Pine-Richland School District
Financial Statements
June 30, 2025

Hosack, Specht Muetzel & Wood

CERTIFIED PUBLIC ACCOUNTANTS

Pine-Richland School District
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Independent Auditor's Report

Members of the Board
Pine-Richland School District
Gibsonia, Pennsylvania

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 Pine-Richland School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Pine-Richland 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 Pine-Richland School District as of June 30, 2025, and the respective changes in financial position 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-Richland 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 Pine-Richland School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement 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 the expressing an opinion on the effectiveness of Pine-Richland 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pine-Richland 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, budgetary comparison information, post-employment benefit information and pension information, as shown in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pine-Richland School District's basic financial statements. The accompanying 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*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2026, on our consideration of Pine-Richland School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pine-Richland School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pine-Richland School District's internal control over financial reporting and compliance.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
February 5, 2026

The discussion and analysis of Pine-Richland School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for the State and Local Governments. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

During the fiscal year 2024/2025, the School District's total general fund operating expenditures increased by $4,395,014 or 4.44% over the prior year's spending. The School District was able to manage operational expenditures to produce a positive budget to actual variance of $1,374,768 (1.31%) when removing the lease reclassifications. Total general fund expenditures for the 2024/2025 fiscal year were $104,790,888, which includes the $1,491,861 lease reclassification.

General fund revenues for the School District totaled $107,038,705 for the year. This represents an increase from the prior year of approximately $1.889 million or 1.8%. The millage rate for real estate tax was 19.5867 mills for 2024/2025 which represents no increase in millage rate since 2017. The School District's actual revenues within the general fund for the fiscal year exceeded projections by $1,424,081. This variance is primarily attributable to two sources of local revenue and one state revenue: (1) earned income tax and current real estate taxes received were higher than budgeted by $180,117 and (2) earnings on investments were higher than expected by $1,067,379. The common level ratio court ruling in 2022 that affects Allegheny County school districts, continues to decrease real estate assessment values causing level to declining real estate revenue growth in existing properties. State Revenues had a negative variance of $147,884. A capital funds transfer was budgeted at $8,389,199, the actual amount transferred was $7,368,950. Due to Capital Reserve fund interest earning over the past few years, this allowed flexibility in the actual transfer amount.

The School District's overall expenditures exceeded overall revenues in the general fund, thus resulting in a decrease in its fund balance of $3,701,272 to its current level of $30,616,721. Budgeted use of fund balance was $7,379,350 resulting in a $3,678,078 positive variance from budgeted. This level of fund balance represents approximately 27.06% of total budgeted expenditures and other financing uses, which is considered healthy for public school systems. The School District has committed a portion of fund balance for the Public School Employees' Retirement System and assigned portions of fund balance for employee benefit obligations, such as retirement contributions and healthcare premiums, future capital improvements, and debt service.

Using the Annual Financial Report

The Annual Financial Report consists of a financial section and a single audit section which is issued to comply with federal guidelines as required in the Government Auditing Standards and the Uniform Grant Guidance. Within the financial section are the management's discussion and analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand Pine-Richland School District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the statement of net position and the statement of activities. These provide both long-term and short-term information about the School District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements. The governmental funds statements tell how general School District services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. For Pine-Richland School District, the general fund is the most significant fund. Proprietary fund statements offer short and long-term financial information about the activities that the School District operates like a business. For this School District, this is our food service fund and concession fund. Fiduciary fund statements provide information about financial relationships where the School District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes to explain some of the information in the financial statements and provide more detailed data.

Figure A-1 shows how the required parts of the financial section are arranged and relate to one another:

Figure A – 1
Required Components of
Pine-Richland School District's
Financial Report

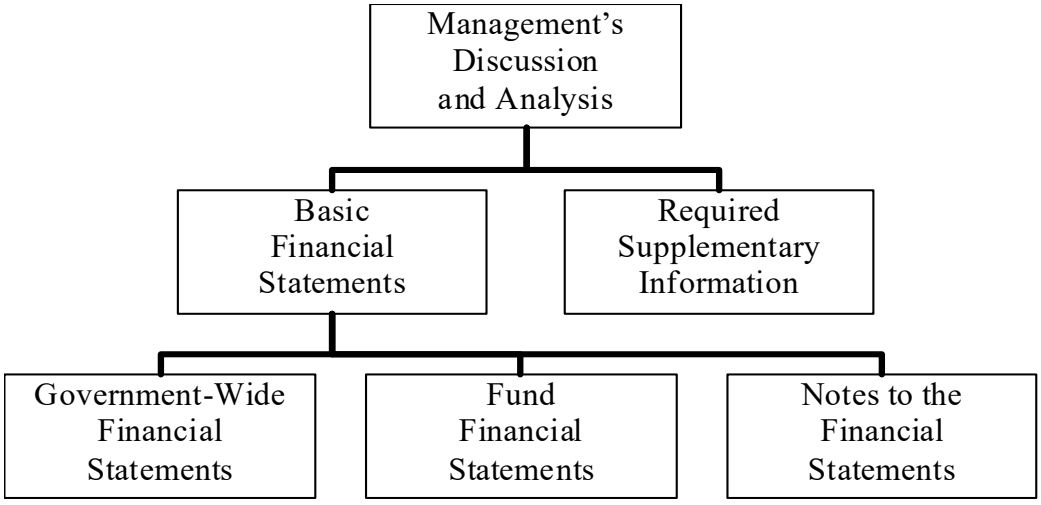


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A – 2
Major Features of Pine-Richland School District's
Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire School District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as education, administration and community services	Activities the School District operates similar to private business - food services	Instances in which the School District is the trustee or agent to someone else's resources
Required financial statements	Statement of net position; statement of activities	Balance sheet; statement of revenues, expendi-tures, and changes in fund balance	Statement of net position; statement of revenues, expenses and changes in net position; statement of cash flows	Statement of fiduciary net position; statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of in-flow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did the School District perform financially during fiscal year ended June 30, 2025?" The statement of net position and the statement of activities help to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in the net position. This change in net position is important because it tells the reader, for the School District as a whole, whether the financial position of the School District has improved or diminished. The changes presented on this statement may be the result of many factors, some financial, some not. Nonfinancial factors include the School District's property tax base, current property tax laws in Pennsylvania restricting revenue growth, legislative law, specifically Act 1 of 2006, facility conditions and improvements, required educational programs and initiatives, student population growth, mandated services, capital asset depreciation and other factors.

Overview of Financial Statements

Government-Wide Statements

The government-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the School District's net position and how they have changed. Net position, the difference between the School District's assets and liabilities, is only one way to measure the School District's financial health or position.

Over time, increases or decreases in the School District's net position are an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the School District, you need to consider additional non-financial factors, such as changes in the School District's property tax base and the performance of the students.

The government-wide financial statements of the School District are divided into two categories:

- Governmental activities - Most of the School District's basic services are included here, such as instruction, support services, operation and maintenance of plant, pupil transportation services and administrative services. Property taxes and state and federal subsidies and grants finance most of these activities.

- Business-type activities - The School District operates a food service operation and charges fees to staff, students and visitors to help it cover the costs of the food service operation.

Fund Financial Statements

The School District's fund financial statements, which begin with Exhibit 3, provide detailed information about the most significant funds - not the School District as a whole. Some funds are required by state law and bond requirements.

Governmental funds - Most of the School District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Proprietary funds - These funds are used to account for the School District activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding through user charges. When the School District charges customers for services it provides - whether to outside customers or to other units in the School District - these services are generally reported in proprietary funds. The food service fund one of the School District's proprietary funds and is the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows.

Fiduciary funds - The School District is the trustee, or fiduciary, for student activity funds. All of the School District's fiduciary activities are reported in separate statements of fiduciary net position on Exhibit 10 and statement of change in net position on Exhibit 11. We exclude these activities from the School District's other financial statement because the School District cannot use these assets to finance its operations.

Financial Analysis of the School District as a Whole

The School District's total net position was a deficit $(51,889,871) at June 30, 2025 and a deficit $(56,205,370) at June 30, 2024.

Table A - 1
Years Ended June 30, 2025 and 2024
Net Position

	2025			2024		
	Governmental Activities	Business-Type Activities	Totals	Governmental Activities	Business-Type Activities	Totals
Current and Other Assets	$ 59,620,016	$ 1,524,885	$ 61,144,901	$ 58,809,715	$ 1,622,659	$ 60,432,374
Capital Assets	91,454,742	442,120	91,896,862	91,864,631	271,413	92,136,044
Total Assets	151,074,758	1,967,005	153,041,763	150,674,346	1,894,072	152,568,418
Deferred Outflows of Resources	17,862,003	-	17,862,003	21,327,035	-	21,327,035
Current and Other Liabilities	12,708,925	159,700	12,868,625	12,588,565	113,476	12,702,041
Noncurrent Liabilities						
Due Within One Year	6,729,560	-	6,729,560	6,359,375	-	6,359,375
Due in More Than One Year	199,389,452	-	199,389,452	206,562,407	-	206,562,407
Total Liabilities	218,827,937	159,700	218,987,637	225,510,347	113,476	225,623,823
Deferred Inflows of Resources	3,806,000	-	3,806,000	4,477,000	-	4,477,000
Net Position						
Net Investment in Capital Assets	(5,595,840)	442,120	(5,153,720)	(2,270,894)	271,413	(1,999,481)
Unrestricted	(48,101,336)	1,365,185	(46,736,151)	(55,715,072)	1,509,183	(54,205,889)
Total Net Position	$ (53,697,176)	$ 1,807,305	$ (51,889,871)	$ (57,985,966)	$ 1,780,596	$ (56,205,370)

Most of the School District's net position is invested in capital assets (buildings, land, and equipment). The remaining unrestricted net position is a combination of designated and undesignated amounts. The designated balances are amounts set aside to fund purchases or capital projects as planned by the School District.

The results of this year's operations as a whole are reported in the statement of activities on Exhibit 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the School District's activities that are supported by other general revenues. The largest general revenues are the local taxes assessed to community taxpayers and the Subsidies provided by the Commonwealth of Pennsylvania.

The 2024/2025 financial statements offer a view of the financial condition of the School District on a consolidated basis. For example, investment earnings not only include interest earnings in the general fund, but also interest earnings in the food service fund and all other governmental funds.

Table A-2 takes the information from that statement, rearranges it slightly, so you can see our total revenues for the year.

