



Jersey Shore Area School District

Financial Statements and
Supplementary Information

June 30, 2025

Jersey Shore Area School District

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Independent Auditors' Report

To the Board of Directors of
Jersey Shore Area School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund and the aggregate remaining fund information of the Jersey Shore Area School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Emphasis of Matter

As discussed in Note Note 1, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, effective July 1, 2024. Net position of the District's governmental activities as of July 1, 2024 has been restated. Our opinion was not modified with respect to this matter.

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 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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 22, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is fluid and cursive, with "Baker Tilly" on the top line and "US, LLP" on the bottom line.

Williamsport, Pennsylvania
January 22, 2026

Jersey Shore Area School District

Management's Discussion and Analysis (Unaudited)
June 30, 2025

The Management's Discussion and Analysis (MD&A) of Jersey Shore Area School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

The MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Using the Single Audit Report

The Single Audit consists of the MD&A, the government-wide perspective financial statements, the fund perspective financial statements, the notes to the financial statements, required supplementary information, and the Single Audit reports and schedules. These statements are organized so that the reader can understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position (Deficit) and the Statement of Activities. These provide both long-term and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail than the government-wide statements. The governmental funds statements illustrate how general District services were financed in the short term as well as what remains for future spending. Proprietary fund statements offer short and long-term financial information about the activities that the District operates like a business. For our District, this is the Food Service Fund. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

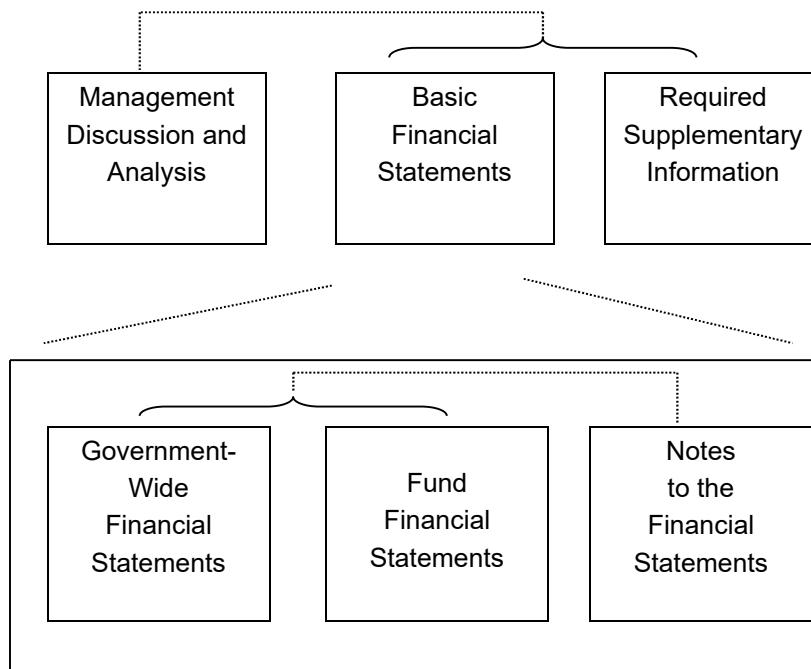
The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Jersey Shore Area School District

Management's Discussion and Analysis (Unaudited)
June 30, 2025

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
Jersey Shore Area School District's
Financial Report



Jersey Shore Area School District

Management's Discussion and Analysis (Unaudited)

June 30, 2025

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 Jersey Shore Area School District's
Government-Wide and Fund Financial Statements

Government-Wide Statements		Fund Statements		
		Governmental Funds	Proprietary Fund	Fiduciary Fund
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 - private purpose trust 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 change 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, deferred outflows and deferred inflows, 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, as well as certain deferred outflows and deferred inflows of resources; no capital assets included	All assets and liabilities, deferred outflows and deferred inflows, 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

Jersey Shore Area School District

Management's Discussion and Analysis (Unaudited)
June 30, 2025

Overview of Financial Statements

Government-Wide Statements

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

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

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

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

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

- Governmental activities - All of the District's basic services are included here, such as instruction, administration and community services. Property taxes and state and federal subsidies and grants finance most of these activities.
- Business-type activities - The District operates a food service operation and charges fees to staff, students and visitors to help it cover the costs of the food service operation.

Jersey Shore Area School District

Management's Discussion and Analysis (Unaudited)
June 30, 2025

Fund Financial Statements

The District's fund financial statements, which begin on page 19, provide detailed information about the most significant funds - not the District as a whole. Some funds are required by state law and by bond requirements.

Governmental Funds - Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position (Deficit) and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

Fiduciary Fund - The District is the trustee, or fiduciary, for certain scholarship funds held as private purpose trust funds. Such activities are collectively reported in separate Statement of Fiduciary Net Position on page 27. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations.

Jersey Shore Area School District

Management's Discussion and Analysis (Unaudited)

June 30, 2025

Financial Analysis of the District as a Whole

The District's total net position (deficit) was \$(18,010,237) at June 30, 2025.

Table A-1
June 30, 2025 and 2024
Net Position (Deficit)

	Governmental Activities		Business-Type Activity		Total		Change
	2025	2024*	2025	2024	2025	2024*	
Current and other assets	\$ 29,243,117	\$ 19,118,519	\$ 783,612	\$ 772,904	\$ 30,026,729	\$ 19,891,423	\$ 10,135,306
Capital assets	46,075,151	44,523,595	-	84	46,075,151	44,523,679	1,551,472
Deferred outflows of resources	8,914,717	10,077,118	345,631	235,598	9,260,348	10,312,716	(1,052,368)
Total assets and deferred outflow of resources	84,232,985	73,719,232	1,129,243	1,008,586	85,362,228	74,727,818	10,634,410
Current liabilities	11,207,280	8,303,859	128,957	113,045	11,336,237	8,416,904	2,919,333
Noncurrent liabilities	83,339,488	80,757,798	1,176,777	1,133,909	84,516,265	81,891,707	2,624,558
Deferred inflows of resources	7,470,543	6,856,598	49,420	16,972	7,519,963	6,873,570	646,393
Total liabilities and deferred inflow of resources	102,017,311	95,918,255	1,355,154	1,263,926	103,372,465	97,182,181	6,190,284
Net position (deficit):							
Net investment in capital assets	27,745,207	27,017,406	-	84	27,745,207	27,017,490	727,717
Restricted for capital projects	187,685	606,053	-	-	187,685	606,053	(418,368)
Unrestricted	(45,717,218)	(49,822,482)	(225,911)	(255,424)	(45,943,129)	(50,077,906)	4,134,777
Total net position (deficit)	\$ (17,784,326)	\$ (22,199,023)	\$ (225,911)	\$ (255,340)	\$ (18,010,237)	\$ (22,454,363)	\$ 4,444,126

* 2024 as restated

The increase in current and other assets is from borrowed funds to complete future capital projects. This borrowing also resulted in an increase in noncurrent liabilities. Most of the District's net position is invested in capital assets (buildings, land and equipment). A significant portion of the unrestricted net position (deficit) is composed of net of the District's net pension liability pursuant to GASB Statement No. 68 and other postemployment benefits liability pursuant to GASB Statement No. 75.

Jersey Shore Area School District

Management's Discussion and Analysis (Unaudited)

June 30, 2025

The results of this year's operations as a whole are reported in the Statement of Activities on page 18. 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 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 that Statement, and rearranges it slightly, so you can see our total revenues and expenses of both the Governmental Activities and the Business-Type Activity of the District.

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

	Governmental Activities		Business-Type Activity		Total			Change	
	2025	2024	2025	2024	2025	2024			
Revenues:									
Program revenues:									
Charges for services	\$ 126,778	\$ 107,998	\$ 460,510	\$ 406,535	\$ 587,288	\$ 514,533		\$ 72,755	
Operating grants and contributions	13,534,525	13,887,851	1,245,929	1,306,838	14,780,454	15,194,689		(414,235)	
General revenues:									
Property taxes	13,683,684	13,687,888	-	-	13,683,684	13,687,888		(4,204)	
Other taxes	5,723,283	5,539,247	-	-	5,723,283	5,539,247		184,036	
Grants, subsidies and contributions, unrestricted	15,010,800	14,770,020	-	-	15,010,800	14,770,020		240,780	
Other	1,107,442	972,027	18,441	18,114	1,125,883	990,141		135,742	
Total revenues	49,186,512	48,965,031	1,724,880	1,731,487	50,911,392	50,696,518		214,874	
Expenses:									
Instruction									
Instructional student support	28,999,822	28,707,816	-	-	28,999,822	28,707,816		292,006	
Administrative and financial support	4,683,155	4,526,392	-	-	4,683,155	4,526,392		156,763	
Operation and maintenance of plant	3,318,923	2,891,730	-	-	3,318,923	2,891,730		427,193	
Pupil transportation	4,433,483	4,768,331	-	-	4,433,483	4,768,331		(334,848)	
Student activities	1,793,124	1,728,109	-	-	1,793,124	1,728,109		65,015	
Refund of prior year revenue	1,203,979	1,176,995	-	-	1,203,979	1,176,995		26,984	
Interest on long-term debt	1,237	536,132	-	-	1,237	536,132		(534,895)	
Food services	338,092	288,940	-	-	338,092	288,940		49,152	
Total expenses	44,771,815	44,624,445	1,695,451	1,535,057	46,467,266	46,159,502		307,764	
Change in net position	\$ 4,414,697	\$ 4,340,586	\$ 29,429	\$ 196,430	\$ 4,444,126	\$ 4,537,016		\$ (92,890)	

The District, during fiscal year 2025, realized a decrease in grant funds as the grants received during COVID closed/ended. The increase in administrative and financial support was due to costs associated with the debt issuance and staff transition. The decrease in operation and maintenance of plant function was due to the recognition of its portion of change in net pension liability calculation. The decrease in refund of prior year revenue was due to a one-time expense from PDE's approval of the PlanCon J for the Middle School project paid in fiscal year 2024.

Jersey Shore Area School District

Management's Discussion and Analysis (Unaudited)

June 30, 2025

Table A-3 shows the District's eight largest functions - instructional programs, instructional student support, administrative, operation and maintenance of plant, pupil transportation, student activities, refund of prior year revenues and interest on long term debt as well as each program's net cost (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants, subsidies and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues. Instructional costs increased due to an increase in charter school costs and the conclusion of ESSERS funding. The increase in administrative and financial support was due to costs associated with the debt issuance and staff transition. The decrease in refund of prior year revenue was a due to a one-time expense from PDE's approval of the PlanCon J for the Middle School project.

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

	Total Cost of Services		Net Cost of Services		Changes in Net Cost of Services
	2025	2024	2025	2024	
Functions/Programs:					
Instruction	\$ 28,999,822	\$ 28,707,816	\$ 18,505,297	\$ 17,582,650	\$ 922,647
Instructional student support	4,683,155	4,526,392	4,226,340	4,085,770	140,570
Administrative and financial support	3,318,923	2,891,730	3,053,740	2,637,188	416,552
Operation and maintenance of plant	4,433,483	4,768,331	4,117,989	4,447,393	(329,404)
Pupil transportation	1,793,124	1,728,109	177,416	333,764	(156,348)
Student activities	1,203,979	1,176,995	962,347	850,610	111,737
Refund of prior year revenue	1,237	536,132	1,237	536,132	(534,895)
Interest on long-term debt	338,092	288,940	66,146	155,089	(88,943)
 Total governmental activities	 \$ 44,771,815	 \$ 44,624,445	 31,110,512	 30,628,596	 481,916
 Less unrestricted grants, subsidies	 \$ 15,010,800	 \$ 14,770,020	 \$ (240,780)		
 Total needs from local taxes and other revenues	 \$ 16,099,712	 \$ 15,858,576	 \$ 241,136		

Total needs from local taxes and other revenues increased approximately \$241,000 over prior year. This increase is related to the increase in instruction and the decrease in operation and maintenance costs discussed above. These increases in costs would not be covered by additional grant funding or charges for services.

