

PINE GROVE AREA SCHOOL DISTRICT

SINGLE AUDIT REPORT

PINE GROVE, PENNSYLVANIA

FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

Transmittal Letter.....	1
List of Report Distribution	2
AUDITOR'S REPORTS	
Independent Auditor's Report	3-5
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 <u>Government Auditing Standards</u>	6-7
Independent Auditor's Report on compliance for each major program and on internal control over compliance required by Uniform Guidance	8-9
MANAGEMENT'S DISCUSSION AND ANALYSIS	10-23
BASIC FINANCIAL STATEMENTS	
DISTRICT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position (Deficit).....	24
Statement of Activities	25
FUND FINANCIAL STATEMENTS	
Governmental Funds	
Balance Sheet	26
Reconciliation of the Balance Sheet to the Statement of Net Position.....	27
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities	29
General Fund	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual.....	30
Proprietary Funds	
Statement of Net Position	31
Statement of Revenues, Expenses, and Changes in Net Position	32
Statement of Cash Flows.....	33
Fiduciary Funds	
Statement of Fiduciary Net Position	34
Statement of Changes in Fiduciary Net Position	35
Notes to Financial Statements	36-77
OTHER SUPPLEMENTAL INFORMATION	
Schedule of Findings and Questioned Costs	78
Schedule of Expenditures of Federal Awards	79
Notes to Schedule of Expenditures of Federal Awards.....	80
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of the District's Proportionate Share of the Net Pension Liability.....	81
Schedule of District Contributions	82
Schedule of District Contributions - OPEB.....	83
Schedule of the District's Proportionate Share of the Net OPEB Liability.....	84
Schedule of District Contributions - OPEB-PSERS.....	85
Schedule of the District's Proportionate Share of the Net OPEB-PSERS Liability	86

JONES & CO.

A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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

We have performed the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) of the Pine Grove Area School District for the year ended June 30, 2024. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) indicates that the auditee is responsible for ensuring appropriate submission of the audit reports to appropriate government officials.

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

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

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


November 20, 2024
Pottsville Pennsylvania

PINE GROVE AREA SCHOOL DISTRICT

LIST OF REPORT DISTRIBUTION

JUNE 30, 2024

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplemental Information

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


Other Information

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

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

Other Reporting Required by Government Auditing Standards

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


November 20, 2024
Pottsville, Pennsylvania

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

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

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

Report on Internal Control over Financial Reporting

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

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

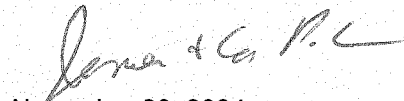
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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



November 20, 2024
Pottsville, Pennsylvania

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Pine Grove Area School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Pine Grove Area School District's major federal programs for the year ended June 30, 2024. The Pine Grove Area School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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



November 20, 2024
Pottsville, Pennsylvania

PINE GROVE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Unaudited)

This Management's Discussion and Analysis (MD&A) is intended to provide a narrative overview and analysis of the financial activities of the Pine Grove Area School District (the "District") for the year ended June 30, 2024. The District's financial performance is discussed and analyzed within the context of the financial statements and the disclosures that follow. This discussion focuses on the District's financial performance as a whole; readers should review the basic financial statements and the notes to the financial statements for a better understanding of the District as a whole.

FINANCIAL HIGHLIGHTS

Total Net Position of the District increased \$4,056,140 in 2024 to \$10,498,165 at June 30, 2024. Net position of governmental activities increased \$4,045,731 or (75,41%) above 2023. Net position of the business-type activity increased \$10,409, or 9.66%, above 2023.

The District had \$26,610,385 in expenses related to governmental activities in 2024; of these expenses, \$7,153,959 was offset by program-specific charges for services, grants or contributions. General revenues (primarily taxes and state subsidies) of \$23,302,157 were adequate to provide for these programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued vacation and sick leave).

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

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

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

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

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the District's major funds (General Fund and Capital Project Fund).

The basic governmental fund financial statements can be found on pages 24 through 35 of this report.

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

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GOVERNMENTAL FUNDS

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

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

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the District's major funds (General Fund and Capital Project Fund).

The basic governmental fund financial statements can be found on pages 24 through 35 of this report.

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

PROPRIETARY FUNDS

The District accounts for its food service operation in a proprietary fund, which report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 31-33 of this report.

FIDUCIARY FUNDS

The District maintains fiduciary funds for private purpose trust and student activity funds. All of the District's fiduciary activities are reported in a separate statement of Net Position on pages 34-35 of this report as these activities cannot be used to finance District operations.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-77 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The General Fund's approved budget for 2024 included revenue of \$28,276,570 and expenditures and other financing uses of \$28,276,570. There were no amendments made to the budget in 2024.

Actual revenues in 2024 were \$30,314,413, exceeding budgeted revenues of \$28,276,570 by \$2,037,843. The favorable variance was attributable primarily to actual exceeding budgeted amounts of \$1,318,256 and \$729,781 in local and state source revenues, respectively. These favorable variances were offset by a \$10,194 unfavorable variance in actual federal revenue over budgeted amounts. The favorable variance in local revenues was due to higher than anticipated real estate tax revenues being received in the 2023-24 school year; the favorable state revenue could be attributed to larger than expected PCCD grant revenue being received in the 2023-2024 school year; and the unfavorable federal revenue could be attributed to slightly less than expected ESSER grant revenue being received in the 2023-2024 school year.

PINE GROVE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Unaudited)

Actual expenditures exceeded the budgeted expenditures in 2024 by \$172,861. The primary causes for the unfavorable variance were increases in operation of support services, non-instructional services expenditures and facilities acquisition, construction, and improvement services (due to construction-related expenditures) of \$608,240, \$192,946, and \$46,651, respectively. These unfavorable increases were offset by budgeted exceeding actual amounts for instruction expenditures in the amounts of \$674,976. The unfavorable variance of \$608,240 for support services and the favorable balance of \$674,976 for instruction expenditures nets to a favorable variance of \$66,736. The two substantial variances are due to expenditure coding and will be re-evaluated for proper classification in future budget years.

Other financing uses were \$3,303,181 in 2024, more than the budgeted amount of \$1,960,476 by \$1,342,705. The unfavorable variance is attributable to the transferring of funds for Capital Project expenditures as part of the plan for ESSERs funding utilization.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	CONDENSED STATEMENT OF NET POSITION					
	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITY		TOTALS	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Current and Other assets	\$20,755,983	\$17,505,580	\$1,063,829	\$1,122,616	\$21,819,812	\$18,628,196
Capital assets	28,867,187	28,810,293	212,694	119,266	29,079,881	28,929,559
Deferred Outflows of resources	2,193,653	2,053,470	0	0	2,193,653	2,053,470
Total Assets & Deferred Outflows of Resources	\$51,816,823	\$48,369,343	\$1,276,523	\$1,241,882	\$53,093,346	\$49,611,225
Current and Other liabilities	\$4,300,154	\$3,739,339	\$166,453	\$137,006	\$4,466,607	\$3,876,345
Long-term liabilities	34,430,070	35,106,076	0	0	34,430,070	35,106,076
Deferred Inflows of resources	3,675,894	4,158,954	22,610	27,825	3,698,504	4,186,779
Total Liabilities & Deferred Inflows	\$42,406,118	\$43,004,369	\$189,063	\$164,831	\$42,595,181	\$43,169,200
Net Position:						
Invested in capital assets, net of related debt	\$28,867,187	\$28,810,293	\$212,694	\$119,266	\$29,079,881	\$28,929,559
Restricted	5,351,806	2,797,247	0	0	5,351,806	2,797,247
Committed	0	0	0	0	0	0
Unassigned	(24,808,288)	(26,242,566)	874,766	957,785	(23,933,522)	(25,284,781)
Total Net Position	9,410,705	5,364,974	1,087,460	1,077,051	10,498,165	6,442,025
Total Liabilities & Net Position	\$51,816,823	\$48,369,343	\$1,276,523	\$1,241,882	\$53,093,346	\$49,611,225

