

**Jersey Shore Area School District**  
**Board of Education – Regular Meeting**  
**Minutes of June 11, 2018**

**A. Opening**

**1. Call to Order:** Mrs. Kelley Wasson, President, called the meeting to order at 7:01 p.m.

**2. Roll Call:**

Members Present: Mr. Craig Allen, Mr. Harry Brungard, Mr. Christopher Fravel, Mrs. Michelle Stemler, Mrs. Karen Stover, Mr. Merrill Sweitzer, Mr. John Pecchia, Mrs. Mary Thomas, Mrs. Kelley Wasson and Dr. Jill Wenrich, Superintendent

Others Present: Christopher Kenyon, Esq., Solicitor, Benjamin Enders, Board Secretary, Dr. Kenneth Dady, Assistant Superintendent and Isabella Hale, Student Representative

**3. Pledge of Allegiance**

**B. Presentations**

**1. Communications:** None

**2. President's Report:** None

**3. Intermediate Unit Report:** None

**5. Superintendent's Report:**

- a. Recognition of Spring Sport State Qualifiers - Jill Wenrich
- b. Boys High School Soccer Booster Club presentation - Jill Wenrich
- c. Football Booster Club donation presentation - Stephen Alexander
- d. Xylophone donation to the Elementary Music Program from Robert M. Sides at first reading - Ken Dady
- e. Contract with Hope Enterprises, Inc. at first read - Jill Wenrich (Attachment)
- f. Agreement with First Hospital Wyoming Valley for Special Education Services at first read - Jill Wenrich (Attachment)
- g. Budget Update - Ben Enders (Attachment)

**C. Courtesy of the Floor:**

Burt Francis-JS Boro – commented on Real Estate taxes, reconfiguration and school closings and gave Board members a document regarding real estate taxes.

Justin Wall-Anthony Twp. - commented on team to reach out to Charter school students, leasing space and furloughs.

Kayla Calhoun-Avis Boro – commented on booster club donation and what is next after the budget is passed.

John Shireman-JS Boro – commented on leasing space and security issues related to leasing.

Raye Bierly-Piatt Twp. – commented on rumor of movement of 8<sup>th</sup> grade and 5<sup>th</sup> grade in the fall.

**J. Executive Session:** An Executive Session was held beginning at 7:55 p.m. for personnel matters after which business was conducted.

Meeting resumed at 8:25 p.m.

## **D. Personnel**

### **1. Personnel Items:**

**Motion:** A motion was made by Karen Stover and seconded by Christopher Fravel to approve the following Personnel items as listed on the Agenda:

- a. a letter of resignation from Cindy Ferguson from her position as Continuous Energy Improvement (CEI) Leader for Jersey Shore Area Elementary.
- b. appointment of Janna Riggle as the Yearbook Publication Advisor for the High School, beginning the 2018-2019 school year at a stipend of \$2237.00 per the JSAEA contract.
- c. a day without pay for employee number 2017-18-52, on Thursday, May 31, 2018.
- d. the retention of the following spring sport head coaches and sports as listed for the 2018-2019 school year:

Seth Hensler	Varsity Boys Tennis
Robert Fox	Varsity Boys Track and Field
Mark Sundberg	Varsity Girls Track and Field
Mike English	Varsity Baseball
Randy Smith	Girls Softball

- e. the appointment of Darrin Bischof as Varsity Head Girls soccer coach, effective the 2018-2019 season, at a stipend of \$4010.00.
- f. the transfer of Beverly Murray from a 10 month Middle School Guidance Secretary position to the 12 month Middle School Office Secretary position, effective July 1, 2018 at an annual salary of \$34,664.00.
- g. the promotion of Steven Keen to the High School Principal position and Director of CTE, effective July 1, 2018 at an annual salary of \$112,667.00 (\$104,967.00 Principal and \$7,700.00 CTE).

The vote was a unanimous yes. Motion carried.

**E. Curriculum and Instruction: None**

**F. Building and Grounds: None**

**G. Finance**

### **1. Finance Items:**

**Motion:** A motion was made by Christopher Fravel and seconded by Craig Allen to approve the following Finance Items as listed on the Agenda:

- a. an engagement letter with Baker Tilly Virchow Krause LLP for the required annual Financial Audit of the district's financial records for the fiscal year ending June 30, 2018 at a cost of \$33,475.00. (Attachment)
- b. agreements (Lycoming and Clinton Counties) with Infocon to print and mail the real estate tax bills and provide tax processing services for 2018. (Attachment)

- c. a contract with Central Susquehanna Intermediate Unit to provide computer services during the 2018-2019 fiscal Year. (Attachment)

The vote was a unanimous yes. Motion carried.

#### **H. Miscellaneous:**

##### **1. Miscellaneous Item**

**Motion:** A motion was made by John Pecchia and seconded by Craig Allen to nominate Mary Thomas as Board Treasurer for the 2018-19 fiscal year.

The vote was a unanimous Yes. Motion carried.

**Motion:** A motion was made by Christopher Fravel and seconded by Karen Stover to approve the following item as listed on the Agenda:

- a. that Mary Thomas be appointed as Board Treasurer for the 2018-19 fiscal year at an annual salary of \$500.00.

The vote was a unanimous Yes. Motion carried.

#### **I. Old Business:**

##### **1. Athletic Fees**

- a. 2018-2019 Athletic Fees Options (Attachment)

**Motion:** A motion was made by Harry Brungard and seconded by Craig Allen to set athletic participation fees at \$40 per season, effective the 2018-2019 school year.

The vote was a unanimous Yes. Motion carried.

Mr. Brungard asked that Courtesy of the Floor be added to the next Board agenda as a discussion item under Old Business.

#### **K. Adjournment**

**Motion:** A motion was made by Christopher Fravel and seconded by Merrill Sweitzer to adjourn the June 11, 2018 Regular Board Meeting at 8:33 p.m.

The vote was a unanimous Yes. Motion carried.

Respectfully submitted,

Benjamin J. Enders  
Board Secretary



## CONTRACT FOR THERAPY SERVICES

This contract is made and entered into this 1st day of July, 2018 between Hope Enterprises, Inc. (Hope) and the Jersey Shore Area District (District).