Table A - 2
Years Ended June 30, 2025 and 2024
Changes in Net Position

	2025			2024		
	Governmental Activities	Business-Type Activities	Totals	Governmental Activities	Business-Type Activities	Totals
Revenues						
Program Revenues						
Charges for Services	$ 164,561	$ 1,446,820	$ 1,611,381	$ 149,360	$ 1,510,823	$ 1,660,183
Operating Grants and Contribs.	15,066,804	636,904	15,703,708	14,243,109	806,430	15,049,539
Capital Grants and Contribs.	951,297	-	951,297	1,014,111	-	1,014,111
General Revenues						
Property Taxes	67,168,239	-	67,168,239	65,891,894	-	65,891,894
Other Taxes	11,890,667	-	11,890,667	12,057,540	-	12,057,540
Grants, Subsidies and Contribs.						
Unrestricted	8,535,490	-	8,535,490	7,973,543	-	7,973,543
Investment Earnings	3,299,800	58,495	3,358,295	3,009,357	69,006	3,078,363
Other	739,792	-	739,792	771,942	-	771,942
Total Revenues	107,816,650	2,142,219	109,958,869	105,110,856	2,386,259	107,497,115

Table A - 2
Years Ended June 30, 2025 and 2024
Changes in Net Position

	2025			2024		
	Governmental Activities	Business-Type Activities	Totals	Governmental Activities	Business-Type Activities	Totals
Expenses						
Instruction	63,245,628	-	63,245,628	57,497,405	-	57,497,405
Instructional Student Support	8,009,139	-	8,009,139	7,036,546	-	7,036,546
Admin. and Fin. Support Svcs.	9,149,625	-	9,149,625	9,021,971	-	9,021,971
Operation and Maintenance of Plant Services	9,223,074	-	9,223,074	8,083,366	-	8,083,366
Pupil Transportation	6,148,405	-	6,148,405	5,955,033	-	5,955,033
Student Activities	2,637,607	-	2,637,607	2,334,114	-	2,334,114
Community Services	86,600	-	86,600	73,000	-	73,000
Interest on Long-Term Debt	2,541,053	-	2,541,053	2,695,101	-	2,695,101
Unallocated Depreciation Expense	2,486,729	-	2,486,729	2,091,879	-	2,091,879
Food Service	-	2,115,510	2,115,510	-	2,019,830	2,019,830
Total Expenses	103,527,860	2,115,510	105,643,370	94,788,415	2,019,830	96,808,245
Increase (Decrease) in Net Position	4,288,790	26,709	4,315,499	10,322,441	366,429	10,688,870
Beginning Net Position	(57,985,966)	1,780,596	(56,205,370)	(68,308,407)	1,414,167	(66,894,240)
Ending Net Position	$ (53,697,176)	$ 1,807,305	$ (51,889,871)	$ (57,985,966)	$ 1,780,596	$ (56,205,370)

The tables below present the expenses of both the governmental activities and the business-type activities of the School District.

Table A-3 shows the School District's largest functions - instructional programs, instructional student support, administrative, operation and maintenance of plant, pupil transportation, student activities, community services, interest on debt, as well as each program's net cost (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants, subsidies and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues.

Table A - 3
Years Ended June 30, 2025 and 2024
Governmental Activities

	2025		2024	
	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Functions/Programs				
Instruction	$ 63,245,628	$ 52,523,076	$ 57,497,405	$ 47,406,639
Instructional Student Support	8,009,139	6,930,767	7,036,546	6,235,057
Admin. and Fin. Support Svcs.	9,149,625	8,437,573	9,021,971	8,320,409
Operation and Maintenance of Plant Services	9,223,074	8,633,983	8,083,366	7,523,130
Pupil Transportation	6,148,405	4,254,914	5,955,033	3,927,253
Student Activities	2,637,607	2,401,800	2,334,114	2,123,478
Community Services	86,600	86,600	73,000	73,000
Interest on Long-Term Debt	2,541,053	1,589,756	2,695,101	1,680,990
Unallocated Depreciation Expense	2,486,729	2,486,729	2,091,879	2,091,879
Total Governmental Activities	$ 103,527,860	87,345,198	$ 94,788,415	79,381,835
Less:				
Unrestricted Grants, Subsidies		(8,535,490)		(7,973,543)
Total Needs from Local Taxes and Other Revenues		$ 78,809,708		$ 71,408,292

The dependence upon tax revenues for governmental activities is apparent. Approximately, eighty percent (80%) of instruction activities are supported through taxes and other local revenues. For all governmental activities, local revenue support is seventy-four percent (74%). The community, as a whole, is the primary support for School District students.

Business-Type Activities

The only major business-type activity of the School District is the food service operations. As noted on the statement of revenues, expenses, and changes in net position - proprietary funds on Exhibit 8, this program had operating revenues of $1,446,620 and operating expenses of $2,115,510 for the fiscal year 2024/2025. Revenue has been consistent the past two fiscal years. Sodexo was the food service management company in the 2024/2025 school term. Food service management companies guarantee a profit from their services. The guarantee for 2024/2025 was $86,533 which is extended to the School District as a credit during the school year. The District worked with Sodexo to reduce the guarantee to increase wages to attract potential employees to reduce vacancies. The food service operations ended the year with an increase in net position of $26,453.

State and Federal revenues in 2024/2025 decreased by $169,526 from the prior year. On the expenditure side, overall expenditures increased by $95,680.

Every five years, the School District is required to bid the food service management contract. The District selected Chartwells as the new food service management company for 2025/2026. The School District and Chartwells, remain committed to quality food choices for students and increasing participation through the breakfast and lunch programs. Both the School District and Chartwells will actively work with students, parents, staff and school directors during recent years to obtain their thoughts and suggestions on improving the program. The District has a Health and Wellness committee that meets quarterly to solicit input to the program. The District selected Chartwells as they feel they were most able to provide meals with the highest quality food as well as offering: (1) more scratch-cooked products; (2) more plant-based options; and (3) more fresh products. Chartwells is implementing new programs to increase participation that have seen positive results in the early part of the 2025/2026 school year.

The School District continues to monitor food costs to ensure that meal prices remain at appropriate levels to cover expenditures.

School District Funds

The general fund, which accounts for the School District's operations, represents one of the School District's most significant major funds. At June 30, 2025, the School District's governmental funds reported a combined fund balance of $46,352,249, which is an increase of $178,222 from the amount at June 30, 2024. This is due to an increase of $3,879,498 in the capital projects fund and a decrease in the operations of the general fund of $(3,701,276). School District fund balance in the general fund remains healthy and is currently $30 million. Total fund balance consists of amounts allocated as nonspendable, restricted, committed, assigned and unassigned as shown on Exhibit 3.

General Fund Budgeting Highlights

The School District's budget is prepared according to Pennsylvania law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general operating fund.

During the fiscal year, the School Board of Directors (the Board) authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the School District.

The budgeting systems are designed to tightly control budgets by administrators responsible for their individual areas. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided within the financial statements.

For the general operating fund, original and final budget revenue totals remain unchanged throughout the year at $105,755,644. Total expenditures budgeted at $104,245,798 were increased from the original budget by $500,000 via board approved transfers throughout the fiscal year from other financing uses. The difference between expenditure and revenue budget allocations consists of other financing sources and uses, such as interfund transfers and budgetary reserve. For the 2024/2025 fiscal year, local and state revenues were higher than budget projections. Federal Revenues were less than budgeted due no draw down of ACCESS taking place in 2024/2025. Local revenues were higher than anticipated primarily due to earnings on investments. This revenue classification helped minimize the real estate revenue losses due to the Common Level Ratio court case in Allegheny County reducing real estate assessment values over the past three years. Total actual revenues collected were $107,038,705.

Expenditures were budgeted at $104,745,798 after taking into account approved budget transfers throughout the fiscal year. Actual expenditures were $$104,790,888, which includes the $1,491,861 lease reclassification. Negative variances did occur in a few program areas. General and Special Education had a negative variances due to contracted services (substitute services and IU services) in both programs and tuition costs related to special education. Instructional Staff had a negative variance due to salary and benefits. A portion of this variance is due to the new retirement program in the ratified PREA agreement. Transportation had negative variance results. Transportation has become more volatile recently due to the increase in specialized and individual transportation required by state regulations. Student Activities and Athletics showed a negative variance. Prior year refunds for real estate tax payments due to the Common Level Ratio adjustment resulted in over $297870. That amount does not include the refunds for the current year which reduce revenue by $564,763.

As a result of operations, the general operating fund balance decreased by $3,701,272 to its current level of $30,616,721.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2025, the School District had $89,826,465 invested in a broad range of capital assets, including land, site improvements, buildings, furniture and equipment and construction in progress. This amount represents a net decrease of $1,411,694 or 1.55% from last year. The decrease in capital assets is primarily a result of ongoing depreciation.

Table A - 4
Governmental Activities
Capital Assets - Net of Depreciation

	2025	2024
Land	$ 1,542,645	$ 1,542,645
Land Improvements	5,341,422	5,974,814
Buildings and Building Improvements	79,106,358	72,088,389
Furniture and Equipment	2,369,485	1,485,473
Construction in Progress	1,466,555	10,146,838

Debt Administration

As of June 30, 2025, the School District had total outstanding bonds and note principal of $83,353,896 as listed in Note 7 of the financial statements. Table A-5 below depicts the School District's total outstanding debt by issue.

Table A - 5
Outstanding Debt

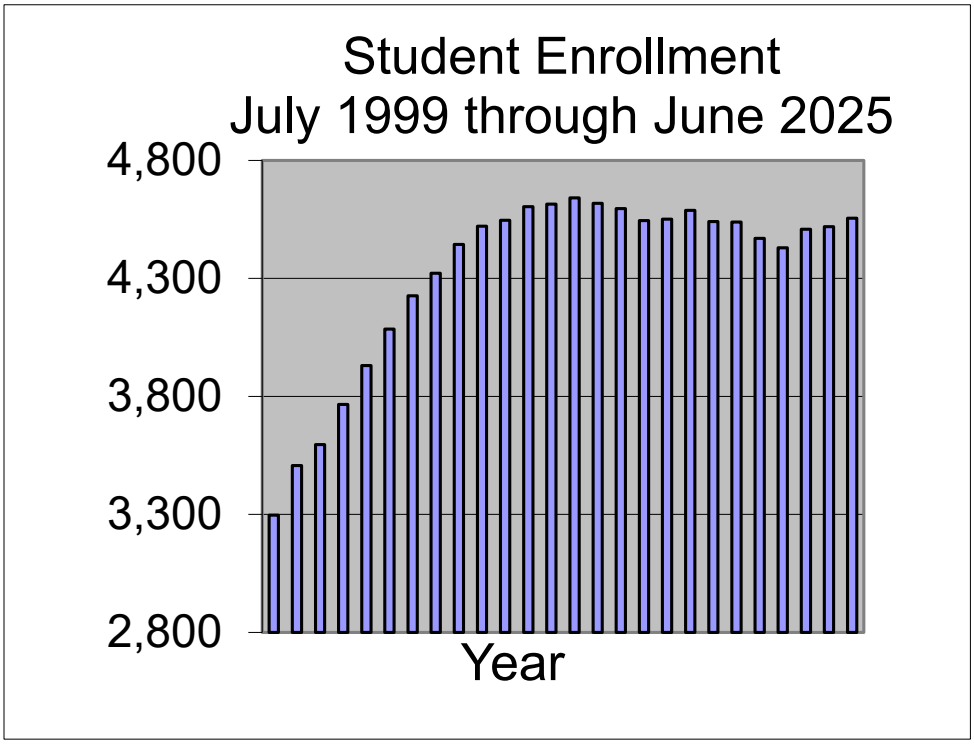
General Obligation	**As of 06/30/25**	**As of 06/30/24**
Bonds - Series A of 1996	$ 3,090,427	$ 6,171,308
Refunding Series of 2014B	15,085,000	15,395,000
Refunding Series of 2015B	6,310,000	6,670,000
Bonds - State Public School Authority Revenue, 2016	598,469	738,093
Refunding Series of 2017	6,760,000	6,905,000
Refunding Series of 2019	5,155,000	5,620,000
Refunding Series of 2019A	4,620,000	5,030,000
Refunding Series of 2019B	2,620,000	2,835,000
Refunding Series of 2020A	7,690,000	7,990,000
Refunding Series of 2020B	22,875,000	23,245,000
Refunding Series of 2021	2,710,000	3,200,000
Refunding Series of 2022	5,840,000	5,855,000

Other obligations include accrued and compensated vacation pay, sick leave pay and post-employment benefits for qualifying employees who retire from the School District. More detailed information about our long-term liabilities is included in Note 7 to the financial statements.