PINE GROVE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Unaudited)

CONDENSED STATEMENT OF ACTIVITIES (IN 000'S)

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITY		TOTALS	
	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2023</u>
Revenues						
Program Revenues:						
Charges for Services	\$59,199	\$58,492	\$446,174	\$417,8812	\$505,373	\$476,373
Operating Grants and Contributions	7,094,760	7,366,713	732,240	727,732	7,827,000	8,094,445
Capital Grants and Contributions	0	192,239	0	0	0	192,239
Taxes Levied for General Purposes	13,905,618	13,733,229	0	0	13,905,618	13,733,229
Grants, Subsidies and Other Contr.	8,429,012	8,244,951	0	0	8,429,012	8,244,951
Transfers and Other	967,527	775,739	75	32	967,602	775,806
Total Revenues	\$30,456,116	\$30,371,363	\$1,175,489	\$1,145,680	\$31,634,605	\$31,517,043
Program Expenditures						
Instruction	\$16,328,146	\$15,068,862	\$0	\$0	\$16,328,146	\$15,068,862
Instructional Student Support	2,138,044	2,155,544	0	0	2,138,044	2,155,544
Administrative & Financial Support	3,032,191	2,585,690	0	0	3,032,191	2,585,690
Operation & Maintenance of Plant	2,692,630	2,607,634	0	0	2,692,630	2,607,634
Pupil Transportation	1,621,975	1,500,553	0	0	1,621,975	1,500,553
Student Activities	592,394	456,451	0	0	592,394	456,451
Community Services	0	0	0	0	0	0
Interest on Long-Term Debt	5,005	15,774	0	0	5,005	15,774
Unallocated Depreciation						
Food services	0	0	1,168,080	991,714	1,168,080	991,714
Total Expenditures	\$26,410,385	\$25,382,222	\$1,168,080	\$991,714	\$27,578,465	\$24,390,508
Change in Net Position	4,045,731	5,980,855	10,409	153,966	4,056,1401	6,134,821
Net Position, Beginning	5,364,974	(615,881)	1,077,051	923,085	6,442,025	307,204
Prior Period Adjustment	0	0	0	0	0	0
Net Position, Ending	\$9,410,705	\$5,364,974	\$1,087,460	\$1,077,051	\$10,498,165	\$6,442,025

PINE GROVE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Unaudited)

GOVERNMENTAL ACTIVITIES

The Net Position of the governmental activities increased by \$4,045,731 or 75.41% above 2023. The majority of the increase was due to large and unexpected increases in various tax collections compared to prior year collections that affected by the COVID-19 pandemic. Local revenues increased approximately \$579,836 or 4.08%, attributable primarily to an increase in local tax collections and interest income. Also adding to the increase in Net Position were capital outlays totaling \$1,306,883, an increase of \$752,770 or 123.79% over prior year. Finally, debt service was \$0 in 2023-24 as compared to \$3,467,280 in the prior year.

BUSINESS-TYPE ACTIVITY

The Net Position of the District's food service operation increased by \$10,409 in 2024.

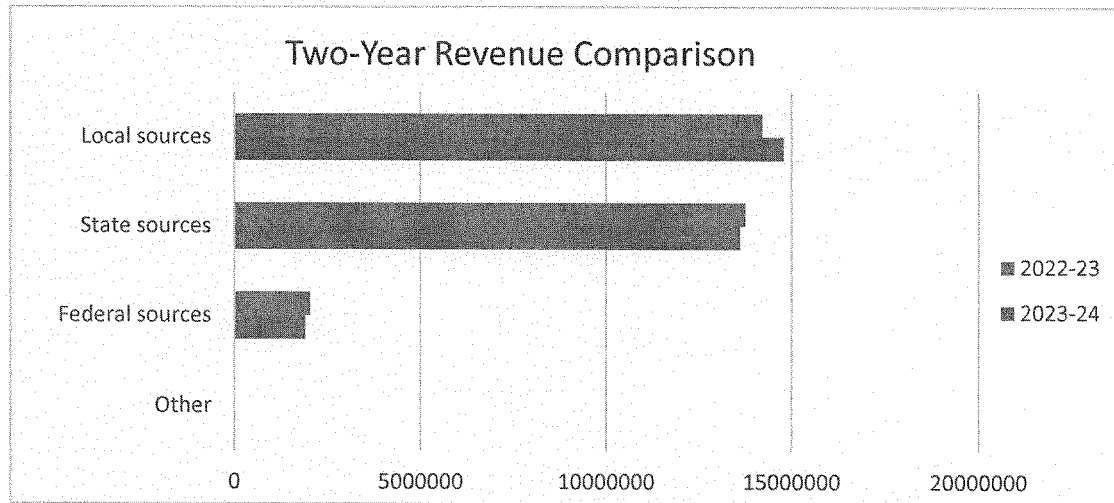
FINANCIAL ANALYSIS OF THE FUNDS

GENERAL FUND (MAJOR)

The following represents a summary of Actual General Fund revenue, by source, for the years June 30, 2024 and 2023.

	2024 Amount	2023 Amount	Increase (Decrease)
Local Sources	\$ 14,790,639	\$ 14,210,803	\$ 579,836
State Sources	13,613,583	13,762,155	(148,572)
Federal Sources	1,910,191	2,041,748	(131,557)
Other	0	0	0
Total	<u>\$ 30,314,413</u>	<u>\$ 30,014,706</u>	<u>\$ 299,707</u>

PINE GROVE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Unaudited)



LOCAL SOURCES

Approximately 69.33% of the District's 2023-24 local source revenue is generated from real estate taxes. During 2024, local revenues increased \$579,836 over 2023. The current real estate tax revenue decreased by approximately \$19,160, delinquent tax collections increased approximately \$109,169, and interest income increased by approximately \$207,964.

STATE SOURCES

State sources decreased by \$148,572 or 1.08%. Although subsidies associated with the Basic Education Funding, Special Education Funding Transportation, and Social Security and Retirement all saw increases over prior year, the substantial decrease in PCCD grants accounted for the majority of the net decrease in state source revenue. The PCCD grants are temporary funding sources and are not expected to be received by the District each year. Note: The District's retirement expense is offset by the revenue source received from the State.

FEDERAL SOURCES

Federal sources of revenue decreased by \$131,557 or 6.44% primarily due to substantially less Federal COVID and ESSER funding received in current year as compared to prior year. Similar to the State PCCD grants, these funding sources are temporary and not expected to be received by the District each year.

OTHER SOURCES

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

PINE GROVE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Unaudited)

The following represents a summary of General Fund Expenditures by function for the year June 30, 2024 and 2023.

	2023-24 Amount	2022-23 Amount	Increase (Decrease)
Instruction	\$ 16,649,645	\$ 15,447,035	\$1,202,610
Support Services	9,186,513	8,708,230	478,283
Non-Instructional Services	652,797	870,000	(217,203)
Other Financing Uses	3,303,181	4,919,686	(1,616,505)
Total	<u>\$ 29,792,136</u>	<u>\$ 29,944,951</u>	<u>\$ (152,815)</u>

INSTRUCTION

The amount of instructional expenses reported at June 30, 2024 increased approximately \$1,202,610 from the prior year. The increase can be attributed in predominantly to a decrease in the vacancy of professional positions at various times throughout the year and the resulting employee benefits related to the pension and insurance expenses. The vacant professional positions have all been filled and an increase in instructional expenses relating to professional staff vacancies being filled is not expected going forward. This increase was combined with an increase in curriculum spending; curriculum spending costs are expected to increase for the next few school years.

