased Property Service	12,883
Other Purchased Services	338,374
Supplies	1,476,902
Depreciation	<u>52,881</u>
TOTAL OPERATING EXPENSES	<u>2,499,064</u>
OPERATING INCOME (LOSS)	<u>(2,223,646)</u>
NON-OPERATING REVENUES (EXPENSES)	
Earnings on Investments	37,454
State Sources	347,086
Federal Sources	<u>2,217,629</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>2,602,169</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	\$ 378,523
Transfers in (out)	<u>16,713</u>
CHANGES IN FUND NET POSITION	395,236
FUND NET POSITION - BEGINNING	<u>(393,854)</u>
FUND NET POSITION - ENDING	<u><u>\$ 1,382</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, 2025**

	FOOD SERVICE
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Users	\$ 252,012
Cash Received from Other Operating Revenue	30,705
Cash Payments to Employees for Services	(1,006,926)
Cash Payments to Suppliers for Goods and Services	(1,623,794)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(2,348,003)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Sources	346,811
Federal Sources	2,010,913
Operating Transfers In (Out)	16,713
NET CASH PROVIDED BY (USED FOR) NON-CAPITAL FINANCING ACTIVITIES	2,374,437
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Facilities Acquisition/Const./Improvement Svcs.	(5,485)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(5,485)
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on Investments	37,454
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	37,454
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	58,403
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	826,480
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 884,883
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
OPERATING INCOME (LOSS)	\$ (2,223,646)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Depreciation and Net Amortization	52,881
Donated Commodities Used	195,603
CHANGES IN ASSETS AND LIABILITIES:	
(Increase) Decrease in Accounts Receivable	11,976
(Increase) Decrease in Advances to Other Funds	18,492
(Increase) Decrease in Inventories	(5,516)
(Increase) Decrease in Deferred Outflows of Resources - Current Year Contributions	4,549
(Increase) Decrease in Deferred Outflows of Resources - Diff. in Projected vs Actual Invest. Earnings	20,885
Increase (Decrease) in Accounts Payable	36,950
Increase (Decrease) in Accrued Salaries and Benefits	(14,546)
Increase (Decrease) in Advances from Other Funds	(5,348)
Increase (Decrease) in Compensated Absences	(9,534)
Increase (Decrease) in Other Current Liabilities	(25,844)
Increase (Decrease) in Net OPEB Liability - Multiple Employer Plan	1,446
Increase (Decrease) in Net Pension Liability	(330,523)
Increase (Decrease) in Deferred Inflows of Resources - Diff. in Projected vs Actual Contributions	(934)
Increase (Decrease) in Deferred Inflows of Resources - Change in Assumptions	3,125
Increase (Decrease) in Deferred Inflows of Resources - Change in Proportion of NPL	(80,060)
Increase (Decrease) in Deferred Inflows of Resources - Diff. in Expected vs Actual Experience	2,041
TOTAL ADJUSTMENTS	(124,357)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (2,348,003)

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, 2025

	PRIVATE- PURPOSE TRUST	CUSTODIAL FUNDS
ASSETS		
Cash and Cash Equivalents	\$ 82,405	\$ 152,622
Other Receivables	16	900
Other Current Assets	-	-
TOTAL ASSETS	<u>82,421</u>	<u>153,522</u>
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 82,421</u>	<u>\$ 153,522</u>
	-----	-----
LIABILITIES		
Accounts Payable	\$ 750	\$ 192
Other Current Liabilities	-	-
TOTAL LIABILITIES	<u>750</u>	<u>192</u>
DEFERRED INFLOWS OF RESOURCES	-	-
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	<u>750</u>	<u>192</u>
NET POSITION		
Restricted for		
Individuals, Organizations, and Other Governments	<u>81,671</u>	<u>153,330</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	<u><u>\$ 82,421</u></u>	<u><u>\$ 153,522</u></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, 2025

	PRIVATE- PURPOSE TRUST	CUSTODIAL FUNDS
ADDITIONS		
Contributions - Students	\$ -	\$ 28,223
Contributions - Other	4,250	-
Special Events	-	153,808
Other Income	-	878
INVESTMENT EARNINGS:		
Interest and Dividends	133	8,200
Net Increase (Decrease) in Fair Value of Investments	-	-
Less: Investment Expense	-	-
TOTAL ADDITIONS	<u>4,383</u>	<u>191,109</u>
	-----	-----
 DEDUCTIONS		
Administrative Expense	-	789
Benefits Paid to Participants or Beneficiaries	5,250	36,939
Payments for Student Club Activities	-	160,811
Other	-	-
TOTAL DEDUCTIONS	<u>5,250</u>	<u>198,539</u>
	-----	-----
 CHANGES IN NET POSITION	(867)	(7,430)
 NET POSITION - BEGINNING OF YEAR	<u>82,538</u>	<u>160,760</u>
	-----	-----
 NET POSITION - END OF YEAR	<u>\$ 81,671</u>	<u>\$ 153,330</u>
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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, 2025

	BUDGETED AMOUNTS		ACTUAL (GAAP BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources	\$ 57,122,531	\$ 57,122,531	\$ 61,258,072	\$ 4,135,541
State Sources	52,958,913	52,958,913	54,450,091	1,491,178
Federal Sources	1,495,000	1,495,000	3,425,801	1,930,801
TOTAL REVENUES	111,576,444	111,576,444	119,133,964	7,557,520
EXPENDITURES				
Regular Instruction	40,149,748	41,727,557	41,612,700	114,857
Special Programs	20,166,564	20,226,969	20,592,962	(365,993)
Vocational Programs	3,368,562	3,487,003	3,146,291	340,712
Other Instructional Programs	325,150	185,250	159,219	26,031
Nonpublic Schools	8,000	9,050	8,181	869
Pupil Personnel Services	4,013,266	4,470,098	4,385,966	84,132
Instructional Staff Services	4,010,405	2,675,159	2,386,766	288,393
Administrative Services	4,827,286	5,557,317	5,028,957	528,360
Pupil Health	910,694	946,530	933,451	13,079
Business Services	1,678,471	1,991,668	1,762,592	229,076
Operation & Maintenance of Plant Services	11,423,159	13,057,990	11,883,678	1,174,312
Student Transportation Services	8,701,073	8,810,073	8,886,462	(76,389)
Central Support Services	2,667,649	2,626,650	2,244,139	382,511
Other Support Services	70,000	70,000	26,961	43,039
Student Activities	1,879,941	1,794,041	1,512,654	281,387
Community Services	22,726	25,426	21,302	4,124
Facilities, Acquisition and Construction	-	-	118,012	(118,012)
Debt Service	6,553,750	3,045,463	3,214,117	(168,654)
TOTAL EXPENDITURES	110,776,444	110,706,244	107,924,410	2,781,834
Excess (deficiency) of revenues over expenditures	800,000	870,200	11,209,554	10,339,354
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries	-	-	5,851	5,851
Fund Transfers Out	-	(70,200)	(9,016,713)	(8,946,513)
Budgetary Reserve	(800,000)	(800,000)	-	800,000
TOTAL OTHER FINANCING SOURCES (USES)	(800,000)	(870,200)	(9,010,862)	(8,140,662)
NET CHANGE IN FUND BALANCES	-	-	2,198,692	2,198,692
FUND BALANCE - JULY 1, 2024	\$ 38,714,014	\$ 38,714,014	\$ 31,337,685	\$ (7,376,329)
FUND BALANCE - JUNE 30, 2025	\$ 38,714,014	\$ 38,714,014	\$ 33,536,377	\$ (5,177,637)

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, 2025**

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, 2025**

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 2024-25 was \$1,929,844.

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, 2025

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, 2025**

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, Series 2024A, and Series 2025 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, 2025**

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, 2025

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, 2025**

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 2024-25 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 fiscal year ended June 30, 2025, the School District implemented new accounting standards issued by the Governmental Accounting Standards Board (GASB). The financial statements reflect adoption of the following:

GASB Statement No. 101, Compensated Absences

GASB Statement No. 101 establishes a unified model for the recognition and measurement of liabilities for compensated absences (for example, vacation, sick leave, and similar leave). Under this standard, liabilities are recognized for leave that has accumulated and is expected to be used or paid, as well as leave that has been used but not yet settled. The standard also updates related disclosure requirements, including eliminating the prior requirement to disclose which governmental funds typically liquidate compensated absence liabilities.

Statement No. 101 is effective for fiscal years beginning after December 15, 2023. Accordingly, the District adopted this standard beginning with the 2024–2025 fiscal year.

Impact of adoption: The adoption of GASB Statement No. 101 did not result in a material change to the District's beginning net position as of July 1, 2024.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

GASB Statement No. 102, *Certain Risk Disclosures*

GASB Statement No. 102 requires governments to assess and disclose certain concentrations and constraints that could expose the District to substantial risk of a significant impact. These disclosures are intended to improve transparency about vulnerabilities arising from dependencies on specific sources (such as a major revenue source, a significant supplier, or a limited labor pool) or restrictions that limit the District's ability to respond to events.

Statement No. 102 is effective for fiscal years beginning after June 15, 2024. The District adopted this standard for the 2024–2025 fiscal year.

Impact of adoption: GASB Statement No. 102 did not change recognition or measurement in the financial statements. Its effect is limited to new or expanded note disclosures regarding applicable risks. Management evaluated the District's activities and determined that no concentrations or constraints meeting the criteria for disclosure were present as of June 30, 2025.

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.

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.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

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.

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, 2025, 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, 2025, shows \$139,225 as an asset in the governmental activities column of the Government-wide Statement of Net Position; a physical inventory taken at June 30, 2025, shows \$48,592 as an asset in the business-type activities column of the Government-Wide Statement of Net Position.

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025

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, 2025, consist of:

Supplies	\$	8,113
Purchased Food		35,279
Donated Commodities		5,200
TOTAL	\$	48,592

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

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

Compensated Absences

The School District reports compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. Compensated absences include leave benefits, such as vacation and sick leave, that are provided to eligible employees in accordance with District policies and collective bargaining agreements.

Under GASB Statement No. 101, the District recognizes a liability for compensated absences that have been earned and are expected to be used or paid. The liability is measured based on the pay rates and applicable employer payroll taxes in effect at the financial statement date, net of any reimbursements.