Jersey Shore Area School District

Management's Discussion and Analysis (Unaudited)
June 30, 2025

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

Table A-4
Fiscal Years Ended June 30, 2025 and 2024
Business-Type Activity

	Total Cost of Services		Change in Net Position		Change
	2025	2024	2025	2024	
Functions/Programs:					
Food services	\$ 1,695,451	\$ 1,535,057	\$ 10,988	\$ 178,316	\$ (167,328)
Investment earnings			18,441	18,114	327
Total business-type activity			\$ 29,429	\$ 196,430	\$ (167,001)

The Statement of Revenues, Expenses and Change in Fund Net Position (Deficit) for the proprietary fund will further detail the actual results of operations. This program should be self-supporting. The amounts are comparable to prior year. Change in net position decreased \$167,001.

The District Funds

At June 30, 2025, the District's governmental funds reported a combined fund balance of \$20,492,623 which is an increase of \$8,028,598.

The General Fund had a beginning fund balance of \$10,370,344 and an ending fund balance of \$11,853,357 at June 30, 2025. Revenues and other financing sources increased from \$48,580,572 to \$48,941,723. Expenditures and other financing uses decreased from \$48,320,963 to \$47,458,710.

Jersey Shore Area School District

Management's Discussion and Analysis (Unaudited)

June 30, 2025

Table A-5 shows a comparison of General Fund expenditures from 2023-24 to 2024-25. Functions are in-line with the prior year except for 1400 - Other Instructional Programs and 2800 – Support Services Pupil Central. The decrease in 1400 function is due to the removal of a grant funded after-school program, the increase in 2800 function is from a new PHEAA funded program requires the District pay student teachers.

Table A-5
General Fund Expenditure
Comparison

Function	Expenditures			Variance	Percent Change
	2025	2024			
1100 Regular Education	\$ 20,178,378	\$ 20,920,022		\$ (741,644)	(3.55) %
1200 Special Education	8,081,844	7,830,733		251,111	3.21
1300 Vocational Education	1,365,073	1,197,795		167,278	13.97
1400 Other Instructional Programs	80,573	128,151		(47,578)	(37.13)
1500 Nonpublic School Programs	-	3,388		(3,388)	(100.00)
1800 Pre-Kindergarten Programs	398,999	380,000		18,999	5.00
2100 Support Services Pupil	1,913,900	1,767,875		146,025	8.26
2200 Support Services Instructional Staff	1,357,053	1,443,023		(85,970)	(5.96)
2300 Support Services Administration	2,789,300	2,780,740		8,560	0.31
2400 Support Services Pupil Health	517,675	515,862		1,813	0.35
2500 Support Services Pupil Business	895,524	794,198		101,326	12.76
2600 Operation and Maintenance	3,761,737	3,784,862		(23,125)	(0.61)
2700 Student Transportation Services	2,240,495	2,176,963		63,532	2.92
2800 Support Services Pupil Central	85,018	18,418		66,600	361.60
2900 Other Support Services	1,730	791		939	118.71
3200 Student Activities Facilities acquisition, construction and improvement services	1,053,104	1,024,994		28,110	2.74
4600 Debt Service	-	46,622		(46,622)	(100.00)
	2,637,070	2,635,394		1,676	0.06
	\$ 47,357,473	\$ 47,449,831		\$ (92,358)	

Jersey Shore Area School District

Management's Discussion and Analysis (Unaudited)
June 30, 2025

The District's General Fund revenues were \$48,941,723 in 2024/25, which were up 1% from the previous year. General Fund revenues for the District come from three primary categories. Local sources approximately make up 43% of the total revenue, state sources make up 55% and federal sources are 2%. Most of the local revenue comes from tax levies set by School Code, fees, tuition and donations.

Revenues are in-line with the prior year except for federal sources and other financing sources. The federal ESSERS grant funding/expenditures decreased for fiscal year 2025 as COVID-era funding wound down.

Table A-6
General Fund Revenue Comparison

Category	2025	2024	Variance	% Change
Local sources 6000	\$ 20,968,335	\$ 20,588,926	\$ 379,409	1.84 %
State sources 7000	27,064,497	25,556,813	1,507,684	5.90
Federal sources 8000	847,273	2,433,963	(1,586,690)	(65.19)
Other Financing Sources 9000	61,618	870	60,748	6,982.53
Total	\$ 48,941,723	\$ 48,580,572	\$ 361,151	

General Fund Budget

During the fiscal year, the Board of Directors may authorize revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. All adjustments are again confirmed at the time the annual audit is accepted. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided on page 23.

The District applies for federal, state and local grants. These grants cannot always be anticipated in the budgeting process. Transfers between specific categories of expenditures/financing uses may occur during the year.

Actual over budgeted revenue had a favorable variance of approximately \$1,700,000. Local sources of revenue were more than budgeted for interest earned of approximately \$189,000 and earned income taxes of \$179,000, a one-time local revenues of \$197,000 for payment in lieu of real estate taxes and refund of prior year expenditure of \$113,300. State sources were more than budgeted for vocational education of approximately \$165,000, pupil transportation of approximately \$113,000, debt reimbursements of approximately \$137,000 and School Mental Health & Safety Grant of approximately \$93,000. The District does not include federal ESSERs grant funding and expenses in its annual budgeting. Expenditures for special programs were overbudget by approximately \$450,000 due to an increase in charter school enrollment by special education pupils. Operation and maintenance of plant services is underbudget by approximately \$250,000 due to fewer repairs and maintenance being needed and better than expected utility usage.

Jersey Shore Area School District

Management's Discussion and Analysis (Unaudited) June 30, 2025

Capital Asset and Debt Administration

Capital Assets

At June 30, 2025, the District invested in a broad range of capital assets, including land, buildings and furniture and equipment. At June 30, 2025, the investment in capital assets, net of depreciation, was \$46,075,151, an increase of \$1,551,556. For details on the specific line-item changes, see Note 6 on page 39. The increase in building and construction in process are various projects going on in the District: Avis elementary school HVAC project (estimated to be completed in Fall 2025), High School Dust Collector project (estimated to be completed in Fall 2025), Avis elementary school Univent project (estimated to be completed Winter 2025), and Middle School Gymnasium/Univent project (estimated to be completed Spring 2026).

Table A-7
Governmental Activities
Capital Assets

	2025	2024
Land	\$ 12,198,086	\$ 12,198,086
Construction in process	4,202,046	748,373
Land improvements	3,497,173	3,497,173
Buildings	70,999,790	70,991,133
Furniture and equipment	16,622,041	16,685,639
Less accumulated depreciation	<u>(61,443,985)</u>	<u>(59,596,809)</u>
 Capital assets, net	 \$ 46,075,151	 \$ 44,523,595

Debt Administration

As of July 1, 2024, the District had total outstanding bonds principal of \$17,437,000. The District made principal payments of \$2,366,000 during the year and issued General Obligation Bonds, Series of 2025 in the principal amount of \$9,995,000. The District ended the year with outstanding bond principal of \$25,066,000 as of June 30, 2025.

Table A-8
Outstanding Debt

	<u>2025</u>	<u>2024</u>
General Obligation Bonds:		
Series of 2019 GOB	\$ 4,505,000	\$ 4,525,000
Series of 2020 GOB	9,710,000	9,785,000
Series of 2021 GOB	856,000	3,127,000
Series of 2025 GOB	<u>9,995,000</u>	-
	\$ 25,066,000	\$ 17,437,000

Jersey Shore Area School District

Management's Discussion and Analysis (Unaudited)
June 30, 2025

Other obligations include financed purchase agreements payable, accrued vacation pay and sick leave for specific employees of the District, as well as other post-employment and pension obligations. More detailed information about our long-term liabilities is included in Notes 7 through 13 to the financial statements.

The District's general obligation bond rating is S&P A+/Stable (Underlying). Additional security is also provided for the bonds 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.

Contacting the District Financial Management

Our 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 Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact Benjamin J. Enders, Business Manager/Board Secretary at Jersey Shore Area School District, 175 A & P Drive, Jersey Shore, Pennsylvania 17740, (570) 398-5050.

Jersey Shore Area School District

Statement of Net Position (Deficit)

June 30, 2025

	Governmental Activities	Business-Type Activity	Total
Assets and Deferred Outflows of Resources			
Current Assets			
Cash and cash equivalents	\$ 13,920,507	\$ 701,970	\$ 14,622,477
Investments	1,331,166	-	1,331,166
Other receivables	131,534	-	131,534
Taxes receivable, net	1,092,033	-	1,092,033
Internal balances	(56,638)	56,638	-
Due from other governments	2,285,171	-	2,285,171
Inventories	12,067	25,004	37,071
Prepaid expenses	764,759	-	764,759
Total current assets	19,480,599	783,612	20,264,211
Capital Assets	46,075,151	-	46,075,151
Assets Held for Capital Projects	9,762,518	-	9,762,518
Total assets	75,318,268	783,612	76,101,880
Deferred Outflows of Resources			
Pension	6,876,745	345,631	7,222,376
Other postemployment benefits (OPEB)	2,003,571	-	2,003,571
Unamortized refunding charges	34,401	-	34,401
Total deferred outflows of resources	8,914,717	345,631	9,260,348
Total assets and deferred outflows of resources	\$ 84,232,985	\$ 1,129,243	\$ 85,362,228
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Current liabilities:			
Current portion of long-term debt	\$ 3,066,000	\$ -	\$ 3,066,000
Financed purchase agreements payable	10,409	-	10,409
Accounts payable	1,342,530	27,984	1,370,514
Construction contracts payable	2,645,858	-	2,645,858
Accrued salaries and benefits	3,845,713	62,714	3,908,427
Payroll deductions and withholdings	115,430	-	115,430
Accrued interest	154,306	-	154,306
Unearned revenue	27,034	38,259	65,293
Total current liabilities	11,207,280	128,957	11,336,237
Noncurrent liabilities:			
Long-term debt	22,182,510	-	22,182,510
Compensated absences	3,650,186	17,234	3,667,420
Other postemployment benefits	10,449,335	-	10,449,335
Net pension liability	47,057,457	1,159,543	48,217,000
Total noncurrent liabilities	83,339,488	1,176,777	84,516,265
Total liabilities	94,546,768	1,305,734	95,852,502
Deferred Inflows of Resources			
Pension	2,172,311	49,420	2,221,731
Other postemployment benefits (OPEB)	5,298,232	-	5,298,232
Total deferred inflows of resources	7,470,543	49,420	7,519,963
Net Position (Deficit)			
Net investment in capital assets	27,745,207	-	27,745,207
Restricted for capital projects	187,685	-	187,685
Unrestricted	(45,717,218)	(225,911)	(45,943,129)
Total net position (deficit)	(17,784,326)	(225,911)	(18,010,237)
Total liabilities, deferred inflows of resources and net position (deficit)	\$ 84,232,985	\$ 1,129,243	\$ 85,362,228