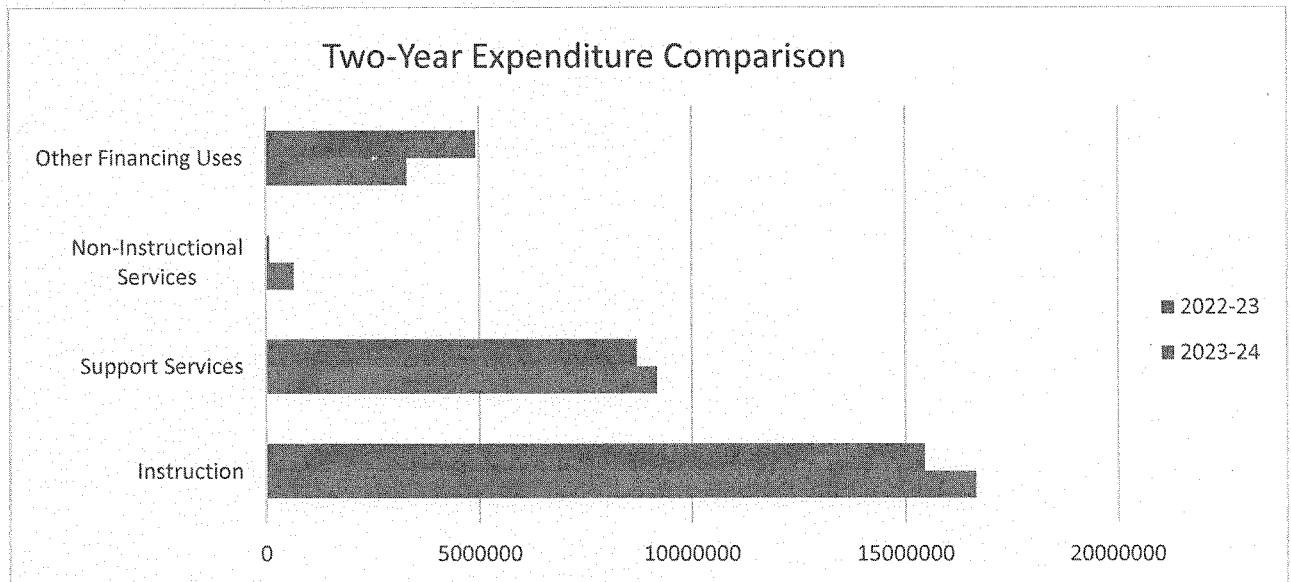
SUPPORT SERVICES

The amount of expenditures recognized in this category increased by approximately \$478,283 from the prior year. The increase in support services expenditures can be attributed an increase in salaries and benefits due to support service vacancies being filled during the 2023-24 school year. The increase can also be attributed to increased support services for our Special Education students.

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

The amount of expenditures in this category decreased by approximately \$1,050,708. The majority of this increase can be attributed to the early retirement of District debt in prior year. This decrease in debt repayment was netted against less overall higher-cost project expenditures for the district occurring in 2023-24 as compared to the prior year.

PINE GROVE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Unaudited)



DEBT SERVICE FUND

The Debt Service Fund is used to account for resources accumulated for the payment of long-term obligations. It is normally used to account for refunding of bond issues and the payment of the annual debt service on existing bonds. The District periodically reviews its existing debt and refunds such debt when economically feasible. The following is a recap of the District's bond activity for 2024:

	<u>Balance</u> <u>07/01/2023</u>	<u>Additions</u>	<u>Payments/</u> <u>Refinancing</u>	<u>Balance</u> <u>06/30/24</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Bond Series 2012	0	0	0	0	0
General Obligation Bond Series 2015	0	0	0	0	0
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LONG-TERM DEBT

At June 30, 2024, the District's general obligation debt was paid off in full. The District's legal limit for debt is \$54 million. The District's bonds had a stable outlook "AA-" rating from Standard and Poor's Rating Group during the 2023-24 year.

PINE GROVE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Unaudited)

CAPITAL PROJECTS FUND (MAJOR)

The Capital Project Fund accounts for major construction projects in the District. The Capital Projects Fund earned \$147,976 of interest and received a \$3,298,176 transfer from the General Fund consisting of a budgeted transfer and ESSER funding, and expended \$1,314,232 on facility acquisition, construction and improvement projects. The fund balance of the Capital Project Fund at June 30, 2024 was \$5,351,806.

CAPITAL ASSETS

The District's investment in capital assets as of June 30, 2024 is summarized below.

	Governmental Activities		Business-type Activities		Totals	
	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2023</u>
Construction in Progress	0	0	0	0	0	0
Land and Site Improvements, Net	231,035	232,960	0	0	231,035	232,960
Building and Improvements, Net	26,482,129	27,240,549	0	0	26,482,129	27,240,549
Furniture and Equipment, Net	2,115,102	1,283,998	212,694	119,266	2,327,796	1,403,264
Vehicles, Net	38,921	52,786	0	0	38,921	52,786
Totals	<u>28,867,187</u>	<u>28,810,293</u>	<u>212,694</u>	<u>119,266</u>	<u>29,079,881</u>	<u>28,929,559</u>

NONCURRENT LIABILITIES

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

The Postemployment Benefits obligation approximated \$3,845,372 as of June 30, 2024 and is reflected on the statement of Net Position.

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

PINE GROVE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Unaudited)

SELECTED SUPPLEMENTAL INFORMATION

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

TAX COLLECTION RECORD

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

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

TOP TEN TAXPAYERS

<u>Taxpayer</u>	<u>Description</u>	<u>Assessed Totals</u>
Big Lots LLC	Distribution Center	\$ 42,348,460
Rausch Creek Logistics	Warehouse	4,108,800
Rausch Creek Logistics Center	Warehouse	2,931,695
Heaco LP	Manufacturing	2,418,060
Newstead Development LLC	Manufacturing	1,739,865
Tremont RE Group	Nursing Home	1,735,965
Jay Dana LLC	Hotel	1,492,000
Gold Mills Inc.	Manufacturing	1,482,015
ANZ Pine Grove LLC	Hotel	1,476,800
Rausch Creek Generation LLC	Cogen Plant	1,435,930
Total		<u>\$ 61,169,590</u>

PINE GROVE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Unaudited)

HISTORY OF ASSESSED VALUE, MARKET VALUE AND COMMON LEVEL RATIO

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

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

MUNICIPAL REAL ESTATE TAX RATES

<u>Municipality</u>	<u>School District</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Frailey Township *	41.75	9.25	15.38	66.38
Pine Grove Borough	41.75	15	15.38	72.13
Pine Grove Township	41.75	4	15.38	61.13
Tremont Borough **	41.75	16	15.38	73.13
Tremont Township	41.75	7	15.38	64.13
Washington Twp	41.75	3.5	15.38	60.63
* Includes millage street lighting				
**Includes millage for fire house				
Source:				
Pennsylvania Department of Community and Economic Development (DCED)				

ECONOMIC CONDITION AND OUTLOOK

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

The District is also complying with the enacted law as passed within the Commonwealth of Pennsylvania entitle Act 1 of Special Session of 2007. The goal of the Act 1 legislation seeks to reduce property taxes but in doing so also ensures that the District does not suffer any loss of revenue attributable to the shifting of local revenue sources. During June 30, 2024, the District has complied with all aspects of Act 1.

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

<u>Year</u>	<u>District Rate on Covered Payroll</u>
2018-19	33.43%
2019-20	34.29%
2020-21	34.51%
2021-22	34.94%
2022-23	35.26%
2023-24	34.00%
2024-25	33.90%
2025-26	34.00%
2026-27	34.72%

Over the next several years, it is projected that the contribution rates for the Public School Employees' Retirement System of Pennsylvania will rise, though not as significantly as in prior years. Based on actuarial projections, it is anticipated that by the school year 2027-2028, the total employer contribution rate is projected to be 35.26%.

