

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

SINGLE AUDIT REPORT

SCHUYLKILL HAVEN, PENNSYLVANIA

FOR THE YEAR ENDED JUNE 30, 2025

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JONES & CO.
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CERTIFIED PUBLIC ACCOUNTANTS

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Board of School Directors
Schuylkill Haven Area School District
Schuylkill Haven, Pennsylvania

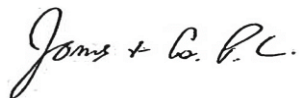
We have performed the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) of the Schuylkill Haven Area School District for the year ended June 30, 2025. Title 2 U.S. Code of Federal Regulations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

The reporting packages must be submitted no later than 30 days after you receive our Single Audit Report but no later than nine months after the year end (March 31, 2026).

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.

As part of our report, we have not enclosed a management letter for the fiscal year ended June 30, 2025.

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



January 26, 2026
Pottsville, Pennsylvania

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

LIST OF REPORT DISTRIBUTION

JUNE 30, 2025

1 Single Audit Report	Prothonotary Office Schuylkill County Courthouse 401 North Second Street Pottsville, PA 17901
1 Single Audit Report and Data Collection Form Single Audit Clearing Package Checklist	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
1 Single Audit Report	Schuylkill IU #29 Marlin, PA

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INDEPENDENT AUDITOR'S REPORT

Board of School Directors
Schuylkill Haven Area School District
Schuylkill Haven, 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 Schuylkill Haven Area School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Schuylkill Haven 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 Schuylkill Haven Area School District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Schuylkill Haven 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 rise substantial doubt about the Schuylkill Haven 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

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 Schuylkill Haven 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 Schuylkill Haven 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 information on pages 10-19 and the schedule of the District's proportionate share of the net pension liability, the schedule of the District's contributions, the District's proportionate share of the net OPEB-PERS liability, the schedule of the District's contributions - OPEB-PERS, the schedule of the District's proportionate share of the OPEB liability and the schedule of District contributions – OPEB on pages 71-76 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 Schuylkill Haven 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.

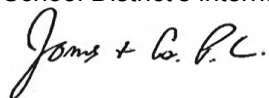
Other Information

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 January 26, 2026, on our consideration of the Schuylkill Haven 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 Schuylkill Haven Area School District's internal control over financial reporting and compliance.



January 26, 2026
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
Schuylkill Haven Area School District
Schuylkill Haven, 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 Schuylkill Haven Area School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Schuylkill Haven Area School District's basic financial statements, and have issued our report thereon dated January 26, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Schuylkill Haven 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 Schuylkill Haven Area School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Schuylkill Haven 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.

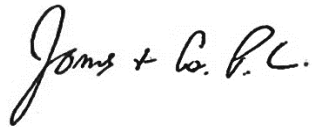
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies.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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Jones + Co. P.C.".

January 26, 2026
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
Schuylkill Haven Area School District
Schuylkill Haven, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Schuylkill Haven 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 Schuylkill Haven Area School District's major federal programs for the year ended June 30, 2025. The Schuylkill Haven 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 Schuylkill Haven Area School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Schuylkill Haven 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 Schuylkill Haven 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 Schuylkill Haven 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 Schuylkill Haven 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 Schuylkill Haven 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 Schuylkill Haven 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 Schuylkill Haven 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 Schuylkill Haven 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.

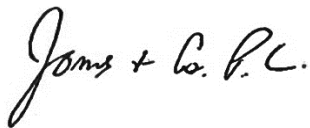
Report on Internal Control over Compliance

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.



January 26, 2026
Pottsville, Pennsylvania

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)

FOR THE YEAR ENDED JUNE 30, 2025

The discussion and analysis of Schuylkill Haven Area School District’s financial performance provides an overall review of the District’s financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District’s financial performance as a whole, and provide the reader friendly insight into management’s analysis of the audit. This section should be read in conjunction with the District’s accompanying independent Auditor’s transmittal letter, financial statements, and notes to the financial statements to enhance the understanding of the District’s financial performance.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The District’s general receipts are primarily tax collections at 36% and state and federal funding sources at 59% of the total income. Earned income taxes increased by \$76,330. and delinquent taxes increased by \$84,966. over the prior year.
- The district was able to meet the needs of the students and complete the necessary repairs and maintenance. The general fund net position was not impacted as planned since the anticipated deficit under the original budget was \$1,999,346., showing a net savings of \$999,356.
- Despite a negative net position due to long-term pension liabilities and other post-employment benefit obligations, the district achieved a positive change of \$1,350,521.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District. The first two statements are *government-wide financial statements* that provide both short-term and long-term information about the District’s overall financial status. The remaining statements are *fund financial statements* that focus on individual parts and reporting of the District’s operations in more detail than the government-wide statements.

The governmental fund statements explain how general services such as regular and special education were financed in the short term as well as what remains for future spending. Proprietary fund statements offer short- and long-term financial information about the activities the District operates like a business, such as food services. Fiduciary fund statements provide information about financial relationships in the District acts solely as a trustee or agent for the benefit of others, such as student activity funds and scholarship funds. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2025

Government-Wide Statements

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

The two government-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position.

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

- **Governmental activities** – Most of the District's basic services are included here, such as regular and special education, operation and maintenance of plant services, transportation, administration, and community services. Property taxes and state and federal subsidies finance most of these activities.
- **Business-type activities** – The District charges fees to cover the cost of certain services it provides. The District's food service is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds and not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The District establishes other funds to control and manage money for particular purposes.

The District has three types of funds:

- **Governmental funds** – Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash inflows and outflows and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information with the governmental funds statements to explain the relationship between them.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2025

- **Proprietary funds** – Services for which the District charges customers a fee are generally reported in proprietary funds, such as the food service fund. Proprietary funds, like the government-wide statements, provide both short- and long-term financial information. The District’s enterprise funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- **Fiduciary funds** – The District is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net assts. The District excludes these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District’s combined net position had increased on June 30, 2025 when compared to the prior fiscal year. Total net position increased 10.6% during the year from (\$12,734,404.) to (\$11,383,882.) on June 30, 2025, primarily due to adjusting the pension liability under GASB Statement No. 68 and the OPEB liability under GASB Statement No. 75. (See Table A-1.)

Table A-1
Schuylkill Haven Area School District
Fiscal Year Ended June 30,
Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>
Current assets	\$ 9,940,746	\$ 9,103,714	\$ 1,023,064	\$ 1,105,386	\$ 10,963,810	\$ 10,209,100
Capital assets	26,124,385	25,330,251	105,159	121,106	26,229,544	25,451,357
Deferred outflows	1,644,393	1,381,182	50,557	43,597	1,694,950	1,424,779
Total Assets	\$ 37,709,524	\$ 35,815,147	\$ 1,178,780	\$ 1,270,089	\$ 38,888,304	\$ 37,085,236
Long-term debt outstanding	44,115,434	40,853,064	887,185	840,083	45,002,619	41,693,147
Other liabilities	4,321,526	4,448,765	237,517	261,245	4,559,043	4,710,010
Deferred inflows	1,985,455	1,994,300	75,591	71,661	2,061,046	2,065,961
Total Liabilities	\$ 50,422,415	\$ 47,296,129	\$ 1,200,293	\$ 1,172,989	\$ 51,622,708	\$ 48,469,118
Invested in capital assets, net of related debt	10,294,715	10,808,796	105,159	121,106	10,399,874	10,929,902
Restricted for capital projects	623,602	540,704	0	0	623,602	540,704
Unrestricted	(23,631,208)	(22,830,482)	(126,672)	(24,006)	(23,757,880)	(22,854,488)
Total Net Position	\$ (12,712,891)	\$ (11,480,982)	\$ (21,513)	\$ 97,100	\$ (12,734,404)	\$ (11,383,882)

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

FOR THE YEAR ENDED JUNE 30, 2025

Changes in net position. The District's total revenues were \$25,581,398. for the year ended June 30, 2025. (See Table A-2.) Property and other taxes levied for general fund purposes continue to account for most of the District's revenue in the amount of \$8,968,234. or 35.1% of total revenues. Another 32.1% or \$8,206,353. came from state aid formula, which includes basic education subsidies. Approximately 29.9% or \$7,658,362. came from operating grants and contributions. The remainder of \$748,449. or 2.9% came from fees charged for services and other miscellaneous sources.