Compensated absences are reported as liabilities in the government-wide financial statements. In the governmental fund financial statements, the portion of compensated absences that is expected to be liquidated with expendable available financial resources is reported as a fund liability, while the remaining portion is reported only in the government-wide financial statements.

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.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

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.

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.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

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, 2025, 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 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.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

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 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.

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025

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 \$197,295,123 difference are:

Bonds payable	\$ 72,640,000
Less: Issuance discount (to be amortized as interest expense)	(270)
Add: Issuance premium (to be amortized as a contra to interest expense)	4,189,367
Accrued interest payable	326,861
Lease Obligations	80,133
Finance Purchase Obligations	13,123
Net Pension Liability	94,470,733
Compensated absences	3,038,972
Net OPEB Liability - Single Employer Plan	17,668,774
Net OPEB Liability - Multiple Employer Plan	3,997,176
Other Retirement Benefits	870,254
Net adjustment to reduce "fund balance - total governmental funds" to arrive at "net position - governmental activities"	<u>\$ 197,295,123</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.
- 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.

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025

- 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
<u>REVENUES AND OTHER SOURCES</u>					
LOCAL SOURCES:					
Property Taxes	\$ 52,253,279	\$ (535,515)	\$ -	\$ -	\$ 51,717,764
Taxes Levied for Specific Purposes	5,478,077	-	-	-	5,478,077
Interest and Investment Earnings	5,339,088	327,078	-	-	5,666,166
Miscellaneous	833,943	-	5,851	-	839,794
Contributions and Donations	4,016	-	-	-	4,016
Charges for Services	101,428	-	-	-	101,428
Grants, Subsidies & Contributions not Restricted	32,591,648	-	-	-	32,591,648
STATE SOURCES:					
Operating and Capital Grants and Contributions	22,610,827	-	-	-	22,610,827
FEDERAL SOURCES:					
Operating and Capital Grants and Contributions	4,091,425	-	-	-	4,091,425
SPECIAL AND EXTRAORDINARY ITEMS:					
Bond Premium	2,227,141	-	-	(2,227,141)	-
Proceeds from Bond Issues	38,235,000	-	-	(38,235,000)	-
Insurance Recoveries	5,851	-	(5,851)	-	-
TOTAL REVENUES	163,771,723	(208,437)	-	(40,462,141)	123,101,145
<u>EXPENDITURES/EXPENSES</u>					
Instruction	65,784,282	(6,113,853)	(28,991)	-	59,641,438
Instructional Student Support	7,706,183	(1,116,390)	(5,978)	-	6,583,815
Admin. & Fin'l Support Services	9,590,573	(816,215)	29,087	-	8,803,445
Oper. & Maint. Of Plant Svcs.	12,050,053	(981,405)	(270,665)	-	10,797,983
Pupil Transportation	8,886,462	(13,626)	-	-	8,872,836
Student Activities	1,512,654	(203,143)	21,805	-	1,331,316
Community Services	618,477	(893)	-	-	617,584
Capital Outlay	7,505,957	-	(7,505,957)	-	-
Debt Service	3,214,720	-	-	(1,669,930)	1,544,790
Transfers Out	16,713	-	-	-	16,713
Depreciation - Unallocated	-	-	2,935,081	-	2,935,081
TOTAL EXPENDITURES/EXPENSES	116,886,074	(9,245,525)	(4,825,618)	(1,669,930)	101,145,001
NET CHANGE FOR THE YEAR	\$ 46,885,649	\$ 9,037,088	\$ 4,825,618	\$ (38,792,211)	\$ 21,956,144

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.

B. Deficit Fund Balance or Net Position of Individual Funds

No individual fund contains a deficit fund balance or net position at June 30, 2025.

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.

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025

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, 2025. 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, 2025, \$40,092,396 of the District's bank balance of \$40,593,880 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 156,599
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	<u>39,935,797</u>
TOTAL	<u>\$ 40,092,396</u>

Reconciliation to Financial Statements

Uncollateralized Amount Above	\$ 40,092,396
Plus: Insured Amount	501,484
Less: Outstanding Checks	<u>(3,335,623)</u>
Carrying Amount - Bank balances	37,258,257
Plus: Petty Cash	8,068
Deposits in Pooled Investments Considered Cash Equivalents	57,494,837
Deposits in Money Market Mutual Funds Considered Cash Equivalents	-
Less: Certificates of Deposit considered Investment by School Code	<u>(274,298)</u>
Total Cash Per Financial Statements	<u>\$ 94,486,864</u>

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

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, 2025

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, 2025, the District had the following investments:

<i>Investment</i>	Maturities	Fair Value
Certificates of Deposit - ESSA	12 Months	\$ 274,298
Certificates of Deposit - PSDLAF	6 Months	53,120,900
PA School District Liquid Asset Fund	N/A	39,983,937
Treasury Bills	3 Months	17,510,900
TOTAL		\$ 110,890,035

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, 2025, the District's investments were rated as follows:

<u><i>Investment</i></u>	<u>Standard & Poor's</u>
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 General Fund investments, 50.14% were invested in PSDLAF Collateralized CD pools. Of the Capital Projects funds' investments, 47.05% and 25.19% were invested in PSDLAF Collateralized CD pools and US Treasury Bills, respectively. Of the Governmental Activities investments, 48.19% and 15.89% were invested in PSDLAF Collateralized CD pools and US Treasury Bills, respectively. Of the entity wide investments, 47.90% and 15.79% were held in PSDLAF Collateralized CD pools and US Treasury Bills, respectively.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

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	\$ 110,890,035
Less: Deposits in Investment Pool Considered Cash Equivalents	(57,494,837)
Deposits in Money Market Mutual Funds Considered Cash Equivalents	-
Total Investments Per Financial Statements	<u>\$ 53,395,198</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, 2025. 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 \$2,306,276,070. In accordance with Act 1 of 2006, the District received \$6,101,089 in property tax reduction funds for the 2024-25 fiscal year. The tax rate for the year was \$2.53719 per \$100 of assessed valuation or 25.3719 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, 2025

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	3,314,068	-	-	30,354	-	3,344,422
Accounts	13,114	-	1	-	900	14,015
Lease	816,056	-	-	-	-	816,056
Intergovernmental	4,439,074	-	11,388	18,539	-	4,469,001
GROSS RECEIVABLES	8,582,312	-	11,389	48,893	916	8,643,510
Less: Allowance for Uncollectibles	-	-	-	-	-	-
NET RECEIVABLES	\$ 8,582,312	\$ -	\$ 11,389	\$ 48,893	\$ 916	\$ 8,643,510

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 \$16,366 in lease revenue and \$4,269 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the District's receivable for lease payments was \$204,550. 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, 2025, the balance of the deferred inflow of resources was \$204,550.

The remaining lease payments as of June 30, 2025, were as follows:

<u>FISCAL YEAR</u>	<u>PAYMENTS</u>
2025-26	\$ 17,113
2026-27	17,883
2027-28	18,677
2028-33	106,189
2033-35	44,688
Totals	\$ 204,550

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025

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 \$222,439 in lease revenue and \$4,185 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the District's receivable for lease payments was \$234,868. 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, 2025, the balance of the deferred inflow of resources was \$234,868.

The remaining lease payments as of June 30, 2025, were as follows:

<u>FISCAL YEAR</u>	<u>PAYMENTS</u>
2025-26	\$ 234,868
Totals	\$ 234,868

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 \$112,065 in lease revenue and \$15,231 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the District's receivable for lease payments was \$376,638. 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, 2025, the balance of the deferred inflow of resources was \$376,638.

The remaining lease payments as of June 30, 2025, were as follows:

<u>FISCAL YEAR</u>	<u>PAYMENTS</u>
2025-26	\$ 118,615
2026-27	125,448
2027-28	132,575
Totals	\$ 376,638

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	\$ 2,586,738	\$ -
Related to Leases - General Fund	-	816,056
Delinquent Property taxes - Library Fund	30,354	-
TOTAL	\$ 2,617,092	\$ 816,056

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025

Capital Assets

Capital asset balances and activity for the year ending June 30, 2025, 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	4,631,484	7,697,805	(2,363,407)	9,965,882
Total Capital Assets not being Depreciated	6,356,145	7,697,805	(2,363,407)	11,690,543
Capital Assets being Depreciated/Amortized:				
Site Improvements	5,545,192	-	-	5,545,192
Buildings and Bldg. Improvements	126,987,422	2,363,407	-	129,350,829
Furniture and Equipment	9,574,386	648,949	(34,122)	10,189,213
Intangible Right to Use Equipment	1,800,050	60,832	-	1,860,882
TOTAL CAPITAL ASSETS BEING DEPRECIATED/AMORTIZED	143,907,050	3,073,188	(34,122)	146,946,116
Less Accumulated Depreciation for:				
Site Improvements	(3,436,051)	(121,858)	-	(3,557,909)
Buildings and Bldg. Improvements	(61,519,893)	(2,834,638)	-	(64,354,531)
Furniture and Equipment	(7,911,417)	(293,135)	34,122	(8,170,430)
Intangible Right to Use Equipment	(1,105,933)	(332,337)	-	(1,438,270)
TOTAL ACCUMULATED DEPRECIATION/AMORTIZATION	(73,973,294)	(3,581,968)	34,122	(77,521,140)
TOTAL CAPITAL ASSETS BEING DEPRECIATED/AMORTIZED NET OF ACCUMULATED DEPRECIATION/AMORTIZATION	69,933,756	(508,780)	-	69,424,976
 GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION/AMORTIZATION	 \$ 76,289,901	 \$ 7,189,025	 \$ (2,363,407)	 \$ 81,115,519
 BUSINESS-TYPE ACTIVITIES:				
Capital Assets being depreciated:				
Furniture and Equipment	\$ 2,007,555	\$ 5,484	\$ -	\$ 2,013,039
Less: Accumulated Depreciation	(1,541,108)	(52,881)	-	(1,593,989)
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	\$ 466,447	\$ (47,397)	\$ -	\$ 419,050

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

Instruction	\$ 278,957
Instructional Student Support	16,192
Admin. & Fin'l Support Services	153,081
Oper. & Maint. of Plant Svcs.	161,232
Student Activities	37,425
Depreciation - Unallocated	2,935,081
TOTAL DEPRECIATION FOR GOVERNMENTAL ACTIVITIES	\$ 3,581,968