EMPLOYEE RELATIONS

The following represents the Collective Bargaining Agreements in effect at June 30, 2024:

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

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

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

REQUESTS FOR INFORMATION

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

PINE GROVE AREA SCHOOL DISTRICT
STATEMENT OF NET POSITION (DEFICIT)

JUNE 30, 2024

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and investments	\$ 8,944,598	\$ 648,325	\$ 9,592,923
Cash and investments - restricted	4,918,903	0	4,918,903
Taxes receivable, net	2,950,353	0	2,950,353
Intergovernmental receivables	3,816,112	0	3,816,112
Internal balances	39,454	402,134	441,588
Other account receivables	59,665	0	59,665
Inventories	26,898	13,370	40,268
TOTAL CURRENT ASSETS	<u>20,755,983</u>	<u>1,063,829</u>	<u>21,819,812</u>
NON-CURRENT ASSETS			
Land and site improvements - net	231,035	0	231,035
Building and building improvements - net	26,482,129	0	26,482,129
Machinery and equipment - net	2,115,102	212,694	2,327,796
Vehicles - net	38,921	0	38,921
TOTAL NON-CURRENT ASSETS	<u>28,867,187</u>	<u>212,694</u>	<u>29,079,881</u>
TOTAL ASSETS	49,623,170	1,276,523	50,899,693
DEFERRED OUTFLOWS OF RESOURCES	<u>2,193,653</u>	<u>0</u>	<u>2,193,653</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 51,816,823</u>	<u>\$ 1,276,523</u>	<u>\$ 53,093,346</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)			
CURRENT LIABILITIES			
Internal balances	\$ 266,792	\$ 135,342	\$ 402,134
Accounts payable	1,206,500	31,111	1,237,611
Accrued salaries and benefits	2,826,862	0	2,826,862
TOTAL CURRENT LIABILITIES	<u>4,300,154</u>	<u>166,453</u>	<u>4,466,607</u>
NON-CURRENT LIABILITIES			
OPEB liability	3,845,372	0	3,845,372
Pension liability	29,806,000	0	29,806,000
Long-term portion of compensated absences	778,698	0	778,698
TOTAL NON-CURRENT LIABILITIES	<u>34,430,070</u>	<u>0</u>	<u>34,430,070</u>
TOTAL LIABILITIES	<u>38,730,224</u>	<u>166,453</u>	<u>38,896,677</u>
DEFERRED INFLOWS OF RESOURCES	3,675,894	22,610	3,698,504
NET POSITION (DEFICIT)			
Invested in capital assets, net of related debt	28,867,187	212,694	29,079,881
Restricted for:			
Capital projects	5,455,010	0	5,455,010
Unrestricted (Deficit)	(24,911,492)	874,766	(24,036,726)
TOTAL NET POSITION (DEFICIT)	<u>9,410,705</u>	<u>1,087,460</u>	<u>10,498,165</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)	<u>\$ 51,816,823</u>	<u>\$ 1,276,523</u>	<u>\$ 53,093,346</u>

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

PINE GROVE AREA SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities
GOVERNMENTAL ACTIVITIES					Total
Instruction	\$ 16,328,146	\$ 0	\$ 5,450,064	\$ (10,878,082)	\$ (10,878,082)
Instructional student support	2,138,044	0	298,991	(1,839,053)	(1,839,053)
Administrative and financial support services	3,032,191	0	230,593	(2,801,598)	(2,801,598)
Operation and maintenance of plant services	2,692,630	0	269,077	(2,423,553)	(2,423,553)
Pupil transportation	1,621,975	0	775,968	(846,007)	(846,007)
Student activities	592,394	59,199	70,067	(463,128)	(463,128)
Community services	0	0	0	0	0
Interest on long-term debt	5,005	0	0	(5,005)	(5,005)
TOTAL GOVERNMENTAL ACTIVITIES	26,410,385	59,199	7,094,760	(19,256,426)	(19,256,426)
BUSINESS-TYPE ACTIVITIES					
Food services	1,168,080	446,174	732,240	0	10,334
TOTAL PRIMARY GOVERNMENT	27,578,465	505,373	7,827,000	(19,256,426)	(19,246,092)
GENERAL REVENUES AND TRANSFERS					
Taxes:					
Property taxes, levied for general purposes, net				10,254,570	0
Public utility, realty, earned income and miscellaneous taxes levied for general purposes, net				3,651,048	0
Grants, subsidies, and contributions not restricted				8,429,012	0
Investment earnings				486,001	75
Miscellaneous				481,526	0
TOTAL GENERAL REVENUES AND TRANSFERS				23,302,157	75
CHANGE IN NET POSITION					
				4,045,731	10,409
NET POSITION - BEGINNING				5,364,974	1,077,051
NET POSITION - ENDING				\$ 9,410,705	\$ 1,087,460
					\$ 10,498,165

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

PINE GROVE AREA SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2024

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and investments	\$ 8,944,598	\$ 0	\$ 8,944,598
Cash and investments - restricted	103,204	4,815,699	4,918,903
Taxes receivable	2,950,353	0	2,950,353
Internal balances	2,590,664	3,013,096	5,603,760
Intergovernmental receivables	3,816,112	0	3,816,112
Other receivables	59,665	0	59,665
Inventories	26,898	0	26,898
TOTAL ASSETS	<u>18,491,494</u>	<u>7,828,795</u>	<u>26,320,289</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 18,491,494</u>	<u>\$ 7,828,795</u>	<u>\$ 26,320,289</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Internal balances	\$ 3,354,108	\$ 2,476,989	\$ 5,831,097
Deferred Revenue	3,624,543	0	3,624,543
Accounts payable	1,206,500	0	1,206,500
Accrued salaries and benefits	2,826,862	0	2,826,862
TOTAL LIABILITIES	<u>11,012,013</u>	<u>2,476,989</u>	<u>13,489,002</u>
DEFERRED INFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES			
Restricted	103,204	5,351,806	5,455,010
Committed	2,935,716	0	2,935,716
Assigned	1,440,125	0	1,440,125
Unassigned	3,000,436	0	3,000,436
TOTAL FUND BALANCES	<u>7,479,481</u>	<u>5,351,806</u>	<u>12,831,287</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 18,491,494</u>	<u>\$ 7,828,795</u>	<u>\$ 26,320,289</u>

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

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

GOVERNMENTAL FUNDS

AS OF JUNE 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 12,831,287
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Amounts reported for governmental activities in the statement
of net assets are different because:

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

Cost of capital assets	58,407,532
Less: accumulated depreciation	(29,540,345)

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

Pension Liability	(29,806,000)
Compensated absences	(778,698)
OPEB	(3,845,372)
Deferred Outflows of Resources	2,193,653
Deferred Inflows of Resources	(2,589,817)

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds.	2,538,465
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TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ <u>9,410,705</u>
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PINE GROVE AREA SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES**

ALL GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	General	Capital Projects	Total Governmental Funds
REVENUES			
Local sources	\$ 14,790,639	\$ 147,976	\$ 14,938,615
State sources	13,613,583	0	13,613,583
Federal sources	1,910,191	0	1,910,191
TOTAL REVENUES	<u>30,314,413</u>	<u>147,976</u>	<u>30,462,389</u>
OTHER FINANCING SOURCES			
Transfers	<u>0</u>	<u>3,298,176</u>	<u>3,298,176</u>
TOTAL OTHER FINANCING SOURCES	<u>0</u>	<u>3,298,176</u>	<u>3,298,176</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>30,314,413</u>	<u>3,446,152</u>	<u>33,760,565</u>
EXPENDITURES			
Instruction	16,649,645	0	16,649,645
Support services	9,186,513	0	9,186,513
Operation of non-instructional services	606,146	0	606,146
Facilities acquisition, construction, and improvement services	46,651	1,314,232	1,360,883
TOTAL EXPENDITURES	<u>26,488,955</u>	<u>1,314,232</u>	<u>27,803,187</u>
OTHER FINANCING (USES)			
Refunds of Prior Year Revenue	5,005	0	5,005
Transfers	3,298,176	0	3,298,176
TOTAL OTHER FINANCING (USES)	<u>3,303,181</u>	<u>0</u>	<u>3,303,181</u>
TOTAL EXPENDITURES AND OTHER FINANCING (USES)	<u>29,792,136</u>	<u>1,314,232</u>	<u>31,106,368</u>
NET CHANGE IN FUND BALANCES	<u>522,277</u>	<u>2,131,920</u>	<u>2,654,197</u>
FUND BALANCES - BEGINNING	<u>6,957,204</u>	<u>3,219,886</u>	<u>10,177,090</u>
FUND BALANCES - ENDING	<u>\$ 7,479,481</u>	<u>\$ 5,351,806</u>	<u>\$ 12,831,287</u>

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

PINE GROVE AREA SCHOOL DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES**

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

**TOTAL NET CHANGE IN FUND BALANCES -
GOVERNMENTAL FUNDS**

\$ 2,654,197

Because some property and personal taxes will not be collected for several months after the District's year end, they are not considered as available revenues in the government funds.

