

**PINE GROVE AREA SCHOOL DISTRICT**  
**SINGLE AUDIT REPORT**  
**PINE GROVE, PENNSYLVANIA**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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# JONES & CO.

A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM L. JONES, III, M.B.A., C.P.A.  
RICHARD W. PITCAVAGE, C.P.A.  
EDWIN H. EBLING, C.P.A.  
JOHN W. PAULSHOCK, C.P.A.  
ELI B. HOSTETTER, C.P.A.

110 North Second Street  
Pottsville, Penna. 17901  
Telephone: (570) 622-5010  
Fax: (570) 622-3283  
Email: [jonescpa@comcast.net](mailto:jonescpa@comcast.net)

Board of School Directors  
Pine Grove Area School District  
Pine Grove, Pennsylvania

We have performed the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) of the Pine Grove Area School District for the year ended June 30, 2025. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) indicates that the auditee is responsible for ensuring appropriate submission of the audit reports to appropriate government officials.

In accordance with the Uniform Guidance, the single audit reporting package and data collection form are to be submitted to the Federal Audit Clearinghouse within the earlier of 30 calendar days after these reports are received from us or nine months after the end of the audit period. In certain instances, those submission deadlines may have been extended. You are responsible for submitting electronically the single audit reporting package and the data collection form to the Federal Audit Clearinghouse. We will provide a copy of this reporting package in the appropriate format for submission to the Federal Audit Clearinghouse. We will also coordinate our completion of the appropriate sections of the data collection form that summarize our audit findings and our certification of the submission with you.

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

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



December 16, 2025  
Pottsville Pennsylvania

**PINE GROVE AREA SCHOOL DISTRICT**

**LIST OF REPORT DISTRIBUTION**

**JUNE 30, 2025**

- |  |   |
|--|---|
| 1 Single Audit Report  | Schuylkill Intermediate Unit #29<br>Marlin, PA 17951  |
| 1 Single Audit Report  | Prothonotary Office<br>Schuylkill County Courthouse<br>Pottsville, PA 17901   |
| 1 Certified Copy of<br>Data Collection Form<br>Single Audit Clearing<br>Package Checklist, FAC's<br>Confirmation email | Must be submitted Via Electronic Mail (E-mail)<br>Commonwealth of Pennsylvania<br>Office of the Budget - Bureau of Audits,<br>Special Audit Services Division<br><a href="mailto:RA-BAFMSingleAudit@pa.gov">RA-BAFMSingleAudit@pa.gov</a> |
| 1 Single Audit Report and<br>Data Collection Form  | Federal Audit Clearing House<br>Via Internet Website<br><a href="http://www.fac.gov">www.fac.gov</a>  |

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*110 North Second Street*  
*Pottsville, Penna. 17901*  
*Telephone: (570) 622-5010*  
*Fax: (570) 622-3283*  
*Email: [jonescpa@comcast.net](mailto:jonescpa@comcast.net)*

**INDEPENDENT AUDITOR'S REPORT**

Board of School Directors  
Pine Grove Area School District  
Pine Grove, Pennsylvania

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

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pine Grove Area School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Pine Grove Area School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pine Grove Area 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 Pine Grove Area School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pine Grove Area School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pine Grove Area School District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10-23 and the schedule of the District's proportionate share of the net pension liability, the schedule of the District's contributions, the District's proportionate share of the net OPEB-PSERS liability, the schedule of the District's contributions - OPEB-PSERS, the schedule of the District's proportionate share of the OPEB liability and the schedule of District contributions – OPEB on pages 81-86 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplemental Information**

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


### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2025, on our consideration of the Pine Grove Area School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pine Grove Area School District's internal control over financial reporting and compliance.



December 16, 2025  
Pottsville, Pennsylvania

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Fax: (570) 622-3283  
Email: [jonescpa@comcast.net](mailto:jonescpa@comcast.net)

## 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  
Pine Grove Area School District  
Pine Grove, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pine Grove Area School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Pine Grove Area School District's basic financial statements, and have issued our report thereon dated December 16, 2025.

### Report on Internal Control over Financial Reporting

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

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

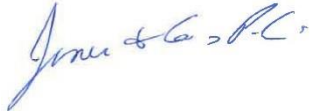
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

### Report on Compliance and Other Matters

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

**Purpose of this Report**

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

A handwritten signature in blue ink, appearing to read "James & Co. P.C.", is written in a cursive style.

December 16, 2025  
Pottsville, Pennsylvania

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*Pottsville, Penna. 17901*  
*Telephone: (570) 622-5010*  
*Fax: (570) 622-3283*  
*Email: [jonescpa@comcast.net](mailto:jonescpa@comcast.net)*

**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  
Pine Grove Area School District  
Pine Grove, Pennsylvania

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

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

We have audited the Pine Grove Area School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Pine Grove Area School District's major federal programs for the year ended June 30, 2025. The Pine Grove Area School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Pine Grove Area School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 Pine Grove Area School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Pine Grove Area School District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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


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

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

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

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

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



December 16, 2025  
Pottsville, Pennsylvania

This Management’s Discussion and Analysis (MD&A) is intended to provide a narrative overview and analysis of the financial activities of the Pine Grove Area School District (the “District”) for the year ended June 30, 2025. The District’s financial performance is discussed and analyzed within the context of the financial statements and the disclosures that follow. This discussion focuses on the District’s financial performance as a whole; readers should review the basic financial statements and the notes to the financial statements for a better understanding of the District as a whole.

### **FINANCIAL HIGHLIGHTS**

Total Net Position of the District increased \$3,073,002 in 2025 to \$13,571,167 at June 30, 2025. Net position of governmental activities \$3,072,933 or (32.65%) above 2024. Net position of the business-type activity increased \$69, or .006%, above 2024.

The District had \$28,407,650 in expenses related to governmental activities in 2025; of these expenses, \$6,767,846 was offset by program-specific charges for services, grants or contributions. General revenues (primarily taxes and state subsidies) of \$24,712,737 were adequate to provide for these programs.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District’s basis 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, in a manner similar to a private-sector business. 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 and liabilities and deferred inflows and outflows of resources. 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 deteriorating.

The Statement of Activities 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 periods (e.g., uncollected taxes and accrued vacation and sick leave).

Both of the government-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 significant 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 operation, which is considered a business-type activity.

The government-wide financial statements can be found on pages 24-25 of this report.

## **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.

The District maintains two 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 (General Fund and Capital Project Fund).

The basic governmental fund financial statements can be found on pages 26 through 30 of this report.

The District adopts an annual budget for its General Fund. A budgetary comparison statement for the General Fund has been provided on page 30 of this report to demonstrate compliance with this budget.

### **PROPRIETARY FUNDS**

The District accounts for its food service operation in a proprietary fund, which report 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. The basic proprietary fund financial statements can be found on pages 31-33 of this report.

### **FIDUCIARY FUNDS**

The District maintains fiduciary funds for private purpose trust and student activity funds. All of the District's fiduciary activities are reported in a separate statement of Net Position on page 34 of this report as these activities cannot be used to finance District 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. The notes to the financial statements can be found on pages 36-77 of this report.

### **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 state laws and financial policies approved by the School Board of Directors.

The General Fund's approved budget for 2025 included revenue of \$29,055,785 and expenditures and other financing uses of \$29,402,685. There were no amendments made to the budget in 2025.

Actual revenues in 2025 were \$31,065,409 exceeding budgeted revenues of \$29,055,785 by \$2,009,624. The favorable variance was attributable primarily to actual exceeding budgeted amounts of \$775,676 and \$3,639,830 in local and state source revenues, respectively. These favorable variances were offset by a \$2,251,882 unfavorable variance in actual federal revenue over budgeted amounts. The favorable variance in local revenues was due to higher than anticipated real estate tax revenues being received in the 2024-25 school year; the favorable state revenue could be attributed to larger than expected PCCD grant revenue being received in the 2024-2025 school year; and the unfavorable federal revenue could be attributed to less than expected ESSER grant revenue being received in the 2024-2025 school year.

PINE GROVE AREA SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2025

Actual expenditures exceeded the budgeted expenditures in 2025 by \$1,661,348. The primary causes for the unfavorable variance were increases in operation of support services, non-instructional services expenditures and facilities acquisition, construction, and improvement services (due to construction-related expenditures) of \$1,333,311, \$176,689, and \$361,810, respectively. These unfavorable increases were offset by budgeted exceeding actual amounts for instruction expenditures in the amount of \$215,467. The unfavorable variance of \$1,333,311 for support services and the favorable balance of \$215,467 for instruction expenditures nets to an unfavorable variance of \$1,117,844. The two substantial variances are due to expenditure coding and will be re-evaluated for proper classification in future budget years.

