













# *Loyalsock Township School District*

## Meeting of School Directors

*February 4, 2026*

*7:02 p.m.*

*Loyalsock Township School District  
Secondary Campus  
Multi-Purpose Room (D10/11)  
2101 Loyalsock Drive  
Williamsport, PA 17701*

## **MINUTES**

1. **Call to Order – President**
2. **Pledge of Allegiance**
3. **Administrative Report/Executive Session Purpose – Mr. Christopher Kenyon, Solicitor**  
5:30-6:58 p.m.; Student Discipline, Personnel, Policy (Hepburn arrival 5 :35 p.m.)
4. **Roll Call – Mr. M. Daniel Egly, Board Secretary**

### **MEMBER**

  x Larry Allison, Jr.  
  x David Bjorkman, President  
  x Lynn Frey  
  x Benjamin Hepburn  
  x JacLynne Lindsay, Treasurer  
  x Rob Lytle

### **MEMBER**

  x Ben Marzo  
  x David Steele  
  x Michael J. Zicolello, Vice President  
  x \*Christopher Kenyon, Solicitor  
  x \*Brooke Beiter, Ph.D., Superintendent  
  x \*M. Daniel Egly, Business Mgr./Bd.Secretary  
\*(Non-Voting Member)

### **OTHERS**

  x Stephen Hafele, High School Principal  
  x Richard Cummings, Secondary Principal  
  x Rachelle Ackerman, Ed.D., Middle School Principal  
  x Dayne Waller, Middle School Assistant Principal  
  x Marc Walter, Elementary Principal  
  x Megan Renninger, Elementary Assistant Principal  
  x Eric Gee, Director of Technology  
  x Lisa Fisher, Supervisor of Special Education  
  ab Teri Key, Ed.D., Supervisor of Curriculum & Instruction

5. **A. Recognition of Guests or Scheduled Speakers/Public Comments**
  - **Career Services Presentation**









**12. Information/Discussion Items**

**A. Board Comments/Reports**

- Recreation Board – Mr. Hepburn & Mr. Marzo
- Wellness Committee – Mr. Marzo
- Act 48 Committee – Mrs. Lindsay
- LycoCTC Committee – Mrs. Frey, Mr. Steele (alt)
- The Lancer Foundation – Mr. Allison
- Community-Wide Safety Committee – Mr. Bjorkman & Mr. Lytle
- PSBA Liaison – Mrs. Lindsay
- BLaST IU 17 – Mr. Zicoello

**B. Administrative Reports/Discussion**

**13. Public Comments & Responses to Public Comments at Previous Meeting – None**

**14. Upcoming Board Meetings – February 18, 2026 (Special Meeting) & March 4, 2026**

**15. Adjournment @ 7:54 p.m.**

Motion: Mrs. Lindsay  
Second: Mr. Zicoello

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M. Daniel Egly

# *Loyalsock Township School District*

## *Special Meeting of School Directors*

*February 18, 2026*

*7:00 p.m.*

*Loyalsock Township School District  
Secondary Campus  
Multi-Purpose Room (D10/11)  
2101 Loyalsock Drive  
Williamsport, PA 17701*

### ***MINUTES***

1. **Call to Order – President**
2. **Pledge of Allegiance**
3. **Administrative Report/Executive Session Purpose – Mr. Christopher Kenyon, Solicitor**  
5:34-6:56 pm Personnel, Safety, Litigation; Policy
4. **Roll Call – Mr. M. Daniel Egly, Board Secretary**

#### **MEMBER**

  x   Larry Allison, Jr.  
  x   David Bjorkman, President  
  x   Lynn Frey  
  x   Benjamin Hepburn  
  x   JacLynne Lindsay, Treasurer  
  x   Rob Lytle

#### **MEMBER**

  x   Ben Marzo  
  x   David Steele  
  x   Michael J. Zicoello, Vice President  
  x   \*Christopher Kenyon, Solicitor  
  x   \*Brooke Beiter, Ph.D., Superintendent  
  x   \*M. Daniel Egly, Business Mgr./Bd.Secretary  
\*(Non-Voting Member)

#### **OTHERS**

  x   Eric Gee, Director of Technology  
  x   Justin Van Fleet, Director of Innovation and Instructional Technology

5.
  - A. **Recognition of Guests or Scheduled Speakers/Public Comments**
  - B. **Public Comments Relative to Agenda Items**
    - Kevin Werner – District IV Coaches Association/JH Wrestling Championships
    - Mel Wentzel – Item 7.D. – Concerns with appointment of athletic staff
    - Scott Wertz – Item 10.E. – Support of softball coaches





## FUND ACCOUNTING PAYMENT SUMMARY

**Bank Account:** GF - GENERAL FUND    **Payment Dates:** 01/01/2026 - 01/31/2026    **Omit Dates:** 2026-01-25

**Payment Categories:** Regular Checks, Non-negotiable Disbursements, Direct Deposits, Procurement Cards, Credit Cards

**Sort: Payment Number**

Payment #	Paymnt Dt	Vendor Name	Description Of Purchase	Description Of Purchase	Amount
0000067510	01/14/2026	APPLE INC	13" IPAD PRO WITH SPORTS CASE		59.95
0000067511	01/14/2026	BSN SPORTS LLC	BASEBALL-WHITE HATS		1,104.24
0000067512	01/14/2026	EDUPLANET21	CURRICULUM PLANNER SUITE SOFTWARE		2,925.00
0000067513	01/14/2026	J W PEPPER & SON INC	CONCERT BAND MUSIC PIECES-BRUMBAUGH		263.99
0000067514	01/14/2026	KEYSONE ADVERTISING SPECIALTIES	CLOUSER- OFFICE SUPPLIES		431.00
0000067515	01/14/2026	PMEA DISTRICT 8	PMEA MODERN BAND REGISTRATION		240.00
0000067516	01/14/2026	PMEA MPA	PMEA MPA		470.00
0000067517	01/14/2026	ROBERT M SIDES	MUSIC CURRICULUM- TINI		113.60
0000067518	01/15/2026	DOROTHY WHITE MERTZ TAX COLLECTOR	REAL ESTATE TAX REFUND		1,531.18
0000067519	01/23/2026	BRIAN BUBB	HEALTH INS PREMIUM-FEB 2026	HEALTH INS PREMIUM-JAN 2026	420.00
0000067520	01/23/2026	ALAN HUFF	ATHLETIC TRIP		10.00
0000067521	01/23/2026	AMY BRUNO	REIMBURSE 3 CREDITS-GROWTH GRANT		1,701.00
0000067522	01/23/2026	AUDREY EARNEST	HS TEEN LINK FIELD TRIP	BAREFOOT GYM-SCHICK FIELD TRIP	20.00
0000067523	01/23/2026	BARRY KINLEY	ATHLETIC TRIPS		30.00
0000067524	01/23/2026	CASEY WALLER	HEALTH INS PREMIUM-FEB 2026	HEALTH INS PREMIUM-JAN 2026	480.00
0000067525	01/23/2026	CHRISTIAN TYMESON	HEALTH INS PREMIUM-FEB 2026	HEALTH INS PREMIUM-JAN 2026	430.00
0000067526	01/23/2026	DEBORAH SUDERS	MS FIELD TRIP-KAOS		10.00
0000067527	01/23/2026	DOROTHY R. WHITE MERTZ- OA & PC	BPT & LICENSES-JANUARY 2026		5,398.00
0000067528	01/23/2026	DOROTHY WHITE MERTZ	QRTY LOCAL SERVICES TAX PAYMENT		3,288.00
0000067529	01/23/2026	ENGIE POWER & GAS LLC	GAS-SCHICK 10/1/25-10/31/25		560.89

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0000067530	01/23/2026	GLENN DRICK	FLEET SPECIALIST 1/12/26-1/17/26	FLEET SPECIALIST 1/5/26-1/10/26	1,890.00
0000067531	01/23/2026	GREGORY PRIDE	REIMBURSEMENT-GAS FOR CROSSING GUARD		50.00
0000067532	01/23/2026	HEATHER WHARY	MILEAGE REIMBURSEMENT		22.33
0000067533	01/23/2026	INDEPENDENT SCHOOL BUS	IND SCHOOL BUS DRIVER'S ASSOC- VOL DEDUCTIONS		5.00
0000067534	01/23/2026	JOHN WHEELER	ATHLETIC TRIPS		30.00
0000067535	01/23/2026	KAYLIE SCHANS	REIMBURSE 3 CREDITS-GROWTH GRANT		3,253.12
0000067536	01/23/2026	LANCER FOUNDATION	LANCER FOUNDATION CONTRIBUTIONS	LANCER FOUNDATION- VOLUNTARY DEDUCTIONS	282.00
0000067537	01/23/2026	LARRY BREON	MS FIELD TRIP KAOS		10.00
0000067538	01/23/2026	LINDA LaCOE	HEALTH INS PREMIUM-FEB 2026	HEALTH INS PREMIUM-JAN 2026	480.00
0000067539	01/23/2026	LISA FISHER	MILEAGE REIMBURSEMENT		36.68
0000067540	01/23/2026	LOYALSOCK BAND BOOSTERS	PMEA REG-ALL STATE MODERN BAND AUDITIONS		80.00
0000067541	01/23/2026	LOYALSOCK TWP ED SUPPORT PROFESSIONALS ASSN	LTESPA-VOLUNTARY DEDUCTIONS		1,260.69
0000067542	01/23/2026	MICHAEL SILVAGNI	ATHLETIC TRIPS		20.00
0000067543	01/23/2026	RICHARD CUMMINGS	REIMBURSE-HOTEL RESERVATION BAND TRIP TO FLORIDA		1,989.00
0000067544	01/23/2026	SHELBY HERBSTER	REIMBURSE 3 CREDITS-GROWTH GRANT		1,647.00
0000067545	01/23/2026	STEPHEN HAFELE	LOWES-XMAS TREE & OFFICE PAINT		165.91
0000067546	01/23/2026	VICTORIA KROUT	HEALTH INS PREMIUM-FEB 2026	HEALTH INS PREMIUM-JAN 2026	430.00
0000067547	01/23/2026	VIOLETTA BISCHOF	MS FIELD TRIP-KAOS		10.00
0000067548	01/28/2026	ACTION TOWING	TOWING OF SILVERADO		166.00
0000067549	01/28/2026	ADVANCE AUTO PARTS	GMC OIL		24.23

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0000067550	01/28/2026	ALLEGHENY SAFE AND LOCK INC	REPAIR TO DOOR AT SCHICK	BLACK KEY FOBS	1,188.51
0000067551	01/28/2026	AMAZON CAPITAL SERVICES	CLASSROOM 180 BOOK ORDER	HS LIBRARY WINTER BOOK ORDER	2,113.93
0000067552	01/28/2026	AMERICAN WELDING & GAS INC.	RENTAL ACETYLENE CYLINDERS-DEC 2025		141.81
0000067553	01/28/2026	APR SUPPLY CO	BRASS BUSHING		41.58
0000067554	01/28/2026	BASTIAN TIRE & AUTO CENTER	TIRE INSTALL		52.17
0000067555	01/28/2026	BI-LO SUPPLY	KOHLER WHITE URINAL	VACUUM BREAKER TAIL-URINAL	310.06
0000067556	01/28/2026	BLAST IU 17	MONTHLY WAN-NOVEMBER 2025	25-26 DIST SHARE-SUPERINTENDENT	4,834.40
0000067557	01/28/2026	CENTRAL INTERMEDIATE UNIT #10	ALT PLACEMENT (1) STUDENT-REG ED		233.20
0000067558	01/28/2026	CLASSLINK INC	CLASSLINK RENEWAL LICENSE	DATA GUARD ANNUAL SUBSCRIPTION	7,296.60
0000067559	01/28/2026	CM REGENT LLC	COBRA-DECEMBER 2025		206.00
0000067560	01/28/2026	CM REGENT LLC	LIFE	LONG TERM DISABILITY	2,853.90
0000067561	01/28/2026	COMCAST CABLE	COMMUNICATIONS-HS		95.26
0000067562	01/28/2026	CORPORATE BILLING LLC	REPAIR TO FRONT WHEEL BEARING CUP	BUS PARTS	2,928.10
0000067563	01/28/2026	CREST/GOOD MFG CO INC	A38A CLOSET 3.5 GPF KIT		1,195.06
0000067564	01/28/2026	EAST LYCOMING SCHOOL DST	BOND INTEREST PAYMENT-LCTC FEBRUARY 2026		18,718.75
0000067565	01/28/2026	ECONOMY AUTO PARTS-WILLIAMSPORT	BUS PARTS		55.50
0000067566	01/28/2026	ELERY W NAU INC.	10492499	10486997	118.98
0000067567	01/28/2026	EQUITY ROOFING LLC	DSC ROOF REPAIRS		851.14
0000067568	01/28/2026	FLINN SCIENTIFIC	SCIENCE MATERIALS - REINHART		930.74
0000067569	01/28/2026	FRED HAMM INC.	RENTAL & PULL	HS	3,177.38

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0000067570	01/28/2026	HARBORCREEK YOUTH SERVICES	ALT ED (1) STUDENT TUITION		1,433.88
0000067571	01/28/2026	HIGHMARK BLUE SHIELD	VISION-EMPLOYEE PAID		3,431.19
0000067572	01/28/2026	HUMPHREYS PEST CONTROL COMPANY	PEST CONTROL-SCHICK	MS	74.00
0000067573	01/28/2026	J W PEPPER & SON INC	MUSIC CURRICULUM PIECES-BRUMBAUGH		134.99
0000067574	01/28/2026	JASON PERRY	JH GIRLS BASKETBALL GAME WORKER		585.00
0000067575	01/28/2026	KATE ADE	JH GIRLS BASKETBALL GAME WORKER		140.00
0000067576	01/28/2026	KIM MASSETTI	JH GIRLS BASKETBALL GAME WORKER		245.00
0000067577	01/28/2026	MUSIC THEATRE INTERNATIONAL	MUSICAL SCRIPTS BALANCE - BARNES		433.27
0000067578	01/28/2026	NORTH CENTRAL PA OM	OM REGIONAL TOURNAMENT		600.00
0000067579	01/28/2026	REXEL USA, INC D/B/A THE HITE COMPANY	COLOR SELECTABLE 54W	PREM TRAK1 ADHESIVE	1,996.04
0000067580	01/28/2026	RIDDELL ALL AMERICAN SPORTS CORP	RECONDITIONING OF FOOTBALL HELMETS		6,991.60
0000067581	01/28/2026	STEVE WEISS MUSIC	HS 9-12 MUSIC SUPPLIES-HOPKINS		102.00
0000067582	01/28/2026	THE MCGRAW HILL EDUCATION HOLDINGS LLC	NUMBER WORLDS 2024-MATH SPECIALIST-N NYCZ		113.90
0000067583	01/30/2026	ALAN HUFF	ATHLETIC TRIPS		20.00
0000067584	01/30/2026	BARRY KINLEY	ATHLETIC TRIPS 1/12, 1/13, 1/21, 1/23/26		40.00
0000067585	01/30/2026	CARL PROBST	HS FIELD TRIPS	ATHLETIC TRIP	30.00
0000067586	01/30/2026	CM REGENT LLC	LIFE	LONG TERM DISABILITY	2,865.10
0000067587	01/30/2026	DEMANS INC	FLOOR PLUG-FIBER OPTIC CONNECTOR		126.90
0000067588	01/30/2026	DUANE HEVERLY	ATHLETIC TRIP		10.00