Table A-2
Schuylkill Haven Area School District
Fiscal Year Ended June 30,
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>
Revenues						
Program Revenues						
Charges for services	\$0	\$0	\$158,747	\$42,621	\$158,747	\$42,621
Operating grants and contributions	6,051,515	6,647,906	819,398	1,010,456	6,870,913	\$7,658,362
General Revenues						
Property taxes and other taxes levied for general purposes	8,858,923	8,968,234	0	0	8,858,923	\$8,968,234
State formula aid	7,936,795	8,206,353	0	0	7,936,795	\$8,206,353
Investment income	211,789	212,632	43,210	39,083	254,999	\$251,715
Other	564,308	454,113	0	0	564,308	\$454,113
Total Revenues	\$23,623,330	\$24,489,238	\$1,021,355	\$1,092,160	\$24,644,685	\$25,581,398
Expenses						
Depreciation - unallocated	\$1,110,800	\$1,004,593	\$0	\$0	\$1,110,800	\$1,004,593
Instruction	12,857,242	13,306,387	0	0	12,857,242	\$13,306,387
Instructional student support	2,098,399	2,099,543	0	0	2,098,399	\$2,099,543
Administration and financial support services	2,424,576	2,566,242	0	0	2,424,576	\$2,566,242
Operation and maintenance of plant services	2,519,663	2,130,437	0	0	2,519,663	\$2,130,437
Pupil transportation	1,158,036	1,205,047	0	0	1,158,036	\$1,205,047
Student activities	508,312	523,153	0	0	508,312	\$523,153
Community services	72,549	59,233	0	0	72,549	\$59,233
Acquisition of capital	0	0	0	0	0	\$0
Interest on long-term debt	397,884	362,695	0	0	397,884	\$362,695
Transfers	0	0	0	0	0	\$0
Food Service	0	0	857,568	973,547	857,568	\$973,547
Total Expenses	\$23,147,461	\$23,257,330	\$857,568	\$973,547	\$24,005,029	\$24,230,877
Increase (Decrease) in net position	\$475,869	\$1,231,908	\$163,787	\$118,613	\$639,656	\$1,350,521

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2025

The total cost of all programs and services were \$24,230,877. for the year ended June 30, 2025. (See Table A-2.) The majority of the District's costs in the amount of \$15,405,930. or 63.6% were directly related to instruction. Student support services, which include transportation, food service, and student activities, accounted for \$2,701,747. or 11.2%. The remaining costs of \$6,123,200. or 25.2% included depreciation, administration, operation and maintenance of plant services, community services, and interest.

Total revenues exceeded expenses, increasing the net position by \$1,350,521.

**Figure A-3 Schuylkill Haven Area School District
Revenues for Fiscal Year 2025**

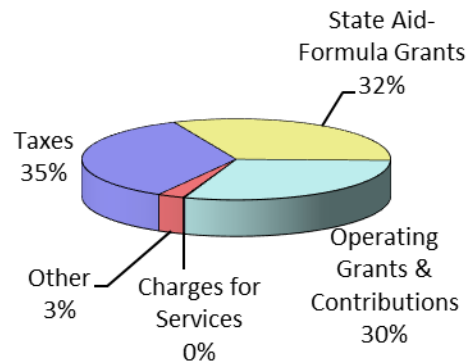
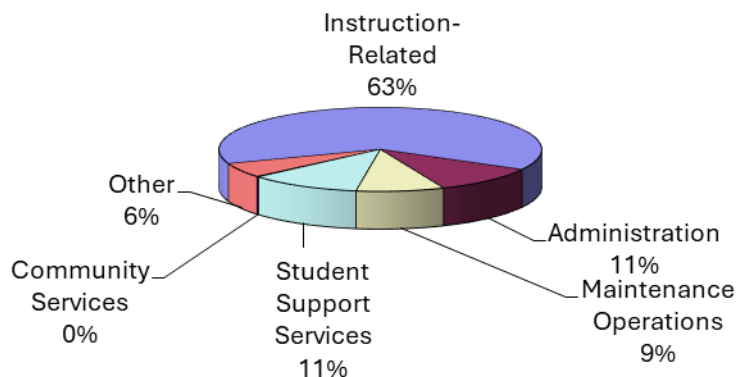


**Figure A-4 Schuylkill Haven Area School District
Expenses for Fiscal Year 2025**



SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2025

Governmental Activities

The cost of all governmental activities was \$23,257,330. for the year ended June 30, 2025. (See Table A-5.) The majority of the District’s costs were paid for with \$8,968,234. in taxes and \$8,206,353. of state aid based on the statewide education aid formula. Additional programs were subsidized through federal and state grants and contributions in the amount of \$6,647,906.

Table A-5
Schuylkill Haven Area School District
Fiscal Year Ended June 30,
Net Cost of Governmental Activities

	Total Cost of Services		% Change	Net Cost of Services		% Change
	<u>2024</u>	<u>2025</u>		<u>2024</u>	<u>2025</u>	
Depreciation - Unallocated	\$1,110,800	\$1,004,593	-9.56%	\$1,110,800	\$1,004,593	-9.56%
Instruction	12,857,242	13,306,387	3.49%	8,585,837	8,746,547	1.87%
Instructional Student Support	2,098,399	2,099,543	0.05%	1,734,936	1,735,318	0.02%
Administration	2,424,576	2,566,242	5.84%	2,087,877	2,214,416	6.06%
Operation and maintenance of plant services	2,519,663	2,130,437	-15.45%	2,355,064	1,778,927	-24.46%
Pupil transportation	1,158,036	1,205,047	4.06%	581,976	544,332	-6.47%
Student activities	508,312	523,153	2.92%	414,340	407,434	-1.67%
Community services	72,549	59,233	-18.35%	72,344	58,758	-18.78%
Interest on long-term debt	397,884	362,695	-8.84%	152,772	119,099	-22.04%
	\$23,147,461	\$23,257,330 	0.47%	\$17,095,946	\$16,609,424	-2.85%

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$4,920,904., a decrease of \$1,082,888. from the prior year. The schedule below summarizes the fund balances and the total change in fund balances as of June 30, 2024 and 2025:

	Fund Balance 6/30/2024	Fund Balance 6/30/2025	Increase (Decrease)
General	\$5,380,190	\$4,380,200	(\$999,990)
Capital Reserve	385,839	393,238	7,399
Capital Projects	91,150	-	(91,150)
Debt Service	146,613	147,466	853
Total	\$6,003,792	\$4,920,904	(\$1,082,888)

Revenues for the District's governmental funds were \$24,477,860., while total expenditures were \$25,560,748.

GENERAL FUND

The following schedule provides a summary of General Fund revenues:

	Year Ended 6/30/2024	Year Ended 6/30/2025	Increase (Decrease)	% Change
Local Sources				
Taxes	\$8,858,436	\$8,888,550	\$30,114	0.1%
Interest	194,128	206,032	11,904	0.1%
State Pass Through	0	0	0	0.0%
Federal Pass Through	322,192	324,315	2,123	0.0%
Other	916,096	653,822	(262,274)	-1.1%
State Sources	12,793,276	13,741,448	948,172	4.0%
Federal Sources	704,480	657,093	(47,387)	-0.2%
Total Revenue	\$23,788,608	\$24,471,260	\$682,652	2.9%

The total General Fund revenue increased \$682,652. or 2.9% from the previous year. The District recognized an increase in state sources of \$948,172. or 4.0% primarily due to the state increasing the basic education subsidy, the property tax reduction allocation, and additional grant funding.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2025

The following schedule provides a summary of General Fund expenditures:

	Year Ended 6/30/2024	Year Ended 6/30/2025	Increase (Decrease)	% Change
Salaries	\$9,989,986	\$10,254,805	\$264,819	1.1%
Employee Benefits	6,102,384	6,761,610	659,226	2.7%
Purchased Services	4,315,324	4,944,137	628,813	2.6%
Supplies, Material, Equipment	1,677,875	1,569,884	(107,991)	-0.4%
Debt Service	1,988,363	1,900,711	(87,652)	-0.4%
Other Expenditures	35,230	40,103	4,873	0.0%
Total Expenditures	\$24,109,162	\$25,471,250	\$1,362,088	5.6%

Total General Fund expenditures increased by \$1,362,088. or 5.6% from the previous year. The majority of this increase can be attributed to an increase in salaries, contractual benefits, and purchased services.

General Fund Budgetary Highlights

Over the course of the year, the District reviews expenditures and makes appropriate adjustments to cover unexpected expenditures in the annual operating budget due to increases in appropriations of significant budgeted costs.

While the District’s final budget for the General Fund anticipated that expenditures and other financing uses would be \$1,999,346. greater than revenues and other financing sources, with the balance of revenues to be taken from the unreserved fund balance, actual results show that expenditures and other financing uses exceeded revenues and other financing sources by \$999,990. The actual general fund expenditures ended under the original budget by \$999,356.

The District also experienced an increase in revenue over the anticipated amounts. Real estate taxes and personal taxes remained steady from the prior year. There was a larger increase in earned income tax collections, delinquent tax collections, and retirement subsidy payments than expected which helped offset the original deficit. The numbers budgeted were estimates based on collections received in prior years with a slight increase due to the steady collections the district has experienced over the past few years.

Overall, the district’s financial performance benefited from increased revenue streams and demonstrated prudent financial management in adjusting to unforeseen expenditures with the General Fund budget.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2025

CAPITAL ASSETS

The District invested \$49,759,096. in a broad range of capital assets, including school building renovations, computer and audio visual equipment, and furniture. (See Table A-6.) Total depreciation expense for the year totaled \$1,234,357.