Other financing uses were \$2,031,955 in 2025, more than the budgeted amount of \$2,031,465 by \$5,005. The unfavorable variance is attributable to the transferring of funds for Capital Project expenditures as part of the plan for ESSERs funding utilization.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The District’s condensed government-wide financial statements are presented comparatively as follows:

	CONDENSED STATEMENT OF NET POSITION					
	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITY		TOTALS	
	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2025</u>	<u>6/30/2024</u>
Current and Other assets	\$22,315,916	\$20,755,983	\$ 902,754	\$1,063,829	\$23,218,670	\$21,819,812
Capital assets	28,895,352	28,867,187	208,038	212,694	29,103,390	29,079,881
Deferred Outflows of resources	1,228,627	2,193,653	0	0	1,228,627	2,193,653
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>\$52,439,895</b>	<b>\$51,816,823</b>	<b>\$1,110,792</b>	<b>\$1,276,523</b>	<b>\$53,550,687</b>	<b>\$53,093,346</b>
Current and Other liabilities	\$5,515,890	\$4,300,154	\$23,263	\$166,453	\$5,539,153	\$4,466,607
Long-term liabilities	32,297,079	34,430,070	0	0	32,297,079	34,430,070
Deferred Inflows of resources	2,143,288	3,675,894	0	22,610	2,143,288	3,698,504
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>\$39,956,257</b>	<b>\$42,406,118</b>	<b>\$23,263</b>	<b>\$189,063</b>	<b>\$39,979,520</b>	<b>\$42,595,181</b>

PINE GROVE AREA SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2025

Net Position:

Invested in capital assets, net of related debt	\$28,895,352	\$28,867,187	\$208,038	\$212,694	\$29,103,390	\$29,079,881
Restricted	6,692,174	5,351,806	0	0	6,692,174	5,351,806
Committed	0	0	0	0	0	0
Unassigned	(23,103,888)	(24,808,288)	879,491	874,766	(22,224,397)	(23,933,522)
<b>Total Net Position</b>	<b>12,483,638</b>	<b>9,410,705</b>	<b>1,087,529</b>	<b>1,087,460</b>	<b>13,571,167</b>	<b>10,498,165</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$52,439,895</b>	<b>\$51,816,823</b>	<b>\$1,110,792</b>	<b>\$1,276,523</b>	<b>\$53,550,687</b>	<b>\$53,093,346</b>

**CONDENSED STATEMENT OF ACTIVITIES (IN 000’S)**

	<b>GOVERNMENTAL ACTIVITIES</b>		<b>BUSINESS TYPE ACTIVITY</b>		<b>TOTALS</b>	
	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2025</u>	<u>6/30/2024</u>
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$64,852	\$59,199	\$456,234	\$446,174	\$521,086	\$505,373
Operating Grants and Contributions	6,702,994	7,094,760	697,798	732,240	7,400,792	7,827,000
Capital Grants and Contributions	0	0	0	0	0	0
Taxes Levied for General Purposes	14,776,248	13,905,618	0	0	14,776,248	13,905,618
Grants, Subsidies and Other Contr.	8,713,104	8,429,012	0	0	8,713,104	8,429,012
Transfers and Other	1,223,385	967,527	69	75	1,223,454	967,602
<b>Total Revenues</b>	<b>\$31,480,583</b>	<b>\$30,456,116</b>	<b>\$1,154,101</b>	<b>\$1,175,489</b>	<b>\$32,634,684</b>	<b>\$31,634,605</b>
<b>Program Expenditures</b>						
Instruction	\$17,631,190	\$16,328,146	\$0	\$0	\$17,361,190	\$16,328,146
Instructional Student Support	2,263,548	2,138,044	0	0	2,263,548	2,138,044
Administrative & Financial Support	3,058,040	3,032,191	0	0	3,058,040	3,032,191
Operation & Maintenance of Plant	2,982,563	2,692,630	0	0	2,343,656	2,692,630
Pupil Transportation	1,865,427	1,621,975	0	0	18,865,427	1,621,975
Student Activities	606,882	592,394	0	0	606,882	592,394
Community Services	0	0	0	0	0	0

PINE GROVE AREA SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2025

Interest on Long-Term Debt	0	5,005	0	0	0	5,005
Unallocated Depreciation						
Food services	0	0	1,154,032	1,168,080	1,154,032	1,168,080
Total Expenditures	\$28,407,650	\$26,410,385	\$1,154,032	\$1,168,080	\$ 29,561,682	\$27,578,465
Change in Net Position	3,072,933	4,045,731	69	10,409	3,073,002	4,056,140
Net Position, Beginning	9,410,705	5,364,974	1,087,460	1,077,051	10,498,165	6,442,025
Prior Period Adjustment	0	0	0	0	0	0
Net Position, Ending	\$12,483,638	\$9,410,705	\$1,087,529	\$1,087,460	\$13,571,167	\$10,498,165

**GOVERNMENTAL ACTIVITIES**

The Net Position of the governmental activities increased by \$3,072,933 or 32.65% above 2024. The majority of the increase was due to large and unexpected increases in various tax collections compared to prior year collections that affected by the COVID-19 pandemic. Local revenues increased approximately \$858,672 or 5.81%, attributable primarily to an increase in local tax collections and interest income. Also adding to the increase in Net Position were capital outlays totaling \$1,381,885, an increase of \$21,002 or 1.54% over prior year.

**BUSINESS-TYPE ACTIVITY**

The Net Position of the District’s food service operation increased by \$69 in 2025.

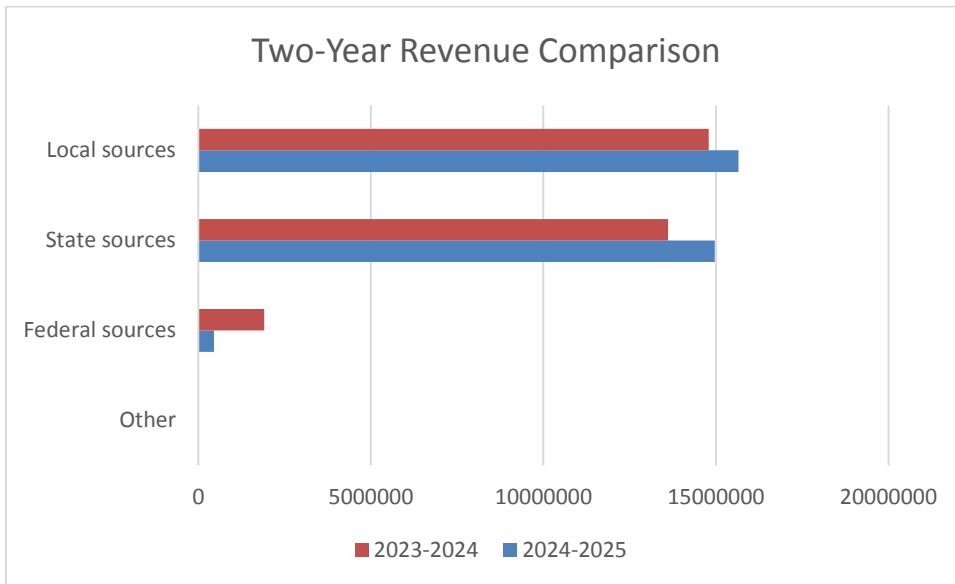
**FINANCIAL ANALYSIS OF THE FUNDS**

**GENERAL FUND (MAJOR)**

The following represents a summary of Actual General Fund revenue, by source, for the years June 30, 2025 and 2024.

PINE GROVE AREA SCHOOL DISTRICT  
 MANAGEMENT’S DISCUSSION AND ANALYSIS  
 JUNE 30, 2025

	2025 Amount	2024 Amount	Increase (Decrease)
Local Sources	\$ 15,649,311	\$ 14,790,639	\$ 858,672
State Sources	14,963,675	13,613,583	1,350,092
Federal Sources	452,423	1,910,191	(1,457,768)
Other	0	0	0
<b>Total</b>	<b>\$ 31,065,409</b>	<b>\$ 30,314,413</b>	<b>\$ 750,996</b>



**LOCAL SOURCES**

Approximately 69.71% of the District’s 2024-25 local source revenue is generated from real estate taxes. During 2025, local revenues increased \$858,672 over 2024. The current real estate tax revenue increased by approximately \$654,360, delinquent tax collections decreased approximately \$37,629, and interest income increased by approximately \$151,640.

**STATE SOURCES**

State sources increased by \$1,350,092 or 9.92%. Although subsidies associated with the Basic Education Funding, Special Education Funding Transportation, and Social Security and Retirement all saw increases over prior year, the substantial decrease in PCCD grants accounted for the majority of the net decrease in state source revenue. The PCCD grants are temporary funding sources and are not expected to be received by the District each year. Note: The District’s retirement expense is offset by the revenue source received from the State.

PINE GROVE AREA SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2025

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**FEDERAL SOURCES**

Federal sources of revenue decreased by \$1,457,768 or 76.32% primarily due to substantially less Federal COVID and ESSER funding received in current year as compared to prior year. Similar to the State PCCD grants, these funding sources are temporary and not expected to be received by the District each year.

**OTHER SOURCES**

Revenues from other sources remained the same as last year at \$0.

The following represents a summary of General Fund Expenditures by function for the year June 30, 2025 and 2024.

	<u>2024-25</u> Amount	<u>2023-24</u> Amount	<u>Increase</u> <u>(Decrease)</u>
Instruction	\$ 18,180,171	\$ 16,649,645	\$1,530,526
Support Services	9,856,888	9,186,513	670,375
Non-Instructional Services	990,504	652,797	337,707
Other Financing Uses	<u>2,031,955</u>	<u>3,303,181</u>	<u>(1,271,226)</u>
 Total	 <u>\$ 31,059,518</u>	 <u>\$ 29,792,136</u>	 <u>\$ 1,267,382</u>

**INSTRUCTION**

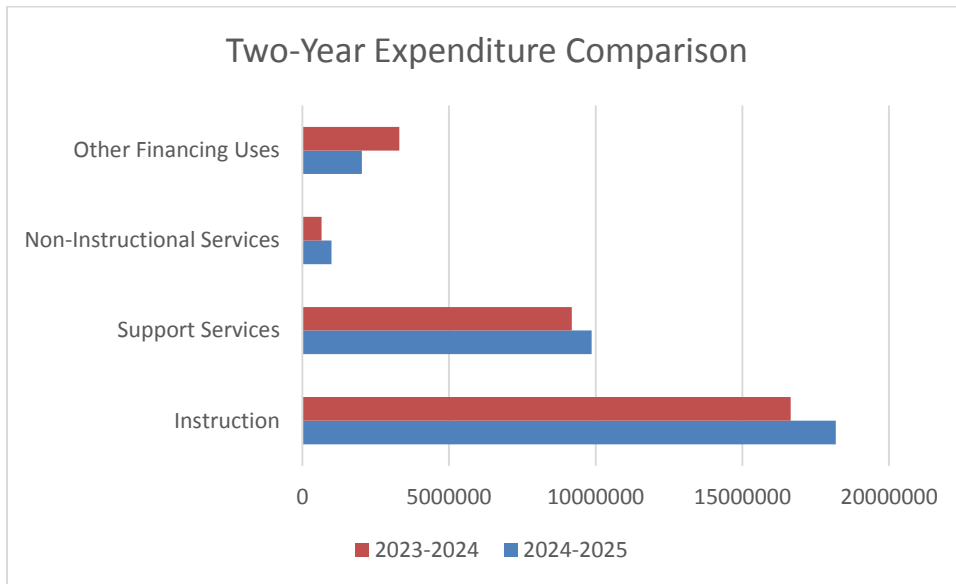
The amount of instructional expenses reported at June 30, 2025 increased approximately \$1,530,526 from the prior year. The increase can be attributed in predominantly to a decrease in the vacancy of professional positions at various times throughout the year and the resulting employee benefits related to the pension and insurance expenses. The vacant professional positions have all been filled and an increase in instructional expenses relating to professional staff vacancies being filled is not expected going forward. This increase was combined with an increase in curriculum spending; curriculum spending costs are expected to increase for the next few school years.