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0000067589	01/30/2026	FRED HAMM INC.	RENTAL & PULL FEE		431.95
0000067590	01/30/2026	GLENN DRICK	FLEET SPECIALIST 1/19/26-1/24/26		540.00
0000067591	01/30/2026	JOHN WHEELER	ATHLETIC TRIP		10.00
0000067592	01/30/2026	JOHNSON CONTROLS FIRE PROTECTION LP	HS	MS	6,035.96
0000067593	01/30/2026	KEEP SAFE TRANSPORTATION SERVICES	STUDENT TRANSPORTATION-1/5/26-1/9/26	STUDENT TRANSPORTATION 1/20/26-1/23/26	1,680.48
0000067594	01/30/2026	KIRSTIN R EFFEN	REIMBURSE PATIENT LIABILITY AMOUNT PAID		141.58
0000067595	01/30/2026	LOWE'S	PRECISION SCREWD	PHONE MODULAR	53.37
0000067596	01/30/2026	LOYALSOCK CAFETERIA FUND	11TH GRADE BREAKFAST REWARD EVENT		450.00
0000067597	01/30/2026	LYCOMING AUTO SERVICE	DISC BRAKE ROTOR & PAD SET	PA INSPECTION & SERVICING	614.25
0000067598	01/30/2026	LYCOMING CAREER & TECHNOLOGY CENTER	STUDENT TUITION 2025-26 PYMT 8 OF 10		38,165.26
0000067599	01/30/2026	MADISON ENERGY INVESTMENT II LLC	HS	MS	18,026.83
0000067600	01/30/2026	MARCO TECHNOLOGIES LLC	MX-4111N DSC USAGE	STAPLE CARTRIDGE-HS FACULTY ROOM	1,768.34
0000067601	01/30/2026	MARK GODFREY	ATHLETIC TRIP 12.29.25	ATHLETIC TRIP 12.15.25	20.00
0000067602	01/30/2026	MCCORMICK LAW FIRM	LTSD-00000 LTSD 12/1/25-12/31/25	LTSD-4234 JANE DOE-VASSALLO LAWSUIT	11,373.19
0000067603	01/30/2026	MIRABITO ENERGY PRODUCTS	BIODIESEL 1777351		6,222.05
0000067604	01/30/2026	NEW WAVE ENERGY LLC	GAS-HS 411007884744 12/1/25-12/31/25	GAS-MS 411007884744 12/1/25-12/31/25	23,641.72
0000067605	01/30/2026	NGA	2026 NGA REGISTRATION FEE		80.00
0000067606	01/30/2026	NITTANY LEARNING SERVICES	MS	HS	36,000.00
0000067607	01/30/2026	NOAH BOWER	ATHLETIC TRIPS		20.00

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0000067608	01/30/2026	PA ASSOCIATION OF INTERMEDIATE UNITS	REGISTRATION TRAINING FEE-M KNIGHT		249.00
0000067609	01/30/2026	PPL ELECTRIC UTILITIES	MS	HS	23,173.29
0000067610	01/30/2026	PRO SUPPLY	BLACK CAN LINERS, CLEAR CAN LINERS, & FACIAL TISSUES		5,918.81
0000067611	01/30/2026	QUADIENT LEASING USA INC	QTLY LEASE PYMT-POSTAGE MACHINE-SCHICK		345.00
0000067612	01/30/2026	RIVER ROCK ACADEMY LLC	ALT ED PROGRAM-7TH INSTALL OF 10		14,245.00
0000067613	01/30/2026	RIVERSIDE COMMUNITY CARE	HS	SCHICK	1,000.00
0000067614	01/30/2026	ROBERT M SIDES	INSTRUMENT REPAIR-HS	INSTRUMENT REPAIR-SCHICK	85.00
0000067615	01/30/2026	ROHRER BUS SERVICE-LEWISBURG	VEH SERVICE & MAINT	BUS PARTS	461.24
0000067616	01/30/2026	SAM'S CLUB DIRECT	OFFICE SUPPLIES-DSC	SUPERINTENDENT SUPPLIES	231.63
0000067617	01/30/2026	SELINGROVE TRACK AND FIELD BOOSTERS	GIRLS TRACK MEET FEE	BOYS TRACK MEET FEE	400.00
0000067618	01/30/2026	SIEMENS INDUSTRY INC	HVAC		908.24
0000067619	01/30/2026	SOUTH WILLIAMSPORT WRESTLING	HS & JH WRESTLING TOURNEY FEES		700.00
0000067620	01/30/2026	STAPLES	DEXLEY OFFICE CHAIR	TICONDEROGA PRESHARP PENCILS	503.63
0000067621	01/30/2026	SURPLUS CITY INC	METRIC LOCK NUTS & BOLTS		6.54
0000067622	01/30/2026	TAMARA COLLARE	1 HOUR YOGA SESSIONS ON 1/19/26-WELLNESS		130.00
0000067623	01/30/2026	THE MEADOWS PSYCHIATRIC CENTER	ALT ED (1) STUDENT 11/29/25-12/13/25		1,000.00
0000067624	01/30/2026	TONY'S DELICATESSEN	GIFT CARDS		100.00
0000067625	01/30/2026	TRANE US INC	HS	MS	2,034.07
0000067626	01/30/2026	TULPEHOCKEN MOUNTAIN SPRING WATER	CONTAINER OF BOTTLED WATER		16.74

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0000067627	01/30/2026	UPMC	ATHLETIC TRAINING CONTRACT		6,810.00
0000067628	01/30/2026	UPMC FREDDIE FU SPORTS MEDICINE CTR	EXTRA ATHLETIC TRAINING COVERAGE		220.00
0000067629	01/30/2026	VERIZON WIRELESS	VERIZON WIRELESS-CELL PHONES		180.40
0000067630	01/30/2026	WEBB WEEKLY	ADVERTISING		152.00
0000067631	01/30/2026	WELD-TEC SERVICE & SALES INC	QRTY TANK RENTAL-JAN TO MARCH 2026		90.00
0000067632	01/30/2026	WF WELLIVER & SON INC.	VT-FLATFREE		339.74
0000067633	01/30/2026	WILLIAMSPORT AREA HIGH SCHOOL	TOP HAT WRESTLING TOURNAMENT FEE		350.00
0000067634	01/30/2026	WILLIAMSPORT AREA SD	8TH GRADE BOYS BASKETBALL TOURNEY FEE	9TH GRADE BOYS BASKETBALL TOURNEY FEE	300.00
0000067635	01/30/2026	WINDSTREAM	137-301-3346	137-301-4636	15.40
0000067636	01/30/2026	WORK CENTER SUSQUEHANNA PHYSICIAN SERVICES	BUS DRIVERS PHYSICALS & DRUG TESTING		435.00
* 0000ET6963	01/05/2026	WEX HEALTH INC.	HSA-EMPLOYER CONTRIBUTION-T SAMUEL 1785		1,800.00
* 0000ET6964	01/06/2026	PSERS	PAYROLL DEDUCT W/H-RETIREMENT		72,569.39
* 0000ET6965	01/06/2026	UGI UTILITIES	UGI - SCHICK		2,102.37
* 0000ET6966	01/06/2026	PA DEPT OF LABOR & INDUSTRY	UNEMPLOYMENT COMPENSATION TAX		2,519.09
* 0000ET6967	01/06/2026	UGI UTILITIES INC	HS	MS	7,331.31
* 0000ET6968	01/07/2026	UGI UTILITIES INC	UGI-UNIT 1 SCHICK		313.97
* 0000ET6969	01/06/2026	DELTA DENTAL OF PENNSYLVANIA	DENTAL CLAIMS PAID		1,628.20
* 0000ET6970	01/07/2026	VOYA FINANCIAL	PSERS-EMPLOYEE-RET	PSERS-EMPLOYER	5,448.62
* 0000ET6971	01/08/2026	PSERS	PSERS-POS EMPLOYER CONTRIBUTION-2994109		38.46
* 0000ET6972	01/09/2026	PA STATE INCOME TAX	PA INCOME TAX WITHHELD		14,708.48

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* 0000ET6973	01/09/2026	ELECTRONIC PAYMENT TRANSFER	FIT WITHHOLDINGS	ER SOCIAL SECURITY	108,409.65
* 0000ET6974	01/08/2026	ESS NORTHEAST LLC	HOURLY PARA SUBSTITUTES-SCHICK	CR-021419	9.27
* 0000ET6975	01/08/2026	ESS NORTHEAST LLC	HOURLY CLERICAL SUBSTITUTE-MS		139.02
* 0000ET6976	01/08/2026	ESS NORTHEAST LLC	REG ED SUBSTITUTES-SCHICK	REG ED SUBSTITUTES-HS	11,088.50
* 0000ET6977	01/08/2026	ESS NORTHEAST LLC	HOURLY CLERICAL SUBSTITUTE-MS		139.02
* 0000ET6978	01/08/2026	ESS NORTHEAST LLC	HOURLY PARA SUBSTITUTES-SCHICK	HOURLY PARA SUBSTITUTES-HS	905.50
* 0000ET6979	01/08/2026	ESS NORTHEAST LLC	REG ED SUBSTITUTES-HS	REG ED SUBSTITUTES-MS	5,924.90
* 0000ET6980	01/08/2026	ESS NORTHEAST LLC	REG ED SUBSTITUTES-SCHICK	REG ED SUBSTITUTES-HS	9,185.25
* 0000ET6981	01/08/2026	ESS NORTHEAST LLC	HOURLY PARA SUBSTITUTES-SCHICK		768.11
* 0000ET6982	01/08/2026	ESS NORTHEAST LLC	HOURLY PARA SUBSTITUTES-SCHICK		388.78
* 0000ET6983	01/08/2026	ESS NORTHEAST LLC	HOURLY CLERICAL SUBSTITUTE-MS		139.02
* 0000ET6984	01/08/2026	ESS NORTHEAST LLC	REG ED SUBSTITUTES-HS	REG ED SUBSTITUTES-SCHICK	2,648.00
* 0000ET6985	01/08/2026	ESS NORTHEAST LLC	HOURLY PARA SUBSTITUTES-HS	CR-021496 (12/20/2025)	78.80
* 0000ET6986	01/08/2026	ESS NORTHEAST LLC	HOURLY PARA SUBSTITUTES-SCHICK	CR-021538 (12/27/25)	235.09
* 0000ET6987	01/09/2026	VOYA FINANCIAL	VOYA FINANCIAL-RET VOY-EMPLOYEE	VOYA FINANCIAL-EMPLOYER	5,126.11
* 0000ET6988	01/09/2026	WEX HEALTH INC.	HSA EMPLOYEE CONTRIBUTIONS		14,194.88
* 0000ET6989	01/09/2026	KEYSTONE COLLECTIONS GROUP	KEYSTONE COLLECTIONS GROUP		58,269.05
* 0000ET6990	01/16/2026	ESS NORTHEAST LLC	HOURLY NURSE SUBSTITUTE-SCHICK	CR-021418	167.23
* 0000ET6991	01/16/2026	ESS NORTHEAST LLC	REG ED SUBSTITUTES-SCHICK	REG ED SUBSTITUTES-MS	8,622.55
* 0000ET6992	01/16/2026	ESS NORTHEAST LLC	HOURLY PARA SUBSTITUTES-SCHICK		643.90
* 0000ET6993	01/20/2026	DELTA DENTAL OF PENNSYLVANIA	DENTAL CLAIMS PAID		2,646.40

\* - Non-Negotiable Disbursement    + - Procurement Card Non-Negotiable    # - Payable within Payment    P - Prenote    D - Direct Deposit    C - Credit Card    ^ - Virtual Payment

## FUND ACCOUNTING PAYMENT SUMMARY

**Bank Account:** GF - GENERAL FUND    **Payment Dates:** 01/01/2026 - 01/31/2026    **Omit Dates:** 2026-01-25

**Payment Categories:** Regular Checks, Non-negotiable Disbursements, Direct Deposits, Procurement Cards, Credit Cards  
**Sort: Payment Number**

Payment #	Paymnt Dt	Vendor Name	Description Of Purchase	Description Of Purchase	Amount
* 0000ET6994	01/23/2026	VOYA FINANCIAL	VOYA FINANCIAL-RET VOY-EMPLOYEE	VOYA FINANCIAL-EMPLOYER	4,851.13
* 0000ET6995	01/22/2026	DELTA DENTAL OF PENNSYLVANIA	EMPLOYEE CONTRIBUTIONS	SELF-PAYS	525.10
* 0000ET6996	01/23/2026	PA STATE INCOME TAX	PA INCOME TAX WITHHELD		13,904.42
* 0000ET6997	01/23/2026	ELECTRONIC PAYMENT TRANSFER	FIT WITHHOLDINGS	EE SOCIAL SECURITY	101,109.88
* 0000ET6998	01/23/2026	LOYALSOCK TOWNSHIP EDUCATION ASSOCIATION	LTEA VOLUNTARY DUES		9,386.98
* 0000ET6999	01/23/2026	TSA CONSULTING GROUP INC	EE CONTRIBUTIONS	ER CONTRIB. B BEITER-ASPIRE	31,438.96
* 0000ET7000	01/26/2026	WMWA	2607-0	339-0 HS	5,653.82
* 0000ET7001	01/23/2026	KEYSTONE COLLECTIONS GROUP	WAGE GARNISHMENT-1113510		146.85
* 0000ET7003	01/23/2026	AFLAC	AFLAC-SHORT TERM DISABILITY		399.89
* 0000ET7004	01/23/2026	WEX HEALTH INC.	EMPLOYEE DEDUCT-HEALTH SAVINGS		14,194.88
* 0000ET7005	01/27/2026	VOYA FINANCIAL	EMPLOYEE-GREG PRIDE(JULY, AUG, SEPT 2025)	EMPLOYER-GREG PRIDE(JULY, AUG, SEPT 2025)	176.93
* 0000ET7006	01/27/2026	ARBITERSPORTS LLC	ARBITER PAY DEPOSIT		10,000.00
* 0000ET7007	01/29/2026	MARCO TECHNOLOGIES LLC	AGREEMENT 025-1694436	USAGE OVERAGE BKW & COLOR-SCHICK	19,471.66
* 0000ET7008	01/30/2026	LYCOMING COUNTY INSURANCE	ACTIVE-DIST EXPENSE	EMPLOYEE CONTRIBUTIONS	285,817.45
* 0000ET7009	01/30/2026	ESS NORTHEAST LLC	REG ED SUBSTITUTES-SCHICK	REG ED SUBSTITUTES-MS	7,447.50
* 0000ET7010	01/30/2026	ESS NORTHEAST LLC	HOURLY NURSE SUBSTITUTE-SCHICK	CR-021739	217.80
* 0000ET7011	01/30/2026	ESS NORTHEAST LLC	HOURLY PARA SUBSTITUTES-SCHICK		647.41
* 0000ET7012	01/30/2026	ESS NORTHEAST LLC	HOURLY PARA SUBSTITUTES-SCHICK		518.19
* 0000ET7013	01/30/2026	ESS NORTHEAST LLC	HOURLY CLERICAL SUBSTITUTE-MS		139.02
* 0000ET7014	01/30/2026	ESS NORTHEAST LLC	REG ED SUBSTITUTES-SCHICK	REG ED SUBSTITUTES-HS	6,802.05

\* - Non-Negotiable Disbursement    + - Procurement Card Non-Negotiable    # - Payable within Payment    P - Prenote    D - Direct Deposit    C - Credit Card    ^ - Virtual Payment

