REDBANK VALLEY SCHOOL DISTRICT

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

REDBANK VALLEY SCHOOL DISTRICT

NEW BETHLEHEM, PENNSYLVANIA

BASIC FINANCIAL STATEMENTS

SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

AND

OTHER INFORMATION REQUIRED BY GOVERNMENT AUDITING STANDARDS AND UNIFORM GUIDANCE

WITH INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2025

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CLARION AND ARMSTRONG COUNTIES, PENNSYLVANIA
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CLARION AND ARMSTRONG COUNTIES, PENNSYLVANIA
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Management and Board of Education
Redbank Valley School District
Clarion and Armstrong Counties, Pennsylvania

Independent Auditor's Report

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Redbank Valley School District as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iv-xiv and the other required supplementary information on pages 50-57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Redbank Valley School District's basic financial statements. The accompanying supplementary information – Detailed Schedule of Budgeted and Actual Revenues – General Fund and Detailed Scheduled of Budgeted and Actual Expenditures – General Fund on pages 45-49, is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards on page 63 is presented for purposes of additional analysis 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, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 Detailed Schedule of Budgeted and Actual Revenues – General Fund, the Detailed Schedule of Budgeted and Actual Expenditures – General Fund, and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2026, on our consideration of the Redbank Valley School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Redbank Valley School District's internal control over financial reporting and compliance.

Turnley Robertson & Associates LLC

January 27, 2026
New Brighton, Pennsylvania

REDBANK VALLEY SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

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

FINANCIAL HIGHLIGHTS

Key financial highlights for 2025 are as follows:

- The District's total governmental activities liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources as of June 30, 2025 by $12,047,308 (net position - deficit). This change was mainly the result of the District's required implementation of GASB 75 'Accounting and Financial Reporting for Postemployment Benefits other than Pensions' which started with the June 30, 2018 fiscal year and GASB 68 'Accounting and Financial Reporting for Pensions' which started with the June 30, 2015 fiscal year. The District is now required to recognize a liability for their post-employment healthcare plan, to recognize a liability for their proportionate share of the Pennsylvania School Employees Retirement System (PSERS) overall net healthcare obligation, and to recognize their proportionate share of the Pennsylvania School Employees Retirement System (PSERS) overall net pension obligation. For the Redbank Valley School District, these liabilities are $2,001,240 and $18,523,200 respectively for governmental activities and $32,760 and $771,800 respectively for business-type activities as of June 30, 2025 (Exhibit A).

  Total governmental activities revenues were $22,379,777. General revenues accounted for $15,639,375 or 70% of all revenues. Program specific revenues in the form of charges for services and grants accounted for $6,740,402 or 30% of total revenues.

  The School District had $19,939,279 in expenses related to governmental Activities: $6,740,402 of these expenses were offset by program specific charges for services and grants. General revenue (primarily taxes and basic education subsidy) of $15,693,375 covered a majority of the remaining net cost of program expenses.

  At the end of the current fiscal year, unassigned fund balance of the general fund was $1,856,492 or approximately 8.0% of 2025-2026 budgeted general fund expenditures.

REDBANK VALLEY SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

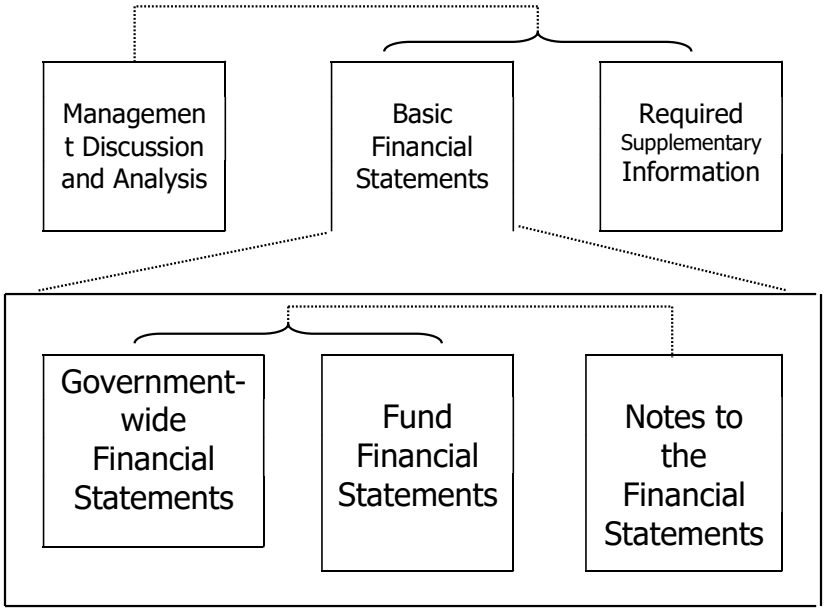
USING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

This annual comprehensive financial report (ACFR) consists of a series of financial statements and notes on those statements. These statements are organized so the reader can understand Redbank Valley School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole school district, presenting both an aggregate view of the school district's finances and longer-term view of these finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the school district's most significant funds. In the case of Redbank Valley School District, the general fund is by far the most significant fund.

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

Figure A-1
Required components of
Redbank Valley School District's
Financial Report



USING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (Continued)

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

Figure A-2
Major Features of Redbank Valley School District's
Government-wide and Fund Financial Statements

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

REDBANK VALLEY SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

REPORTING THE SCHOOL DISTRICT AS A WHOLE

Governmental-Wide Financial Statements

Statement of Net Position and the Statement of Activities

While this document contains a majority of the funds (excludes fiduciary funds) used by the school district to provide programs and activities, the view of the school district as a whole, looks at all financial transactions and asks the questions, "How did we do financially during 2024-2025"? The Statement of Net Position and the Statement of Activities answer the question. These statements include all assets and liabilities using the accrual basis of accounting which is similar to the accounting used by most public companies. The accrual basis of accounting takes into account all the current year's revenues and expenses regardless of when cash is received or paid. The change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the school district has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the school district's property tax base, student enrollment, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the school district financial information is divided into two distinct kinds of activities:

Governmental Activities – Most of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover the expenses of the goods or services provided. The School District Food Service Fund is reported as a business activity.

These Government-Wide Financial Statements can be found on pages 1-2 of this report.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the school district's major funds begins on page 3. Fund financial reports provide detailed information about the School District's major funds. The school district uses three funds to account for a multitude of financial transactions. However, these fund financial statements focus on the school district's most significant funds. The school district's major governmental fund is the general fund.

Governmental Funds – Most of the school district's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the school district's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements on page 4 and page 6, respectively.

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these fund financial statements will essentially match the government-wide financial statements.

Fiduciary Funds – The District is trustee, or fiduciary, for assets that belong to others, such as the District's student activity custodial fund. 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. The District excludes these activities from the district-wide statements because it cannot use these assets to finance its operations. All the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position on Pages 11 and 12.

THE SCHOOL DISTRICT AS A WHOLE

The District's total net position increased $2,546,790. Governmental activities increased by $2,440,498 and business-type activities increased by $106,292. A comparative breakdown of the assets, liabilities and net position of the District for the past two fiscal years is as follows:

THE SCHOOL DISTRICT AS A WHOLE (Continued)

Table A-1
Fiscal Year ended June 30, 2025, and 2024
Net Position

	JUNE 30, 2025			JUNE 30, 2024
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	TOTAL
Current Assets	$ 9,002,110	$ 377,878	$ 9,379,988	$ 8,147,040
Capital Assets	5,432,449	152,596	5,585,045	5,706,594
Deferred Outflows of Resources	3,510,272	130,762	3,641,034	4,501,627
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 17,944,831**	**$ 661,236**	**$ 18,606,067**	**$ 18,355,261**
Current Liabilities	$ 2,458,580	$ 22,347	$ 2,480,927	$ 2,196,217
Long-term Liabilities	23,764,479	804,560	24,569,039	27,623,732
Deferred Inflows of Resources	1,972,080	52,920	2,025,000	1,551,000
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$ 28,195,139**	**$ 879,827**	**$ 29,074,966**	**$ 31,370,949**
Net Investment in Capital Assets	$ 1,797,044	$ 152,596	$ 1,949,640	$ 1,473,061
Unrestricted (Deficit)	(12,047,352)	(371,187)	(12,418,539)	(14,488,750)
TOTAL NET POSITION (DEFICIT)	**$ (10,250,308)**	**$ (218,591)**	**$ (10,468,899)**	**$ (13,015,689)**

The change in long-term liabilities, and deferred inflows of resources, along with the increase in net position, is attributed to the updated valuation received from the Pennsylvania School Employees Retirement System (PSERS), in accordance with GASB Statement No. 68, '*Accounting and Financial Reporting for Pensions'),* and the implementation as of June 30, 2018 of GASB Statement No. 75, '*Accounting and Financial Reporting for Postemployment Benefits other than Pensions*'. The District's total net pension liability decreased from $21,620,000 at June 30, 2024 to $19,295,000 at June 30, 2025. The District's total net OPEB liability decreased from $2,173,000 at June 30, 2024 to $2,034,000 at June 30, 2025.

The results of this year's operations as a whole are reported in the Statement of Activities on Page 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues.

THE SCHOOL DISTRICT AS A WHOLE (Continued)

The two largest general revenues are the Basic Education Subsidy provided by the State of Pennsylvania, and the local taxes assessed to community taxpayers.

Table A-2 takes the information from the Statement of Activities, rearranges it slightly, so you can see our total revenues, expenses, and change to the net position for the past two fiscal years.

Table A-2
Fiscal Year ended June 30, 2025 and June 30, 2024
Changes in Net Position

	JUNE 30, 2025			JUNE 30, 2024
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	TOTAL
REVENUES				
Program Revenues:				
Charges for Services	$ 140,805	$ 163,789	$ 304,594	$ 330,204
Grants and Contributions	6,599,597	828,651	7,428,248	7,343,328
General Revenues:				
Property Taxes	3,824,451	-	3,824,451	3,726,524
Other Taxes	1,047,780	-	1,047,780	1,018,055
Grants, Subsidies and Contributions	10,371,961	-	10,371,961	10,154,809
Other	395,183	22,542	417,725	294,483
TOTAL REVENUES	**$ 22,379,777**	**$ 1,014,982**	**$ 23,394,759**	**$ 22,867,403**
EXPENSES				
Instruction	$ 13,409,290	$ -	$ 13,409,290	$ 12,780,021
Instructional Student Support	1,033,394	-	1,033,394	1,024,222
Administrative and Financial Support	1,675,326	-	1,675,326	1,594,154
Operation and Maintenance of Plant	1,560,994	-	1,560,994	1,754,415
Pupil Transportation	1,738,402	-	1,738,402	1,655,239
Student Activities	425,932	-	425,932	416,788
Community Services	2,979	-	2,979	31,382
Interest on Long-term Debt	92,962	-	92,962	105,651
Food Services	-	908,690	908,690	938,895
TOTAL EXPENSES	**$ 19,939,279**	**$ 908,690**	**$ 20,847,969**	**$ 20,300,767**
CHANGE IN NET POSITION	**$ 2,440,498**	**$ 106,292**	**$ 2,546,790**	**$ 2,566,636**

Grants and Contributions increased slightly by $84,920 (1.2%). General Revenues increased in total by $468,046 (3.1%) mainly due to increases in tax revenue, basic education and property tax relief subsidies, and investment earnings. Overall expenses increased by $547,202 or 2.7%.

THE SCHOOL DISTRICT AS A WHOLE (Continued)

Table A-3 shows the District's seven largest functions - instructional programs, instructional student support, administrative, operation and maintenance of plant, pupil transportation, student activities, long-term debt, as well as each program's net cost (total cost less revenues generated by the activities) for the past two fiscal years.

This table also shows the net costs offset by the other unrestricted grants, subsidies and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues.

Table A-3
Fiscal Year ended June 30, 2025 and June 30, 2024
Governmental Activities

	JUNE 30, 2025		JUNE 30, 2024	
	TOTAL COST OF SERVICE	NET COST OF SERVICE	TOTAL COST OF SERVICE	NET COST OF SERVICE
EXPENSES				
Instruction	$ 13,409,290	$ 9,055,822	$ 12,780,021	$ 8,704,001
Instructional Student Support	1,033,394	629,366	1,024,222	837,629
Administrative and Financial Support	1,675,326	1,448,126	1,594,154	1,291,872
Operation and Maintenance of Plant	1,560,994	1,418,235	1,754,415	1,208,501
Pupil Transportation	1,738,402	290,163	1,655,239	374,535
Student Activities	425,932	261,224	416,788	234,105
Community Services	2,979	2,979	31,382	-
Interest on Long-term Debt	92,962	92,962	105,651	105,651
TOTAL EXPENSES	**$ 19,939,279**	**$ 13,198,877**	**$ 19,361,872**	**$ 12,756,294**
Less:				
Unrestricted Grants, Subsidies		10,371,961		10,154,809
TOTAL NEEDS FROM LOCAL TAXES AND OTHER REVENUES		**$ 2,826,916**		**$ 2,601,485**

THE SCHOOL DISTRICT AS A WHOLE (Continued)

Table A-4 reflects the activities of the Food Service program, the only Business-type activity of the District.