**SUPPORT SERVICES**

The amount of expenditures recognized in this category increased by approximately \$670,375 from the prior year. The increase in support services expenditures can be attributed an increase in salaries and benefits due to support service vacancies being filled during the 2024-2025 school year. The increase can also be attributed to increased support services for our Special Education students.

**NON-INSTRUCTIONAL SERVICES, CAPITAL OUTLAY, REFUND OF PRIOR YEAR, AND DEBT SERVICE**

The amount of expenditures in this category decreased by approximately \$933,519. The majority of this increase can be attributed to the early retirement of District debt in prior year. This decrease in debt repayment was netted against less overall higher-cost project expenditures for the district occurring in 2023-24 as compared to the prior year.



**CAPITAL PROJECTS FUND (MAJOR)**

The Capital Project Fund accounts for major construction projects in the District. The Capital Projects Fund earned \$224,066 of interest and received a \$2,031,465 transfer from the General Fund consisting of a budgeted transfer and ESSER funding, and expended \$1,022,257 on facility acquisition, construction and improvement projects. The fund balance of the Capital Project Fund at June 30, 2025 was \$6,585,080.

PINE GROVE AREA SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2025

**CAPITAL ASSETS**

The District’s investment in capital assets as of June 30, 2025 is summarized below.

	Governmental Activities		Business-type Activities		Totals	
	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2025</u>	<u>6/30/2024</u>
Construction in Progress	0	0	0	0	0	0
Land and Site Improvements, Net	233,458	231,035	0	0	233,458	231,035
Building and Improvements, Net	25,802,006	26,482,129	0	0	25,802,006	26,482,129
Furniture and Equipment, Net	2,834,832	2,115,102	208,038	212,694	3,042,870	2,327,796
Vehicles, Net	25,056	38,921	0	0	25,056	38,921
Totals	<u>28,895,352</u>	<u>28,867,187</u>	<u>208,038</u>	<u>212,694</u>	<u>29,103,390</u>	<u>29,079,881</u>

**NONCURRENT LIABILITIES**

Noncurrent liabilities will be paid one year or later from the date of the Statement of Net Position. The District’s noncurrent liabilities include compensated absences, bonds payable, and other long-term obligations, net of current portions. It should be noted the Governmental Accounting Standards Board (GASB) Statement #45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions became effective for the District in the 2008-2009 fiscal year.

The Postemployment Benefits obligation approximated \$3,510,259 as of June 30, 2025 and is reflected on the statement of Net Position.

In June 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement is intended to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The District adopted Statement No. 68 beginning with its fiscal year 2015 financial statements. The District has worked in conjunction with actuaries and representatives from the State pension system to calculate the liability moving forward, as disclosed in Note 15 to the financial statements.

PINE GROVE AREA SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2025

**SELECTED SUPPLEMENTAL INFORMATION**

The District is required to update, on an annual basis, information as it relates to Continuing Disclosure for Bond Obligation Compliance.

**TAX COLLECTION RECORD**

<u>Fiscal Year</u>	<u>Tax Rate</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Percent Collected</u>	<u>Delinquent</u>	<u>Total + Delinquent</u>	<u>Percent Collected Total</u>
2018-2019	40.75	9,506,650	8,498,633	90%	131,610	8,630,243	91%
2019-2020	41.75	9,825,286	8,618,999	88%	448,022	9,067,021	92%
2020-2021	41.75	9,841,707	8,820,426	90%	542,260	9,362,686	95%
2021-2022	41.75	10,995,632	10,010,494	91%	355,073	10,365,567	94%
2022-2023	41.75	11,397,294	10,273,731	90%	206,140	10,479,871	92%
2023-2024	41.75	11,478,581	10,254,570	89%	436,275	10,690,845	93%
2024-2025	44.756	11,481,930	10,908,930	95%	328,923	11,237,853	98%

Prior to 2018-19, the school district sold its delinquent taxes to a third-party entity for a lump sum payment determined annually. However, the district opted not to enter into this sale beginning in the 2018-19 school year. 2018 and beyond delinquent real estate taxes are collected by Portnoff Law Associates, Ltd. and remitted directly to the school district.

PINE GROVE AREA SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2025

**HISTORY OF ASSESSED VALUE, MARKET VALUE AND COMMON LEVEL RATIO**

<u>School Year</u>	<u>Assessed Valuation</u>	<u>Market Value</u>	<u>Common Level Ratio</u>
2010-2011	223,042,380	578,439,378	38.60%
2011-2012	223,516,875	590,248,036	37.90%
2012-2013	223,516,875	590,248,036	37.90%
2013-2014	224,925,135	593,611,992	37.90%
2014-2015	226,022,575	598,025,605	37.80%
2015-2016	227,380,660	601,311,603	36.93%
2016-2017	229,943,110	603,379,340	36.82%
2017-2018	231,539,595	607,314,775	36.83%
2018-2019	232,751,440	613,122,280	36.56%
2019-2020	235,167,390	618,783,478	37.45%
2020-2021	235,271,600	646,020,823	32.68%
2021-2022	263,547,730	740,159,291	32.10%
2022-2023	272,793,415	853,118,720	26.20%
2023-2024	274,936,060	858,530,570	22.90%
2024-2025**	284,714,445	929,842,337	18.86%

\*\*Source: Pennsylvania State Tax Equalization Board (STEB).

**MUNICIPAL REAL ESTATE TAX RATES**

<u>Municipality</u>	<u>School District</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Frailey Township *	44.76	9.25	15.98	69.99
Pine Grove Borough	44.76	15	15.98	75.74
Pine Grove Township	44.76	4	15.98	64.74
Tremont Borough **	44.76	16	15.98	76.74
Tremont Township	44.76	7	15.98	67.74
Washington Twp	44.76	3.5	15.98	64.24

\* Includes millage street lighting  
\*\*Includes millage for fire house

Source:  
Pennsylvania Department of Community and Economic Development  
(DCED)

### **ECONOMIC CONDITION AND OUTLOOK**

The District expects some growth in the near future given the residential and commercial nature of the local economy, though the amount of growth is not readily determinable. The District’s assessed values over the prior two years averaged significant growth, and above-average growth was seen in the current year. The District’s student population has remained consistent during the same period.

The District is also complying with the enacted law as passed within the Commonwealth of Pennsylvania entitle Act 1 of Special Session of 2007. The goal of the Act 1 legislation seeks to reduce property taxes but in doing so also ensures that the District does not suffer any loss of revenue attributable to the shifting of local revenue sources. During June 30, 2025, the District has complied with all aspects of Act 1.

Retirement Costs associated with District Personnel increased during the fiscal year due to an increase in the rate certified by the Public School Employees’ Retirement System. The table below illustrates the rates charged to the District.

<u>Year</u>	<u>District Rate on Covered Payroll</u>
2018-19	33.43%
2019-20	34.29%
2020-21	34.51%
2021-22	34.94%
2022-23	35.26%
2023-24	34.00%
2024-25	33.90%
2025-26	34.00%
2026-27	33.59%
2027-28	35.26%

Over the next several years, it is projected that the contribution rates for the Public School Employees’ Retirement System of Pennsylvania will rise, though not as significantly as in prior years. Based on actuarial projections, it is anticipated that by the school year 2028-2029, the total employer contribution rate is projected to be 35.85%.

### **EMPLOYEE RELATIONS**

The following represents the Collective Bargaining Agreements in effect at June 30, 2025:

The Pine Grove Area School District and the Pine Grove Area Education Association currently have a contract for a term commencing July 1, 2024 and ending June 30, 2027.

The Pine Grove Area School District and the American Federation of State, County, and Municipal Employees currently have a contract for a term commencing July 1, 2022 and ending June 30, 2026.

The Pine Grove Area School District and the Pine Grove Area Administrative Staff and Act 93 Staff currently have a contract for a term commencing July 1, 2022 and ending June 30, 2026.

### **REQUESTS FOR INFORMATION**

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Angel Green, Business Administrator, Pine Grove Area School District, 103 School Street, Pine Grove, PA 17963.