The District's governmental activities scrapped \$34,122 of capital assets during the year, with accumulated depreciation of \$34,122, 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, 2025

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, 2025:

	<u>CONTRACT AMOUNT</u>	<u>EXPENDED TO 6/30/25</u>	<u>OUTSTANDING COMMITMENTS</u>
<u>Districtwide HVAC</u>			
Myco Mechanical	\$ 3,138,000	\$ 2,166,233	\$ 971,767
<u>PVHS Renovations</u>			
KCBA Architects	\$ 3,550,000	\$ 2,975,488	\$ 574,512
Sargent Enterprises	576,324	-	576,324
Wind Gap Electric	14,039,770	128,700	13,911,070
Lobar inc	32,931,000	1,607,774	31,323,226
Myco Mechanical	18,890,000	2,051,543	16,838,457
	<u>\$ 73,125,094</u>	<u>\$ 8,929,738</u>	<u>\$ 64,195,356</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, 2025:

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
General Fund	\$ 717,206	\$ 4,151,335
Special Revenue (Western Pocono) Fund	-	18,539
Capital Project (Capital Reserve) Fund	4,000,000	15,000
Capital Projects (Construction) Fund	15,000	691,261
Enterprise (Food Service) Fund	151,335	7,406
Agency (Activity) Fund	-	-
TOTAL	<u>\$ 4,883,540</u>	<u>\$ 4,883,540</u>

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025

Interfund Transfers

The District also made the following interfund transfers during the fiscal year ended June 30, 2025:

	TRANSFER IN	TRANSFER OUT
General Fund	\$ -	\$ 9,016,713
Capital Project (Capital Reserve) Fund	9,000,000	-
Enterprise (Food Service) Fund	16,713	-
TOTAL	\$ 9,016,713	\$ 9,016,713

Long-term liabilities

Long-term liability balances and activity for the year ended June 30, 2025, 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	\$ 37,671,216	\$ 40,462,465	\$ 1,304,585	\$ 76,829,096	\$ 1,145,000
Notes	-	-	-	-	-
Total General Obligation debt	37,671,216	40,462,465	1,304,585	76,829,096	1,145,000
<i>Other Liabilities:</i>					
Lease Obligations	659,485	-	330,021	329,464	249,331
Finance Purchases	37,154	-	11,661	25,493	12,371
Vested Employee Benefits:					
Compensated Absences	2,584,026	229,931	-	2,813,957	36,687
Other Retirement Benefits	976,574	-	106,320	870,254	
Net Pension Liability	101,349,520	-	6,878,787	94,470,733	-
Net OPEB Liability - Single Employer Plan	17,144,663	524,111	-	17,668,774	-
Net OPEB Liability - Multiple Employer Plan	4,189,912	-	192,736	3,997,176	-
Total other liabilities	126,941,334	754,042	7,519,525	120,175,851	298,389
TOTAL GOVERNMENTAL ACTIVITY LONG-TERM LIABILITIES	\$ 164,612,550	\$ 41,216,507	\$ 8,824,110	\$ 197,004,947	\$ 1,443,389
<u>BUSINESS-TYPE ACTIVITIES:</u>					
<i>Other Liabilities:</i>					
Net Pension Liability	\$ 1,791,790	\$ -	\$ 330,523	\$ 1,461,267	\$ -
Net OPEB Liability - Multiple Employer Plan	60,378	1,446	-	61,824	-
Vested Employee Benefits:					
Compensated Absences	53,014	-	9,534	43,480	-
TOTAL BUSINESS-TYPE ACTIVITY LONG-TERM LIABILITIES	\$ 1,905,182	\$ 1,446	\$ 340,057	\$ 1,566,571	\$ -

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, 2025**

Total Interest paid and accrued during the year:

	EXPENSE	PAID
GOVERNMENTAL ACTIVITIES		
General obligation debt	\$ 1,528,215	\$ 1,786,462
Finance Purchases	2,259	2,259
Leases	14,316	14,316
TOTAL INTEREST FOR GOVERNMENTAL ACTIVITIES	\$ 1,544,790	\$ 1,803,037

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, 2025, the value of the lease liability was \$152,174. 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, 2025, was \$814,606 with accumulated amortization of \$610,955.

The remaining principal and interest lease payments as of June 30, 2025, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 152,174	\$ 1,399
TOTAL OUTSTANDING	\$ 152,174	\$ 1,399

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, 2025, the value of the lease liability was \$48,625. 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, 2025 was \$97,272 with accumulated amortization of \$48,636.

The remaining principal and interest lease payments as of June 30, 2025, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 24,049	\$ 1,066
2026-27	24,576	539
TOTAL OUTSTANDING	\$ 48,625	\$ 1,605

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, 2025, the value of the subscription liability was \$25,368. 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, 2025, was \$64,555 with accumulated amortization of \$38,733.

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025

The remaining principal and interest lease payments as of June 30, 2025, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 13,691	\$ 485
2026-27	11,677	136
TOTAL OUTSTANDING	\$ 25,368	\$ 621

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, 2025, the value of the subscription liability was \$29,606. 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, 2025, was \$107,827 with accumulated amortization of \$80,870.

The remaining principal and interest lease payments as of June 30, 2025, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 29,606	\$ 1,009
TOTAL OUTSTANDING	\$ 29,606	\$ 1,009

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, 2025, the value of the subscription liability was \$9,448. 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, 2025 was \$31,617 with accumulated amortization of \$17,565.

The remaining principal and interest lease payments as of June 30, 2025, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 9,448	\$ 287
TOTAL OUTSTANDING	\$ 9,448	\$ 287

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, 2025, the value of the subscription liability was \$64,245. 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, 2025 was \$104,900 with accumulated amortization of \$41,960.

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025

The remaining principal and interest lease payments as of June 30, 2025, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 20,364	\$ 1,848
2026-27	21,405	1,262
2027-28	22,476	646
TOTAL OUTSTANDING	\$ 64,245	\$ 3,756

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, 2025, are:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 300,000	\$ 12,325
2026-27	305,000	4,194
SUB-TOTAL	605,000	\$ 16,519
Unamortized Discount	(270)	
Unamortized Premium	1,013	
TOTAL OUTSTANDING	\$ 605,743	

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.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

The outstanding debt service requirements at June 30, 2025 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 5,000	\$ 747,219
2026-27	5,000	747,019
2027-28	145,000	746,819
2028-29	150,000	741,019
2029-30	155,000	733,519
3030-35	2,725,000	3,498,095
2036-40	6,605,000	2,275,382
2041-43	4,845,000	481,906
SUB-TOTAL	14,635,000	\$ 9,970,978
Unamortized Premium	319,609	
TOTAL OUTSTANDING	\$ 14,954,609	

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.

The outstanding debt service requirements at June 30, 2025 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 590,000	\$ 282,000
2026-27	620,000	252,500
2027-28	650,000	221,500
2028-29	685,000	189,000
2029-30	720,000	154,750
2031-33	2,375,000	241,250
SUB-TOTAL	5,640,000	\$ 1,341,000
Unamortized Premium	483,348	
TOTAL OUTSTANDING	\$ 6,123,348	

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.

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025

The outstanding debt service requirements at June 30, 2025 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 245,000	\$ 676,250
2026-27	260,000	664,000
2027-28	440,000	651,000
2028-29	465,000	629,000
2029-30	490,000	605,750
2031-35	2,800,000	2,638,250
2036-40	3,530,000	1,870,000
2041-44	5,295,000	805,750
SUB-TOTAL	13,525,000	\$ 8,540,000
Unamortized Premium	1,158,256	
TOTAL OUTSTANDING	\$ 14,683,256	

General Obligation Bonds – Series 2025

On June 18, 2025, the District issued \$38,235,000 of General Obligation Bonds – Series of 2025. The purpose of this issue is to fund various capital improvements to school facilities owned and operated by the District, including, without limitation, renovations to the High School and paying 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, 2026 to May 1, 2045. Interest rates range 5.00% with total interest indebtedness of \$25,235,410.

The outstanding debt service requirements at June 30, 2025 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 5,000	\$ 1,663,410
2026-27	5,000	1,911,500
2027-28	1,260,000	1,911,250
2028-29	1,320,000	1,848,250
2029-30	1,385,000	1,782,250
2030-35	8,050,000	7,799,750
2036-40	10,260,000	5,576,500
2041-45	15,950,000	2,742,500
SUB-TOTAL	38,235,000	\$ 25,235,410
Unamortized Premium	2,227,141	
TOTAL OUTSTANDING	\$ 40,462,141	

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, 2025

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
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	-	-	733,519	155,000	154,750	720,000
2030-2034	-	-	3,498,095	2,725,000	241,250	2,375,000
2035-2039	-	-	2,275,382	6,605,000	-	-
2040-2045	-	-	481,906	4,845,000	-	-
TOTAL	\$ 16,519	\$ 605,000	\$ 9,970,978	\$ 14,635,000	\$ 1,341,000	\$ 5,640,000

Fiscal Year Ended June 30	GO Bonds - 2024A		GO Bonds - 2025		Total Bonds	
	Interest	Principal	Interest	Principal	Interest	Principal
2026	\$ 676,250	\$ 245,000	\$ 1,663,410	\$ 5,000	\$ 3,381,204	\$ 1,145,000
2027	664,000	260,000	1,911,500	5,000	3,579,213	1,195,000
2028	651,000	440,000	1,911,250	1,260,000	3,530,569	2,495,000
2029	629,000	465,000	1,848,250	1,320,000	3,407,269	2,620,000
2030	605,750	490,000	1,782,250	1,385,000	3,276,269	2,750,000
2031-2025	2,638,250	2,800,000	7,799,750	8,050,000	14,177,345	15,950,000
2036-2040	1,870,000	3,530,000	5,576,500	10,260,000	9,721,882	20,395,000
2041-2045	805,750	5,295,000	2,742,500	15,950,000	4,030,156	26,090,000
TOTAL	\$ 8,540,000	\$ 13,525,000	\$ 25,235,410	\$ 38,235,000	\$ 45,103,907	\$ 72,640,000

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

Compensated Absences

The District provides compensated absences in the form of sick leave and vacation leave to eligible employees in accordance with collective bargaining agreements and administrative policies. Sick leave may accumulate and may be paid upon retirement or separation for eligible employees. Vacation leave is earned based on employee classification and length of service and is paid upon termination.