Table A-4
Fiscal Year ended June 30, 2025 and June 30, 2024
Business-Type Activities

	JUNE 30, 2025		JUNE 30, 2024	
	TOTAL COST OF SERVICE	NET COST OF SERVICE	TOTAL COST OF SERVICE	NET COST OF SERVICE
EXPENSES				
Food Service	$ 908,690	$ (83,750)	$ 938,895	$ (129,059)
Investment Earnings/Other		22,542		4,873
TOTAL BUSINESS-TYPE ACTIVITIES CHANGE IN NET POSITION		**$ 106,292**		**$ 133,932**

GENERAL FUND BUDGETARY HIGHLIGHTS

Total General Fund actual revenues, (not including other financing sources), were more than budgeted revenues by $1,047,964or 4.92%. Local revenues were over budget by $437,097 (8.1%), state revenues were over budget $693,295 (4.5%), and federal revenues were under budget by $82,428 (15.7%). Total General Fund expenses, (not including other financing uses), were under budget by $585,694 (2.7%).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, the School District had $5,585,045 (governmental and business-type activities), invested in land, buildings and equipment, net of accumulated depreciation. This represents a net decrease of $121,549 over the past fiscal year, mainly as a result of depreciation expenses exceeding capital purchases for the current fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Debt Administration

At July 1, 2024 the School District had total outstanding debt principal of $4,245,000 on its General Obligation Bond Issues Series 2013 and 2017. During the 2024-2025 fiscal year, the District made total principal payments on existing debt totaling $600,000 resulting in ending outstanding debt as of June 30, 2025 of $3,645,000. The District is scheduled to make principal and interest payments on this debt totaling $693,150 during the 2025-2026 fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The School District's general obligation bond rating is a Standard & Poor's Rating Group "A+". The A+ enhanced rating is based upon the additional security for bonds provided by the Commonwealth of Pennsylvania Act 150 School District Intercept Program. The Act provides for undistributed state aid to be diverted to bond holders in the event of default. Standard & Poor's cited that the A+ rating reflects "very strong financial reserve levels, and low to moderate debt burden with limited additional capital needs". These factors offset the rating factors "low to moderate wealth and income indicators" and "projected structural imbalance due to increased pensions costs".

The District does not expect significant growth in the near future given the present nature of the local economy and a lack of development within the District. Employment opportunities in surrounding areas within Clarion and Armstrong Counties do lend concern for the District's long-term operational and financial position. The District is hopeful that enrollments have bottomed out and we will see a more stable level or even increases in subsequent years. For Clarion County the drop in enrollments over the past 25 years is due significantly to the closing of two (2) industries that impacted the District directly. They are the closing of the Glass Manufacturing Plant and Coal Stripping.

The revenue budget for the 2024-2025 year is $21,314,003. This represents a $183,616 (.85%) decrease in budgeted revenues over 2023-2024. The expenditure budget for the 2024-2025 year is $22,198,072. This represents an increase of $700,453 (3.3%) over 2023-2024. The budget requires a contribution of $0 from the fund balance as approved by the Board of School Directors.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the district's finances and to show the school district's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact the Redbank Valley School District Business Office at 920 Broad Street, New Bethlehem, PA 16242, 814-275-2426. You may also view district information on our website at www.redbankvalley.net.

REDBANK VALLEY SCHOOL DISTRICT **EXHIBIT A**
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 134,904	$ 30,995	$ 165,899
Investments	6,904,255	630,395	7,534,650
Internal Balances	312,824	(312,824)	-
Taxes Receivable, net	370,025	-	370,025
Due From Other Governments	880,494	-	880,494
Other Receivables	7,877	-	7,877
Prepaid Expenses	391,731	-	391,731
Inventory	-	29,312	29,312
Total Current Assets	**$ 9,002,110**	**$ 377,878**	**$ 9,379,988**
Noncurrent Assets:			
Land (non-depreciable)	$ 337,281	$ -	$ 337,281
Site Improvements (net)	144,256	-	144,256
Building & Building Improvements (net)	3,786,032	-	3,786,032
Machinery & Equipment (net)	1,164,880	152,596	1,317,476
Total Noncurrent Assets	**$ 5,432,449**	**$ 152,596**	**$ 5,585,045**
TOTAL ASSETS	**$ 14,434,559**	**$ 530,474**	**$ 14,965,033**
DEFERRED OUTLFOWS OF RESOURCES:			
Deferred Outflows Related to Pensions	$ 3,017,152	$ 125,715	$ 3,142,867
Deferred Outflows Related to OPEB	493,120	5,047	498,167
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ 3,510,272**	**$ 130,762**	**$ 3,641,034**
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	**$ 17,944,831**	**$ 661,236**	**$ 18,606,067**
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 330,163	$ 265	$ 330,428
Current Portion - Long Term Debt	610,000	-	610,000
Accrued Interest	27,717	-	27,717
Payroll Withholdings	50,836	-	50,836
Accrued Salaries and Benefits	1,432,688	14,090	1,446,778
Unearned Revenue	7,176	7,992	15,168
Total Current Liabilities	**$ 2,458,580**	**$ 22,347**	**$ 2,480,927**
Noncurrent Liabilities:			
Bonds Payable - Long Term Portion (Net)	$ 3,025,405	$ -	$ 3,025,405
Accrued Compensated Absences	214,634	-	214,634
Net Pension Liability	18,523,200	771,800	19,295,000
Net OPEB Liability	2,001,240	32,760	2,034,000
Total Noncurrent Liabilities	**$ 23,764,479**	**$ 804,560**	**24,569,039**
TOTAL LIABILITIES	**$ 26,223,059**	**$ 826,907**	**$ 27,049,966**
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pensions	$ 1,067,520	$ 44,480	$ 1,112,000
Deferred Inflows Related to OPEB	904,560	8,440	913,000
TOTAL DEFERRED INFLOWS OF RESOURCES	**$ 1,972,080**	**$ 52,920**	**$ 2,025,000**
NET POSITION			
Net Investment in Capital Assets	$ 1,797,044	$ 152,596	$ 1,949,640
Unrestricted (Deficit)	(12,047,352)	(371,187)	(12,418,539)
Total Net Position (Deficit)	**$ (10,250,308)**	**$ (218,591)**	**$ (10,468,899)**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$ 17,944,831**	**$ 661,236**	**$ 18,606,067**

The accompanying notes are an integral part of these financial statements

REDBANK VALLEY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT B

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:							
Instruction	$ 13,409,290	$ 31,100	$ 4,322,368	$ -	$ (9,055,822)		$ (9,055,822)
Instructional Student Support	1,033,394	-	404,028	-	(629,366)		(629,366)
Administrative and Financial Support Services	1,675,326	-	227,200	-	(1,448,126)		(1,448,126)
Operation and Maintenance of Plant Services	1,560,994	1,500	141,259	-	(1,418,235)		(1,418,235)
Pupil Transportation	1,738,402	-	1,448,239	-	(290,163)		(290,163)
Student Activities	425,932	108,205	56,503	-	(261,224)		(261,224)
Community Services	2,979	-	-	-	(2,979)		(2,979)
Interest on Debt/Refund Prior Year Receipts	92,962	-	-	-	(92,962)		(92,962)
Total Governmental Activities	**$ 19,939,279**	**$ 140,805**	**$ 6,599,597**	**$ -**	**$ (13,198,877)**		**$ (13,198,877)**
Business-Type activities:							
Food Service	$ 908,690	$ 163,789	$ 828,651	$ -	$ -	$ 83,750	$ 83,750
Total Business-Type Activities	**$ 908,690**	**$ 163,789**	**$ 828,651**	**$ -**	**$ -**	**$ 83,750**	**$ 83,750**
Total Primary Government	**$ 20,847,969**	**$ 304,594**	**$ 7,428,248**	**$ -**	**$ (13,198,877)**	**$ 83,750**	**$ (13,115,127)**
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes (net)					$ 3,824,451	$ -	$ 3,824,451
Other Taxes Levied for General Purposes					1,047,780	-	1,047,780
Grants, Subsidies, and Contributions Not Restricted					10,371,961	-	10,371,961
Investment Earnings					326,856	22,542	349,398
Miscellaneous					68,327	-	68,327
Total General Revenues					**$ 15,639,375**	**$ 22,542**	**$ 15,661,917**
Change in Net Position					**$ 2,440,498**	**$ 106,292**	**$ 2,546,790**
Net Position - July 1, 2024 (Deficit)					(12,690,806)	(324,883)	(13,015,689)
Net Position — June 30, 2025 (Deficit)					**$ (10,250,308)**	**$ (218,591)**	**$ (10,468,899)**

The accompanying notes are an integral part of these financial statements

REDBANK VALLEY SCHOOL DISTRICT **EXHIBIT C**

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2025

	GENERAL FUND	CAPITAL RESERVE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:			
Cash and Cash Equivalents	$ 134,904	$ -	$ 134,904
Investments	6,643,315	260,940	6,904,255
Taxes Receivable, net	370,025	-	370,025
Due From Other Funds	312,824	-	312,824
Due From Other Governments	880,494	-	880,494
Other Receivables	7,877	-	7,877
Prepaid Expenses	391,731	-	391,731
TOTAL ASSETS	**$ 8,741,170**	**$ 260,940**	**$ 9,002,110**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:			
LIABILITIES:			
Accounts Payable	$ 330,163	$ -	$ 330,163
Payroll Withholdings	50,836	-	50,836
Accrued Salaries and Benefits	1,432,688	-	1,432,688
Unearned Revenue	7,176	-	7,176
TOTAL LIABILITIES	**$ 1,820,863**	**$ -**	**$ 1,820,863**
DEFERRED INFLOWS OF RESOURCES:			
Delinquent Real Estate Taxes	$ 300,263	$ -	$ 300,263
TOTAL DEFERRED INFLOWS OF RESOURCES	**$ 300,263**	**$ -**	**$ 300,263**
FUND BALANCES:			
Non-Spendable	$ 391,731	$ -	$ 391,731
Restricted	21,821	-	21,821
Committed	500,000	-	500,000
Assigned	3,850,000	260,940	4,110,940
Unassigned	1,856,492	-	1,856,492
TOTAL FUND BALANCES	**$ 6,620,044**	**$ 260,940**	**$ 6,880,984**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 8,741,170**	**$ 260,940**	**$ 9,002,110**

The accompanying notes are an integral part of these financial statements

REDBANK VALLEY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds		**$ 6,880,984**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds. The cost of assets is $14,906,389, and the accumulated depreciation is $9,473,940.		5,432,449
Property taxes receivable in the statement of net position, which will not be available soon enough to pay for the current period's expenditures, are deferred and not recognized as revenue in governmental funds.		300,263
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions		3,017,152
Deferred outflows of resources related to OPEB		493,120
Deferred inflows of resources related to pensions		(1,067,520)
Deferred inflows of resources related to OPEB		(904,560)
Long term liabilities, including bonds and notes payable, are not due and payable in the current period, and therefore, are not reported as liablities in the governmental funds. Long-term liablities at year end consist of:		
Bonds Payable - (Net)	$ 3,635,405	
Net Pension Liability	18,523,200	
Accrued Interest on Bonds	27,717	
Net OPEB Liability	2,001,240	
Accrued Compensated Absences	214,634	(24,402,196)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (Deficit)		**$ (10,250,308)**

The accompanying notes are an integral part of these financial statements

REDBANK VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	GENERAL FUND	CAPITAL RESERVE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Local Sources	$ 5,844,726	$ 10,931	$ 5,855,657
State Sources	16,073,569	-	16,073,569
Federal Sources	443,672	-	443,672
Total Revenue	**$ 22,361,967**	**$ 10,931**	**$ 22,372,898**
EXPENDITURES			
Instruction	$ 14,041,595	$ -	$ 14,041,595
Support Services	6,299,792	-	6,299,792
Noninstructional Services	450,754	-	450,754
Debt Service	695,248	-	695,248
Total Expenditures	**$ 21,487,389**	**$ -**	**$ 21,487,389**
Excess (Deficiency) of Revenue over Expenditures	**$ 874,578**	**$ 10,931**	**$ 885,509**
OTHER FINANCING SOURCES (USES)			
Refund of Prior Year Receipts	$ (3)	$ -	$ (3)
Total Other Financing Sources (Uses)	**$ (3)**	**$ -**	**$ (3)**
NET CHANGE IN FUND BALANCES	**$ 874,575**	**$ 10,931**	**$ 885,506**
FUND BALANCE - JULY 1, 2024	5,745,469	250,009	5,995,478
FUND BALANCE - JUNE 30, 2025	**$ 6,620,044**	**$ 260,940**	**$ 6,880,984**