For and in consideration of the mutual promises set forth in this contract, the parties do mutually agree as follows:

1. Obligations of Hope. Hope hereby agrees to provide **physical (PT) services for school age students** as follows:

- 1.1 To provide direct physical therapy services based on the individual student's evaluation results and the planned intervention goals on the individual education plan (IEP).
- 1.2 To provide consultative physical therapy services based on the individual student's evaluation results and the planned intervention goals on the IEP. Evaluations will be completed in a ninety (90) minute session or less.
- 1.3 To complete observations, screenings and evaluations of referred students and written reports as required by established procedures. The evaluations and corresponding documentation will concentrate on access to and participation in school based settings.
- 1.4 To aide in the development of IEPs for students for the 2018-2019 school year based on students' identified needs.
- 1.5 To attend all parent conferences, team meetings, IEP conferences, and other student related meetings as needed to review evaluation results, therapy services, and assist in the development of the IEPs.
- 1.6 To sign in/out at each site upon arrival and departure based on District protocol and procedure.
- 1.7 To maintain documentation of services provided and outcomes using the DARTS data management system. The District will help define parameters for the access to the system.
- 1.8 To complete all required billing for eligible students per District guidelines.
- 1.9 To provide documentation of professional licensure and liability insurance.

2. Obligations of District.

- 2.1 The District and Hope will designate a single point of contact to discuss programming and contract performance.
- 2.2 The District will obtain written parent permission and physician referral for students.
- 2.3 The District hereby agrees:

Physical Therapy Hourly Fee	\$ 88.00
Physical Therapy Assistant Hourly Fee	\$ 77.00
Physical Therapy Evaluation/Re-Evaluation	\$ 137.00
Hourly Travel/Meeting Rate	\$ 48.00

3. Dates. The services described in the contract will be provided on the following date(s): July 1, 2018 through June 30, 2019.
4. Terms and Methods of Payment. Hope will submit an invoice for services within 10 days of the close of the month in which services were provided. Payment is to be made within thirty (30) calendar days of the receipt of the invoice.
5. Indemnity and Insurance Requirements. Hope shall indemnify and hold harmless the District, its officers, agents, employees and assigns from and against all claims, losses, costs, damages, expenses, attorneys' fees and liability that any of them may sustain:
- a. arising out of Hope's failure to comply with any applicable law, ordinance, regulation, or industry standard;
  - b. arising directly or indirectly out of Hope's performance or lack of performance of this contract.

Hope certifies that it currently has and agrees to maintain during its performance under this contract the following insurance from one or more insurance companies acceptable to the District and authorized to do business in the State of Pennsylvania.

Certificates of such insurance shall be furnished by Hope to the District and shall contain the provision that the District be given 30 days' written notice of any intent to cancel or terminate by either Hope or the insuring company. Failure to furnish insurance certificates or to maintain such insurance shall be a default under this contract and shall be grounds for immediate termination of this contract.

6. Contract Transfer. Hope shall not assign, subcontract, or otherwise transfer any interest in this contract without the prior written approval of the District.

7. Contract Modifications. This contract may be amended only by written amendments duly executed by and between the District and Hope. However, minor modifications may be made to take advantage of unforeseen opportunities that: (a) do not change the intent of the contract or the scope of Hope's performance; and (b) do not increase Hope's total compensation or method of payment. All such minor modifications to the contract must be recorded in writing and signed by both the District Special Education Coordinator and Hope, and placed on file with this contract. No price adjustments will be made unless the procedure has been included in the contract and a maximum allowable amount stipulated.
8. Monitoring and Evaluation. Hope shall cooperate with the District, or with any other person or agency as directed by the District, in monitoring, inspecting, auditing, or investigating activities related to this contract. Hope shall permit the District to evaluate all activities conducted under this contract as dictated by the District.
9. Confidentiality of Student Information. If, during the course of the Hope's performance of this contract, Hope should obtain any information pertaining to the students' official records, Hope agrees that this contract shall not be construed by either party to constitute a waiver of or to in any manner diminish the provisions for confidentiality of students' official records.
10. Mediation. If a dispute arises out of or relates to this contract, or the breach of this contract, and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation.
11. Entire Agreement. This contract constitutes and expresses the entire agreement and understanding between the parties concerning the subject matter of this contract.

**IN WITNESS WHEREOF,** the District and Hope have executed this contract on the day and year first written above.

Hope Enterprises, Inc.

By: \_\_\_\_\_  
Signature Date

Jersey Shore Area School District

By: \_\_\_\_\_  
Signature Date

## **PURCHASE OF EDUCATION SERVICE AGREEMENT**

This AGREEMENT is made the 1st day of August, 2018 between First Hospital Wyoming Valley, whose principal place of business is 562 Wyoming Avenue, Kingston, PA 18704, hereinafter referred to as "Agency", and JERSEY SHORE AREA SCHOOL DISTRICT, whose principal place of business is 175 A&P DRIVE, JERSEY SHORE, PA 17740 hereinafter referred to as "District" and shall be in force and effect from the date this Agreement is executed. Special educational services will be provided to children and adolescents in your School District who are admitted to First Hospital Wyoming Valley and enrolled in its Genesis School.

### **WITNESSETH:**

WHEREAS, the Agency is licensed and approved by the Commonwealth of PA as a Private Academic School to offer Special Education (Elementary and Secondary) Services to socially and emotionally disturbed children and is desirous of making such services available to the District; and NOW, THEREFORE, in consideration of the mutual promise contained herein, the parties, intending to be bound hereby, it is mutually understood and agreed as follows:

#### **1. General Provisions:**

- A. This agreement is subject to all applicable provisions of State and Federal law and regulations related to the provision, delivery and funding of special education services to children.
- B. The Agency, for and in consideration of the compensation hereinafter set forth, agrees to provide special education services to children enrolled in your school district.

#### **2. Referral Information:**

- A. Following admission of a child or adolescent, the Agency will request all required educational and other documentation from the District to appropriately place the child in the Agency's programs. The District must supply basic identifying information and any information about the child which would impact on the health and welfare of the child as soon as possible following admission.

#### **3. Discharge:**

- A. Upon mutual agreement by the Parties, or expiration of this Agreement, the Agency will provide copies of all educational tests, reports and evaluations pertaining to the child for appropriate aftercare planning.

#### **4. Payments:**

- A. The District, in consideration of the services provided by the Agency under this Agreement, shall pay the costs of services rendered for the first and all subsequent days of enrollment at a per diem rate of \$110.00. Billing statements will be rendered by the Agency on or before the fifth working day of the month immediately following the provision of the services. The District shall issue payment no later than thirty (30) calendar days from the invoice date.

5. **Attendance and Participation:**

- A. The Agency expects full attendance and participation by clients, in the agreed upon education and treatment programs. Parental involvement and cooperation is also essential for clients to maximize the benefits of service delivery. To that end, the Agency has implemented an attendance and participation practice which closely monitors client involvement in programs and addresses issues as they arise.