Table A-6
Schuylkill Haven Area School District
Fiscal Year Ended June 30,
Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Totals	
	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>
Land	\$14,520	\$14,520	\$0	\$0	\$14,520	\$14,520
Site Improvements	1,888,039	1,707,002	0	0	1,888,039	1,707,002
Building and Improvements	22,925,978	22,442,588	0	0	22,925,978	22,442,588
Furniture and Equipment	1,185,028	1,079,687	105,159	121,106	1,290,187	1,200,793
GASB 87 - Leased Assets	110,820	86,454	0	0	110,820	86,454
Total	\$26,124,385	\$25,330,251	\$105,159	\$121,106	\$26,229,544	\$25,451,357

LONG-TERM LIABILITIES

At year-end, the District had \$14,435,000. in general obligation bonds, a decrease of 8.7% from the previous year. New leases were issued to upgrade the technology needs for the District. (See Table A-7.)

Table A-7
Schuylkill Haven Area School District
Outstanding Long-Term Liabilities

	Governmental Activities		Business-type Activities		Totals		% Change
	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	
General Obligation Bonds	\$15,810,000	\$14,435,000	\$0	\$0	\$15,810,000	\$14,435,000	-8.7%
Capital Leases	273,461	226,052	0	0	273,461	226,052	-17.3%
Compensated Absences	419,054	330,566	25,140	24,135	444,194	354,701	-20.1%
Pension Liability	26,874,224	24,790,333	796,776	741,667	27,671,000	25,532,000	-7.7%
OPEB	2,178,092	2,518,875	65,269	74,281	2,243,361	2,593,156	15.6%
Total	\$45,554,831	\$42,300,826	\$887,185	\$840,083	\$46,442,016	\$43,140,909	-7.1%

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2025

FACTORS BEARING ON THE DISTRICT’S FUTURE

The challenge for all school districts is to provide the best education possible to all students while staying within the restrictions imposed by limited funding. The Schuylkill Haven Area School District relies heavily on local taxes for a major source of income. As the economy remains steady, health insurance costs are on the rise, and state funding is questionable, the District must strive harder to remain within the budgeted amount for the 2025/2026 school year.

The Board adopted the 2025/2026 school year budget with an increase in expenditures of 7.4% from the prior year. This increase is primarily due to the increase of salaries and benefits, to remain competitive with the surrounding community, and charter school and transportation expenses. The General Fund has maintained a healthy cash balance of \$4,920,904. despite deficit spending. However, the district must address recurring shortfalls and rising instructional costs.

The Schuylkill Haven Area School District expects to have a stable population over the next few years, given the residential nature of the local economy and its close proximity to the labor markets of Allentown, Harrisburg, and Reading. The Pennsylvania Department of Education (PDE) has projected a slight decline in population for the District through 2026.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizen, taxpayers, parents, students, investors, and creditors with a general overview of the District’s finances and to show the Board’s accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact the Business Manager, Schuylkill Haven Area School District, 501 East Main Street, Schuylkill Haven, Pennsylvania 17972.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION (DEFICIT)

JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and cash equivalents	\$ 5,845,224	\$ 997,905	\$ 6,843,129
Cash and cash equivalents - restricted	147,466	0	147,466
Taxes receivable, net	1,790,985	0	1,790,985
Intergovernmental receivables	1,319,572	84,200	1,403,772
Other receivables	467	11,114	11,581
Inventories	0	12,167	12,167
TOTAL CURRENT ASSETS	<u>9,103,714</u>	<u>1,105,386</u>	<u>10,209,100</u>
NON-CURRENT ASSETS			
Land and Site improvements - net of accumulated depreciation	1,721,522	0	1,721,522
Building and building improvements - net of accumulated depreciation	22,442,588	0	22,442,588
Leased assets GASB 87 - net of accumulated depreciation	1,079,687	0	1,079,687
Furniture, equipment and automobiles - net of accumulated depreciation	86,454	121,106	207,560
TOTAL NON-CURRENT ASSETS	<u>25,330,251</u>	<u>121,106</u>	<u>25,451,357</u>
TOTAL ASSETS	34,433,965	1,226,492	35,660,457
DEFERRED OUTFLOWS OF RESOURCES	<u>1,381,182</u>	<u>43,597</u>	<u>1,424,779</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ <u>35,815,147</u>	\$ <u>1,270,089</u>	\$ <u>37,085,236</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)			
CURRENT LIABILITIES			
Internal balances	\$ (241,505)	\$ 241,505	\$ 0
Intergovernmental payables	197,053	0	197,053
Accounts payable	210,309	0	210,309
Accrued salaries and benefits	2,595,101	19,740	2,614,841
Current portion of long-term debt	1,575,906	0	1,575,906
Accrued interest	111,901	0	111,901
TOTAL CURRENT LIABILITIES	<u>4,448,765</u>	<u>261,245</u>	<u>4,710,010</u>
NON-CURRENT LIABILITIES			
Bonds and notes payable	13,040,000	0	13,040,000
Leases payable	99,633	0	99,633
Long-term portion of compensated absences	276,079	24,135	300,214
Premium on long-term debt - net of accumulated amortization	128,144	0	128,144
Net PSERS pension liability	24,790,333	741,667	25,532,000
Other postemployment benefits	2,518,875	74,281	2,593,156
TOTAL NON-CURRENT LIABILITIES	<u>40,853,064</u>	<u>840,083</u>	<u>41,693,147</u>
TOTAL LIABILITIES	<u>45,301,829</u>	<u>1,101,328</u>	<u>46,403,157</u>
DEFERRED INFLOWS OF RESOURCES	1,994,300	71,661	2,065,961
NET POSITION (DEFICIT)			
Invested in capital assets, net of related debt	10,808,796	121,106	10,929,902
Restricted for capital projects	540,704	0	540,704
Unrestricted (Deficit)	(22,830,482)	(24,006)	(22,854,488)
TOTAL NET POSITION (DEFICIT)	<u>(11,480,982)</u>	<u>97,100</u>	<u>(11,383,882)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)	\$ <u>35,815,147</u>	\$ <u>1,270,089</u>	\$ <u>37,085,236</u>

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES						
Unallocated depreciation	\$ 1,004,592	\$ 0	\$ 0	\$ (1,004,592)	\$ 0	\$ (1,004,592)
Instruction	13,306,387	0	4,559,840	(8,746,547)	0	(8,746,547)
Instructional student support	2,099,543	0	364,225	(1,735,318)	0	(1,735,318)
Administrative and financial support services	2,566,242	0	351,826	(2,214,416)	0	(2,214,416)
Operation and maintenance of plant services	2,130,437	0	351,510	(1,778,927)	0	(1,778,927)
Pupil transportation	1,205,047	0	660,715	(544,332)	0	(544,332)
Student activities	523,153	0	115,719	(407,434)	0	(407,434)
Community services	59,233	0	475	(58,758)	0	(58,758)
Non-depreciable capital acquisition	0	0	0	0	0	0
Interest on long-term debt	362,695	0	243,596	(119,099)	0	(119,099)
TOTAL GOVERNMENTAL ACTIVITIES	<u>23,257,329</u>	<u>0</u>	<u>6,647,906</u>	<u>(16,609,423)</u>	<u>0</u>	<u>(16,609,423)</u>
BUSINESS-TYPE ACTIVITIES						
Food services	973,547	42,621	1,010,456	0	79,530	79,530
TOTAL PRIMARY GOVERNMENT	<u>24,230,876</u>	<u>42,621</u>	<u>7,658,362</u>	<u>(16,609,423)</u>	<u>79,530</u>	<u>(16,529,893)</u>
GENERAL REVENUES AND TRANSFERS						
Taxes:						
Property taxes, levied for general purposes, net				6,113,769	0	6,113,769
Public utility, realty, earned income and miscellaneous taxes levied for general purposes, net				2,854,465	0	2,854,465
Grants, subsidies, and contributions not restricted				8,206,353	0	8,206,353
Investment earnings				212,632	39,083	251,715
Miscellaneous				454,113	0	454,113
Transfers				0	0	0
TOTAL GENERAL REVENUES AND TRANSFERS				<u>17,841,332</u>	<u>39,083</u>	<u>17,880,415</u>
CHANGE IN NET POSITION				1,231,909	118,613	1,350,522
NET POSITION (DEFICIT) - BEGINNING				<u>(12,712,891)</u>	<u>(21,513)</u>	<u>(12,734,404)</u>
NET POSITION (DEFICIT) - ENDING				<u>\$ (11,480,982)</u>	<u>\$ 97,100</u>	<u>\$ (11,383,882)</u>