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**PINE GROVE AREA SCHOOL DISTRICT**

**STATEMENT OF NET POSITION (DEFICIT)**

**JUNE 30, 2025**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 8,928,977	\$ 618,387	\$ 9,547,364
Cash and investments - restricted	7,178,325	0	7,178,325
Taxes receivable, net	3,155,130	0	3,155,130
Intergovernmental receivables	2,851,228	0	2,851,228
Internal balances	0	269,902	269,902
Other account receivables	84,500	0	84,500
Prepaid Expenses	92,445	0	92,445
Inventories	25,311	14,465	39,776
<b>TOTAL CURRENT ASSETS</b>	<b>22,315,916</b>	<b>902,754</b>	<b>23,218,670</b>
<b>NON-CURRENT ASSETS</b>			
Land and site improvements - net	233,457	0	233,457
Building and building improvements - net	25,802,006	0	25,802,006
Machinery and equipment - net	2,834,833	208,038	3,042,871
Vehicles - net	25,056	0	25,056
<b>TOTAL NON-CURRENT ASSETS</b>	<b>28,895,352</b>	<b>208,038</b>	<b>29,103,390</b>
<b>TOTAL ASSETS</b>	<b>51,211,268</b>	<b>1,110,792</b>	<b>52,322,060</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,228,627</b>	<b>0</b>	<b>1,228,627</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 52,439,895</b>	<b>\$ 1,110,792</b>	<b>\$ 53,550,687</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)</b>			
<b>CURRENT LIABILITIES</b>			
Internal balances	\$ 227,057	\$ 0	\$ 227,057
Unearned Revenue	1,501,683	23,003	1,524,686
Accounts payable	709,242	260	709,502
Accrued salaries and benefits	3,077,908	0	3,077,908
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,515,890</b>	<b>23,263</b>	<b>5,539,153</b>
<b>NON-CURRENT LIABILITIES</b>			
OPEB liability	3,510,259	0	3,510,259
Pension liability	28,085,000	0	28,085,000
Long-term portion of compensated absences	701,820	0	701,820
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>32,297,079</b>	<b>0</b>	<b>32,297,079</b>
<b>TOTAL LIABILITIES</b>	<b>37,812,969</b>	<b>23,263</b>	<b>37,836,232</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>2,143,288</b>	<b>0</b>	<b>2,143,288</b>
<b>NET POSITION (DEFICIT)</b>			
Invested in capital assets, net of related debt	28,895,352	208,038	29,103,390
Restricted for:			
Capital projects	6,585,080	0	6,585,080
Scholarships	107,094		107,094
Unrestricted (Deficit)	(23,103,888)	879,491	(22,224,397)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>12,483,638</b>	<b>1,087,529</b>	<b>13,571,167</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)</b>	<b>\$ 52,439,895</b>	<b>\$ 1,110,792</b>	<b>\$ 53,550,687</b>

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

PINE GROVE AREA SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>						
Instruction	\$ 17,631,190	\$ 0	\$ 4,820,306	\$ (12,810,884)	\$ 0	\$ (12,810,884)
Instructional student support	2,263,548	0	314,932	(1,948,616)	0	(1,948,616)
Administrative and financial support services	3,058,040	0	271,611	(2,786,429)	0	(2,786,429)
Operation and maintenance of plant services	2,343,656	0	227,018	(2,116,638)	0	(2,116,638)
Pupil transportation	1,865,427	0	997,571	(867,856)	0	(867,856)
Student activities	606,882	64,852	71,556	(470,474)	0	(470,474)
Community services	0	0	0	0	0	0
Facilities acquisition, construction and improvements services	638,907	0	0	(638,907)	0	(638,907)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>28,407,650</u>	<u>64,852</u>	<u>6,702,994</u>	<u>(21,639,804)</u>	<u>0</u>	<u>(21,639,804)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Food services	1,154,032	456,234	697,798	0	0	0
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>29,561,682</u>	<u>521,086</u>	<u>7,400,792</u>	<u>(21,639,804)</u>	<u>0</u>	<u>(21,639,804)</u>
<b>GENERAL REVENUES AND TRANSFERS</b>						
<b>Taxes:</b>						
Property taxes, levied for general purposes, net				10,908,930	0	10,908,930
Public utility, realty, earned income and miscellaneous taxes levied for general purposes, net				3,867,318	0	3,867,318
Grants, subsidies, and contributions not restricted				8,713,104	0	8,713,104
Investment earnings				713,732	69	713,801
Miscellaneous				509,653	0	509,653
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>				<u>24,712,737</u>	<u>69</u>	<u>24,712,806</u>
<b>CHANGE IN NET POSITION</b>				3,072,933	69	3,073,002
<b>NET POSITION - BEGINNING</b>				<u>9,410,705</u>	<u>1,087,460</u>	<u>10,498,165</u>
<b>NET POSITION - ENDING</b>				<u>\$ 12,483,638</u>	<u>\$ 1,087,529</u>	<u>\$ 13,571,167</u>

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

**PINE GROVE AREA SCHOOL DISTRICT**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2025**

	General	Capital Projects	Total Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>ASSETS</b>			
Cash and investments	\$ 8,928,977	\$ 0	\$ 8,928,977
Cash and investments - restricted	107,094	7,071,231	7,178,325
Taxes receivable	3,155,130	0	3,155,130
Internal balances	259,094	0	259,094
Intergovernmental receivables	2,851,228	0	2,851,228
Other receivables	84,500	0	84,500
Prepaid Expense	92,444	0	92,444
Inventories	25,311	0	25,311
<b>TOTAL ASSETS</b>	<b>15,503,778</b>	<b>7,071,231</b>	<b>22,575,009</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 15,503,778</b>	<b>\$ 7,071,231</b>	<b>\$ 22,575,009</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Internal balances	\$ 0	\$ 486,151	\$ 486,151
Deferred Revenue	4,231,256	0	4,231,256
Accounts payable	709,242	0	709,242
Accrued salaries and benefits	3,077,908	0	3,077,908
<b>TOTAL LIABILITIES</b>	<b>8,018,406</b>	<b>486,151</b>	<b>8,504,557</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCES</b>			
Restricted	107,094	6,585,080	6,692,174
Committed	2,935,716	0	2,935,716
Assigned	1,440,125	0	1,440,125
Unassigned	3,002,437	0	3,002,437
<b>TOTAL FUND BALANCES</b>	<b>7,485,372</b>	<b>6,585,080</b>	<b>14,070,452</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 15,503,778</b>	<b>\$ 7,071,231</b>	<b>\$ 22,575,009</b>

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**RECONCILIATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**

**GOVERNMENTAL FUNDS**

**AS OF JUNE 30, 2025**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** \$ 14,070,452

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

Cost of capital assets	59,789,417
Less: accumulated depreciation	(30,894,065)

Long-term liabilities, are not due and payable in the current period and are not reported as liabilities in the funds.

Pension Liability	(28,085,000)
Compensated absences	(701,820)
OPEB	(3,510,259)
Deferred Outflows of Resources	1,228,627
Deferred Inflows of Resources	(2,143,288)

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds.	2,729,574
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<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 12,483,638</b>
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**PINE GROVE AREA SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**

**ALL GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2025**

	General	Capital Projects	Total Governmental Funds
<b>REVENUES</b>			
Local sources	\$ 15,649,311	\$ 224,066	\$ 15,873,377
State sources	14,963,675	0	14,963,675
Federal sources	452,423	0	452,423
<b>TOTAL REVENUES</b>	<b>31,065,409</b>	<b>224,066</b>	<b>31,289,475</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers	0	2,031,465	2,031,465
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>0</b>	<b>2,031,465</b>	<b>2,031,465</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>31,065,409</b>	<b>2,255,531</b>	<b>33,320,940</b>
<b>EXPENDITURES</b>			
Instruction	18,180,171	0	18,180,171
Support services	9,856,888	0	9,856,888
Operation of non-instructional services	628,694	0	628,694
Facilities acquisition, construction, and improvement services	361,810	1,022,257	1,384,067
<b>TOTAL EXPENDITURES</b>	<b>29,027,563</b>	<b>1,022,257</b>	<b>30,049,820</b>
<b>OTHER FINANCING (USES)</b>			
Refunds of Prior Year Revenue	490	0	490
Transfers	2,031,465	0	2,031,465
<b>TOTAL OTHER FINANCING (USES)</b>	<b>2,031,955</b>	<b>0</b>	<b>2,031,955</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>31,059,518</b>	<b>1,022,257</b>	<b>32,081,775</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,891</b>	<b>1,233,274</b>	<b>1,239,165</b>
<b>FUND BALANCES - BEGINNING</b>	<b>7,479,481</b>	<b>5,351,806</b>	<b>12,831,287</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 7,485,372</b>	<b>\$ 6,585,080</b>	<b>\$ 14,070,452</b>

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 1,239,165</b>
Because some property and personal taxes will not be collected for several months after the District's year end, they are not considered as available revenues in the government funds.	191,107
Postemployment benefits are recognized when they are paid on the fund statements. With the implementation of GASB #75, an estimated liability for future benefits due will be phased in over several years. This amount represents the difference between the estimated annual cost and the amount paid.	112,618
Retirement benefits are recognized when they are paid on the fund statements. With the implementation of GASB #68, an estimated liability for future benefits due will be phased in over several years. This amount represents the difference between the estimated annual cost and the amount paid.	1,425,000
Expenses or prepaid expenses reported in the Statement of Activities, such as compensated absences and health insurance claims, do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	76,878
Governmental funds recognize capital outlays as expenditures versus as capital assets in the Statement of Net Assets.	1,381,885
Depreciation expense is recognized in the Statement of Activities but is not recognized in governmental funds.	<u>(1,353,720)</u>
<b>CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>3,072,933</u></b>

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

**PINE GROVE AREA SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources	\$ 14,873,635	\$ 14,873,635	\$ 15,649,311	\$ 775,676
State sources	11,323,845	11,323,845	14,963,675	3,639,830
Federal sources	2,704,305	2,704,305	452,423	(2,251,882)
<b>TOTAL REVENUES</b>	28,901,785	28,901,785	31,065,409	2,163,624
<b>OTHER FINANCING SOURCES</b>	154,000	154,000	0	(154,000)
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	29,055,785	29,055,785	31,065,409	2,009,624
<b>EXPENDITURES</b>				
Instruction	18,395,638	18,395,638	18,180,171	215,467
Support services	8,523,577	8,523,577	9,856,888	(1,333,311)
Operation of non-instructional services	452,005	452,005	628,694	(176,689)
Facilities acquisition, construction, and improvement services	0	0	361,810	(361,810)
<b>TOTAL EXPENDITURES</b>	27,371,220	27,371,220	29,027,563	(1,656,343)
<b>OTHER FINANCING (USES)</b>				
Refunds of Prior Years Revenue	0	0	490	(5,005)
Budgetary reserve	2,031,465	2,031,465	0	2,031,465
Transfers	0	0	2,031,465	(2,031,465)
<b>TOTAL OTHER FINANCING (USES)</b>	2,031,465	2,031,465	2,031,955	(5,005)
<b>TOTAL EXPENDITURES AND OTHER FINANCING (USES)</b>	29,402,685	29,402,685	31,059,518	(1,661,348)
<b>NET CHANGE IN FUND BALANCES</b>	(346,900)	(346,900)	5,891	348,276
<b>FUND BALANCE - BEGINNING OF YEAR</b>	6,957,204	6,957,204	7,479,481	522,277
<b>FUND BALANCE - END OF YEAR</b>	\$ 6,610,304	\$ 6,610,304	\$ 7,485,372	\$ 870,553