The accompanying notes are an integral part of these financial statements

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

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	**$**	**885,506**
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense ($249,709) exceeds capital outlays ($130,097) in the period.		(119,612)
Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	*	1,080,808
Because certain property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount this year.		6,879
Repayment of bond, note, and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		600,000
Discounts and premiums on the sale of bonds are recognized as revenue and expenditures in the governmental funds, however these amounts are amortized over the life of the bond issue in the government-wide financial statements.		(1,872)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		4,161
In the statement of activities, certain operating expenses - compensated absences and net OPEB obligations - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid). This year, compensated absences and net OPEB obligations earned exceeded the amount paid.		(15,372)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	**$**	**2,440,498**

REDBANK VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL
GOVERNMENTAL FUNDS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
REVENUES				
Local Sources	$ 5,407,629	$ 5,407,629	$ 5,844,726	$ 437,097
State Sources	15,380,274	15,380,274	16,073,569	693,295
Federal Sources	526,100	526,100	443,672	(82,428)
Total Revenues	**$ 21,314,003**	**$ 21,314,003**	**$ 22,361,967**	**$ 1,047,964**
EXPENDITURES				
Regular Programs	$ 9,737,560	$ 9,958,812	$ 9,167,471	$ 791,341
Special Programs	3,725,692	3,716,029	4,193,391	(477,362)
Vocational Programs	676,350	676,350	676,350	-
Other Instructional Programs	5,831	5,831	4,383	1,448
Pupil Personnel Services	498,150	498,150	498,318	(168)
Instructional Staff Services	335,372	335,372	319,662	15,710
Administrative Services	981,374	1,064,042	1,036,857	27,185
Pupil Health	243,941	283,136	269,157	13,979
Business Services	439,916	439,916	427,821	12,095
Operation & Maintenance of Plant Services	1,765,634	1,768,502	1,706,657	61,845
Student Transportation Services	1,726,500	1,738,484	1,738,402	82
Support Services Central	323,905	323,905	291,639	32,266
Other Support Services	12,000	12,000	11,279	721
Student Activities	547,924	547,924	447,775	100,149
Community Services	13,000	3,995	2,979	1,016
Capital Outlay	5,000	5,000	-	5,000
Debt Service	695,635	695,635	695,248	387
Total Expenditures	**$ 21,733,784**	**$ 22,073,083**	**$ 21,487,389**	**$ 585,694**
Excess (Deficiency) of Revenues over Expenditures	**$ (419,781)**	**$ (759,080)**	**$ 874,578**	**$ 1,633,658**
OTHER FINANCING SOURCES (USES)				
Budgetary Reserve	$ (464,288)	$ (124,989)	$ -	$ 124,989
Refund of Prior Year Receipts	-	-	(3)	(3)
Total Other Financing Sources (Uses)	**$ (464,288)**	**$ (124,989)**	**$ (3)**	**$ 124,986**
NET CHANGE IN FUND BALANCES	**$ (884,069)**	**$ (884,069)**	**$ 874,575**	**$ 1,758,644**
FUND BALANCE - JULY 1, 2024	5,400,000	5,400,000	5,745,469	345,469
FUND BALANCE - JUNE 30, 2025	**$ 4,515,931**	**$ 4,515,931**	**$ 6,620,044**	**$ 2,104,113**

The accompanying notes are an integral part of these financial statements

REDBANK VALLEY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	FOOD SERVICES
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 30,995
Investments	630,395
Inventory	29,312
TOTAL CURRENT ASSETS	**$ 690,702**
Noncurrent Assets:	
Machinery and Equipment (net)	$ 152,596
TOTAL NONCURRENT ASSETS	**$ 152,596**
TOTAL ASSETS	**$ 843,298**
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows Related to Pensions	$ 125,715
Deferred Outflows Related to OPEB	5,047
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ 130,762**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 974,060**
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 265
Accrued Salaries and Benefits	14,090
Due to Other Funds	312,824
Unearned Revenue	7,992
TOTAL CURRENT LIABILITIES	**$ 335,171**
Noncurrent Liabilities:	
Net OPEB Liability	$ 32,760
Net Pension Liability	771,800
TOTAL NONCURRENT LIABILITIES	**$ 804,560**
TOTAL LIABILITIES	**$ 1,139,731**
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflows Related to Pensions	$ 44,480
Deferred Inflows Related to OPEB	8,440
TOTAL DEFERRED INFLOWS OF RESOURCES	**$ 52,920**
NET POSITION	
Net Investment in Capital Assets	$ 152,596
Unrestricted (Deficit)	(371,187)
TOTAL NET POSITION (Deficit)	**$ (218,591)**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$ 974,060**

The accompanying notes are an integral part of these financial statements

EXHIBIT I

REDBANK VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

		FOOD SERVICES
OPERATING REVENUES		
Food Service Revenue	$	163,789
Total Operating Revenues	**$**	**163,789**
OPERATING EXPENSES		
Personnel Services - Salaries	$	265,652
Personnel Services - Employee Benefits		155,891
Purchased Property Services		22,610
Other Purchased Services		1,848
Supplies		442,189
Depreciation Expense		18,468
Other Operating Expenses		2,032
Total Operating Expenses	**$**	**908,690**
OPERATING INCOME/(LOSS)	**$**	**(744,901)**
NONOPERATING REVENUES (EXPENSES)		
Earnings on Investments	$	22,542
State Sources		151,181
Federal Sources		677,470
Total Nonoperating Revenues (Expenses)	**$**	**851,193**
CHANGE IN NET POSITION	**$**	**106,292**
NET POSITION - JULY 1, 2024 (Deficit)		(324,883)
NET POSITION - JUNE 30, 2025 (Deficit)	**$**	**(218,591)**

The accompanying notes are an integral part of these financial statements

REDBANK VALLEY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	FOOD SERVICES
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Users	$ 165,272
Cash Payments to Employees for Services	(343,510)
Cash Payments to Suppliers for Goods and Services	(430,091)
Net Cash (Used for) Operating Activities	**$ (608,329)**
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Sources	$ 151,181
Federal Sources	626,583
Net Cash Provided by Non-Capital Financing Activities	**$ 777,764**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Outlay	$ (16,530)
Net Cash (Used for) Capital and Related Financing Activities	**$ (16,530)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on Investments	$ 22,542
Withdrawls from (Deposits to) Investment Pool (PLGIT)	(336,074)
Net Cash Provided (Used) by Investing Activities	**$ (313,532)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**$ (160,627)**
CASH AND CASH EQUIVALENTS - JULY 1, 2024	191,622
CASH AND CASH EQUIVALENTS - JUNE 30, 2025	**$ 30,995**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating Income (Loss)	**$ (744,901)**
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH (USED FOR) OPERATING ACTIVITIES:	
Depreciation	18,468
Donated Commodities	50,888
(Increase) Decrease in Inventories	(7,670)
(Increase) Decrease in Deferred Outflows of Resources	28,383
Increase (Decrease) in Accounts Payable	265
Increase (Decrease in Unearned Revenue	(3,412)
Increase (Decrease) in Deferred Inflows of Resources	20,480
Increase (Decrease) in Net OPEB Liability	(2,400)
Increase (Decrease) in Net Pension Liability	(93,000)
Increase (Decrease) in Due to Other Funds	124,228
Increase (Decrease) in Accrued Wages and Benefits	342
Total Adjustments	**$ 136,572**
Net Cash (Used for) Operating Activities	**$ (608,329)**

NONCASH NONCAPITAL FINANCING ACTIVITIES:

During the year, the District received $50,888 of food commodities from the U.S. Department of Agriculture.

The accompanying notes are an integral part of these financial statements

REDBANK VALLEY SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2025

	STUDENT ACTIVITY CUSTODIAL FUNDS
ASSETS	
Cash and Cash Equivalents	$ 44,018
Investments	29,577
TOTAL ASSETS	**$ 73,595**
LIABILITIES AND NET POSITION	
LIABILITIES:	
Other Current Liabilities	$ -
TOTAL LIABILITIES	**$ -**
NET POSITION:	
Unrestricted	$ 73,595
TOTAL NET POSITION	**$ 73,595**
TOTAL LIABILITIES AND NET POSITION	**$ 73,595**

The accompanyng notes are an intergral part of these financial statements

REDBANK VALLEY SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	STUDENT ACTIVITY CUSTODIAL FUNDS
ADDITIONS	
Interest Income	$ 2,008
Student Club Organization Receipts	125,219
TOTAL ADDITIONS	**$ 127,227**
DEDUCTIONS	
Student Club Organization Disbursements	$ 123,871
TOTAL DEDUCTIONS	**$ 123,871**
CHANGE IN NET POSITION	**$ 3,356**
NET POSITION - JULY 1, 2024	70,239
NET POSITION - JUNE 30, 2025	**$ 73,595**

The accompanying notes are an integral part of these financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Redbank Valley School District was established under the authority of an act of the state legislature that designated a school board as the governing body. This District serves the surrounding municipalities which include the Boroughs of Hawthorn, New Bethlehem, and South Bethlehem, and the Townships of Madison, Mahoning, Oak Hall Independent, Porter, and Redbank. The School District operates under a locally elected nine-member Board form of government and provides educational services as mandated by the Commonwealth of Pennsylvania and selected federal agencies. The Board of Education has complete authority over the operations and administration of the School District's activities.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Redbank Valley School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. Generally accepted accounting principles define component units as legally separate entities that are included in the School District's reporting entity because of the significance of their operating or financial relationships with the School District. Based on the application of these criteria, the Redbank Valley School District has no component units.

The School District is associated with two jointly governed organizations (Note 10) and one public entity risk pool (Note 13). These organizations are:

- Jointly Governed Organizations:
  Clarion County Career Center
  Riverview Intermediate Unit #6

- Public Entity Risk Pool:
  Northwest School Health Consortium

The financial statements of the Redbank Valley School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The most significant of the School District's accounting policies are as follows:

FINANCIAL STATEMENT PRESENTAITON

GOVERNMENT-WIDE FINANCIAL STATEMENTS – The statement of net position (Exhibit A) and the statement of activities (Exhibit B) display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. That is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations (Exhibit D and F) with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL STATEMENT PRESENTATION (Continued)

The government-wide statement of activities (Exhibit B) presents a comparison between direct expenses and program revenues for the District's business-type activities (food service operations) and for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which the business-type activity or government function is self-financing or draws from the general revenues of the School District.

FUND FINANCIAL STATEMENTS – Fund financial statements report detailed information about the School District. Under generally accepted accounting standards, the focus of fund financial statements is on major funds rather than reporting funds by type. Major funds represent the School District's most important funds and are determined based on percentages of assets, liabilities, revenues, and expenditures/expenses. For Pennsylvania school districts, the General Fund and Food Service Fund are always considered major funds. Each major fund is presented in a separate column. Non-major funds, if any, are segregated and presented in a single column. Fiduciary funds are reported by fund type.

BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

The basis of accounting determines when transactions are recorded in financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Government funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. The fair value of donated commodities used during the year is reported in the operating statements as an expense with a like amount reported as part of federal source revenue.

Fiduciary funds are reported using the economic resources measurement focus.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (Continued)

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on an accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

Revenue resulting from non-exchange transactions, in which the School District receives value without directly giving equal value in return, includes property taxes, grants and contributions. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants and contributions are recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be 'available' before it can be recognized.

The management of the Redbank Valley School District has determined that the revenues most susceptible to accrual (measurable and available) at June 30, 2025 under the modified accrual basis are **1)** delinquent real estate taxes collected by the district within 60 days following the close of the fiscal year, **2)** certain Act 511 taxes, **3)** federal and state subsidies earned in the fiscal year 2024-2025, and **4)** other miscellaneous revenues earned in fiscal year 2024-2025 but received subsequent to June 30, 2025. On the governmental fund financial statements, receivables that will not be collected within the 'available' period have been reported as 'deferred inflows of resources'.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. The primary expenditures deemed susceptible to accrual at June 30, 2025, under the modified accrual basis are **1)** salaries, retirement, and social security budgeted and pertaining to the 2024-2025 fiscal year, but which were paid in July and August of 2025 in accordance with labor agreements, **2)** the District's share of retirement pay on salaries and wages earned during the first and second quarter of 2025, and **3)** utility costs and purchase orders for school supplies and operations obligated prior to June 30, 2025.

Allocations of cost such as depreciation and amortization expense are not recognized in the governmental funds but are included as part of expenses in the government-wide statement of activities.

FUND ACCOUNTING

The School District uses funds to report on its financial position and the results of its operations during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. Fund categories are defined as follows:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Governmental Funds – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

MAJOR GOVERNMENTAL FUNDS:

GENERAL FUND - The General Fund is used to account for all financial resources not required to be accounted for in some other fund. The General Fund balance is available for any purpose provided it is expended according to the Commonwealth of Pennsylvania Public School Code.