Economic Factors and Next Year's Budget and Rates

Pine-Richland School District bond rating was increased to "AA/Stable" in April of 2024 by Standard & Poor's (S&P), a New York municipal finance agency. The "AA/Stable" rating reflects the School District's stable outlook and strong capacity to meet financial commitments.

The community has experienced substantial growth in population and economic wealth. The graph below depicts the student population growth over the past 25 years.



Historically, the rapid growth within Pine-Richland School District has put additional burden on local taxpayers. Each year, an analysis is conducted of staffing levels, transportation services, educational programs, support services and extracurricular activities to meet student needs and demand. In prior years, facilities were updated and expanded to meet the needs of increased student enrollment. The construction of Eden Hall Upper Elementary School, which accommodates fourth, fifth and sixth grade students, was completed and opened in August 2008. The School District also completed a significant expansion project to Pine-Richland High School in August 2012. At this time, student enrollment has reached a level point.

In July 2006, the Governor of Pennsylvania signed into law Act 1 of 2006 that imposes a limitation by which school board directors are not permitted to raise the real estate tax rate beyond a predetermined index or percentage each year. Currently, the law does provide for some exceptions to exceed this limitation. Examples of these include special education costs, employer retirement contribution rate costs and certain construction costs. Increases in tax rates beyond those permissible under the Act would require referendum approval by the voters of the Pine-Richland School District before budget adoption could occur. This represents a significant change to school district finances that has caused 500 school districts in the Commonwealth of Pennsylvania to accelerate their budget timeline. The base index under Act 1 for Pine-Richland School District for the 2024/2025 school year (2024/2025 budget year) was 4.0%.

Next Year's Budget Comparison

In the 2025/2026 revenue and expenditure budget, budgeted revenues have increased by $1,674,816 or by 1.59%. Budget Expenditures have increased by $2,461,933 or 2.17%. This is an increase of $787,117 in usage of fund balance in the 2025/2026 budget from the prior year budget.

Major revenue budget changes are as follows:

	Budgeted Revenue 2025/2026	Actual Revenue 2024/2025	Percentage Change
Real estate taxes	$ 66,793,224	$ 67,000,089	-0.3%
Act 511 taxes	12,457,735	11,816,227	5.4%
Other local revenue	3,952,436	4,552,086	-13.2%
Basic instructional subsidies	6,629,460	6,639,619	-0.2%
Special education subsidies	2,166,566	2,052,978	5.5%
Other state revenue	14,872,816	14,359,047	3.6%
Federal revenue	558,224	618,659	-9.8%
Other financing sources*	-	1,419,861	-100.0%
	$ 107,430,461	$ 108,458,566	

* Represents bond refunding activity.

Major expenditure budget changes are as follows:

	Budgeted Expenditures 2025/2026	Actual Expenditures 2024/2025	Percentage Change
Wages and Salaries	$ 44,187,565	$ 42,507,548	4.0%
Employer share - benefits	30,881,284	29,133,191	6.0%
Purchased professional services	5,605,600	5,646,984	-0.7%
Purchased property services	662,723	613,788	8.0%
Other purchased services	10,593,042	10,858,434	-2.4%
Books and supplies	5,887,922	4,812,829	22.3%
Capitalized equipment	-	1,431,173	-100.0%
Debt service	9,362,497	9,515,915	-1.6%
Other expenditures	1,119,864	271,025	313.2%
Fund Transfers	6,921,832	7,368,950	-6.1%
Budgetary reserve	375,000	-	100.0%
	$ 115,597,329	$ 112,159,837	

This budget includes $500,000 of contingency (budgetary reserves) for unanticipated expenditures.

The comparison of revenue and expenditure categories is as follows:

Table A - 6

	Budgeted Revenue 2025/2026	Actual Revenue 2024/2025
Local	77.5%	76.9%
State	21.6%	21.3%
Federal	0.5%	0.6%
Other Financing Sources	0.4%	1.2%
	Budgeted Expenditures 2025/2026	**Actual Expenditures 2024/2025**
Instruction	54.9%	55.9%
Support Services	26.5%	26.6%
Noninstructional Services	2.2%	2.4%
Fund Transfers/Debt/Other	16.4%	15.1%

Pine-Richland School District has been active in controlling costs where possible and promoting fiscal responsibility. The current real estate millage rate has been established at 19.5867 mills and represents a flat millage rate for the 2025/2026 fiscal year which includes funds for projects identified in the ten-year capital funding plan. All efforts to utilize School District growth to fund future needs without additional taxpayer support is a primary goal of the Board of Directors and management of the School District.

Contacting the School District Financial Management

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the School District's finances and to show the Board's accountability for the money it receives. If you have questions about this report or wish to request additional information, please contact Christopher Juzwick, Director of Financial and Operational Services, Pine-Richland School District, 702 Warrendale Road, Gibsonia, PA 15044. You may also make requests via email to cjuzwick@pinerichland.org.

Pine-Richland School District
Statement of Net Position
June 30, 2025

Exhibit 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 51,834,637	$ 1,473,649	$ 53,308,286
Taxes Receivable, Net	1,500,444	-	1,500,444
Due From Other Governments	4,011,310	8,775	4,020,085
Other Receivables	168,738	2,322	171,060
Inventories	-	40,139	40,139
Prepaid Items	2,104,887	-	2,104,887
Capital Assets not Being Depreciated			
Land	1,542,645	-	1,542,645
Construction in Progress	1,466,555	-	1,466,555
Capital Assets, Net			
Land Improvements	5,341,422	-	5,341,422
Building & Building Improvements	79,106,358	-	79,106,358
Furniture & Equipment	2,369,485	442,120	2,811,605
Intangible Right-to-Use Assets	1,159,553	-	1,159,553
Investment in Joint Venture	468,724	-	468,724
TOTAL ASSETS	151,074,758	1,967,005	153,041,763
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	483,007	-	483,007
Amounts Related to OPEB - PSERS	736,688	-	736,688
Amounts Related to Pension	16,642,308	-	16,642,308
TOTAL DEFERRED OUTFLOWS OF RESOURCES	17,862,003	-	17,862,003
LIABILITIES			
Accounts Payable	1,741,708	47,414	1,789,122
Accrued Salaries and Benefits	10,027,819	-	10,027,819
Accrued Interest Payable	939,398	-	939,398
Other Current Liabilities	-	112,286	112,286
Noncurrent Liabilities:			
Due Within One Year	6,729,560	-	6,729,560
Due in More Than One Year:			
Notes Payable	6,278,215	-	6,278,215
Lease Payable	922,958	-	922,958
Compensated Absences	5,712,871	-	5,712,871
Bonds Payable	75,067,408	-	75,067,408
Other Post-Employment Benefits - PSERS	4,510,000	-	4,510,000
Net Pension Liability	106,898,000	-	106,898,000
TOTAL LIABILITIES	218,827,937	159,700	218,987,637
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to OPEB - PSERS	842,000	-	842,000
Amounts Related to Pension	2,964,000	-	2,964,000
TOTAL DEFERRED INFLOWS OF RESOURCES	3,806,000	-	3,806,000
NET POSITION			
Net Investment in Capital Assets	(5,595,840)	442,120	(5,153,720)
Unrestricted	(48,101,336)	1,365,185	(46,736,151)
TOTAL NET POSITION	$ (53,697,176)	$ 1,807,305	$ (51,889,871)

See Accompanying Notes

Pine-Richland School District
Statement of Activities
Year Ended June 30, 2025

Exhibit 2

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:							
Instruction	$ 63,245,628	$ -	$ 10,722,552	$ -	$ (52,523,076)	$ -	$ (52,523,076)
Instructional Student Support	8,009,139	-	1,078,372	-	(6,930,767)	-	(6,930,767)
Administrative and Financial Support Services	9,149,625	-	712,052	-	(8,437,573)	-	(8,437,573)
Operation and Maintenance of Plant Services	9,223,074	164,561	424,530	-	(8,633,983)	-	(8,633,983)
Pupil Transportation	6,148,405	-	1,893,491	-	(4,254,914)	-	(4,254,914)
Student Activities	2,637,607	-	235,807	-	(2,401,800)	-	(2,401,800)
Community Services	86,600	-	-	-	(86,600)	-	(86,600)
Interest on Long-Term Debt	2,541,053	-	-	951,297	(1,589,756)	-	(1,589,756)
Unallocated Depreciation Expense	2,486,729	-	-	-	(2,486,729)	-	(2,486,729)
Total Governmental Activities	103,527,860	164,561	15,066,804	951,297	(87,345,198)	-	(87,345,198)
Business-type Activities:							
Food Service	2,115,510	1,446,820	636,904	-	-	(31,786)	(31,786)
Total Primary Government	$ 105,643,370	$ 1,611,381	$ 15,703,708	$ 951,297	(87,345,198)	(31,786)	(87,376,984)
General Revenues							
Taxes							
Property Taxes Levied for General Purposes, Net					67,168,239	-	67,168,239
Earned Income Taxes					10,516,285	-	10,516,285
Real Estate Transfer Taxes					1,130,238	-	1,130,238
Other Taxes Levied for General Purposes, Net					244,144	-	244,144
Grants, Subsidies and Contributions not Restricted					8,535,490	-	8,535,490
Investment Earnings					3,299,800	58,495	3,358,295
Miscellaneous Income					739,792	-	739,792
Total General Revenues					91,633,988	58,495	91,692,483
Change in Net Position					4,288,790	26,709	4,315,499
Net Position - July 1, 2024					(57,985,966)	1,780,596	(56,205,370)
Net Position - June 30, 2025					$ (53,697,176)	$ 1,807,305	$ (51,889,871)

See Accompanying Notes

Pine-Richland School District
Balance Sheet
Governmental Funds
June 30, 2025

Exhibit 3

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 38,457,417	$ 13,377,220	$ 51,834,637
Taxes Receivable, Net	1,500,444	-	1,500,444
Due from Other Funds	-	3,060,000	3,060,000
Due from Other Governments	4,011,310	-	4,011,310
Other Receivables	16,034	152,704	168,738
Prepaid Items	2,104,887	-	2,104,887
TOTAL ASSETS	$ 46,090,092	$ 16,589,924	$ 62,680,016
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Due to Other Funds	3,060,000	-	3,060,000
Accounts Payable	887,147	845,861	1,733,008
Contracts Payable	-	8,530	8,530
Accrued Salaries and Benefits	10,027,819	-	10,027,819
Other Current Liabilities	170	-	170
Total Liabilities	13,975,136	854,391	14,829,527
Deferred Inflows of Resources			
Unavailable Revenues - Property Taxes	1,498,240	-	1,498,240
Fund Balances			
Nonspendable	2,104,887	-	2,104,887
Committed	192,471	-	192,471
Assigned	21,028,601	15,735,533	36,764,134
Unassigned	7,290,757	-	7,290,757
Total Fund Balances	30,616,716	15,735,533	46,352,249
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 46,090,092	$ 16,589,924	$ 62,680,016

See Accompanying Notes

Pine-Richland School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Exhibit 4

Total Fund Balances - Governmental Funds		$ 46,352,249
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is $202,050,554, and the accumulated depreciation is $112,224,089.		89,826,465
Intangible right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The value of these assets is $1,419,861 and the accumulated amortization is $260,308.		1,159,553
Property taxes receivable will be collected in the future, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred inflows in the funds.		1,498,240
Premiums and discounts on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net position.		(4,446,981)
Deferred charges on refunding bonds issued are amortized over the life of the bonds as deferred outflows of resources in the statement of net position.		483,007
The payment to the joint venture career and technical center is capitalized and amortized over the life of the notes in the statement of net position.		468,724
Long-term liabilities, including bonds and capital leases payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds Payable	$ (76,915,427)	
Accrued Interest on the Bonds	(939,398)	
Notes Payable	(6,438,469)	
Lease Payable	(1,197,264)	
Compensated Absences	(5,712,871)	(91,203,429)