(6,274)

Expenses reported in the Statement of Activities, such as compensated absences, OPEB, and net pension liability do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

1,340,913

Governmental funds recognize capital outlays as expenditures versus as capital assets in the Statement of Net Assets.

1,360,883

Depreciation expense is recognized in the Statement of Activities but is not recognized in governmental funds.

(1,303,988)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES

\$ 4,045,731

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

PINE GROVE AREA SCHOOL DISTRICT

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

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance With
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 13,472,383	\$ 13,472,383	\$ 14,790,639	\$ 1,318,256
State sources	12,883,802	12,883,802	13,613,583	729,781
Federal sources	1,920,385	1,920,385	1,910,191	(10,194)
TOTAL REVENUES	<u>28,276,570</u>	<u>28,276,570</u>	<u>30,314,413</u>	<u>2,037,843</u>
OTHER FINANCING SOURCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>28,276,570</u>	<u>28,276,570</u>	<u>30,314,413</u>	<u>2,037,843</u>
EXPENDITURES				
Instruction	17,324,621	17,324,621	16,649,645	674,976
Support services	8,578,273	8,578,273	9,186,513	(608,240)
Operation of non-instructional services	413,200	413,200	606,146	(192,946)
Facilities acquisition, construction, and improvement services	0	0	46,651	(46,651)
TOTAL EXPENDITURES	<u>26,316,094</u>	<u>26,316,094</u>	<u>26,488,955</u>	<u>(172,861)</u>
OTHER FINANCING (USES)				
Refunds of Prior Years Revenue	0	0	5,005	(5,005)
Budgetary reserve	1,960,476	1,960,476	0	1,960,476
Transfers	0	0	3,298,176	(3,298,176)
TOTAL OTHER FINANCING (USES)	<u>1,960,476</u>	<u>1,960,476</u>	<u>3,303,181</u>	<u>(1,342,705)</u>
TOTAL EXPENDITURES AND OTHER FINANCING (USES)	<u>28,276,570</u>	<u>28,276,570</u>	<u>29,792,136</u>	<u>(1,515,566)</u>
NET CHANGE IN FUND BALANCES	<u>0</u>	<u>0</u>	<u>522,277</u>	<u>522,277</u>
FUND BALANCE - BEGINNING OF YEAR	<u>6,887,449</u>	<u>6,887,449</u>	<u>6,957,204</u>	<u>69,755</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,887,449</u>	<u>\$ 6,887,449</u>	<u>\$ 7,479,481</u>	<u>\$ 592,032</u>

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

PINE GROVE AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2024

	<u>Food Service</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash	\$ 648,325
Internal balances	402,134
Inventories	<u>13,370</u>
TOTAL CURRENT ASSETS	<u>1,063,829</u>
NON-CURRENT ASSETS	
Machinery and equipment	617,974
Less: accumulated depreciation	<u>(405,280)</u>
TOTAL NON-CURRENT ASSETS	<u>212,694</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,276,523</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
CURRENT LIABILITIES	
Internal balances	\$ 135,342
Deferred Revenue	22,610
Accounts payable	<u>31,111</u>
TOTAL CURRENT LIABILITIES	<u>189,063</u>
DEFERRED INFLOWS OF RESOURCES	<u>0</u>
NET POSITION	
Invested in capital assets - net of related debt	212,694
Unrestricted	<u>874,766</u>
TOTAL NET POSITION	<u>1,087,460</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 1,276,523</u></u>

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

PINE GROVE AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Food Service</u>
OPERATING REVENUES	
Local sources:	
Food service revenues	\$ 446,174
TOTAL OPERATING REVENUES	<u>446,174</u>
OPERATING EXPENSES	
Food Costs	1,142,863
Other purchased services	1,979
Supplies	3,991
Depreciation	19,001
Dues and fees	246
TOTAL OPERATING EXPENSES	<u>1,168,080</u>
OPERATING (LOSS)	(721,906)
NON-OPERATING REVENUES (EXPENSES)	
Earnings on investments	75
State sources	132,036
Federal sources	600,204
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>732,315</u>
CHANGE IN NET POSITION	10,409
NET POSITION - BEGINNING OF YEAR	<u>1,077,051</u>
NET POSITION - END OF YEAR	<u><u>\$ 1,087,460</u></u>

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

PINE GROVE AREA SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and intergovernments	\$ 374,402
Cash paid to suppliers	(1,111,776)
NET CASH (USED FOR) OPERATING ACTIVITIES	<u>(737,374)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Grants and subsidies received from non-operating activities:	
State sources	132,036
Federal sources	600,204
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>732,240</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(112,428)
NET CASH (USED FOR) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(112,428)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on investments	<u>75</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(117,487)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>765,812</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ <u><u>648,325</u></u>
OPERATING (LOSS)	\$ (721,906)
ADJUSTMENTS TO RECONCILE OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES:	
Depreciation	19,001
Changes in current assets and current liabilities	
(Increase) Decrease in inventories	7,855
(Increase) Decrease in advance to other funds	(66,556)
Increase (Decrease) in accounts payable	29,447
Increase (Decrease) in deferred revenue	(5,215)
TOTAL ADJUSTMENTS	<u>(15,468)</u>
TOTAL CASH (USED FOR) OPERATING ACTIVITIES	\$ <u><u>(737,374)</u></u>

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

PINE GROVE AREA SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

	<u>Custodial Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
ASSETS	
Cash	\$ 191,343
Interfund accounts receivable	<u>0</u>
TOTAL ASSETS	<u>191,343</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 191,343</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
LIABILITIES	
Interfund accounts payable	\$ 39,454
Other current liabilities	<u>1,370</u>
TOTAL LIABILITIES	<u>40,824</u>
DEFERRED INFLOWS OF RESOURCES	0
NET POSITION	
Restricted for Activity Clubs	150,519
TOTAL NET POSITION	<u>150,519</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	 <u><u>\$ 191,343</u></u>

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

PINE GROVE AREA SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Funds
ADDITIONS	
Investment income	\$ 291
Program Income	264,632
TOTAL ADDITIONS	<u>264,923</u>
DEDUCTIONS	
Program Expenses	<u>259,402</u>
TOTAL DEDUCTIONS	<u>259,402</u>
CHANGE IN NET POSITION	5,521
NET POSITION - BEGINNING OF YEAR	<u>144,998</u>
NET POSITION - END OF YEAR	<u><u>\$ 150,519</u></u>

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

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

The financial statements include:

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

REPORTING ENTITY

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF PRESENTATION

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

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

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

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

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF PRESENTATION - continued

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

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

The District reports the following major governmental funds:

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

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

The District reports the following major proprietary fund types:

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

Other fund types:

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

ACCOUNTING STANDARDS ADOPTED IN YEAR ENDED JUNE 30, 2024

GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for fiscal years beginning after June 15, 2023.

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The District did not have any situations subject to this standard during the year ended June 30, 2024.

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF ACCOUNTING

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

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

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BUDGETING

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

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

DEPOSITS AND INVESTMENTS

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

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

INVENTORY

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

CAPITAL ASSETS

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

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

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

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

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

COMPENSATED ABSENCES

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

RESTRICTED ASSETS

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

FUND EQUITY

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

NET POSITION

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

FOOD SERVICE FUND - UNALLOCATED COSTS

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

POST EMPLOYMENT HEALTH CARE BENEFITS - COBRA BENEFITS

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible employees and eligible dependents. Certain requirements are outlined by the federal government for the coverage. The premium plus 2% administration fee is paid in full by the insured on or before the tenth day of the month for the actual month covered. This program is offered for a duration of 18 months. There is no associated cost to the District under this program, and there are zero participants in the program as of June 30, 2024.