**WITNESSETH:**

IN WITNESS WHEREOF, the duly authorized agents of the parties hereby set their hands and seals, causing this Agreement to be executed.

**SCHOOL DISTRICT:**

BY:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FIRST HOSPITAL WYOMING VALLEY:**

BY:

Name:  Jimi Gallagher

Title: CEO

Date: May 24, 2018

6/11/18

**GENERAL FUND BUDGET SUMMARY**  
**2018-19 BUDGET**  
**Preliminary**

Actual Fund Balance 7/1/17		\$ 6,341,583
Committed Fund Balance for PSERS Increase Use of Fund Balance used in 17-18		(500,302)
Committed Fund Balance for Health Insurance Increase Use of Fund Balance used in 17-18		<u>(105,000)</u>
Projected Fund Balance 7/1/18		\$ 5,736,281
2018-19 Budgeted Revenue:	\$ 41,265,205	
2018-19 Budgeted Expenditures:	<u>41,381,159</u>	
Surplus/(Deficit)		<u>(115,954)</u>
Total Budgetary Fund Balance 7/1/19		<u>\$ 5,620,327</u>
Estimated Committed Fund Balance for PSERS Increase Use of Fund Balance 7/1/18	\$ 2,279,698	
Committed Fund Balance for PSERS Increase Use of Fund Balance used in 18-19	<u>(115,954)</u>	
Estimated Committed Fund Balance for PSERS Increase Use of Fund Balance 7/1/19		\$ 2,163,744
Estimated Committed Fund Balance for Health Insurance Increase Use of Fund Balance 7/1/18	\$ 745,000	
Committed Fund Balance for Health Insurance Increase Use of Fund Balance used in 18-19	<u>-</u>	
Estimated Committed Fund Balance for Health Insurance Increase Use of Fund Balance 7/1/19		745,000
Estimated Nonspendable Fund Balance 7/1/18	\$ 161,573	
Nonspendable Fund Balance used in 18-19	<u>-</u>	
Estimated Nonspendable Fund Balance 7/1/19		161,573
Estimated Unassigned Fund Balance 7/1/18	\$ 2,550,010	
Unassigned Fund Balance used in 18-19	<u>-</u>	
Estimated Unassigned Fund Balance 7/1/19		<u>2,550,010</u>
Total Budgetary Fund Balance 7/1/19		<u>\$ 5,620,327</u>
Estimated Unassigned Fund Balance 7/1/19 As a Percent of 2018-19 Appropriations		<u>6.16%</u>
Estimated Total Fund Balance 7/1/19 As a Percent of 2018-19 Appropriations		<u>13.58%</u>

**Jersey Shore Area School District  
Preliminary Budget  
June 11, 2018**

	<u>Original Budget</u>	<u>New Budget</u>	<u>Increase/(Decrease)</u>
<b>Salary &amp; Benefit Changes</b>			
Salaries & Benefits related to the Act 93 Agreement (approved 5.29.18)	\$ 2,125,784.64	2,076,006.00	\$ (49,778.64)
Non-Renewal of Spanish Position (approved 5.29.18)	89,013.19	-	(89,013.19)
Non-Renewal of Elementary Position (approved 5.29.18)	74,564.01	-	(74,564.01)
Non-Renewal of Elementary Position (approved 5.29.18)	120,679.66	-	(120,679.66)
Non-Renewal of English Position (approved 5.29.18)	73,095.42	-	(73,095.42)
Non-Renewal of Health/Family & Consumer Science Position (approved 5.29.18)	75,974.81	-	(75,974.81)
Non-Renewal of Music Position (approved 5.29.18)	75,974.82	-	(75,974.82)
Furlough of Elementary Position (approved 5.29.18)	75,040.28	-	(75,040.28)
Furlough of Elementary Position (approved 5.29.18)	108,191.95	-	(108,191.95)
Furlough of Business Position (approved 5.29.18)	115,669.19	-	(115,669.19)
Furlough of Family & Consumer Science Position (approved 5.29.18)	101,024.98	-	(101,024.98)
Removal of Hiring of CTE Manufacturing Instructor budgeted at Step 1 of Masters Scale with Family PPO C Health Insurance	94,507.19	-	(94,507.19)
<b>High School Building Budget Changes</b>			
Removal of America: A Narrative History Volume 2 (as ebooks approved on 5.21.18)	15,100.00	-	(15,100.00)
<b>Buildings &amp; Grounds Budget Changes</b>			
School Safety Supplies (Transferred from Staff Engagement Survey as approved on 5.21.18) (2660-610)	-	25,000.00	25,000.00
<b>District Wide Budget Changes</b>			
Staff Engagement Survey (Transferred to School Safety Supplies as approved on 5.21.18) (2360-330)	25,000.00	-	(25,000.00)
Unemployment Compensation on Non-Renewals/Furloughs (10*\$15,000 max per person) (1100-250)	-	150,000.00	150,000.00
Health Insurance Coverage on Non-Renewals/Furloughs (2 months - July & August) (1100-211)	-	24,000.00	<u>24,000.00</u>
<b>Total Expenditure Changes</b>		\$	<b>(894,614.14)</b>

**Jersey Shore Area School District  
Preliminary Budget  
June 11, 2018**

	<u>Original Budget</u>	<u>New Budget</u>	<u>Increase/(Decrease)</u>
<b>Budgeted Expenditures as Presented on May 21, 2018</b>			<u>42,275,773.04</u>
<b>Budgeted Expenditures as Presented on June 11, 2018</b>			<u>\$ 41,381,158.90</u>
<b>Local Revenue Changes</b>			
Real Estate Tax (updated assessment) (millage rates are as follows: Lycoming = 17.7513 & Clinton = 12.9608)	12,154,915.00	12,154,956.00	\$ 41.00
<b>State Revenue Changes</b>			
Retirement Subsidy on Act 93 Agreement	263,650.23	257,974.57	(5,675.66)
Social Security Subsidy on Act 93 Agreement	60,332.76	59,033.970	(1,298.79)
Retirement Subsidy on Spanish Position	10,045.32	*	(10,045.32)
Social Security Subsidy on Spanish Position	2,298.74	*	(2,298.74)
Retirement Subsidy on Elementary Position	9,831.14	*	(9,831.14)
Social Security Subsidy on Elementary Position	2,249.72	*	(2,249.72)
Retirement Subsidy on Elementary Position	17,852.40	*	(17,852.40)
Social Security Subsidy on Elementary Position	4,085.28	*	(4,085.28)
Retirement Subsidy on English Position	11,084.13	*	(11,084.13)
Social Security Subsidy on English Position	2,536.45	*	(2,536.45)
Retirement Subsidy on Health/Family & Consumer Science Position	10,045.32	*	(10,045.32)
Social Security Subsidy on Health/Family & Consumer Science Position	2,298.74	*	(2,298.74)
Retirement Subsidy on Music Position	10,045.32	*	(10,045.32)
Social Security Subsidy on Music Position	2,298.74	*	(2,298.74)
Retirement Subsidy on Elementary Position	10,923.49	*	(10,923.49)
Social Security Subsidy on Elementary Position	2,499.69	*	(2,499.69)