CAPITAL RESERVE FUND - The Capital Reserve Fund is used to account for financial resources used for the acquisition or construction of capital assets, as deemed necessary by the Board of Education.

Proprietary Funds - used to account for activities similar to those found in the private sector, where the determination of net income is necessary and useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies within the school district (internal service funds). The School District's major and sole enterprise fund is its Food Service Fund, which accounts for the financial transactions related to the food service operations of the District.

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Custodial funds report fiduciary activities that are not held in a Trust or equivalent arrangement that meets specific criteria. The School District reports on student activity custodial fund to account for various student organization activity accounts administered by the District on behalf of the student organizations.

BUDGETS

On June 11, 2024, the Redbank Valley School District adopted its fiscal year June 30, 2025, annual budget for the General Fund totaling $22,198,072 in accordance with the provisions of the Pennsylvania School Code. The budget is prepared utilizing the modified accrual basis of accounting in accordance with generally accepted accounting principles. The original and final budgetary amounts are reflected in these financial statements (Exhibit G). All annual appropriations of the General Fund lapse at year-end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETS (Continued)

The School District uses the following procedures in establishing this budgetary data:

a. Prior to May of the preceding fiscal year, the school district prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the revenues and other sources of funds used to finance these expenditures.
b. At least 20 days prior to the date set for budget adoption, the budget is made available for public inspection.
c. A meeting of the Board of Education is then held for the purpose of adopting the proposed budget. The meeting may only be held after 10 days of public notification.
d. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board of Education.
e. The budget must be filed with the Commonwealth of Pennsylvania, Department of Education by July 15 of the fiscal year or within 30 days of adoption.
f. Budgetary transfers are permitted after the first 90 days of the school district's fiscal year.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposit accounts and any other highly liquid, short-term investments, with original maturity terms of less than three months.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the governmental funds balance sheet. For the purposes of the government-wide statement of net position, governmental interfund receivables and payables have been eliminated. Amounts due between governmental activities and business-type activities, if any, are presented as off-setting internal balances on the statement of net position.

INVESTMENTS

Under Section 440.1 of the Pennsylvania Public School Code of 1949, as amended, and PA Act 10 of 2016, Redbank Valley School District is permitted to invest funds consistent with sound business practices in the following types of investments:

I. Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

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

III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS (Continued)

Investments of the Redbank Valley School District include deposits pooled for investment purposes with PLGIT, PA Invest, and Certificates of Deposits with maturities exceeding three months. Investments are reported at fair value.

There were no deposit and investment transactions during the year that were in violation of state statutes.

INVENTORIES

Inventories on the government-wide statement of net position (Exhibit A) and the proprietary fund statement of net position (Exhibit H) are recorded at a combination of actual cost and fair value on a first-in first-out basis. This inventory consists of purchased food and supplies and donated commodities from the U.S. Department of Agriculture as part of the food service program. The School District does not inventory the cost of such items as books and supplies but rather records these items as expenditures in the governmental funds and an expense in the government-wide statement of activities at the time of purchase.

CAPITAL ASSETS AND DEPRECIATION

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the governmental activities' column of the government-wide statement of net position. Capital assets used by the proprietary fund are reported in both the business-type activity column of the government-wide statement of net position and on the proprietary fund statement of net position.

All capital assets are recorded at cost (or estimated historical cost). Donated fixed assets are recorded at fair value at the time of receipt. The School District maintains a capitalization threshold of $1,500. The cost of infrastructure is included as part of site improvements in the government-wide statement of net position. Routine repair and maintenance costs that do not add to the value of the asset or extend its useful life are charged as an expense in the government-wide statement of activities.

All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the following useful lives:

▪ Site Improvements	20-50 years
▪ Buildings and Improvements	20-50 years
▪ Furniture and Equipment	5-20 years
▪ Vehicles	8-20 years
▪ Library Books	7 years

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets purchased by governmental funds are recorded as expenditures in the fund financial statements (Exhibit E). The results of capitalizing fixed assets net of depreciation on the government-wide statement of net position and statement of activities, as opposed to recording these same assets as an expenditure in the fund financial statements (Exhibit E), is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The School District has two items that qualify for reporting in this category. They are deferred outflows related to the School District's pension and OPEB plans, reported on the statement of net position (Exhibit A).

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The School District has three items that qualify for reporting in this category. They are delinquent real estate taxes reported on the governmental funds balance sheet (Exhibit C), and deferred inflows related to the School District's pension and OPEB plans, reported on the statement of net position (Exhibit A).

LONG-TERM DEBT FINANCING COSTS

Bond and note issuance costs are recorded as expenditures in the governmental fund financial statements in the year paid. The School District did not incur bond or note issuance costs during the 2024-2025 fiscal year.

PENSIONS

For the 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. Investment assets are reported at fair value. More information on pension activity is included in Note 11.

OTHER POSTEMPLOYMENT BENEFITS

For the 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 (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment assets are reported at fair value. More information on other postemployment benefits activities is included in Note 12.

COMPENSATED ABSENCES

The School District reports compensated absences in accordance with the provisions of applicable GASB Statements. Separation payment benefits are accrued for professional employees (teachers) with 20 or more years of service based upon annual salary, years of service and an assigned factor as detailed in the collective bargaining agreement. Vacation benefits are accrued for support (20 day maximum) and administrative (20 day maximum) personnel based on their daily or hourly rate of pay.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES (Continued)

The entire compensated absences liability of $214,634 is shown as a non-current liability in the government-wide statement of net position. For governmental fund financial statements, compensated absences are recorded as expenditures when paid, rather than accrued when earned, as the likelihood of payment in the immediate fiscal year with available expendable resources is not assured.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. For the business-type activities, these obligations and all similar obligations are reported again on the proprietary fund statement of net position (Exhibit H).

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion of compensated absences and retiree health benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources.

In general, liabilities that mature or come due for payment during the fiscal year are considered to have been paid with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. The District's General Fund is typically used to liquidate long-term liability obligations.

The results of recognizing these long-term obligations as liabilities on the government-wide statement of net position and statement of activities, as opposed to recording these same obligations as an expenditure in the fund financial statements (Exhibit E) only when paid, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

UNEARNED REVENUE

Unearned Revenue arises when the District receives resources before it has legal claim to them. This occurs when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the School District has a legal claim to the resources, the unearned revenue liability is removed, and revenue is recognized.

NET POSITION

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy District obligations. Net position is classified as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.

- Restricted Net Position – This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION (Continued)

- Unrestricted – Consists of net position that does not meet the definition of 'restricted' or 'net investment in capital assets'. As of June 30, 2025, the School District maintained a deficit unrestricted net position of $12,418,539.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the School District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

FUND BALANCE

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity's fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- Non-spendable fund balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact. Non spendable fund balance of the Redbank Valley School District at June 30, 2025 was $391,731 for prepaid expenses.

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation.

- Committed fund balance – amount constrained to specific purposes by the School District itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint. At June 30, 2025, the School District committed $500,000 for future capital projects.

- Assigned fund balance – amounts the School District intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The District's General Fund assigned fund balance as of June 30, 2025 totaling $3,850,000 consists of **1)** $850,000 for special education costs, **2)** $1,000,000 for future healthcare expenditures, **3)** $1,000,000 for capital expenditures, and **4)** $1,000,000 for fiscal stability.

- Unassigned fund balance – amounts that are available for any purpose.

The School District establishes (and modifies and rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. The Board of Education has given authority to assign fund balance to the Business Manager.

When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the District's general policy to spend the committed resources first, followed by assigned amounts and then unassigned amounts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND BALANCE (Continued)

Section 688 of the Pennsylvania Public School Code prohibits school districts from increasing real property taxes beyond the annual index increase permitted by law, unless the school district has adopted a budget for such school year that includes an estimated ending unassigned fund balance which is not more than a specified percentage of the district's total budgeted expenditures. For the Redbank Valley School District, the estimated ending unassigned fund balance must not exceed 8% of total budgeted expenditures.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the District's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Redbank Valley School District, these revenues are food service charges for lunch and breakfast service. Operating expenses are the necessary costs incurred to provide the aforementioned food service. Non-operating revenues of the District's food service proprietary fund are **1)** investment earnings and **2)** state and federal subsidies, including donated commodities, received from the U.S. Department of Agriculture. The District did not have non-operating expenses during the fiscal year.

ADOPTION OF GASB PRONOUNCEMENTS

The requirements of the following GASB Statements were adopted for the School District's 2024-2025 financial statements. Except where noted, the adoption of these pronouncements did not have a significant impact on Redbank Valley School District's financial statements.

- **GASB issued Statement No. 101**, *'Compensated Absences'.*
- **GASB issued Statement No. 102**, '*Certain Risk Disclosures'.*

PENDING GASB PRONOUNCEMENTS

- **GASB issued Statement No. 103**, '*Financial Reporting Model Improvements'.* The provisions of this statement are effective for the School's June 30, 2026 financial statements.
- **GASB issued Statement No. 104**, *'Disclosure of Certain Capital Assets'.* The provisions of this statement are effective for the School's June 30, 2026 financial statements.

The effects of implementing these statements on the School District's financial statements have not yet been determined.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

CASH DEPOSITS

At June 30, 2025, Redbank Valley School District had the following carrying values on its cash and cash equivalents accounts:

	BANK BALANCE	CARRYING VALUE
General Fund	$ 276,139	$ 134,904
Proprietary Fund	55,857	30,995
Student Activity Custodial Funds	49,391	44,018
	$ 381,387	**$ 209,917**
CD's classified as Investments	2,076,618	2,076,618
TOTAL	**$ 2,458,005**	**$ 2,286,535**

The difference between the bank balance and carrying value represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government accounts is $250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

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 to it. The School District's investment policy complies with Section 440.1 of the Public-School Code of 1949 with the primary objectives being safety, liquidity, and yield. As of June 30, 2025, $2,208,005 of the School District's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the School District's name. In accordance with Act Number 7201971 Session on the Commonwealth of Pennsylvania, the aforementioned deposits, in excess of $250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

INVESTMENTS

The amortized cost and fair value and maturity term of the District's investments as of June 30, 2025 is as follows:

	Amortized Cost/Fair Value	No Stated Maturity
Governmental Funds:		
PLGIT	$ 4,566,692	$ 4,566,692
PA INVEST	260,945	260,945
	$ 4,827,637	**$ 4,827,637**
Business-Type Activities:		
PLGIT	$ 630,395	$ 630,395
	$ 630,395	**$ 630,395**

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

The purpose of PA Invest is to enable their available funds for investments authorized under the Intergovernmental Cooperation Act of 1972. The funds operate in a manner consistent with the SEC's Rule 2(a)7 of the Investment Company Act of 1940. The funds use amortized cost to report net position to compute share prices. These funds maintain net asset values of $1 per share. Accordingly, the fair value of the position in these funds is the same as the value of these shares.

Custodial Credit Risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School 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's investments in PLGIT and PA Invest are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk:

The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District has no formal policy, in addition to the requirements of the Pennsylvania School Code that limits its investment choices based on credit ratings by nationally recognized rating organizations. As of June 30, 2025, PLGIT and PA Invest were rated AAAm by the Standard and Poors nationally recognized statistical rating organization.

Fair Value Measurements:

The Redbank Valley School District's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No 72, *Fair Value Measurement and Application, provides a* framework for measuring fair value which establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

- **Level 1** – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.

- **Level 2** – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data.

- **Level 3** – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

Investments held in external investment pools such as PLGIT and PA Invest are not subject to the provisions of fair value measurements as they are recorded at amortized cost.

NOTE 3 - PROPERTY TAXES

The Redbank Valley School District levies property taxes on July 1 of each fiscal year. The tax millage assessment for the 2024-2025 fiscal year was 36.920 mills for Armstrong County and 46.840 for Clarion County, which represents $36.920 and $46.840 of revenue respectively for every $1,000 of assessed property value. Taxpayers are entitled to a 2% discount if taxes are paid prior to September 1. Collections beginning November 1 are assessed as a 10% penalty. Tax collectors are required under Act 169 of the Commonwealth of Pennsylvania to submit a reconciliation of their tax duplicate to the District by January 15th of the year following levy. Unpaid taxes are submitted to the Clarion County Tax Claim Bureau for collection. The final tax collector reconciliations reflected $207,876 in unpaid 2024 property taxes, which represents 5.4% of the total assessed property taxes ($3,822,547) for the current fiscal year.

Taxes receivable as shown in the government-wide statement of net position include delinquent property taxes of $300,263. For the purposes of the governmental fund financial statements, these delinquent property taxes receivable, although measurable, do not meet the available criteria to finance current fiscal year operations. Accordingly, this amount is equally off set as a credit to 'deferred inflows of resources' in the fund financial statements.