In accordance with GASB Statement No. 101, *Compensated Absences*, the District recognizes a liability for compensated absences that have been earned and are expected to be used or paid. The liability is measured based on pay rates and applicable employer payroll taxes, net of reimbursement, in effect at the financial statement date.

As of June 30, 2025, the District's total compensated absences liability was \$2,857,437. Of this amount:

- \$36,687 is reported as a current liability in governmental activities and the General Fund, and
- \$2,777,270 is reported as a long-term liability in governmental activities.

The portion attributable to business-type activities is reported in the applicable food service fund.

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, 2025**

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.pa.gov/PSERS.

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, 2025**

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, 2025 was 32.92% 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 \$12,706,387 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$95,932,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023 to June 30, 2024. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025

to the total one-year reported contributions. At June 30, 2025, the District's proportion was 0.2292 percent, which was a decrease of 0.0055 percent from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized pension expense of \$2,818,696. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Proportionate Share vs Actual		
Paid Separately Finance Liabilities	\$ -	\$ -
Changes in Assumptions	-	-
Net difference between projected and actual contributions made	-	-
Net difference between projected and actual earnings on pension plan investments	1,589,000	-
Difference between expected and actual experience	-	1,508,000
Changes in proportion of the Net Pension Liability	-	10,671,000
District contributions subsequent to the measurement date	12,706,387	-
Total	<u>\$ 14,295,387</u>	<u>\$ 12,179,000</u>

\$12,706,387 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	<u>Amount</u>
2025	\$ (8,632,000)
2026	(1,466,000)
2027	(171,000)
2028	(321,000)
Thereafter	-
Total	<u>\$ (10,590,000)</u>

Changes in Actuarial Assumptions

The Total Pension Liability as of June 30, 2024 was determined by rolling forward the System's Total Pension Liability as of June 30, 2023 to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date - June 30, 2023
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.50%.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023 and as of June 30, 2024.
- 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, 2024 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.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	4.8%
Private Equity	12.0%	6.7%
Fixed Income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure	10.0%	6.4%
Real estate	9.5%	5.9%
	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, 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	\$ 126,371,000	\$ 95,932,000	\$ 70,227,000

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.pa.gov/PSERS.

State Funding

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

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, 2025, the School District recognized revenue of \$7,787,458 as reimbursement from the State for its current year pension payments

Payables to the Pension Plan

As of June 30, 2025, the School had \$4,481,208 included in accrued wages liability, of which \$2,960 is for the contractually required contribution for the second quarter of 2025 and \$1,521,064 is related to the accrued payroll liability for wages incurred as of June 30, 2025.

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 \$870,254, shown under the governmental activities column on the government-wide Statement of Net Position as of June 30, 2025.

Other Post-Employment Benefits

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,

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

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, 2024 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

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.pa.gov/PSERS.

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, 2025 was 0.63% 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 \$243,166 for the year ended June 30, 2025.

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025

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

At June 30, 2025, the District reported a liability of \$4,059,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, 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, 2023 to June 30, 2024. 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, 2025, the District's proportion was 0.2285 percent, which was a decrease of 0.0055 percent from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(141,375). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Proportionate Share vs Actual		
Paid Separately Finance Liabilities	\$ -	\$ -
Changes in Assumptions	-	373,000
Net difference between projected and actual contributions made	-	-
Net difference between projected and actual investment earnings	4,000	-
Difference between expected and actual experience	-	46,000
Changes in proportion of the Net OPEB Liability	-	861,000
District contributions subsequent to the measurement date	243,166	-
Total	\$ 247,166	\$ 1,280,000

\$243,166 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	<u>Amount</u>
2025	\$ (359,000)
2026	(368,000)
2027	(372,000)
2028	(146,000)
2029	(31,000)
Thereafter	-
Total	\$ (1,276,000)

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

Actuarial Assumptions

The Total OPEB Liability as of June 30, 2024, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2023 to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return – 4.21% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 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, 2023 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, 2022 determined the employer contribution rate for fiscal year 2024.
- 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.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

OPEB - Asset Class	Target Allocation	Long-Term
		Expected Real Rate of Return
Cash	100.0%	1.7%
	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, 2024.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.21%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.21% which represents the S&P 20-year Municipal Bond Rate at June 30, 2024, 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, 2024, 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, 2024, 92,149 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2024, 489 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, 2024, 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	\$ 4,059,000	\$ 4,059,000	\$ 4,060,000

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 4.21%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.21%) or 1-percentage-point higher (5.21%) than the current rate:

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
District's proportionate share of the net OPEB liability	\$ 4,586,000	\$ 4,059,000	\$ 3,618,000

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.pa.gov/PSERS.

Payables to the Multiple Employer OPEB Plan

As of June 30, 2025, the School had \$85,758 included in accrued wages liability, of which \$56,649 is for the contractually required contribution for the second quarter of 2025 and \$29,109 is related to the accrued payroll liability for wages incurred as of June 30, 2025.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

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. CONFIDENTIAL 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, 2025**

<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 IIIB	Act 110/43	Same as IA

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

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, 2025**

Employees Covered by Benefit Terms

At June 30, 2025, 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 \$17,668,774, was measured as of June 30, 2025, 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	4.29%
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 2027. Rates gradually decrease from 5.4% in 2028 to 4.0 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, 2024.	

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025

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>2024-25</u>
Total OPEB Liability	
Service Cost	\$ 660,531
Interest	715,179
Changes in Benefit Terms	-
Difference between expected and actual experience	-
Changes in assumptions	50,207
Benefit payments	(901,806)
Net change in total OPEB Liability	524,111
Total OPEB Liability - beginning	17,144,663
Total OPEB Liability - ending	<u><u>\$ 17,668,774</u></u>
 Covered employee payroll	 <u><u>\$ 33,096,833</u></u>

Total OPEB Liability as a percentage of covered employee payroll 53.39%

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

For the year ended June 30, 2025, the School recognized OPEB expense of \$684,669. At June 30, 2025, 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	\$ -	\$ 2,067,575
Net difference between projected and actual investment earnings	-	-
Difference between expected and actual experience	-	2,763,148
Changes in proportion of the Net OPEB Liability	-	-
District contributions subsequent to the measurement date	943,459	-
Total	<u><u>\$ 943,459</u></u>	<u><u>\$ 4,830,723</u></u>

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

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>
2026	\$ (691,041)
2027	(691,041)
2028	(691,043)
2029	(789,789)
2030	(790,442)
Thereafter	<u>(1,177,367)</u>
Total	<u>\$ (4,830,723)</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 (3.29%) or 1-percentage point higher (5.29%) than the current discount rate:

	<u>1% Decrease 3.29%</u>	<u>Current Discount Rate 4.29%</u>	<u>1% Increase 5.29%</u>
District's proportionate share of the net OPEB liability	\$ 18,876,641	\$ 17,668,774	\$ 16,510,491

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	\$ 15,806,531	\$ 17,668,774	\$ 19,809,952

Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025

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					STATEMENT OF NET POSITION		
	<i>Pension - GASB 68</i>	<i>Single Employer OPEB - GASB 75</i>	<i>Multiple Employer OPEB - GASB 75</i>	<i>Pension & OPEB Total</i>	<i>Governmental & Business-Type Activities</i>	<i>Total</i>	
	<u>DR OR (CR)</u>	<u>DR OR (CR)</u>	<u>DR OR (CR)</u>	<u>DR OR (CR)</u>		<u>DR OR (CR)</u>	
RECONCILIATION OF NET CHANGE	CURRENT YR	CURRENT YR	CURRENT YR	CURRENT YR	RECONCILIATION OF NET CHANGE	CURRENT YR	
IN DEFERRED OUTFLOWS/INFLOWS	BALANCE	BALANCE	BALANCE	BALANCE	IN DEFERRED OUTFLOWS/INFLOWS	BALANCE	
Change in Proportion	\$ (10,495,858)	\$ -	\$ (847,253)	\$ (11,343,111)	Change in Proportion	\$ (11,532,000)	
Current Year Contributions	12,526,115	943,459	239,716	13,709,290	Current Year Contributions	13,893,012	
Change in Assumption	-	(2,067,575)	(364,989)	(2,432,564)	Change in Assumption	(2,440,575)	
Diff in Projected Vs Actual Contributions	-	-	-	-	Diff in Projected Vs Actual Contributions	-	
Difference in Investment Earnings	1,440,129	-	3,953	1,444,082	Difference in Investment Earnings	1,593,000	
Diff. between Expected vs Actual Experience	(1,478,391)	(2,763,148)	(45,181)	(4,286,720)	Diff. between Expected vs Actual Experience	(4,317,148)	
Diff. between Prop. Share vs Actual POS	-	-	-	-	Diff. between Prop. Share vs Actual POS	-	
Net Pension Liability	\$ 94,470,733	\$ -	\$ -	\$ 94,470,733	Net Pension Liability	\$ 95,932,000	
Net OPEB Liability	\$ -	\$ 17,668,774	\$ 3,997,176	\$ 21,665,950	Net OPEB Liability	\$ 21,727,774	
BUSINESS-TYPE ACTIVITIES					RECONCILIATION TO FINANCIAL STATEMENTS		
	<i>Pension - GASB 68</i>	<i>Single Employer OPEB - GASB 75</i>	<i>Multiple Employer OPEB - GASB 75</i>	<i>Pension & OPEB Total</i>		Governmental	Business-Type
	<u>DR OR (CR)</u>	<u>DR OR (CR)</u>	<u>DR OR (CR)</u>	<u>DR OR (CR)</u>	<i>Pension Plan</i>	<i>Activities</i>	<i>Activities</i>
RECONCILIATION OF NET CHANGE	CURRENT YR	CURRENT YR	CURRENT YR	CURRENT YR	Net Pension Liability	\$ 94,470,733	\$ 1,461,267
IN DEFERRED OUTFLOWS/INFLOWS	BALANCE	BALANCE	BALANCE	BALANCE	Deferred Outflow Related to Pension	(13,966,244)	(329,143)
Change in Proportion	\$ (175,142)	\$ -	\$ (13,747)	\$ (188,889)	Deferred Inflows Related to Pension	11,974,249	204,751
Current Year Contributions	180,272	-	3,450	183,722	Total liab. Net deferred inflows/outflows	\$ 92,478,738	\$ 1,336,875
Change in Assumption	-	-	(8,011)	(8,011)	<i>OPEB - Single & Multiple Employer Plans</i>		
Diff in Projected Vs Actual Contributions	-	-	-	-	Net OPEB Liability	\$ 21,665,950	\$ 61,824
Difference in Investment Earnings	148,871	-	47	148,918	Deferred Outflows Related to OPEB	(1,187,128)	(3,497)
Diff. between Expected vs Actual Experience	(29,609)	-	(819)	(30,428)	Deferred Inflows Related to OPEB	6,088,146	22,577
Diff. between Prop. Share vs Actual POS	-	-	-	-	Total liab. Net deferred inflows/outflows	\$ 26,566,968	\$ 80,904
Net Pension Liability	\$ 1,461,267	\$ -	\$ -	\$ 1,461,267			
Net OPEB Liability	\$ -	\$ -	\$ 61,824	\$ 61,824			

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

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 \$4,772,798, to the District as of June 30, 2025, 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 \$32,900,606 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 \$68,566,059, at year end within this fund is considered restricted.