# FUND ACCOUNTING PAYMENT SUMMARY

Bank Account: GF - GENERAL FUND    Payment Dates: 01/01/2026 - 01/31/2026    Omit Dates: 2026-01-25

Payment Categories: Regular Checks, Non-negotiable Disbursements, Direct Deposits, Procurement Cards, Credit Cards  
Sort: Payment Number

10 - GENERAL FUND	1,154,769.30
Grand Total All Funds	1,154,769.30
Grand Total Credit Cards	0.00
Grand Total Direct Deposits	0.00
Grand Total Manual Checks	0.00
Grand Total Other Disbursement Non-negotiables	851,038.84
Grand Total Procurement Card Other Disbursement Non-negotiables	0.00
Grand Total Regular Checks	303,730.46
Grand Total Virtual Payments	0.00
Grand Total All Payments	1,154,769.30

\* - Non-Negotiable Disbursement    + - Procurement Card Non-Negotiable    # - Payable within Payment    P - Prenote    D - Direct Deposit    C - Credit Card    ^ - Virtual Payment

LOYALSOCK TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
CASH RECEIPTS AND DISBURSEMENTS SUMMARY  
FOR THE MONTH OF JANUARY 30, 2026

WOODLANDS BANKS

<b>BEGINNING BALANCE - JANUARY 1, 2026 WOODLANDS CHECKING ACCOUNT GF:</b>	<b>4,192,369.30</b>
Athletic Admissions	11,900.00
Delinquent Taxes	15,562.72
Donation/ Grant	226,854.58
Earned Income Tax	29,419.57
Interest	250.00
Local Services Tax	9,530.53
Manually break out	395,060.89
Miscellaneous Revenue	6,439.63
Pay to Play	1,768.68
Real Estate Taxes	71,590.86
Real Estate Transfer	200.00
Recoverable Disbursements - Insurance	1,500.00
Recoverable Disbursements - Other	347.56
Refund	84.99
Rental Income	-
	-
	-
	-
<b>Total Receipts:</b>	<u>770,510.01</u>
<b>Total Funds Available:</b>	<b>4,962,879.31</b>
Disbursements:	
Prior Month Cleared Disbursements	288,756.89
Net Payroll	628,935.73
Outstanding Prior Month Checks	17,469.97
Cleared Current Month Expenses	866,367.84
Outstanding Current Month Checks	<u>288,401.46</u>
Current Month Payment Register	1,154,769.30
<b>Total Disbursements:</b>	<u>2,089,931.89</u>
Ending Balance - Woodland's Checking Account GF	2,872,947.42
Yield 4.75%	
Ending Balance - Woodland's Federated Government Obligations T/M Fund	278,403.43
Yield 0.00%	
Ending Balance - Woodland's 24 Month CD - Evolve BK & TR West Memphis	249,000.00
Yield 4.35%	
Ending Balance - Woodland's 12 Month CD - First GTY BK Hammond	250,000.00
Yield 3.80%	
Ending Balance - Woodland's 6 Month CD - BK Miami FLA	249,000.00
Yield 4.30%	
Ending Balance - Woodland's 12 Month CD - Morgan Stanley	245,000.00
Yield 3.70%	
Ending Balance - Woodland's 12 month CD - Morgan Stanley Private Bank	244,000.00
Yield 4.30%	
Ending Balance - Woodland's 18 Month CD - Oakstar Bank Mo	250,000.00
Yield 4.15%	

Ending Balance - Woodland's - 15 Month CD - Southern First Bank Yield 4.30%	249,000.00
Ending Balance - PLGT 12 Month CD, FINANCIAL FEDERAL SAVINGS BANK Yield 4.25%	247,153.83
Ending Balance - PLGT 12 Month CD, PRIORITY BANK Yield 4.25%	-
Ending Balance - PLGT 12 Month CD, NEXBANK Yield 4.30%	247,249.76
Ending Balance - PLGT 9 Month CD, CROSSFIRST BANK Yield 4.25%	-
Ending Balance - PLGT 12 Month CD, MISSION NATIONAL BANK Yield 4.35%	246,519.66
Ending Balance - PLGT 12 Month CD, NANO BANC Yield 4.35%	246,519.66
Ending Balance - PLGIT General Fund Yield 4.05%	-
<b>TOTAL GENERAL FUND ENDING BALANCE JANUARY 30, 2026:</b>	<b>5,874,793.76</b> =====

LOYALSOCK TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
CASH RECEIPTS AND DISBURSEMENTS SUMMARY  
FOR THE MONTH OF JANUARY 30, 2026

Average Yield 4.05%

PLGIT

**BEGINNING BALANCE - JANUARY 30, 2026 PLGIT GENERAL FUND: 6,720,020.90**

Receipts:

Comm of PA - Special Ed Subsidy	25,059.87
Comm of PA - PA Pre-K Counts Program	15,750.00
Comm of PA - School Safety & Security Grant	62,843.00
CD Fixed Rate Maturity	484,000.00
CD's Maturity Additional Interest	450.84
CD's Maturity Interest	14,765.32
Interest	21,697.30
	<hr/>

**Total Receipts: 624,566.33**

**Total Funds Available: 7,344,587.23**

Disbursements:

October Purchase Card Transactions	734.15
	<hr/>

**Total Disbursements: 734.15**

**ENDING BALANCE - PLGIT GENERAL FUND : 7,343,853.08**

LOYALSOCK TOWNSHIP SCHOOL DISTRICT  
CAPITAL RESERVE FUND  
CASH RECEIPTS AND DISBURSEMENTS SUMMARY  
FOR THE MONTH OF JANUARY 30, 2026

Average Yield 4.12%

PLGIT

**BEGINNING BALANCE - JANUARY 1, 2026 PLGIT CAPITAL RESERVE 1,316,140.22**

Receipts: Interest - PLGIT Regular	3,754.27
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**Total Receipts: 3,754.27**

**Total Funds Available: 1,319,894.49**

Disbursements:

Checks:	
1696 Hawbaker Engineering	957.00
1697 Wolfington Body Company	329,000.00

**Total Disbursements: 329,957.00**

**Less Outstanding Checks:**

Prior Outstanding - Cleared in January	
1691 Lecce Electric	35,092.05
1695 Hunter & Lomison, IN	8,442.00

**43,534.05**

**ENDING BALANCE - PLGIT CAPITAL RESERVE : 946,403.44**



Board of School Directors  
Loyalsock Township School District  
Williamsport, Pennsylvania:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Loyalsock Township School District (District) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 25, 2025. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Notes 1 and 15 to the financial statements, the District changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards No. 101, *Compensated Absences*, in 2025. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the government-wide financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Single Employer Defined Benefit Other Postemployment Benefit Plan (OPEB) - The total OPEB liability, related deferred inflows and outflows of resources and OPEB expense is based on management's estimate of future benefits. Management consults with a third-party to determine the liability based on projected costs. We reviewed the third-party information, as well as the estimates and assumptions utilized in the calculations. We conclude that management's approach is reasonable.

Multiple Employer Cost-Sharing Defined Benefit OPEB Plan - The net OPEB liability, related deferred inflows and outflows of resources and OPEB expense is based on management's estimate prepared from information received from Public School Employees' Retirement System (PSERS). We reviewed PSERS's OPEB information, as well as the

estimates and assumptions utilized in the calculations. We conclude that management's approach is reasonable.

Net Pension Liability - The net pension liability, related deferred inflows and outflows of resources and pension expense is based on management's estimate prepared from information received from PSERS. We reviewed PSERS's pension information, as well as the estimates and assumptions utilized in the calculations. We conclude that management's approach is reasonable.

Fair Value of Investments - Investments are recorded at fair value based on quoted market prices received from a third-party. We reviewed the third-party information including key factors and assumptions used in the estimates and determined they are reasonable in relation to the financial statements as a whole.

Compensated Absences - Management was required to make significant accounting estimates regarding the liability for compensated absences. These estimates were based on the extent to which leave is attributable to services already rendered, whether the leave accumulates and carries forward to future periods, and whether it is more likely than not that the leave will be used or paid. The estimation process involved evaluating historical usage patterns, employment policies, and collective bargaining agreements. We evaluated management's methodology and assumptions used in developing these estimates and determined they are reasonable in the context of the applicable financial reporting framework.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The following summarizes the uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

#### General Fund

Adjustment of \$16,312 to increase fund balance and decrease local sources revenue.

#### Food Service Fund

Adjustment of \$4,976 to increase net position and decrease revenue from federal and state sources.

Adjustment of \$6,397 to decrease net position and salaries expenses.

The following material misstatement detected as a result of audit procedures was corrected by management:

Adjustment of \$283,600 to increase taxes receivable and local sources revenue.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 12, 2026.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

#### *Required Supplementary Information*

We applied certain limited procedures to Management's Discussion and Analysis, Budgetary Comparison Schedule - General Fund, Schedule of Changes in the District's Total Other Postemployment Benefits Liability - District Plan, Schedule of the District's Proportionate Share of the Net Other Postemployment Benefits Liability - Premium Assistance Program, Schedule of the District's Other Postemployment Benefits Plan Contributions - Premium Assistance Program, Schedule of the District's Proportionate Share of the Net Pension Liability and Schedule of the District's Pension Plan Contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

*Supplementary Information*

We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Restriction on Use**

This information is intended solely for the information and use of the Board of School Directors and management of Loyalsock Township School District and is not intended to be, and should not be, used by anyone other than these specified parties.

*Larson, Kellett & Associates, P.C.*

Montoursville, Pennsylvania  
February 12, 2026

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**INDEPENDENT AUDITORS' REPORT**

Board of School Directors  
Loyalsock Township School District  
Williamsport, Pennsylvania:

**Report on the Audit of the Financial Statements**

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Loyalsock Township School District (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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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.

**Changes in Accounting Principle**

As described in Note 15 to the financial statements, in 2025, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to these matters.

**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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Management's Discussion and Analysis on page 5, Budgetary Comparison Schedule - General Fund on page 49, Schedule of Changes in the District's Total Other Postemployment Benefits Liability - District Plan on page 50 and 51, Schedule of the District's Proportionate Share of the Net Other Postemployment Benefits Liability - Premium Assistance Program on page 52, Schedule of the District's Other Postemployment Benefits Plan Contributions - Premium Assistance Program on page 53, Schedule of the District's Proportionate Share of the Net

Pension Liability on page 54, and Schedule of the District's Pension Plan Contributions on page 55 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 GASB, 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 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.

*Larson, Kellett & Associates, P.C.*

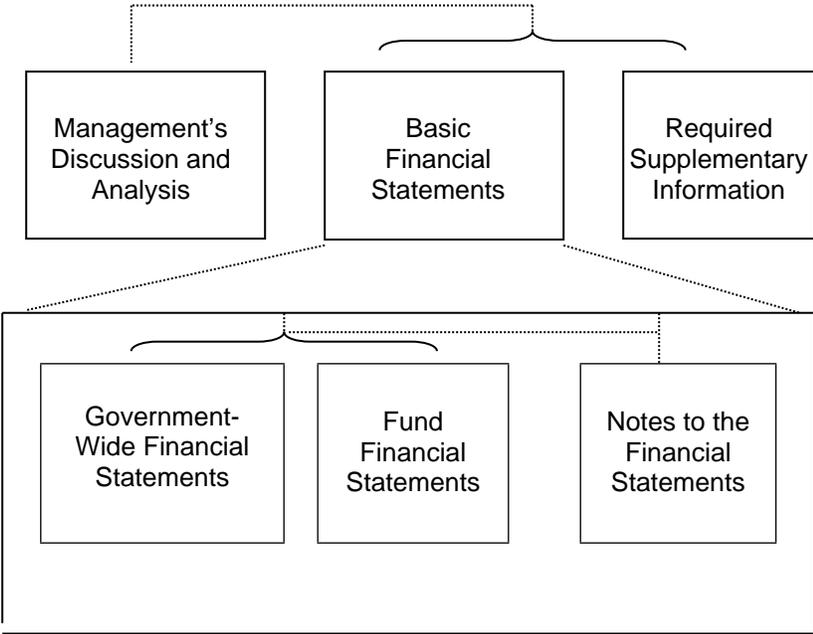
Montoursville, Pennsylvania  
February 12, 2026

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2025**

The Management's Discussion and Analysis (MD&A) of the Loyalsock Township School District's (District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of the MD&A is to provide user-friendly insight into management's analysis of the District's financial performance as a whole. Readers should also review the independent auditors' report, notes to the basic financial statements, and financial statements to increase their understanding of the District's financial performance.

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

**FIGURE A-1  
Required Components of  
LOYALSOCK TOWNSHIP SCHOOL DISTRICT'S  
Financial Report**



**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED 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's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2  
Major Features of Loyalsock Township School District's  
Government-Wide and Fund Financial Statements

	Government-Wide Statements	Governmental Funds	Fund Statements Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as education, administration, and community services	Activities the District operates similar to private business – Food Services	Instances in which the District is the trustee or agent to someone else's resources – Scholarship Funds
Required financial statements	Statement of net position Statement of activities	Balance Sheet Statement of revenues, expenditures, and changes in fund balance	Statement of net position Statement of revenues, expenses and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of revenues, expenses, and 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/deferred outflows of resources/deferred inflows of resources/liability information	All assets, and deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term	Generally assets and deferred outflows of resources expected to be used up and liabilities, and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term	All assets, deferred outflows, liabilities, and deferred inflows of resources, 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

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**Analysis of Overall Financial Position and Results of Operations Over the Past Fiscal Year**

**Governmental Activities** - On **June 30, 2025**, the District's total net position from governmental activities was \$882,742. At year end, the District's total net position of Governmental Activities increased by approximately \$606,000 from the previous year end.

The District continued to experience increases in the costs for regular instruction, healthcare, retirement benefits and special education instruction. Healthcare and retirement benefit increases continue to be a long term concern for the District. The Board of School Directors was able to balance the budget without increasing real estate taxes as the final millage rate remained 15.35 mills, (\$15.35 on each \$1,000 assessment) to the taxpayers.

**Business - Type Activities** - Food Service had total net position of \$1,575,172 as of **June 30, 2025**. At year end, the District's total net position of the business-type activities increased by approximately \$143,000 from the previous year end.

Table 1 summarizes the assets, liabilities, and net position of the District at **June 30, 2025**, and June 30, 2024

	<b>2025</b>			<b>2024 – Not Restated</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>						
Current assets	\$ 16,342,314	\$1,409,204	\$ 17,751,518	\$ 17,523,850	\$1,331,243	\$ 18,855,093
Lease receivables, net	388,662		388,662	396,854		396,854
Capital assets, net	40,490,568	1,009,804	41,500,372	41,405,088	937,835	42,342,923
<b>Total assets</b>	<b>\$ 57,221,544</b>	<b>\$2,419,008</b>	<b>\$ 59,640,552</b>	<b>\$ 59,325,792</b>	<b>\$2,269,078</b>	<b>\$ 61,594,870</b>
Deferred outflows of resources	\$ 5,773,561	\$ 148,201	\$ 5,921,762	\$ 6,321,569	\$ 176,848	\$ 6,498,417
<b>Liabilities</b>						
Current liabilities	\$ 6,567,047	\$ 66,710	\$ 6,633,757	\$ 5,873,028	\$ 32,350	\$ 5,905,378
Long-term liabilities	53,787,022	904,897	54,691,919	56,592,195	961,328	57,553,523
<b>Total liabilities</b>	<b>\$60,354,069</b>	<b>\$ 971,607</b>	<b>\$ 61,325,676</b>	<b>\$ 62,465,223</b>	<b>\$ 993,678</b>	<b>\$ 63,458,901</b>
Deferred inflows of resources	\$ 1,758,294	\$ 20,430	\$ 1,778,724	\$ 1,827,193	\$ 19,898	\$ 1,847,091
<b>Net Position</b>						
Net investment in capital assets	\$ 18,690,072	\$1,009,804	\$ 19,699,876	\$ 18,608,141	\$ 937,835	\$ 19,545,976
Restricted for capital projects	2,204,075		2,204,075	1,595,567		1,595,567
Unrestricted (deficit)	(20,011,405)	565,368	(19,446,037)	(18,848,763)	494,515	(18,354,248)
<b>Total net position</b>	<b>\$ 882,742</b>	<b>\$1,575,172</b>	<b>\$ 2,457,914</b>	<b>\$ 1,354,945</b>	<b>\$1,432,350</b>	<b>\$ 2,787,295</b>

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Table 2 summarizes the revenues, expenses, and change in net position of the District for the years ended June 30, 2025 and 2024.