The effect of recognizing property tax revenue when taxes are levied, as opposed to when they are received using the 'measurable and available' criteria under the modified accrual basis of accounting, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

Taxes receivable, as reflected on Exhibits A and C, are comprised of the following at June 30, 2025:

Delinquent Property Taxes	$	300,263
Delinquent Property Taxes (collected within 60 days)		61,416
Deed Transfer Taxes		8,346
	$	**370,025**

NOTE 4 – DUE FROM OTHER GOVERNMENTS

The amount of 'due from other governments', as reflected on the government-wide statement of net position, the governmental funds balance sheet, and the propriety fund statement of net position is comprised of the following at June 30, 2025:

Commonwealth of PA - State Subsidies	$	791,250
Federal Grants/Subsidies		47,784
Clarion Limestone Area School District		15,000
Riverview Intermediate Unit		26,460
	$	**880,494**

NOTE 5 – OTHER RECEIVABLES

The amount of 'other receivables' as reflected on the governmental funds balance sheet (Exhibits C) and the government wide statement of net position (Exhibit A), is comprised of $7,877 in miscellaneous revenues due to the General Fund.

NOTE 6 – UNEARNED REVENUE

Unearned revenue totaling $15,168, as reflected on the government wide statement of net position (Exhibit A), the governmental funds balance sheet (Exhibit C), and the proprietary fund statement of net position (Exhibit H), is comprised of summer school revenue totaling $6,900, unearned federal revenue totaling $276, advance payments on student lunch and breakfast accounts totaling $4,579 and donated commodities inventory totaling $3,413.

NOTE 7 - CAPITAL ASSETS

A summary of the governmental and business-type activities fixed asset activity for the 2024-2025 fiscal year was as follows:

	Balance 7/1/2024	Additions	Adjustments/ Deductions	Balance 6/30/2025
Governmental Activities:				
Capital Assets, not being depreciated				
Land	$ 337,281	$ -	$ -	$ 337,281
Total Capital Assets, not being depreciated	**$ 337,281**	**$ -**	**$ -**	**$ 337,281**
Capital Assets, being depreciated				
Site Improvements	$ 1,273,017	$ 97,810	$ -	$ 1,370,827
Building and Building Improvements	7,714,496	-	-	7,714,496
Machinery and Equipment	5,451,498	32,287	-	5,483,785
Total Capital Assets, being depreciated	**$ 14,439,012**	**$ 130,097**	**$ -**	**$ 14,569,108**
Less: Accumulated depreciation				
Site Improvements	$ (1,221,944)	$ (4,628)	$ -	$ (1,226,572)
Building and Building Improvements	(3,819,738)	(108,726)	-	(3,928,464)
Machinery and Equipment	(4,182,550)	(136,355)	-	(4,318,905)
Total Accumulated Depreciation	**$ (9,224,231)**	**$ (249,709)**	**$ -**	**$ (9,473,940)**
Governmental Activities Capital Assets, Net	**$ 5,552,062**	**$ (119,612)**	**$ -**	**$ 5,432,449**

	Balance 7/1/2024	Additions	Deductions	Balance 6/30/2025
Business-Type Activities:				
Capital Assets, being depreciated				
Furniture and Equipment	$ 173,658	$ 16,530	$ -	$ 190,188
Less: Accumulated Depreciation	(19,125)	(18,468)	-	(37,593)
Business-Type Activities Capital Assets, Net	**$ 154,533**	**$ (1,938)**	**$ -**	**$ 152,596**

NOTE 7 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	$	190,108
Instructional Student Support		10,108
Administrative and Financial Support Services		26,324
Operation and Maintenance of Plant Services		10,622
Student Activities		6,547
	$	**243,709**

NOTE 8 – INTER-FUND OBLIGATIONS AND TRANSFERS

Inter-fund receivables and payables as reflected on the governmental funds balance sheet (Exhibit C) and the proprietary fund statement of net position (Exhibit H) are as follows:

	RECEIVABLE	PAYABLE
General Fund	$ 312,824	$ -
Cafeteria Fund	-	312,824
	$ 312,824	**$ 312,824**

Inter-fund obligations between governmental activities and business-type activities are shown net on the statement of net position as part of the line-item 'internal balances'.

NOTE 9 - LONG-TERM LIABILITIES

GENERAL OBLIGATION BONDS - SERIES OF 2013

On January 10, 2013, the Redbank Valley School District issued General Obligation Bonds, Series of 2013 in the amount of $1,135,000. The proceeds of the bond issue will be used to **1)** refund, on an advance refunding basis, all the School District's outstanding State Public School Building Authority, School Revenues Bonds, Series of 2009, **2)** fund certain capital improvements to the School District, and **3)** pay the costs associated with the issuance of the bonds. The bonds were issued in denominations of $5,000 with interest payable on March 1 and September 1 each year through maturity. Interest rates on the bonds range between 1.0% and 3.0%, with the bonds scheduled to mature on September 1, 2030. The bonds provide for early redemption options for the School District as more fully described in the detailed Official Statement.

GENERAL OBLIGATION BONDS – SERIES OF 2017

On October 18, 2017, the Redbank Valley School District issued General Obligation Bonds, Series of 2017 in the amount of $5,750,000. The proceeds of the bond issue will be used to 1) refund, on a current refunding basis, all the School District's outstanding General Obligation Bonds, Series B of 2012 and 2) to pay the costs associated with the issuance of the bonds. The bonds were issued in denominations of $5,000 with interest payable on March 1, and September 1 each year through maturity. Interest rates on the bonds range between 2.0% and 2.7%, with the bonds scheduled to mature on September 1, 2030. The bonds provide for early redemption options for the School District as more fully described in the official statement.

NOTE 9 - LONG-TERM LIABILITIES (Continued)

DEFAULT PROVISIONS – GENERAL OBLIGATION BONDS

In the event of failure of the School District to pay or cause to be paid the interest on or principal of the Bonds, as the same becomes due and payable, the holders of the Bonds shall be entitled to certain remedies provided by the Local Government Unit Debt Act. Among the remedies, if the failure to pay shall continue for 30 days, holders of the Bonds shall have the right to recover the amount due by bringing an action in assumpsit in the Court of Common Pleas of Clarion and Armstrong Counties. The Act provides any judgement shall have an appropriate priority upon the funds next coming into the treasury of the School District. The Act also provides that upon a default of at least 30 days, holders of at least 25 percent of the Bonds may appoint a trustee to represent them. The Act provides certain other remedies in the event of default, and further qualifies the remedies described.

The School District paid bond discount costs in connection with its various outstanding general obligation bond issues. These costs are being amortized on a straight-line basis over the life of the bond issue. The unamortized amount of bond discount totaling $9,595 is reflected as a component of 'Bonds Payable – Long-Term Portion (Net)' in the governmental activities' column on the government-wide statement of net position. Amortization expense for the year ended June 30, 2025, was $1,872. This amount was charged to the 'Interest on Long-Term Debt' expense category in the statement of activities.

A summary of the debt service requirements on the Redbank Valley School District's general obligation bonds outstanding at June 30, 2025 is as follows:

YEAR END JUNE 30,	2013 PRINCIPAL	2017 PRINCIPAL	TOTAL INTEREST	TOTAL
2026	$ 55,000	$ 555,000	$ 83,150	$ 693,150
2027	55,000	570,000	69,703	694,703
2028	55,000	585,000	54,931	694,931
2029	55,000	600,000	38,990	693,990
2030	65,000	610,000	21,760	696,760
2031	325,000	115,000	6,428	446,428
	$ 610,000	**$ 3,035,000**	**$ 274,962**	**$ 3,919,962**

NOTE 9 - LONG-TERM LIABILITIES (Continued)

The following represents the changes in the District's governmental and business-type activities long-term liabilities during the 2024-2025 fiscal year:

	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025	Due Within One Year
General Obligation Bonds	$ 4,245,000	$ -	$ 600,000	$ 3,645,000	$ 610,000
Compensated Absences	197,200	17,434	-	214,634	-
Net Pension Liability	20,755,200	-	2,232,000	18,523,200	-
Net OPEB Obligation	2,137,840	-	136,600	2,001,240	-
	$ 27,335,240	**$ 17,434**	**$ 2,968,600**	**$ 24,384,074**	**$ 610,000**

	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025	Due Within One Year
Business-Type Activities:					
Net Pension Liability	$ 864,800	$ -	$ 93,000	$ 771,800	$ -
Net OPEB Obligation	35,160	-	2,400	32,760	-
	$ 899,960	**$ -**	**$ 95,400**	**$ 804,560**	**$ -**

NOTE 10 – JOINTLY GOVERNED ORGANIZATIONS

CLARION COUNTY CAREER CENTER

The Redbank Valley School District, in conjunction with six other School Districts (Union, Clarion-Limestone, Clarion, North Clarion, Keystone, and Allegheny Clarion Valley) funds the operating budget of the Clarion County Career Center. The Career Center is designed to teach students from member districts trade related professions. Each district's share of tuition is based on the percentage of the district's enrollment to the total enrollment at the Career Center. The Career Center's Joint Operating Committee is comprised of two appointed board members from each of the seven School Districts. The Redbank Valley School District contributed $676,350 in tuition for the year ended June 30, 2025. The Career Center issues separate financial statements annually, a copy of which can be obtained by contacting the Clarion County Career Center's business office at 447 Career Road, Shippenville, PA 16254.

RIVERVIEW INTERMEDIATE UNIT

The Redbank Valley School District participates with 16 other School Districts and 3 Vocational-Technical schools located in Venango, Clarion, Jefferson and Forest Counties and parts of Armstrong, Butler, Clearfield, Crawford, and Indiana Counties in the Riverview Intermediate Unit #6 (RIU6). The RIU6 was established in 1971 by Act 102 of the Commonwealth of Pennsylvania to function as a regional educational service agency for 17 school districts, as well as nonpublic schools and other institutions, located within these Counties. The RIU6 provides numerous support programs, training, and therapy services. The Riverview Intermediate Unit is governed by a seventeen (17) member board appointed by the 17 participating school districts on a rotating basis. The School District contributed $11,279 and $3,475 for an operating contribution and transportation recovery contribution respectively, to RIU6 through state subsidy withholdings, for the year-ended June 30, 2025. The Riverview Intermediate Unit issues separate financial statements annually which can be obtained by contacting the RIU6 directly.

NOTE 11 - PENSION PLAN

The Redbank Valley School District participates in the Public-School Employees' Retirement System (PSERS). PSERS is a component unit of the Commonwealth of Pennsylvania. A brief description of the plan, and summary of the plan's provisions, are as follows:

Plan Description

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

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age.

Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

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

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

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

NOTE 11 – PENSION PLAN (Continued)

Benefits Provided (Continued)

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.

Contributions

Member Contributions:

The contribution rates based on qualified member compensation for virtually all members are presented below:

Member Contribution Rates				
Membership Class	**Continuous Employment Since**	**Defined Benefit (DB) Contribution Rate**	**DC Contribution Rate**	**Total Contribution Rate**
T-C	Prior to July 22, 1983	5.25%	N/A	5.25% / 6.25%
T-C	On or After July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21-7.50% After 7/1/21-8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21-10.30% After 7/1/21-10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21-8.25% After 7/1/21-9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21-7.50% After 7/1/21-8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

NOTE 11 – PENSION PLAN (Continued)

Member Contributions: (Continued)

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

Employer Contributions:

The school district's contractually required contribution rate for the fiscal year ended June 30, 2025 was 32.92%* of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were $2,490,867 for the year ended June 30, 2025.

*The defined contribution rate of 0.35% is an estimated rate. It is recommended employers use the actual defined contributions made to the PSERS defined contribution plan. This may impact contributions made to the pension plan.