See notes to financial statements

Jersey Shore Area School District

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activity	Total
Governmental Activities						
Instruction	\$ (28,999,822)	\$ 110,594	\$ 10,383,931	\$ (18,505,297)		\$ (18,505,297)
Operation and maintenance of plant services	(4,433,483)	16,184	299,310	(4,117,989)		(4,117,989)
Instructional student support	(4,683,155)	-	456,815	(4,226,340)		(4,226,340)
Administration and financial support services	(3,318,923)	-	265,183	(3,053,740)		(3,053,740)
Student activities	(1,203,979)	-	241,632	(962,347)		(962,347)
Pupil transportation	(1,793,124)	-	1,615,708	(177,416)		(177,416)
Refund of prior year revenues	(1,237)	-	-	(1,237)		(1,237)
Interest on long-term debt	(338,092)	-	271,946	(66,146)		(66,146)
Total governmental activities	(44,771,815)	126,778	13,534,525	(31,110,512)		(31,110,512)
Business-Type Activity						
Food service	(1,695,451)	460,510	1,245,929	\$ 10,988		10,988
Total	\$ (46,467,266)	\$ 587,288	\$ 14,780,454			(31,099,524)
General Revenues						
Grants, subsidies and contributions						
not restricted			15,010,800	-		15,010,800
Property taxes levied for general purposes, net			13,683,684	-		13,683,684
Other taxes levied			5,723,283	-		5,723,283
Investment earnings			883,486	18,441		901,927
Miscellaneous income			176,022	-		176,022
Gain on disposal of capital assets			47,934	-		47,934
Total general revenues			35,525,209	18,441		35,543,650
Change in net position			4,414,697	29,429		4,444,126
Net Deficit, Beginning, as Previously Reported			(18,833,412)	(255,340)		(19,088,752)
Accounting Changes (GASB 101, see Note 1)			(3,365,611)	-		(3,365,611)
Net Deficit, Beginning, as Restated			(22,199,023)	(255,340)		(22,454,363)
Net Deficit, Ending			\$ (17,784,326)	\$ (225,911)		\$ (18,010,237)

See notes to financial statements

Jersey Shore Area School District

Balance Sheet - Governmental Funds

June 30, 2025

	Major Funds			Other Nonmajor	Total
	General	Capital Projects			
Assets					
Cash and cash equivalents	\$ 13,708,350	\$ 9,762,518	\$ 212,157	\$ 23,683,025	
Investments	-	-	1,331,166	1,331,166	
Due from other funds	16,204	-	-	16,204	
Other receivables	131,534	-	-	131,534	
Taxes receivable, net	1,092,033	-	-	1,092,033	
Due from other governments	2,285,171	-	-	2,285,171	
Inventories	12,067	-	-	12,067	
Prepaid expenses	764,759	-	-	764,759	
Total assets	\$ 18,010,118	\$ 9,762,518	\$ 1,543,323	\$ 29,315,959	
Liabilities					
Accounts payable	\$ 1,338,017	\$ -	\$ 4,513	\$ 1,342,530	
Construction contracts payable	-	2,645,858	-	2,645,858	
Due to other funds	56,638	-	16,204	72,842	
Accrued salaries and benefits	3,845,713	-	-	3,845,713	
Unearned revenue	27,034	-	-	27,034	
Payroll deductions and withholdings	115,430	-	-	115,430	
Total liabilities	5,382,832	2,645,858	20,717	8,049,407	
Deferred Inflows of Resources					
Unearned revenue, taxes	773,929	-	-	773,929	
Fund Balances					
Nonspendable	776,826	-	-	776,826	
Restricted	-	7,116,660	1,522,606	8,639,266	
Committed	4,228,255	-	-	4,228,255	
Unassigned	6,848,276	-	-	6,848,276	
Total fund balances	11,853,357	7,116,660	1,522,606	20,492,623	
Total liabilities, deferred inflows of resources and fund balances	\$ 18,010,118	\$ 9,762,518	\$ 1,543,323	\$ 29,315,959	

See notes to financial statements

Jersey Shore Area School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Deficit)

June 30, 2025

Total Fund Balance, Governmental Funds

\$ 20,492,623

Amounts reported for governmental activities
in the statement of net position are different because:

Capital assets used in governmental activities are
not reported as assets in governmental funds. The
cost of assets is \$107,519,136 and the accumulated
depreciation is \$61,443,985.

46,075,151

Property taxes receivable will be collected this year,
but are not available soon enough to pay for the
current period's expenditures, and therefore, are
deferred in the funds.

773,929

Deferred resources, outflows and inflows, are not
reported in governmental funds:

Deferred outflow of resources, pension	\$ 6,876,745
Deferred outflow of resources, OPEB	2,003,571
Deferred outflow of resources, unamortized refunding charges	34,401
Deferred inflow of resources, pension	(2,172,311)
Deferred inflow of resources, OPEB	<u>(5,298,232)</u>

1,444,174

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

Long-term liabilities at year-end consist of:

Bonds payable and notes	(25,248,510)
Financed purchase agreements payable	(10,409)
Accrued interest on bonds	(154,306)
Compensated absences	(3,650,186)
Other postemployment benefits	(10,449,335)
Net pension liability	<u>(47,057,457)</u>

(86,570,203)

Total Net Deficit Governmental Activities

\$ (17,784,326)

Jersey Shore Area School District

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

	Major Funds			
	General	Capital Projects	Other Nonmajor	Total
Revenues				
Local sources	\$ 20,968,335	\$ 85,335	\$ 251,744	\$ 21,305,414
State sources	27,064,497	-	-	27,064,497
Federal sources	847,273	-	-	847,273
Total revenues	48,880,105	85,335	251,744	49,217,184
Expenditures				
Instruction	30,104,867	-	-	30,104,867
Support services	13,562,432	325,894	-	13,888,326
Noninstructional services	1,053,104	-	216,766	1,269,870
Facilities acquisition, construction and improvement services	-	3,519,570	-	3,519,570
Debt service	2,637,070	-	-	2,637,070
Total expenditures	47,357,473	3,845,464	216,766	51,419,703
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	1,522,632	(3,760,129)	34,978	(2,202,519)
Other Financing Sources (Uses)				
Proceeds from issuance of long-term debt	-	9,995,000	-	9,995,000
Bond premium	-	175,736	-	175,736
Transfers in	-	100,000	-	100,000
Proceeds from the sale of capital assets	61,618	-	-	61,618
Refund of prior year revenues	(1,237)	-	-	(1,237)
Transfers out	(100,000)	-	-	(100,000)
Total other financing sources (uses), net	(39,619)	10,270,736	-	10,231,117
Net changes in fund balances	1,483,013	6,510,607	34,978	8,028,598
Fund Balances, Beginning	10,370,344	606,053	1,487,628	12,464,025
Fund Balances, Ending	<u>\$ 11,853,357</u>	<u>\$ 7,116,660</u>	<u>\$ 1,522,606</u>	<u>\$ 20,492,623</u>

Jersey Shore Area School District

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balance to the Statement of Activities
Year Ended June 30, 2025

Total Net Changes in Fund Balances, Governmental Funds

\$ 8,028,598

Amounts reported for governmental activities in the statement of net position
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 capital outlay
exceeds depreciation in the period.

Capital outlays	\$ 3,751,760
Net book value on assets disposed	(13,684)
Depreciation expense	<u>(2,186,520)</u>
	1,551,556

Because some 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 - tax revenues increased by this amount this year. (78,608)

The issuance of long-term debt (e.g. bonds, financed purchase agreement) provides current
financial resources to governmental funds, while the repayment of the principal of long-term
debt consumes the current financial resources of governmental funds. Neither transaction,
however, has any effect on net position. Also, governmental funds report the effect of
premiums and discounts when debt is first issued, whereas these amounts are capitalized
and amortized in the statement of activities. During the fiscal year ended June 30, 2025,
the following transactions factor into this reconciliation:

Issuance of long-term debt	(9,995,000)
Retirement of principal of long-term debt	2,366,000
Bond premium addition	(175,736)
Bond premium amortization	1,694
Retirement of financed purchase agreements payable	<u>50,312</u>
	(7,752,730)

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,
interest expense is recognized as the interest accrues, regardless of when it is due. The
additional interest accrued in the statement of activities over the amount due is shown here.

(68,716)

Other postemployment benefits payable are considered long-term in nature, and are not reported
as liabilities within the funds. Such liabilities, are however, reported within the
statement of net position, and changes in these liabilities are reflected within the statement
of activities. This amount represents the change in other postemployment benefits payable
and associated deferred outflows of resources and deferred inflows of resources for the
outflows of resources and deferred inflows of resources for the year ended June 30, 2025.

369,532

In the statement of activities, certain operating expenses, compensated absences
(vacations and sick days), 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. This amount represents the difference between
the amount earned versus the amount used.

363,482

The net pension liability is considered long-term in nature, and is not reported as a liability
within the funds. Such liability is, however, reported within the statement of net position, and
changes in this liability is reflected within the statement of activities. This amount represents
the change in the net pension liability and associated deferred outflows of resources
and deferred inflows of resources for the year ended June 30, 2025.

2,001,583

Change in Net Position of Governmental Activities

\$ 4,414,697

Jersey Shore Area School District

Statement of Revenues, Expenditures and Change in Fund Balances - Budget to Actual - General Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Local sources	\$ 20,067,161	\$ 20,067,161	\$ 20,968,335	\$ 901,174
State sources	26,313,150	26,313,150	27,064,497	751,347
Federal sources	757,376	757,376	847,273	89,897
Total revenues	47,137,687	47,137,687	48,880,105	1,742,418
Expenditures				
Regular programs	19,900,239	20,374,239	20,178,378	195,861
Special programs	6,804,982	7,629,982	8,081,844	(451,862)
Vocational education programs	1,214,224	1,214,224	1,365,073	(150,849)
Other instructional programs	134,684	134,684	80,573	54,111
Pre-Kindergarten	315,000	315,000	398,999	(83,999)
Pupil personnel	1,814,826	1,814,826	1,913,900	(99,074)
Instructional staff	1,516,073	1,516,073	1,357,053	159,020
Administration	2,960,171	2,960,171	2,789,300	170,871
Pupil health	531,485	531,485	517,675	13,810
Business	909,091	909,091	895,524	13,567
Operation and maintenance of plant services	4,011,361	4,011,361	3,761,737	249,624
Student transportation services	2,166,250	2,166,250	2,240,495	(74,245)
Support services, central	13,651	13,651	85,018	(71,367)
Other support services	-	-	1,730	(1,730)
Student activities	1,057,677	1,058,677	1,053,104	5,573
Debt service	2,637,070	2,637,070	2,637,070	-
Total expenditures	45,986,784	47,286,784	47,357,473	(70,689)
Excess of revenues over expenditures before other financing sources (uses)	1,150,903	(149,097)	1,522,632	1,671,729
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	5,000	5,000	61,618	56,618
Refund of prior year revenues	(500)	(500)	(1,237)	(737)
Transfers out	-	-	(100,000)	(100,000)
Budgetary reserve	(1,442,200)	(142,200)	-	142,200
Total other financing sources (uses)	(1,437,700)	(137,700)	(39,619)	98,081
Net change in fund balances	(286,797)	(286,797)	1,483,013	1,769,810
Fund Balances, Beginning	8,120,168	8,120,168	10,370,344	2,250,176
Fund Balances, Ending	\$ 7,833,371	\$ 7,833,371	\$ 11,853,357	\$ 4,019,986