	2025			2024 – Not Restated		
	Governmental Activities	Business - Type Activities	Total	Governmental Activities	Business - Type Activities	Total
Program Revenues:						
Charges for services	\$ 168,998	\$ 204,415	\$ 373,413	\$ 157,937	\$ 183,434	\$ 341,371
Operating grants and contributions	5,906,141	1,274,405	7,180,546	6,052,088	1,269,021	7,321,109
General Revenues:						
Property taxes	11,222,483		11,222,483	11,290,950		11,290,950
Local earned income						
Taxes levied	4,466,361		4,466,361	4,249,993		4,249,993
Real estate transfer tax	613,161		613,161	471,052		471,052
Other taxes levied	530,661		530,661	526,217		526,217
Grants and entitlements	5,535,971		5,535,971	5,206,522		5,206,522
Investment earnings	847,667	67,076	914,743	1,051,350	70,820	1,122,170
Miscellaneous	36,222		36,222	12,891		12,891
<b>Total Revenues</b>	<b>29,327,665</b>	<b>1,545,896</b>	<b>30,873,561</b>	<b>29,019,000</b>	<b>1,523,275</b>	<b>30,542,275</b>
Program Expenses:						
Instruction	16,944,406		16,944,406	15,495,106		15,495,106
Support Services:						
Instructional student support services	2,797,562		2,797,562	2,666,619		2,666,619
Administrative and financial services	2,898,522		2,898,522	2,677,818		2,677,818
Operation and maintenance of plant services	3,939,485		3,939,485	3,938,134		3,938,134
Pupil transportation	632,032		632,032	603,575		603,575
Community services	57,621		57,621	28,411		28,411
Student activities	804,861		804,861	791,525		791,525
Depreciation, unallocated	41		41	122		122
Interest and amortization on long-term debt	529,465		529,465	623,510		623,510
Food service		1,542,064	1,542,064		1,465,788	1,465,788
<b>Total Expenses</b>	<b>28,603,995</b>	<b>1,542,064</b>	<b>30,146,059</b>	<b>26,824,820</b>	<b>1,465,788</b>	<b>28,290,608</b>
Excess (deficiency) before transfers	723,670	3,832	727,502	2,194,180	57,487	2,251,667
Interfund transfers and capital contributions	(138,990)	138,990		(503,165)	503,165	
Gain (loss) on sale of real estate						
Gain (loss) on disposal of capital assets	21,663		21,663	19,427		19,427
<b>Change in Net Position</b>	<b>\$ 606,343</b>	<b>\$ 142,822</b>	<b>\$ 749,165</b>	<b>\$ 1,710,442</b>	<b>\$ 560,652</b>	<b>\$ 2,271,094</b>

## **Budgetary Variances**

- ◆ Total General Fund Revenues exceeded the final budgeted revenues by approximately \$1,490,000 or 5.38%.
  - Budgetary estimates differed in the following areas:
    - Local revenues - The revenue from local sources exceeded the final budget by approximately \$746,000. Budget estimates vary in the following areas:
      - Earned Income Taxes - this amount exceeded our budget estimate by approximately \$351,000 due to continuing economic growth that outpaced our evaluations.
      - Earnings on Interest - approximately \$138,000 over budget due to increased interest rates for the District's General Fund account and certificates of deposit.
    - State revenues - The revenue from state sources was more than the final budget by approximately \$907,000. Budget estimates vary in the following areas:
      - Adequacy Funding - resulted in increased revenues of approximately \$684,000 over the final budget.
      - Retirement Recovery - resulted in increased revenues of approximately \$159,000 over the final budget.
    - Federal revenues - The revenue from federal sources was lower than the final budget by approximately \$164,000. Budget estimates vary in the following areas:
      - Med Assistance - revenues were less than our final budget by approximately \$223,000 as a result of the district choosing not to withdrawal med assistance money.
- ◆ Total General Fund Expenditures exceeded the final budgeted expenditures by approximately \$1,237,000 or 4.81%.
  - The District financed equipment purchases with Apple Computer in fiscal years 2022-2023 and 2023-2024. The total debt service payments to Apple Computer were approximately \$90,000 in the current year.
  - The District's Cyber/Charter School tuition costs exceeded its budget by \$618,000 due to an increase in cyber/charter enrollments and tuition cost increases.
  - The majority of the variances in expenditures occurred in the salary and benefits portion of the District's budget. Salaries and benefits are approximately 76% of the District's expenditures.
- ◆ Other Financing Uses, Net were more than the final budgeted other financing uses by approximately \$297,000 or 11.31%.
  - The District transferred approximately \$450,000 to capital projects fund.
  - The District entered into a subscription-based information technology arrangement for office software in the current year valued at approximately \$129,000.

## **Significant Capital Activity**

During the **2024-2025** school year, the District had the following significant capital activity:

- ◆ The District had construction costs of approximately \$662,000 for locker/restroom projects. The projects were primarily financed through General Obligation Bonds, Series of 2021 and General Obligation Bonds, Series of 2022.
- ◆ During the 2025-2026 school year, the District will continue with the approved construction projects. The estimated cost to complete these projects is \$1,688,000.

## **Currently Known Facts, Decisions or Conditions:**

**Governmental Activities** - The District approved a budget that will have no increase of taxes for the 2025-2026 school year. The District continues to benefit from growth and refinancing of bond issues during times of historically low interest rates. As the economy continues to recover from the COVID-19 Pandemic, local and state revenues are expected to slightly increase from the previous year. The District will no longer receive federal COVID relief funds to offset lost revenues from the pandemic. The Pennsylvania Department of Education's adequacy funding will help offset this loss of federal funding in the coming year(s).

The District has settled a contract with administrative personnel through June 30, 2027. Additionally, addendums were made to both the professional and support staff contracts to raise wages to be more competitive with other local school districts. The addendum(s) took effect the beginning of the 24-25 school year.

The Public School Employees Retirement System (PSERS) continues to project increased rates in employer contributions over the next several years. The District contributed a rate of 33.90% for the 2024-2025 school year. The rate for the 2025-2026 school year is 34.00%. The District has prepared for future rate increases if they occur and has currently committed \$2,595,000 of fund balance for future retirement expenditures.

Other than those issues listed in the MD&A or in the notes to the basic financial statements, there are no facts currently known to management that would materially impact the financial statements either favorably or unfavorably at this time.

## **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 show the Board and administration's accountability for the money it receives. If you have questions regarding this report or wish to request additional financial information, please contact Dan Egly, Business Manager, Loyalsock Township School District, 1605 Four Mile Drive, Williamsport, PA, 17701. (570) 326-6508.

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**GOVERNMENT-WIDE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 10,348,532	\$ 1,379,765	\$ 11,728,297
Investments	4,180,205		4,180,205
Taxes receivable, net	662,143		662,143
Due from other funds	576		576
Due from other governments	1,028,228	23,278	1,051,506
Other receivables	114,471		114,471
Current portion of lease receivable	8,159		8,159
Inventories		6,161	6,161
<b>Total current assets</b>	<b><u>16,342,314</u></b>	<b><u>1,409,204</u></b>	<b><u>17,751,518</u></b>
<b>NONCURRENT ASSETS:</b>			
Lease receivable, net	388,662		388,662
Capital assets, net	40,490,568	1,009,804	41,500,372
<b>Total noncurrent assets</b>	<b><u>40,879,230</u></b>	<b><u>1,009,804</u></b>	<b><u>41,889,034</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 57,221,544</u></b>	<b><u>\$ 2,419,008</u></b>	<b><u>\$ 59,640,552</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred loss on refunding debt, net	\$ 9,259		\$ 9,259
Other postemployment benefits - district plan	619,598		619,598
Other postemployment benefits - premium assistance program	198,533	\$ 5,718	204,251
Pensions	4,946,171	142,483	5,088,654
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 5,773,561</u></b>	<b><u>\$ 148,201</u></b>	<b><u>\$ 5,921,762</u></b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Internal balances	\$ (41,938)	\$ 41,938	
Due to other funds	500		\$ 500
Due to other governments	315,146		315,146
Accounts payable	219,936	17	219,953
Accrued salaries and benefits	3,108,877	4,053	3,112,930
Accrued interest payable	93,679		93,679
Payroll deductions and withholdings	64,890		64,890
Current portion of noncurrent liabilities	2,745,338	7,446	2,752,784
Unearned revenue	52,486	13,256	65,742
Other current liabilities	8,133		8,133
<b>Total current liabilities</b>	<b><u>6,567,047</u></b>	<b><u>66,710</u></b>	<b><u>6,633,757</u></b>
<b>NONCURRENT LIABILITIES:</b>			
Bonds payable, net	19,823,254		19,823,254
Subscription liability, net	77,301		77,301
Accumulated compensated absences, net	1,002,595	16,627	1,019,222
Leases, net	17,500		17,500
Financed purchase obligations, net	376,171		376,171
Total other postemployment benefit liability - district plan	1,654,471		1,654,471
Net other postemployment benefit liability - premium assistance program	1,258,741	36,259	1,295,000
Net pension liability	29,576,989	852,011	30,429,000
<b>Total noncurrent liabilities</b>	<b><u>53,787,022</u></b>	<b><u>904,897</u></b>	<b><u>54,691,919</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 60,354,069</u></b>	<b><u>\$ 971,607</u></b>	<b><u>\$ 61,325,676</u></b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Other postemployment benefits - district plan	\$ 680,476		\$ 680,476
Other postemployment benefits - premium assistance program	212,844	\$ 6,131	218,975
Pensions	496,367	14,299	510,666
Leases	368,607		368,607
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>\$ 1,758,294</u></b>	<b><u>\$ 20,430</u></b>	<b><u>\$ 1,778,724</u></b>
<b>NET POSITION:</b>			
Net investment in capital assets	\$ 18,690,072	\$ 1,009,804	\$ 19,699,876
Restricted for capital projects	2,204,075		2,204,075
Unrestricted (deficit)	(20,011,405)	565,368	(19,446,037)
<b>TOTAL NET POSITION</b>	<b><u>\$ 882,742</u></b>	<b><u>\$ 1,575,172</u></b>	<b><u>\$ 2,457,914</u></b>

See Notes to the Basic Financial Statements

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**GOVERNMENT-WIDE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>						
Instruction	\$ 16,944,406	\$ 63,216	\$ 4,195,776	\$ (12,685,414)		\$ (12,685,414)
Instructional student support services	2,797,562		708,016	(2,089,546)		(2,089,546)
Administrative and financial support services	2,898,522		356,024	(2,542,498)		(2,542,498)
Operation and maintenance of plant services	3,939,485	17,676	339,926	(3,581,883)		(3,581,883)
Pupil transportation	632,032		230,202	(401,830)		(401,830)
Student activities	804,861	88,106	76,197	(640,558)		(640,558)
Community services	57,621			(57,621)		(57,621)
Interest and amortization on long-term debt	529,465			(529,465)		(529,465)
Depreciation, unallocated *	<u>41</u>			<u>(41)</u>		<u>(41)</u>
Total governmental activities	28,603,995	168,998	5,906,141	(22,528,856)		(22,528,856)
<b>BUSINESS-TYPE ACTIVITIES,</b>						
Food service	<u>1,542,064</u>	<u>204,415</u>	<u>1,274,405</u>		\$ (63,244)	<u>(63,244)</u>
<b>TOTAL</b>	<b><u>\$ 30,146,059</u></b>	<b><u>\$ 373,413</u></b>	<b><u>\$ 7,180,546</u></b>	<b><u>(22,528,856)</u></b>	<b><u>(63,244)</u></b>	<b><u>(22,592,100)</u></b>
<b>GENERAL REVENUES AND TRANSFERS:</b>						
Property taxes, levied for general purposes				11,222,483		11,222,483
Local earned income taxes levied				4,466,361		4,466,361
Real estate transfer tax				613,161		613,161
Other taxes levied, net				530,661		530,661
Grants, entitlements, and contributions not restricted to specific programs				5,535,971		5,535,971
Investment earnings				847,667	67,076	914,743
Miscellaneous income				36,222		36,222
Gain on disposition of capital assets				21,663		21,663
Transfers				<u>(138,990)</u>	<u>138,990</u>	
Total general revenues and transfers				<u>23,135,199</u>	<u>206,066</u>	<u>23,341,265</u>
CHANGE IN NET POSITION				606,343	142,822	749,165
NET POSITION, BEGINNING (As restated, See Note 15)				<u>276,399</u>	<u>1,432,350</u>	<u>1,708,749</u>
NET POSITION, ENDING				<u>\$ 882,742</u>	<u>\$ 1,575,172</u>	<u>\$ 2,457,914</u>

\* This amount excludes the depreciation that is included in the direct expenses of the functions presented.

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 7,185,533	\$ 3,162,999		\$ 10,348,532
Investments	4,180,205			4,180,205
Taxes receivable, net	662,143			662,143
Due from other funds	140,844			140,844
Due from other governments	1,028,228			1,028,228
Other receivables	114,471			114,471
Lease receivable	396,821			396,821
<b>TOTAL ASSETS</b>	<b><u>\$ 13,708,245</u></b>	<b><u>\$ 3,162,999</u></b>	<b><u>\$</u></b>	<b><u>\$ 16,871,244</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Due to other funds	\$ 98,830			\$ 98,830
Due to other governments	315,146			315,146
Accounts payable	155,277	\$ 64,659		219,936
Accrued salaries and benefits	3,108,877			3,108,877
Payroll deductions and withholdings	64,890			64,890
Unearned revenue	52,486			52,486
Other current liabilities	8,133			8,133
<b>Total liabilities</b>	<b><u>3,803,639</u></b>	<b><u>64,659</u></b>	<b><u></u></b>	<b><u>3,868,298</u></b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Leases	368,607			368,607
Promised donation	125,500			125,500
Unavailable revenue - delinquent property taxes	283,197			283,197
<b>Total deferred inflows of resources</b>	<b><u>777,304</u></b>	<b><u></u></b>	<b><u></u></b>	<b><u>777,304</u></b>
<b>FUND BALANCES:</b>				
Restricted, by law or regulation		3,098,340		3,098,340
Committed, for pension and other postemployment benefits	2,995,000			2,995,000
Assigned, for technology purchases	843,530			843,530
Unassigned	5,288,772			5,288,772
<b>Total fund balances</b>	<b><u>9,127,302</u></b>	<b><u>3,098,340</u></b>	<b><u></u></b>	<b><u>12,225,642</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 13,708,245</u></b>	<b><u>\$ 3,162,999</u></b>	<b><u>\$</u></b>	<b><u>\$ 16,871,244</u></b>

See Notes to the Basic Financial Statements

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**JUNE 30, 2025**

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TOTAL GOVERNMENTAL FUND BALANCES \$ 12,225,642

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.