Pine-Richland School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Exhibit 4

Some liabilities including net pension obligations and OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds.		
OPEB Liability - PSERS	(4,510,000)	
Net Pension Liability	(106,898,000)	(111,408,000)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred Outflows of Resources Related to Pensions	16,642,308	
Deferred Inflows of Resources Related to Pensions	(2,964,000)	
Deferred Outflows of Resources Related to OPEB - PSERS	736,688	
Deferred Inflows of Resources Related to OPEB - PSERS	(842,000)	13,572,996
Total Net Position - Governmental Activities		$ (53,697,176)

See Accompanying Notes

Pine-Richland School District
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

Exhibit 5

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues			
Local Sources	$ 83,368,438	$ 609,795	$ 83,978,233
State Sources	23,051,644	-	23,051,644
Federal Sources	618,623	-	618,623
Total Revenues	107,038,705	609,795	107,648,500
Expenditures			
Instruction	62,718,792	-	62,718,792
Support Services	29,888,088	666,251	30,554,339
Noninstructional Services	2,666,281	56,089	2,722,370
Capital Outlay	1,816	3,376,907	3,378,723
Debt Service (Principal & Interest)	9,216,151	-	9,216,151
Refunds of Prior Year's Receipts	299,764	-	299,764
Total Expenditures	104,790,892	4,099,247	108,890,139
Excess (Deficiency) of Revenues Over Expenditures	2,247,813	(3,489,452)	(1,241,639)
Other Financing Sources (Uses)			
Transfers In	-	7,368,950	7,368,950
Proceeds from Leases	1,419,861	-	1,419,861
Transfers Out	(7,368,950)	-	(7,368,950)
Total Other Financing Sources (Uses)	(5,949,089)	7,368,950	1,419,861
Net Changes in Fund Balances	(3,701,276)	3,879,498	178,222
Fund Balances - July 1, 2024	34,317,992	11,856,035	46,174,027
Fund Balances - June 30, 2025	$ 30,616,716	$ 15,735,533	$ 46,352,249

See Accompanying Notes

Pine-Richland School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2025

Exhibit 6

Total Net Change in Fund Balances - Governmental Funds		$ 178,222
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the difference between depreciation/amortization and capital outlays in the period.		
Depreciation Expense	$ (5,533,716)	
Intangible Right-to-Use Assets Amortization	(283,256)	
Capital Outlays	4,122,022	(1,694,950)
Because some property taxes and other revenues will not be collected within the current financial resources measurement focus period, they are not considered as "available" revenues in the governmental funds. Unavailable revenues increased/ (decreased) by this amount this year.		466,020
Repayment of bond, note and lease payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		6,581,972
In the statement of activities, certain operating expenses-compensated absences (sick pay and vacations) and other post-employment benefits (OPEB) are measured by the amounts earned during the year. In governmental funds, however, expenditures for the items are measured by the amount of financial resources used (essentially, the amounts actually paid).		
Compensated Absences	(4,323,302)	
Other Post-Employment Benefits	43,305	(4,279,997)

Pine-Richland School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2025

Exhibit 6

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
Net Change in Accrued Interest on Bonds	45,699	
Accretion of Interest on Capital Appreciation Bonds	(34,119)	11,580
Bond discount, premium and deferred charges on bonds are reported in the statement of revenues and expenditures of governmental funds as expenditures but are capitalized and amortized over the life of the bonds in the statement of activities.		
Amortization of Discount, Premium and Deferred Loss on Refunding		221,170
Governmental funds report School District pension contributions as expenditures. However in the statement of activities the cost of pension benefits earned is reported as pension expense.		
District Pension Contributions to PSERS	13,854,779	
Cost of Benefits Earned	(11,050,006)	2,804,773
Change in Net Position of Governmental Activities		$ 4,288,790

See Accompanying Notes

Pine-Richland School District
Statement of Net Position
Proprietary Funds
June 30, 2025

Exhibit 7

	Food Service Fund	Non-Major Funds	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 1,461,409	$ 12,240	$ 1,473,649
Due From Other Governments	8,775	-	8,775
Other Receivables	2,322	-	2,322
Inventories	40,139	-	40,139
Total Current Assets	1,512,645	12,240	1,524,885
Noncurrent Assets			
Machinery and Equipment, Net	442,120	-	442,120
TOTAL ASSETS	1,954,765	12,240	1,967,005
LIABILITIES			
Current Liabilities			
Accounts Payable	47,414	-	47,414
Unearned Revenues	10,100	-	10,100
Other Current Liabilities	102,186	-	102,186
TOTAL LIABILITIES	159,700	-	159,700
NET POSITION			
Invested in Capital Assets	442,120	-	442,120
Unrestricted	1,352,945	12,240	1,365,185
TOTAL NET POSITION	$ 1,795,065	$ 12,240	$ 1,807,305

See Accompanying Notes

Pine-Richland School District
Statement of Revenues, Expenditures and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2025

Exhibit 8

	Food Service Fund	Non-Major Funds	Totals
Operating Revenues			
Food Service Revenue	$ 1,426,661	$ -	$ 1,426,661
Other Operating Revenues	19,959	200	20,159
Total Operating Revenues	1,446,620	200	1,446,820
Operating Expenses			
Purchased Property Services	2,244	-	2,244
Other Purchased Services	1,932,813	-	1,932,813
Supplies	138,588	-	138,588
Depreciation	34,698	-	34,698
Dues and Fees	7,167	-	7,167
Total Operating Expenses	2,115,510	-	2,115,510
Operating Income (Loss)	(668,890)	200	(668,690)
Nonoperating Revenues (Expenses)			
Earnings on Investments	58,439	56	58,495
State Sources	164,527	-	164,527
Federal Sources	472,377	-	472,377
Total Nonoperating Revenues (Expenses)	695,343	56	695,399
Change in Net Position	26,453	256	26,709
Net Position - July 1, 2024	1,768,612	11,984	1,780,596
Net Position - June 30, 2025	$ 1,795,065	$ 12,240	$ 1,807,305

See Accompanying Notes

Pine-Richland School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025

Exhibit 9

	Food Service Fund	Non-Major Funds	Totals
Cash Flows From Operating Activities			
Cash Received from Users	$ 1,429,841	$ 200	$ 1,430,041
Cash Received from Other Operating Revenue	19,959	-	19,959
Cash Payments to Suppliers for Goods and Services	(1,901,848)	-	(1,901,848)
Cash Payments for Other Operating Expenses	(7,167)	-	(7,167)
Net Cash Provided by (Used for) Operating Activities	(459,215)	200	(459,015)
Cash Flows From Non-Capital Financing Activities			
State Sources	161,437	-	161,437
Federal Sources	337,099	-	337,099
Net Cash Provided by (Used for) Non-Capital Financing Activities	498,536	-	498,536
Cash Flows From Capital and Related Financing Activities			
Facilities Acquisition/Const./Imp.Serv	(205,405)	-	(205,405)
Cash Flows From Investing Activities			
Earnings on Investments	58,439	56	58,495
Net Increase (Decrease) in Cash and Cash Flows	(107,645)	256	(107,389)
Cash and Cash Equivalents - July 1, 2024	1,569,054	11,984	1,581,038
Cash and Cash Equivalents - June 30, 2025	$ 1,461,409	$ 12,240	$ 1,473,649

Pine-Richland School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025

Exhibit 9

	Food Service Fund	Non-Major Funds	Totals
Operating Income (Loss)	$ (668,890)	$ 200	$ (668,690)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation and Net Amortization	34,698	-	34,698
Donated Commodities	129,593	-	129,593
(Increase) Decrease in Accounts Receivable	14	-	14
(Increase) Decrease in Inventories	(854)	-	(854)
Increase (Decrease) in Accounts Payable	43,058	-	43,058
Increase (Decrease) in Deferred Revenue	10,100	-	10,100
Increase (Decrease) in Other Current Liabilities	(6,934)	-	(6,934)
Total Adjustments	209,675	-	209,675
Cash Provided by (Used for) Operating Activities	$ (459,215)	$ 200	$ (459,015)

Noncash Non-Capital Financing Activities

During the year ended June 30, 2025, the School District received $132,901 of U.S.D.A Donated Commodities in the food service fund.

See Accompanying Notes

Pine-Richland School District
Statement of Net Position
Fiduciary Funds
June 30, 2025

Exhibit 10

	Custodial Fund
ASSETS	
Cash and Cash Equivalents	$ 204,021
NET POSITION	
Restricted for:	
Student Groups	204,021
TOTAL NET POSITION	$ 204,021

See Accompanying Notes

Pine-Richland School District
Statement of Change in Net Position
Fiduciary Funds
June 30, 2025

Exhibit 11

	Custodial Fund
Additions	
Revenue from Student Activities	$ 214,610
Interest	972
Total Additions	215,582
Deductions	
Student Activities Program Expenses	195,504
Change in Net Position	20,078
Net Position - July 1, 2024	183,943
Net Position - June 30, 2025	$ 204,021

See Accompanying Notes

Note 1 - Summary of Significant Accounting Policies

Pine-Richland School District, located in Allegheny County, Pennsylvania, provides public education, kindergarten through twelfth grade, to the residents of the Townships of Pine and Richland. The School District operates under a nine-person elected Board of Directors.

A. Basic Financial Statements - Government-Wide Statements

The School District's basic financial statements include both government-wide (reporting the School District as a whole) and fund financial statements (reporting the School District's major funds). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of Pine-Richland School District. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. In the government-wide statement of net position, governmental activities are represented on a consolidated basis by column.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payment-in-lieu of taxes and other charges between various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

B. Basic Financial Statements - Fund Financial Statements

Fund financial statements of the School District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into three categories: governmental; proprietary; and fiduciary.

The emphasis in fund financial statements is on the major funds in the governmental category. Nonmajor funds are summarized in a single column. The nonmajor funds are combined in a column in the fund financial statements.

1. Governmental Funds

   The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses, and balances of financial resources) rather than upon net income. The School District reports the following major governmental funds and fund types:

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

   The *capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities or equipment (other than those financed by proprietary funds).

2. Proprietary Funds

   The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The School District reports the following proprietary fund type:

   Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. The activities reported in these funds are reported as business-type activities in the government-wide financial statements. The *food service fund* accounts for the revenues, food purchases and other costs and expenses for providing meals to students and/or faculty during the school year. The *concession stand fund* accounts for the financial transactions related to concession operations of the School District.

3. Fiduciary Funds

   Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and are therefore not available to support School District programs. The reporting focus is on net position and changes in net position. The School District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose, or custodial). The School District reports the following fiduciary fund type:

   The *custodial fund* represents the School District's student activity funds. These funds account for student activities in the high school and middle school.

   Fiduciary funds are not incorporated into the government-wide financial statements.

   During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e. the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, intergovernmental revenues, interest, rent and certain miscellaneous income associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The custodial fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

D. Joint Ventures

The School District is one of nine member school districts of the A. W. Beattie Career Center ("Beattie"). Beattie provides vocational-technical training and education to participating students of the member districts. Beattie is controlled and governed by the Joint Board, which is composed of all the school board members of all the member districts. Beattie's operations are the responsibility of the Joint Committee, which consists of two representatives from each participating school district. No member of the Jointure exercises specific control over the fiscal policies or operations of Beattie. The School District's share of annual operating and capital costs for Beattie fluctuates, based on the percentage of enrollment of each member district in the school. The School District's financial obligation for these costs to Beattie for the year ended June 30, 2025 was $465,810 which was paid in the year ended June 30, 2025 to Beattie and reported in the School District's general fund. The School District has no equity interest in Beattie as of June 30, 2025. Complete financial statements for Beattie can be obtained from the administrative offices at 9600 Babcock Boulevard, Allison Park, PA 15101-2091.