RETIREE BENEFITS

In addition to the pension benefits described in Note 16, the District makes health care benefits available to all eligible employees who retired from the District. The premium is paid in full by the insured who retired prior to June 30, 2012 on or before the tenth day of the month for the actual month covered. The District pays the full cost of retirees who retired as of June 30, 2012 less various contributions by the retiree. There are currently twenty participants in the program as of June 30, 2024.

ESTIMATES

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS:

DEPOSITS

Custodial Credit Risk

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

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

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

At June 30, 2024, the carrying amount of the District's deposits was \$9,774,876. and the bank balance was \$9,918,057. Of the bank balance, \$500,000. was covered by federal depository insurance coverage and \$9,418,057. was exposed to custodial credit risk because it was uninsured and the collateral held by the depository's agent was not in the District's name.

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS - continued

INVESTMENTS

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

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

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

PA School District Liquid Asset Fund (PSDLAF)	\$ 4,927,818
	<hr/>
Total Investments	\$ <u>4,927,818</u>

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS - continued

INVESTMENTS - continued

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. It is the practice of the District to limit its interest rate risk by investing in securities with maturity dates under one year. At June 30, 2024, the District's investments in securities of U.S. agencies had maturity dates of less than one year.

Custodial Credit Risk

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

Credit Risk

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

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS - continued

INVESTMENTS - continued

Concentration Risk

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

RECONCILIATION OF CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

	<u>Cash & Cash Equivalents</u>	<u>Investments</u>	<u>Total</u>
Cash, Cash Equivalents, and Investments	\$ 9,775,351	\$ 4,927,818	\$ 14,703,169

NOTE 3 - INTERGOVERNMENTAL RECEIVABLES:

Intergovernmental receivables listed in the General Fund at June 30, 2024, are comprised of the following:

State Share of Social Security	\$ 175,074
State Share of Retirement	843,531
State Share of Rental Subsidy	190,309
State Share of Transportation Subsidy	40,384
Federal Programs	2,565,831
Local Programs	983
Total Intergovernmental Receivables	\$ 3,816,112

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 4 - GENERAL LONG-TERM DEBT:

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

	Accrued Compensated Absences	District Other Post- Employment Benefits	PSERS Other Post- Employment Benefits	PSERS Pension Liability	Total
Balance - June 30, 2023	\$ 821,863	\$ 2,708,213	\$ 1,255,000	\$ 30,321,000	\$ 35,106,076
Additions					0
Reductions - Payments	(43,165)	(76,841)	(41,000)	(515,000)	(676,006)
Balance - June 30, 2024	\$ 778,698	\$ 2,631,372	\$ 1,214,000	\$ 29,806,000	\$ 34,430,070

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 4 - GENERAL LONG-TERM DEBT - continued

Compensated Absences

The General Long-Term Debt group of accounts includes liability of \$778,698, which represents the amount of compensated absences computed by using unused sick and vacation days at current compensation rates. If an employee separates from service for reasons other than sickness or retirement, no payout is required. If an employee retires with unused compensated absences, the payout policy is as follows:

Emergency and personal - no payout

Vacation (administrative personnel) - limited accumulation of vacation days

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

Other Post-employment Benefits

General Long-Term Debt includes \$2,631,372. and \$1,214,000. of liabilities, which represent other benefits provided upon termination of employment. The reader should consult the separate footnote on these benefits for more information.

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 5 - CAPITAL ASSETS:

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

	Balance June 30, 2023	Net Additions (Deductions)	Balance June 30, 2024
Governmental Activities:			
Capital Assets, Not Being Depreciated			
Land	\$ 64,449	\$ 0	\$ 64,449
Total Capital Assets, Not Being Depreciated	64,449	0	64,449
Capital Assets, Being Depreciated:			
Buildings and Improvements	48,727,781	205,389	48,933,170
Furniture and Equipment	7,874,037	1,155,494	9,029,531
Vehicles	184,795	0	184,795
Site Improvements	195,587	0	195,587
Total Capital Assets, Being Depreciated	56,982,200	1,360,883	58,343,083
Accumulated Depreciation For:			
Buildings and Improvements	(21,487,232)	(963,809)	(22,451,041)
Furniture and Equipment	(6,590,039)	(324,390)	(6,914,429)
Vehicles	(132,009)	(13,865)	(145,874)
Site Improvements	(27,076)	(1,925)	(29,001)
Total Accumulated Depreciation	(28,236,356)	(1,303,989)	(29,540,345)
Governmental Activities - Capital Assets, Net	\$ 28,810,293	\$ 56,894	\$ 28,867,187
Business-type Activities:			
Furniture/Equipment	\$ 505,546	\$ 112,428	\$ 617,974
Less: Accumulated Depreciation	(389,280)	(16,000)	(405,280)
Business-type Activities - Capital Assets, Net	\$ 116,266	\$ 96,428	\$ 212,694

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 5 - CAPITAL ASSETS – continued

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

Regular Programs - Elementary / Secondary	\$ 613,227
Instructional Student Support Services	60,162
Instructional Staff Support Services	54,898
Operation and Maintenance of Plant Services	561,425
Student Activities	14,277
Total Depreciation Expense	\$ <u>1,303,989</u>

NOTE 6 - INTERFUND OPERATING BALANCES:

Individual fund operating balances for the year ended June 30, 2024 were as follows:

	Internal Balance Receivable	Internal Balance Payable
Activities Fund	\$ 0	\$ 39,454
General Fund	2,590,664	3,354,109
Capital Projects	3,013,096	2,476,989
Cafeteria Fund	402,134	135,342
Total All Funds	\$ <u>6,005,894</u>	\$ <u>6,005,894</u>

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 7 - TAXES ASSESSED AND DEFERRED REVENUE:

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

Tax Type	Millage/Rate	Assessed Valuation
Real Estate - Schuylkill County	41.75 mills	\$ 10,769,676
Occupation Tax - Act 511	\$200.00/person	1,895,500
Total Assessed Valuation		\$ 12,665,176

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

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

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

The balances at June 30, 2024, are as follows:

Tax	Gross Taxes Receivable	Allowance for Uncollectible Taxes	Governmental Funds		
			Net Estimated to be Collectible	Tax Revenue Recognized	Deferred Taxes
Real Estate	\$ 526,555	\$ 0	\$ 526,555	\$ 55,215	\$ 471,340
Earned Income	289,432	0	289,432	289,432	0
Local Service	4,642	0	4,642	4,642	0
Realty Transfer	14,113	0	14,113	14,113	0
Occupational Privilege Tax	2,488,954	373,343	2,115,611	48,486	2,067,125
Tax	\$ 3,323,696	\$ 373,343	\$ 2,950,353	\$ 411,888	\$ 2,538,465

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - BUDGETARY INFORMATION:

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

NOTE 9 - INTERFUND OPERATING TRANSFERS:

Individual fund operation transfers for the year ended June 30, 2024 were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 0	\$ 3,298,176
Capital Projects	3,298,176	0
Total All Funds	<u>\$ 3,298,176</u>	<u>\$ 3,298,176</u>

NOTE 10 - COMMITMENTS AND CONTINGENCIES:

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

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

GRANT PROGRAMS

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2012 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

During the normal course of business, the District is subject to numerous disputes and claims. At June 30, 2024, there were no items of pending or threatened litigation which management feels would have a material effect on the District's financial condition.