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

PINE GROVE AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2025

	<u>Food Service</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 618,387
Internal balances	269,902
Inventories	14,465
<b>TOTAL CURRENT ASSETS</b>	<u>902,754</u>
<b>NON-CURRENT ASSETS</b>	
Machinery and equipment	636,363
Less: accumulated depreciation	<u>(428,325)</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>208,038</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>0</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 1,110,792</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	
<b>CURRENT LIABILITIES</b>	
Deferred Revenue	\$ 23,003
Accounts payable	260
<b>TOTAL CURRENT LIABILITIES</b>	<u>23,263</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>0</u>
<b>NET POSITION</b>	
Invested in capital assets - net of related debt	208,038
Unrestricted	879,491
<b>TOTAL NET POSITION</b>	<u>1,087,529</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 1,110,792</u>

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Food Service
<b>OPERATING REVENUES</b>	
Local sources:	
Food service revenues	\$ 456,234
<b>TOTAL OPERATING REVENUES</b>	456,234
<b>OPERATING EXPENSES</b>	
Food Costs	1,115,729
Other purchased services	3,573
Supplies	9,852
Depreciation	23,044
Dues and fees	1,834
<b>TOTAL OPERATING EXPENSES</b>	1,154,032
<b>OPERATING (LOSS)</b>	(697,798)
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Earnings on investments	69
State sources	144,894
Federal sources	552,904
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	697,867
<b>CHANGE IN NET POSITION</b>	69
<b>NET POSITION - BEGINNING OF YEAR</b>	1,087,460
<b>NET POSITION - END OF YEAR</b>	\$ 1,087,529

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

**PINE GROVE AREA SCHOOL DISTRICT**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers and intergovernments	\$ 456,627
Cash paid to suppliers	<u>(1,166,043)</u>
<b>NET CASH (USED FOR) OPERATING ACTIVITIES</b>	<u>(709,416)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Grants and subsidies received from non-operating activities:	
State sources	144,894
Federal sources	<u>552,904</u>
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<u>697,798</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of Capital Assets	<u>(18,389)</u>
<b>NET CASH (USED FOR) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(18,389)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Earnings on investments	<u>69</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(29,938)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>648,325</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 618,387</u>
<b>OPERATING (LOSS)</b>	\$ (697,798)
<b>ADJUSTMENTS TO RECONCILE OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES:</b>	
Depreciation	23,044
Changes in current assets and current liabilities	
(Increase) Decrease in inventories	(1,095)
(Increase) Decrease in advance to other funds	(3,110)
Increase (Decrease) in accounts payable	(30,850)
Increase (Decrease) in deferred revenue	<u>393</u>
<b>TOTAL ADJUSTMENTS</b>	<u>(11,618)</u>
<b>TOTAL CASH (USED FOR) OPERATING ACTIVITIES</b>	<u>\$ (709,416)</u>

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2025**

	<u>Custodial Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>ASSETS</b>	
Cash	\$ 203,270
<b>TOTAL ASSETS</b>	<u>203,270</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>0</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 203,270</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Interfund accounts payable	\$ 42,845
<b>TOTAL LIABILITIES</b>	<u>42,845</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	0
<b>NET POSITION</b>	
Restricted for Activity Clubs	160,425
<b>TOTAL NET POSITION</b>	<u>160,425</u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	 <u>\$ 203,270</u>

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Investment income	\$ 339
Program Income	256,911
<b>TOTAL ADDITIONS</b>	<u>257,250</u>
 <b>DEDUCTIONS</b>	
Program Expenses	<u>247,344</u>
 <b>TOTAL DEDUCTIONS</b>	 <u>247,344</u>
 <b>CHANGE IN NET POSITION</b>	 9,906
 <b>NET POSITION - BEGINNING OF YEAR</b>	 <u>150,519</u>
 <b>NET POSITION - END OF YEAR</b>	 \$ <u><u>160,425</u></u>

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

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

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

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

The financial statements include:

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

**REPORTING ENTITY**

The District does not have any component units nor is the District a component unit of any other primary government.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**BASIS OF PRESENTATION**

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

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

1. Direct Expenses are those that are clearly identifiable with a specific program.
2. Program revenues include 1) charges to students or recipients who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.
3. Taxes and other items not properly included among program revenues are reported as general revenues.

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

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

BASIS OF PRESENTATION - continued

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

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

The District reports the following major governmental funds:

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

**Capital Projects Fund** - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary and trust funds. The District also uses the capital projects fund to pay initial functional costs, such as textbooks, involved in opening a facility, therefore all expenditures are not recorded as capital outlay.

The District reports the following major proprietary fund types:

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

Other fund types:

**Agency Funds** - These funds account for assets held by the District as an agent for various student groups and clubs.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

ACCOUNTING STANDARDS ADOPTED IN YEAR ENDED JUNE 30, 2025

GASB Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after July 1, 2024.

The primary objective of GASB Statement No. 101 is to improve the recognition, measurement, and disclosure of compensated absences, such as vacation and sick leave, that are provided to employees in exchange for services rendered. The standard aims to enhance consistency, comparability, and transparency in reporting these liabilities across governments. Under GASB 101, governments are required to recognize a liability for compensated absences when the leave is earned if (1) the leave is attributable to services already rendered, (2) it accumulates and can be carried forward for use in future periods, and (3) it is more likely than not to be used for time off or otherwise paid to the employee. The District evaluated all applicable leave types in accordance with the new standard and determined that the implementation did not result in a material adjustment to beginning net position or fund balance. Accordingly, no restatement was required. The addition of GASB Statement No. 101 did not otherwise materially affect the District's financial statements for the year ended June 30, 2025.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**BASIS OF ACCOUNTING**

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

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

All business-type activities and enterprise funds of the district follow FASB Statements and Interpretations on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**BUDGETING**

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

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

**DEPOSITS AND INVESTMENTS**

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

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

**INVENTORY**

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**CAPITAL ASSETS**

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$1,500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

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

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

**COMPENSATED ABSENCES**

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

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

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

**RESTRICTED ASSETS**

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as a bond indenture. Restricted assets are reported only in the District-wide financial statements.

**FUND EQUITY**

In the fund financial statements, governmental funds report fund balance in accordance with GASB Statement No. 54 (see Note 12).

**NET POSITION**

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**FOOD SERVICE FUND - UNALLOCATED COSTS**

The District does not attempt to allocate Building-Wide Costs to the Food Service Fund. Thus, General Fund expenditures (utilities, janitorial services, insurance, etc.) which partially benefit the Food Service Fund are not proportionately recognized within the Food Service Fund. Similarly, the Food Service Fund does not recognize a cost for the building space it occupies (no facilities rental expense).

**POST EMPLOYMENT HEALTH CARE BENEFITS - COBRA BENEFITS**

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible employees and eligible dependents. Certain requirements are outlined by the federal government for the coverage. The premium plus 2% administration fee is paid in full by the insured on or before the tenth day of the month for the actual month covered. This program is offered for a duration of 18 months. There is no associated cost to the District under this program, and there are zero participants in the program as of June 30, 2025.

**RETIREE BENEFITS**

In addition to the pension benefits described in Note 16, the District makes health care benefits available to all eligible employees who retired from the District. The premium is paid in full by the insured who retired prior to June 30, 2012 on or before the tenth day of the month for the actual month covered. The District pays the full cost of retirees who retired as of June 30, 2012 less various contributions by the retiree. There are currently twenty participants in the program as of June 30, 2025.

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 2 - DEPOSITS AND INVESTMENTS:**

DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The deposit policy of the school district adheres to state statutes and prudent business practice. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less. Cash and cash equivalents consist of demand deposits at various financial institutions, a money market mutual fund investment in Pennsylvania Treasurer's Invest Program for Local Government, a money market fund and certificate of deposit, the Pennsylvania School District Liquid Asset Fund (PSDLAF), and cash on hand of \$475. The market values of deposits are equal to the cost of the deposits.

Under Section 440.1 of the Public School Code of 1949, as amended, the District is permitted to:

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

At June 30, 2025, the carrying amount of the District's deposits was \$9,754,810. and the bank balance was \$9,907,587. Of the bank balance, \$500,000. was covered by federal depository insurance coverage and \$9,407,587. was exposed to custodial credit risk because it was uninsured and the collateral held by the depository's agent was not in the District's name.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**INVESTMENTS**

The investment policy of the school district adheres to state statutes and prudent business practices. The investments of the school district consist of certificates of deposit and U.S. Agency Obligations as authorized by the Board. Investments are stated at cost including accrued interest which approximates market value.

The District invests in the Pennsylvania School District Liquid Asset Fund (PSDLAF) and the Pennsylvania Treasurer's Invest Program for Local Government as authorized by the Board. PSDLAF was established to enable school districts to pool funds for investment in instruments authorized by Section 440.1 of the Pennsylvania Public School Code of 1949, as amended. Pennsylvania Treasurer's Invest Program for Local Government insures that it will not place deposits with any single issuing institution if the largest participant's pro rata share of such deposits exceeds \$100,000., unless such deposits are secured by (1) Treasurer, federal agencies (collateralized at 102%) or (2) certificates of deposit (collateralized by 120%).

As of June 30, 2025, the District had the following investments.

PA School District Liquid Asset Fund (PSDLAF)	\$ 7,173,674
	<hr/>
<b>Total Investments</b>	<b><u>\$ 7,173,674</u></b>

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

INVESTMENTS - continued

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. It is the practice of the District to limit its interest rate risk by investing in securities with maturity dates under one year. At June 30, 2025, the District's investments in securities of U.S. agencies had maturity dates of less than one year.

Custodial Credit Risk

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

Credit Risk

Under Section 4440.1 of the Public School Code of 1949, as amended, the District is permitted to invest its monies as follows:

Obligations of (1) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (2) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (3) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

INVESTMENTS - continued

Concentration Risk

The District does not have a policy that would limit the amount it may invest in any one issuer. The District's investments are with PA Invest and Pennsylvania School District's Liquid Asset Fund (PSDLAF).