See notes to financial statements

Jersey Shore Area School District

Statement of Net Position - Proprietary Fund - Food Service

June 30, 2025

Assets and Deferred Outflows of Resources

Current Assets

Cash and cash equivalents	\$ 701,970
Due from other funds	56,638
Inventories	25,004
	<hr/>
Total current assets	783,612

Deferred Outflows of Resources, Pension

Total assets and deferred outflows of resources	<hr/>
	\$ 1,129,243

Liabilities, Deferred Inflows of Resources and Net Position (Deficit)

Liabilities

Current liabilities:

Accounts payable	\$ 27,984
Accrued salaries and benefits	62,714
Unearned revenue	38,259
	<hr/>
Total current liabilities	128,957

Noncurrent liabilities:

Compensated absences	17,234
Net pension liability	1,159,543
	<hr/>
Total noncurrent liabilities	1,176,777
	<hr/>

Total liabilities	1,305,734
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Deferred Inflows of Resources, Pension

49,420

Net Position (Deficit)

Unreserved

Total liabilities, deferred inflows of resources and net position (deficit)	<hr/>
	\$ 1,129,243

Jersey Shore Area School District

Statement of Revenues, Expenses and Change in Fund Net Position (Deficit) -

Proprietary Fund - Food Service

Year Ended June 30, 2025

Operating Revenues

Food service revenues	\$ 460,510
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Operating Expenses

Other purchased services	749,059
Salaries	478,968
Employee benefits	365,896
Supplies	98,277
Purchased property services	3,167
Depreciation	84
 Total operating expenses	 1,695,451
 Operating loss	 (1,234,941)

Nonoperating Revenues

Federal sources	901,807
State sources	344,122
Earnings on investments	18,441
 Total nonoperating revenues	 1,264,370

Net income	29,429
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Net Deficit, Beginning

 Net Deficit, Ending	 <u>(255,340)</u>
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 Net Deficit, Ending	 <u>\$ (225,911)</u>
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Jersey Shore Area School District

Statement of Cash Flows - Proprietary Fund - Food Service

Year Ended June 30, 2025

Cash Flows From Operating Activities

Cash received from students, teachers and others	\$ 465,289
Cash paid to suppliers for goods and services	(762,922)
Cash paid to employees for service	(872,509)
Internal activity, payments from other funds	(8,658)
	<hr/>
Net cash used in operating activities	<u>(1,178,800)</u>

Cash Flows From Noncapital Financing Activities

Federal sources	814,196
State sources	<u>344,122</u>
	<hr/>
Net cash provided by noncapital financing activities	<u>1,158,318</u>

Cash Flows Provided by Investing Activities

Interest income	<u>18,441</u>
Decrease in cash and cash equivalents	(2,041)

Cash and Cash Equivalents, Beginning

704,011

Cash and Cash Equivalents, Ending

\$ 701,970

Reconciliation of Operating Loss to Net Cash Used in Operating Activities

Operating loss	\$ (1,234,941)
Adjustments to reconcile operating loss	
to net cash used in operating activities:	
Depreciation	84
USDA donated commodities used	87,611
Changes in assets, deferred outflows of resources, liabilities and deferred inflow of resources:	
Inventories	(4,091)
Deferred outflows of resources	(110,033)
Accounts payable	4,061
Due from (to) other funds, net	(8,658)
Accrued salaries and benefits	7,072
Compensated absences	15,824
Unearned revenue	4,779
Net pension liability	27,044
Deferred inflows of resources	<u>32,448</u>
	<hr/>
Net cash used in operating activities	<u>\$ (1,178,800)</u>

Noncash Operating, Investing and Noncapital Financing Activities

USDA donated commodities	<u>\$ 87,611</u>
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Jersey Shore Area School District

Statement of Fiduciary Net Position - Fiduciary Fund
June 30, 2025

	Private Purpose Trust
Assets	
Assets	
Cash and cash equivalents	<u>\$ 282,183</u>
Net Position	
Net Position	
Restricted	<u>\$ 282,183</u>

Jersey Shore Area School District

Statement of Changes in Fiduciary Net Position - Fiduciary Fund

Year Ended June 30, 2025

	Private Purpose Trust
Additions	
Local sources	\$ 234,381
Deductions	
Scholarships awarded	<u>59,200</u>
Increase in net position	175,181
Net Position, Beginning	<u>107,002</u>
Net Position, Ending	<u><u>\$ 282,183</u></u>

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

1. Nature of Operations and Summary of Significant Accounting Policies

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

Nature of Operations

The District provides elementary and secondary education to the residents of the Borough of Jersey Shore, the surrounding Boroughs of Avis and Salladasburg and the Townships of Anthony, Bastress, Brown, Crawford, Cummings, Limestone, McHenry, Mifflin, Nippenose, Piatt, Pine Creek, Porter and Watson, as located within the District's geographic bounds in Lycoming and Clinton Counties, Pennsylvania.

The District assesses the taxpayers of these municipalities based upon taxing powers at its disposal. The ability of the District's taxpayers to pay their assessments is dependent upon economic and other factors affecting the taxpayers.

Reporting Entity

The reporting entity has been defined in accordance with the criteria established in GASB Statement 14, as amended. The specific criteria used in determining whether other organizations should be included in the District's financial reporting entity are financial accountability, fiscal dependency and legal separation.

As defined above, there are no other related organizations that should be included in the District's financial statements, nor is the District considered to be a component unit of any other government.

Basis of Presentation, Government-Wide Financial Statements

The government-wide financial statements include the statement of net position (deficit) and the statement of activities. These financial statements report financial information for the District as a whole, excluding fiduciary activities, on a full accrual, economic-resource basis. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by taxes and District general revenues from business-type activities, generally financed in whole or in part with fees charged to customers. The District's General, Capital Projects and Student Activities/Scholarship Funds are classified as governmental activities. The District's Food Service Fund is classified as a business-type activity.

The statement of activities reports the expenses of a given function or program offset by program revenues directly connected with that function or program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services to users of the District's services, (2) operating grants and contributions that finance annual operating activities and (3) capital grants and contributions that fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

Basis of Presentation, Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which constitutes a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. Resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent. The District uses the following fund types:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources, and the related liabilities are accounted for through governmental funds. The following is a description of the governmental funds of the District:

General Fund

The General Fund accounts for the general operations of the District and all financial transactions not accounted for in another fund. The General Fund is a major fund.

Capital Projects Fund

The Capital Project Fund accounts for the financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund is a major fund.

Student Activities Fund

The Student Activities Fund accounts for the operations of the various student activity programs. The Student Activities Fund is a nonmajor fund.

Scholarship Fund

The Scholarship Fund accounts for the operations of the various scholarships programs the District has acquired over time, that are not held under a trust arrangement (i.e., untrusted). These scholarships are separate from those held under a trust arrangement, which are reported as private purpose trust funds. The Scholarship Fund is a nonmajor fund.

Proprietary Fund Type

Proprietary funds account for the operations of the District that are financed and operated in a manner similar to those often found in the private sector. The fund included in this category is the Food Service Fund, which accounts for the Cafeteria operations of the District and is considered a major fund. The Food Service Fund distinguishes between operating revenues and expenses and nonoperating items. Operating revenues consist of charges for food served. Operating expenses consist mainly of food and food preparation costs, supplies and other direct costs. All other revenues and are reported as nonoperating.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

Fiduciary Fund Type

Fiduciary funds account for the assets held by the District as a trustee or agent for individuals, private organizations and/or other governmental units. The fund included in this category is:

Private Purpose Trust Fund

Private Purpose Trust Funds are used to account for assets administered through a trust in which the District staff is not a beneficiary, whose assets are dedicated to providing benefits to student recipients in accordance with the benefit terms and are legally protected from the creditors of the District. This fund, comprised of two sub-funds (Ramsey and Sechrist), has a net position of \$282,183 at June 30, 2025 that is restricted for school awards.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position (deficit). The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in the District's net position.

Fund Financial Statements

Governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary and fiduciary funds are also accounted for using the economic resources measurement focus.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual Basis

Government-wide financial statements and the proprietary and fiduciary fund type financial statements are prepared using the accrual basis of accounting. For exchange transactions, revenues are recognized when earned, and expenses are recognized when incurred (i.e., when each party gives and receives essentially equal value when the exchange takes place). Nonexchange transactions, in which the District receives value without directly giving equal value in return, require tax revenues to be recognized in the year levied while grant revenue, entitlements and appropriations are recognized when grantor eligibility requirements are met.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

Modified Accrual Basis

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. The District considers property and other taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures, other than principal and interest on bonds and notes payable, compensated absences and claims and judgments, are recorded when the related fund liability is incurred. Principal and interest on bonds and notes payable, compensated absences and claims and judgments are recorded as fund liabilities when due and unpaid.

The District reports unearned revenue on its fund financial statements. Unearned revenue arises when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues may also arise when the District receives resources before it has a legal claim to them, as 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 District has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

Allocation of Indirect Expenses

The District allocates certain building-related costs to the proprietary fund.

Budgets and Budgetary Accounting

An operating budget is adopted each year for the General Fund on a modified accrual basis of accounting.

The Pennsylvania School Code dictates specific procedures relative to adoption of the District's budget and reporting of its financial statements, specifically:

- The District, before levying annual school taxes, is required to prepare an operating budget for the succeeding fiscal year.
- The District is required to have the budget printed, or otherwise made available for public inspection, at least twenty (20) days prior to the date set for the adoption of the budget. Final action may not be taken on any proposed budget in which the estimated expenditures exceed two thousand dollars (\$2,000) until after ten (10) days public notice.
- The Board may make transfers of funds appropriated to any particular item of expenditure by legislative action during the last nine months of the fiscal year. An affirmative vote of a majority of all members of the Board is required.
- Fund balances in budgetary funds may be appropriated based on resolutions passed by the Board, which authorize the District to make expenditures. Appropriations lapse at the end of the fiscal period. In order to preserve a portion of an appropriation for which expenditure has been committed by a purchase order, contract or other form of commitment, an encumbrance is recorded. Encumbrances outstanding at year-end are reported as reservations of fund balances.
- Included in the General Fund budget are program budgets as prescribed by the state and federal agencies funding these programs. These budgets are approved on a program-by-program basis by the state or federal funding agency.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

- Capital budgets are implemented for capital improvements and capital projects in the Capital Projects Fund, often times in a multi-year format. All transactions of the Capital Projects Fund are approved by the Board prior to commitment, thereby constructively achieving budgetary control.
- An Enterprise Fund budget is not adopted; however, a formal budget is prepared and approved by management and expenditures are controlled on the basis of this budget.

Cash and Cash Equivalents

The District's cash and cash equivalents include deposits with financial institutions, the Pennsylvania Local Government Investment Trust (PLGIT) and the Pennsylvania School District Liquid Asset Fund (PSDLAF). The District considers all investments purchased with an original maturity of three months or less (excluding certain short-term instruments which are classified as investments) to be cash equivalents.