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11 - REVENUE FROM LOCAL SOURCES:

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

	General Fund	Other Funds	Total
Property Taxes, Current	\$ 10,271,988	\$ 0	\$ 10,271,988
Earned Income Taxes	1,612,714	0	1,612,714
Other Current Taxes	1,099,078	0	1,099,078
Delinquent Taxes	911,620	0	911,620
Investment Income	338,025	148,343	486,368
Co-curricular Activities	68,156	0	68,156
Other Revenue from Local Sources	390,171	0	390,171
Total	\$ 14,691,752	\$ 148,343	\$ 14,840,095

NOTE 12 - GASB STATEMENT NO. 54:

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

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

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

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

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

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

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 12 - GASB STATEMENT NO. 54 – continued

ORDER OF FUND BALANCE SPENDING POLICY

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

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

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

MINIMUM FUND BALANCE

The District's school board policy states:

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 12 - GASB STATEMENT NO. 54 – continued

BALANCE SHEET - GOVERNMENTAL FUNDS			
JUNE 30, 2024			
	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
EQUITY			
Nonspendable	\$ 0	\$ 0	\$ 0
Restricted	103,204	5,351,806	5,455,010
Committed	2,935,716	0	2,935,716
Assigned	1,440,125	0	1,440,125
Unassigned	3,000,436	0	3,000,436
TOTAL FUND BALANCE	<u>\$ 7,479,481</u>	<u>\$ 5,351,806</u>	<u>\$ 12,831,287</u>

NOTE 13 - RELATED ORGANIZATIONS:

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – DISTRICT:

PLAN DESCRIPTION

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

FUNDING POLICY

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

For 2024, the District made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to \$311,373. These costs are recognized as an expense when claims or premiums are paid.

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

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

Plan Membership

Inactive plan member or beneficiaries currently receiving benefits	168
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	20
	<u>188</u>

Components of the net OPEB liability

Total OPEB liability	\$ 2,631,372
Plan fiduciary net position	0
Net OPEB Liability	<u>\$ 2,631,372</u>

Plan fiduciary net position of the total OPEB liability	0.00%
---	-------

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

	1.00% Decrease 3.13%	Current Discount Rate 4.13%	1.00% Increase 5.13%
Net OPEB liability (asset)	\$ 2,826,043	\$ 2,631,372	\$ 2,448,113

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

	1% Decrease 5.00% decreasing to 4.00%	Current Healthcare cost Trend Rates 6.00% decreasing to 5.00%	1.00% Increase 7.00% decreasing to 6.00%
Net OPEB liability (asset)	\$ 2,344,822	\$ 2,631,372	\$ 2,971,717

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

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

ACTUARIAL METHODS AND ASSUMPTIONS

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

In the July 1, 2021 actuarial valuation, the individual entry age normal actuarial cost method was used. There were also merit and seniority salary rate increase assumptions taken into consideration and those are detailed in the actuarial study and are based on age. There was also an inflationary rate assumption factored into the calculation. Per the actuarial study, the assumed rate ranges from 5.5% in the short-term to 3.9% in the long-term for health care related costs. The UAAL is being amortized as a level percentage of active member payroll over a period of 20 years.

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 15 – PENSION:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PENSIONS

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

General Information about the Pension Plan

PLAN DESCRIPTION

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

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 15 – PENSION - continued

BENEFITS PROVIDED

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally between 1% to 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 15 – PENSION – continued

CONTRIBUTIONS

Member Contributions:

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

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

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

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 15 – PENSION - continued

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

Employer Contributions:

The school district's contractually required contribution rate for fiscal year ended June 30, 2024 was 33.09% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$3,510,303. for the year ended June 30, 2024.

The defined contribution rate of .27% is an estimated rate. It is recommended employers use the actual defined contributions made to the PSERS defined contribution plan. This may impact contributions made to the pension plan.

At June 30, 2024, the District reported a liability of \$29,806,000. for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District proportion was .0670%, which was an increase of .0001% from its proportion measured as of June 30, 2023.

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 15 – PENSION - continued

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

For the year ended June 30, 2024, the District recognized pension expense of \$(1,101,000). At June 30, 2024, the 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	\$ 7,000	\$ 408,000
Changes in assumptions	445,000	0
Net difference between projected and actual investment earnings	844,000	0
Changes in proportion	0	884,000
Difference between employer contributions and proportionate share of total contributions	0	0
Contributions subsequent to the measurement date	0	0
Total All Funds	\$ 1,296,000	\$ 1,292,000

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 15 – PENSION - continued

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

\$1,296,000. reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Estimated Amount
2024	\$ (242,000)
2025	(800,000)
2026	763,000
2027	281,000
Thereafter	0
Total Deferred Outflows/ Inflows of Resources	\$ <u>2,000</u>

The total pension liability at June 30, 2023 was determined by rolling forward the System's total pension liability at June 30, 2022 to June 30, 2023 using the following actuarial assumptions applied to all periods included in the measurement:

- Valuation Date – June 30, 2022
- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 7.00%, includes inflation at 2.50%
- Salary Growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.
- The discount rate used to measure the Total Pension Liability decreased from 7.00% as of June 30, 2022 and as of June 30, 2023.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
- Salary growth rate – decreased from 5.00% to 4.50%

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 15 – PENSION - continued

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

- Real wage growth and merit or seniority increases (components for salary growth) – decrease from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
- Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

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

ACTUARIAL ASSUMPTIONS

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

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 15 – PENSION - continued

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	5.2%
Private Equity	12.0%	7.9%
Fixed Income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure / MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	-10.50%	1.2%
	<u>100%</u>	

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS – continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 15 – PENSION - continued

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

DISCOUNT RATE

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

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 38,637,000	\$ 29,806,000	\$ 22,355,000

PENSION PLAN FIDUCIARY NET POSITION

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

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

1. Summary of Significant Accounting Policies

Other Postemployment Benefits

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

General Information about the Health Insurance Premium Assistance Program

Health Insurance Premium Assistance Program

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

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

1. Summary of Significant Accounting Policies - continued

Premium Assistance Eligibility Criteria

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

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

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

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

Pension Plan Description

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

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. As of June 30, 2023, there were no assumed future benefit increases to participating eligible retirees.

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

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

1. Summary of Significant Accounting Policies - continued

Employer Contributions:

The school districts’ contractually required contribution rate for the fiscal year ended June 30, 2024 was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$77,000. for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$1,214,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System’s total OPEB liability as of June 30, 2022 to June 30, 2023. The District’s proportion of the net OPEB liability was calculated utilizing the employer’s one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District’s proportion was .0671% percent, which was a decrease of .0001% from its proportion measured as of June 30, 2023.

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

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

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

For the year ended June 30, 2024, the District recognized OPEB expense of (\$59,000). At June 30, 2024, the 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	\$ 8,000	\$ 12,000
Changes in assumptions	105,000	230,000
Net difference between projected and actual investment earnings	3,000	0
Changes in proportion	20,000	66,000
Difference between employer contributions and proportionate share of total contributions	0	0
Contributions subsequent to the measurement date	0	0
Total All Funds	\$ 136,000	\$ 308,000

\$136,000. reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Estimated Amount
2024	\$ (33,000)
2025	(36,000)
2026	(44,000)
2027	(53,000)
2028	(6,000)
Thereafter	0
Total Deferred Outflows/ Inflows of Resources	\$ (172,000)

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

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

3. Actuarial Assumptions

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

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return – 4.13% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.00% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate Pre age 65 at 50%
 - Eligible retirees will elect to participate Post age 65 at 70%

The actuarial assumptions used in the June 30, 2022 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, 2021 determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees
- Mortality Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

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

3. Actuarial Assumptions - continued

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

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

<u>OPEB - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	100.0%	1.2%
	<u>100.0%</u>	

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

Discount rate

The discount rate used to measure the Total OPEB Liability was 4.13%. Under the plan’s funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan’s fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a “pay-as-you-go” plan. A discount rate of 4.13% which represents the S&P 20-year Municipal Bond Rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

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

3. Actuarial Assumptions - continued

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

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

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
System net OPEB liability	\$ 1,214,000	\$ 1,214,000	\$ 1,214,000

Sensitivity of the District's proportionate share of the net OPEB liability to
changes in the discount rate

The following presents the net OPEB liability, calculated using the discount rate of 4.09%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	<u>1% Decrease 3.09%</u>	<u>Current Discount Rate 4.09%</u>	<u>1% Increase 5.09%</u>
District's proportionate share of the net OPEB liability	\$ 1,373,000	\$ 1,214,000	\$ 1,081,000

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

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

3. Actuarial Assumptions - continued

OPEB plan fiduciary net position

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

NOTE 17 – SUBSEQUENT EVENTS:

The District has evaluated events and transactions occurring subsequent to the balance sheet date of June 30, 2024 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through November 20, 2024, the date these financial statements were available to be issued.