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2025

	<u>General</u>	<u>Capital Reserve/ Project</u>	<u>Non-Major Governmental Fund</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 5,451,986	\$ 393,238	\$ 0	\$ 5,845,224
Cash and cash equivalents - restricted	0	0	147,466	147,466
Taxes receivable, net	1,790,985	0	0	1,790,985
Due from other funds	241,505	0	0	241,505
Intergovernmental receivables	1,319,572	0	0	1,319,572
Other receivables	467	0	0	467
TOTAL ASSETS	<u>8,804,515</u>	<u>393,238</u>	<u>147,466</u>	<u>9,345,219</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 8,804,515</u>	<u>\$ 393,238</u>	<u>\$ 147,466</u>	<u>\$ 9,345,219</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Intergovernmental payables	\$ 197,053	\$ 0	\$ 0	\$ 197,053
Accounts payable	210,309	0	0	210,309
Accrued salaries and benefits	2,595,101	0	0	2,595,101
TOTAL LIABILITIES	<u>3,002,463</u>	<u>0</u>	<u>0</u>	<u>3,002,463</u>
DEFERRED INFLOWS OF RESOURCES	1,421,852	0	0	1,421,852
FUND BALANCES				
Restricted fund balance	0	393,238	147,466	540,704
Committed fund balance	2,126,339	0	0	2,126,339
Assigned fund balance	1,826,033	0	0	1,826,033
Unassigned fund balance	427,828	0	0	427,828
TOTAL FUND BALANCES	<u>4,380,200</u>	<u>393,238</u>	<u>147,466</u>	<u>4,920,904</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 8,804,515</u>	<u>\$ 393,238</u>	<u>\$ 147,466</u>	<u>\$ 9,345,219</u>

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION (DEFICIT)

GOVERNMENTAL FUNDS

AS OF JUNE 30, 2025

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 4,920,904**

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	49,923,461	
Less: accumulated depreciation	<u>(24,593,210)</u>	25,330,251

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

Bonds payable	(14,435,000)	
Capital leases payable	(226,052)	
Compensated absences	(330,566)	
Net PSERS pension liability	(24,790,333)	
Other postemployment benefits	<u>(2,518,875)</u>	(42,300,826)

Delinquent personal and 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. 1,421,852

Deferred inflows of resources related to PSERS pension and OPEB liabilities (1,994,300)

Deferred outflows of resources related to PSERS pension and OPEB liabilities 1,381,182

Governmental funds report debt issuance premiums as an other financing source at the time of issuance. These items are reported as an unamortized liability in the District-wide financial statements. (128,144)

Governmental funds do not report a liability for accrued interest until due and payable. (111,901)

TOTAL NET POSITION (DEFICIT) - GOVERNMENTAL ACTIVITIES **\$ (11,480,982)**

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

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

ALL GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	General	Capital Reserve/ Project	Non-Major Governmental Fund	Total Governmental Funds
REVENUES				
Local sources	\$ 9,966,294	\$ 5,747	\$ 853	\$ 9,972,894
State sources	13,741,448	0	0	13,741,448
Federal sources	657,093	0	0	657,093
TOTAL REVENUES	<u>24,364,835</u>	<u>5,747</u>	<u>853</u>	<u>24,371,435</u>
EXPENDITURES				
Instruction	14,136,977	0	0	14,136,977
Support services	8,407,255	0	0	8,407,255
Non-instructional services	580,036	0	0	580,036
Capital outlay	441,271	94,498	0	535,769
Debt service	1,900,711	0	0	1,900,711
Refund of prior year revenues	0	0	0	0
TOTAL EXPENDITURES	<u>25,466,250</u>	<u>94,498</u>	<u>0</u>	<u>25,560,748</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,101,415)</u>	<u>(88,751)</u>	<u>853</u>	<u>(1,189,313)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from extended-term financing	106,425	0	0	106,425
Sale of Fixed Assets	0	0	0	0
Transfers in (out)	(5,000)	5,000	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>101,425</u>	<u>5,000</u>	<u>0</u>	<u>106,425</u>
NET CHANGE IN FUND BALANCES	<u>(999,990)</u>	<u>(83,751)</u>	<u>853</u>	<u>(1,082,888)</u>
FUND BALANCES - BEGINNING	<u>5,380,190</u>	<u>476,989</u>	<u>146,613</u>	<u>6,003,792</u>
FUND BALANCES - ENDING	<u>\$ 4,380,200</u>	<u>\$ 393,238</u>	<u>\$ 147,466</u>	<u>\$ 4,920,904</u>

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

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

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (1,082,888)
Because some property 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.	79,684
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	1,528,835
Amortization of bond issuance premiums is recognized in the period incurred in the governmental funds but is amortized in the Statement of Activities	38,118
Amortization of GASB 87 leased assets is recognized in the period incurred in the governmental funds but is amortized in the Statement of Activities	(24,366)
Loss on disposition of assets is not recognized in the governmental funds but is recognized in the Statement of Activities	(10,043)
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.	1,208,858
Interest is recognized in governmental funds when paid but is accrued in the Statement of Activities.	9,181
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.	474,630
Depreciation expense is recognized in the Statement of Activities but is not recognized in governmental funds.	(1,234,357)
Other postemployment benefit obligations reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	(106,425)
Issuance of long-term debt is listed as revenue in governmental funds but it is listed as a liability in the Statement of Net Assets.	<u>350,681</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 1,231,908</u>

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

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

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local sources	\$ 9,116,531	\$ 9,116,531	\$ 9,966,294	\$ 849,763
State sources	13,051,840	13,051,840	13,741,448	689,608
Federal sources	444,943	444,943	657,093	212,150
TOTAL REVENUES	<u>22,613,314</u>	<u>22,613,314</u>	<u>24,364,835</u>	<u>1,751,521</u>
EXPENDITURES				
Regular programs	9,794,233	9,794,233	9,353,884	440,349
Special programs	3,528,832	3,528,832	4,352,350	(823,518)
Vocational programs	427,615	427,615	427,615	0
Other instructional programs	2,416	2,416	3,128	(712)
Non public school programs	0	0	0	0
Pupil personnel services	1,275,826	1,275,826	1,294,575	(18,749)
Instructional staff services	629,658	629,658	500,357	129,301
Administrative services	1,583,392	1,583,392	1,669,468	(86,076)
Pupil health	448,238	448,238	451,239	(3,001)
Business services	440,962	440,962	449,281	(8,319)
Operation and maintenance of plant services	2,301,033	2,301,033	2,336,463	(35,430)
Student transportation services	1,146,000	1,146,000	1,194,117	(48,117)
Central and other support services	530,357	530,357	511,755	18,602
Other support services	0	0	0	0
Student activities	524,466	524,466	528,298	(3,832)
Community services	78,395	78,395	51,738	26,657
Capital expenditures	0	0	441,271	(441,271)
Debt service (principal and interest)	1,896,237	1,896,237	1,900,711	(4,474)
Refund of prior year receipts	0	0	0	0
TOTAL EXPENDITURES	<u>24,607,660</u>	<u>24,607,660</u>	<u>25,466,250</u>	<u>(858,590)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,994,346)</u>	<u>(1,994,346)</u>	<u>(1,101,415)</u>	<u>892,931</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Extended-Term Financing	0	0	106,425	106,425
Sale of Fixed Assets	0	0	0	0
Transfers in (out)	(5,000)	(5,000)	(5,000)	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,000)</u>	<u>(5,000)</u>	<u>101,425</u>	<u>106,425</u>
NET CHANGE IN FUND BALANCES	<u>(1,999,346)</u>	<u>(1,999,346)</u>	<u>(999,990)</u>	<u>999,356</u>
FUND BALANCE - BEGINNING OF YEAR	<u>3,978,079</u>	<u>3,978,079</u>	<u>5,380,190</u>	<u>1,402,111</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,978,733</u>	<u>\$ 1,978,733</u>	<u>\$ 4,380,200</u>	<u>\$ 2,401,467</u>

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION (DEFICIT)

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Food Service</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash	\$ 997,905
Due from other governments	84,200
Accounts receivable	11,114
Inventories	<u>12,167</u>
TOTAL CURRENT ASSETS	1,105,386
NON-CURRENT ASSETS	
Machinery and equipment	720,373
Less: accumulated depreciation	<u>(599,267)</u>
TOTAL NON-CURRENT ASSETS	121,106
DEFERRED OUTFLOWS OF RESOURCES	<u>43,597</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,270,089</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)	
CURRENT LIABILITIES	
Due to other funds	\$ 241,505
Accrued salaries and benefits	<u>19,740</u>
TOTAL CURRENT LIABILITIES	261,245
NON-CURRENT LIABILITIES	
PSERS Pension liability	741,667
PSERS and District OPEB liability	74,281
Long-term portion of compensated absences	<u>24,135</u>
TOTAL NON-CURRENT LIABILITIES	<u>840,083</u>
TOTAL LIABILITIES	1,101,328
DEFERRED INFLOWS OF RESOURCES	71,661
NET POSITION (DEFICIT)	
Invested in capital assets - net of related debt	121,106
Unrestricted (Deficit)	<u>(24,006)</u>
TOTAL NET POSITION (DEFICIT)	<u><u>97,100</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)	<u><u>\$ 1,270,089</u></u>