Investments

Marketable securities are stated at their fair values. Other investments, including cash investment funds, are carried at cost, which approximates fair value. Adjustments to reflect increases or decreases in fair value, referred to as unrealized gains and losses, are reported as income.

Inventories

Inventories within the Food Service Fund are valued at last unit cost in accordance with the recommendations of the Food and Nutrition Service of the Department of Agriculture and are expensed as used. Food commodities donated by the federal government are valued at an estimated market value. Within the General Fund, textbooks and instructional and custodial supplies are generally charged to expense upon acquisition.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position (Deficit) but are not reported in the fund financial statements. Capital assets used by the proprietary fund are reported both in the business-type activity of the government-wide Statement of Net Position (Deficit) and in the fund financial statements, given the Food Service Fund's full-accrual basis of accounting.

All capital assets are stated at cost or estimated cost, net of accumulated depreciation. Donated capital assets are reported at their acquisition value at date of receipt. The District maintains a capitalization threshold of \$1,500. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All capital assets except land and construction in progress are depreciated. Construction in progress costs are accumulated until the project is complete and placed in service. At that time, the costs are transferred to the appropriate asset class, and depreciation begins.

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

	Governmental Activities	Business-Type Activity
Land improvements	15 - 20 years	N/A
Buildings and improvements	20 - 40 years	N/A
Furniture and equipment	5 - 20 years	5 - 10 years

The District does not have any infrastructure capital assets.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

Assets Held for Capital Projects

Assets held for capital projects are comprised mainly of unspent bond proceeds and are held by the District's Capital Projects Fund.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the District will sometimes report a separate section for deferred outflows (inflows) of resources. This separate financial statement element represents a consumption (acquisition) of net position that applies to a future period and so will not be recognized as an outflow (inflow) of resources until that time.

Compensated Absences

The District's collective bargaining agreements with its professional and support employees specify the sick leave and vacation leave policies. Administrative personnel, while not party to these agreements, are generally provided similar benefits. The agreements generally provide for payment of accumulated sick leave, at retirement, based upon years of service and days accumulated. The rate paid varies by position. Vacation leave is available only to administrative and 12-month support employees. Vacation pay is earned in the year in which the service has been performed. Employees are entitled to accrue an annual designated number of vacation days, which carry over from year to year.

Pension

The District provides eligible employees with retirement benefits through the Public School Employer's Retirement System (PSERS), a governmental cost-sharing multiple-employer defined benefit pension plan. PSERS was established as of July 18, 1917, under the provisions of Public Law 1043, No. 343.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of 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.

Other Postemployment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of PSERS OPEB Plan and the Jersey Shore Area School District Postemployment Benefits Plan (the Jersey Shore OPEB Plan) and additions to/deductions from PSERS and the Jersey Shore OPEB plans' fiduciary net position have been determined on the same basis as they are reported by PSERS and the Jersey Shore OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

Governmental Fund Balance Classification/Policies and Procedures

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies its governmental fund balances as follows:

- *Nonspendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints, such as inventory.
- *Restricted* - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the District's "highest level of decision-making authority" which do not lapse at year-end.
 - The School Board of the District is its highest level of decision-making authority, and
 - The School Board commits funds through a formal board motion.
- *Assigned* - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District.
 - The School Board of the District authorized the District Business Manager to assign funds to specific purposes.
 - The School Board passed a board motion authorizing assignments for activities as contemplated by the Board.
- *Unassigned* - includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

In governmental funds, when an expenditure is incurred that can be paid using either restricted or unrestricted resources, the District's policy is generally to apply the expenditure toward restricted resources first and then to unrestricted resources.

When an expenditure is incurred that can be paid using either committed, assigned or unassigned amounts, the District's policy is generally to apply the expenditure to committed resources, then to assigned resources, and then to unassigned resources.

Restricted Net Position

When both restricted and unrestricted resources are available for use, the District's policy is to use restricted resources first, and then unrestricted resources as needed.

Eliminations and Internal Balances

Transactions and balances between governmental activities have been eliminated in the government-wide financial statements. Residual amounts due between governmental activities and the business-type activity are labeled "internal balances" on the Statement of Net Position (Deficit).

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

The District adopted GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. GASB Statement No. 101 aims to better align the recognition and measurement of compensated absence obligations. The adoption of this statement resulted in adjustments, increasing net deficit \$3,365,611 for Governmental Activities at July 1, 2024.

The District adopted GASB Statement No. 102, *Certain Risk Disclosures*, for the year ended June 30, 2025. GASB Statement No. 102 requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to risk of substantial impact. The adoption of this Statement did not have a significant impact on the 2025 financial statements.

Adjustments to Beginning Balances

During fiscal year 2025, changes as a result of adopting new accounting standards resulted in adjustment to beginning net position as follows:

	June 30, 2024, as Previously Reported	GASB 101 Adoption	June 30, 2024, as Adjusted
Governmental activities	\$ (18,833,412)	\$ (3,365,611)	\$ (22,199,023)

2. Joint Ventures

The District and other surrounding educational agencies created a joint venture, the Lycoming County Insurance Consortium Pooled Trust (the Trust). The District self-insures through the Trust for certain health care benefits it provides to current and former employees. The Trust has purchased an excess policy which covers employee health benefit claims in excess of \$250,000. Claims are recognized as an expense when paid (cash basis), which management believes is not materially different from the accrual basis for the year ended June 30, 2025. The District made payments for health care benefit claims approximating \$5,400,000 to the Trust during the fiscal year ended June 30, 2025. Audited financial statements of the Trust are available in the District's Business Office.

3. Cash, Cash Equivalents and Investments

At June 30, 2025, the District's cash and cash equivalents include deposits with local financial institutions, the Pennsylvania Local Government Investment Trust (PLGIT), the Pennsylvania School District Liquid Asset Fund (PSDLAF) and various petty cash balances of \$1,921 held throughout the School District.

Pennsylvania statutes provide for the investment of governmental funds in certain authorized investment types, including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for cash management and investment purposes. Act 72 requires all governmental (public funds) deposits not insured by the Federal Depository Insurance Corporation (FDIC) to be collateralized by the financial institution.

Jersey Shore Area School District

Notes to Financial Statements

June 30, 2025

PLGIT is a common law trust organized to provide Pennsylvania local governments with a convenient method of pooling their cash for temporary investment. PLGIT functions similarly to a money market fund, seeking to maintain a net asset value of \$1 per share. Participants purchase "shares" in PLGIT, which invests the proceeds in obligations of the United States Government, its agencies or instrumentalities; obligations of the Commonwealth of Pennsylvania, its agencies, instrumentalities or political subdivisions; and deposits in savings accounts, time deposits or share accounts of institutions insured by the 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. Shares may be withdrawn at any time in any amount, with no liquidity fees or redemption gates. PLGIT/PLGIT PLUS have received an "AAAm" rating from Standard & Poor's, an independent credit rating agency. At June 30, 2025, the carrying amount and the bank balance of the District's deposits with PLGIT was \$15,395,867 and \$15,428,839, respectively.

PSDLAF is a common law trust organized to provide Pennsylvania school districts with a convenient method of pooling their cash for temporary investment. Assets with PSDLAF are invested in accordance with Title 24 of the Pennsylvania Statutes Article 4, Section 440.1 (2001). Each participant owns shares of PSDLAF, which invests the pooled assets. Such assets are not considered deposits pursuant to GASB Nos. 3 and 40, and as such are not subject to custodial credit risk. Due to the short-term nature and liquidity of the investments held within these pools, the fair value of the underlying investments approximates amortized cost. Shares with PSDLAF may be withdrawn at any time in any amount, with no liquidity fees or redemption gates. At June 30, 2025, the carrying amount and bank balance of the District's deposits with PSDLAF was \$60,188.

Custodial credit risk is the risk that in the event of a bank failure, the District will not recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The District does not have a formal deposit policy for custodial credit risk. As of June 30, 2025, the carrying amount of the District's deposits with local financial institutions was \$9,209,202 and the bank balance was \$10,372,367. Of the bank balance, \$10,122,362 was exposed to custodial credit risk, as these deposits were not covered by depository insurance but rather were collateralized with securities held by the pledging financial institution, but not in the District's name.

Investments

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2025:

	Total Fair Value	Level 1	Level 2	Level 3
Investment by fair value level:				
Mutual funds - fixed income	\$ 1,223,261	\$ 1,223,261	\$ -	\$ -
Certificate of deposit	101,589	-	101,589	-
Total fair value	1,324,850	\$ 1,223,261	\$ 101,589	\$ -
Money market funds held for investment purposes		6,316		
Total investments	\$ 1,331,166			

Fair values of the District's mutual funds are provided by external investment managers and are measured at fair value using quoted market prices for identical assets, which are considered Level 1 inputs. Fair value for the certificate of deposit is determined based on quoted prices for similar assets or liabilities in active markets and is considered a Level 2 input.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

4. Property Taxes

Real estate taxes for the District, which is comprised of a two-county area, are collected from the Borough of Jersey Shore and surrounding municipalities and townships. The tax on real estate by county, as levied by the board, for public school purposes for fiscal 2025 is as follows:

Clinton County 14.0064 mills (\$14.0064 per \$1,000 of assessed valuation)

Lycoming County 18.7178 mills (\$18.7178 per \$1,000 of assessed valuation)

Assessed valuations of property are determined by each County and the elected tax collectors are responsible for collection. The schedule for real estate taxes levied for each fiscal year is as follows:

July 1	Levy date
July 1 - August 31	2% discount period
September 1 - October 31	Face payment period
November 1 - June 30	10% penalty period
July 30	Lien date

Estimated collectible delinquent real estate taxes at June 30, 2025 were as follows:

Outstanding Balance	Estimated Uncollectible	Estimated Collectible
\$1,121,378	\$29,345	\$1,092,033

Tax Abatement Program

The District provides property tax abatements under the Clean and Green Program (Pennsylvania Farmland and Forest Land Assessment Act). The Clean and Green Program is a preferential tax assessment program that bases property taxes on use values rather than fair market values. This ordinarily results in a tax savings for landowners. The Pennsylvania General Assembly enacted the program in 1974 as a tool to encourage protection of the Commonwealth's valuable farmland, forestland and open spaces. A property must be 10 acres in size and in Agricultural Use, Agricultural Reserve or Forest Reserve. Agricultural Use applications may be less than 10 acres in size if the property is capable of generating at least \$2,000 annually in farm income. The amount of District real estate taxes abated under this program during the fiscal year ended June 30, 2025 was approximately \$836,000.