**Jersey Shore Area School District  
Preliminary Budget  
June 11, 2018**

	<u>Original Budget</u>	<u>New Budget</u>	<u>Increase/(Decrease)</u>
Retirement Subsidy on Elementary Position	12,786.90	-	(12,786.90)
Social Security Subsidy on Elementary Position	2,926.11	-	(2,926.11)
Retirement Subsidy on Business Position	13,922.09	-	(13,922.09)
Social Security Subsidy on Business Position	3,185.88	-	(3,185.88)
Retirement Subsidy on Family & Consumer Science Position	11,619.59	-	(11,619.59)
Social Security Subsidy on Family & Consumer Science Position	2,658.99	-	(2,658.99)
Retirement Reimbursement from removal hiring of CTE Manufacturing Instructor Resignation	10,709.30	-	(10,709.30)
Social Security Reimbursement from removal hiring of CTE Manufacturing Instructor Resignation	2,450.68	-	(2,450.68)
<b>Total Revenue Changes</b>			<b>\$ (165,287.47)</b>
<b>Budgeted Revenues as Presented on May 21, 2018</b>			<b><u>41,430,492.36</u></b>
<b>Budgeted Revenues as Presented on June 11, 2018</b>			<b><u>\$ 41,265,204.89</u></b>
<b>Deficit as Presented on May 21, 2018</b>			<b>\$ (845,280.69)</b>
<b>Net Changes</b>			<b><u>(729,326.67)</u></b>
<b>Deficit as Presented on June 11, 2018</b>			<b><u>\$ (115,954.02)</u></b>

**Budget Notes**

**Revenues:**

Tax Increase to the Index (\$453,132)

**Expenditures:**

Departmental meetings and review were held on December 5th, 6th & 7th  
Majority of the Buildings/Departments have come in below last years final budget  
2.5% Increase for all expiring contracts & 2% Increase for all non-contracted staff  
Certified Retirement Rate = 33.43%  
Health Insurance Rates Approved by LOC on 2/16/18

**Jersey Shore Area School District  
Long Term Financial Outlook  
18/19 Tax Increase to the Index**

6/11/18

**Adjustments for State Retirement & Social Security Subsidy**

	2018-2019 Budget	2019-2020 Projection	2020-2021 Projection	2021-2022 Projection
Salaries	\$ 16,486,862	\$ 17,070,819	\$ 17,635,748	\$ 18,525,782
Employee Benefits	12,385,519	13,016,367	13,699,993	14,558,850
Professional Services	2,179,213	2,179,213	2,179,213	2,179,213
Property Services	907,080	907,080	907,080	907,080
Other Services	4,155,174	4,155,174	4,155,174	4,155,174
Supplies	1,025,987	1,025,987	1,025,987	1,025,987
Equipment	431,971	431,971	431,971	431,971
Other Expenses	1,159,353	1,159,353	1,159,353	1,159,353
Other Uses	2,650,000	2,650,000	2,650,000	2,650,000
<b>Total Expenditures</b>	<b>\$ 41,381,159</b>	<b>\$ 42,595,964</b>	<b>\$ 43,844,519</b>	<b>\$ 45,593,410</b>
Local Revenue	\$ 17,573,701	\$ 17,573,701	\$ 17,573,701	\$ 17,573,701
State Revenue	23,149,606	23,434,830	23,629,552	23,906,887
Federal Revenue	536,898	536,898	536,898	536,898
Other Revenue	5,000	5,000	5,000	5,000
<b>Total Revenue</b>	<b>\$ 41,265,205</b>	<b>\$ 41,550,429</b>	<b>\$ 41,745,151</b>	<b>\$ 42,022,486</b>
Deficit	(115,954)	(1,045,535)	(2,099,368)	(3,570,924)
Fund Balance @ Beginning of Fiscal Year	\$ 6,341,583	\$ 5,620,327	\$ 4,574,792	\$ 2,475,423
Budget Deficit for Fiscal Year 2017-2018	(605,302)			
Projected Fund Balance @ 6.30.18	\$ 5,736,281			
Fund Balance @ End of Fiscal Year	\$ 5,620,327	\$ 4,574,792	\$ 2,475,423	\$ (1,095,501)
	14%	11%	6%	-2%
R/E Tax Increase to Index in 18/19				
R/E Tax Increase to Index in 19/20 *		350,000	350,000	350,000
R/E Tax Increase to Index in 20/21 *			350,000	350,000
R/E Tax Increase to Index in 21/22 *				350,000
Fund Balance @ End of Fiscal Year w/ Tax Increases	\$ 5,620,327	\$ 4,924,792	\$ 3,175,423	\$ (45,501)
	14%	12%	7%	0%

\* R/E Tax Increase to the Index is estimated to be approximately \$350,000 per year.

**Assumptions:**

- Tax Increase to the index in 18/19 (\$453,173)
- Revenue Growth with only the State Retirement & Social Security Subsidy
- No Changes in Expenditures other than Salaries & Benefits
- 2% increase on expiring contracts
- No future attritional savings
- Health Insurance increases of 8% per year



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May 25, 2018

Board of Directors  
Jersey Shore Area School District  
175 A&P Drive  
Jersey Shore, PA 17740

**RE: Engagement Letter for Audit of Financial Statements and Federal Awards Programs**

Dear Board Members:

Thank you for using Baker Tilly Virchow Krause, LLP ("Baker Tilly" or "we" or "our") as your auditors.

The purpose of this letter (the "Engagement Letter") is to confirm our understanding of the terms and objectives of our engagement and the nature of the services we will provide as independent accountants of the Jersey Shore Area School District (the "District" or "you").

**Services and Related Report**

We will audit the financial statements and supplemental information of the District as of June 30, 2018 and for the year then ending.