E. Cash and Cash Equivalents

The School District's policy is to maintain cash balances in interest-bearing accounts such as money market or flex funds. The market values of the funds approximate cost. For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. Investments

Investments are stated at fair value except that treasury and agency obligations that have a remaining maturity at the time of purchase of one year or less are shown at amortized cost. Fair value is based on quoted market prices. Funds are invested pursuant to the Public School Code of 1949 and investment policy guidelines established by the School District and approved by the Members of the Board. The School Code states that authorized types of investments shall be: United States Treasury Bills; short-term obligations of the United States Government or its agencies or instrumentalities; deposits in savings accounts, time deposits or share accounts of institutions insured by the FDIC; obligations of the United States or any of its agencies or instrumentalities backed by the full faith and credit of the United States and the Commonwealth of Pennsylvania.

G. Budgets

The School Board approves, prior to the beginning of each year, an annual budget on the modified accrual basis of accounting for the general fund. This is the only fund for which a budget is required and for which taxes may be levied. The general fund is the only fund that has an annual budget that has been legally adopted by the School Board. The Public School Code allows the School Board to authorize budget transfer amendments during the year, but only during the last nine months of the fiscal year. There were no supplemental budgetary appropriations made during the year ended June 30, 2025.

The final budget data reflected in the financial statements includes the effect of approved budget transfer amendments and for comparative purposes the actual amounts have also been presented. The School District expenditures may not legally exceed the revised budget amounts by function. Function is defined as a program area such as instructional services. Management may amend the budget without seeking prior approval of the Board within a function. Amendments between functions require prior Board approval.

H. Receivables and Payables

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

I. Inventories

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis, and are expensed when used.

Inventories in governmental funds are stated at cost by the first-in, first-out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, an estimated value of inventories is reported as an asset in the general fund, if considered material. There was no material inventory balance as of June 30, 2025.

The inventory of the food service fund consists of food supplies and government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies, both valued at cost using the first-in, first-out (FIFO) method. Any unused commodities donated by the federal government at June 30, 2025 are reported as unavailable revenue.

J. Prepaid Items

In both the government-wide and fund financial statements, certain payments to vendors reflect costs applicable to future accounting periods are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

K. Capital Assets

Capital assets, which include property, plant, equipment and land improvements are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20-40
Building Improvements	20-30
Site Improvements	15-20
Furniture and Equipment	5-15

Proprietary fund equipment purchases are capitalized in the proprietary fund at cost and depreciated on a straight-line basis over 10-20 years.

L. Intangible Right-to-Use Assets

The School District has recorded intangible right-to-use assets as a result of implementing Governmental Accounting Standards Board (GASB) Statements No. 87 and 96. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease/subscription liability plus any payment made prior to the term, less any incentives, and plus any ancillary charges necessary to place the lease/subscription into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease/subscription. Per review of the information technology arrangements identified by the School District as potential SBITAs, the arrangements were determined to either not meet the definition of a SBITA or were immaterial to the financial statements.

M. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premium, discount and insurance are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premium, discount and insurance during the current period. The face amount of debt issued is reported as other financing sources while discount and premium on debt issuances are reported as other financing (uses) sources.

N. Compensated Absences

The School District's policies regarding compensated absences varies by contract and provides for employees to accumulate sick days, personal days and emergency time which they are paid for upon retirement or termination of service. The amount the employee is compensated and the number of days varies based on their contract and their years of service.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the amount of reimbursable unused vacation or sick leave to employees who have terminated their employment as of the end of the fiscal year, while the proprietary funds report the liability as it is incurred.

O. Defining Operating Revenues and Expenses

The School District's proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the School District's food service fund consist of charges for meals and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.

P. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the School District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the School District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications, committed and then assigned fund balances before using assigned fund balances.

Q. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School District has three items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other items in the government-wide statement of net position are related to the participation in the cost sharing defined benefit pension plan and other post-employment benefit plan. The School District reports no deferred outflows of resources in the fund financial statements.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The School District has one type of item, which arises under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable* revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The School District has two items reported in the government-wide statement of net position relating to the cost sharing defined benefit pension plan and other post-employment benefit plan.

S. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Fund Statements - Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, fund balance reporting and governmental fund type definitions, the School District classifies governmental fund balances as follows:

Nonspendable - amounts that cannot be spent because they are either (1) not in a spendable form or (2) legally or contractually required to remain intact.

Restricted - the part of fund balance that is restricted to be spent for a specific purpose. The constraints on these amounts must be externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or by enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payments and includes a legally enforceable requirement on the use of these funds.

Committed - the portion of fund balance that can only be used for specific purposes as a result of formal action, approval of a motion by the majority of the School Board. Once the item is committed, it cannot be used for any other purpose unless changed by the same procedures used to initially commit the money.

Assigned - reflects the School District's intent to use the money for a specific purpose but is not considered restricted or committed. The assignment of fund balance can be assigned by management in the business office

Unassigned - represents the part of spendable fund balance that has not been categorized as restricted, committed or assigned. The general fund is the only fund permitted to have a positive unassigned fund balance.

The purposes of the fund balance classification as of June 30, 2025, are as follows:

1. The nonspendable fund balance of $2,104,887 in the general fund represents prepaid items.
2. The committed fund balance in the general fund of $192,471 is for future PSERS retirement costs.

3. The assigned fund balance of $21,028,601 in the general fund consists of $11,361,733 for future capital improvements, $8,166,868 for the 2025-2026 budget and $1,500,000 for future debt service expenditures.
4. The assigned fund balance in the capital projects fund of $15,735,533 is for current and future construction projects.

Note 2 - Deposits and Investments

The deposit and investment policy of the School District adheres to state statutes and prudent business practice. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the School District.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution's name. As of June 30, 2025, $15,410,000 of the School District's bank balance of $39,748,969 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging	
Bank's Agent not in the School District's Name	$15,410,000

As of June 30, 2025, the School District had the following investments:

Investments	Fair Value
PLGIT	$ 8,318,906
PSDLAF	8,874,289
	$17,193,195

Interest Rate Risk – The School District's investment policy does not place limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates; however, one of the primary objectives of the School District's investments is to ensure investments remain sufficiently liquid to meet all operating requirements that are reasonably anticipated.

Credit Risks - The Pennsylvania Public School Code authorizes the types of investments allowed. These are described in Note 1F. The School District has no investment policy that would further limit its investment choices. The School District's investments in PLGIT and PSDLAF were rated AAAm by Standard & Poor's.

Concentration of Credit Risks - The School District places no limit on the amount it may invest in any one issue.

Investments

The Pennsylvania School District Liquid Asset Fund (PSDLAF) and Pennsylvania Local Government Investment Trust (PLGIT) were established as common law trusts, organized under laws of the Commonwealth of Pennsylvania. Shares of funds are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools and municipalities. The purpose of the funds is to enable such governmental units to pool their available funds for investments authorized by Section 440.1 of the Pennsylvania Public School Code of 1949, as amended.

PSDLAF and PLGIT are governed by an elected board of trustees who are responsible for the overall management of the funds. The trustees are elected from the several classes of local governments participating in the funds. The funds are audited annually by independent auditors. The funds are a local government investment pool and are exempt from the requirements of SEC's Rule 2(a)7 of the Investment Company Act of 1940. The funds measure, for financial reporting purposes, its assets at amortized cost and maintain a stable net asset of $1 per share. Accordingly, the fair value of the position in PSDLAF and PLGIT are the same as the value of PSDLAF and PLGIT shares. There are no limitations or restrictions on withdrawals.

Note 3 - Real Estate Taxes

The municipal tax collectors bill and collect real estate taxes on behalf of the School District based upon assessed values provided by the County. The School District's tax rate for all purposes in 2024/2025 was 19.5867 mills ($19.5867 per $1,000 assessed valuation). The tax calendar for real estate taxes levied for 2024/2025 is as follows:

Tax Levy Date	July 1, 2024
2% Discount Period	Through August 31, 2024
Face Payment Period	September 1 – October 31, 2024
10% Penalty Period	November 1 Until Liened
Lien Filing Date	January 1, 2025

The amounts shown as delinquent real estate taxes receivable have not yet been recorded as revenue on the fund statements. These taxes are, however, recorded as unavailable revenues on the balance sheet until they are received. The amounts reported for this receivable are reported on the balance sheet in the amount of $1,372,210 along with other taxes receivable of $128,234.

Note 4 - Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the School District. At June 30, 2025, the following amounts are due from other governmental units:

	Governmental Funds	Business-Type Activities	Totals
Federal (through the state)	$ 449,387	$ 5,685	$ 455,072
State	3,429,283	3,090	3,432,373
Local	132,640	-	132,640
	$ 4,011,310	$ 8,775	$ 4,020,085

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance 07/01/24	Additions	Deletions/ Transfers	Balance 06/30/25
Governmental Activities				
Capital Assets not Being Depreciated				
Land	$ 1,542,645	$ -	$ -	$ 1,542,645
Construction in Progress	10,146,838	4,053,189	(12,733,472)	1,466,555
Total Capital Assets not Being Depreciated	11,689,483	4,053,189	(12,733,472)	3,009,200
Capital Assets Being Depreciated/Amortized				
Site Improvements	18,243,682	-	68,325	18,312,007
Buildings and Building Improv.	159,443,886	-	11,462,181	170,906,067
Furniture and Equipment	8,551,481	68,833	1,202,966	9,823,280
Intangible Right-to-use Assets	1,511,863	1,419,861	(1,511,863)	1,419,861
Total Capital Assets Being Depreciated/Amortized	187,750,912	1,488,694	11,221,609	200,461,215
Less Accumulated Depreciation/Amortization				
Site Improvements	12,268,868	701,717	-	12,970,585
Buildings and Building Improv.	87,355,497	4,444,212	-	91,799,709
Furniture and Equipment	7,066,008	387,787	-	7,453,795
Intangible Right-to-use Assets	1,488,915	283,256	(1,511,863)	260,308
Total Accumulated Depreciation/Amortization	108,179,288	5,816,972	(1,511,863)	112,484,397
Total Capital Assets Being Depreciated/Amortized, Net	79,571,624	(4,328,278)	12,733,472	87,976,818
Governmental Activities Capital Assets, Net	$91,261,107	$ (275,089)	$ -	$90,986,018
Business-Type Activities				
Furniture and Equipment	$ 931,418	$ 205,405	$ -	$ 1,136,823
Less Accumulated Depreciation and Equipment	660,005	34,698	-	694,703
Business-Type Activities Capital Assets, Net	$ 271,413	$ 170,707	$ -	$ 442,120

Depreciation/Amortization expense was charged to functions/programs as follows:

Governmental Activities		
Instruction	$ 15,492	
Instructional Student Support	1,381	
Administration and Financial Support Services	383,744	
Operation and Maintenance of Plant Services	2,851,711	
Student Activities	77,915	
Unallocated Depreciation Expense	2,486,729	*
Total Depreciation/Amortization Expense	$ 5,816,972	
Business-Type Activities - Food Service	$ 34,698	

* Unallocated depreciation expense represents assets or portions of assets that are not able to be identified with any particular function.