5. Due From Other Governments

The amount reported in the General Fund at June 30, 2025 as due from other governments is summarized below:

	<u>General Fund</u>
Local source revenues	\$ 66,414
State source revenues	1,744,007
Federal source revenues	<u>474,750</u>
 Total	 <u>\$ 2,285,171</u>

Amounts due from the federal and state government are primarily federal grants and state subsidies receivable from the Commonwealth of Pennsylvania, Department of Education at June 30, 2025. The amount due from local governments represents miscellaneous taxes collected by other governments on the District's behalf, but not remitted to the District as of June 30, 2025.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

6. Capital Assets

The changes in the District's capital assets in 2025 are summarized as follows:

	Balance, July 1, 2024	Acquisitions	Dispositions/ Transfers	Balance, June 30, 2025
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 12,198,086	\$ -	\$ -	\$ 12,198,086
Construction in process	748,373	3,453,673	-	4,202,046
Total capital assets, not being depreciated	12,946,459	3,453,673	-	16,400,132
Capital assets, being depreciated:				
Land improvements	3,497,173	-	-	3,497,173
Buildings and improvements	70,991,133	8,657	-	70,999,790
Furniture and equipment	16,685,639	289,430	(353,028)	16,622,041
Total capital assets, being depreciated	91,173,945	298,087	(353,028)	91,119,004
Less accumulated depreciation:				
Land improvements	(3,061,124)	(44,451)	-	(3,105,575)
Buildings and improvements	(41,997,639)	(1,518,088)	-	(43,515,727)
Furniture and equipment	(14,538,046)	(623,981)	339,344	(14,822,683)
Total accumulated depreciation	(59,596,809)	(2,186,520)	339,344	(61,443,985)
Total capital assets, being depreciated	31,577,136	(1,888,433)	(13,684)	29,675,019
Governmental activities capital assets, net	\$ 44,523,595	\$ 1,565,240	\$ (13,684)	\$ 46,075,151
Business-Type Activity				
Furniture and equipment	\$ 846,577	\$ -	\$ -	\$ 846,577
Less accumulated depreciation	(846,493)	(84)	-	(846,577)
Business-type activity capital assets, net	\$ 84	\$ (84)	\$ -	\$ -

Governmental activities depreciation expense is allocated among the District's functional expenses as follows:

Instruction	\$ 1,022,806
Operation and maintenance of plant services	1,104,515
Instructional student support	41,115
Student activities	11,608
Administration and financial support services	465
Pupil transportation	6,011
Total	\$ 2,186,520

During fiscal year 2025, the District awarded contracts totaling \$8,040,423 for a guaranteed energy savings project for various District buildings. As of June 30, 2025, the balance of completion for these projects was approximately \$5,000,000.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

7. Long-Term Debt

General Obligation Bonds

In 2019, the District issued its \$4,585,000 General Obligation Bonds, Series of 2019, due in varying annual installments plus interest rate ranging from 2.0% to 5.0% per annum, with the final maturity in September 2029. The proceeds from the issuance of the bonds were used for the purpose of refunding the District's General Obligation Bonds, Series of 2013, and to pay the costs of issuing the bonds.

In 2025, the District issued its \$9,995,000 General Obligation Bonds, Series of 2025, due in varying annual installments plus interest at a fixed rate of 4.00% through maturity in 2039. The proceeds from the issuance of the bonds will be used to undertake capital projects and were used to pay the costs associated with issuing the bonds.

Direct Borrowings - General Obligation Bonds

In 2020, the District issued a \$9,975,000 General Obligation Bond, Series of 2020, due in varying annual installments plus interest at a fixed rate of 1.688% through maturity in September 2028. The proceeds from the issuance of the bond were used for the purpose of refunding the District's General Obligation Notes, Series of 2017, and to pay the costs of issuing the bond.

In 2021, the District issued a \$8,069,000 General Obligation Bond, Series of 2021, due in varying annual installments plus interest at a fixed rate of 0.80% through maturity in 2026. The proceeds from the issuance of the bond were used to currently refund the District's outstanding General Obligation Bonds Series of 2012, General Obligation Bonds, Series of 2015, General Obligation Bonds, Series A of 2015 and General Obligation Notes, Series AAA of 2015, and pay the costs associated with issuing the Bond.

The changes in long-term debt during fiscal 2025, by debt instrument, are as follows:

	Balance, July 1, 2024	Additions	Retirements	Balance, June 30, 2025	Current Portion June 30, 2025
Series of 2019, GOB	\$ 4,525,000	\$ -	\$ 20,000	\$ 4,505,000	\$ 20,000
Series of 2020, GOB	9,785,000	-	75,000	9,710,000	2,185,000
Series of 2021, GOB	3,127,000	-	2,271,000	856,000	856,000
Series of 2025, GOB	-	9,995,000	-	9,995,000	5,000
Total debt	17,437,000	9,995,000	2,366,000	25,066,000	\$ 3,066,000
Bond premium	8,468	175,736	1,694	182,510	
Total long-term debt	\$ 17,445,468	\$ 10,170,736	\$ 2,367,694	\$ 25,248,510	

Total interest expense on long-term debt in 2025 was \$338,092. No interest is reported as a direct expense in the statement of activities.

Jersey Shore Area School District

Notes to Financial Statements

June 30, 2025

Debt service to maturity on the general obligation bonds and direct borrowings at June 30, 2025 is summarized as follows:

	General Obligation Bonds		Direct Borrowings		Total
	Principal	Interest	Principal	Interest	
Years ending June 30:					
2026	\$ 25,000	\$ 424,077	\$ 3,041,000	\$ 148,887	\$ 3,638,964
2027	15,000	489,100	3,500,000	97,482	4,101,582
2028	10,000	488,750	3,565,000	37,853	4,101,603
2029	3,180,000	456,750	460,000	3,882	4,100,632
2030	1,300,000	411,850	-	-	1,711,850
2031-2035	4,480,000	1,560,400	-	-	6,040,400
2036-2039	5,490,000	566,800	-	-	6,056,800
Total	<u>\$ 14,500,000</u>	<u>\$ 4,397,727</u>	<u>\$ 10,566,000</u>	<u>\$ 288,104</u>	<u>\$ 29,751,831</u>

8. Financed Purchase Agreements Payable

The District has purchased equipment under extended term financing agreements. These agreements require monthly and annual payments ranging from \$1,079 to \$41,797, bear imputed interest at rates of 8%, and mature through April 2026. The following summarizes the changes in financed purchase agreements payable:

	Balance, July 1, 2024	Additions	Payments	Balance, June 30, 2025
Equipment	\$ 60,721	\$ -	\$ 50,312	\$ 10,409

The following summarizes the District's scheduled debt service on the financed purchase agreements payable:

	Principal	Interest	Total
Year ending June 30:			
2026	\$ 10,409	\$ 386	\$ 10,795

9. Compensated Absences

Vacation

District employees who are required to work on a 12-month schedule are credited with vacation at rates that vary with length of service or job classification. Vacation (for most employee categories) may be taken or accumulated within certain limits and is paid prior to retirement or termination at the employee's current rate of pay.

Sick Leave

Most District employees are credited with 10 to 12 days of sick leave and may accumulate such days based on employee classifications. Sick leave (for most employee categories) may be taken or accumulated within certain limits and is paid prior to retirement or termination at the contractual or Board-approved rate.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

The changes in the District's compensated absences in 2025 are summarized as follows:

Governmental activities:

Balance, July 1, 2024 (restated)	\$ 4,013,668
Change, net	<u>(363,482)</u>
Balance, June 30, 2025	<u><u>\$ 3,650,186</u></u>

Business-type activity:

Balance, July 1, 2024	\$ 1,410
Change, net	<u>15,824</u>
Balance, June 30, 2025	<u><u>\$ 17,234</u></u>

10. Accrued Salaries and Benefits

Accrued salaries and benefits in the General Fund totaling \$3,845,713 represent salaries of \$1,462,217, the District's share of Social Security taxes of \$108,988 for teachers' services during the 2024-2025 school term, which are paid during July and August 2025, retirement plan expense of \$2,210,249, and other benefits expense of \$64,259 applicable to the accrued salaries at June 30, 2025.

11. Other Post-Employment Benefits (OPEB)

Jersey Shore Area School District Postemployment Benefits Plan

General Information About the OPEB Plan

Plan Description and Benefits Provided

The District's defined benefit OPEB plan, Jersey Shore Area School District Postemployment Benefits Plan, provides full coverage in health care benefits for teachers who retire at age 50 or later, up to age 65, who have 15 or more years credited service with the District. The District also provides full coverage in individual health care benefits for administrators who retire at age 53 or later, up to age 65, and who have at least seven years of service with the District. The retiree pays the cost for dependent coverage. The cost of such coverage for retirees and spouses is primarily funded through annual appropriations from the District's General Fund. 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* (GASB 75). Retired employees who are ineligible under the above requirements and choose to participate in the medical plan must pay 100% of the fixed rate cost of such coverage. The District OPEB Plan is a single employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB 75. The District does not consider the portion of the plan attributable to its Food Service Fund to be material and thus has not allocated any OPEB liability or associated deferred outflows/inflows to that fund.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

Employees Covered by Benefit Terms

At July 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	29
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>285</u>
 Total	 <u>314</u>

Total OPEB Liability

The District's total OPEB liability as of June 30, 2025 was \$8,404,335, was measured as of July 1, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.5% cost of living adjustment, 1.5% real wage growth, and for teachers and administrators a merit increase which varies by age from 2.75% to 0%
Discount rate	4.29% Based on S&P Municipal Bond 20-Year High Grade Rate Index at July 1, 2024
Healthcare cost trend rates	7.0% in 2024, with 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
Retirees' share of benefit-related costs	Retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.

The discount rate was based on S&P Municipal Bond 20-Year High Grade Rate Index at July 1, 2024.

An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of a 2.5% cost of living adjustment, 1.5% real wage growth and for teachers and administrators a merit increase which varies by age from 2.75% to 0%.

For mortality rates, separate rates are assumed preretirement and postretirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. Incorporated into the table are rates projected generationally by using Scale MP-2021 to reflect mortality improvement.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, July 1, 2024	\$ 7,648,752
Changes for the year:	
Service cost	352,117
Interest	322,500
Changes of benefit terms	17,941
Differences between expected and actual experience	393,559
Changes in assumptions or other inputs	24,160
Benefit payments	<u>(354,694)</u>
Net changes	<u>755,583</u>
Balance, June 30, 2025	<u><u>\$ 8,404,335</u></u>

Changes in assumptions or other inputs reflect a change in the discount rate from 4.13% in 2024 to 4.29% in 2025.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.29%) or 1-percentage-point higher (5.29%) than the current discount rate:

	1% Decrease (3.29%)	Discount Rate (4.29%)	1% Increase (5.29%)
Total OPEB Liability	\$ 8,969,409	\$ 8,404,335	\$ 7,865,252

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 what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 7,585,456	\$ 8,404,335	\$ 9,348,369

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$185,594.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Benefit payments subsequent to the measurement date (July 1, 2024)	\$ 477,735	\$ -
Differences between expected and actual experience	491,697	2,539,980
Changes of assumptions or other inputs	760,983	2,300,252
Total	\$ 1,730,415	\$ 4,840,232

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30:

2026	\$ (506,964)
2027	(506,964)
2028	(506,964)
2029	(506,977)
2030	(455,987)
Thereafter	(1,103,696)
Total	\$ (3,587,552)

PSERS Health Insurance Premium Assistance Program

General Information About the PSERS Health Insurance Premium Assistance Program

PSERS provides Premium Assistance, which is a governmental cost sharing, multiple-employer OPEB plan 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 (HOP). As of June 30, 2024, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of 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.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

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.