Committed Fund Balance

The governing body (Board of School Directors) has committed \$13,821,296 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 \$81,615,519 , unspent proceeds of \$68,566,059 with related debt of \$72,640,000, which includes unamortized bonds discounts, and premiums. The business-type activities column reflects \$419,050 invested in capital assets with no related debt. The governmental activities also restricted \$31,900,606 for capital projects.

**Pleasant Valley School District
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2025**

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, 2025.

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 Statements that will be effective for the Charter School in future fiscal years. Management has not yet completed its evaluation of the impact of these pronouncements on the Charter School's financial statements.

- **GASB Statement No. 103, Financial Reporting Model Improvements.** This Statement updates certain components of the financial reporting model, including presentation and disclosure requirements related to management's discussion and analysis, unusual or infrequent items, major component unit information, and budgetary comparison information. The requirements are effective for fiscal years beginning after June 15, 2025 (the Charter School's year ending June 30, 2026). Earlier application is encouraged.
- **GASB Statement No. 104, Disclosure of Certain Capital Assets.** This Statement requires additional note disclosures for (1) capital assets recognized in connection with leases and other intangible right-to-use arrangements and (2) capital assets held for sale. The requirements are effective for fiscal years beginning after June 15, 2025 (the Charter School's year ending June 30, 2026). Earlier application is encouraged.
- In addition, GASB issued Implementation Guide No. 2025-1, Implementation Guidance Update—2025, which provides interpretive guidance on multiple Topics, including Statements 103 and 104. The Charter School will consider this guidance when implementing the related Statements.

**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, 2025

	<u>2024-25</u>	<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>
District's proportion of the net pension liability (asset)	0.2292%	0.2347%	0.2654%	0.2836%	0.2951%	0.3003%	0.3032%	0.3094%	0.3044%	0.3028%
District's proportionate share of the net pension liability (asset)	\$ 95,932,000	\$ 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
District's covered employee payroll	\$ 38,597,775	\$ 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
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	248.54%	284.93%	331.61%	300.53%	360.46%	329.17%	351.27%	374.45%	378.90%	333.30%
Plan fiduciary net position as a percentage of the total pension liability	64.63%	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%

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, 2025

	<u>2024-25</u>	<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>
Contractually required contribution	\$ 12,706,387	\$ 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
Contributions in relation to the contractually required contribution	<u>12,706,387</u>	<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>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 38,597,775	\$ 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
Contributions as a percentage of covered employee payroll	32.92%	33.09%	34.31%	34.14%	33.69%	33.45%	32.60%	31.74%	29.20%	25.00%

**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, 2025**

	<u>2024-25</u>	<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	0.2285%	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)	\$ 4,059,000	\$ 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	\$ 36,272,976	\$ 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	11.19%	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	7.13%	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, 2025

	<u>2024-25</u>	<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>
Contractually required contribution	\$ 243,166	\$ 234,521	\$ 266,862	\$ 309,953	\$ 330,548	\$ 358,509	\$ 343,917	\$ 338,708	\$ 330,450	\$ 330,554
Contributions in relation to the contractually required contribution	<u>243,166</u>	<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>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 38,597,775	\$ 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
Contributions as a percentage of covered employee payroll	0.63%	0.64%	0.75%	0.80%	0.82%	0.84%	0.83%	0.83%	0.83%	0.84%

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, 2025

	<u>2024-25</u>	<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	\$ 660,531	\$ 701,600	\$ 1,074,763	\$ 1,442,902	\$ 1,037,279	\$ 1,083,811	\$ 1,019,133	\$ 995,141
Interest	715,179	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	50,207	273,120	(4,387,681)	(580,054)	2,565,698	(585,927)	7,130	264,306
Benefit payments	<u>(901,806)</u>	<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	524,111	1,171,785	(3,497,161)	(3,999,079)	3,550,134	(565,639)	802,966	1,661,195
Total OPEB Liability - beginning	<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>	<u>18,020,462</u>
Total OPEB Liability - ending	<u>\$ 17,668,774</u>	<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>\$ 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	 53.39%	 51.80%	 44.33%	 54.04%	 59.68%	 50.65%	 55.22%	 53.05%

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, 2025**

	CAPITAL RESERVE FUND	CONSTRUCTION FUND	TOTAL CAPITAL PROJECT FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 28,055,845	\$ 40,540,289	\$ 68,596,134
Investments	-	32,707,400	32,707,400
Due from Other Funds	4,000,000	15,000	4,015,000
TOTAL ASSETS	<u>\$ 32,055,845</u>	<u>\$ 73,262,689</u>	<u>\$ 105,318,534</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 140,239	\$ 4,005,369	\$ 4,145,608
Due to other funds	15,000	691,261	706,261
TOTAL LIABILITIES	<u>155,239</u>	<u>4,696,630</u>	<u>4,851,869</u>
FUND BALANCES:			
Restricted Fund Balance	<u>31,900,606</u>	<u>68,566,059</u>	<u>100,466,665</u>
TOTAL FUND BALANCES	<u>31,900,606</u>	<u>68,566,059</u>	<u>100,466,665</u>
TOTAL LIABILITIES, AND FUND BALANCES	<u>\$ 32,055,845</u>	<u>\$ 73,262,689</u>	<u>\$ 105,318,534</u>

Pleasant Valley School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Capital Project Funds
For the Year Ended June 30, 2025

	CAPITAL RESERVE FUND	CONSTRUCTION FUND	TOTAL CAPITAL PROJECT FUNDS
REVENUES			
Local Sources	\$ 975,593	\$ 1,848,698	\$ 2,824,291
State Sources	-	748,301	748,301
TOTAL REVENUES	<u>975,593</u>	<u>2,596,999</u>	<u>3,572,592</u>
	-----	-----	-----
EXPENDITURES			
Support Services	468,992	490,235	959,227
Capital Outlay	<u>1,354,140</u>	<u>6,033,806</u>	<u>7,387,946</u>
TOTAL EXPENDITURES	<u>1,823,132</u>	<u>6,524,041</u>	<u>8,347,173</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(847,539)</u>	<u>(3,927,042)</u>	<u>(4,774,581)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds of long-term capital-related debt	-	38,235,000	38,235,000
Bond Premium	-	2,227,141	2,227,141
Transfers in	<u>9,000,000</u>	<u>-</u>	<u>9,000,000</u>
TOTAL OTHER FINANCING SOURCES AND USES	<u>9,000,000</u>	<u>40,462,141</u>	<u>49,462,141</u>
NET CHANGE IN FUND BALANCES	8,152,461	36,535,099	44,687,560
FUND BALANCES - BEGINNING	<u>23,748,145</u>	<u>32,030,960</u>	<u>55,779,105</u>
FUND BALANCES - ENDING	<u><u>\$ 31,900,606</u></u>	<u><u>\$ 68,566,059</u></u>	<u><u>\$ 100,466,665</u></u>

Pleasant Valley School District
Combining Balance Sheet
All Non-Major Governmental Funds
As of June 30, 2025

	LIBRARY FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Taxes Receivable, net	30,354	-	30,354
Due from Other Governments	18,539	-	18,539
TOTAL ASSETS	48,893	-	48,893
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	-	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 48,893	\$ -	\$ 48,893
<u>LIABILITIES</u>			
Accounts Payable	\$ -	\$ -	\$ -
Due to other funds	18,539	-	18,539
TOTAL LIABILITIES	18,539	-	18,539
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Related to Tax Revenue	30,354	-	30,354
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	48,893	-	48,893
	-----	-----	-----
FUND BALANCES:			
Assigned Fund Balance	-	-	-
TOTAL FUND BALANCES	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 48,893	\$ -	\$ 48,893

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, 2025

	LIBRARY FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES			
Local Sources	\$ 597,176	\$ -	\$ 597,176
TOTAL REVENUES	597,176	-	597,176
	-----	-----	-----
EXPENDITURES			
Operation of Non-Instructional Services	597,176	-	597,176
Debt Service	-	603	603
TOTAL EXPENDITURES	597,176	603	597,779
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(603)	(603)
NET CHANGE IN FUND BALANCES	-	(603)	(603)
FUND BALANCES - BEGINNING	-	603	603
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