The following supplementary information accompanying the financial statements required by the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS), and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

**1. Schedule of expenditures of Federal Awards**

The following supplementary information, although not considered a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context accompanying the financial statements will be subjected to certain limited procedures applied in our audit of the financial statements, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Our auditors' report will not provide an opinion or any assurance on that information.

Board of Directors  
Jersey Shore Area School District

May 25, 2018  
Page 2

1. Management's discussion and analysis
2. Schedule of Funding Progress – Other Postemployment Benefits
3. Schedule of District's Proportionate Share of the Net Pension Liability
4. Schedule of District Contributions
5. Sources of Changes in the Net OPEB Liability
6. Components of the Net OPEB Liability and Related Ratios

Upon completion of our audit, we will provide the District with our audit report on the financial statements and supplemental information referred to above. If, for any reasons caused by or relating to the affairs or management of the District, we are unable to complete the audit or are unable to or have not formed an opinion, or if we determine in our professional judgment the circumstances necessitate, we may withdraw and decline to issue a report as a result of this engagement.

#### **Our Responsibilities and Limitations**

The objective of a financial statement audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to above when considered in relation to the financial statements as a whole. The objective also includes reporting on:

- > Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements in accordance with *Government Auditing Standards*.
- > Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of its federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and the Uniform Guidance.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will be responsible for performing the audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions and to render the required reports.

These standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements and supplemental information are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse. The audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and supplemental information, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management and Board of Directors of their responsibilities.

The audit will include obtaining an understanding of the entity and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and supplemental information and to determine the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and the audit committee or equivalent group charged with governance internal control matters that are required to be communicated under professional standards. We will also inform you of any other matters involving internal control, if any, as required by *Government Auditing Standards* and the Uniform Guidance.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award and program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control over compliance issued pursuant to the Uniform Guidance.

We will design our audit to obtain reasonable, but not absolute, assurance of detecting errors or fraud that would have a material effect on the financial statements and supplemental information as well as other illegal acts having a direct and material effect on financial statement amounts. An audit is not designed to detect error or fraud that is immaterial to the financial statements and supplemental information. Our audit will not include a detailed audit of transactions, such as would be necessary to disclose errors or fraud that did not cause a material misstatement of the financial statements and supplemental information. It is important to recognize that there are inherent limitations in the auditing process. Audits are based on the concept of selective testing of the data underlying the financial statements and supplemental information, which involves judgment regarding the areas to be tested and the nature, timing, extent, and results of the tests to be performed. Our audit is not a guarantee of the accuracy of the financial statements and supplemental information and, therefore, is subject to the limitation that material errors or fraud or other illegal acts having a direct and material financial statement impact, or a direct and material effect on major federal programs, if they exist, may not be detected. Because of the characteristics of fraud, particularly those involving concealment through collusion, falsified documentation, and management's ability to override controls, an audit designed and executed in accordance with GAAS and *Government Auditing Standards* may not detect a material fraud. Further, while effective internal control reduces the likelihood that errors, fraud, or other illegal acts will occur and remain undetected, it does not eliminate that possibility. For these reasons, we cannot ensure that errors, fraud, or other illegal acts, or noncompliance, if present, will be detected. However, we will communicate to the Jersey Shore Area School District, as appropriate, any such matters that we identify during our audit. Also, if required by *Government Auditing Standards*, we will report known or likely fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse directly to parties outside of your institution.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of Jersey Shore Area School District's major programs. The purpose of these procedures will be to express an opinion on Jersey Shore Area School District's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

We are also responsible for determining that the Board of Directors is informed about certain other matters related to the conduct of the audit, including (i) our responsibility under GAAS, (ii) an overview of the planned scope and timing of the audit, and (iii) significant findings from the audit, which include (a) our views about the qualitative aspects of Jersey Shore Area School District's significant accounting practices, accounting estimates, and financial statement disclosures; (b) difficulties encountered in performing the audit; (c) uncorrected misstatements and material corrected misstatements that were brought to the attention of management as a result of auditing procedures; and (d) other significant and relevant findings or issues (e.g., any disagreements with management about matters that could be significant to Jersey Shore Area School District's financial statements and supplemental information or our report thereon, consultations with other independent accountants, issues discussed prior to our retention as independent auditors, fraud and illegal acts, and all significant deficiencies and material weaknesses identified during the audit). Lastly, we are responsible for ensuring that the audit committee or equivalent group charged with governance receives copies of certain written communications between us and management including written communications on accounting, auditing, internal controls or operational matters and representations that we are requesting from management.

The audit will not be planned or conducted in contemplation of reliance by any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

### **Management's Responsibilities**

The District's management is responsible for the financial statements, schedule of expenditures of federal awards, and all accompanying information, as well as representations contained thereon. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of the Uniform Guidance. In this regard, management is responsible for establishing policies and procedures that pertain to the maintenance of adequate accounting records and effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities; to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that there is reasonable assurance that government programs are administered in compliance with applicable requirements; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. You are also responsible for the selection and application of accounting principles, the authorization of receipts and disbursements, the safeguarding of assets, the proper recording of transactions in the accounting records, and for reporting financial information in conformity with accounting principles generally accepted in the United States of America (GAAP), and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us in the management representation letter (i) about all known or suspected fraud affecting the entity involving: (a) management, (b) employees who have significant roles in internal control over financial reporting, and (c) others where the fraud or illegal acts could have a material effect on the financial statements; and (ii) of its knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review before we begin fieldwork.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed above. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You are responsible for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in a written representation letter that (a) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (b) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (c) the methods of measurement or presentation have not changed from those used in the prior year (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for (i) adjusting the financial statements to correct material misstatements and for affirming to us in a management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period under audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole; and (ii) notifying us of all material weaknesses, including other significant deficiencies, in the design or operation of your internal control over financial reporting that are reasonably likely to adversely affect your ability to record, process, summarize and report external financial data reliably in accordance with GAAP. Management is also responsible for identifying and ensuring that the District complies with the laws and regulations applicable to its activities.

As part of management's responsibility for the financial statements and the effectiveness of its system of internal control over financial reporting, management is responsible for making available to us, on a timely basis, all of your original accounting records and related information and for the completeness and accuracy of that information, and your personnel to whom we may direct inquiries. As required by GAAS, we will make specific inquiries of management and others about the representations embodied in the financial statements and the effectiveness of internal control over financial reporting. GAAS also requires that we obtain written representations covering audited financial statements, schedule of expenditures of federal awards, federal award programs, and compliance with laws, regulations, contracts and grant agreements from certain members of management. The results of our audit tests, the responses to our inquiries, and the written representations comprise the evidential matter we intend to rely upon in forming our opinion on the financial statements.