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

At June 30, 2025, the School District reported a liability of $19,295,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2023 to June 30, 2024. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2025 the School District's proportion was .0461% which was a decrease of .0025% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the School District recognized pension expense of $1,412,227. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 303,000
Changes in assumptions	-	-
Net difference between projected and actual investment earnings	320,000	-
Changes in proportion	332,000	809,000
Contributions subsequent to the measurement date	2,490,867	-
	$ 3,142,867	**$ 1,112,000**

NOTE 11 – PENSION PLAN (Continued)

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

The $2,490,867 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement 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:

Measurement Date Year ended June 30,	Reporting Date Year ended June 30,	Amortization Amount
2025	2026	$ (616,000)
2026	2027	404,000
2027	2028	(185,000)
2028	2029	(63,000)

Changes in Actuarial Assumptions

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

- Valuation Date – June 30, 2023
- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 7.00%, includes inflation at 2.50%
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023 and as of June 30, 2024.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:

  - Salary growth rate – decreased from 5.00% to 4.50%
  - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00% respectively.
  - Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

NOTE 11 – PENSION PLAN (Continued)

Changes in Actuarial Assumptions (Continued)

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	4.80%
Private equity	12.0%	6.70%
Fixed Income	33.5%	3.90%
Commodities	5.0%	2.50%
Infrastructure	10.0%	6.40%
Real estate	9.5%	5.90%
	100%	

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

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 School District's proportionate share of the net pension liability to changes in the discount rate

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

NOTE 11 – PENSION PLAN (Continued)

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate (Continued)

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
School District's proportionate share of the net pension liability	$ 25,418,000	$ 19,295,000	$ 14,125,000

Pension plan fiduciary net position

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

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM

General Information about the Health Insurance Premium Assistance Program

PSERS 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 (PSERS) can participate in the Premium Assistance program if they satisfy the following criteria:

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

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

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

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)

Plan Description

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

Benefits Provided

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

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2025 was 0.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were $47,167 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of $819,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025 the District's proportion was 0.0461%, which is a decrease of .0025% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, Redbank Valley School District recognized OPEB expense of $10,496. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 3,000	$ 12,000
Changes in assumptions	50,000	125,000
Net difference between projected and actual investment earnings	1,000	-
Changes in proportion	25,000	74,000
Contributions subsequent to the measurement date	47,167	-
	$ 126,167	**$ 211,000**

The $47,167 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 for the measurement 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:

Measurement Date Year ended June 30,	Reporting Date Year ended June 30,	Amortization Amount
2025	2026	$ (35,000)
2026	2027	(41,000)
2027	2028	(39,000)
2028	2029	(7,000)
2029	2030	(10,000)
Thereafter	Thereafter	-

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% based on the 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.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (Continued)

Actuarial Assumptions (Continued)

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

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

The following assumptions were used to determine the contribution rate:

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

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

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

OPEB - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	1.70%
	100.0%	

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

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

PSERS – HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (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 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 net OPEB liability for June 30, 2024, calculated using current Healthcare cost trends as well as what the District net OPEB liability would be if its health cost trends were 1-percentage point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend Rates	1% Increase
Net OPEB Liability	$ 819,000	$ 819,000	$ 819,000

Sensitivity of the 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%
Net OPEB Liability	$ 925,000	$ 819,000	$ 730,000

OPEB plan fiduciary net position

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

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

DISTRICT – POST-RETIREMENT HEALTHCARE BENEFIT PLAN

Plan Description

In addition to the retirement benefits as described in Note 11, the Redbank Valley School District provides post-retirement health care benefits (health and prescription drug insurance), as detailed in the collective bargaining agreement between the District and the Redbank Valley Education Association. Generally, retirees are eligible for benefits until age 65 upon paying 100% of the premium, spouse and dependents are eligible for benefits until age 65 and may continue coverage until the spouse is Medicare age after the retiree's death upon paying the full premium.

The plan is unfunded, and no financial report is prepared. These benefits are accounted for in accordance with GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

Funding Policy

The contribution requirements of plan members and the School District are established and may be amended by the Redbank Valley Board of Education. The plan is funded on a pay-as-you-go basis, i.e., premiums are paid to fund the health care benefits provided to current retirees. There are no assets that have been segregated and restricted to provide for retiree medical benefits. During the 2024-2025 fiscal year, the Redbank Valley School District paid premiums of $8,700 for 1 participant.

Participant Data

The July 1, 2023, valuation reflected the following participant data:

	PARTICIPANT DATA
Active employees	118
Retirees/spouse of retirees	6
Total	**124**

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

DISTRICT- POST-RETIREMENT HEALTHCARE BENEFIT PLAN (Continued)

Changes in the Total OPEB Liability

The District's total OPEB liability of $1,215,000 was measured as of July 1, 2023, and was determined by an actuarial valuation performed as of July 1, 2023. As the District's OPEB plan is unfunded, the total OPEB liability is equal to the net OPEB liability.

Balance at July 1, 2024	$	1,294,000
Changes for the year:		
Service cost		47,000
Interest		50,000
Changes of benefit terms		-
Effect of liability gains or losses		-
Changes in assumptions or other inputs		(115,000)
Benefit payments		(61,000)
Net Changes		(79,000)
Balance at June 30, 2025	**$**	**1,215,000**

Actuarial Assumptions

- Discount Rate – 5.20% - based on the Bond Buyer 20 Year Bond GO Index.
- CPI – 2.30% compounded annually – based on the 30-year breakeven inflation rate in combination with the Blue-Chip Financial Forecasts.
- Health Cost Trend – 6.70% in 2025 decreasing to 3.70 in 2074 and later.
- Monthly Per Capita Claims Cost – vary by age, gender, and employee versus spouse.
- Coverage Election Rates – Teachers – 75% of current active members who are eligible to purchase coverage at retirement are assumed to purchase. Administrators – 100% of current active members who are eligible for the incentive at retirements are assumed to elect coverage, and to purchase coverage until age 65 if the incentive period expires before then – 50% of current active members who do not retire with an incentive are assumed to elect to purchase coverage. Support Staff – 25% of current active members who are eligible to purchase coverage at retirement are assumed to elect to purchase coverage.
- Dependent Coverage – Teachers, Administrators, and Support Staff – 10% of current active members who elect coverage upon retirement are assumed to cover a spouse, with wives 3 years younger than husbands.
- Mortality –Pub-H2010 Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2021 from 2010 base year and projected forward on a generational basis with Scale MP-2021.
- Termination – Withdrawal rates are based on rates utilized in the Actuarial Valuation for PSERS and vary by age, service, and gender.
- Retirement – Retirement rates are based on the rates utilized in the Actuarial Valuation for PSERS and vary by age, service, and gender.
- Salary Increases – For purposes of cost method allocation, assumed salary increases are based on the rates utilized in the Actuarial Valuation for PSERS and vary by age.

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

DISTRICT- POST-RETIREMENT HEALTHCARE BENEFIT PLAN (Continued)

OPEB Expense

	AMOUNT
Service cost	$ 47,000
Interest	50,000
Changes of benefit terms	-
Recognition of economic/demographic gains/losses	61,000
Recognition of assumption changes or inputs	(63,000)
OPEB Expense	**$ 95,000**

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

For the year ended June 30, 2025, Redbank Valley School District recognized OPEB expense of $42,700. At June 30, 20254, 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	$ 195,000	$ -
Changes in assumptions	177,000	702,000
	$ 372,000	**$ 702,000**

Other amounts currently reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	Amortization Amount
2026	$ 39,000
2027	27,000
2028	(96,000)
2029	(100,000)
2030	(97,000)
Thereafter	(103,000)

Sensitivity of the Total OPEB liability to Changes in the Discount Rate

The following presents the Total OPEB liability to the district, as well as the Total OPEB Liability using a discount rate that is 1-percentage point lower or 1-percentge point higher than the current discount rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Total OPEB Liability	**$ 1,306,000**	**$ 1,215,000**	**$ 1,127,000**

NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

DISTRICT- POST-RETIREMENT HEALTHCARE BENEFIT PLAN (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Total OPEB Liability of the District, as well as the Total OPEB Liability using healthcare cost trends that 1 percentage point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	$ 1,092,000	$ 1,215,000	$ 1,357,000

NOTE 13 - RISK AND UNCERTAINTIES

GENERAL INSURANCE

The Redbank Valley School District is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors, and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

HEALTH INSURANCE

The Redbank Valley School District is a member of the Allegheny County Schools Health Insurance Consortium as of the 2024-2025 fiscal year. The Consortium is a public entity risk pool designed to administer health and medical insurance risks on a pooled risk basis. The Consortium elected to finance these health care benefits using a self-insured approach known as an Administrative Service Contract (ASC) arrangement. Under this arrangement, the consortium contracts for an insurer (Highmark Blue Cross/Blue Shield) to settle the payment for benefits at their provider discounted contract amounts plus a fee for administration rather than paying for benefits at non-discounted claims rates.

The Reschini Group performs billing and collection services for the Consortium's deposit (medical) and premium (supplemental) amounts. Billing administration is provided through Crown benefits Administration who also monitors and submits to Highmark all enrollment and eligibility changes for all coverages. Contributions from participating members are determined annually in advance by the Consortium's operating committee. These contributions are based on amounts required to fund anticipated benefits and claims, as well as operational costs.

The monthly payments of each member are determined by the terms of the medical benefit chosen by such members. Participating members are permitted to withdraw from the Consortium and are entitled to a vested interest in the Consortium fund balance after settlement of all claims related to that member over a period of 12 months from the date of withdrawal. As of June 30, 2025, the net assets available for benefits of the Consortium were $84,042,714 of which $413,902 is attributable to the Redbank Valley School District. Redbank Valley School District's contributions to the Consortium for the fiscal year ended June 30, 2025, totaled $2,646,934.

NOTE 13 - RISK AND UNCERTAINTIES (Continued)

STATE AND FEDERAL SUBSIDIES

The Redbank Valley School District's state and federally funded programs are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The District is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

LEGAL MATTERS

The Redbank Valley School District, in the normal course of operations, is party to various legal matters normally associated with school district such as real estate tax assessment appeals, personnel wage and benefits, student education and athletics, construction projects, and other miscellaneous legal matters. The District is not aware of any current claims, litigation or assessments against the District that would materially adversely impact the financial position of the District as of the date of this report.

NOTE 14 – SUBSEQUENT EVENTS

Management has determined that there are no events, subsequent to June 30, 2025, through the January 27, 2026 date of the ‘Independent Auditor’s Report’, which is the date the financial statements were available to be issued, that require additional disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

REDBANK VALLEY SCHOOL DISTRICT
DETAILED SCHEDULE OF BUDGETED AND ACTUAL REVENUES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
LOCAL SOURCES:			
Real Estate	$ 3,485,887	$ 3,584,233	$ 98,346
Public Utility Tax	4,000	4,546	546
Payments in Lieu of Taxes	5,000	3,791	(1,209)
Current Per Cap 679	13,000	10,433	(2,567)
Current Act 511 PC Flat	37,000	35,856	(1,144)
Current Act 511 Occup Flat	22,500	21,740	(760)
Wage Taxes/Delinquent Wage Taxes	870,000	885,657	15,657
RE Transfer Tax	55,000	72,945	17,945
Delinquent Real Estate Taxes	225,000	233,339	8,339
Delinquent Act 511 PC	4,000	7,300	3,300
Delinquent Act 511 Occup Tax	2,000	5,512	3,512
Interest on Investments	200,000	315,925	115,925
Admissions	50,000	45,180	(4,820)
Bookstore Sales	18,250	19,773	1,523
Fees	40,000	43,253	3,253
State Revenue Received School	77,992	202,950	124,958
Federal Revenue Received Other	30,000	55,325	25,325
Federal Pass Thru IDEA Fund	193,000	196,041	3,041
Rentals	1,500	1,500	-
Contributions and Donations	500	3,214	2,714
Regular School Tuition	1,500	-	(1,500)
Summer School Tuition	1,500	500	(1,000)
Receipts from other LEA's	30,000	30,600	600
Energy Efficient Revenues	-	55	55
Miscellaneous	40,000	65,058	25,058
TOTAL LOCAL SOURCES	**$ 5,407,629**	**$ 5,844,726**	**$ 141,962**
STATE SOURCES:			
Basic Education	$ 9,987,507	$ 9,995,655	$ 8,148
Charter Schools	-	108,787	108,787
Tuition Orphans & Child	13,000	7,173	(5,827)
Special Education	1,101,216	1,152,563	51,347
SD Tranportation	1,295,000	1,423,214	128,214
Non Public Trans	5,000	25,025	20,025
Health Services / Act 25	17,500	18,550	1,050
Feminine Hygiene Products	-	1,703	1,703
Property Tax Relief	376,306	376,306	-
Sewage Treatment Operations	-	19,578	19,578
School Safety and Security Grants	-	30,000	30,000
PCCD	-	97,206	97,206
Ready to Learn Foundation	229,939	229,939	-
Ready to Learn Adequacy Supplement	-	324,241	324,241
Other State Grants	204,806	108,422	(96,384)
Social Security	400,000	399,772	(228)
Retirement	1,750,000	1,755,435	5,435
TOTAL STATE SOURCES	**$ 15,380,274**	**$ 16,073,569**	**$ 687,862**

The accompanying notes are an integral part of these financial statements

REDBANK VALLEY SCHOOL DISTRICT
DETAILED SCHEDULE OF BUDGETED AND ACTUAL REVENUES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
FEDERAL SOURCES:			
Title I - Education Of Disadvantage	$ 250,000	$ 238,821	$ (11,179)
Title II - Individuals With Disability	34,000	36,651	2,651
Title IV	19,500	18,388	(1,112)
ARP ESSER III	147,000	-	(147,000)
PCCD	-	70,782	70,782
ARP ESSER Children and Youth	-	2,267	2,267
SBAP	75,000	75,000	-
Med Assist Reimb Admin	600	1,763	1,163
TOTAL FEDERAL SOURCES	**$ 526,100**	**$ 443,672**	**$ (82,428)**
TOTAL REVENUES AND OTHER FINANCING SOURCES	**$ 21,314,003**	**$ 22,361,967**	**$ 747,396**