**Pleasant Valley School District
General Fund
Schedule on Tax Collectors' Receipts
For the Year Ended June 30, 2025**

	CHESTNUTHILL TOWNSHIP	ELDRED TOWNSHIP	POLK TOWNSHIP	ROSS TOWNSHIP	TOTAL
<u>CURRENT REAL ESTATE TAXES</u>					
Assessed Value	\$ 1,142,384,810	\$ 216,776,870	\$ 564,274,030	\$ 382,840,360	\$ 2,306,276,070
Millage Rate	0.0253719	0.0253719	0.0253719	0.0253719	0.025372
Total Tax to be Collected	28,984,473	5,500,041	14,316,787	9,713,387	58,514,688
Less: Act 1 Deduction	2,978,119	546,500	1,476,357	1,100,113	6,101,089
Total Taxable Duplicate	26,006,354	4,953,541	12,840,430	8,613,274	52,413,599
PLUS - Additions	10,805	-	-	-	10,805
Penalties	78,692	12,583	28,164	13,471	132,910
TOTAL TAXES TO BE COLLECTED	26,095,851	4,966,124	12,868,594	8,626,745	52,557,314
LESS: Discounts	435,249	82,123	213,432	146,365	877,169
Reductions	-	-	-	-	-
Refunds	-	1,421	-	-	1,421
2.636 Mill Library Tax	283,014	53,809	136,819	94,548	568,190
Returned to County	1,192,661	223,631	599,398	282,646	2,298,336
Upset Sales	-	-	58	-	58
Exonerations	57,711	3,984	-	3,558	65,253
NET CURRENT REAL ESTATE TAXES COLLECTED	\$ 24,127,216	\$ 4,601,156	\$ 11,918,887	\$ 8,099,628	\$ 48,746,887
CURRENT INTERIM REAL ESTATE TAXES COLLECTED	\$ 53,621	\$ 36,766	\$ 46,305	\$ 18,846	\$ 155,538

Pleasant Valley School District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual
For the Year Ended June 30, 2025

6000 - Revenue from Local Sources	Budget	Actual	Variance
6111 Current Real Estate Taxes	\$ 47,918,320	\$ 48,746,887	\$ 828,567
6112 Interim Real Estate Taxes	112,000	155,538	43,538
6113 Public Utility	45,000	53,203	8,203
6114 Payment in Lieu of Taxes	5,000	14,608	9,608
6151 Earned Income Tax	3,500,000	4,406,288	906,288
6153 Real Estate Transfer Tax	800,000	763,280	(36,720)
6411 Delinquent Real Estate Taxes	2,600,000	2,753,679	153,679
6451 Delinquent Earned Income Taxes	170,000	240,698	70,698
6510 Interest	677,211	2,529,797	1,852,586
6710 Admissions	30,000	21,969	(8,031)
6740 Fees	15,000	(17,378)	(32,378)
6790 Other Student Activity Income	20,000	272	(19,728)
6832 Federal IDEA Revenue Received as Pass Through	700,000	665,624	(34,376)
6910 Rentals	150,000	421,070	271,070
6920 Contributions	15,000	4,016	(10,984)
6942 Summer School	-	10,200	10,200
6944 Receipts from Other LEA's - Education	75,000	86,365	11,365
6970 Services Provided Other Funds	250,000	84,578	(165,422)
6990 Miscellaneous	40,000	36,241	(3,759)
6991 Refunds of Prior Yr. Expenditures	-	167,054	167,054
6992 Energy Efficiency Revenues	-	4,083	4,083
6999 Other Revenues Not Specified Above	-	110,000	110,000
TOTAL REVENUE FROM LOCAL SOURCES	57,122,531	61,258,072	4,135,541
7000 - Revenue from State Sources			
7111 Basic Education Funding - Formula	26,359,793	26,419,308	59,515
7140 Charter Schools	-	323,475	323,475
7160 Orphan Tuition	400,000	28,997	(371,003)
7220 Vocational Education	-	456,825	456,825
7271 Special Education	4,600,275	4,799,207	198,932
7311 Transportation (Regular and Additional)	2,700,000	2,897,872	197,872
7312 Transportation (Nonpublic and Charter School)	40,000	50,050	10,050
7320 Rentals	-	-	-
7331 Health Services	75,000	70,242	(4,758)
7332 Feminine Hygiene Product Funding	-	7,308	7,308
7340 State Property Tax Allocation Reduction	6,172,340	6,172,340	-
7350 Sewage Treatment Operations / Environmental Subsidies	-	132,494	132,494
7362 School Mental Health & Safety and Security Grants	-	67,993	67,993
7369 Other Safe Schools Grants	-	13,856	13,856
7531 Ready to Learn Grant	3,521,256	3,521,256	-
7810 FICA Revenue	1,800,000	1,701,410	(98,590)
7820 Retirement Revenue	7,290,249	7,787,458	497,209
TOTAL REVENUE FROM STATE SOURCES	52,958,913	54,450,091	1,491,178
8000 - Revenue from Federal Source			
8512 IDEA, Part B	-	-	-
8514 Title I	770,000	817,725	47,725
8515 Title II	130,000	119,819	(10,181)
8516 Title III	15,000	10,594	(4,406)
8517 Title IV	55,000	58,825	3,825
8690 Other Restricted Federal Grants-In-Aid Through the	-	2,137	2,137
8744 ARP ESSER III	-	1,776,820	1,776,820
8749 Other CARES Act Funding	-	100,813	100,813
8751 ARP ESSER Learning Loss	-	6,929	6,929
8810 Medical Assistance Reimbursements (Access)	500,000	478,879	(21,121)
8820 Medical Assistance Reimbursement for Health-Related	25,000	53,260	28,260
TOTAL REVENUE FROM FEDERAL SOURCES	\$ 1,495,000	\$ 3,425,801	\$ 1,930,801

Pleasant Valley School District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual
For the Year Ended June 30, 2025

9000 - Other Financing Sources	Budget	Actual	Variance
9220 Proceeds from Leases	\$ -	\$ -	\$ -
9990 Insurance Recoveries	-	5,851	5,851
TOTAL OTHER FINANCING SOURCES	-	5,851	5,851
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 111,576,444	\$ 119,139,815	\$ 7,563,371
1000 - Instruction			
1110 Regular Programs - Elem./Secondary	\$ 40,691,320	\$ 40,675,531	\$ 15,789
1190 Federally Funded Regular Programs	1,036,237	937,169	99,068
1211 Life Skills Support - Public	1,044,046	1,070,010	(25,964)
1231 Emotional Support - Public	168,990	137,324	31,666
1241 Learning Support - Public	18,178,944	18,584,802	(405,858)
1243 Gifted Support	704,539	669,689	34,850
1290 Other Support	130,450	131,137	(687)
1341 Agricultural Education	516,433	460,793	55,640
1350 Industrial Arts Education	506,258	381,177	125,081
1360 Business Education	534,312	374,477	159,835
1390 Other Vocational Education Programs	1,930,000	1,929,844	156
1410 Drivers' Education	5,000	-	5,000
1420 Summer School	35,050	13,350	21,700
1430 Homebound Instruction	10,200	8,739	1,461
1442 Alternative Education Programs	135,000	137,130	(2,130)
1500 Nonpublic School Programs	9,050	8,181	869
Total Instruction	65,635,829	65,519,353	116,476
2000 - Support Services			
2120 Guidance Services	2,240,109	2,206,447	33,662
2130 Attendance Services	198,852	191,063	7,789
2142 Psychological Services	574,726	562,536	12,190
2151 Supervision of Speech Pathology and Audiology	1,173,259	1,141,092	32,167
2160 Social Work Services	112,328	114,403	(2,075)
2170 Student Accounting Services	170,824	170,425	399
2220 Technology Support Services	5,500	1,468	4,032
2240 Computer Assisted Instruction Services	2,100	-	2,100
2250 School Library Services	789,900	724,301	65,599
2260 Instructional & Curriculum Dev. Service	1,265,791	1,165,525	100,266
2270 Instructional Staff Development Services	4,700	3,878	822
2271 Instructional Staff Development Services (Certified)	254,723	170,344	84,379
2272 Instructional Staff Development Services (Non-Certified)	19,000	18,930	70
2290 Other Instructional Staff Services	333,445	302,320	31,125
2310 Board Services	730,400	614,164	116,236
2330 Tax Assessment & Collection Service	272,650	230,186	42,464
2350 Legal Services	400,000	440,666	(40,666)
2360 Office of the Superintendent Services	922,322	896,269	26,053
2380 Office of the Principal Services	3,231,945	2,847,672	384,273
2420 Medical Services	4,000	-	4,000
SUB-TOTAL SUPPORT SERVICES (Carried Over)	\$ 12,706,574	\$ 11,801,689	\$ 904,885

**Pleasant Valley School District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual
For the Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
SUB-TOTAL SUPPORT SERVICES (Carried Forward)	\$ 12,706,574	\$ 11,801,689	\$ 904,885
2440 Nursing Services	942,530	933,451	9,079
2511 Supervision of Fiscal Services	111,783	99,098	12,685
2512 Budgeting Services	140,684	123,484	17,200
2513 Receiving and Disbursing Funds Services	47,451	47,333	118
2514 Payroll Services	363,214	285,479	77,735
2515 Financial Accounting Services	267,672	272,871	(5,199)
2519 Other Fiscal Services	391,864	363,430	28,434
2540 Printing, Publishing and Duplicating Services	669,000	570,897	98,103
2611 Supervision of Operation and Maintenance of Plant Services - Hea	337,301	43,912	293,389
2619 Supervision of Operation and Maintenance of Plant Services	80,041	76,700	3,341
2620 Operation of Building Services	10,290,401	9,703,185	587,216
2660 Security Services	2,350,247	2,059,881	290,366
2711 Supervision of Student Transportation Services - Head	91,573	90,199	1,374
2720 Vehicle Operation Services	8,297,100	8,361,797	(64,697)
2750 Non-Public Transportation	421,400	434,466	(13,066)
2818 System-Wide Technology Services	2,054,094	1,748,766	305,328
2831 Supervision of Staff Services	518,656	448,010	70,646
2833 Staff Accounting Services	40,000	23,561	16,439
2834 Staff Development Services - Non-Instructional, Certified	4,100	-	4,100
2836 Staff Development Services - Non-Instructional, Non-Certified	9,800	3,802	5,998
2850 State and Federal Agency Liaison Services	-	20,000	(20,000)
2910 Support services not listed elsewhere in the 2000	70,000	26,961	43,039
Total Support Services	40,205,485	37,538,972	2,666,513
<u>3000 - Operation of Non-Instructional Services</u>			
3210 School Sponsored Student Activities	468,924	262,817	206,107
3250 School Sponsored Athletics	1,325,117	1,249,837	75,280
3300 Community Services	25,426	21,302	4,124
Total Non-Instructional Services	1,819,467	1,533,956	285,511
<u>4000 - Facilities Acquisition, Construction, and Improvement Svcs.</u>			
4500 Existing Building Improvement Services	-	118,012	(118,012)
Total Facilities Acquisition, Construction, and Improvement Services	-	118,012	(118,012)
<u>5000 - Other Expenditures and Financing Uses</u>			
5110 Debt Service	3,045,463	2,869,780	175,683
5140 Lease Payments	-	344,337	(344,337)
5230 Capital Projects Funds Transfers Out	-	9,000,000	(9,000,000)
5251 Food Service Fund Transfers Out	70,200	16,713	53,487
5900 Budgetary Reserve	800,000	-	800,000
Total Other Expenditures and Financing Uses	3,915,663	12,230,830	(8,315,167)
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 111,576,444	\$ 116,941,123	\$ (5,364,679)