Note 6 - Interfund Balances/Transfers

At June 30, 2025, interfund balances were:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ -	$3,060,000
Capital Projects Fund	3,060,000	-
	$3,060,000	$3,060,000

Balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All the balances above are expected to be collected in the subsequent year.

In addition, the general fund made a transfer to the capital projects fund in the amount of $7,368,950 for the purpose of funding current and future capital projects.

Note 7 - Long-Term Liabilities

Long-term liability for the year ended June 30, 2025 was as follows:

	Balance 07/01/24	Additions	Accretions	Reductions	Balance 06/30/25	Due Within One Year
Governmental Activities						
Bonds Payable						
General Obligation Bonds	$ 83,061,308	$ -	$ 34,119	$ 6,180,000	$ 76,915,427	$ 6,295,000
Plus: Bond Premium	4,923,061	-	-	476,080	4,446,981	-
Total Bonds Payable	87,984,369	-	34,119	6,656,080	81,362,408	6,295,000
General Obligation Notes	6,593,093	-	-	154,624	6,438,469	160,254
Compensated Absences	1,389,569	4,323,302	-	-	5,712,871	-
Governmental Activities Long-Term Liabilities	$ 95,967,031	$ 4,323,302	$ 34,119	$ 6,810,704	$ 93,513,748	$ 6,455,254
Lease Liabilities	$ 24,751	$ 1,419,861	$ -	$ 247,348	$ 1,197,264	$ 274,306
Total Long-Term Obligations as Reported in the Statement of Net Position					$ 94,711,012	$ 6,729,560

General Obligation Bonds

1996 Capital Appreciation Bonds in the amount of $3,961,252; due serially through September 1, 2025; yield/interest rate 6.000 to 6.030%	$ 3,090,427
2014B General Obligation Bonds in the amount of $17,880,000; due serially through September 1, 2033; interest rate 0.200% to 3.550%	15,085,000
2015B General Obligation Bonds in the amount of $9,515,000; due serially through July 15, 2034; interest rate 0.300% to 3.900%	6,310,000
2017 General Obligation Bonds in the amount of $8,030,000; due serially through March 1, 2029; interest rate 0.850% to 2.600%	6,760,000

2019 General Obligation Bonds in the amount of $7,760,000; due serially through March 1, 2030; interest rate 1.600% to 2.150%	5,155,000
2019A General Obligation Bonds in the amount of $6,670,000; due serially through September 1, 2028; interest rate 1.450% to 2.250%	4,620,000
2019B General Obligation Bonds in the amount of $3,835,000; due serially through March 1, 2038; interest rate 2.000% to 4.000%	2,620,000
2020A General Obligation Bonds in the amount of $8,835,000; due serially through January 15, 2035; interest rate 2.000% to 4.000%	7,690,000
2020B General Obligation Bonds in the amount of $24,465,000; due serially through March 1, 2037; interest rate 3.000% to 5.000%	22,875,000
2021 General Obligation Bonds in the amount of $4,615,000; due serially through January 15, 2031; interest rate 2.000% to 3.000%	2,710,000
	$ 76,915,427

Notes Payable

Series of 2022 in the amount of $5,885,000; due serially through July 15, 2031; interest rate 2.920%	$ 5,840,000
School Revenue Bonds in the amount of $1,662,539; interest rate of 0.500% to 5.000%; final payment April 1, 2029	598,469
	$ 6,438,469

The debt service source for the above is the general fund.

The change in the compensated absences liability is presented as a net change.

The annual requirements of School District funds to amortize all debt outstanding (excluding compensated absences) as of June 30, 2025, including interest, are as follows:

Year Ended	General Obligation Bonds		General Obligation Notes		
June 30,	Principal	Interest	Principal	Interest	Totals
	(On Issuance Amount)				
2026	$ 3,743,940	$ 4,991,882	$ 160,254	$ 181,401	$ 9,077,477
2027	6,235,000	2,300,602	158,069	178,102	8,871,773
2028	6,410,000	2,123,130	170,884	174,580	8,878,594
2029	6,325,000	1,951,833	164,262	170,803	8,611,898
2030	6,670,000	1,746,596	5,000	168,849	8,590,445
2031-2035	31,175,000	5,731,870	5,780,000	178,412	42,865,282
2036-2038	13,830,000	793,344	-	-	14,623,344
	74,388,940	19,639,257	6,438,469	1,052,147	101,518,813
Accretion to Date	2,526,487	(2,526,487)	-	-	-
	$ 76,915,427	$ 17,112,770	$ 6,438,469	$ 1,052,147	$ 101,518,813

Note 8 – Lease Liabilities

On January 1, 2019, the School District entered into an agreement to lease copiers. The term of the lease is for five and a half years requiring monthly payments of $24,810. On July 1, 2024, the School entered into an agreement to lease copiers. The term of the lease is for five years requiring monthly payments of $30,544. The lease agreements qualify as other than short-term lease under GASB 87 and, therefore, have been recorded at present value of the future minimum lease payments as of the date of its inception. For purposes of discounting future payments, the School District determined an interest rate of 2.9% to be an appropriate discount rate.

As of June 30, 2025, the value of the lease liability recorded for the above lease was $1,197,264. As a result, the School District has recorded an Intangible Right-to-Use asset with a net book value of $1,159,553 as of June 30, 2025.

	Balance 07/01/24	Additions	Deletions/ Transfers	Balance 06/30/25
Governmental Activities				
Intangible Right-to-use Assets:				
Leased Equipment	$ 1,511,863	$ 1,419,861	$(1,511,863)	$ 1,419,861
Less Accumulated Amortization	1,488,915	283,256	(1,511,863)	260,308
Net Intangible Right-to-use Assets	$ 22,948	$ 1,136,605	$ -	$ 1,159,553

Future minimum lease payments under this lease are as follows:

Year Ended June 30,	Lease Payable Principal	Interest	Totals
2026	$ 274,306	$ 31,094	$ 305,400
2027	282,368	23,032	305,400
2028	290,666	14,734	305,400
2029	299,208	6,192	305,400
2030	50,716	184	50,900
	$ 1,197,264	$ 75,236	$ 1,272,500

Note 9 - Public School Employees' Retirement System (PSERS)

A. Summary of Significant Accounting Policies

Pensions

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

B. General Information about the Pension Plan

1. 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 that can be obtained at www.pa.gov/psers.

2. Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F).

To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC).

To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally between 1% and 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.

3. Contributions

Member Contributions

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%/6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.5% After 7/1/21: 8.0%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.3% After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

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

Employer Contributions

The School 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 School District were $13,854,779 for the year ended June 30, 2025.

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

At June 30, 2025, the School District reported a liability of $106,898,000 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 School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2025, the School District's proportion was 0.2554%, which was an increase of 0.0028% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the School District recognized pension expense of $11,050,006. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 1,681,000
Net difference between projected and actual investment earnings	1,769,000	-
Changes in proportions	999,000	1,283,000
Difference between employer contributions and proportionate share of total contributions	19,529	-
Contributions subsequent to the measurement date	13,854,779	-
	$ 16,642,308	$ 2,964,000

$13,854,779 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2026	$ (3,059,101)
2027	2,484,748
2028	767,912
2029	(370,030)
	$ (176,471)

1. Changes in Actuarial Assumptions

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

   - Valuation Date – June 30, 2023
   - Actuarial cost method - Entry Age Normal - level % of pay.
   - Investment return - 7.00%, includes inflation at 2.50%.
   - Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023 and as of June 30, 2024.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
    - Salary growth rate – decreased from 5.00 % to 4.50%
    - Real wage growth and merit or seniority increases (components for salary growth) decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
    - Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	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 table was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

2. 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.

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

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

	(In Thousands)		
	1.00% Decrease 6.00%	Current Discount Rate 7.00%	1.00% Increase 8.00%
School District's proportionate share of the net pension liability	$ 140,817	$ 106,898	$ 78,255

4. Pension Plan Fiduciary Net Position

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

Note 10 – Risk Management

The School District is one of forty-six members of the Allegheny County Schools Health Insurance Consortium (Consortium) which purchases health benefits on behalf of participating public school districts. The School District is billed monthly based on employee count and coverage information at rates established by the Consortium at the beginning of each fiscal year. As the Consortium is self-insured, rates are established with the objective of satisfying estimated claims and other costs, as well as maintaining working capital requirements. Contributions to the Consortium totaled $11,736,091 for the year ended June 30, 2025.

Participating school districts are permitted to withdraw from the Consortium under terms specified in the agreement. Withdrawing participants are entitled to or responsible for a proportionate share of the Consortium net position or deficiency in net position, respectively, as determined on the fiscal year-end date after withdrawal. As of June 30, 2025, the net position of the Consortium was $84,042,714 of which $2,126,636 is attributable to the School District.

The School District participates in an insurance program offered by a commercial insurance company. It purchases commercial insurance policies for risks of losses for casualty, workmen's compensation and liability claims.

The School District is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

Note 11 - Other Post-Employment Benefits - PSERS

A. Summary of Significant Accounting Policies

Other Post-Employment Benefits

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

B. General Information about the Health Insurance Premium Assistance Program

1. 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.

2. Premium Assistance Eligibility Criteria

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

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

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

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

3. Pension Plan Description

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

4. 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.

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2025 was 0.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were $265,143 for the year ended June 30, 2025.

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

At June 30, 2025, the School District reported a liability of $4,510,000 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 School 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 School District's proportion was 0.2539%, which was an increase of 0.0020% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the School District recognized OPEB expense of $221,838.

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 17,000	$ -
Changes in assumptions	275,000	689,000
Net difference between projected and actual investment earnings	5,000	68,000
Changes in proportions	172,000	85,000
Difference between employer contributions and proportionate share of total contributions	2,545	-
Contributions subsequent to the measurement date	265,143	-
	$ 736,688	$ 842,000

$265,143 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2026	$ (78,563)
2027	(105,939)
2028	(140,785)
2029	(37,168)
2030	(8,000)
Thereafter	-
	$ (370,455)

1. Actuarial Assumptions

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

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return – 4.21%, S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at $1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than $1,200 in premium assistance per year.

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

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100%	1.70%

The above table was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

2. 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.

3. Sensitivity of System Net OPEB Liability to Change in the 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 its health cost trends were 1 percentage point lower or 1 percentage point higher than the current rate:

	(In Thousands)		
	1.00% Decrease	Current Trend Rate	1.00% Increase
System net OPEB Liability	$ 4,510	$ 4,510	$ 4,511

4. Sensitivity of School 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:

	(In Thousands)		
	1.00% Decrease 3.21%	Current Discount Rate 4.21%	1.00% Increase 5.21%
School District's proportionate share of the net OPEB liability	$ 5,095	$ 4,510	$ 4,021

5. OPEB Plan Fiduciary Net Position

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

Note 12 – On-Behalf Payments

The amounts recognized for revenues and expenditures for on-behalf payments relating to fringe benefits for the year ended June 30, 2025, were $8,696,117.

This includes $7,152,304 recognized for revenues and expenditures relating to pension contributions for its employees that the Commonwealth of Pennsylvania paid to the Public School Employees' Retirement System (PSERS) for pension and $1,543,813 to the federal government for social security and Medicare taxes for the year ended June 30, 2025. The School District pays these on-behalf payments directly to PSERS and the government and is reimbursed by the Commonwealth for their appropriate share.