The accompanying notes are an integral part of these financial statements

REDBANK VALLEY SCHOOL DISTRICT
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
INSTRUCTION:			
REGULAR PROGRAMS:			
Personnel Services - Salaries	$ 4,633,298	$ 4,591,160	$ 42,138
Personnel Services - Employee Benefits	3,249,182	3,140,764	108,418
Purchased Professional/Technical Services	289,809	290,406	(597)
Purchased Property Services	39,210	15,165	24,045
Other Purchased Services	1,376,193	832,957	543,236
Supplies	284,304	212,658	71,646
Property	79,574	77,244	2,330
Other Objects	7,242	7,117	125
TOTAL REGULAR PROGRAMS	**$ 9,958,812**	**$ 9,167,471**	**$ 791,341**
SPECIAL PROGRAMS:			
Personnel Services - Salaries	$ 1,392,151	$ 1,362,560	$ 29,591
Personnel Services - Employee Benefits	1,145,726	1,115,620	30,106
Purchased Professional/Technical Services	757,060	720,303	36,757
Other Purchased Services	349,771	949,231	(599,460)
Supplies	55,104	29,740	25,364
Property	15,654	15,437	217
Other Objects	563	500	63
TOTAL SPECIAL PROGRAMS	**$ 3,716,029**	**$ 4,193,391**	**$ (477,642)**
VOCATIONAL EDUCATION PROGRAMS:			
Other Purchased Services	$ 676,350	$ 676,350	$ -
TOTAL VOCATIONAL EDUCATION PROGRAMS	**$ 676,350**	**$ 676,350**	**$ -**
OTHER INSTRUCTIONAL PROGRAMS:			
Personnel Services - Salaries	$ 3,750	$ 3,089	$ 19,524
Personnel Services - Employee Benefits	1,581	1,294	19,778
Other Purchased Services	500	-	500
TOTAL OTHER INSTRUCTIONAL PROGRAMS	**$ 5,831**	**$ 4,383**	**$ 39,802**
TOTAL INSTRUCTION	**$ 14,357,022**	**$ 14,041,595**	**$ 353,501**
PUPIL PERSONNEL:			
Personnel Services - Salaries	$ 277,381	$ 282,680	$ (5,299)
Personnel Services - Employee Benefits	211,213	212,948	(1,735)
Other Purchased Services	800	112	688
Supplies	7,386	2,578	4,808
Property	1,370	-	1,370
TOTAL PUPIL PERSONNEL	**$ 498,150**	**$ 498,318**	**$ (168)**
INSTRUCTIONAL STAFF:			
Personnel Services - Salaries	$ 124,362	$ 121,006	$ 3,356
Personnel Services - Employee Benefits	145,079	139,317	5,762
Purchased Professional/Technical Services	48,080	48,080	-
Purchased Property Services	600	-	600
Other Purchased Services	10,750	5,047	5,703
Supplies	6,499	6,212	287
TOTAL INSTRUCTIONAL STAFF	**$ 335,372**	**$ 319,662**	**$ 15,708**
ADMINISTRATION:			
Personnel Services - Salaries	$ 558,949	$ 558,612	$ 337
Personnel Services - Employee Benefits	312,796	301,693	11,103
Purchased Professional/Technical Services	113,250	109,391	3,859
Purchased Property Services	2,500	2,033	467
Other Purchased Services	38,400	38,400	-
Supplies	23,497	17,141	6,356
Other Objects	14,650	9,587	5,063
TOTAL ADMINISTRATION	**$ 1,064,042**	**$ 1,036,857**	**$ 27,185**

REDBANK VALLEY SCHOOL DISTRICT
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
PUPIL HEALTH:			
Personnel Services - Salaries	$ 115,526	$ 101,032	$ 14,494
Personnel Services - Employee Benefits	79,461	79,461	-
Purchased Professional/Technical Services	81,445	83,145	(1,700)
Purchased Property Services	420	306	114
Other Purchased Services	388	114	274
Supplies	5,896	5,099	797
TOTAL PUPIL HEALTH	**$ 283,136**	**$ 269,157**	**$ 13,979**
BUSINESS:			
Personnel Services - Salaries	$ 174,260	$ 170,864	$ 3,396
Personnel Services - Employee Benefits	131,406	128,270	3,136
Purchased Professional/Technical Services	10,000	8,867	1,133
Purchased Property Services	500	-	500
Other Purchased Services	1,300	2,353	(1,053)
Supplies	17,450	16,674	776
Other Objects	105,000	100,793	4,207
TOTAL BUSINESS	**$ 439,916**	**$ 427,821**	**$ 12,095**
OPERATION & MAINTENANCE OF PLANT SERVICES:			
Personnel Services - Salaries	$ 332,840	$ 332,840	$ -
Personnel Services - Employee Benefits	315,381	315,381	-
Purchased Professional/Technical Services	257,101	231,391	25,710
Purchased Property Services	157,799	114,012	43,787
Other Purchased Services	259,527	259,527	-
Supplies	332,940	343,284	(10,344)
Property	112,664	110,220	2,444
Other Objects	250	2	248
OF PLANT SERVICES	**$ 1,768,502**	**$ 1,706,657**	**$ 61,845**
STUDENT TRANSPORTATION:			
Other Purchased Services	$ 1,731,984	$ 1,738,402	$ (6,418)
Supplies	6,500	-	6,500
TOTAL STUDENT TRANSPORTATION	**$ 1,738,484**	**$ 1,738,402**	**$ 82**
CENTRAL:			
Personnel Services - Salaires	$ 95,025	$ 95,025	$ -
Personnel Benefits	99,030	98,903	127
Purchased Prof & Tech	3,500	-	3,500
Purchased Property Services	12,500	4,928	7,572
Other Purchased Services	20,750	15,111	5,639
Supplies	87,500	73,232	14,268
Property	5,000	4,440	560
Other Objects	600	-	600
TOTAL CENTRAL SERVICES	**$ 323,905**	**$ 291,639**	**$ 32,266**
OTHER SUPPORT SERVICES:			
Other Purchased Services	$ 12,000	$ 11,279	$ 721
TOTAL OTHER SUPPORT SERVICES:	**$ 12,000**	**$ 11,279**	**$ 721**
TOTAL SUPPORT SERVICES	**$ 6,463,507**	**$ 6,299,792**	**$ 163,715**

REDBANK VALLEY SCHOOL DISTRICT
DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
OPERATION OF NON-INSTRUCTIONAL SERVICES:			
STUDENT ACTIVITIES:			
Personnel Services - Salaries	$ 253,037	$ 205,131	$ 47,906
Personnel Services - Employee Benefits	109,172	79,709	29,463
Purchased Professional/Technical Services	34,800	31,401	3,399
Purchased Property Services	5,000	-	5,000
Other Purchased Services	84,739	84,739	-
Supplies	27,450	28,199	(749)
Property	25,750	10,620	15,130
Other Objects	7,976	7,976	-
TOTAL STUDENT ACTIVITIES	**$ 547,924**	**$ 447,775**	**$ 100,149**
COMMUNITY SERVICES:			
Other Purchased Services	$ 1,016	$ -	$ 1,016
Supplies	2,979	2,979	-
TOTAL COMMUNITY SERVICES	**$ 3,995**	**$ 2,979**	**$ 1,016**
TOTAL OPERATION OF NON-INSTRUCTIONAL SERVICES	**$ 551,919**	**$ 450,754**	**$ 101,165**
BUILDING ACQUISITION & CONSTRUCTION SERVICES:			
Purchased Professional/Technical Services	$ 5,000	$ -	$ 5,000
TOTAL BUILDING ACQUISITION & CONSTRUCTION SVCS	**$ 5,000**	**$ -**	**$ 5,000**
TOTAL FACILITIES ACQUISITION, CONSTRUCTION & IMPROVEMENT SERVICES	**$ 5,000**	**$ -**	**$ 5,000**
OTHER FINANCING USES:			
DEBT SERVICE:			
Other Objects	$ 95,635	$ 95,248	$ 387
Refund of Prior Year Receipts	-	3	(3)
Other Uses Of Funds	600,000	600,000	-
TOTAL DEBT SERVICE/REFUND PRIOR YEAR	**$ 695,635**	**$ 695,251**	**$ 384**
BUDGETARY RESERVE:			
Other Objects	$ 124,989	$ -	$ 124,989
TOTAL BUDGETARY RESERVE	**$ 124,989**	**$ -**	**$ 124,989**
TOTAL OTHER FINANCING USES	**$ 820,624**	**$ 695,251**	**$ 125,373**
TOTAL EXPENDITURES AND OTHER FINANCING USES	**$ 22,198,072**	**$ 21,487,392**	**$ 710,680**

REQUIRED SUPPLEMENTARY INFORMATION

REDBANK VALLEY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL DISTRICT'S CONTRACTUALLY SHARE OF THE NET PENSION LIABILITY
DEFINED BENEFIT PENSION PLAN
JUNE 30,

As of the measurement date of June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.0461%	0.0486%	0.0471%	0.0471%	0.0495%	0.0512%	0.0502%	0.0520%	0.0524%	0.0524%
District's proportionate share of the net pension liability	$ 19,295,000	$ 21,620,000	$ 20,940,000	$ 19,338,000	$ 24,373,000	$ 23,953,000	$ 24,098,000	$ 25,682,000	$ 25,968,000	$ 23,694,000
District's covered payroll	$ 7,324,841	$ 7,440,038	$ 6,917,254	$ 6,687,146	$ 7,064,515	$ 6,760,939	$ 6,562,410	$ 6,742,486	$ 7,182,714	$ 7,161,798
District's proportionate share of the net pension liability as a percentage of its covered payroll	263.42%	290.59%	302.72%	289.18%	345.01%	354.29%	367.21%	380.90%	361.53%	330.84%
Plan fiduciary net position as a percentage of the total pension liability	64.63%	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%

The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the preceding fiscal year.

REDBANK VALLEY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE REQUIRED CONTRIBUTIONS
DEFINED BENEFIT PENSION PLAN
JUNE 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contributions	$ 2,490,867	$ 2,377,025	$ 2,356,966	$ 2,688,791	$ 2,255,698	$ 2,355,704	$ 2,248,495	$ 2,029,829	$ 1,968,806	$ 1,773,412
Contribution in relation to the contractually required contribution	(2,490,867)	(2,377,025)	(2,356,966)	(2,688,791)	(2,255,698)	(2,355,704)	(2,248,495)	(2,029,829)	(1,968,806)	(1,773,412)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,643,830	$ 7,324,841	$ 7,440,038	$ 6,917,254	$ 6,687,146	$ 7,064,415	$ 6,760,939	$ 6,562,410	$ 6,742,486	$ 7,182,714
Contributions as a percentage of covered payroll	32.59%	32.45%	31.68%	38.87%	33.73%	33.35%	33.26%	30.93%	29.20%	24.69%

Note: Beginning in 2018 with the implementation of GASB 75, contributions as reported above reflect the pension portion of the contribution only. The premium assistance (OPEB) portion of the contribution is reflected on a separate RSI schedule. Prior year contributions reflect both the pension and premium assistance amounts combined.

REDBANK VALLEY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL DISTRICT'S CONTRACTUALLY SHARE OF THE NET OPEB LIABILITY
PSERS PLAN
JUNE 30,

As of the measurement date of June 30,	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.0461%	0.0486%	0.0470%	0.0472%	0.0494%	0.0512%	0.0502%	0.0520%
District's proportionate share of the net OPEB liability	$ 819,000	$ 879,000	$ 865,000	$ 1,118,000	$ 1,067,000	$ 1,089,000	$ 1,047,000	$ 1,059,000
District's covered payroll	$ 7,324,841	$ 7,440,038	$ 6,917,254	$ 6,678,146	$ 7,064,415	$ 6,760,939	$ 6,562,410	$ 6,742,486
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	11.18%	11.81%	12.50%	16.74%	15.10%	16.11%	15.95%	15.71%
Plan fiduciary net position as a percentage of the total OPEB liability	7.13%	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the preceding fiscal year.

This schedule is intended to illustrate information for a ten (10) year period. Information for that ten year period will be presented as information becomes available.

REDBANK VALLEY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE REQUIRED OPEB CONTRIBUTIONS
PSERS PLAN
JUNE 30,

	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	$ 47,167	$ 45,602	$ 51,224	$ 63,006	$ 54,903	$ 59,157	$ 57,247	$ 53,080
Contribution in relation to the contractually required contribution	(47,167)	(45,602)	(51,224)	(63,006)	(54,903)	(59,157)	(57,247)	(53,080)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,643,830	$ 7,324,841	$ 7,440,038	$ 6,917,254	$ 6,687,146	$ 7,064,515	$ 6,760,939	$ 6,562,410
Contributions as a percentage of covered payroll	0.62%	0.62%	0.69%	0.91%	0.82%	0.84%	0.85%	0.81%

This schedule is intended to illustrate information for a ten (10) year period. Information for that ten year period will be presented as information becomes available.