Board of Directors  
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Baker Tilly is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 15B of the Securities Exchange Act of 1934 (the "Act"). Baker Tilly is not recommending an action to the Jersey Shore Area School District; is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Act to you with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors and experts that you deem appropriate before acting on this information or material.

#### **Nonattest Services**

Prior to or as part of our audit engagement, it may be necessary for us to perform certain nonattest services. For purposes of this letter, nonattest services include services that *Government Auditing Standards* refers to as non-audit services. Nonattest services that we will be providing are as follows:

- > Adjusting or correcting journal entries, if necessary
- > Technical assistance with conversion of financial statements from fund basis to government-wide basis
- > Technical assistance with the preparation of the financial statements and notes thereto
- > Technical assistance with the preparation of the auditee section of the Data Collection Form

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.
- > Accept responsibility for the results of our nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

On a periodic basis, as needed, we will meet with you to discuss your accounting records and the management implications of your financial statements and supplemental information. We will notify you, in writing, of any matters that we believe you should be aware of and will meet with you upon request.

#### **Other Documents**

GAAS requires that we read any annual report that contains our audit report. The purpose of this procedure is to consider whether other information in the annual report, including the manner of its presentation, is materially inconsistent with information appearing in the financial statements and supplemental information. We assume no obligation to perform procedures to corroborate such other information as part of our audit.

If you intend to reproduce or publish the financial statements, and make reference to our firm name in connection therewith, you agree to publish the financial statements in their entirety. In addition, you agree to provide us, for our approval and consent, proofs before printing and final materials before distribution.

With regard to the electronic dissemination of audited financial statements and supplemental information, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

The District may wish to include our report on these financial statements in a securities offering. You agree that the aforementioned audit report, or reference to Baker Tilly will not be included in such offering without our prior written permission or consent. Any agreement to perform work in connection with an offering, including an agreement to provide permission or consent, will be a separate agreement.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to any state or pass-through entities. The Data Collection Form and the reporting package must be submitted electronically within the earlier of thirty (30) days after receipt of the auditors' reports or nine (9) months after the end of the audit period, unless a longer period of time is agreed to in advance by the cognizant or oversight agency for audit.

We will provide copies of our reports to the District, however, management is responsible for distribution of the reports and the financial statements. Copies of our reports are to be made available for public inspection unless restricted by law or regulation or if they contain privileged and confidential information.

The documentation for this engagement, including the workpapers, is the property of Baker Tilly and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to federal or state agencies for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Baker Tilly personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. If we are required by law, regulation or professional standards to make certain documentation available to regulators, the District hereby authorizes us to do so.

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*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our most recent peer review report accompanies this letter.

#### **Timing and Fees**

Completion of our work is subject to, among other things, (i) appropriate cooperation from Jersey Shore Area School District's personnel, including timely preparation of necessary schedules, (ii) timely responses to our inquiries, and (iii) timely communication of all significant accounting and financial reporting matters. When and if for any reason Jersey Shore Area School District is unable to provide such schedules, information, and assistance, Baker Tilly and you will mutually revise the fee to reflect additional services, if any, required of us to complete the audit. Delays in the issuance of our audit report beyond the date that was originally contemplated may require us to perform additional auditing procedures which will likely result in additional fees.

Revisions to the scope of our work will be set forth in the form of an "Amendment to Existing Engagement Letter." In addition, if we discover compliance issues that require us to perform additional procedures and/or provide assistance with these matters, fees at our standard hourly rates will apply. Invoices for services will be rendered each month as work progresses and are payable upon presentation.

Invoices for services will be rendered each month as work progresses and are payable upon presentation. A charge of 1.5% per month shall be imposed on accounts not paid within thirty (30) days of receipt of our statement for services provided. In accordance with our firm policies, work may be suspended if your account becomes thirty (30) days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notice of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all expenditures through the date of termination.

Our fee for the Single Audit for the year ending June 30, 2018 will be \$33,475, including out-of-pocket costs. Our fee quote assumes that there is one major program and that there are no significant findings or questioned costs. Our fees for additional major programs or internal control/compliance findings will vary depending on the number major programs and/or the number of findings.

Our fees do not include bookkeeping or accounting assistance, if necessary, for preparation of audit workpapers, the audit report or adjusting journal entries. Our fees for those services will vary depending on the amount of effort required to provide the accounting assistance. Such matters would include technical assistance provided as related to the accounting and financial reporting requirements of GASB No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Our fees, as summarized above, are based upon the current accounting and auditing standards that have been issued and are effective as of the date of this letter. Should additional accounting or auditing standards be issued subsequent, to or become effective for the periods covered by this engagement, our estimated fees may be adjusted accordingly.

Any additional services that may be requested and we agree to provide will be the subject of a separate engagement letter.

We may be required to disclose confidential information to federal, state and international regulatory bodies or a court in criminal or other civil litigation. In the event that we receive a request from a third party (including a subpoena, summons or discovery demand in litigation) calling for the production of information, we will promptly notify the District, unless otherwise prohibited. In the event we are requested by the District or required by government regulation, subpoena or other legal process to produce our engagement working papers or our personnel as witnesses with respect to services rendered to the District, so long as we are not a party to the proceeding in which the information is sought, we may seek reimbursement for our professional time and expenses, as well as the fees and legal expenses, incurred in responding to such a request.

#### **Resolution of Disagreements**

In the unlikely event that differences concerning services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation.

If mediation does not settle the dispute or claim, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Baker Tilly office providing the relevant services is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that no pre-hearing discovery shall be permitted unless specifically authorized by the arbitrator. The arbitrator will be selected from AAA, Judicial Arbitration & Mediation Services (JAMS), the Center for Public Resources or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within fifteen (15) days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award non-monetary or equitable relief and will not have the right to award punitive damages. The award of the arbitration shall be in writing and shall be accompanied by a well-reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. In no event shall a demand for arbitration be made after the date when District of legal or equitable proceedings based on such claim would be barred under the applicable statute of limitations.

Our services shall be evaluated solely on our substantial conformance with the terms expressly set forth herein, including all applicable professional standards. Any claim of nonconformance must be clearly and convincingly shown.

#### **Limitation on Damages and Indemnification**

The liability (including attorney's fees and all other costs) of Baker Tilly and its present or former partners, principals, agents or employees related to any claim for damages relating to the services performed under this Engagement Letter shall not exceed the fees paid to Baker Tilly for the portion of the work to which the claim relates, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Baker Tilly relating to such services. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party. Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays or interruptions arising out of or related to this Engagement Letter even if the other party has been advised of the possibility of such damages.