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Food Service</u>
OPERATING REVENUES	
Food service revenues	\$ 80,258
Charges for service	42,621
Other operating revenues	<u>1,615</u>
TOTAL OPERATING REVENUES	<u>124,494</u>
 OPERATING EXPENSES	
Salaries	263,728
Employee benefits	122,650
Supplies	531,034
Purchased property services	32,546
Purchased professional and technical services	4,164
Depreciation	18,893
Other operating expenses	<u>532</u>
TOTAL OPERATING EXPENSES	<u>973,547</u>
 OPERATING (LOSS)	 (849,053)
 NON-OPERATING REVENUES (EXPENSES)	
Earnings on investments	39,083
State sources	147,240
Federal sources	<u>781,343</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>967,666</u>
 CHANGE IN NET POSITION	 118,613
 NET POSITION (DEFICIT) - BEGINNING OF YEAR	 <u>(21,513)</u>
 NET POSITION - END OF YEAR	 \$ <u><u>97,100</u></u>

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and intergovernments	\$ 93,057
Cash received from other operating revenue	1,615
Cash payments to employees for services	(426,203)
Cash payments to suppliers	(541,091)
Cash payments for other operating expenses	(532)
NET CASH (USED FOR) OPERATING ACTIVITIES	<u>(873,154)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State sources	147,240
Federal sources	781,343
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>928,583</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of fixed assets for cash	(34,840)
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on investments	<u>39,083</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	59,672
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>938,233</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 997,905</u></u>
OPERATING (LOSS)	\$ (849,053)
ADJUSTMENTS TO RECONCILE OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES:	
Depreciation and net amortization	18,893
Changes in current assets and current liabilities	
(Increase) Decrease in accounts receivable	(11,114)
(Increase) Decrease in other current or noncurrent assets	(14,564)
(Increase) Decrease in prepaid expenses	0
(Increase) Decrease in inventories	3,028
(Increase) Decrease in deferred outflows of resources	6,960
Increase (Decrease) in accounts payable	0
Increase (Decrease) in net PSERS net pension liability	(55,109)
Increase (Decrease) in PSERS and District OPEB net liability	9,012
Increase (Decrease) in accrued salaries and benefits	103
Increase (Decrease) in deferred revenue	(4,144)
Increase (Decrease) in other non-current liabilities	22,620
Increase (Decrease) in deferred inflows of resources	214
TOTAL ADJUSTMENTS	<u>(24,101)</u>
TOTAL CASH (USED FOR) OPERATING ACTIVITIES	<u><u>\$ (873,154)</u></u>

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Custodial Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
ASSETS	
Cash	\$ 287,123
TOTAL ASSETS	<u>287,123</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 287,123</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
LIABILITIES	
Other current liabilities	\$ <u>0</u>
TOTAL LIABILITIES	<u>0</u>
DEFERRED INFLOWS OF RESOURCES	0
NET POSITION	
Restricted for:	
Individuals and other organizations	<u>287,123</u>
TOTAL NET POSITION	<u>287,123</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 287,123</u>

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Custodial Funds</u>
ADDITIONS	
Investment income:	
Interest, dividends, and other	\$ 306
Custodial fund receipts	<u>261,222</u>
TOTAL ADDITIONS	<u>261,528</u>
DEDUCTIONS	
Custodial fund expenditures	<u>253,632</u>
TOTAL DEDUCTIONS	<u>253,632</u>
CHANGE IN NET POSITION	<u>7,896</u>
NET POSITION - BEGINNING OF YEAR	<u>279,227</u>
NET POSITION - END OF YEAR	<u><u>\$ 287,123</u></u>

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Schuylkill Haven Area School District (the "District") is governed by the Schuylkill Haven 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 Schuylkill Haven 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:

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

REPORTING ENTITY

The District is not a component unit of any other primary government.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF PRESENTATION

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

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

- Direct Expenses are those that are clearly identifiable with a specific program.
- 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.
- 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.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF PRESENTATION - continued

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

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

The District reports the following major governmental funds:

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

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary and trust funds.

The District reports the following major proprietary fund type:

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF ACCOUNTING

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

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

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

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 account can be made. The budgeted financial statements represented in this report reflect the final budget authorization, including all transfers.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

TAXES ASSESSED

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

Tax Type	Millage/Rate	Tax Levy
Real Estate - Schuylkill County	46.90 mills	\$ 6,505,516
Occupation Tax - Act 511	\$200.00/person	1,259,000
Per Capita Tax - Act 511	\$ 4.00/person	28,784
Per Capita Tax - Section 679	\$ 5.00/person	35,980
Total Assessed Valuation		\$ 7,829,280

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	December 31

Taxes which remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent taxes that is not collected within 60 days of year-end is deferred in the fund based financial statements because it is not known to be available to finance the operations of the District in the current year. An allowance has been established to recognize the uncollectible portion.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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.

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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 position. 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.

FUND EQUITY

In the fund financial statements, governmental funds separately report fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a restricted purpose.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

ACCOUNTING STANDARDS ADOPTED IN YEAR ENDED JUNE 30, 2025

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

The primary objective of GASB Statement No. 101 is to improve the recognition, measurement, and disclosure of compensated absences, such as vacation and sick leave, that are provided to employees in exchange for services rendered. The standard aims to enhance consistency, comparability, and transparency in reporting these liabilities across governments.

Under GASB 101, governments are required to recognize a liability for compensated absences when the leave is earned if (1) the leave is attributable to services already rendered, (2) it accumulates and can be carried forward for use in future periods, and (3) it is more likely than not to be used for time off or otherwise paid to the employee.

The District evaluated all applicable leave types in accordance with the new standard and determined that the implementation did not result in a material adjustment to beginning net position or fund balance. Accordingly, no restatement was required.

The adoption of GASB Statement No. 101 did not otherwise materially affect the District's financial statements for the year ended June 30, 2025.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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 District does not have a policy for custodial credit risk on deposits. At June 30, 2025, the carrying amount of the District's deposits was \$7,277,719. and the bank balances were \$7,487,899. Of the bank balance \$1,155,482. was covered by federal depository insurance, and \$6,332,417. 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.

A portion of the District's deposits (\$3,731,169.) are in the Pennsylvania Local Government Investment Trust (PLGIT) and the Pennsylvania School District Liquid Asset Fund (PSDLAF). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT and PSDLAF act like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1. per share, is rated by a nationally recognized statistical rating organization, and is subject to an independent annual audit.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS - continued:

INVESTMENTS

Statutes authorize the District to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, state treasurer's investment pools or mutual funds. As of June 30, 2025, the District had no investments.

Investments classified as U.S. agencies are securities of agencies of the U.S. government that have an implied but not explicit guarantee.

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.

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

The District has no investment policy that would limit its investment choices to those with certain credit ratings.

Concentration Risk

The District does not have a policy that would limit the amount it may invest in any one issuer.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 3 - CAPITAL ASSETS:

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

	Balance June 30, 2024	Net Additions (Deductions)	Balance June 30, 2025
Governmental Activities:			
Capital Assets, Not Being Depreciated			
Land	\$ 14,520	\$ 0	\$ 14,520
Total Capital Assets, Not Being Depreciated	14,520	0	14,520
Capital Assets, Being Depreciated:			
Land, Buildings and Improvements	45,607,857	351,312	45,959,169
Leased Assets GASB 87	158,104	6,260	164,364
Furniture, Equipment, and Vehicles	4,010,077	(224,671)	3,785,406
Total Capital Assets, Being Depreciated	49,776,038	132,901	49,908,939
Accumulated Depreciation For:			
Land, Buildings and Improvements	20,723,545	1,034,150	21,757,695
Leased Assets GASB 87	47,283	(13,026)	34,257
Furniture, Equipment, and Vehicles	2,895,345	(94,089)	2,801,256
Total Accumulated Depreciation	23,666,173	927,035	24,593,208
Construction in Progress	0	0	0
Governmental Activities - Capital Assets, Net	<u>\$ 26,124,385</u>	<u>\$ (794,134)</u>	<u>\$ 25,330,251</u>
Business-type Activities:			
Furniture/Equipment	\$ 685,533	\$ 34,840	\$ 720,373
Less: Accumulated Depreciation	580,374	18,893	599,267
Business-type Activities - Capital Assets, Net	<u>\$ 105,159</u>	<u>\$ 15,947</u>	<u>\$ 121,106</u>

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

Unallocated	\$ 1,004,593
Instructional	55,635
Administration	0
Instructional Student Support	7,735
Pupil health	2,628
Operation and Maintenance of Plant Services	67,257
Central and other support services	31,682
Student Transportation	10,930
Student Activities	53,898
Total Depreciation Expense	<u>\$ 1,234,358</u>

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS – continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 4 - CHANGES IN LONG-TERM DEBT:

General Obligation Bonds/Notes at June 30, 2025, consists of the following:

GENERAL OBLIGATION BONDS - SERIES OF 2020

On April 8, 2020, the District issued General Obligation Bonds in the amount of \$8,080,000. at interest rates ranging from .75% to 3.00%. Proceeds of this issue were used to refund the outstanding General Obligation Bonds – Series of 2015, refund the outstanding General Obligation Bonds – Series of 2016, and pay the costs of issuing and insuring the 2020 Bonds.