Note 13 – Construction Commitments

As of June 30, 2025, the School had construction commitments in the amount of approximately $3,604,200 for various capital projects. It is anticipated these projects will be completed in the 2025/2026 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

Pine-Richland School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2025

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Sources				
Taxes				
Current Real Estate Taxes	$ 65,429,189	$ 65,429,189	$ 65,837,584	$ 408,395
Delinquent Real Estate Taxes	1,545,000	1,545,000	1,162,505	(382,495)
Public Utility Realty Taxes	67,127	67,127	74,440	7,313
Current Per Capita Taxes - Sec. 679	85,465	85,465	84,852	(613)
Current Per Capita Taxes - Act 511	85,465	85,465	84,852	(613)
Earned Income Taxes	10,444,480	10,444,480	10,216,204	(228,276)
Delinquent Earned Income Taxes	-	-	300,081	300,081
Real Estate Transfer Taxes	1,140,000	1,140,000	1,130,238	(9,762)
Earnings on Investments	1,625,000	1,625,000	2,692,379	1,067,379
Other Local Revenues				
Revenue from Student Activities	316,439	316,439	164,561	(151,878)
Federal Revenues from IU	755,540	755,540	875,579	120,039
Contributions & Donations from Private Sources	4,723	4,723	7,745	3,022
Rentals	215,000	215,000	186,507	(28,493)
Admissions	-	-	146,228	146,228
Refund of Prior Year's Expenditures	-	-	107,877	107,877
Miscellaneous Revenue	304,963	304,963	296,806	(8,157)
Total Revenues from Local Sources	82,018,391	82,018,391	83,368,438	1,350,047
State Sources				
Basic Instructional & Oper. Subsidies				
Basic Instructional Subsidy	6,449,094	6,449,094	6,639,619	190,525
Subsidies for Spec. Educ. Programs				
Special Education of Excep. Pupils	1,956,567	1,956,567	2,052,978	96,411
Subsidies for Noneduc. Programs				
Transportation (Regular & Additional)	1,787,466	1,787,466	1,886,571	99,105
Rentals & Sinking Fund Payments	975,000	975,000	951,297	(23,703)
Ready to Learn Block Grant	418,675	418,675	418,675	-
Health Services	89,578	89,578	89,039	(539)
State Property Tax Reduction	1,888,126	1,888,126	1,888,126	-
School Environmental Repair Program	-	-	163,760	163,760
Social Security Payments	1,734,269	1,734,269	1,543,813	(190,456)
State Retirement Revenue	7,715,753	7,715,753	7,152,304	(563,449)
Other State Revenue	185,000	185,000	265,462	80,462
Total Revenues from State Sources	23,199,528	23,199,528	23,051,644	(147,884)

Pine-Richland School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2025

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Federal Sources				
Restricted Grants-In-Aid from the Fed. Gov't. through the Commonwealth				
Title I	132,000	132,000	122,038	(9,962)
Title II	62,000	62,000	66,615	4,615
Title III	1,300	1,300	-	(1,300)
Title IV	10,600	10,600	10,000	(600)
Other Restricted Federal Grants-in-Aid	-	-	154,502	154,502
Medical Assistance - Access	331,825	331,825	253,617	(78,208)
Medical Assistance - Admin.	-	-	11,851	11,851
Total Revenues from Federal Sources	537,725	537,725	618,623	80,898
Total Revenues	105,755,644	105,755,644	107,038,705	1,283,061
Other Financing Sources				
Proceeds From Leases	-	-	1,419,861	1,419,861
Total Other Financing Sources	-	-	1,419,861	1,419,861
Total Revenues and Other Financing Sources	105,755,644	105,755,644	108,458,566	2,702,922
Expenditures				
Instruction				
Regular Programs				
Personal Services				
Salaries	26,046,683	26,046,683	26,025,582	21,101
Employee Benefits	17,124,958	17,124,958	17,270,784	(145,826)
Purchased Prof. and Tech. Services	687,734	687,734	991,814	(304,080)
Purchased Property Services	22,790	22,790	12,081	10,709
Other Purchased Services	675,929	675,929	712,708	(36,779)
Supplies	1,383,795	1,383,795	1,165,520	218,275
Other Objects	38,092	38,092	16,400	21,692
Total Regular Programs	45,979,981	45,979,981	46,194,889	(214,908)

Pine-Richland School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2025

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Programs				
Personal Services				
Salaries	6,055,470	6,055,470	6,024,376	31,094
Employee Benefits	5,136,564	5,136,564	4,886,848	249,716
Purchased Prof. and Tech. Services	1,690,833	1,690,833	1,773,009	(82,176)
Purchased Property Services	300	300	-	300
Other Purchased Services	2,482,882	2,482,882	3,135,893	(653,011)
Supplies	56,666	56,666	32,360	24,306
Other Objects	4,059	4,059	6,488	(2,429)
Total Special Programs	15,426,774	15,426,774	15,858,974	(432,200)
Vocational Education Programs				
Other Purchased Services	621,468	621,468	621,668	(200)
Other Instructional Programs				
Personal Services				
Salaries	8,601	8,601	11,385	(2,784)
Employee Benefits	4,958	4,958	5,313	(355)
Other Purchased Services	100	100	-	100
Total Other Instructional Programs	13,659	13,659	16,698	(3,039)
Nonpublic School Programs				
Purchased Prof. and Tech. Services	14,200	14,200	26,563	(12,363)
Supplies	1,000	1,000	-	1,000
Total Nonpublic School Programs	15,200	15,200	26,563	(11,363)
Total Instruction	62,057,082	62,057,082	62,718,792	(661,710)
Support Services				
Pupil Personnel				
Personal Services				
Salaries	2,051,878	2,051,878	1,847,531	204,347
Employee Benefits	1,432,132	1,432,132	1,241,016	191,116
Purchased Prof. and Tech. Services	184,834	184,834	218,816	(33,982)
Other Purchased Services	1,400	1,400	1,652	(252)
Supplies	230,003	230,003	81,155	148,848
Other Objects	32,599	32,599	31,641	958
Total Pupil Personnel	3,932,846	3,932,846	3,421,811	511,035

Pine-Richland School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2025

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Instructional Staff				
Personal Services				
Salaries	907,371	907,371	1,053,801	(146,430)
Employee Benefits	621,881	621,881	798,633	(176,752)
Purchased Prof. and Tech. Services	63,995	63,995	114,169	(50,174)
Purchased Property Services	5,600	5,600	11,269	(5,669)
Other Purchased Services	4,200	4,200	4,091	109
Supplies	202,920	202,920	143,632	59,288
Other Objects	1,815	1,815	1,042	773
Total Instructional Staff	1,807,782	1,807,782	2,126,637	(318,855)
Administration				
Personal Services				
Salaries	2,533,874	2,533,874	2,537,305	(3,431)
Employee Benefits	1,727,318	1,727,318	1,645,463	81,855
Purchased Prof. and Tech. Services	775,154	775,154	815,088	(39,934)
Purchased Property Services	6,350	6,350	3,967	2,383
Other Purchased Services	87,263	87,263	57,658	29,605
Supplies	76,407	76,407	69,125	7,282
Other Objects	77,559	77,559	41,507	36,052
Total Administration	5,283,925	5,283,925	5,170,113	113,812
Pupil Health				
Personal Services				
Salaries	681,265	681,265	682,707	(1,442)
Employee Benefits	409,272	409,272	414,274	(5,002)
Purchased Prof. and Tech. Services	98,250	98,250	145,720	(47,470)
Purchased Property Services	1,000	1,000	2,348	(1,348)
Other Purchased Services	50	50	87	(37)
Supplies	25,400	25,400	23,946	1,454
Other Objects	250	250	-	250
Total Pupil Health	1,215,487	1,215,487	1,269,082	(53,595)

Pine-Richland School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2025

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Business				
Personal Services				
Salaries	337,161	337,161	335,736	1,425
Employee Benefits	229,790	229,790	227,067	2,723
Purchased Prof. and Tech. Services	17,943	17,943	6,000	11,943
Purchased Property Services	40,971	40,971	3,658	37,313
Other Purchased Services	20,880	20,880	15,801	5,079
Supplies	102,839	102,839	81,837	21,002
Property	-	-	1,419,861	(1,419,861)
Other Objects	15,616	15,616	15,976	(360)
Total Business	765,200	765,200	2,105,936	(1,340,736)
Oper. and Maint. of Plant Svcs.				
Personal Services				
Salaries	2,506,011	2,506,011	2,107,202	398,809
Employee Benefits	2,029,233	2,029,233	1,562,171	467,062
Purchased Prof. and Tech. Services	645,147	645,147	616,014	29,133
Purchased Property Services	488,524	488,524	490,344	(1,820)
Other Purchased Services	232,926	232,926	229,543	3,383
Supplies	1,916,015	1,916,015	2,095,524	(179,509)
Property	9,237	9,237	-	9,237
Other Objects	1,458	1,458	1,241	217
Total Oper. and Maint. of Plant Svcs.	7,828,551	7,828,551	7,102,039	726,512
Student Transportation Services				
Personal Services				
Salaries	33,719	33,719	33,475	244
Employee Benefits	19,202	19,202	19,439	(237)
Purchased Prof. and Tech. Services	374,075	374,075	448,410	(74,335)
Other Purchased Services	5,539,697	5,539,697	5,621,432	(81,735)
Supplies	25,750	25,750	15,258	10,492
Other Objects	125	125	12,656	(12,531)
Total Student Transportation Services	5,992,568	5,992,568	6,150,670	(158,102)

Pine-Richland School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2025

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Central				
Personal Services				
Salaries	619,640	619,640	634,301	(14,661)
Employee Benefits	439,934	439,934	455,646	(15,712)
Purchased Prof. and Tech. Services	378,803	378,803	348,482	30,321
Purchased Property Services	20,200	20,200	23,372	(3,172)
Other Purchased Services	138,730	138,730	141,914	(3,184)
Supplies	972,729	972,729	839,830	132,899
Property	12,500	12,500	-	12,500
Other Objects	4,016	4,016	1,464	2,552
Total Central	2,586,552	2,586,552	2,445,009	141,543
Other				
Other Purchased Services	102,127	102,127	96,791	5,336
Total Support Services	29,515,038	29,515,038	29,888,088	(373,050)
Noninstructional Services				
Student Activities				
Personal Services				
Salaries	1,166,859	1,166,859	1,214,151	(47,292)
Employee Benefits	557,191	557,191	606,536	(49,345)
Purchased Prof. and Tech. Services	72,339	72,339	141,084	(68,745)
Purchased Property Services	66,384	66,384	66,749	(365)
Other Purchased Services	168,175	168,175	219,196	(51,021)
Supplies	290,000	290,000	264,642	25,358
Property	-	-	11,312	(11,312)
Other Objects	49,555	49,555	56,011	(6,456)
Total Student Activities	2,370,503	2,370,503	2,579,681	(209,178)
Community Services				
Other Objects	78,500	78,500	86,600	(8,100)
Total Noninstructional Services	2,449,003	2,449,003	2,666,281	(217,278)

Pine-Richland School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2025

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Facilities Acquisition, Construction and Improvement Services				
Purchased Property Services	10,000	10,000	1,816	8,184
Debt Service				
Interest	2,717,675	2,717,675	2,773,803	(56,128)
Refunds of Prior Year's Receipts	990,000	990,000	299,764	690,236
Redemption of Principal	6,507,000	6,507,000	6,442,348	64,652
Total Debt Service	10,214,675	10,214,675	9,515,915	698,760
Total Expenditures	104,245,798	104,245,798	104,790,892	(545,094)
Other Financing Sources (Uses)				
Fund Transfers				
Capital Projects Fund	8,389,199	8,389,199	7,368,950	1,020,249
Budgetary Reserve	500,000	500,000	-	500,000
Total Other Financing Sources (Uses)	8,889,199	8,889,199	7,368,950	1,520,249
Total Expenditures and Other Financing Sources (Uses)	113,134,997	113,134,997	112,159,842	975,155
Net Change in Fund Balance	(7,379,353)	(7,379,353)	(3,701,276)	3,678,077
Fund Balance - July 1, 2024	36,386,162	36,386,162	34,317,992	(2,068,170)
Fund Balance - June 30, 2025	$ 29,006,809	$ 29,006,809	$ 30,616,716	$ 1,609,907

Pine-Richland School District
Note to the Required Supplementary Information
Budget Comparison
June 30, 2025

Note 1 – Budgetary Information

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at year-end.