These assets consist of:

Land	1,124,408
Buildings, building improvements and land improvements	61,402,476
Furniture and equipment	13,896,861
Intangible right to use lease - furniture and equipment	248,138
Construction in progress	715,571
Subscription-based information technology arrangements	128,909
Accumulated depreciation	(37,025,795)

Deferred losses on refunding bonds are not current financial resources, and therefore, are not reported in the governmental funds balance sheet. 9,259

Noncurrent liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.

These liabilities consist of:

Accrued interest payable	(93,679)
Leases	(70,955)
Financed purchase obligations	(559,554)
Bonds payable in future years, net	(21,878,254)
Subscriptions payable in future years	(101,582)
Accumulated compensated absences	(1,431,814)
Total other postemployment benefit liability	(2,913,212)
Net pension liability	(29,576,989)

Deferred inflows and outflows of resources related to other postemployment benefits and pensions are not current financial resources, and therefore are not reported in the governmental funds balance sheet.

These deferrals consist of:

Other postemployment benefits	(75,189)
Pensions	4,449,804

Some of the District's revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures, and therefore, are deferred in the governmental funds balance sheet. 408,697

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 882,742

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

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>				
Local sources	\$18,253,299	\$ 159,370		\$18,412,669
State sources	10,484,629			10,484,629
Federal sources	<u>428,772</u>			<u>428,772</u>
Total revenues	<u>29,166,700</u>	<u>159,370</u>		<u>29,326,070</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Instruction	17,156,581			17,156,581
Support services	8,745,427	41,474		8,786,901
Noninstructional services	888,446	35,533		923,979
Capital outlay		940,938		940,938
Debt service (principal and interest)	<u>186,113</u>		<u>\$ 2,625,049</u>	<u>2,811,162</u>
Total expenditures	<u>26,976,567</u>	<u>1,017,945</u>	<u>2,625,049</u>	<u>30,619,561</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>2,190,133</u>	<u>(858,575)</u>	<u>(2,625,049)</u>	<u>(1,293,491)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of capital assets	23,350			23,350
Interfund transfers in		449,738	2,625,049	3,074,787
Interfund transfers out	(3,074,787)	(138,990)		(3,213,777)
Proceeds from extended term financing	<u>128,909</u>			<u>128,909</u>
Total other financing sources (uses)	<u>(2,922,528)</u>	<u>310,748</u>	<u>2,625,049</u>	<u>13,269</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(732,395)	(547,827)		(1,280,222)
FUND BALANCES, BEGINNING	<u>9,859,697</u>	<u>3,646,167</u>		<u>13,505,864</u>
FUND BALANCES, ENDING	<u>\$ 9,127,302</u>	<u>\$ 3,098,340</u>	<u>\$</u>	<u>\$12,225,642</u>

See Notes to the Basic Financial Statements

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

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NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (1,280,222)
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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense, net of deletions, in the current period.	(1,043,431)
Because some property taxes will not be collected for several months after the District's fiscal year end, they are not considered as "available" revenues in the governmental funds.	14,594
Because promised future donations will be collected in subsequent periods, they are not considered as "available" revenues in the governmental funds.	(13,000)
The issuance of long-term debt 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 issuance costs, premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,078,262
Repayment of lease and financed purchase obligations principal is an expenditure in the governmental funds; however, leases and notes payable entered into during the year increase long-term liabilities and the repayment reduces long-term liabilities in the statement of net position.	193,505
In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of the financial resources used (essentially, the amounts actually paid). These expenses consist of:	
Compensated absences and special termination benefits	(49,259)
Other postemployment benefit related costs	(190,862)
Pension related costs	886,826
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	<u>9,930</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 606,343</u></b>

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2025**

	Food Service Fund
<b>ASSETS:</b>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 1,379,765
Due from other funds	98,330
Due from other governments	23,278
Inventories	<u>6,161</u>
Total current assets	<u>1,507,534</u>
<b>NONCURRENT ASSETS,</b>	
Capital assets, net	<u>1,009,804</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,517,338</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Other postemployment benefits - premium assistance program	\$ 5,718
Pensions	<u>142,483</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 148,201</u></b>
<b>LIABILITIES:</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 17
Accrued salaries and benefits	4,053
Due to other funds	140,268
Current portion of noncurrent liabilities	7,446
Unearned revenue	<u>13,256</u>
Total current liabilities	<u>165,040</u>
<b>NONCURRENT LIABILITIES:</b>	
Accumulated compensated absences, net	16,627
Net other post employment benefit liability - premium assistance program	36,259
Net pension liability	<u>852,011</u>
Total noncurrent liabilities	<u>904,897</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 1,069,937</u></b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Other postemployment benefits - premium assistance program	\$ 6,131
Pensions	<u>14,299</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>\$ 20,430</u></b>
<b>NET POSITION:</b>	
Net investment in capital assets	\$ 1,009,804
Unrestricted	<u>565,368</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 1,575,172</u></b>

See Notes to the Basic Financial Statements

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

	Food Service Fund
OPERATING REVENUES, Food service revenue	<u>\$ 204,415</u>
OPERATING EXPENSES:	
Salaries	498,316
Employee benefits	233,724
Purchased property services	4,173
Other purchased services	1,786
Supplies	720,713
Depreciation	77,783
Dues and fees	<u>5,569</u>
Total operating expenses	<u>1,542,064</u>
OPERATING LOSS	<u>(1,337,649)</u>
NONOPERATING REVENUES:	
Earnings on investments	67,076
State sources	218,518
Federal sources	<u>1,055,887</u>
Total nonoperating revenues	<u>1,341,481</u>
INCOME BEFORE TRANSFERS	3,832
TRANSFERS IN	<u>138,990</u>
CHANGE IN NET POSITION	142,822
NET POSITION, BEGINNING	<u>1,432,350</u>
NET POSITION, ENDING	<u>\$ 1,575,172</u>

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See Notes to the Basic Financial Statements

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Food Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from users	\$ 204,845
Payments to suppliers for goods and services	(606,272)
Payments to employees	(703,369)
Payments for other operating expenditures	<u>(5,569)</u>
Net cash used by operating activities	<u>(1,110,365)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
State sources	202,227
Federal sources	<u>947,207</u>
Net cash provided by noncapital financing activities	<u>1,149,434</u>
<b>CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES,</b>	
Purchase of equipment	<u>(10,762)</u>
<b>CASH PROVIDED BY INVESTING ACTIVITIES,</b>	
Earnings on investments	<u>67,076</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>95,383</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u><b>1,284,382</b></u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u><b>\$ 1,379,765</b></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY</b>	
<b>OPERATING ACTIVITIES:</b>	
Operating loss	<u>\$ (1,337,649)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	77,783
Amortization	123,645
Donated commodities	121,962
Change in:	
Due to/from other funds	47,460
Inventories	1,443
Other postemployment benefits - premium assistance program deferred outflows of resources	(2,235)
Pension deferred outflows of resources	(116,137)
Accounts payable	(3,329)
Accrued salaries and benefits	1,017
Compensated absences	6,429
Unearned revenue	754
Net other postemployment benefit liability - premium assistance program	(617)
Net pension liability	(54,797)
Other postemployment benefits - premium assistance program deferred inflows of resources	670
Pension deferred inflows of resources	<u>23,236</u>
Total adjustments	<u>227,284</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u><b>\$ (1,110,365)</b></u>
<b>NONCASH NONCAPITAL FINANCING ACTIVITIES,</b>	
The District received \$122,286 of food commodities.	
<b>NONCASH CAPITAL FINANCING ACTIVITIES,</b>	
Capital Projects Fund transferred \$138,990 of equipment to Food Service Fund.	

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2025**

	Scholarship Trust Funds	Custodial Funds
ASSETS:		
Cash	\$42,196	\$ 120,612
Due from other funds		500
Prepaid expenses		2,700
Other receivable	<u>197</u>	<u>          </u>
<b>TOTAL ASSETS</b>	<b><u>\$42,393</u></b>	<b><u>\$ 123,812</u></b>
LIABILITIES AND NET POSITION:		
LIABILITIES:		
Due to other funds		\$ 576
Accounts payable	<u>          </u>	<u>399</u>
Total liabilities	<u>          </u>	<u>975</u>
NET POSITION:		
Restricted for scholarships	\$42,393	
Restricted for student activities	<u>          </u>	<u>122,837</u>
Total net position	<u>42,393</u>	<u>122,837</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$42,393</u></b>	<b><u>\$ 123,812</u></b>

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Scholarship Trust Funds	Custodial Funds
ADDITIONS:		
Gifts and contributions	\$ 8,526	
Investment income	78	
Student activities receipts	<u>          </u>	<u>\$ 128,979</u>
Total additions	<u>8,604</u>	<u>128,979</u>
DEDUCTIONS:		
Scholarships awarded	20,750	
Student activities disbursements	<u>          </u>	<u>119,958</u>
Total deductions	<u>20,750</u>	<u>119,958</u>
CHANGE IN NET POSITION	(12,146)	9,021
NET POSITION, BEGINNING	<u>54,539</u>	<u>113,816</u>
NET POSITION, ENDING	<u>\$42,393</u>	<u>\$ 122,837</u>

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**1. SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements of the Loyalsock Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below.

**Reporting Entity**

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criterion for including a potential component unit within the reporting entity is the significance of their operational or financial relationship with the District. Based upon the application of this criterion, the reporting entity will consist solely of the accounts and funds of the District.

**Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

**General Fund**

This fund is used to account for and report all financial resources not accounted for and reported in another fund. The fund balance is available for any purpose provided it is expended or transferred according to the general laws of Pennsylvania.

**Capital Projects Fund**

This fund is used to account for and report 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.

**Debt Service Fund**

This fund is used to account for resources that are restricted, committed, or assigned to expenditure for principal and interest.

PROPRIETARY FUND

**Enterprise Fund**

This fund (food service fund) is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

FIDUCIARY FUNDS

**Trust and Custodial Funds**

These funds are used to account for assets held by the District in a trustee capacity or as a custodian for individuals. These assets associated with the custodial funds are held for the benefit of student groups where the District does not have administrative or direct financial involvement with the assets and the assets are not derived from the District providing goods or services to the students.

**Basis of Presentation and Accounting**

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the District except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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extent to which each business segment or government function is self-financing or draws from the general revenues of the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**Fund Financial Statements**

Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds, if applicable, are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers delinquent real estate taxes and derived tax revenues to be available if they are collected within 60 days and 30 days of the end of the fiscal period, respectively. Unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District 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 from the balance sheet and revenue is recognized. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, prepaid expenses, and other long-term obligations, which are recognized when paid. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The proprietary fund is accounted for using the accrual basis of accounting and the flow of all economic resources (measurement focus). This basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating revenues and expenses which generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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operations. Operating expenses for the proprietary funds include the cost of personal and contracted services, supplies, utilities and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds are reported using the economic resources measurement focus and accrual basis of accounting.

**Budgetary Procedures and Budgetary Accounting**

An operating budget is adopted in each year for the general fund on the modified accrual basis of accounting.

At the fund level, actual expenses cannot exceed budgeted appropriations; however, with proper approval of the Board, budgetary transfers can be made. The budgetary comparison schedule presented in this report reflects the final budget authorization, including all amendments and budgetary transfers.

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 publish notice by advertisement, at least once, in two newspapers of general circulation in the municipality in which it is located, and within fifteen days of final action, that the proposed budget has been prepared and is available for public inspection at the administrative office of the District.
- The Board may make transfers of funds appropriated to any particular item of expenditure by legislative action. An affirmative vote of two-thirds of all members of the Board is required.
- Fund balances in budgetary funds may be appropriated based on resolutions passed by the Board, which authorized 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 an 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 the program. These budgets are approved on a program by program basis by the state or federal funding agency.
- Capital budgets are not established for capital improvements and capital projects in the capital projects fund. Additionally, all transactions of the capital projects fund are approved by the Board prior to commitment, thereby constructively achieving budgetary control.
- The District does not adopt a formal budget for the proprietary fund and debt service fund.

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**Encumbrance Accounting**

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances at year-end are reappropriated in the next year. As of June 30, 2025, the District had no outstanding encumbrances. Accordingly, no differences exist between actual results and the applicable budgetary data presented in the fund financial statements. A reserve for encumbrances is not reported on the government-wide financial statements.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash, money market fund and liquid asset funds (Pennsylvania Local Government Investment Trust), carried at cost.

The District pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements.

**Investments**

Investments held in governmental funds consist of certificates of deposit stated at cost which approximates fair value. For purposes of determining realized gain or loss on sale, the cost of securities sold is determined by using the specific identification method. The fair value of investments is estimated based on bid quotations received from securities dealers.

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 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 (See Note 3).

**Interfund Receivables and Payables**

During the course of operations, transactions may occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the governmental funds balance sheet. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**Prepaid Expenses**

Prepaid expenses represent payments made by the District in the current year to provide services occurring in the subsequent fiscal year.

**Inventories**

Proprietary fund food inventories of \$6,161 include \$1,129 of food commodities donated by the federal government, which are valued at fair value. All other food or

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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supply inventories are valued at the lower of cost (first-in, first-out method) or fair value and are expensed as consumed.

**Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both governmental and proprietary funds.

**Taxes Receivable**

Taxes receivable are reported at their gross value and, where appropriate, are reduced by the estimated portion expected to be uncollectible. Taxes which become payable during fiscal year 2025 and are uncollected as of June 30, 2025 are recorded as taxes receivable in the government-wide financial statements, net of amounts estimated to be uncollectible. Management estimates the adequacy of the allowance for uncollectible taxes receivable based upon the historical experience in collecting these taxes. There was no allowance for uncollectible taxes receivable as of June 30, 2025.

**Capital Assets**

Capital assets, which includes land and improvements, buildings and building improvements, furniture and equipment, including right-to-use assets, and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. The District defines capital assets as assets which have an original cost of \$2,500 or more and an estimated useful life in excess of one year. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	20 years
Buildings and building improvements	20-50 years
Furniture and equipment (including right-to-use assets)	5-20 years

Subscription-based information technology arrangements assets are amortized over the life of the associated contract.

**Compensated Absences**

The District records its obligation to compensate employees for personal time, vacation time, sick time, and retirement severance benefits which (1) have been earned and unused or not yet paid or settled, (2) accumulate and carry forward to future reporting periods, and (3) are more likely than not to be used, paid, or settled in future reporting periods, in the government-wide financial statements as the liability is incurred. A liability for these amounts is reported in governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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Personal, Vacation and Sick Time

Employees are entitled to accumulate and carryover personal, vacation, and sick time from one fiscal year to the next in accordance with state statutes and employment agreements. The District recognizes a liability for these unused accumulated compensated absences based on an estimated average utilization rate for all District employees.

Retirement Severance Benefit

At the time of retirement, eligible Act 93 support personnel, education professionals, and education support professionals are entitled to benefits at varying rates based on unused sick leave.

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities' and business-type activities' statement of net position. Bonds payable are reported net of the applicable bond premium or discount. Prepaid bond insurance is expensed over the life of the related debt. Other bond issuance costs are expensed in the period incurred.