\$5,345,000.
=====

GENERAL OBLIGATION NOTE – SERIES OF 2020A

On April 8, 2020, the District issued General Obligation Bonds in the amount of \$5,035,000. at interest rates ranging from 2.0% to 3.00%. Proceeds of this issue were used to finance various capital projects of the School District and pay the costs of issuing and insuring the 2020A Bonds.

\$5,035,000.
=====

GENERAL OBLIGATION NOTE – SERIES OF 2022

On May 10, 2022, the District issued a General Obligation Note in the amount of \$2,540,000. at a fixed interest rate of 3.16%. Proceeds of this issue were used to finance various capital projects of the School District including the completion of the sports performance center and pay the costs of issuing and insuring the 2022 Note. Semi-annual interest and principal payments are required thru September 1, 2034.

\$2,530,000.
=====

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 4 - GENERAL LONG-TERM DEBT - continued

GENERAL OBLIGATION NOTE – SERIES OF 2021

On May 13, 2021, the District issued General Obligation Bonds in the amount of \$1,545,000. at a fixed interest rate of 1.675%. Proceeds of this issue were used to finance various capital projects of the School District and pay the costs of issuing and insuring the 2021 Bonds.

\$1,525,000.
=====

COMPENSATED ABSENCES

General Long-Term Debt includes liabilities of \$354,701. which represents the amounts of compensated absences computed by using unused sick and vacation days at current compensation rates, not limited to the maximum payout at retirement. 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 is as follows:

Emergency and personal - no payment
Vacation (administrative personnel) - limited accumulation of vacation days.
Sickness - payout is based on age and years of service in the District with no maximum per employee.

OTHER POSTEMPLOYMENT BENEFITS

General Long-Term Debt includes \$2,593,156. of liabilities which represent other benefits provided upon termination of employment. The reader should consult the separate footnotes on these benefits for more information.

CAPITAL LEASES PAYABLE

The District has three capital lease obligations which total \$132,422 with TEQ Lease for the purchase of Smartboards, Apple for teachers Macbooks, American Capital for HP Chromebooks, and Ruckus Solution for Wireless Access. Terms require varying payments and interest rates with payments ending by June 30, 2027.

LEASES – GASB 87

The District has several operating leases with Complete Document Services and Stratix Systems, Inc. which are subject to recording under GASB 87. The initial recorded lease assets/liabilities were \$164,364. for the usage of various Ricoh and Xerox copiers. Terms require various monthly payments thru July 2030.

\$ 93,629.
=====

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 4 - GENERAL LONG-TERM DEBT - continued

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	GASB 87 Leases Payable	Capital Leases Payable	General Obligation Bond Series of 2022	General Obligation Bond Series of 2020	General Obligation Note Series of 2020A	General Obligation Note Series of 2021	Total
BALANCE - JUNE 30, 2024	\$ 444,193	\$ 1,121,361	\$ 1,122,000	\$ 27,671,000	\$ 115,178	\$ 158,284	\$ 2,535,000	\$ 6,710,000	\$ 5,035,000	\$ 1,530,000	\$ 46,442,016
ADDITIONS	0	393,795	0	0	6,260	100,164	0	0	0	0	500,219
REDUCTIONS	(89,492)	0	(44,000)	(2,139,000)	(27,809)	(126,026)	(5,000)	(1,365,000)	0	(5,000)	(3,801,327)
BALANCE - JUNE 30, 2025	<u>\$ 354,701</u>	<u>\$ 1,515,156</u>	<u>\$ 1,078,000</u>	<u>\$ 25,532,000</u>	<u>\$ 93,629</u>	<u>\$ 132,422</u>	<u>\$ 2,530,000</u>	<u>\$ 5,345,000</u>	<u>\$ 5,035,000</u>	<u>\$ 1,525,000</u>	<u>\$ 43,140,908</u>
DUE WITHIN ONE YEAR	<u>\$ 15,235</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 28,062</u>	<u>\$ 99,037</u>	<u>\$ 5,000</u>	<u>\$ 1,385,000</u>	<u>\$ 0</u>	<u>\$ 5,000</u>	<u>\$ 1,537,334</u>

A summary of general long-term debt, principal maturities, and interest requirements follows:

Year Ending June 30,	GASB 87 Leases Payable	Capital Leases Payable	General Obligation Bond Series of 2022	General Obligation Bond Series of 2020	General Obligation Note Series of 2020A	General Obligation Note Series of 2021	Total
2026	\$ 35,652	\$ 104,379	\$ 84,869	\$ 1,486,312	\$ 117,888	\$ 30,502	\$ 1,859,602
2027	31,126	33,912	84,711	1,486,200	117,887	30,418	1,784,254
2028	31,056	0	84,553	1,487,700	117,888	30,334	1,751,531
2029	10,811	0	84,395	1,126,650	479,237	30,251	1,731,344
2030	762	0	84,237	0	1,607,787	30,167	1,722,953
2031-2035	0	0	2,798,485	0	3,216,281	1,562,561	7,577,327
Subtotal	109,407	138,291	3,221,250	5,586,862	5,656,968	1,714,233	16,427,011
Less: Interest	(15,778)	(5,869)	(691,250)	(241,862)	(621,968)	(189,233)	(1,765,960)
Outstanding Principal	93,629	132,422	2,530,000	5,345,000	5,035,000	1,525,000	14,661,051
Less: Current Maturities	(28,062)	(99,037)	(5,000)	(1,385,000)	0	(5,000)	(1,522,099)
Long-Term Debt - Net of Current Maturities	<u>\$ 65,567</u>	<u>\$ 33,385</u>	<u>\$ 2,525,000</u>	<u>\$ 3,960,000</u>	<u>\$ 5,035,000</u>	<u>\$ 1,520,000</u>	<u>\$ 13,138,952</u>

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5 - RISK MANAGEMENT AND LITIGATION:

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets errors and omissions; injuries to employees; and natural disasters. The District maintains coverage from commercial insurance companies to cover these risks of loss.

NOTE 6 - INTERFUND ACTIVITY:

Interfund accounts receivables/payables, which were utilized to fund operations are considered currently due and are as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 241,505	\$ 0
Cafeteria Fund	0	241,505
Capital Reserve Fund	0	0
Total All Funds	\$ 241,505	\$ 241,505

Interfund transfers in (out) are as follows:

	Transfer In	Transfer (Out)
General Fund	\$ 0	\$ 5,000
Agency Fund	0	0
Capital Project Fund	0	0
Capital Reserve Fund	5,000	0
Debt Service Fund	0	0
Total All Funds	\$ 5,000	\$ 5,000

NOTE 7 - 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.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 7 - GASB STATEMENT NO. 54 - continued

Established classifications are as follows:

Nonexpendable – Amounts that cannot be spend because they are either in a non-spendable 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.

ORDER OF FUND BALANCE SPENDING POLICY

The District's policy is to apply expenditures against non-spendable 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, non-spendable fund balances are determined. Then, restricted fund balances for the non-general funds are classified as restricted fund balance.

It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balance for the non-general fund.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 7 - GASB STATEMENT NO. 54 - continued

BALANCE SHEET - GOVERNMENTAL FUNDS				
JUNE 30, 2025				
	<u>General</u>	<u>Capital Projects/Reserve</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
EQUITY				
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	0	393,238	147,466	540,704
Assigned for:				
General Purposes	1,426,033	0	0	1,426,033
PSERS/Textbooks	400,000	0	0	400,000
Committed for:				
PSERS	0	0	0	0
Health Care	616,700	0	0	616,700
Energy Equipment	500,000	0	0	500,000
MS Boiler Project	173,639	0	0	173,639
Turf Replacement	350,000	0	0	350,000
Technology	486,000	0	0	486,000
Unassigned	427,828	0	0	427,828
TOTAL FUND BALANCE	<u>\$ 4,380,200</u>	<u>\$ 393,238</u>	<u>\$ 147,466</u>	<u>\$ 4,920,904</u>

NOTE 8 - RELATED ORGANIZATIONS:

Not included in the School District's 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.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – DISTRICT:

PLAN DESCRIPTION

The Schuylkill Haven 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. Plan members are not required to contribute; however, for the member and the spouse, coverage ceases upon the later of the exhaustion of accumulated sick days at retirement used to obtain health coverage, the exhaustion of an HCA based on accumulated sick days at retirement, or Medicare eligibility. If a retiree runs out of unused sick days prior to reaching Medicare eligibility, they may continue on the District plan by paying 100% of premiums.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – DISTRICT – continued

For 2024, the District made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to \$66,403. for 2025. These costs are recognized as an expense when claims or premiums are paid.