RECONCILIATION OF CASH, CASH EQUIVALENTS, AND INVESTMENTS

The classification of cash, cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash & Cash Equivalents	Investments	Total
Cash, Cash Equivalents, and Investments	\$ 9,755,285	\$ 7,173,674	\$ 16,928,959

**NOTE 3 - INTERGOVERNMENTAL RECEIVABLES:**

Intergovernmental receivables listed in the General Fund at June 30, 2025, are comprised of the following:

State Share of Social Security	\$ 184,644
State Share of Retirement	819,714
State Grants	250,000
Federal Programs	1,278,724
Local Programs	318,146
<b>Total Intergovernmental Receivables</b>	<b>\$ 2,851,228</b>

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

A summary of general long-term debt is as follows:

	Accrued Compensated Absences	District Other Post- Employment Benefits	PSERS Other Post- Employment Benefits	PSERS Pension Liability	Total
Balance - June 30, 2024	\$ 778,698	\$ 2,631,372	\$ 1,214,000	\$ 29,806,000	\$ 34,430,070
Additions	0	0	0	0	0
Reductions - Payments	(76,878)	(315,113)	(20,000)	(1,721,000)	(2,132,991)
Balance - June 30, 2025	<u>\$ 701,820</u>	<u>\$ 2,316,259</u>	<u>\$ 1,194,000</u>	<u>\$ 28,085,000</u>	<u>\$ 32,297,079</u>

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**Compensated Absences**

The General Long-Term Debt group of accounts includes liability of \$701,820, which represents the amount of compensated absences computed by using unused sick and vacation days at current compensation rates. If an employee separates from service for reasons other than sickness or retirement, no payout is required. If an employee retires with unused compensated absences, the payout policy is as follows:

Emergency and personal - no payout

Vacation (administrative personnel) - limited accumulation of vacation days

Sickness - payout is based on age and years of service in the District.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 5 - CAPITAL ASSETS:**

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

	Balance June 30, 2024	Net Additions (Deductions)	Balance June 30, 2025
<b>Governmental Activities:</b>			
Capital Assets, Not Being Depreciated			
Land	\$ 64,449	\$ 0	\$ 64,449
Total Capital Assets, Not Being Depreciated	64,449	0	64,449
Capital Assets, Being Depreciated:			
Buildings and Improvements	48,933,170	263,683	49,196,853
Furniture and Equipment	9,029,531	1,113,854	10,143,385
Vehicles	184,795	0	184,795
Site Improvements	195,587	4,348	199,935
Total Capital Assets, Being Depreciated	<u>58,343,083</u>	<u>1,381,885</u>	<u>59,724,968</u>
Accumulated Depreciation For:			
Buildings and Improvements	(22,451,041)	(943,806)	(23,394,847)
Furniture and Equipment	(6,914,429)	(394,124)	(7,308,553)
Vehicles	(145,874)	(13,865)	(159,739)
Site Improvements	(29,001)	(1,925)	(30,926)
Total Accumulated Depreciation	<u>(29,540,345)</u>	<u>(1,353,720)</u>	<u>(30,894,065)</u>
<b>Governmental Activities -</b>			
<b>Capital Assets, Net</b>	<u>\$ 28,867,187</u>	<u>\$ 28,165</u>	<u>\$ 28,895,352</u>
<b>Business-type Activities:</b>			
Furniture/Equipment	\$ 617,974	\$ 18,389	\$ 636,363
Less: Accumulated Depreciation	<u>(405,280)</u>	<u>(23,045)</u>	<u>(428,325)</u>
<b>Business-type Activities -</b>			
<b>Capital Assets, Net</b>	<u>\$ 212,694</u>	<u>\$ (4,656)</u>	<u>\$ 208,038</u>

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

Instructional	\$ 586,069
Support Services	102,226
Operation and Maintenance of Plant Services	14,728
Student Activities	13,973
Facilities Acquisition, Construction, and Improvement Services	61,324
Building Acquisition and Construction Services	575,400
<b>Total Depreciation Expense</b>	<u>\$ 1,353,720</u>

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 5 - CAPITAL ASSETS – continued**

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

Regular Programs - Elementary / Secondary	\$ 586,069
Support Services	102,226
Operation and Maintenance of Plant Services	14,278
Student Activities	13,973
Facilities Acquisition, Construction and Improvement	61,324
Building Acquisition and Construction Services	575,400
<b>Total Depreciation Expense</b>	<b>\$ <u>1,353,270</u></b>

**NOTE 6 - INTERFUND OPERATING BALANCES:**

Individual fund operating balances for the year ended June 30, 2025 were as follows:

	Internal Balance Receivable	Internal Balance Payable
Activities Fund	\$ 0	\$ 42,845
General Fund	259,094	0
Capital Projects	0	486,151
Cafeteria Fund	269,902	0
<b>Total All Funds</b>	<b>\$ <u>528,996</u></b>	<b>\$ <u>528,996</u></b>

All balances are current and are payable within one year. Balances exist due to normal operating transfers between individual funds

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 7 - TAXES ASSESSED AND DEFERRED REVENUE:**

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

Tax Type	Millage/Rate	Assessed Valuation
Real Estate - Schuylkill County	44.756 mills	\$ 11,481,930
Occupation Tax - Act 511	\$250.00/person	2,114,250
<b>Total Assessed Valuation</b>		<b>\$ <u>13,596,180</u></b>

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

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

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 was measurable and available within the 60 days, was recognized as revenue, and the balance deferred in the fund financial statements. All taxes, net of uncollectible amounts, are recognized in the period for which levied in the government-wide financial statements, regardless of when collected.

The balances at June 30, 2025, are as follows:

Tax	Gross Taxes Receivable	Allowance for Uncollectible Taxes	Governmental Funds		
			Net Estimated to be Collectible	Tax Revenue Recognized	Deferred Taxes
Real Estate	\$ 637,218	\$ 0	\$ 637,218	\$ 49,007	\$ 588,211
Earned Income	280,968	0	280,968	280,968	0
Local Service	17,032	0	17,032	17,032	0
Realty Transfer	11,840	0	11,840	11,840	0
Occupational Privilege Tax	2,678,127	470,055	2,208,072	66,710	2,141,362
<b>Tax</b>	<b>\$ <u>3,625,185</u></b>	<b>\$ <u>470,055</u></b>	<b>\$ <u>3,155,130</u></b>	<b>\$ <u>425,557</u></b>	<b>\$ <u>2,729,573</u></b>

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 8 - BUDGETARY INFORMATION:**

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

**NOTE 9 - INTERFUND OPERATING TRANSFERS:**

Individual fund operation transfers for the year ended June 30, 2025 were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 0	\$ 2,031,465
Capital Projects	2,031,465	0
<b>Total All Funds</b>	<u>\$ 2,031,465</u>	<u>\$ 2,031,465</u>

**NOTE 10 - COMMITMENTS AND CONTINGENCIES:**

The collective bargaining agreement between the District and the employees expires as follows:

Teaching Staff	June 30, 2027
Support Staff	June 30, 2026
Act 93 Employees	June 30, 2026

**GRANT PROGRAMS**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

During the normal course of business, the District is subject to numerous disputes and claims. At June 30, 2025, there were no items of pending or threatened litigation which management feels would have a material effect on the District's financial condition.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 11 - REVENUE FROM LOCAL SOURCES:**

During the current year, revenues from local sources consisted of the following:

	General Fund	Other Funds	Total
Property Taxes, Current	\$ 10,908,930	\$ 0	\$ 10,908,930
Earned Income Taxes	1,693,400	0	1,693,400
Other Current Taxes	1,205,845	0	1,205,845
Delinquent Taxes	776,967	0	776,967
Investment Income	489,665	224,474	714,139
Co-curricular Activities	64,852	0	64,852
Other Revenue from Local Sources	509,652	0	509,652
<b>Total</b>	<b>\$ 15,649,311</b>	<b>\$ 224,474</b>	<b>\$ 15,873,785</b>

**NOTE 12 - GASB STATEMENT NO. 54:**

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

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

**Nonspendable** – Amounts that cannot be spent because they are either in a nonspendable form or are legally or contractually required to be maintained intact.

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

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

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

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 12 - GASB STATEMENT NO. 54 – continued**

**ORDER OF FUND BALANCE SPENDING POLICY**

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

First, nonspendable fund balances are determined. Then, restricted fund balances for the nongeneral funds are classified as restricted fund balance.

It is possible for the nongeneral funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balance for the nongeneral fund.

**MINIMUM FUND BALANCE**

The District's school board policy states:

- 1.) The school district will strive to maintain an unassigned general fund balance of not less than five percent (5%) and not more than eight percent (8%) of the budgeted expenditures for that fiscal year.
- 2.) The total fund balance, consisting of several portions including committed, assigned and unassigned, may exceed eight percent (8%).
- 3.) If the unassigned portion of the fund balance falls below the threshold of five percent (5%), the board will pursue variations of increasing revenues and decreasing expenditures or a combination of both until five percent (5%) is attained. If the assigned and unassigned portions of the fund balance exceed eight percent (8%) of budgeted expenditures, the Board may utilize a portion of the fund balance by appropriating excess funds for nonrecurring expenditures only.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 12 - GASB STATEMENT NO. 54 – continued**

<b>BALANCE SHEET - GOVERNMENTAL FUNDS</b>			
<b>JUNE 30, 2025</b>			
	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>EQUITY</b>			
Nonspendable	\$ 0	\$ 0	\$ 0
Restricted	107,094	6,585,080	6,692,174
Committed	2,935,716	0	2,935,716
Assigned	1,440,125	0	1,440,125
Unassigned	3,002,437	0	3,002,437
<b>TOTAL FUND BALANCE</b>	<b>\$ 7,485,372</b>	<b>\$ 6,585,080</b>	<b>\$ 14,070,452</b>

**NOTE 13 - RELATED ORGANIZATIONS:**

Not included in the School's District financial statements are any Parent-Teacher Associations (PTA), Parent-Teacher Organizations (PTO) and athletic and band booster clubs. These agencies provide services to students and employees of the School District, but are separate legal entities having sufficient autonomy in the management of their own affairs to distinguish them as separate from the administrative organization of the School District. The School District does not account for these entities as component units or joint ventures; it does not maintain an ongoing financial interest or have responsibility for these entities.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

PLAN DESCRIPTION

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

FUNDING POLICY

The contribution requirements of plan members and the District are established and may be amended by the School Board, subject to applicable labor contracts and benefit plans. Plan members are required to pay \$100. per month towards the premium for medical, drugs, dental, and vision. The District pays the remaining premium for the member and remaining premium for member and spouse for those under Act 93 Agreement. The District also pays the full premium for life insurance in varying amounts. The length of benefits coverage ranges from five years or from date of retirement to age 65.