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

The District enters into financed purchase agreements for certain equipment. These agreements transfer ownership of the underlying asset to the District by the end of the contract. The District reports a financed purchase obligation and the underlying capital asset on its government-wide and proprietary fund financial statements, where applicable. In the governmental funds, the District recognizes proceeds from extended term financing and a capital outlay at the initiation of the agreement, and an outflow of resources as lease payments are made during the term of the agreement.

**Leases**

The District leases certain equipment from other entities and therefore is a lessee under the terms of these arrangements. As a lessee, the District reports a lease liability and an intangible right-to-use asset (known as the lease asset) on its government-wide and proprietary fund financial statements, where applicable. In the governmental fund financial statements, the District recognizes proceeds from extended term financing and a capital outlay at the initiation of the lease, and an outflow of resources as lease payments are made during the lease term.

The District leases real estate to another entity and therefore is a lessor under the terms of this arrangement. As a lessor, the District reports a lease receivable and a deferred inflow of resources on its governmental fund and government-wide financial statements, where applicable. As lease payments are received during the lease term, the District reduces the lease receivable, and recognizes interest revenue and an

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inflow of resources (rent revenue) in a systematic and rational manner. Leases receivable are reported at their gross value and, where appropriate, are reduced by the estimated portion expected to be uncollectible. Management estimates the adequacy of the allowance for uncollectible leases receivable based upon the historical experience in collecting lease payments. No allowance was recorded at June 30, 2025.

**Bond Premium, Discount and Amortization**

The premiums recognized upon the issuance of the 2020, 2021, and 2022 bonds are being amortized utilizing the straight-line method, over the life of the bonds. The premium has been capitalized and included in bonds payable in the accompanying statement of net position. The premium included in amortization expense included in the statement of activities amounted to \$83,312 for the year ended June 30, 2025.

**Loss on Refinancing and Amortization**

The loss recognized on the refinancing of Series 2014 bonds is being amortized utilizing the straight-line method over the life of the bonds. The loss has been capitalized as a deferred outflow of resources in the accompanying statement of net position. Amortization expense included in the statement of activities amounted to \$5,051 for the year ended June 30, 2025.

**Fund Equity**

In the governmental fund financial statements, the fund balance amounts are classified based on the level of constraint placed upon funds, as follows:

- *Nonspendable* - fund balance that cannot be spent because it is not in spendable form such as inventories, prepaids and long-term loans and notes receivable (unless the proceeds are restricted, committed, or assigned).
- *Restricted* - fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed* - fund balance includes amounts that can be used only for the specific purposes determined by formal action of the Board of School Directors.
- *Assigned* - fund balance includes amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The finance committee of the Board of School Directors has the authority to assign a fund balance.
- *Unassigned* - fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Unrestricted net position for proprietary funds represent the net position available for future distribution.

The District has formally adopted a minimum fund balance policy for the general fund. The policy states that if the unassigned general fund balance is below six percent of

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budgeted expenditures, the Board must use any available fund balance first to re-establish unassigned fund balance back to six percent of the budgeted expenditures for that fiscal year when any of these amounts are available for expenditure.

**Fund Balance Flow Assumptions**

The District's policy is to first apply restricted fund balance, then committed, assigned, and unassigned, respectively when an expenditure is incurred for purposes for which amounts in any of these classifications could be used.

**Net Position**

In the government-wide financial statements, net position represents assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings or deferred inflows of resources used for the acquisition, construction or improvement of those assets and increased by any related deferred outflows of resources.

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When the District incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because it was not used.

**Pensions**

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

**Other Postemployment Benefits (OPEB)**

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 and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources, as appropriate. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will *not* be recognized as an outflow of resources (i.e. expense) until that time.

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In addition to liabilities, the statement of net position and governmental funds balance sheet report a separate section for deferred inflows of resources, as appropriate. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of resources that applies to future periods and so will *not* be recognized as an inflow of resources (i.e. revenue) until that time.

**Net Position Flow Assumptions**

Sometimes the District will fund outlays for a particular purpose with both restricted and unrestricted resources. It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Fair Value of Financial Instruments**

The District's financial instruments consist of cash and cash equivalents, investments, taxes and other receivables, accounts payable and noncurrent liabilities. The carrying value of these financial instruments approximates their fair values at June 30, 2025.

**Cash Flows**

For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Recent Accounting Standards Adopted**

The District adopted GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. The objective of GASB Statement No. 101 is to update the recognition and measurement guidance for compensated absences. This statement also amends certain previously required disclosures. The adoption of this standard resulted in the District's recognition of additional liabilities for compensated absences. In accordance with GASB Statement No. 100, *Accounting Changes and Error Correction - an amendment of GASB Statement No. 62*, the District reported the change retroactively by restating beginning net position as of July 1, 2024 (See Note 15).

**Recent Accounting Standards to be Adopted**

GASB issued the following pronouncements:

- Statement No. 103, *Financial Reporting Model Improvements*, effective for fiscal years beginning after June 15, 2025.
- Statement No. 104, *Disclosure of Certain Capital Assets*, effective for fiscal years beginning after June 15, 2025.
- Statement No. 105, *Subsequent Events*, effective for fiscal years beginning after June 15, 2026.

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The District has not determined the effect on the financial statements due to adoption of these statements.

**2. CASH AND CASH EQUIVALENTS:**

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk.

As of June 30, 2025, \$5,343,650 of the District's bank balance of \$7,782,855 was exposed to custodial credit risk as follows:

Collateralized with securities held by the pledging financial institution	<u>\$5,343,650</u>
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**Reconciliation to Financial Statements**

Collateralized with securities held by the pledging financial institution amount above	\$ 5,343,650
Plus insured amount	2,439,205
Less outstanding checks	<u>(149,113)</u>
Carrying amount	7,633,742
Plus petty cash	169
Plus pooled cash equivalents in:	
General Fund	2,049,287
Capital Projects Fund	3,162,999
Food Service Fund	1,234,113
Less nonnegotiable certificates of deposit considered investments by school code	<u>(2,189,205)</u>
Total cash and cash equivalents per financial statements	<u>\$11,891,105</u>

**3. INVESTMENTS:**

State statutes authorize the District to invest in obligations of the U.S. treasury, agencies and instrumentalities of the U.S. government, deposits in savings accounts, certificates of deposit, the Pennsylvania Local Government Investment Trust (PLGIT), commercial paper, bankers' acceptances, negotiable certificates of deposit, and insured bank deposit reciprocals as long as certain safeguards related to credit quality and maturity are met.

As of June 30, 2025, investments consist of the following:

<u>Description</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
PLGIT	N/A	\$6,394,315		\$6,394,315	
Negotiable certificates of deposit	1-2 years	1,991,000		1,991,000	
Government money market fund	N/A	<u>52,084</u>		<u>52,084</u>	
Total		<u>\$8,437,399</u>	<u>\$</u>	<u>\$8,437,399</u>	<u>\$</u>

PLGIT is a common law trust organized to provide Pennsylvania school districts with a convenient method of pooling their cash for temporary investment. PLGIT functions similar to a money market fund, seeking to maintain a net asset value of \$1 per share. Shares may be withdrawn at any time. Portfolio securities are valued at amortized cost, which approximates fair value as of June 30, 2025. PLGIT may invest in any securities authorized by Section 440.1 of the Pennsylvania School Code. All

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investments in an external investment pool that is not SEC-registered are subject to oversight by the Commonwealth of Pennsylvania.

Government money market fund consists of the Federated Hermes Government Obligations Tax-Managed Fund. The fund is registered under the Investment Company Act of 1940 as an open-end management investment company. The fund invests primarily in short-term U.S. Treasury and government agency securities, seeking to maintain a net asset value of \$1 per share. Shares may be withdrawn at any time. Portfolio securities are valued at amortized cost, which approximates fair value as of June 30, 2025.

**Interest Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

The District does not have a formal investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2025, the investments were rated as follows:

<u>Description</u>	<u>Standard &amp; Poor's</u>
PLGIT	AAA
Government money market fund	AAA
Certificates of deposit	Not applicable

**Concentration of Credit Risk**

The District places no limit on the amount the District may invest in any one issuer. The District has no investments subject to concentration of credit risk.

**Custodial Credit Risk**

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

**Reconciliation to Financial Statements**

Total investments above	\$ 8,437,399
Less deposit in investments pool considered cash equivalents	(6,446,399)
Plus certificates of deposit considered investments by school code	<u>2,189,205</u>
Total investments per financial statements	<u>\$ 4,180,205</u>

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**4. REAL ESTATE TAXES:**

The tax on real estate, as levied by the School Board, was 15.35 mills (\$15.35 per \$1,000 of assessed valuation) for fiscal year 2025. The original assessed value at July 1, 2024, upon which the 2025 levy was based, was \$770,372,130. Assessed valuations of property are determined by Lycoming 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 - December 31	10% Penalty Period
January 1	Lien Date

Current tax collections for the year ended June 30, 2025 were 97.43% of the tax levy. Estimated collectible delinquent real estate taxes at June 30, 2025 amounted to \$348,312.

**Tax Abatement Program**

The District provides a property tax abatement program, Clean and Green, to eligible taxpayers. Clean and Green 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 the protection of the Commonwealth's valuable farmland, forest and open spaces. A property must be ten acres in size and in agricultural use/agricultural 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 total amount of taxes abated under the Clean and Green program during the year ended June 30, 2025 amounted to approximately \$69,000.

**5. INTERFUND BALANCES:**

As of June 30, 2025, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$140,844	\$ 98,830
Food Service Fund	98,330	140,268
Custodial Funds	<u>500</u>	<u>576</u>
Total	<u>\$239,674</u>	<u>\$239,674</u>

**6. DUE FROM OTHER GOVERNMENTS:**

Amounts due from other governments represent receivables for revenues earned by the District or collections made by another governmental unit on behalf of the District. At June 30, 2025, the following amounts are due from other governments:

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	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Federal	\$ 81,193	\$21,182	\$ 102,375
State	783,862	2,096	785,958
Local	<u>163,173</u>	<u>          </u>	<u>163,173</u>
Total	<u>\$1,028,228</u>	<u>\$23,278</u>	<u>\$1,051,506</u>

**7. LEASE RECEIVABLE:**

A summary of lease receivable is as follows:

<u>Lease</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Land	\$396,821	<u>\$16,755</u>	<u>\$13,433</u>
Less amounts due in one year	<u>8,159</u>		
Noncurrent portion of lease receivable	<u>\$388,662</u>		

The District leases land for a cellular tower to another entity with lease terms from July 2022 to March 2047 at an interest rate of 3.35%. The District uses U.S. Treasury Securities - Constant Maturities rates, as published by the Board of Governors of the Federal Reserve System, to determine the present value of lease payments at lease commencement. There are no significant variable rent payments, residual value guarantees, or termination penalties. The lease includes four renewal options for 5 years each which the District has determined the lessee is reasonably certain to exercise, and have been included in the measurement of the lease receivable.

**8. CAPITAL ASSETS:**

A summary of changes in capital assets is as follows:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
<b><u>GOVERNMENTAL ACTIVITIES:</u></b>				
Capital assets, not being depreciated				
Land	\$ 1,124,408			\$ 1,124,408
Construction in progress	<u>95,100</u>	<u>\$ 711,893</u>	<u>\$ (91,422)</u>	<u>715,571</u>
Total capital assets, not being depreciated	<u>1,219,508</u>	<u>711,893</u>	<u>(91,422)</u>	<u>1,839,979</u>
Capital assets, being depreciated:				
Land improvements	2,723,962			2,723,962
Buildings and building improvements	58,412,775	265,739		58,678,514
Furniture and equipment	13,920,227	144,116	(167,482)	13,896,861
Intangible right to use software agreements		128,909		128,909
Intangible right to use lease - furniture and equipment	<u>248,138</u>	<u>          </u>	<u>          </u>	<u>248,138</u>

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	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Total capital assets, being depreciated	<u>\$75,305,102</u>	<u>\$ 538,764</u>	<u>\$ (167,482)</u>	<u>\$ 75,676,384</u>
Less accumulated depreciation and amortization:				
Land improvements	(1,554,363)	(125,294)		(1,679,657)
Buildings and building improvements	(22,563,268)	(1,336,679)		(23,899,947)
Furniture and equipment	(10,869,425)	(546,421)	165,795	(11,250,051)
Intangible right to use software agreements		(23,633)		(23,633)
Intangible right to use lease - furniture and equipment	<u>(132,466)</u>	<u>(40,041)</u>	<u>                    </u>	<u>(172,507)</u>
Total accumulated depreciation and amortization	<u>(35,119,522)</u>	<u>(2,072,068)</u>	<u>165,795</u>	<u>(37,025,795)</u>
Total capital assets, being depreciated, net	<u>40,185,580</u>	<u>(1,533,304)</u>	<u>(1,687)</u>	<u>38,650,589</u>
Governmental activities capital assets, net	<u>\$41,405,088</u>	<u>\$ (821,411)</u>	<u>\$ (93,109)</u>	<u>\$ 40,490,568</u>
<b><u>BUSINESS-TYPE ACTIVITIES:</u></b>				
Capital assets, not being depreciated				
Deposits on equipment	<u>\$ 78,443</u>	<u>\$ (78,443)</u>	<u>                    </u>	<u>                    </u>
Capital assets, being depreciated:				
Furniture and equipment	1,709,385	228,195		\$ 1,937,580
Accumulated depreciation	<u>(849,993)</u>	<u>(77,783)</u>	<u>                    </u>	<u>(927,776)</u>
Total capital assets, being depreciated, net	<u>859,392</u>	<u>150,412</u>	<u>                    </u>	<u>1,009,804</u>
Business-type activities capital assets, net	<u>\$ 937,835</u>	<u>\$ 71,969</u>	<u>\$                    </u>	<u>\$ 1,009,804</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 257,197
Instructional student support services	181,255
Administrative and financial support services	7,171
Operation and maintenance of plant services	1,533,919
Pupil transportation	92,485
Depreciation, unallocated	<u>41</u>
Total	<u>\$2,072,068</u>

**9. NONCURRENT LIABILITIES:**

The following is a summary of changes in governmental and business-type activities noncurrent liabilities for the year ended June 30, 2025:

	Balance July 1, 2024 <u>(As Restated)</u>	Additions	Retirements	Amortization	Balance June 30, 2025	Amount Due in One Year
Governmental Activities, General obligation bonds payable	\$23,565,000		\$2,000,000		\$21,565,000	\$2,055,000

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	Balance July 1, 2024 (As Restated)	Additions	Retirements	Amortization	Balance June 30, 2025	Amount Due in One Year
Plus net deferred bond premium (discount)	<u>\$ 396,566</u>			<u>\$83,312</u>	<u>\$ 313,254</u>	
Total	23,961,566		\$2,000,000	83,312	21,878,254	\$2,055,000
Lease liability	129,110		58,155		70,955	53,455
Financed purchase obligations	667,577		108,023		559,554	183,383
Subscription liability		\$ 128,909	27,327		101,582	24,281
Compensated absences	1,382,555	49,259			1,431,814	429,219
Total OPEB liability	917,661	736,810			1,654,471	
Net OPEB liability	1,280,125		21,384		1,258,741	
Net pension liability	<u>31,479,192</u>		<u>1,902,203</u>		<u>29,576,989</u>	
Total	<u>\$59,817,786</u>	<u>\$ 914,978</u>	<u>\$4,117,092</u>	<u>\$83,312</u>	<u>\$56,532,360</u>	<u>\$2,745,338</u>
Business-Type Activities, Compensated absences	\$ 17,644	\$ 6,429			\$ 24,073	\$ 7,446
Net OPEB liability	36,876		\$ 617		36,259	
Net pension liability	<u>906,808</u>		<u>54,797</u>		<u>852,011</u>	
Total	<u>\$ 961,328</u>	<u>\$ 6,429</u>	<u>\$ 55,414</u>	<u>\$</u>	<u>\$ 912,343</u>	<u>\$ 7,446</u>

Additions to compensated absences are presented net of retirement.