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 PSERS from the District were \$115,156 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 \$2,045,000 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 PSERS' 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 0.1151%, which was a decrease of 0.004% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized OPEB expense of \$39,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 125,000	\$ 312,000
Difference between expected and actual experience	8,000	31,000
Net differences between projected and actual investment earnings	2,000	-
District contributions subsequent to the measurement date	115,156	-
Changes in proportion	23,000	115,000
	<hr/>	<hr/>
	\$ 273,156	\$ 458,000

\$115,156 reported as deferred outflows of resources related to OPEB resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30:

2026	\$ (78,000)
2027	(98,000)
2028	(84,000)
2029	(22,000)
2030	(18,000)
	<hr/>
Total	\$ (300,000)

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

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 percent of pay
- Investment return - 4.21% - S&P 20-Year Municipal Bond Rate
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases
- Premium Assistance reimbursement is capped at \$1,200 per year
- Assumed healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale
- Participation rate:
 - Eligible retirees will elect to participate Pre age 65 at 50%
 - Eligible retirees will elect to participate Post age 65 at 70%

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

The following assumptions were used to determine the contribution rate:

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

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

The PSERS OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS 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.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

OPEB - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100 %	1.7 %

The above was the PSERS 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 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 PSERS 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. 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 PSERS' net OPEB liability for June 30, 2025 calculated using current Healthcare cost trends as well as what PSERS' net OPEB liability would be if its health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
PSERS Net OPEB Liability	\$ 2,045,000	\$ 2,045,000	\$ 2,045,000

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
District's proportionate share of the PSERS net OPEB liability	\$ 2,310,000	\$ 2,045,000	\$ 1,823,000

PSERS OPEB Plan Fiduciary Net Position

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

12. Termination Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides health care benefits to eligible former employees and their dependents. Requirements are outlined by the federal government for this coverage. The premium plus a 2% administrative fee is paid in full by the eligible participant. This program is offered up to a period of 18 months (36 months for an employee with dependents) after an employee's termination date. At June 30, 2025, there was four participant under dental COBRA benefits.

Annually, the District provides for a retirement stipend of \$5,000 for teachers who voluntarily retire after having reached at least 53 years of age and 15 or more years of credited service. Such stipends are payable in the year the employee officially retires. The cost of this benefit is recognized on a "pay as you go" basis and amounted to \$40,000 covering eight participants for the year ended June 30, 2025.

The District provides a retirement stipend for administrators retiring with at least seven years of service and having reached 55 years of age. The maximum retirement stipend is \$14,000. There were no benefits paid during the year ended June 30, 2025.

13. Retirement Plan

At June 30, 2025, the District reported the following amounts in the accompanying financial statements related to their participation in the Public School Employees' Retirement System (PSERS):

	Governmental Activities	Business-Type Activity	Total
Deferred outflow of resources	\$ 6,876,745	\$ 345,631	\$ 7,222,376
Net pension liability	47,057,457	1,159,543	48,217,000
Deferred inflow of resources	2,172,311	49,420	2,221,731

Jersey Shore Area School District

Notes to Financial Statements
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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 PSERS include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Benefits Provided

PSERS provides retirement, disability and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one 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 three 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 three 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 equal to 1% or 2.5%, depending on membership class, of the member's final average salary (as defined in the Code) multiplied times 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 10 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 salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (10 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.

Jersey Shore Area School District

Notes to Financial Statements

June 30, 2025

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 10.30% 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	5.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30; After 7/1/21: 10.80
T-G	On or after July 1, 2019	4.50% base rate with shared risk provision	2.75 %	Prior to 7/1/21: 8.25; After 7/1/21: 9.00
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00	Prior to 7/1/21: 7.50; After 7/1/21: 8.25
DC	On or after July 1, 2019	N/A	7.50	7.50

Shared Risk Program Summary

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

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2025 was 33.27%* 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 PSERS from the District were \$6,168,645 for the year ended June 30, 2025.

* This includes the defined contribution rate of 0.35% which is an estimated rate.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2025, the District reported a liability of \$48,217,000 for its proportionate share of the PSERS net pension liability. The PSERS 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 PSERS total pension liability as of June 30, 2023 to June 30, 2024. The District's proportion of the PSERS 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 District's proportion was 0.1152%, which was a decrease from its proportion measured as of June 30, 2024 of 0.1191%.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

For the year ended June 30, 2025, the District recognized pension expense of approximately \$4,177,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion between governmental and business-type activities	\$ 166,731	\$ 166,731
Difference between expected and actual experience	-	758,000
Changes in assumptions	-	-
Net difference between projected and actual investment earnings	798,000	-
Changes in proportion	89,000	1,297,000
District contributions subsequent to the measurement date	<u>6,168,645</u>	-
Total	<u>\$ 7,222,376</u>	<u>\$ 2,221,731</u>

\$6,168,645 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30:	
2026	\$ (1,690,000)
2027	892,000
2028	(208,000)
	<u>(162,000)</u>
Total	<u>\$ (1,168,000)</u>

Changes in Actuarial Assumptions

The total pension liability as of June 30, 2024 (the 2025 measurement date) was determined by rolling forward PSERS 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:

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

Jersey Shore Area School District

Notes to Financial Statements

June 30, 2025

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study that was performed for the five-year period ended 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 %	4.8 %
Private equity	12.0	6.7
Fixed income	33.5	3.9
Commodities	5.0	2.5
Infrastructure/MLPs	10.0	6.4
Real estate	9.5	5.9
	<u>100.0 %</u>	

The above was the PSERS 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.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

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

The following presents the District's proportionate share of the net pension liability, calculated using the discount rate of 7.00%, as well as what the District's proportionate share of 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 63,516,000	\$ 48,217,000	\$ 35,298,000

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.psers.pa.gov.

14. Internal Balances/Interfund Balances and Transfers

At June 30, 2025, various operating funds owed amounts to and were due amounts from other funds. These amounts, which represent short-term borrowings that are expected to be repaid within the next fiscal year, consisted of the following:

	Due From	Due To
General Fund:		
Food Service Fund	\$ -	\$ 56,638
Student Activities Fund	16,204	-
Student Activities Fund:		
General Fund	-	16,204
Food Service Fund:		
General Fund	56,638	-
Total	\$ 72,842	\$ 72,842

The following summarizes interfund transfers made during the year ended June 30, 2025:

	Transfers In	Transfers Out
General Fund:		
Capital Projects Fund	\$ -	\$ 100,000
Capital Projects Fund:		
General Fund	100,000	-
Total	\$ 100,000	\$ 100,000

Transfers were made from the General Fund to the Capital Projects Fund for current and future capital projects.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

15. Fund Balance Classifications

The District presents its governmental fund balances by level of constraint in the aggregate on its balance sheet - governmental funds. The individual specific purposes of each constraint are presented below:

	General Fund	Capital Projects Fund	Special Revenue Funds	Total
Nonspendable for:				
Inventory	\$ 12,067	\$ -	\$ -	\$ 12,067
Prepaid expenses	764,759	-	-	764,759
Total nonspendable	<u>\$ 776,826</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 776,826</u>
Restricted for:				
Capital Projects	\$ -	\$ 7,116,660	\$ -	\$ 7,116,660
Student activities and scholarships	-	-	1,522,606	1,522,606
Total restricted	<u>\$ -</u>	<u>\$ 7,116,660</u>	<u>\$ 1,522,606</u>	<u>\$ 8,639,266</u>
Committed for:				
Medical reserves	\$ 850,000	\$ -	\$ -	\$ 850,000
PSERS	2,780,000	-	-	2,780,000
Technology	160,071	-	-	160,071
Future PlanCon J approvals	380,303	-	-	380,303
Legal matters	57,881	-	-	57,881
Total committed	<u>\$ 4,228,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,228,255</u>

16. Significant Group Concentrations of Credit Risk

The District's operations are located in Clinton and Lycoming Counties of Pennsylvania. Its service area is located within the geographic bounds of the District. The District assesses taxpayers within its service area based upon taxing powers at its disposal. The ability of each of the District's taxpayers to honor their assessed obligations to the District is dependent upon economic and other factors affecting its taxpayers.

17. Commitments and Contingencies

Grant Programs

The District participates in both state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance that may result in the disallowance of program expenditures.

Jersey Shore Area School District

Notes to Financial Statements
June 30, 2025

The District's grant funding is subject to various risks, including changes in government policy and potential executive orders issued by the federal, state or local authorities. These executive orders may result in modifications, delays or cancellations of grant funding programs that could adversely affect the District's ability to fulfill its commitments under existing grants. The District has assessed these risks and believes that any potential impact from such executive orders is uncertain. The ultimate effect on the District's financial position and results of operations will depend on future governmental actions and the timing of their implementation. The District will continue to monitor developments related to federal funding and will take appropriate actions as necessary.

Environmental

The District maintains heating and fuel storage and sewage treatment facilities. The District is potentially liable for any expenditure associated with compliance to mandated regulations and any disallowance of program expenditures.

Litigation

The District from time to time has been named as a defendant in various lawsuits that relate to its day-to-day operations. In the opinion of management and legal counsel, the resolution of these lawsuits will not have a material adverse effect on the District's financial position or results of operations.

18. Nonmonetary Transactions

The District receives USDA Donated Commodities in the Food Service Fund (Enterprise Fund), which is a proprietary fund type. These donated commodities are valued at an estimated market value and recognized as federal revenue with unused commodities recorded as inventory. The total revenue recognized by the District in connection with this program amounted to \$87,612 for the year ended June 30, 2025.

19. Transactions With Other LEA's

The District is a member of B.L.A.S.T. Intermediate Unit 17. Through the membership, the District is able to secure various special services, including special education.

20. Pending Changes in Accounting Principles

The GASB has approved the following:

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*
- Statement No. 105, *Subsequent Events*

District management is in the process of evaluating these standards. When they become effective, application of these standards may restate portions of these financial statements.

Jersey Shore Area School District

Schedule of the District's Proportionate Share of the PSERS Net Pension Liability
Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.1152%	0.1191%	0.1187%	0.1190%	0.1184%	0.1259%	0.1222%	0.1257%	0.1250%	0.1307%
District's proportionate share of the net pension liability	\$ 48,217,000	\$ 52,983,000	\$ 52,773,000	\$ 48,857,000	\$ 58,299,000	\$ 58,899,000	\$ 58,662,000	\$ 62,081,000	\$ 61,946,000	\$ 56,613,000
District's covered-employee payroll	\$ 18,278,749	\$ 18,245,357	\$ 17,456,252	\$ 16,866,496	\$ 16,602,426	\$ 17,362,941	\$ 16,458,273	\$ 16,742,204	\$ 16,182,935	\$ 16,816,298
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	263.79%	290.39%	302.32%	289.67%	351.15%	339.22%	356.43%	370.81%	382.79%	336.66%
PSERS 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%

Jersey Shore Area School District

Schedule of the District's PSERS Pension Contributions

Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 6,168,645	\$ 6,000,521	\$ 6,239,353	\$ 5,622,764	\$ 5,482,731	\$ 5,807,904	\$ 5,365,429	\$ 5,313,975	\$ 4,725,417	\$ 4,204,075
Contributions in relation to the contractually required contribution	<u>(6,168,645)</u>	<u>(6,000,521)</u>	<u>(6,239,353)</u>	<u>(5,622,764)</u>	<u>(5,482,731)</u>	<u>(5,807,904)</u>	<u>(5,365,429)</u>	<u>(5,313,975)</u>	<u>(4,725,417)</u>	<u>(4,204,075)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 18,278,749	\$ 18,245,357	\$ 17,456,252	\$ 16,866,496	\$ 16,602,426	\$ 17,362,941	\$ 16,458,273	\$ 16,742,204	\$ 16,182,935	\$ 16,816,298
Contributions as a percentage of covered-employee payroll	33.75%	32.89%	35.74%	33.34%	33.02%	33.45%	32.60%	31.74%	29.20%	25.00%

Jersey Shore Area School District

Schedule of the District's Proportionate Share of the PSERS OPEB Liability
Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the OPEB liability	0.1151%	0.1191%	0.1187%	0.1190%	0.1184%	0.1259%	0.1222%	0.1257%	0.1250%
District's proportionate share of the OPEB liability	\$ 2,045,000	\$ 2,155,000	\$ 2,185,000	\$ 2,820,000	\$ 2,556,000	\$ 2,678,000	\$ 2,548,000	\$ 2,561,000	\$ 2,692,000
District's covered-employee payroll	\$ 18,278,749	\$ 18,245,357	\$ 17,456,252	\$ 16,866,496	\$ 16,602,426	\$ 17,362,941	\$ 16,458,273	\$ 16,458,273	\$ 16,182,935
District's proportionate share of the OPEB liability as a percentage of its covered-employee payroll	11.19%	11.81%	12.52%	16.72%	15.40%	15.42%	15.48%	15.56%	16.63%
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%	5.47%

The District adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2017 to conform with accounting principles generally accepted in the United States of America. Information for years prior to 2017 is not available for reporting.