Plan Membership

Inactive plan member or beneficiaries currently receiving benefits	10
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>150</u>
	<u>160</u>

Components of the net OPEB liability

Total OPEB liability	\$ 1,515,156
Plan fiduciary net position	<u>0</u>
Net OPEB liability	<u>\$ 1,515,156</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% Decrease <u>3.29%</u>	Current Discount Rate <u>4.29%</u>	1% Increase <u>5.29%</u>
Net OPEB liability (asset)	\$ 1,649,191	\$ 1,515,156	\$ 1,393,390

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

	1% Decrease 5.50% decreasing to 5.0%	Current Healthcare cost Trend <u>6.00%</u>	1.00% Increase 7.50% decreasing to <u>7.00%</u>
Net OPEB liability (asset)	\$ 1,360,749	\$ 1,515,156	\$ 1,696,601

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - 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, 2024 actuarial valuation, the individual entry age normal actuarial cost method was used. There were also merit and seniority salary rate increase assumptions taken into consideration and those are detailed in the actuarial study and are based on age. There was also an inflationary rate assumption factored into the calculation. Per the actuarial study, the assumed rate ranges from 7% in the short-term to 5.5% 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.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - DISTRICT-continued

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$(243,203). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Totals	\$ <u>826,779</u>	\$ <u>(579,588)</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

Year Ending June 30,	Estimated Amount
<u>2026</u>	\$ (16,094)
2027	(16,094)
2028	(16,094)
2029	(16,094)
2030	(16,089)
Thereafter	<u>253,004</u>
Total Deferred Outflows/ Inflows of Resources	\$ <u>172,539</u>

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – PENSION:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PENSIONS

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

General Information about the Pension Plan

PLAN DESCRIPTION

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – PENSION – continued

BENEFITS PROVIDED

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-3) 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. Benefits are generally equal to 1% 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. 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.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – 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 8.00% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elected Class T-F membership, contribute at 10.80% (base rate) of the member's qualifying compensation. All new hires after June 30, 2019, who elected Class T-G membership, contribute 9.00% (base rate) of the member's qualifying compensation. All new hires after June 30, 2019, who elected Class T-H membership, contribute 8.35% (base rate) of the member's qualifying compensation. Membership Class T-E, Class T-F, Class T-G & Class 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%, Membership Class T-F contribution rate to fluctuate between 8.30% and 12.30%, Membership Class T-G contribution rate to fluctuate between 2.50% and 8.50% and Membership Class T-H contribution rate to fluctuate between 1.50% and 7.50%.

Employer Contributions:

The school district's contractually required contribution rate for fiscal year ended June 30, 2025 was 32.92% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$3,200,221. for the year ended June 30, 2024.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – PENSION - continued

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

At June 30, 2025, the District reported a liability of \$25,532,000. for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District proportion was .0610%, which was a decrease of (.0012%) from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized pension expense of \$3,200,221. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 0	\$ 401,000
Changes in assumptions	92,000	0
Net difference between projected and actual investment earnings	422,000	0
Changes in proportion	0	831,000
Difference between employer contributions and proportionate share of total contributions	0	0
Contributions subsequent to the measurement date	0	0
Total All Funds	<u>\$ 514,000</u>	<u>\$ 1,232,000</u>

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – PENSION - continued

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

\$514,000. reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2025	\$ (936,000)
2026	321,000
2027	(17,000)
2028	(86,000)
Total Net Deferred Outflows/ Inflows of Resources	\$ <u>(718,000)</u>

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

- Actuarial cost method – Entry Age Normal – level % of pay
- Valuation Date – June 30, 2023.
- 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 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 was 7.00% as of June 30, 2024.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS – continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – PENSION - continued

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

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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	30.0%	4.8%
Private equity	12.0%	6.7%
Fixed income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure/MLPs	10.0%	6.4%
Real estate	9.5%	5.9%
	<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, 2024.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – 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	\$ 33,633,000	\$ 25,532,000	\$ 18,691,000

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.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS)**

1. Summary of Significant Accounting Policies

Other Postemployment Benefits

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

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

Health Insurance Premium Assistance Program

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

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
- Participate in the HOP or employer-sponsored health insurance program.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

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, 2024, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions:

The school districts’ contractually required contribution rate for the fiscal year ended June 30, 2025 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$62,000 for the year ended June 30, 2025.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 11 – 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**

At June 30, 2025, the District reported a liability of \$1,078,000. for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System’s total OPEB liability as of June 30, 2023 to June 30, 2024. The District’s proportion of the net OPEB liability was calculated utilizing the employer’s one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District’s proportion was .0607% percent, which was a decrease of (.0013%) from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized OPEB expense of \$44,000. At June 30, 2025, 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	\$ 4,000	\$ 16,000
Changes in assumptions	66,000	165,000
Net difference between projected and actual investment earnings	1,000	0
Changes in proportion	13,000	56,000
Difference between employer contributions and proportionate share of total contributions	0	0
Contributions subsequent to the measurement date	0	0
Total All Funds	\$ 84,000	\$ 237,000

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 11 – 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

\$84,000. reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Estimated Amount
2025	\$ (36,000)
2026	(43,000)
2027	(49,000)
2028	(17,000)
2029	(8,000)
Thereafter	0
Total Deferred Outflows/ Inflows of Resources	\$ <u>(153,000)</u>

3. Actuarial Assumptions

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

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

3. Actuarial Assumptions - continued

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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%	1.7%
	<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, 2024.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

3. Actuarial Assumptions - continued

Discount rate

The discount rate used to measure the Total OPEB Liability was 4.21%. Under the plan’s funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan’s fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a “pay-as-you-go” plan. A discount rate of 4.21% which represents the S&P 20-year Municipal Bond Rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2024, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2024, 92,149 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2024, 489 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the System net OPEB liability for June 30, 2024, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if it health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

		Current	
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
System net OPEB liability	\$ 1,078,000	\$ 1,078,000	\$ 1,078,000

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

3. Actuarial Assumptions - continued

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

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

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
District's proportionate share of the net OPEB liability	\$ 1,218,000	\$ 1,078,000	\$ 961,000

OPEB plan fiduciary net position

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 12 – SUBSEQUENT EVENTS:

The District has evaluated events and transactions occurring subsequent to the balance sheet date of June 30, 2025 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through January 26, 2026, the date these financial statements were available to be issued.

OTHER SUPPLEMENTAL INFORMATION

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

A. SUMMARY OF AUDIT RESULTS

1. Auditor's report expresses an unqualified opinion on the financial statements of the Schuylkill Haven 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 the Schuylkill Haven 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 are 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 the Schuylkill Haven Area School District expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for the Schuylkill Haven Area School District.
7. The programs tested as major programs (Child Nutrition Cluster) were as follows:

Program	CFDA #
ARP - ESSER III	84.425U
CORONAVIRUS RECOVERY FUNDS	21.027
REGULAR/NEEDY BREAKFAST PROGRAM	10.553
NATIONAL SCHOOL LUNCH	10.555
COMMODITIES	10.555

8. The threshold for distinguishing types A and B Programs was \$750,000.
9. The Schuylkill Haven 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 PROGRAMS AUDIT