**General Obligation Bonds**

General obligation bonds payable at June 30, 2025 are comprised of the following:

Series of 2020, due in varying installments through May 2027, with interest rates at 3.0% per annum.	\$ 2,805,000
Series of 2021, due in varying installments through May 2036, with interest rates at 2.0% per annum.	9,775,000
Series of 2022, due in varying installments through May 2038, with interest rates ranging from 2.05% to 3.375% per annum.	<u>8,985,000</u>
Total	21,565,000
Less amount due in one year	2,055,000
Plus deferred bond premium, net	<u>313,254</u>
Noncurrent portion of general obligation bonds payable	<u>\$19,823,254</u>

The annual requirements to amortize general obligation bonds payable at June 30, 2025 are as follows:

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	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,055,000	\$ 565,146	\$ 2,620,146
2027	1,420,000	503,594	1,923,594
2028	1,460,000	462,944	1,922,944
2029	1,495,000	428,944	1,923,944
2030	1,530,000	394,094	1,924,094
2031-2035	8,190,000	1,418,119	9,608,119
2036-2040	<u>5,415,000</u>	<u>353,244</u>	<u>5,768,244</u>
Total	<u>\$21,565,000</u>	<u>\$4,126,085</u>	<u>\$25,691,085</u>

**Financed Purchase Obligations**

Financed purchase obligations at June 30, 2025 is comprised of a financed purchase for computer equipment with interest rates at 1.7% per annum. Equipment with a net book value of \$604,405 is pledged as collateral. The annual requirements to amortize financed purchase obligations at June 30, 2025 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$183,383	\$ 9,512	\$192,895
2027	186,500	6,395	192,895
2028	<u>189,671</u>	<u>3,224</u>	<u>192,895</u>
Total	<u>\$559,554</u>	<u>\$19,131</u>	<u>\$578,685</u>

**Leases**

The District leases a copier and mail equipment under the terms of the leases. The annual requirements to amortize lease liability at June 30, 2025 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 53,455	\$ 3,575	\$57,030
2027	10,654	1,103	11,757
2028	<u>6,846</u>	<u>185</u>	<u>7,031</u>
Total	<u>\$ 70,955</u>	<u>\$ 4,863</u>	<u>\$75,818</u>

The interest rates on the leases range from 6.43% to 26.41% and are imputed based on the lessor's implicit rate of return.

**Subscription-Based Information Technology Arrangements**

Subscription liabilities at June 30, 2025 are comprised of the following:

Office software arrangement, due in varying installments through July 2029, with an interest rate at 3.0% per annum.	\$101,582
Less amount due in one year	<u>24,281</u>
Noncurrent portion of subscription liability	<u>\$ 77,301</u>

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The annual requirements to amortize subscription liabilities at June 30, 2025 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 24,281	\$3,047	\$ 27,328
2027	25,009	2,319	27,328
2028	25,759	1,569	27,328
2029	<u>26,533</u>	<u>795</u>	<u>27,328</u>
Total	<u>\$101,582</u>	<u>\$7,730</u>	<u>\$109,312</u>

The District imputed an interest rate of 3% for this arrangement based on its long-term incremental borrowing rate. The arrangement does not include any significant variable payments or termination penalties.

The total interest expense related to governmental activities for the year ended June 30, 2025 amounted to \$529,465. No interest expense was capitalized during the year ended June 30, 2025.

**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB):**

**Single Employer Defined Benefit OPEB Plan**

Plan Description

The District's OPEB include a single employer defined benefit plan that provides postretirement healthcare benefits. The School Board has the authority to establish and amend benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

Teachers and administrative retirees who retire with at least 35 years of public school service in Pennsylvania are eligible to receive benefits up to age 65. Teachers and administrative employees who were members of PSERS prior to July 1, 2011, may also qualify by retiring with 30 years of public school service in Pennsylvania once they have attained the age of 60 or have attained the age of 62 with 1 year of public school service in Pennsylvania. The employee also shall have completed 15 years of service with the District. Retired professional employees who are ineligible under the above requirements and choose to participate in the medical plan must pay 100% of the composite rate cost of such coverage.

Benefits Provided

The plan provides post-retirement medical, prescription drug, dental, and vision benefits. The cost of such benefits coverage for retirees and spouses is determined by the contract provisions at the time of retirement.

Employees Covered by the Benefit Terms

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

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Active participants	197
Retired participants	<u>10</u>
Total	<u>207</u>

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the Board of School Directors. The plan is funded on a pay-as-you-go basis, i.e. premiums are paid annually to fund the health care benefits provided to current retirees. Retiree contribution rates and amounts vary depending on classification and years of service with the District. The District paid premiums of approximately \$18,000 for the fiscal year ended June 30, 2025. The retiree contributions made by plan members were approximately \$53,000 for the fiscal year ended June 30, 2025.

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the District reported a total OPEB liability of \$1,654,471. The total OPEB liability was measured as of July 1, 2024, and determined by an actuarial valuation as of July 1, 2024.

The District's change in its total OPEB liability for the year ended June 30, 2025 was as follows:

	<u>Total OPEB Liability</u>
Balance as of July 1, 2024 (based on measurement date of July 1, 2023)	\$ <u>917,661</u>
Changes for the year:	
Service cost	57,134
Interest	38,765
Changes of benefit terms	211,868
Difference between expected and actual experience	499,704
Changes of assumptions	(3,892)
Benefit payments	<u>(66,769)</u>
Net change	<u>736,810</u>
Balance as of June 30, 2025 (based on measurement date of July 1, 2024)	\$ <u>1,654,471</u>

For the year ended June 30, 2025, the District recognized OPEB expense of \$282,086 in the government-wide statement of activities, governmental activities.

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

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 88,156	\$336,132
Differences between expected and actual experience	464,011	344,344
Benefit payments subsequent to the measurement date	<u>67,431</u>	<u>          </u>
Total	<u>\$619,598</u>	<u>\$680,476</u>

\$67,431 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total 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:

Year ended June 30:	
2026	\$(25,682)
2027	(25,680)
2028	(25,682)
2029	(31,094)
2030	(31,095)
Thereafter	10,924

#### Actuarial Assumptions

The total OPEB liability at July 1, 2024 was determined by rolling forward the plan's total OPEB liability at July 1, 2023 to July 1, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - entry age normal
- Discount rate - 4.29% - S&P municipal bond 20-year high grade rate index at July 1, 2024. The discount rate changed from 4.13% to 4.29%.
- Salary growth - 2.5% cost of living adjustment, plus 1.5% real wage growth; and for teachers and administrators a merit increase which varies by age from 2.75% to 0%.
- Percent of eligible retirees electing coverage - 90% of those receiving a subsidy and 50% of all other employees are assumed to elect health coverage.
- Percent married at retirement - 10% of employees.
- Healthcare cost trends – 7.0% in 2024 with a 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.
- Mortality rates-PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees. Incorporated into the tables are rates projected generationally using Scale MP-2021 to reflect mortality improvements.

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

The following presents the total OPEB liability for June 30, 2025, calculated using current healthcare cost trends as well as what the total OPEB liability would be if health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

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	1% <u>Decrease</u>	Current Trend Rate	1% <u>Increase</u>
Total OPEB liability (in thousands)	\$1,511	\$1,654	\$1,824

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

The following presents the total OPEB liability, calculated using the discount rate of 4.29%, as well as what the 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 rate:

	1% Decrease <u>3.29%</u>	Current Discount Rate <u>4.29%</u>	1% Increase <u>5.29%</u>
Total OPEB liability (in thousands)	\$1,778	\$1,654	\$1,538

**Multiple Employer Cost-Sharing Defined Benefit OPEB Plan**

Health Insurance Premium Assistance Program

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

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

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.

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Pension Plan Description

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

Benefits Provided

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

Employer Contributions

The school districts' contractually required contribution rate for the fiscal year ended June 30, 2025 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$77,748 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 \$1,295,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District's proportion was 0.0729%, which was an increase of 0.0001% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized OPEB expense in the government-wide statement of activities as follows:

Governmental activities	\$51,778
Business-type activities	<u>1,492</u>
Total	<u>\$53,270</u>

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

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,918	\$ 19,440
Changes in assumptions	78,939	197,747
Net difference between projected and actual investment earnings	1,362	
Changes in proportion	40,144	1,714
Difference between employer contributions and proportionate share of total contributions	1,140	74
Contributions subsequent to the measurement date	<u>77,748</u>	<u>          </u>
Total	<u>\$204,251</u>	<u>\$218,975</u>

\$77,748 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 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:

Year ended June 30:	
2026	\$(24,467)
2027	(32,666)
2028	(37,198)
2029	(196)
2030	1,762
Thereafter	293

**Actuarial Assumptions**

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

- Actuarial cost method - entry age normal - level % of pay.
- Investment return - 4.21% - S&P 20 Year Municipal Bond Rate; previously 4.13%.
- 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%

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

The following assumptions were used to determine the contribution rate:

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

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

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

Asset Class,	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	<u>100.0%</u>	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 the System Net OPEB Liability to Change in Healthcare Cost Trend Rates**

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

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability (in thousands)	\$1,295	\$1,295	\$1,295

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

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

	<u>1% Decrease 3.21%</u>	<u>Current Discount Rate 4.21%</u>	<u>1% Increase 5.21%</u>
District's proportionate share of the net OPEB liability (in thousands)	\$1,463	\$1,295	\$1,154

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.pa.gov/PSERS](http://www.pa.gov/PSERS).

Payables to the OPEB Plan

At June 30, 2025, the District had an accrued balance due to PSERS, including contributions related to OPEB of \$21,317. This amount represents the District's contractually obligated contributions for wages earned in April 2025 through June 2025. The balance was paid in September 2025.

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**11. PENSION BENEFITS:**

Plan Description

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

Benefits Provided

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

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

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

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

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years

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of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

**Member Contributions**

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

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit Contribution Rate	Defined Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	Not applicable	5.25%
T-C	On or after July 22, 1983	6.25%	Not applicable	6.25%
T-D	Prior to July 22, 1983	6.50%	Not applicable	6.50%
T-D	On or after July 22, 1983	7.50%	Not applicable	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	Not applicable	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	Not applicable	Prior to 7/1/21: 10.30% After 7/1/21: 10.80%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	Not applicable	7.50%	7.50%

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

**Employer Contributions**

The school districts' contractually required contribution rate for fiscal year ended June 30, 2025 was 32.92%\* of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$4,105,841 for the year ended June 30, 2025.

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

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

At June 30, 2025, the District reported a liability of \$30,429,000 for its proportionate share of the net pension liability in the government-wide statement of net position. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2025, the District's proportion was 0.0727%, which was a decrease of 0.0001% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized pension expense in the government-wide statement of activities as follows:

Governmental activities	\$3,104,050
Business-type activities	<u>89,417</u>
<b>Total</b>	<b><u>\$3,193,467</u></b>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience		\$478,416
Net difference between projected and actual investment earnings	\$ 503,722	
Changes in proportion	421,000	32,250
Difference between employer contributions and proportionate share of total contributions	58,091	
Contributions subsequent to the measurement date	<u>4,105,841</u>	<u>          </u>
<b>Total</b>	<b><u>\$5,088,654</u></b>	<b><u>\$510,666</u></b>

\$4,105,841 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:

Year ended June 30:	
2026	\$ (568,882)
2027	1,009,225
2028	133,868
2029	(102,064)

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Changes in Actuarial Assumptions

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

- Valuation date - June 30, 2023
- Actuarial cost method - entry age normal - level % of pay
- Investment return - 7.00%, includes inflation at 2.50%.
- Salary growth - effective average of 4.50%, comprised of inflation at 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Discount rate - 7.00% as of June 30, 2023 and as of June 30, 2024.
  
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
  - Salary growth rate - decreased from 5.00% to 4.50%.
  - Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
  - Mortality rates - Previously based on the RP-2014 Mortality Tables for Males and Females adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

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

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

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

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	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Asset Class:		
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	<u>9.5%</u>	5.9%
Total	<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.

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

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the net pension liability (in thousands)	\$40,084	\$30,429	\$22,275

**Pension Plan Fiduciary Net Position**

Detailed information about PSERS' fiduciary net position is available in PSERS annual comprehensive financial report which can be found on the System's website at [www.pa.gov/PSERS](http://www.pa.gov/PSERS).

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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Payables to the Pension Plan

At June 30, 2025, the District had an accrued balance due to PSERS, including contributions related to pension of \$1,125,744. This amount represents the District's contractually obligated contributions for wages earned in April 2025 through June 2025. The balance was paid in September 2025.

**12. CONCENTRATION OF CREDIT RISK:**

The District provides education and related services to the residents of Loyalsock Township, Pennsylvania. Its service area is located within the geographic boundaries 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 the taxpayers.

**13. CONTINGENCIES:**

**Grants**

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 expenditures which may be disallowed pursuant to the terms of these grant programs. It is the opinion of management that requests for reimbursements, if any, by either state or federal governments based on subsequent audits will not be material in relation to the District's financial statements as of June 30, 2025.

**Litigation**

The District is subject to claims arising out of its normal operations. In the opinion of management, after review and consultation with counsel, any proceedings that may be assessed will not have a material adverse effect on the financial position of the District or results of its operations.

**Risk Management**

The District is exposed to various risks of losses related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. It is the policy of the District to purchase commercial insurance for the risks of loss to which it is exposed, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**14. JOINT VENTURES:**

The District and other surrounding educational institutions created a joint venture, the Lycoming County Insurance Consortium Pooled Trust (Trust). The District self-insures through the Trust for certain healthcare benefits provided to current and former employees. The Trust has purchased an excess policy which covers employee health benefit claims in excess of \$375,000. Claims are recognized as an expense when paid

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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(cash basis) which is not materially different from the accrual basis. For the year ended June 30, 2025, the District made payments for healthcare benefit claims of approximately \$3,046,000 to the Trust. Audited financial statements of the Trust are available.

The District and other surrounding educational institutions created a jointly governed organization, the Lycoming Career and Technology Center (Center), to provide vocational and technical education for students of the participating school districts. The governing board of the Center is comprised of a director from each participating school district. For the year ended June 30, 2025, the District paid approximately \$320,000 to the Center. Audited financial statements of the Center are available.

**15. RESTATEMENTS - ADOPTION OF GASB STATEMENT NO. 101:**

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. The implementation resulted in the restatement of the governmental activities in the government-wide financial statements.

	Before Implementation As of July 1, <u>2024</u>	Implementation of GASB Statement No. 101	July 1, 2024 As Restated
<u>GOVERNMENTAL ACTIVITIES:</u>			
Noncurrent liabilities, Accumulated compensated absences, net	<u>\$ 304,009</u>	<u>\$ 1,078,546</u>	<u>\$1,382,555</u>
Net position	<u>\$1,354,945</u>	<u>\$(1,078,546)</u>	<u>\$ 276,399</u>

**16. COMMITMENTS:**

The District has contractual obligations for a construction renovation project in the amount of approximately \$2,302,000 of which approximately \$614,000 has been paid or accrued.