As Baker Tilly is performing the services solely for your benefit, you will indemnify Baker Tilly, its subsidiaries and their present or former partners, principals, employees, officers and agents against all costs, fees, expenses, damages and liabilities (including attorneys' fees and all defense costs) associated with any third-party claim, relating to or arising as a result of the services, or this Engagement Letter.

Because of the importance of the information that you provide to Baker Tilly with respect to Baker Tilly's ability to perform the services, you hereby release Baker Tilly and its present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorney's fees, relating to the services, that arise from or relate to any information, including representations by management, provided by you, District personnel or agents, that is not complete, accurate or current.

Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Engagement Letter are material bargained for bases of this Engagement Letter and that they have been taken into account and reflected in determining the consideration to be given by each party under this Engagement Letter and in the decision by each party to enter into this Engagement Letter.

The terms of this section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of you, Baker Tilly or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Engagement Letter.

You accept and acknowledge that any legal proceedings arising from or in conjunction with the services provided under this Engagement Letter must be commenced within twelve (12) months after the performance of the services for which the action is brought, without consideration as to the time of discovery of any claim.

#### **Other Matters**

Neither this Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated or subcontracted by either party without the written consent of the other party. Either party may assign and transfer this Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Engagement Letter.

Board of Directors  
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Our dedication to client service is carried out through our employees who are integral in meeting this objective. In recognition of the importance of our employees it is hereby agreed that Jersey Shore Area School District will not solicit our employees for employment or enter into an independent contractor arrangement with any individual who is or was an employee of Baker Tilly for a period of twelve months following the date of the conclusion of this engagement. If the District violates this non solicitation clause, the District agrees to pay to Baker Tilly a fee equal to the hired person's annual salary at the time of the violation so as to reimburse Baker Tilly for the costs of hiring and training a replacement.

Baker Tilly Virchow Krause, LLP is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly Virchow Krause, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Virchow Krause, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

This Engagement Letter constitutes the entire agreement between the District and Baker Tilly regarding the services described in this Engagement Letter and supersedes and incorporates all prior or contemporaneous representations, understandings or agreements, and may not be modified or amended except by an agreement in writing signed between the parties hereto.

The provisions of this Engagement Letter, which expressly or by implication are intended to survive its termination or expiration, will survive and continue to bind both parties. If any provision of this Engagement Letter is declared or found to be illegal, unenforceable or void, then both parties shall be relieved of all obligations arising under such provision, but if the remainder of this Engagement Letter shall not be affected by such declaration or finding and is capable of substantial performance, then each provision not so affected shall be enforced to the extent permitted by law or applicable professional standards.

If because of a change in the District's status or due to any other reason, any provision in this Engagement Letter would be prohibited by, or would impair our independence under laws, regulations or published interpretations by governmental bodies, commissions or other regulatory agencies, such provision shall, to that extent, be of no further force and effect and this agreement shall consist of the remaining portions.

This agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the provisions relating to conflict of laws.

We appreciate the opportunity to be of service to you.

Board of Directors  
Jersey Shore Area School District

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If there are any questions regarding the Engagement Letter, please contact John W. Compton, the engagement partner on this engagement who is responsible for the overall supervision and review of the engagement and for determining that the engagement has been completed in accordance with professional standards. John is available at 570 651 1742 or at [john.compton@bakertilly.com](mailto:john.compton@bakertilly.com).

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

*Baker Tilly Virchow Krause, LLP*

Enclosure(s)

The services and terms set forth in the Engagement Letter are agreed to by:

\_\_\_\_\_  
Official's Name (Printed)

\_\_\_\_\_  
Signature of Official

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



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## SYSTEM REVIEW REPORT

To the Partners of Baker Tilly Virchow Krause, LLP  
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Baker Tilly Virchow Krause, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organization Control (SOC) 1 and SOC 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Baker Tilly Virchow Krause, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Baker Tilly Virchow Krause, LLP has received a peer review rating of *pass*.

*Moss Adams LLP*

November 3, 2015

Praxity

**AGREEMENT FOR SCHOOL TAX PROCESSING SERVICES  
FOR TAX YEAR 2018**

This Agreement Made By *INFOCON Corporation*, 172 Gateway Road, Ebensburg, Pennsylvania, herein called the "Company" and submitted to:

School District Name: JERSEY SHORE AREA-LYCOMING CO

School District Number: 41400 Tax Year: 2018 County: LYCOMING COUNTY

Business Manager Name and Address: Benjamin J. Enders  
JERSEY SHORE AREA SCHOOL DIST  
175 A&P DRIVE  
JERSEY SHORE, PA 17740

Telephone Number: 570 398 - 5051 Fax Number: 570 398 - 5089

herein called the "Client".

**A. SERVICES TO BE PROVIDED BY THE COMPANY**

The Company shall provide all the computer time, software, supplies, and personnel necessary to provide the products as selected and described within the *INFOCON Corporation* School Tax Processing System to the Client.

**B. SERVICES TO BE PROVIDED BY THE CLIENT**

The Client shall supply to the Company all data required for the products as selected and described within the *INFOCON Corporation* School Tax Processing System, as it relates to the particular requirements of the School District.

**C. MATERIALS AND SUPPLIES**

As part of the services described herein, the Company shall supply the forms for the tax bills and stock paper for the tax duplicates and the tax summary reports.

**D. LIABILITY**

The Company shall exercise all normal controls relating to the validity of the data, forms, and reports herein described.

The data utilized by the Company to perform the services described within this Agreement are provided and maintained by the Client's County Assessment Office, School District Administration Office, and Tax Collector's Office. Recognizing this fact, the Client agrees not to hold the Company liable for the errors contained in the data or reflected on reports and documents created from said data.

The Client agrees to carefully and deliberately review all data, bar codes, forms, reports, and electronic files generated by the Company within 10 days of the receipt thereof and prior to the mailing of the tax bills.

In the event errors are discovered, the Client shall immediately notify the Company of the conditions found in writing and the parties shall mutually establish liability and take corrective actions.

Understanding this the Company's liability shall be limited to that of reprocessing any data, bar codes, forms, reports and electronic files found in error and caused by the Company.

In no case shall the Company be held liable for the Taxpayer's primary tax liability as defined by the Pennsylvania Tax Code or for errors discovered after the 10 day review period herein above described, or the mailing costs in the case of a re-print.