Jersey Shore Area School District

Schedule of the District's PSERS OPEB Contributions
Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 115,156	\$ 116,770	\$ 130,922	\$ 134,932	\$ 136,140	\$ 145,849	\$ 136,604	\$ 138,960	\$ 134,318
Contributions in relation to the contractually required contribution	(115,156)	(116,770)	(130,922)	(134,932)	(136,140)	(145,849)	(136,604)	(138,960)	(134,318)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 18,278,749	\$ 18,245,357	\$ 17,456,252	\$ 16,866,496	\$ 16,602,426	\$ 17,362,941	\$ 16,458,273	\$ 16,742,204	\$ 16,182,935
Contributions as a percentage of covered-employee payroll	0.63%	0.64%	0.75%	0.80%	0.82%	0.84%	0.83%	0.83%	0.83%

The District adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2017 to conform with accounting principles generally accepted in the United States of America. Information for years prior to 2017 is not available for reporting.

Jersey Shore Area School District

Schedule of Changes in the District's Total OPEB Liability and Related Ratios - District Plan
Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 352,117	\$ 328,949	\$ 675,460	\$ 684,678	\$ 601,685	\$ 600,252	\$ 647,286	\$ 647,657
Interest cost	322,500	298,987	265,707	211,314	367,902	316,952	332,450	251,396
Changes of benefit terms	17,941	-	-	-	-	-	(2,626)	-
Differences between expected and actual experience	393,559	-	(2,362,585)	-	(1,506,515)	-	368,276	-
Changes in assumptions	24,160	129,610	(2,219,417)	(320,163)	1,145,216	(299,788)	(951,844)	24,954
Benefit payments, including refunds of member contributions	(354,694)	(314,348)	(287,947)	(257,016)	(306,650)	(303,843)	(365,204)	(437,761)
Net change in total OPEB liability	755,583	443,198	(3,928,782)	318,813	301,638	313,573	28,338	486,246
Total OPEB Liability, Beginning	<u>7,648,752</u>	<u>7,205,554</u>	<u>11,134,336</u>	<u>10,815,523</u>	<u>10,513,885</u>	<u>10,200,312</u>	<u>10,171,974</u>	<u>9,685,728</u>
Total OPEB Liability, Ending	<u>\$ 8,404,335</u>	<u>\$ 7,648,752</u>	<u>\$ 7,205,554</u>	<u>\$ 11,134,336</u>	<u>\$ 10,815,523</u>	<u>\$ 10,513,885</u>	<u>\$ 10,200,312</u>	<u>\$ 10,171,974</u>
Covered-Employee Payroll	<u>\$ 17,726,049</u>	<u>\$ 17,234,857</u>	<u>\$ 17,234,857</u>	<u>\$ 15,994,724</u>	<u>\$ 15,994,724</u>	<u>\$ 16,143,911</u>	<u>\$ 16,143,911</u>	<u>\$ 16,486,846</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	<u>47.41%</u>	<u>44.38%</u>	<u>41.81%</u>	<u>69.61%</u>	<u>67.62%</u>	<u>65.13%</u>	<u>63.18%</u>	<u>61.70%</u>

The District adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2017 to conform with accounting principles generally accepted in the United States of America. Information for years prior to 2018 is not available for reporting.

**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**

Independent Auditors' Report

To the Board of Directors of
Jersey Shore Area 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 Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Jersey Shore Area School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 22, 2026. Our report disclosed that the District implemented GASB Statement No. 101 as it relates to compensated absences. Our opinions were not modified with respect to this matter.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Baker Tilly US, LLP

Williamsport, Pennsylvania
January 22, 2026

**Report on Compliance
for the Major Federal Program and
Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditors' Report

To the Board of Directors of
Jersey Shore Area School District

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Jersey Shore Area School District's (the District) 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 the District's major federal program for the year ended June 30, 2025. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the 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 the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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.

Baker Tilly US, LLP

Williamsport, Pennsylvania
January 22, 2026

Jersey Shore Area School District

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor Program Title	Source Code	Assistance Listing Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued (Deferred) Revenue at July 1, 2024	Revenue Recognized	Total Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2025	Passed Through to Subrecipients June 30, 2025
U.S. Department of Education											
Passed Through the Pennsylvania Department of Education:											
Title I Grants to Local Educational Agencies	I	84.010	013-250203	7/01/24-9/30/25	\$ 492,686	\$ 492,686	\$ -	\$ 492,686	\$ 492,686	\$ -	\$ -
Title I Grants to Local Educational Agencies	I	84.010	013-240203	7/01/23-9/30/24	567,014	(1,273)	(1,972)	699	699	-	-
Total, Title I Grants to Local Educational Agencies					491,413		(1,972)	493,385	493,385	-	-
Improving Teacher Quality State Grants	I	84.367	020-250203	7/01/24-9/30/25	69,187	69,187	-	68,871	68,871	(316)	-
Improving Teacher Quality State Grants	I	84.367	020-240203	7/01/23-9/30/24	73,501	837	837	-	-	-	-
Total, Improving Teacher Quality State Grants					70,024	837	68,871	68,871	68,871	(316)	-
Student Support and Academic Enrichment Program	I	84.424	144-250203	7/01/24-9/30/25	42,700	31,313	-	33,138	33,138	1,825	-
Student Support and Academic Enrichment Program	I	84.424	144-240203	7/01/23-9/30/24	45,593	30,395	6,389	24,006	24,006	-	-
Total, Student Support and Academic Enrichment Program					61,708	6,389	57,144	57,144	57,144	1,825	-
Career and Technical Education - Basic Grants to States (Perkins IV)	I	84.048	380-250082	7/01/24-6/30/25	36,783	36,783	-	36,783	36,783	-	-
Career and Technical Education - Basic Grants to States (Perkins IV)	I	84.048	380-240075	7/01/23-6/30/24	36,847	(3,065)	(3,065)	-	-	-	-
Total Career and Technical Education - Basic Grants to States (Perkins IV)					33,718	(3,065)	36,783	36,783	36,783	-	-
Twenty-First Century Community Learning Centers	I	84.287	S287C200038	7/01/23-6/30/24	276,972	47,656	47,656	-	-	-	-
Education Stabilization Funds:											
COVID-19 Elementary and Secondary School Emergency Relief Fund - ESSER III	I	84.425U	223-21-0203	3/13/20-9/30/24	3,683,076	200,895	21,363	179,532	179,532	-	-
COVID-19 Elementary and Secondary School Emergency Relief Fund - ESSER 7%	I	84.425U	225-21-0203	3/13/20-9/30/24	286,258	36,433	25,713	10,720	10,720	-	-
COVID-19 Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	I	84.425W	181-21-2198	7/01/21-9/30/24	15,173	1,556	717	839	839	-	-
Total Education Stabilization Funds					238,884		47,793	191,091	191,091	-	-
Passed Through the Pennsylvania Department of Education:											
Special Education Cluster (IDEA):											
Passed Through BLAST IU 17:											
Special Education - Grants to States (IDEA, Part B)	I	84.027	H027X240093	7/01/24-9/30/25	472,925	-	-	472,925	472,925	472,925	-
Special Education - Grants to States (IDEA, Part B)	I	84.027	H027X240093	7/01/23-9/30/24	463,517	463,517	463,517	-	-	-	-
Preschool/Early Intervention Funds (619)	I	84.173	FA 131-240017	7/01/24-6/30/25	7,280	7,280	-	7,280	7,280	-	-
Total, Special Education Cluster					470,797		463,517	480,205	480,205	472,925	-
Total U.S. Department of Education					1,414,200		561,155	1,327,479	1,327,479	474,434	-

See notes to schedule of expenditures of federal awards

Jersey Shore Area School District

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor Program Title	Source Code	Assistance Listing Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued (Deferred) Revenue at July 1, 2024	Revenue Recognized	Total Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2025	Passed Through to Subrecipients June 30, 2025
U.S. Department of Agriculture											
Child Nutrition Cluster:											
Passed through the Pennsylvania Department of Education:											
National School Lunch Program	I	10.555	N/A	7/01/24-6/30/25	N/A	\$ 577,928	\$ -	\$ 577,928	\$ 577,928	\$ -	\$ -
School Breakfast Program	I	10.553	N/A	7/01/24-6/30/25	N/A	236,267	-	236,267	236,267	-	-
Passed Through the Pennsylvania Department of Agriculture:											
Child Nutrition Cluster:											
Value of USDA Donated Commodities	I	10.555	N/A	7/01/24-6/30/25	N/A	91,703 (A)	(20,913) (B)	87,612	87,612 (C)	(25,004) (D)	-
Total Child Nutrition Cluster and U.S Department of Agriculture						905,898	(20,913)	901,807	901,807	(25,004)	-
Total expenditures of federal awards						\$ 2,320,098	\$ 540,242	\$ 2,229,286	\$ 2,229,286	\$ 449,430	\$ -

Source Codes D = Direct Funding
I = Indirect Funding

Legends (A) Total Amount of Commodities Received from Department of Agriculture
(B) Beginning Inventory at July 1
(C) Total Amount of Commodities Used
(D) Ending Inventory at June 30

Jersey Shore Area School District

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

1. Basis of Presentation

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

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual or modified accrual basis of accounting, as described below. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs, primarily those involving governmental activities (i.e., General Fund), are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs, including those involving business-type activities (i.e., Food Service Fund), are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

3. Indirect Cost Rate

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

Jersey Shore Area School District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal program:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Type of auditors' report issued on compliance for major federal program: Unmodified

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

Auditee qualified as low-risk auditee? yes no

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

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
10.553/10.555	Child Nutrition Cluster

Jersey Shore Area School District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section II - Findings - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

Section IV - Summary Schedule of Prior Audit Findings

There were no findings or questioned costs indicated in the June 30, 2024 Single Audit.