OTHER SUPPLEMENTAL INFORMATION

PINE GROVE AREA SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

A. SUMMARY OF AUDIT RESULTS

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

Program	CFDA #
Education Stabilization Fund	84.425

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

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

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

None

PINE GROVE AREA SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/ Pass Through Grantor/ Program Title											
Source Code	Federal CFDA Number	Federal Cluster Code	Pass Through Grants/ Number	Program or Award Amount	Grant Period Beginning/Ending Date	Total Received For Year	Accrued Or (Deferred) Revenue July 1, 2023	Revenue Recognized	Expenditures	Accrued Or (Deferred) Revenue June 30, 2024	
U.S. DEPARTMENT OF EDUCATION											
Passed Through State Department of Education:											
(I)	84.010		013-23-0338	\$ 317,794	07/1/22-06/30/23	\$ 136,193	\$ 136,193	\$ 0	\$ 0	\$ 0	
(I)	84.010		013-24-0338	312,724	07/1/23-06/30/24	147,089	0	312,171	312,171	165,082	
(I)	84.367		020-23-0338	47,610	07/1/22-06/30/23	20,752	20,752	0	0	0	
(I)	84.367		020-24-0338	43,563	07/1/23-06/30/24	20,407	0	43,563	43,563	23,156	
(I)	84.424		144-23-0338	25,278	07/1/22-06/30/23	11,517	11,517	0	0	0	
(I)	84.424		144-24-0338	24,878	07/1/23-06/30/24	16,585	0	24,878	24,878	8,293	
(I)(CV)	84.425D		200-21-0338	1,217,138	03/13/20-09/30/23	792,555	792,555	0	0	0	
(I)(CV)	84.425U		223-21-0338	2,461,919	03/13/20-09/30/24	447,622	363,261	1,337,701	1,337,701	1,253,340	
(I)(CV)	84.425W		181-21-2341	13,678	07/01/20-09/30/24	9,469	(3,114)	12,583	12,583	0	
(I)(CV)	84.425U		225-21-0338	191,347	03/13/21-09/30/24	34,790	73,591	43,464	43,464	82,265	
Passed Through Schuykill County Intermediate Unit:											
(I)	84.027	(SE)	62-24-0029	253,742	07/01/23-06/30/24	253,742	0	253,742	253,742	0	
(I)	84.173	(SE)	62-24-0029	7,170	07/01/23-06/30/24	7,170	0	7,170	7,170	0	
						1,897,891	1,394,755	2,035,272	2,035,272	1,532,136	
TOTAL DEPARTMENT OF EDUCATION											
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES											
Passed Through State Department of Human Services:											
(I)	93.778		013-11-0338	3,931	07/01/22-06/30/23	2,065	2,065	0	0	0	
(I)	93.778		013-11-0338	1,115	07/01/23-06/30/24	439	0	1,115	1,115	676	
						2,504	2,065	1,115	1,115	676	
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES											
U.S. DEPARTMENT OF AGRICULTURE											
Passed Through State Department of Education:											
(I)	10.555	(CN)	129-54-600-3	431,950	07/01/23-06/30/24	431,950	0	431,950	431,950	0	
(S)	N/A		129-54-600-3	23,596	07/01/23-06/30/24	23,596	0	23,596	23,596	0	
(I)	10.649		129-54-600-3	653	07/01/23-06/30/24	653	0	653	653	0	
(I)	10.553	(CN)	129-54-600-3	121,593	07/01/23-06/30/24	121,593	0	121,593	121,593	0	
(S)	N/A		129-54-600-3	108,450	07/01/23-06/30/24	108,450	0	108,450	108,450	0	
Passed Through State Department of Agriculture:											
(I)	10.555	(CN)	2-07-54-680	46,008	07/01/23-06/30/24 (A)	38,835 (B)	(12,347)	46,008 (C)	46,008 (D)	(5,174)	
						732,240	(12,347)	732,240	732,240	(5,174)	
						2,625,462	1,384,473	2,766,627	2,766,627	1,527,638	
SUB-TOTAL											
						132,036	0	132,036	132,036	0	
						2,493,426	1,384,473	2,636,591	2,636,591	1,527,638	
TOTAL EXPENDITURES OF FEDERAL AWARDS											

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

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

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

PINE GROVE AREA SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

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

NOTE 2 - COMMODITIES:

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

NOTE 3 – INDIRECT COSTS:

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

NOTE 4 – CLUSTER PROGRAMS:

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

Child Nutrition Cluster		Special Education Cluster (IDEA)	
CFDA #	Expenditures	CFDA #	Expenditures
10.553	\$ 121,593	84.027	\$ 253,742
10.555	477,958	84.173	7,170
Total	\$ 599,551	Total	\$ 260,912

NOTE 5 – MEDICAL ASSISTANCE:

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

**REQUIRED
SUPPLEMENTAL INFORMATION**

PINE GROVE AREA SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 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	June 30, 2014
DISTRICT'S PROPORTION OF THE NET PENSION LIABILITY (ASSET)	0.6700%	0.6820%	0.0689%	0.0716%	0.0702%	0.0692%	0.0703%	0.0726%	0.0741%	0.0706%
DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)	\$ 29,806,000	\$ 30,321,000	\$ 28,288,000	\$ 35,255,000	\$ 32,841,000	\$ 33,219,000	\$ 34,720,000	\$ 35,978,000	\$ 32,097,000	\$ 27,944,000
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 10,273,091	\$ 10,032,494	\$ 9,768,782	\$ 10,060,337	\$ 9,687,820	\$ 9,313,261	\$ 9,358,282	\$ 9,404,854	\$ 9,532,929	\$ 9,011,116
DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	290.14%	302.23%	289.58%	350.44%	338.99%	356.68%	371.01%	382.55%	336.70%	310.10%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	61.85%	61.34%	54.32%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	52.24%

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

PINE GROVE AREA SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 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	June 30, 2014
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ 3,510,303	\$ 3,400,109	\$ 3,273,185	\$ 3,343,748	\$ 3,144,000	\$ 2,936,000	\$ 2,689,000	\$ 2,310,000	\$ 1,913,000	\$ 1,406,000
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	(3,510,303)	(3,400,109)	(3,273,185)	(3,343,748)	(3,144,000)	(2,936,000)	(2,689,000)	(2,310,000)	(1,913,000)	(1,406,000)
CONTRIBUTION DEFICIENCY (EXCESS)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 10,273,091	\$ 10,032,494	\$ 9,768,782	\$ 10,060,337	\$ 9,687,820	\$ 9,313,261	\$ 9,358,282	\$ 9,404,854	\$ 9,532,929	\$ 9,011,116
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	34.17%	33.89%	33.51%	33.24%	32.45%	31.52%	28.74%	24.56%	24.56%	20.07%

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PINE GROVE AREA SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
FOR THE YEAR ENDED JUNE 30, 2024

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

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

PINE GROVE AREA SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

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

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

PINE GROVE AREA SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB-PSERS
FOR THE YEAR ENDED JUNE 30, 2024

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

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PINE GROVE AREA SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB-PSERS LIABILITY
FOR THE YEAR ENDED 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
DISTRICT'S PROPORTION OF THE NET OPEB- PSERS LIABILITY (ASSET)								
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB - PSERS LIABILITY (ASSET)	\$ 1,214,000	\$ 1,255,000	\$ 1,633,000	\$ 1,549,000	\$ 1,493,000	\$ 1,443,000	\$ 1,432,000	\$ 1,564,000
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 10,273,091	\$ 10,032,494	\$ 9,768,782	\$ 10,060,337	\$ 9,687,820	\$ 9,313,261	\$ 9,358,282	\$ 9,404,854
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB - PSERS LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	11.82%	12.51%	16.72%	15.40%	15.41%	15.49%	15.30%	16.62%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB - PSERS LIABILITY	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%	5.47%

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