**E. DELAYS AND INTERRUPTIONS OF WORK**

It is mutually understood and agreed that the Company shall not be held responsible for damages caused by delay or failure to perform here under when such delay or failure is due to acts of God or other causes beyond the Company's controls.



172 Gateway Road  
P.O. Box 548  
Ebensburg, PA 15931-0548  
Phone (814) 473-6066  
FAX (814) 473-5019

## AGREEMENT FOR SCHOOL TAX PROCESSING SERVICES FOR TAX YEAR 2018

*INFOCON Corporation's* ability to perform the service described herein are contingent upon the County Assessment Office completing their maintenance functions in order to prepare a school tax processing file and calculating the certified assessed values for school tax purposes. The County functions must be completed before *INFOCON Corporation* can proceed with any school tax processing projects within the County. *INFOCON Corporation* shall not be held responsible for damages caused by delay or failure to perform hereunder when a certified tax processing file has not been made available to *INFOCON Corporation*.

### F. TERMS AND CONDITIONS

The Company shall be provided three work weeks (15 work days), to complete the printing functions after the Business Manager provides the required data and submits said data to *INFOCON Corporation*, and reviews and approves the processed print samples provided by the Company on a secure FTP site, by signing the provided "Authorization to Print", and returning it to the Company. Said print samples will remain on the FTP Site for a maximum of 60 Days.

The Company shall provide all those services and products described and selected by the Client within the *INFOCON Corporation* School Tax Processing System, and invoice the Client an amount calculated by utilizing the pricing information provided on the attached "School Tax Processing Service Fee Schedule" and the *INFOCON Corporation* School Tax Information System "Final Submission Report". This report is automatically generated when the Client submits the required information and product selections to the Company for tax processing, and is considered part of this agreement.

The Company shall ship all ordered products to the Ship To Address provided by the Client with the order submission process. Incorrect or invalid Ship To Address fees from shipping carriers shall be the responsibility of the Client. All shipping and handling fees will be included on the invoice as a separate line item.

The Client agrees to pay to the Company the total amounts due under each invoice at Net 30 Days. Any amount not paid within 30 Days of such invoicing shall bear interest at the rate of 1 1/2 % per month until paid in full.

In witness whereof, the Client by his signature, accepts the Agreement and the terms and conditions described herein this

11th day of June, 2018

Client as defined herein above:

JERSEY SHORE AREA-LYCOMING CO  
LYCOMING COUNTY

By: \_\_\_\_\_ Kelley Wasson \_\_\_\_\_  
Authorized Signature Printed Authorized Signature

Title President, Jersey Shore Area School Board

PLEASE DATE AND SIGN PAGE 2, THEN RETURN BOTH PAGES 1 AND 2 TO INFOCON.

Contract No. 00367 . 000
Project No. 2015- 01 - 065 - 240
A/R Account No. 03765

**AGREEMENT FOR SCHOOL TAX PROCESSING SERVICES  
FOR TAX YEAR 2018**

This Agreement Made By *INFOCON Corporation*, 172 Gateway Road, Ebensburg, Pennsylvania, herein called the "Company" and submitted to:

School District Name: JERSEY SHORE AREA-CLINTON CO

School District Number: 41400 Tax Year: 2018 County: CLINTON COUNTY

Business Manager Name and Address: Benjamin J. Enders  
JERSEY SHORE AREA SCHOOL DIST  
175 A & P DRIVE  
JERSEY SHORE, PA 17740

Telephone Number: 570 398 - 5051 Fax Number: 570 398 - 5089

herein called the "Client".

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FOR TAX YEAR 2018**

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In witness whereof, the Client by his signature, accepts the Agreement and the terms and conditions described herein this

11th day of June, 2018

Client as defined herein above:

JERSEY SHORE AREA-CLINTON CO  
CLINTON COUNTY

By:

\_\_\_\_\_  
Authorized Signature

Kelley Wasson

\_\_\_\_\_  
Printed Authorized Signature

Title President, Jersey Shore Area School Board

**PLEASE DATE AND SIGN PAGE 2, THEN RETURN BOTH PAGES 1 AND 2 TO INFOCON.**

Approve contract with the Central Susquehanna Intermediate Unit to provide the following computer services during the 2018-2019 fiscal year.

**Fund Accounting**

\$4.03 per student – first 1,500

\$2.02 per student above 1,500

\$7,900 Estimate of Annual Cost

**Payroll**

\$4.65 per student – first 2,000

\$2.25 per student above 2,000

\$10,300 Estimate of Annual Cost

**Inventory Assets**

\$1.05 per student – first 2,000

\$0.53 per student above 2,000

\$2,300 Estimate of Annual Cost

**Personnel**

\$1.93 per student – first 2,500

\$0.96 per student above 2,500

\$4,700 Estimate of Annual Cost

**Employee Portal**

\$750 Estimate of Annual Cost

**2018-2019 Athletics Fees Options & Information**  
**(Updated 5/31/18):**

**High School Athletes:**

1 sport athletes: 195

2 sport athletes: 68

3 sport athletes: 21

Total Athletes: 284

**Middle School Athletes:**

1 sport athletes: 124

2 sport athletes: 44

3 sport athletes: 17

Total Athletes: 185

**HS/MS Combined Athletes:**

1 sport athletes: 319

2 sport athletes: 112

3 sport athletes: 38

Total Athletes: 469

Total HS/MS Athletes: 469

Total HS/MS Seasons of Participation: 657

**Total 2017-2018 Revenues (1 time \$30 fee): \$14,070**

## **2018-2019 Per Season Fees Information:**

### **2018-2019 Projected revenues based on per season fees of \$20, \$30, \$40:**

Total Seasons of Participation = 657 x \$20 fee = **\$13,140**

Total Seasons of Participation = 657 x \$30 fee = **\$19,710**

Total Seasons of Participation = 657 x \$40 fee = **\$26,280**

### **18-19 Projected revenues for each per season fee compared to 17-18 fees:**

\$20 per season = **\$-930.00** (revenue decrease)

\$30 per season = **\$5,640.00** (revenue increase)

\$40 per season = **\$12,210.00** (revenue increase)

## **2018-2019 One-Time Fees Information:**

Total HS/MS Athletes: 469

Current one-time fee of **\$30** x 469 athletes = **\$14,070** (this year's 17/18 revenue)

Possible new one-time fee of **\$40** x 469 athletes = **\$18,760** (\$4,690 revenue increase)

Possible new one-time fee of **\$50** x 469 athletes = **\$23,450** (\$9,380 revenue increase)