**Pleasant Valley School District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual
For the Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 111,576,444	\$ 119,139,815	\$ 7,563,371
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>111,576,444</u>	<u>116,941,123</u>	<u>(5,364,679)</u>
NET REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	2,198,692	2,198,692
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	-	2,198,692	2,198,692
FUND BALANCE - JULY 1, 2024	<u>38,714,014</u>	<u>31,337,685</u>	<u>(7,376,329)</u>
FUND BALANCE - JUNE 30, 2025	<u>\$ 38,714,014</u>	<u>\$ 33,536,377</u>	<u>\$ (5,177,637)</u>

Pleasant Valley School District
Food Service Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2025

REVENUES

School Lunches	\$ 244,713	
Special Functions	29,583	
State Subsidy Revenue	207,962	
Donated Commodities	195,603	
Federal Subsidies	2,022,026	
Interest	37,454	
FICA Revenue	25,785	
Retirement Revenue	113,339	
Miscellaneous	1,023	
Transfer from General Fund	16,713	
Rebates	99	
	<u> </u>	
TOTAL REVENUES		\$ 2,894,300

COST OF FOOD AND COMMODITIES	<u>1,471,406</u>
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GROSS PROFIT	1,422,894
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OPERATING EXPENSES

Salaries	537,277	
Social Security	41,302	
Retirement	(189,270)	
Medical Insurance	160,396	
Dental Insurance	7,332	
Prescription Benefits	34,093	
Life Insurance	1,166	
Other Benefits	11,078	
Professional Fees	14,650	
Food Service Management Costs	338,187	
Travel	187	
Supplies	5,496	
Repairs and Maintenance	12,883	
Depreciation	52,881	
	<u> </u>	
TOTAL EXPENSES		<u>1,027,658</u>

CHANGES IN FUND NET POSITION	395,236
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FUND NET POSITION - JULY 1, 2024	<u>(393,854)</u>
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FUND NET POSITION - JUNE 30, 2025	<u><u>\$ 1,382</u></u>
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**Pleasant Valley School District
Construction Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 2025**

FUND BALANCE - JULY 1, 2024 **\$ 32,030,960**

REVENUES AND OTHER FINANCING SOURCES

Earnings on Investments	\$ 1,833,698	
Miscellaneous Revenue	15,000	
State Subsidies	748,301	
Proceeds from Bond Issues	38,235,000	
Bond Premiums	2,227,141	

TOTAL REVENUES AND OTHER FINANCING SOURCES		<u>43,059,140</u>
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TOTAL FUNDS AVAILABLE		75,090,100
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EXPENDITURES AND OTHER FINANCING USES

SUPPORT SERVICES:

Professional Services	25,475	
Dues & Fees	464,760	

CAPITAL OUTLAY:

Professional Services	2,229,490	
Insurance	291,366	
Utilities	16,149	
Construction	3,357,577	
Equipment	139,224	
		<u>6,524,041</u>

FUND BALANCE - JUNE 30, 2025 **\$ 68,566,059**

**Capital Reserve Fund (Major Fund)
Statement of Revenues and Expenditures
For the Year Ended June 30, 2025**

FUND BALANCE - JULY 1, 2024 **\$ 23,748,145**

REVENUES AND OTHER FINANCING SOURCES

Earnings on Investments	\$ 975,593	
Transfer from General Fund	9,000,000	

TOTAL FUNDS AVAILABLE		<u>9,975,593</u>
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EXPENDITURES AND OTHER FINANCING USES

SUPPORT SERVICES:

Equipment	302,617	
Supplies	166,375	

CAPITAL OUTLAY

Professional Fees	1,318,160	
Repairs & Maintenance	35,980	
		<u>1,823,132</u>

FUND BALANCE - JUNE 30, 2025 **\$ 31,900,606**

**Pleasant Valley School District
Western Pocono Library Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 2025**

FUND BALANCE - JULY 1, 2024 **\$ -**

REVENUES AND OTHER FINANCING SOURCES

Current Real Estate Taxes	\$ 566,621	
Interim Real Estate Taxes	1,632	
Delinquent Real Estate Taxes	28,923	597,176

TOTAL FUNDS AVAILABLE **\$ 597,176**

EXPENDITURES AND OTHER FINANCING USES

Noninstructional Services:

Public Library Services		597,176
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FUND BALANCE - JUNE 30, 2025 **\$ -**

**Debt Service Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 2025**

FUND BALANCE - JULY 1, 2024 **\$ 603**

REVENUES AND OTHER FINANCING SOURCES

Proceeds from Bond Issues	\$ -	
Bond Premiums	-	

TOTAL REVENUES AND OTHER FINANCING SOURCES **-**

TOTAL FUNDS AVAILABLE **603**

EXPENDITURES AND OTHER FINANCING USES

SUPPORT SERVICES:

Bond Insurance	-	
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DEBT SERVICE:

Principal	-	
Interest	603	

OTHER FINANCING USES:

Payment to Refunded Bonds Escrow Agent	-	603
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FUND BALANCE - JUNE 30, 2025 **\$ -**

**Pleasant Valley School District
Private-Purpose Trust Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025**

ADDITIONS

Contributions	\$ 4,250	
Interest Income	<u>133</u>	
TOTAL ADDITIONS		\$ 4,383

DEDUCTIONS

Awards	<u>5,250</u>	
TOTAL DEDUCTIONS		<u>5,250</u>

NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION (867)

FUND NET POSITION - JULY 1, 2024 82,538

FUND NET POSITION - JUNE 30, 2025 \$ 81,671

**Private-Purpose Trust Fund
Statement of Fiduciary Net Position
As of June 30, 2025**

ASSETS

Cash and Cash Equivalents	\$ 82,405	
Investments	-	
Other Receivables	<u>16</u>	
TOTAL ASSETS		<u><u>\$ 82,421</u></u>

LIABILITIES

Accounts Payable	<u>750</u>	
TOTAL LIABILITIES		750

NET POSITION

Restricted for		
Individuals, Organizations, and Other Governments		<u>81,671</u>
TOTAL LIABILITIES AND FUND NET POSITION		<u><u>\$ 82,421</u></u>

**Pleasant Valley School District
Student Activity Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025**

ADDITIONS

Interest Income	\$ 8,200	
Student Organization Membership Dues and Fees	1,494	
Student Fees	26,729	
Special Events	153,808	
Other Activity Income	878	
TOTAL ADDITIONS		\$ 191,109

DEDUCTIONS

Professional and Technical Services	1,500	
Rentals	11,731	
Transportation Services	2,484	
Communications	192	
Travel	41,339	
General Supplies	74,828	
Food	28,737	
Dues & Fees	789	
Donations	36,939	
TOTAL DEDUCTIONS		198,539

NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION **(7,430)**

FUND NET POSITION - JULY 1, 2024 **160,760**

FUND NET POSITION - JUNE 30, 2025 **\$ 153,330**

**Student Activity Fund
Statement of Fiduciary Net Position
As of June 30, 2025**

ASSETS

Cash and Cash Equivalents	\$ 152,622	
Other Receivables	900	
Other Current Assets	-	
TOTAL ASSETS		\$ 153,522

LIABILITIES

Accounts Payable	\$ 192	
Other Current Liabilities	-	
TOTAL LIABILITIES		192

NET POSITION

Restricted for		
Individuals, Organizations, and Other Governments		153,330
TOTAL LIABILITIES AND FUND NET POSITION		\$ 153,522

Pleasant Valley School District
Schedule on General Obligation Bonds - Series of 2012
Dated as of March 1, 2012
For the Year Ended June 30, 2025

<u>FISCAL YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
2025-26	\$ 12,325	\$ 300,000
2026-27	4,194	305,000
TOTAL OUTSTANDING	\$ 16,519	\$ 605,000

Schedule on General Obligation Bonds - Series of 2023
Dated as of November 16, 2023
For the Year Ended June 30, 2025

	<u>INTEREST</u>	<u>PRINCIPAL</u>
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	\$ 9,970,978	\$ 14,635,000

Pleasant Valley School District
Schedule on General Obligation Bonds - Series of 2024
Dated as of April 23, 2024
For the Year Ended June 30, 2025

	<u>INTEREST</u>	<u>PRINCIPAL</u>
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>\$ 1,341,000</u>	<u>\$ 5,640,000</u>

Schedule on General Obligation Bonds - Series A of 2024
Dated as of April 23, 2024
For the Year Ended June 30, 2025

	<u>INTEREST</u>	<u>PRINCIPAL</u>
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>\$ 8,540,000</u>	<u>\$ 13,525,000</u>

Pleasant Valley School District
Schedule on General Obligation Bonds - Series of 2025
Dated as of June 18, 2025
For the Year Ended June 30, 2025

	<u>INTEREST</u>	<u>PRINCIPAL</u>
2025-26	\$ 1,663,410	\$ 5,000
2026-27	1,911,500	5,000
2027-28	1,911,250	1,260,000
2028-29	1,848,250	1,320,000
2029-30	1,782,250	1,385,000
2030-31	1,713,000	1,455,000
2031-32	1,640,250	1,530,000
2032-33	1,563,750	1,605,000
2033-34	1,483,500	1,685,000
2034-35	1,399,250	1,775,000
2035-36	1,310,500	1,855,000
2036-37	1,217,750	1,950,000
2037-38	1,120,250	2,050,000
2038-39	1,017,750	2,150,000
2039-40	910,250	2,255,000
2040-41	797,500	2,370,000
2041-42	679,000	2,485,000
2042-43	554,750	2,610,000
2043-44	424,250	2,745,000
2044-45	287,000	5,740,000
TOTAL OUTSTANDING	<u>\$ 25,235,410</u>	<u>\$ 38,235,000</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, 2025**