For 2025, the District made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to \$311,373. These costs are recognized as an expense when claims or premiums are paid.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**Plan Membership**

Inactive plan member or beneficiaries currently receiving benefits	169
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>13</u>
	<u><u>182</u></u>

**Components of the net OPEB liability**

Total OPEB liability	\$ 2,316,259
Plan fiduciary net position	<u>0</u>
<b>Net OPEB Liability</b>	<b><u><u>\$ 2,316,259</u></u></b>

Plan fiduciary net position of the total OPEB liability 0.00%

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

	1.00% Decrease <u>3.29%</u>	Current Discount Rate <u>4.29%</u>	1.00% Increase <u>5.29%</u>
Net OPEB liability (asset)	\$ 2,481,875	\$ 2,316,259	\$ 2,159,856

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

	1.00% Decrease <u>        </u>	Current Healthcare Cost Rates <u>        </u>	1.00% Increase <u>        </u>
Net OPEB liability (asset)	\$ 2,089,884	\$ 2,316,259	\$ 2,582,003

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**ACTUARIAL METHODS AND ASSUMPTIONS**

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

In the July 1, 2023 actuarial valuation, the individual entry age normal actuarial cost method was used. There were also merit and seniority salary rate increase assumptions taken into consideration and those are detailed in the actuarial study and are based on age. There was also an inflationary rate assumption factored into the calculation. Per the actuarial study, the assumed rate ranges from 7.0% in the short-term to 4.0% in the long-term for health care related costs. The UAAL is being amortized as a level percentage of active member payroll over a period of 20 years.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 15 – PENSION:**

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

PENSIONS

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

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

PLAN DESCRIPTION

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

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.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 15 – PENSION - continued**

**BENEFITS PROVIDED**

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.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 15 – PENSION – continued**

**CONTRIBUTIONS**

Member Contributions:

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

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

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

Members who joined the System after June 30, 2011, automatically contributed at the Membership Class T-E rate of 7.50% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elected Class T-F membership, contribute at 10.30% (base rate) of the member's qualifying compensation. All new hires after June 30, 2019, who elected Class T-G membership, contribute at 8.25% (base rate) of the member's qualifying compensation. All new hires after June 30, 2019, who elected Class T-H membership, contribute at 7.50% (base rate) of the member's qualifying compensation. All new hires after June 30, 2021, who elected Class T-E membership, contribute 8.00% of the member's qualifying compensation. All new hires after June 30, 2021, who elected Class T-F membership, contribute 10.80% of the member's qualifying compensation. All new hires after June 30, 2021, who elected Class T-G membership, contribute 9.00% of the member's qualifying compensation. All new hires after June 30, 2021, who elected Class T-H membership, contribute 8.25% of the member's qualifying compensation. All new hires after June 30, 2021, who elected Class DC membership, contribute 7.50% of the member's qualifying compensation. Membership Class T-E, Class T-F, Class T-G & T-H are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 5.50% and 9.50% and Membership Class T-F contribution rate to fluctuate between 8.30% and 12.30%, Membership Class T-G contribute rate to fluctuate between 2.50% and 8.50% and Membership Class T-H contribute rate to fluctuate between 1.50% and 7.50%.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 15 – PENSION - continued**

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

Employer Contributions:

The school district's contractually required contribution rate for 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 \$3,523,091. for the year ended June 30, 2025.

The defined contribution rate of .35% is an estimated rate. It is recommended employers use the actual defined contributions made to the PSERS defined contribution plan. This may impact contributions made to the pension plan.

At June 30, 2025, the District reported a liability of \$28,085,000. 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 covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District proportion was .0671%, which was an increase of .0001% from its proportion measured as of June 30, 2024.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 15 – PENSION - continued**

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

For the year ended June 30, 2025, the District recognized pension expense of \$(1,425,000). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 0	\$ 442,000
Changes in assumptions	0	0
Net difference between projected and actual investment earnings	464,000	0
Changes in proportion	32,000	346,000
Difference between employer contributions and proportionate share of total contributions	0	0
Contributions subsequent to the measurement date	0	0
<b>Total All Funds</b>	<u>\$ 496,000</u>	<u>\$ 788,000</u>

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 15 – PENSION - continued**

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

\$496,000. reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Estimated Amount
2025	\$ (948,000)
2026	617,000
2027	135,000
2028	(94,000)
Thereafter	0
<b>Total Deferred Outflows/ Inflows of Resources</b>	<b>\$ (290,000)</b>

The total pension liability at June 30, 2024 was determined by rolling forward the System’s total pension liability at 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%
- 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 Mortality Improvement Scale.
- The discount rate used to measure the Total Pension Liability decreased from 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%

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 15 – PENSION - continued**

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

- Real wage growth and merit or seniority increases (components for salary growth) – decrease 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 the period ending June 30, 2020.

**ACTUARIAL ASSUMPTIONS**

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.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 15 – PENSION - continued**

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

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.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS – continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 15 – PENSION - continued**

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

**DISCOUNT RATE**

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

**SENSITIVITY OF THE DISTRICT’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE**

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District’s proportionate share of the net pension liability	\$ 36,996,000	\$ 28,085,000	\$ 20,560,000

**PENSION PLAN FIDUCIARY NET POSITION**

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**1. Summary of Significant Accounting Policies**

Other Postemployment Benefits

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

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

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of- pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS’ Health Options Program. As of June 30, 2024, there were no assumed future benefit increases to participating eligible retirees.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**1. Summary of Significant Accounting Policies - continued**

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, and

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

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

Pension Plan Description

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

Benefits Provided

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**1. Summary of Significant Accounting Policies - continued**

Employer Contributions:

The school districts’ contractually required contribution rate for the fiscal year ended June 30, 2025 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$68,000. for the year ended June 30, 2025.

**2. 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 \$1,194,000 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 .0672% percent, which was an increase of .0001% from its proportion measured as of June 30, 2024.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

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

For the year ended June 30, 2025, the District recognized OPEB expense of (\$74,618). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 5,000	\$ 18,000
Changes in assumptions	73,000	182,000
Net difference between projected and actual investment earnings	2,000	0
Changes in proportion	14,000	48,000
Difference between employer contributions and proportionate share of total contributions	0	0
Contributions subsequent to the measurement date	0	0
<b>Total All Funds</b>	<u>\$ 94,000</u>	<u>\$ 248,000</u>

\$94,000. reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 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:

<u>Year Ending June 30,</u>	<u>Estimated Amount</u>
2025	\$ (39,000)
2026	(47,000)
2027	(57,000)
2028	(9,000)
2029	(4,000)
Thereafter	<u>0</u>
<b>Total Deferred Outflows/ Inflows of Resources</b>	<u>\$ (156,000)</u>

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**3. 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 2.00% 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 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.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**3. Actuarial Assumptions - continued**

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

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

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

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

Discount rate

The discount rate used to measure the Total OPEB Liability was 4.21%. 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.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**3. Actuarial Assumptions - continued**

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 it 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	\$ 1,194,000	\$ 1,194,000	\$ 1,194,000

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:

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
District's proportionate share of the net OPEB liability	\$ 1,349,000	\$ 1,194,000	\$ 1,064,000

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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

**3. Actuarial Assumptions - continued**

OPEB plan fiduciary net position

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

**NOTE 17 – SUBSEQUENT EVENTS:**

The District has evaluated events and transactions occurring subsequent to the balance sheet date of June 30, 2025 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through December 16, 2025, the date these financial statements were available to be issued.

## **OTHER SUPPLEMENTAL INFORMATION**

**PINE GROVE AREA SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**A. SUMMARY OF AUDIT RESULTS**

1. Auditor’s report expresses an unqualified opinion on the financial statements of Pine Grove Area School District.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Pine Grove Area School District which would be required to be reported in accordance with Government Auditing Standards were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance required by the Uniform Guidance.
5. The auditor’s report on compliance for the major federal award programs for Pine Grove Area School District expresses an unqualified opinion.
6. There were no audit findings relative to the major federal programs for the Pine Grove Area School District.
7. The program tested as a major program included:

Program	CFDA #
Education Stabilization Fund	84.425
Special Education Grants to States	84.027
Special Education Preschool Grants	84.173