None

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/ Pass Through Grantor/ Program Title	Source Code	Federal Cluster Code	Federal CFDA Number	Pass Through Grantors' Number	Program or Award Amount	Grant Period Beginning/Ending Date	Total Received For Year	Accrued Or (Deferred) Revenue June 30, 2024	Revenue Recognized	Expenditures	Accrued Or (Deferred) Revenue June 30, 2025	Subrecipient Expenditures
U.S. DEPARTMENT OF EDUCATION												
Passed Through State Department of Education:												
E.S.E.A. Title I - Improving Basic Programs	(I)		84.010	013-240374	\$ 258,637	7-1-23 / 9-30-24	\$ 110,848	\$ 109,650	\$ 1,198	\$ 1,198	\$ 0	\$ 0
E.S.E.A. Title I - Improving Basic Programs	(I)		84.010	013-250374	253,380	7-1-24 / 9-30-25	177,783	0	253,380	253,380	75,597	0
E.S.E.A. Title II - Improving Teacher Quality	(I)		84.367	020-240374	35,272	7-1-23 / 9-30-24	10,344	10,344	0	0	0	0
E.S.E.A. Title II - Improving Teacher Quality	(I)		84.367	020-250374	35,516	7-1-24 / 9-30-25	27,448	0	35,516	35,516	8,068	0
Title IV Student Support	(I)		84.424	144-250374	19,478	7-1-24 / 9-30-25	9,739	0	19,478	19,478	9,739	0
Title IV Student Support	(I)		84.424	144-240374	20,414	7-1-23 / 9-30-24	10,207	10,207	0	0	0	0
ARP - Elementary and Secondary School Emergency Relief Fund III - 2020-2023	(I) / (CV)		84.425U	223-210374	1,560,733	7-1-20 / 9-30-24	56,754	(37,060)	93,814	93,814	0	0
Passed Through Schuylkill Intermediate Unit #29:												
21st Century Community Learning Center	(I)		84.287C	N/A	55,550	10-1-23 / 9-30-24	16,544	7,747	8,797	8,797	0	0
21st Century Community Learning Center	(I)		84.287C	N/A	53,714	3-1-25 / 2-28-26	6,396	0	12,564	12,564	6,168	0
21st Century Community Learning Center	(I)		84.287C	N/A	63,588	10-1-24 / 9-30-25	21,253	0	26,303	26,303	5,050	0
21st Century Community Learning Center	(I)		84.287C	N/A	12,588	1-6-25 / 2-28-25	10,434	0	10,434	10,434	0	0
IDEA Part B	(I)	(SE)	84.027	N/A	250,749	7-1-24 / 6-30-25	250,749	0	250,749	250,749	0	0
IDEA Section 619	(I)	(SE)	84.173	N/A	3,684	7-1-24 / 6-30-25	3,684	0	3,684	3,684	0	0
TOTAL DEPARTMENT OF EDUCATION					2,623,303		712,183	100,888	715,917	715,917	104,622	0
U.S. HEALTH AND HUMAN SERVICES												
Passed Through State Department of Human Services:												
Medical Assistance Administrative Reimbursement	(I)	(M/A)	93.778	NONE	7,994	7-1-23 / 6-30-24	7,994	0	7,994	7,994	0	0
Medical Assistance Administrative Reimbursement	(I)	(M/A)	93.778	NONE	7,536	7-1-24 / 6-30-25	3,904	0	7,536	7,536	3,632	0
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					15,530		11,898	0	15,530	15,530	3,632	0
U.S. DEPARTMENT OF THE TREASURY												
Passed Through State Commission on Crime and Delinquency												
Coronavirus State and Local Fiscal Recovery Funds	(I) / (CV)		21.027	42421	114,353	1-1-24 / 12-31-25	67,687	0	114,353	114,353	46,666	0
TOTAL DEPARTMENT OF THE TREASURY					114,353		67,687	0	114,353	114,353	46,666	0
U.S. DEPARTMENT OF AGRICULTURE												
Passed Through State Department of Education:												
Regular/Needy Breakfast	(I)	(CN)	10.553	129-54-730-03	176,485	7-1-24 / 6-30-25	155,701	0	176,485	176,485	20,784	0
Regular/Needy Breakfast	(S)		N/A	129-54-730-03	21,819	7-1-24 / 6-30-25	19,649	0	21,819	21,819	2,170	0
National School Lunch	(I)	(CN)	10.555	129-54-730-03	546,549	7-1-24 / 6-30-25	491,809	0	546,549	546,549	54,740	0
National School Lunch	(S)		N/A	129-54-730-03	50,556	7-1-24 / 6-30-25	44,980	0	50,556	50,556	5,576	0
State Breakfast Initiative	(S)		N/A	129-54-730-03	68,475	7-1-23 / 6-30-24	6,604	6,604	0	0	0	0
State Breakfast Initiative	(S)		N/A	129-54-730-03	7,994	7-1-24 / 6-30-25	7,066	0	7,994	7,994	928	0
Regular/Needy Breakfast	(I)	(CN)	10.553	129-54-730-03	149,160	7-1-23 / 6-30-24	16,714	16,714	0	0	0	0
Regular/Needy Breakfast	(S)		N/A	129-54-730-03	7,930	7-1-23 / 6-30-24	854	854	0	0	0	0
National School Lunch	(I)	(CN)	10.555	129-54-730-03	416,404	7-1-23 / 6-30-24	43,485	43,485	0	0	0	0
National School Lunch	(S)		N/A	129-54-730-03	19,772	7-1-23 / 6-30-24	1,980	1,980	0	0	0	0
Passed Through State Department of Agriculture:												
National School Lunch - Value of USDA Commodities	(I)	(CN)	10.555	2-07-54-730	58,309	7-1-24 / 6-30-25 (A)	56,197 (B)	(9,535)	58,309	58,309 (C)	(7,423) (D)	0
TOTAL DEPARTMENT OF AGRICULTURE					1,523,453		845,039	60,102	0	861,712	861,712	76,775
SUB-TOTAL					4,276,639		1,636,807	160,990	1,707,512	1,707,512	231,695	0
STATE AWARD EXPENDITURES					176,546		81,133	9,438	80,369	80,369	8,674	0
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 4,100,093		\$ 1,555,674	\$ 151,552	\$ 1,627,143	\$ 1,627,143	\$ 223,021	\$ 0

Source Code Legend:

(D) Indicates direct federal financial assistance funding.
(I) Indicates indirect federal financial assistance funding.
(S) Indicates State matching funding.
(CV) Indicates Coronavirus funding

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.

Federal Cluster Code Legend:

(SE) Indicates Special Education Cluster
(CN) Indicates Child Nutrition Cluster
(MA) Indicates Medicaid Cluster

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

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

NOTE 2 - COMMODITIES:

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

NOTE 3 – INDIRECT COSTS:

The District did not charge any indirect costs to any of the federal grants and programs during this fiscal year. Consequently, 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	\$ 176,485	84.027	\$ 250,749
10.555	604,858	84.173	3,684
Total	\$ 781,343	Total	\$ 254,433

Medicaid Cluster CFDA# 93.778 Expenditures were \$15,530.

**REQUIRED
SUPPLEMENTAL INFORMATION**

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

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
DISTRICT'S PROPORTION OF THE NET PENSION LIABILITY (ASSET)	0.6100%	0.6220%	0.6420%	0.6340%	0.6400%	0.6350%	0.6280%	0.6630%	0.6350%	0.6200%
DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)	\$ 25,532	\$ 27,671	\$ 28,543,000	\$ 26,030,000	\$ 31,513,000	\$ 29,707,000	\$ 30,147,000	\$ 32,745,000	\$ 31,469,000	\$ 26,856,000
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 9,632,254	\$ 9,505,056	\$ 9,423,560	\$ 8,973,113	\$ 8,972,379	\$ 8,751,068	\$ 8,456,242	\$ 8,830,767	\$ 8,227,620	\$ 7,982,027
DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	0.27%	0.29%	302.89%	290.09%	351.22%	339.47%	356.51%	370.81%	382.48%	336.46%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	64.63%	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.40%

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ 3,200,221	\$ 3,256,791	\$ 3,201,975	\$ 3,014,724	\$ 3,226,000	\$ 3,186,000	\$ 2,962,000	\$ 2,536,000	\$ 2,020,000	\$ 1,601,000
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	<u>(3,200,221)</u>	<u>(3,256,791)</u>	<u>(3,201,975)</u>	<u>(3,014,724)</u>	<u>(3,226,000)</u>	<u>(3,186,000)</u>	<u>(2,962,000)</u>	<u>(2,536,000)</u>	<u>(2,020,000)</u>	<u>(1,601,000)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 9,632,254	\$ 9,505,056	\$ 9,423,560	\$ 8,973,113	\$ 8,972,379	\$ 8,751,068	\$ 8,456,242	\$ 8,830,767	\$ 8,227,620	\$ 7,982,027
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	33.22%	34.26%	33.98%	33.60%	35.95%	36.41%	35.03%	28.72%	24.55%	20.06%

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

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

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
DISTRICT'S PROPORTION OF THE NET OPEB LIABILITY (ASSET)									
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)	\$ 1,515,156	\$ 1,121,361	\$ 1,058,638	\$ 1,279,526	\$ 1,241,925	\$ 1,459,948	\$ 1,478,671	\$ 1,727,635	\$ 1,697,980
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 9,632,254	\$ 9,505,056	\$ 9,423,560	\$ 8,293,729	\$ 8,293,729	\$ 7,865,045	\$ 7,865,045	\$ 7,843,999	\$ 7,843,999
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	15.73%	11.80%	11.23%	15.43%	14.97%	18.56%	18.80%	22.02%	21.65%
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	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.

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
CONTRIBUTION DEFICIENCY (EXCESS)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 9,632,254	\$ 9,505,056	\$ 9,423,560	\$ 8,293,729	\$ 8,293,729	\$ 7,865,045	\$ 7,865,045	\$ 7,843,999
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
DISTRICT'S PROPORTION OF THE NET OPEB- PSERS LIABILITY (ASSET)									
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB - PSERS LIABILITY (ASSET)	\$ 1,078,000	\$ 1,122,000	\$ 1,180,000	\$ 1,500,000	\$ 1,381,000	\$ 1,351,000	\$ 1,309,000	\$ 1,351,000	\$ 1,368,000
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 9,632,254	\$ 9,505,056	\$ 9,423,560	\$ 8,973,113	\$ 8,972,379	\$ 8,751,068	\$ 8,456,242	\$ 8,830,767	\$ 8,227,620
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB - PSERS LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	11.1916%	11.8042%	12.5218%	16.7166%	15.3917%	15.4381%	15.4797%	15.2988%	16.6269%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB - PSERS LIABILITY	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

SCHUYLKILL HAVEN AREA SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB-PSERS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ 62,000	\$ 71,000	\$ 75,000	\$ 74,000	\$ 70,000	\$ 66,000	\$ 61,000	\$ 58,000
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	62,000	71,000	75,000	74,000	70,000	66,000	61,000	58,000
CONTRIBUTION DEFICIENCY (EXCESS)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 9,632,254	\$ 9,505,056	\$ 9,423,560	\$ 8,972,379	\$ 8,972,379	\$ 8,751,068	\$ 8,456,242	\$ 8,830,767
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	0.64%	0.75%	0.80%	0.82%	0.78%	0.75%	0.72%	0.66%

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.