FEDERAL GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL ALN	GRANTOR PASS THROUGH NUMBER	GRANT PERIOD	AWARD AMOUNT	TOTAL RECEIVED	ACCRUED OR (DEFERRED) AT 7/1/24	REVENUE	EXPENDITURES	ACCRUED OR (DEFERRED) AT 6/30/25	FOOT- NOTES
<u>U.S. DEPARTMENT OF THE TREASURY</u>											
<u>PASSED THROUGH THE PA COMMISSION ON CRIME AND DELINQUENCY (PCCD)</u>											
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	I	21.027	2023-CM-01-42142	01/01/24-12/31/25	\$ 156,069	\$ -	\$ -	\$ 100,813	\$ 100,813	\$ 100,813	2 4
TOTAL U.S. DEPARTMENT OF THE TREASURY						-	-	100,813	100,813	100,813	
<u>U.S. DEPARTMENT OF EDUCATION</u>											
<u>PASSED THROUGH THE PA DEPARTMENT OF EDUCATIONS (PDE)</u>											
TITLE IA - IMPROVING BASIC PROGRAMS	I	84.010	FA-013-24-0342	07/01/23-09/30/24	\$ 844,560	329,239	312,797	16,442	16,442	-	2
TITLE IA - IMPROVING BASIC PROGRAMS	I	84.010	FA-013-25-0342	07/01/24-09/30/25	\$ 834,795	556,530	-	801,283	801,283	244,753	
TOTAL TITLE I PROGRAM						885,769	312,797	817,725	817,725	244,753	
<u>PASSED THROUGH THE PDE</u>											
TITLE IIA - SUPPORTING EFFECTIVE INSTRUCTION	I	84.367	FA-020-24-0342	07/01/23-09/30/24	\$ 128,486	33,692	33,692	-	-	-	2
TITLE IIA - SUPPORTING EFFECTIVE INSTRUCTION	I	84.367	FA-020-25-0342	07/01/24-09/30/25	\$ 125,013	91,676	-	119,819	119,819	28,143	
TOTAL TITLE II PROGRAM						125,368	33,692	119,819	119,819	28,143	
<u>PASSED THROUGH THE PDE</u>											
TITLE III - LANGUAGE INSTRUCTION	I	84.365	FA-010-24-0342	07/01/23-09/30/24	\$ 14,148	1,509	238	1,271	1,271	-	2
TITLE III - LANGUAGE INSTRUCTION	I	84.365	FA-010-25-0342	07/01/24-09/30/25	\$ 13,482	10,786	-	8,954	8,954	(1,832)	
TITLE III - LANGUAGE INSTRUCTION FOR IMMIGRANT STUDENTS	I	84.365	FA-010-24-0342	07/01/23-09/30/24	\$ 659	659	291	369	369	-	
TOTAL TITLE III PROGRAM						12,954	529	10,594	10,594	(1,832)	
<u>PASSED THROUGH THE PDE</u>											
TITLE IVA - STUDENT SUPPORT AND ACADEMIC ENRICHMENT	I	84.424	FA-144-24-0342	07/01/23-09/30/24	\$ 59,337	19,779	(5,866)	25,645	25,645	-	2
TITLE IVA - STUDENT SUPPORT AND ACADEMIC ENRICHMENT	I	84.424	FA-144-25-0342	07/01/24-09/30/25	\$ 63,602	46,641	-	33,181	33,181	(13,461)	
TOTAL TITLE IV PROGRAM						66,420	(5,866)	58,826	58,825	(13,461)	
<u>PASSED THROUGH THE PDE</u>											
COVID-19 AMERICAN RESCUE PLAN - ESSER (ARP ESSER)	I	84.425U	223-21-0342	03/13/20 - 09/30/24	\$ 5,704,025	3,629,834	1,853,014	1,776,820	1,776,820	-	2 5
COVID-19 ARP-ESSER - LEARNING LOSS SET ASIDE	I	84.425U	FA-225-21-0342	03/13/20 - 09/30/24	\$ 316,664	17,272	10,344	6,929	6,929	-	
COVID-19 ARP-ESSER - SUMMER SCHOOL SET ASIDE	I	84.425U	FA-225-21-0342	03/13/20 - 09/30/24	\$ 63,333	3,453	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	3,453	3,453	-	-	-	
TOTAL EDUCATION STABILIZATION FUND						3,654,012	1,870,264	1,783,749	1,783,749	-	
<u>PASSED THROUGH THE COLONIAL I.U. #20</u>											
IDEA, PART B	I	84.027	N/A	07/01/23-09/30/24	\$ 770,527	449,130	414,303	34,826	34,826	-	2 1
IDEA, PART B	I	84.027	N/A	07/01/24-09/30/25	\$ 666,405	345,106	-	627,722	627,722	282,617	1
IDEA SECTION 619 - PRESCHOOL	I	84.173	N/A	07/01/23-09/30/24	\$ 8,177	8,177	8,177	-	-	-	1
IDEA SECTION 619 - PRESCHOOL	I	84.173	N/A	07/01/24-09/30/25	\$ 3,075	3,075	-	3,075	3,075	-	1
TOTAL IDEA CLUSTER						805,488	422,480	665,623	665,623	282,617	
TOTAL U.S. DEPARTMENT OF EDUCATION						5,550,011	2,633,896	3,456,336	3,456,335	540,220	

SOURCE: D -DIRECT; I -INDIRECT

**Pleasant Valley School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025**

<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 7/1/24</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>ACCRUED OR (DEFERRED) AT 6/30/25</u>	<u>FOOT- NOTES</u>
<u>U. S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>											
<u>PASSED THROUGH THE PDE</u>											
UKRAINIAN REFUGEE SCHOOL IMPACT PROGRAM	I	93.566	228-23-0005	10/01/23-9/30/24	\$ 22,180	\$ 9,919	\$ 9,919	\$ -	\$ -	\$ -	2
UKRAINIAN REFUGEE SCHOOL IMPACT PROGRAM	I	93.566	228-23-0005	10/01/24-9/30/25	\$ 3,019	-	-	2,137	2,137	2,137	
<u>PASSED THROUGH THE PA DEPARTMENT OF PUBLIC WELFARE</u>											
TITLE 19 MEDICAL REIMBURSEMENT	I	93.778	N/A	10/01/24-09/30/25	N/A	53,415	6,304	53,260	53,260	6,149	
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES						63,334	16,223	55,397	55,397	8,286	
<u>U.S. DEPT. OF AGRICULTURE</u>											
<u>PASSED THROUGH THE PDE</u>											
NATIONAL SCHOOL LUNCH	I	10.555	N/A	07/01/23-06/30/24	N/A	-	-	-	-	-	2
NATIONAL SCHOOL LUNCH	I	10.555	N/A	07/01/24-06/30/25	N/A	1,592,463	-	1,603,576	1,603,576	11,113	
NATIONAL SCHOOL BREAKFAST - SEVERE NEED	I	10.553	N/A	07/01/23-06/30/24	N/A	-	-	-	-	-	
NATIONAL SCHOOL BREAKFAST - SEVERE NEED	I	10.553	N/A	07/01/24-06/30/25	N/A	408,450	-	408,450	408,450	-	
<u>PASSED THROUGH THE PA DEPARTMENT OF AGRICULTURE</u>											
NATIONAL SCHOOL LUNCH PROGRAM - USDA COMMODITIES	I	10.555	N/A	07/01/24-06/30/25	N/A	192,928	(7,874)	195,603	195,603	(5,200)	2
TOTAL CHILD NUTRITION CLUSTER						2,193,841	(7,874)	2,207,629	2,207,629	5,913	3
<u>PASSED THROUGH THE PENN STATE UNIVERSITY</u>											
PSU SCHOOL BREAKFAST EXPANSION GRANT	I	10.579	N/A	N/A	N/A	10,000	-	10,000	10,000	-	2
TOTAL U.S. DEPARTMENT OF AGRICULTURE						2,203,841	(7,874)	2,217,629	2,217,629	5,913	
TOTAL FEDERAL FINANCIAL AWARDS						\$ 7,817,186	\$ 2,642,245	\$ 5,830,175	\$ 5,830,175	\$ 655,232	

SOURCE: D -DIRECT; I -INDIRECT

Pleasant Valley School District
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

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, 2025. 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 3.0% of its total general fund revenue in federal awards, and 77.1% 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 Expenditures</u>
PA Department of Education	8,256,636	4,804,876
PA Commission on Crime and Delinquency	156,069	100,813
Colonial I.U.	1,448,184	665,623
PA Department of Public Welfare	N/A	53,260
PA Department of Agriculture	N/A	195,603
Penn State University	N/A	10,000
Totals	\$ 9,860,889	\$ 5,830,175

3. The District received non-monetary assistance from the U.S. Department of Agriculture of \$192,928, in the form of commodities. These commodities are valued at U.S.D.A.'s approximate costs. During the 2024-25 fiscal year, the District used \$195,603 in commodities and established a year-end inventory of \$5,200 at June 30, 2025.

Pleasant Valley School District
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

4. Of the \$100,813 of expenditures reported for the COVID-19 Coronavirus State and Local Fiscal Recovery Funds, \$850 were incurred in the prior fiscal year.
5. Of the \$1,776,820 of expenditures reported for ARP ESSER, \$343,358 were incurred in the prior fiscal year.
6. 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 School Expenditures of Federal Awards.

FINANCIAL STATEMENT RECONCILIATION

General Fund Federal Source Revenues	\$ 3,425,801
Federal Grants in Local Sources	665,624
Food Service Fund Federal Revenue	<u>2,217,629</u>
Total Federal Revenue, per financial statements	6,309,054
Less: Medical Access Reimbursement	(478,879)
Total Federal Revenue Reported on SEFA	<u>\$ 5,830,175</u>



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 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, 2025, 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 17, 2025.

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 17, 2025



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, 2025. 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, 2025.

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 17, 2025

**Pleasant Valley School District
Schedule of Findings and Questioned Costs
For the Year Ended on June 30, 2025**

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
84.027, 84.173	Special Education (IDEA) Cluster

Percentage of programs tested to total awards 25.4%

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, 2025**

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.