REDBANK VALLEY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
DISTRICT POST-RETIREMENT HEALTHCARE PLAN
JUNE 30,

	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 47,000	$ 61,000	$ 59,000	$ 183,000	$ 177,000	$ 97,000	$ 94,000	$ 127,000
Interest	50,000	54,000	51,000	74,000	72,000	76,000	80,000	83,000
Change of benefits terms	-	-	-	(1,620,000)	-	-	-	-
Effect of economic/demographic gains or losses	-	132,000	-	(4,000)	-	375,000	-	-
Changes of assumptions or other inputs	(115,000)	(391,000)	(11,000)	(519,000)	18,000	625,000	75,000	(296,000)
Benefit payments	(61,000)	(73,000)	(62,000)	(89,000)	(115,000)	(120,000)	(140,000)	(173,000)
Net Change in Total OPEB Liability	**$ (79,000)**	**$ (217,000)**	**$ 37,000**	**$ (1,975,000)**	**$ 152,000**	**$ 1,053,000**	**$ 109,000**	**$ (259,000)**
Total OPEB Liability - Beginning of Year	**1,294,000**	**1,511,000**	**1,474,000**	**3,449,000**	**3,297,000**	**2,244,000**	**2,135,000**	**2,394,000**
Total OPEB Liability - End of Year	**$ 1,215,000**	**$ 1,294,000**	**$ 1,511,000**	**$ 1,474,000**	**$ 3,449,000**	**$ 3,297,000**	**$ 2,244,000**	**$ 2,135,000**

This schedule is intended to illustrate information for a ten (10) year period. Information for the ten-year period will be presented as information becomes available.

NOTE 1 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR PSERS PENSION BENEFITS

Changes in Benefit Terms

None

Changes in Assumptions used in the Measurement of PSERS' Total Pension Liability Beginning June 30, 2024

None

Changes in Assumptions used in the Measurement of PSERS' Total Pension Liability Beginning June 30, 2023

None

Actuarial Assumptions used in Calculations of Actuarially Determined Contributions

None

NOTE 2 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR THE PSERS POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

Changes in Benefit Terms

None

NOTE 2 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR THE PSERS POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (Continued)

Changes in Assumptions used in the Measurement of PSERS' Total OPEB Liability Beginning June 30, 2024

- Investment return went from 4.13% S&P 20 Year Municipal Bond Rate to 4.21% S&P 20 Year Municipal Bond Rate
- The discount rate increased from 4.13% to 4.21%

Changes in Assumptions used in the Measurement of PSERS' Total OPEB Liability Beginning June 30, 2023

- Investment return went from 4.09% S&P 20 Year Municipal Bond Rate to 4.13% S&P 20 Year Municipal Bond Rate
- The discount rate increased from 4.09% to 4.13%

Changes in Actuarial Assumptions used in Calculations of Actuarially Determined Contributions

None

Actuarial Assumptions used in Calculations of Actuarially Determined Contributions

The following actuarial methods and assumptions were used to determine contribution rates reported in the OPEB required supplementary schedules:

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

NOTE 3 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR THE RETIREE OPEB SCHOOL PLAN

Changes in Benefit Terms

None

Changes in Assumptions

- The discount rate has increased from 3.93% to 5.20% based on the Bond Buyer 20 Year Bond GO Index.

Actuarial Assumptions used in Calculations of Actuarially Determined Contributions

The actuarial plan does not disclose actuarial assumptions, if applicable, used in the calculations of Actuarially Determined Contributions.

REDBANK VALLEY
SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

AS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND UNIFORM GUIDANCE

Turnley Robertson & Associates LLC

Turnley Robertson & Associates LLC

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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

Management and Board of Education
Redbank Valley School District

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 Standard* 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 Redbank Valley School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Redbank Valley School District's basic financial statements, and have issued our report thereon dated January 27, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Redbank Valley School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Redbank Valley School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Redbank Valley School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Redbank Valley School District'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 weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Management and Board of Education
Redbank Valley School District

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Redbank Valley School District'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 Redbank Valley School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Turnley Robertson & Associates LLC

January 27, 2026
New Brighton, Pennsylvania

Turnley Robertson & Associates LLC

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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

Management and Board of Education
Redbank Valley School District

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

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

In our opinion, Redbank Valley School District complied, in all material aspects, 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 Principals, 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 Redbank Valley School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Redbank Valley School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgement 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 Redbank Valley School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Redbank Valley School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Redbank Valley School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 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.

Turnley Robertson & Associates LLC

January 27, 2026
New Brighton, Pennsylvania

REDBANK VALLEY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR / PROJECT TITLE	FUNDING SOURCE	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR NUMBER	GRANT PERIOD BEGINNING / ENDING DATE	PROGRAM AWARD AMOUNT	2024-2025 PASSED THROUGH TO SUBRECIPIENTS	TOTAL RECEIVED THIS PERIOD	ACCRUED (UNEARNED) REVENUE JULY 1	REVENUE RECOGNIZED	EXPENDITURES	ACCRUED (UNEARNED) REVENUE JUNE 30
U.S. DEPARTMENT OF EDUCATION:											
Passed through Pa. Department of Education:											
Title I	Indirect	84.010	013-250357	7/1/24-9/30/25	$ -	$ -	$ 206,872	$ -	$ 236,902	$ 236,902	$ 30,030
Title I	Indirect	84.010	013-240357	7/1/23-9/30/24	244,175	-	85,118	83,200	1,918	1,918	-
Title II - Improving Teacher Quality	Indirect	84.367	020-250357	7/1/24-9/30/25	-	-	36,927	-	36,651	36,651	(276)
Title II - Improving Teacher Quality	Indirect	84.367	020-240357	7/1/23-9/30/24	33,734	-	24,087	24,087	-	-	-
Title IV - Student Support & Academic Enrichment	Indirect	84.424	144-240357	7/1/24-9/30/25	-	-	18,388	-	18,388	18,388	-
Title IV - Student Support & Academic Enrichment	Indirect	84.424	144-240357	7/1/23-9/30/24	19,154	-	13,682	13,682	-	-	-
COVID-19 - ARP ESSER III Fund Local	Indirect	84.425U	223-210357	3/13/20-9/30/24	2,081,833	-	75,703	75,703	-	-	-
COVID-19 - ARP ESSER Homeless Children & Youth	Indirect	84.425W	181-212368B	3/13/20-9/30/24	33,649	-	33,649	31,382	2,267	2,267	-
Total passed through Pa. Department of Education						$ -	$ 494,426	$ 228,054	$ 296,126	$ 296,126	$ 29,754
Passed through Intermediate Unit 1 (Special Education Cluster):											
IDEA	Indirect	84.027	H027A250093	7/1/24-6/30/25	$ 193,241	$ -	$ 193,241	$ -	$ 193,241	$ 193,241	$ -
IDEA - Section 619	Indirect	84.173	H173A20090	7/1/24-6/30/25	2,800	-	2,800	-	2,800	2,800	-
Total passed through Intermediate Unit 1 (Special Education Cluster)						$ -	$ 196,041	$ -	$ 196,041	$ 196,041	$ -
Total Special Education Cluster						$ -	$ 196,041	$ -	$ 196,041	$ 196,041	$ -
TOTAL U.S. DEPARTMENT OF EDUCATION						$ -	$ 690,467	$ 228,054	$ 492,167	$ 492,167	$ 29,754
U.S. DEPARTMENT OF TREASURY											
Passed through Pa. Commission on Crime and Delinquency:											
COVID-SFR School Mental Health Grant	Indirect	21.027	2023-CM-01 41586	1/1/24-12/31/25	$ 113,051	$ -	$ 53,029	$ -	$ 70,782	$ 70,782	$ 17,753
Total passed through Pa. Commission on Crime and Delinquency						$ -	$ 53,029	$ -	$ 70,782	$ 70,782	$ 17,753
TOTAL U.S. DEPARTMENT OF TREASURY						$ -	$ 53,029	$ -	$ 70,782	$ 70,782	$ 17,753
U.S. DEPARTMENT OF AGRICULTURE:											
Passed through Pa. Department of Education (Child Nutrition Program Cluster):											
National School											
Lunch Program	Indirect	10.555	N/A	7/1/24-6/30/25	N/A	$ -	$ 451,118	$ -	$ 451,118	$ 451,118 (1)	$ -
Breakfast Program	Indirect	10.553	N/A	7/1/24-6/30/25	N/A	-	175,465	-	175,465	175,465 (1)	-
Total passed through Pa. Department of Education (Child Nutritin Program Cluster)				7/1/24-6/30/25		$ -	$ 626,583	$ -	$ 626,583	$ 626,583	$ -
Passed through Pa. Deptartment of Agriculture (Child Nutrition Program Cluster):											
National School Lunch Program	Indirect	10.555	N/A	7/1/24-6/30/25	N/A	$ -	$ 50,888 *	$ (13,334) **	$ 38,323	$ 38,323 (1)	$ (25,899) ***
Total passed through Pa. Department of Agriculture (Child Nutrition Program Cluster)						$ -	$ 50,888	$ (13,334)	$ 38,323	$ 38,323	$ (25,899)
Total Child Nutrition Program Cluster						$ -	$ 677,471	$ (13,334)	$ 664,906	$ 664,906	$ (25,899)
TOTAL U.S. DEPARTMENT OF AGRICULTURE						$ -	$ 677,471	$ (13,334)	$ 664,906	$ 664,906	$ (25,899)
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:											
Passed through Pa. Department of Human Services:											
Title 19	Indirect	93.778	N/A	7/1/24-6/30/25	N/A	$ -	$ 1,763	$ -	$ 1,763	$ 1,763	$ -
Total passed through Pa. Department of Human Services						$ -	$ 1,763	$ -	$ 1,763	$ 1,763	$ -
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						$ -	$ 1,763	$ -	$ 1,763	$ 1,763	$ -
TOTAL FEDERAL ASSISTANCE						$ -	$ 1,422,730 #	$ 214,720	$ 1,229,618	$ 1,229,618	$ 21,608

 # Reconciliation with federal subsidy confirmation:

Per Above	$ 1,422,730
School Lunch/Breakfast Matching Subsidy	76,878
IDEA	(196,041)
Donated Commodities	(50,888)
ACCESS	75,000
School Mental Health Grant	(53,029)
Title 19	(1,763)
Per Confirmation	$ 1,272,887

* Total USDA Commodity Received
** Represents beginning inventory - 7/1/24
*** Represents ending inventory - 6/30/25
(1) Denotes Major Program

REDBANK VALLEY SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the 'Schedule') includes the federal grant activity administered by the Redbank Valley School District for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grant Guidance – UGG).* Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or changes in net position of the Redbank Valley School District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

Expenditures reported on the Schedule are presented using the accrual method of accounting. Under this method, grant revenue is recognized to the extent expenditures are incurred. Expenditures are recognized when the liability for the expenditure is incurred rather than when the disbursement is actually made.

The federal expenditures are recognized, as applicable, under the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or limited to reimbursement.

NOTE 3 - RELATIONSHIP TO FINANCIAL STATEMENTS

Federal financial award revenues are included in the financial statements as 'local source' and 'federal source' revenues.

NOTE 4 – RECEIVABLES AND UNEARNED REVENUE

Federal grants receivable are included as part of 'due from other governments' in Exhibit A and Exhibit C as referenced in Note 4 to the Financial Statements. Unearned federal grant revenue, if any, is included as part of 'unearned revenue' in Exhibit A and Exhibit C as referenced in Note 6 to the Financial Statements.

NOTE 5 - NON-CASH ASSISTANCE

The Redbank Valley School District received donated commodities from the Department of Agriculture in connection with its food service program. The amount of non-cash assistance expended in the accompanying schedule of expenditures of federal awards reflects the fair market value of the commodities used during the 2024-2025 fiscal year.

NOTE 6 – INDIRECT COST RATE

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

REDBANK VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___yes __X_no
- Significant deficiency(ies) identified? ____yes __X_no

Noncompliance material to financial statements noted? ____yes ___X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____yes ___X_no
- Significant deficiency(ies) identified? ____yes __X__no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____yes __X__no

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
10.555	National School Lunch Program (Child Nutrition Cluster)
10.553	School Breakfast Program (Child Nutrition Cluster)

The dollar threshold for distinguishing type A and type B programs:

Type A Program	$750,000-$25,000,000
Type B Program	Less than $750,000

Auditee qualified as low-risk auditee? _____yes __X___no

Section II – Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards.

None

Section III – Federal Award Findings and Questioned Costs

Findings and questioned costs related to Federal Awards which are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a):

None

REDBANK VALLEY SCHOOL DISTRICT
STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDING JUNE 30, 2025

The audit report of the Redbank Valley School District for the year ended June 30, 2024, dated February 26, 2025 contained no audit findings.