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

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT**

None

**PINE GROVE AREA SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/ Pass Through Grantor/ Program Title	Source Code	Federal CFDA Number	Federal Cluster Code	Pass Through Grantors' Number	Program or Award Amount	Grant Period Beginning/Ending Date	Total Received For Year	Accrued Or (Deferred) Revenue July 1, 2024	Revenue Recognized	Expenditures	Accrued Or (Deferred) Revenue June 30, 2025
<b>U.S. DEPARTMENT OF EDUCATION</b>											
<b>Passed Through State Department of Education:</b>											
E.S.E.A. Title I - 2023-2024	(I)	84.010		013-24-0338	312,724	07/1/23-09/30/24	165,635	165,082	553	553	0
E.S.E.A. Title I - 2024-2025	(I)	84.010		013-25-0338	265,815	07/1/24-09/30/25	124,047	0	265,815	265,815	141,768
E.S.E.A. Title II Improving Teacher Quality - 2023-2024	(I)	84.367		020-24-0338	43,563	07/1/23-09/30/24	23,156	23,156	0	0	0
E.S.E.A. Title II Improving Teacher Quality - 2024-2025	(I)	84.367		020-25-0338	39,075	07/1/24-09/30/25	13,059	0	39,075	39,075	26,016
E.S.E.A. Title IV Student Support Enrichment - 2023-2024	(I)	84.424		144-24-0338	24,878	07/1/23-09/30/24	8,293	8,293	0	0	0
E.S.E.A. Title IV Student Support Enrichment - 2024-2025	(I)	84.424		144-25-0338	23,550	07/1/24-09/30/25	10,990	0	23,550	23,550	12,560
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) - 2020-2021	(I)/(CV)	84.425U		223-21-0338	2,461,919	03/13/20-09/30/24	1,253,340	1,253,340	0	0	0
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) (ESSER 7% Consolidated)	(I)/(CV)	84.425U		225-21-0338	191,347	03/13/21-09/30/24	107,850	82,264	25,586	25,586	0
<b>Passed Through Schuylkill County Intermediate Unit:</b>											
Special Education - Grants to States (IDEA)	(I)	84.027	(SE)	62-25-0029	264,134	07/01/24-06/30/25	0	0	264,134	264,134	264,134
Special Education - Preschool Grants (IDEA)	(I)	84.173	(SE)	62-25-0029	5,526	07/01/24-06/30/25	0	0	5,526	5,526	5,526
<b>TOTAL DEPARTMENT OF EDUCATION</b>					3,632,531		1,706,370	1,532,135	624,239	624,239	450,004
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>											
<b>Passed Through State Department of Human Services:</b>											
Medical Assistance - Access	(I)	93.778		013-11-0338	1,115	07/01/23-06/30/24	676	676	0	0	0
Medical Assistance - Access	(I)	93.778		013-11-0338	1,115	07/01/24-06/30/25	5,103	0	5,103	5,103	0
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					2,230		5,779	676	5,103	5,103	0
<b>U.S. DEPARTMENT OF AGRICULTURE</b>											
<b>Passed Through State Department of Education:</b>											
National School Lunch - 2024-2025	(I)	10.555	(CN)	129-54-600-3	390,558	07/01/24-06/30/25	390,558	0	390,558	390,558	0
National School Lunch - 2024-2025	(S)	N/A		129-54-600-3	23,095	07/01/24-06/30/25	23,095	0	23,095	23,095	0
School Breakfast Program - 2024-2025	(I)	10.553	(CN)	129-54-600-3	127,173	07/01/24-06/30/25	127,173	0	127,173	127,173	0
School Breakfast Program - 2024-2025	(S)	N/A		129-54-600-3	121,799	07/01/24-06/30/25	121,799	0	121,799	121,799	0
<b>Passed Through State Department of Agriculture:</b>											
National School Lunch (Value of USDA Commodities)	(I)	10.555	(CN)	2-07-54-680	35,174	07/01/24-06/30/25 (A)	35,122 (B)	(5,175)	35,174 (C)	35,174 (D)	(5,123)
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>					697,799		697,747	(5,175)	697,799	697,799	(5,123)
<b>SUB-TOTAL</b>					4,332,560		2,409,896	1,527,636	1,327,141	1,327,141	444,881
<b>STATE AWARD EXPENDITURES</b>					144,894		144,894	0	144,894	144,894	0
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>					\$ 4,187,666		\$ 2,265,002	\$ 1,527,636	\$ 1,182,247	\$ 1,182,247	\$ 444,881

**Source Code Legend:**  
(D) Indicates direct federal financial assistance funding.  
(I) Indicates indirect federal financial assistance funding.  
(S) Indicates State matching funding.  
(CV) Indicates Coronavirus Funding

**Federal Cluster Code Legend:**  
(SE) Indicates Special Education Cluster  
(CN) Indicates Child Nutrition Cluster

**Other Code Legend:**  
(A) Indicates value of USDA commodities received in current year.  
(B) Indicates beginning inventory value of USDA commodities.  
(C) Indicates value of USDA commodities used in current year.  
(D) Indicates ending inventory value of USDA commodities.

**PINE GROVE AREA SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:**

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

**NOTE 2 - COMMODITIES:**

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

**NOTE 3 – INDIRECT COSTS:**

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

**NOTE 4 – CLUSTER PROGRAMS:**

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

Child Nutrition Cluster		Special Education Cluster (IDEA)		Medicaid Cluster	
CFDA #	Expenditures	CFDA #	Expenditures	CFDA #	Expenditures
10.553	\$ 127,173	84.027	\$ 264,134	93.778	\$ 5,103
10.555	425,732	84.173	5,526		
<b>Total</b>	<b>\$ 552,905</b>	<b>Total</b>	<b>\$ 269,660</b>	<b>Total</b>	<b>\$ 5,103</b>

**NOTE 5 – MEDICAL ASSISTANCE:**

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

**REQUIRED  
SUPPLEMENTAL INFORMATION**

**PINE GROVE AREA SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
<b>DISTRICT'S PROPORTION OF THE NET PENSION LIABILITY (ASSET)</b>	0.6700%	0.6700%	0.6820%	0.0689%	0.0716%	0.0702%	0.0692%	0.0703%	0.0726%	0.0741%
<b>DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)</b>	\$ 28,085,000	\$ 29,806,000	\$ 30,321,000	\$ 28,288,000	\$ 35,255,000	\$ 32,841,000	\$ 33,219,000	\$ 34,720,000	\$ 35,978,000	\$ 32,097,000
<b>DISTRICT'S COVERED-EMPLOYEE PAYROLL</b>	\$ 10,660,452	\$ 10,273,091	\$ 10,032,494	\$ 9,768,782	\$ 10,060,337	\$ 9,687,820	\$ 9,313,261	\$ 9,358,282	\$ 9,404,854	\$ 9,532,929
<b>DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL</b>	263.45%	290.14%	302.23%	289.58%	350.44%	338.99%	356.68%	371.01%	382.55%	336.70%
<b>PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY</b>	64.63%	61.85%	61.34%	54.32%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
<b>CONTRACTUALLY REQUIRED CONTRIBUTION</b>	\$ 3,523,091	\$ 3,510,303	\$ 3,400,109	\$ 3,273,185	\$ 3,343,748	\$ 3,144,000	\$ 2,936,000	\$ 2,689,000	\$ 2,310,000	\$ 1,913,000
<b>CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION</b>	<u>(3,523,091)</u>	<u>(3,510,303)</u>	<u>(3,400,109)</u>	<u>(3,273,185)</u>	<u>(3,343,748)</u>	<u>(3,144,000)</u>	<u>(2,936,000)</u>	<u>(2,689,000)</u>	<u>(2,310,000)</u>	<u>(1,913,000)</u>
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>DISTRICT'S COVERED-EMPLOYEE PAYROLL</b>	\$ 10,660,452	\$ 10,273,091	\$ 10,032,494	\$ 9,768,782	\$ 10,060,337	\$ 9,687,820	\$ 9,313,261	\$ 9,358,282	\$ 9,404,854	\$ 9,532,929
<b>CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL</b>	33.05%	34.17%	33.89%	33.51%	33.24%	32.45%	31.52%	28.74%	24.56%	24.56%

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>CONTRACTUALLY REQUIRED CONTRIBUTION</b>	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
<b>CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>DISTRICT'S COVERED-EMPLOYEE PAYROLL</b>	\$ 9,542,128	\$ 9,255,704	\$ 9,255,704	\$ 8,983,234	\$ 8,983,234	\$ 8,626,890	\$ 8,626,890	\$ 8,010,119
<b>CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET OPEB LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>DISTRICT'S PROPORTION OF THE NET OPEB LIABILITY (ASSET)</b>								
<b>DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)</b>	\$ 2,316,259	\$ 2,631,372	\$ 2,708,213	\$ 3,822,441	\$ 4,152,528	\$ 3,702,410	\$ 4,101,045	\$ 3,799,898
<b>DISTRICT'S COVERED-EMPLOYEE PAYROLL</b>	\$ 9,542,128	\$ 9,255,704	\$ 9,255,704	\$ 8,983,234	\$ 8,983,234	\$ 8,626,890	\$ 8,626,890	\$ 8,010,119
<b>DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL</b>	24.27%	28.43%	29.26%	42.55%	46.23%	42.92%	47.54%	47.44%
<b>PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB-PSERS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>CONTRACTUALLY REQUIRED CONTRIBUTION</b>	\$ 68,000	\$ 77,000	\$ 80,000	\$ 80,000	\$ 84,000	\$ 80,000	\$ 77,000	\$ 78,000
<b>CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION</b>	(68,000)	(77,000)	(80,000)	(80,000)	(84,000)	(80,000)	(77,000)	(78,000)
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>DISTRICT'S COVERED-EMPLOYEE PAYROLL</b>	\$ 10,660,452	\$ 10,273,091	\$ 10,032,494	\$ 9,768,782	\$ 10,060,337	\$ 9,687,820	\$ 9,313,261	\$ 9,358,282
<b>CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL</b>	0.64%	0.75%	0.80%	0.82%	0.83%	0.83%	0.83%	0.83%

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

**PINE GROVE AREA SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET OPEB-PSERS LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
<b>DISTRICT'S PROPORTION OF THE NET OPEB- PSERS LIABILITY (ASSET)</b>									
<b>DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB - PSERS LIABILITY (ASSET)</b>	\$ 1,194,000	\$ 1,214,000	\$ 1,255,000	\$ 1,633,000	\$ 1,549,000	\$ 1,493,000	\$ 1,443,000	\$ 1,432,000	\$ 1,564,000
<b>DISTRICT'S COVERED-EMPLOYEE PAYROLL</b>	\$ 10,660,452	\$ 10,273,091	\$ 10,032,494	\$ 9,768,782	\$ 10,060,337	\$ 9,687,820	\$ 9,313,261	\$ 9,358,282	\$ 9,404,854
<b>DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB - PSERS LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL</b>	11.20%	11.82%	12.51%	16.72%	15.40%	15.41%	15.49%	15.30%	16.62%
<b>PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB - PSERS LIABILITY</b>	7.13%	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%	5.47%

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