All budget amounts presented in the accompanying required supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budget during the year).

Pine-Richland School District
Required Supplementary Information
Schedule of School District's Contributions
PSERS
Last Ten Years

	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
Contractually Required Contribution	$ 13,407,708	$ 13,247,215	$ 13,199,540	$ 12,842,509	$ 12,295,666	$ 11,561,846	$ 10,850,672	$ 10,136,892	$ 8,911,141	$ 7,523,406
Contributions in Relation to the Contractually Required Contribution	13,407,708	13,247,215	13,199,540	12,842,509	12,295,666	11,561,846	10,850,672	10,136,892	8,911,141	7,523,406
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School District's Covered Payroll	$ 42,507,549	$ 40,297,997	$ 38,591,364	$ 37,948,846	$ 36,479,264	$ 34,667,793	$ 33,339,153	$ 32,277,082	$ 31,071,467	$ 31,596,148
Contributions as a Percentage of Covered Payroll	31.54%	32.87%	34.20%	33.84%	33.71%	33.35%	32.55%	31.41%	28.68%	23.81%

The covered-payroll amount reported for June 30, 2024 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2025.

Pine-Richland School District
Required Supplementary Information
Schedule of School District's Proportionate Share
of the Net Pension Liability
PSERS
Last Ten Years
(Dollar Amount in Thousands)

	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
School District's Proportion of the Net Pension Liability (Asset)	0.2554%	0.2526%	0.2584%	0.2576%	0.2470%	0.2417%	0.2397%	0.2334%	0.2440%	0.2245%
School District's Proportionate Share of the Net Pension Liability (Asset)	$106,898	$112,373	$114,881	$105,762	$121,620	$113,074	$115,068	$115,273	$120,919	$97,243
School District's Covered Payroll	$ 40,298	$ 38,591	$ 37,949	$ 34,679	$ 34,668	$ 33,339	$ 32,277	$ 31,071	$ 31,596	$28,887
School District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	265.27%	291.19%	302.72%	304.97%	350.81%	339.16%	356.50%	371.00%	382.70%	336.63%
Plan Fiduciary Net Position as a Percentage of The Total Pension Liability	64.63%	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%

Pine-Richland School District
Required Supplementary Information
Schedule of School District's Contributions
PSERS OPEB Plan
Last Eight Years

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution	$ 265,143	$ 258,158	$ 289,918	$ 305,229	$ 300,879	$ 293,006	$ 279,146	$ 264,044
Contributions in Relation to the Contractually Required Contribution	265,143	258,158	289,918	305,229	300,879	293,006	279,146	264,044
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School District's Covered Payroll	$42,507,549	$40,297,997	$38,591,364	$37,948,846	$36,479,264	$34,667,793	$33,339,153	$32,277,082
Contributions as a Percentage of Covered Payroll	0.62%	0.64%	0.75%	0.80%	0.82%	0.85%	0.84%	0.82%

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

The covered-payroll amount reported for June 30, 2024 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2025.

Pine-Richland School District
Required Supplementary Information
Schedule of School District's Proportionate Share
of the Net OPEB Liability
PSERS OPEB Plan
Last Eight Years
(Dollar Amount in Thousands)

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
School District's Proportion of the Net OPEB Liability (Asset)	0.2539%	0.2519%	0.2581%	0.2573%	0.2470%	0.2417%	0.2397%	0.2334%
School District's Proportionate Share of the Net OPEB Liability (Asset)	$ 4,510	$ 4,557	$ 4,751	$ 6,099	$ 5,337	$ 5,141	$ 4,998	$ 4,755
School District's Covered Payroll	$40,298	$ 38,591	$ 37,949	$ 36,479	$ 34,668	$ 33,339	$ 32,277	$ 31,071
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	11.19%	11.81%	12.52%	16.72%	15.39%	15.42%	15.48%	15.30%
Plan Fiduciary Net Position as a Percentage of The Total OPEB Liability	7.13%	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

SINGLE AUDIT SECTION

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Members of the Board
Pine-Richland School District
Gibsonia, Pennsylvania

Dear Members:

The reports contained in this single audit section are required in addition to the financial statements. The various reports for Pine-Richland School District for the period ended June 30, 2025 were prepared to fulfill the requirements of the Government Auditing Standards and the Uniform Grant Guidance. A summary of the reports is as follows:

A. 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*

B. Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

C. Schedule of Findings and Questioned Costs

D. Schedule of Expenditures of Federal Awards

E. List of Report Distribution

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
February 5, 2026

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EXHIBIT A

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*

Members of the Board
Pine-Richland School District
Gibsonia, 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 Pine-Richland School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Pine-Richland School District's basic financial statements, and have issued our report thereon dated February 5, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pine-Richland School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pine-Richland School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Pine-Richland 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pine-Richland 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 financial statements. 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.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
February 5, 2026

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EXHIBIT B

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Members of the Board
Pine-Richland School District
Gibsonia, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pine-Richland 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 Pine-Richland School District's major federal programs for the year ended June 30, 2025. Pine-Richland 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, Pine-Richland 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 Pine-Richland 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 Pine-Richland 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 Pine-Richland 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 Pine-Richland 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 Pine-Richland 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 Pine-Richland 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 Pine-Richland 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 Pine-Richland 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.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
February 5, 2026

Pine-Richland School District
Schedule of Findings and Questioned Costs
June 30, 2025

EXHIBIT C

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report was unmodified.

Internal control over financial reporting:

• Material weakness(es) identified?	_____	yes	✓	no
• Significant deficiency(ies) identified?	_____	yes	✓	none reported

Noncompliance material to financial statements noted?	_____	yes	✓	no

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?	_____	yes	✓	no
• Significant deficiency(ies) identified?	_____	yes	✓	none reported

Type of auditor's report issued on compliance for major programs was unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	_____	yes	✓	no

Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
84.027 and 84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee?	✓	yes	_____	no

Pine-Richland School District
Schedule of Findings and Questioned Costs
June 30, 2025

EXHIBIT C

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were noted.

Section IV – Status of Prior Year's Findings

No prior year's findings.

Pine-Richland School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

EXHIBIT D

Federal Grantor/ Pass Through Grantor/ Project Title	Source Code	Federal ALN Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year		Accrued or (Deferred) Revenue 07/01/24	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue 06/30/25
U.S. Department of Education											
Passed through the Pennsylvania Department of Education											
Title I Improving Basic Programs	I	84.010	013-240339	08/25/23-09/30/24	$ 123,609	$ (1,788)	F	$ (1,788)	$ -	$ -	$ -
Title I Improving Basic Programs	I	84.010	013-250339	08/02/24-09/30/25	122,038	122,179		-	122,038	122,038	(141)
Title I Improving Basic Programs	I	84.010	013-220339	07/01/21-09/30/22	140,592	-		4,525	-	-	4,525
						120,391		2,737	122,038	122,038	4,384
Title II Improving Teacher Quality	I	84.367	020-250339	08/02/24-09/30/25	66,615	66,031		-	66,615	66,615	584
Title II Improving Teacher Quality	I	84.367	020-240339	08/23/23-09/30/24	61,710	(106)	F	(106)	-	-	-
						65,925		(106)	66,615	66,615	584
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-250339	08/02/24-09/30/25	10,000	5,714		-	10,000	10,000	4,286
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-240339	08/23/23-09/30/24	10,813	7,724		7,724	-	-	-
						13,438		7,724	10,000	10,000	4,286
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER 7%)	I	84.425U	225-210339	03/13/20-09/30/24	79,483	15,897		15,897	-	-	-
						15,897		15,897	-	-	-
Special Education Cluster											
Passed through the Intermediate Unit 1											
IDEA B	I	84.027	N/A	07/01/23-07/31/24	15,441	15,441		-	15,441	15,441	-
Passed through the Allegheny Intermediate Unit											
IDEA B	I	84.027	062-250003	07/01/24-09/30/25	854,572	414,581		-	854,572	854,572	439,991
IDEA B	I	84.027	062-240003	07/01/23-09/30/24	843,143	421,024		421,024	-	-	-
IDEA B Section 619	I	84.173	131-240003	07/01/24-06/30/25	5,566	5,566		-	5,566	5,566	-
Subtotal Special Education Cluster						856,612		421,024	875,579	875,579	439,991
Subtotal U.S. Department of Education						1,072,263		447,276	1,074,232	1,074,232	449,245

Pine-Richland School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

EXHIBIT D

Federal Grantor/ Pass Through Grantor/ Project Title	Source Code	Federal ALN Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 07/01/24	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue 06/30/25
U.S. Department of Treasury										
Passed through the Pennsylvania										
Commission on Crime and Delinquency										
School Mental Health Grant	I	21.027	2023-CM-01-43093	07/01/24-09/30/25	154,502	154,502	-	154,502	154,502	-
U.S. Department of Health and Human Services										
Passed through the Pennsylvania										
Department of Public Welfare										
Medical Assistance Reimb. for Adm. Title 19	I	93.778	N/A	07/01/24-06/30/25	N/A	11,851	-	11,851	11,851	-
U.S. Department of Agriculture										
Passed through the Pennsylvania										
Department of Education										
National School Lunch Program	I	10.555	N/A	07/01/24-06/30/25	N/A	289,817	-	294,611	294,611	4,794
National School Breakfast Program	I	10.553	N/A	07/01/24-06/30/25	N/A	47,282	-	48,173	48,173	891
Passed through the Pennsylvania										
Department of Agriculture										
National School Lunch Program (Donated Commodities Non Cash Assistance)	I	10.555	N/A	07/01/24-06/30/25	N/A	132,901	(6,792)	129,593	129,593	(10,100)
Total Child Nutrition Cluster						470,000	(6,792)	472,377	472,377	(4,415)
Total U.S. Department of Agriculture						470,000	(6,792)	472,377	472,377	(4,415)
Total Federal Financial Assistance						$ 1,708,616	$ 440,484	$ 1,712,962	$ 1,712,962	$ 444,830

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Pine-Richland School District
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

EXHIBIT D

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Pine-Richland School District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Pine-Richland School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Pine-Richland School District.

Note B - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
(2) Pine-Richland School District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note C - Source Code

The Source Code (I) indicates funds received indirectly.

Note D - Reconciliation with Subsidy Confirmation

Amounts Received Per Schedule	$1,708,616
Less: Commodities Received	(132,901)
Less: Passage Through IU	(856,612)
Less: Passage Through PCCD	(154,502)
Less: Title 19	(11,851)
Add: Medical Assistance - Access	253,617
Add: State Funding on Confirmation	161,437
Per Subsidy Confirmation	$ 967,804

Note E - Subrecipients

The School District did not pass through any federal expenditures to subrecipients.

Note F - Restatement

The receivable balance reported as of June 30, 2024, of $442,378 has been restated to $440,484.

Pine-Richland School District
List of Report Distribution
June 30, 2025

EXHIBIT E

1 Copy – Bureau of Audits

1 Copy – General Services Administration