**17. SUBSEQUENT EVENTS:**

Subsequent events have been evaluated through February 12, 2026, which is the date the financial statements were available to be issued.

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		Actual
	Original	Final	Budgetary Basis
<b>REVENUES:</b>			
Local sources	\$ 17,507,066	\$ 17,507,066	\$ 18,253,299
State sources	9,577,510	9,577,510	10,484,629
Federal sources	<u>592,500</u>	<u>592,500</u>	<u>428,772</u>
Total revenues	<u>27,677,076</u>	<u>27,677,076</u>	<u>29,166,700</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction	16,382,879	16,382,879	17,156,581
Support services	8,506,357	8,506,357	8,745,427
Noninstructional services	785,464	785,464	888,446
Debt service (principal and interest)	<u>65,000</u>	<u>65,000</u>	<u>186,113</u>
Total expenditures	<u>25,739,700</u>	<u>25,739,700</u>	<u>26,976,567</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,937,376</u>	<u>1,937,376</u>	<u>2,190,133</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Sale of capital assets			23,350
Interfund transfers out	(2,625,500)	(2,625,500)	(3,074,787)
Proceeds from extended term financing			<u>128,909</u>
Total other financing uses, net	<u>(2,625,500)</u>	<u>(2,625,500)</u>	<u>(2,922,528)</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER FINANCING USES	(688,124)	(688,124)	(732,395)
FUND BALANCE, BEGINNING	<u>8,720,198</u>	<u>8,720,198</u>	<u>9,859,697</u>
FUND BALANCE, ENDING	<u>\$ 8,032,074</u>	<u>\$ 8,032,074</u>	<u>\$ 9,127,302</u>

See Notes to the Basic Financial Statements

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S**  
**TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY**  
**DISTRICT PLAN**  
**LAST 10 YEARS\***  
(Dollar amounts in thousands)

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>TOTAL OPEB LIABILITY:</b>								
Service cost	\$ 57	\$ 54	\$ 83	\$ 84	\$ 124	\$ 125	\$ 83	\$ 80
Interest	39	36	27	22	66	57	42	31
Changes of benefit terms	212		137		(697)		699	
Difference between expected and actual experience	500		(209)		(249)		(42)	
Changes of assumptions	(4)	11	(252)	(32)	97	(51)	(182)	60
Benefit payments	<u>(67)</u>	<u>(58)</u>	<u>(69)</u>	<u>(70)</u>	<u>(69)</u>	<u>(73)</u>	<u>(61)</u>	<u>(75)</u>
<b>NET CHANGE IN TOTAL OPEB LIABILITY</b>	<b>737</b>	<b>43</b>	<b>(283)</b>	<b>4</b>	<b>(728)</b>	<b>58</b>	<b>539</b>	<b>96</b>
<b>TOTAL OPEB LIABILITY, BEGINNING</b>	<u><b>917</b></u>	<u><b>874</b></u>	<u><b>1,157</b></u>	<u><b>1,153</b></u>	<u><b>1,881</b></u>	<u><b>1,823</b></u>	<u><b>1,284</b></u>	<u><b>1,188</b></u>
<b>TOTAL OPEB LIABILITY, ENDING</b>	<u><b>\$ 1,654</b></u>	<u><b>\$ 917</b></u>	<u><b>\$ 874</b></u>	<u><b>\$ 1,157</b></u>	<u><b>\$ 1,153</b></u>	<u><b>\$ 1,881</b></u>	<u><b>\$ 1,823</b></u>	<u><b>\$ 1,284</b></u>
<b>COVERED-EMPLOYEE PAYROLL</b>	<u><b>\$ 11,326</b></u>	<u><b>\$ 10,444</b></u>	<u><b>\$ 10,444</b></u>	<u><b>\$ 9,328</b></u>	<u><b>\$ 9,328</b></u>	<u><b>\$ 8,714</b></u>	<u><b>\$ 8,714</b></u>	<u><b>\$ 8,254</b></u>
<b>TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL</b>	<b>14.60%</b>	<b>8.78%</b>	<b>8.37%</b>	<b>12.40%</b>	<b>12.36%</b>	<b>21.59%</b>	<b>20.92%</b>	<b>15.56%</b>

Notes to Schedule:

\* This schedule is intended to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, the District is presenting information for those years only for which information is available.

The amounts presented for each fiscal year were determined as of the measurement date of the total OPEB liability, which is July 1 of the current fiscal year.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Discount rate used in the measurement of the total OPEB liability	4.21%	4.13%	4.06%	2.28%	1.86%	3.36%	2.98%	3.13%
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**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S**  
**TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY**  
**DISTRICT PLAN**  
**LAST 10 YEARS\***  
(continued)

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Changes of assumptions used in the measurement of the total OPEB liability beginning July 1, 2024:

The trend assumption was updated.

Changes of benefit terms used in the measurement of the total OPEB liability beginning July 1, 2024:

The eligibility for the subsidized benefit for Administrators was reduced from 15 to 12 years, and the amount of the Administrators' share of the cost was changed.

Changes of assumptions used in the measurement of the total OPEB liability beginning July 1, 2022:

The trend assumption was updated.

Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS experience study.

Changes of benefit terms used in the measurement of the total OPEB liability beginning July 1, 2022:

Teachers who retire before 2025 that have 15 years of service receive \$240 per month for 8 years. Administrative support staff members who retire before 2026 receive monthly payments dependent on years of service with the District for 8 years.

Changes of assumptions used in the measurement of the total OPEB liability beginning July 1, 2020:

The marriage assumption at retirement decreased from 20% to 10%.

Changes of benefit terms used in the measurement of the total OPEB liability beginning July 1, 2020:

Administrators subsidy increased for a 4 year period until 2023. Administrative support subsidy ends June 30, 2021.

Teachers have subsidy until 2021, after that pay full premium.

Changes of benefit terms used in the measurement of the total OPEB liability beginning July 1, 2018:

The subsidy provided for teachers was updated and applies to future retirees. The subsidy for administrators is now assumed to apply to future retirees.

Changes of assumptions used in the measurement of the total OPEB liability beginning July 1, 2018:

The trend assumption was updated.

Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

Changes of assumptions used in the measurement of the total OPEB liability beginning July 1, 2017:

The trend assumption was updated.

Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET OTHER POSTEMPLOMENT BENEFITS LIABILITY**  
**PREMIUM ASSISTANCE PROGRAM**  
**LAST 10 YEARS\***

(Dollar amounts in thousands)

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net OPEB liability (asset)	0.0729%	0.0728%	0.0710%	0.0708%	0.0700%	0.0703%	0.0695%	0.0702%
District's proportionate share of the net OPEB liability (asset)	\$ 1,295	\$ 1,317	\$ 1,307	\$ 1,679	\$ 1,512	\$ 1,495	\$ 1,449	\$ 1,430
District's covered-employee payroll	\$ 11,571	\$ 11,150	\$ 10,434	\$ 10,043	\$ 9,828	\$ 9,701	\$ 9,358	\$ 9,340
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	11.19%	11.81%	12.53%	16.72%	15.38%	15.41%	15.48%	15.31%
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%

Notes to Schedule:

\* This schedule is intended to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, the District is presenting information for those years only for which information is available.

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

Discount rate used in the measurement of the total OPEB liability	4.21%	4.13%	4.09%	2.18%	2.66%	2.79%	2.98%	3.13%
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Changes in assumptions used in the measurement of the total OPEB liability beginning June 30, 2021:

The inflation assumption decreased from 2.75% to 2.50%. Payroll growth assumption decreased from 3.50% to 3.25%.

Salary growth changed from an effective average of 5.00%, which was comprised of 2.75%, real wage growth and for merit or seniority increases of 2.25%, to an 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 modified from the RP-2014 Mortality Tables for Males and Females to a blended table based on 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 (Total General Employees data), adjusted to reflect PSERS' experience and projected using a modified version MP-2020.

For disabled annuitants the rates were modified from the RP-2014 Mortality Tables for Males and Females to Pub-2010 Disability Mortality Non-Safety Headcount Weighted table, adjusted to reflect PSERS' experience and projected using a modified version MP-2020.

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S OTHER POSTEMPLOYMENT BENEFITS PLAN CONTRIBUTIONS**  
**PREMIUM ASSISTANCE PROGRAM**  
**LAST TEN YEARS\***  
(Dollar amounts in thousands)

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Contractually required contribution	\$ 78	\$ 74	\$ 84	\$ 84	\$ 82	\$ 83	\$ 80	\$ 77	\$ 77
Contributions in relation to the contractually required contribution	<u>78</u>	<u>74</u>	<u>84</u>	<u>84</u>	<u>82</u>	<u>83</u>	<u>80</u>	<u>77</u>	<u>77</u>
Contribution deficiency (excess)	<u>\$</u>								
District's covered-employee payroll	\$ 12,341	\$ 11,571	\$ 11,150	\$ 10,434	\$ 10,043	\$ 9,828	\$ 9,701	\$ 9,358	\$ 9,340
Contributions as a percentage of covered-employee payroll	0.63%	0.64%	0.75%	0.81%	0.82%	0.84%	0.82%	0.82%	0.82%

Notes to Schedule:

\* This schedule is intended to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, the District is presenting information for those years only for which information is available.

The contractually required contribution rate is calculated as of the June 30 preceding the fiscal year in which contributions are made.

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**LAST 10 YEARS**  
(Dollar amounts in thousands)

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension liability (asset)	0.0727%	0.0728%	0.0710%	0.0708%	0.0699%	0.0703%	0.0695%	0.0702%	0.0724%	0.0716%
District's proportionate share of the net pension liability (asset)	\$ 30,429	\$32,386	\$31,566	\$29,068	\$34,418	\$32,888	\$ 33,363	\$ 34,671	\$ 35,879	\$ 31,014
District's covered-employee payroll	\$ 11,571	\$11,150	\$10,434	\$10,043	\$ 9,828	\$ 9,701	\$ 9,358	\$ 9,340	\$ 9,382	\$ 9,215
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	262.98%	290.46%	302.53%	289.44%	350.20%	339.02%	356.52%	371.21%	382.42%	336.56%
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%

Notes to Schedule:

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

Pension plan employer proportion and employer proportionate share:

Pension plan proportionate share is calculated utilizing the District's one-year reported contributions as it relates to the total one-year reported contributions for all employers. Prior to the year ended June 30, 2020, the pension plan proportionate share was calculated utilizing the District's one-year reported covered payroll as it related to the total one-year reported covered payroll for employers.

Discount rate used in the measurement of the total pension liability	7.00%	7.00%	7.00%	7.00%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
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Changes of benefit terms:

With the passage of Act 5 on June 12, 2017 class T-E and T-F members are now permitted to elect a lump sum payment of member contributions upon retirement.

Changes in assumptions used in the measurement of the total pension liability beginning June 30, 2021:

The inflation assumption decreased from 2.75% to 2.50%. Payroll growth assumption decreased from 3.50% to 3.25%. Salary growth changed from an effective average of 5.00%, which was comprised of inflation of 2.75%, real wage growth and for merit or seniority increases of 2.25%, to an 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 modified from the RP-2014 Mortality Tables for Males and Females to a blended table based on 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 (Total General Employees data), adjusted to reflect PSERS' experience and projected using a modified version MP-2020.

For disabled annuitants the rates were modified from the RP-2014 Mortality Tables for Males and Females to Pub-2010 Disability Mortality Non-Safety Headcount Weighted table, adjusted to reflect PSERS' experience and projected using a modified version MP-2020.

Changes in assumptions used in the measurement of the total pension liability beginning June 30, 2016:

The inflation assumption decreased from 3.00% to 2.75%. Salary growth changed from an effective average of 5.50%, which was comprised of inflation of 3.00%, real wage growth and for merit or seniority increases of 2.50%, to an effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases. Mortality rates were modified from the PR-2000 Combined Healthy Annuitant Tables (male and female) with age set back 3 years for both males and females to 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.

For disabled annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back 7 years for males and 3 years for females to 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.

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PENSION PLAN CONTRIBUTIONS**  
**LAST 10 YEARS**

(Dollar amounts in thousands)

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Contractually required contribution	\$ 4,106	\$ 3,860	\$ 3,850	\$ 3,563	\$ 3,365	\$ 3,290	\$ 3,161	\$ 2,972	\$ 2,730	\$ 2,346
Contributions in relation to the contractually required contribution	<u>4,106</u>	<u>3,860</u>	<u>3,850</u>	<u>3,563</u>	<u>3,365</u>	<u>3,290</u>	<u>3,161</u>	<u>2,972</u>	<u>2,730</u>	<u>2,346</u>
Contribution deficiency (excess)	<u>\$ _____</u>									
District's covered-employee payroll	\$ 12,341	\$ 11,571	\$ 11,150	\$ 10,434	\$ 10,043	\$ 9,828	\$ 9,701	\$ 9,358	\$ 9,340	\$ 9,382
Contributions as a percentage of covered-employee payroll	33.27%	33.36%	34.53%	34.15%	33.51%	33.48%	32.58%	31.76%	29.23%	25.01%

Notes to Schedule:

The contractually required contribution rate is calculated as of the June 30 preceding the fiscal year in which contributions are made.

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

GRANTOR/PROGRAM TITLE	Source Code	Federal Assistance Listing Number	Pass-Through Grant Number	Grant Period Beginning/Ending Date	Grant Amount	Total Received For The Year	Accrued (Unearned) Revenue July 1, 2024	Revenue Recognized	Expenditures	Accrued (Unearned) Revenue June 30, 2025	Passed-Through To Subrecipients
<b>U.S. DEPARTMENT OF EDUCATION</b>											
Impact Aid	D	84.041	N/A	07/01/24-06/30/25	N/A	\$ 10,943		\$ 10,943	\$ 10,943		
Passed through the Pennsylvania Department of Education:											
Title I - Grants to Local Educational Agencies	I	84.010	13-240234	09/10/23-09/30/24	\$ 303,660	70,082	\$ 9,707	60,375	60,375		
Title I - Grants to Local Educational Agencies	I	84.010	13-250234	09/10/24-09/30/25	299,801	207,795		288,789	288,789	\$ 80,994	
Total Title I - Grants to Local Educational Agencies						277,877	9,707	349,164	349,164	80,994	
Title II - Supporting Effective Instruction State Grants	I	84.367	20-240234	09/10/23-09/30/24	42,373	457	457				
Title II - Supporting Effective Instruction State Grants	I	84.367	20-250234	09/10/24-09/30/25	44,138	43,939		44,138	44,138	199	
Total Title II - Supporting Effective Instruction State Grants						44,396	457	44,138	44,138	199	
Title IV - Student Support and Academic Enrichment Program	I	84.424	144-250234	09/03/24-09/30/25	22,868	22,868		22,868	22,868		
Total Title IV - Student Support and Academic Enrichment Program						22,868		22,868	22,868		
Passed through BLaST Intermediate Unit #17:											
IDEA ESEA Title VI	I	84.027	N/A	07/01/23-09/30/24	N/A	109,851	109,851				
IDEA ESEA Title VI	I	84.027	N/A	07/01/24-09/30/25	N/A	200,536		300,260	300,260	99,724	
Total IDEA ESEA Title VI						310,387	109,851	300,260	300,260	99,724	
IDEA Special Education - Preschool Grants	I	84.173	N/A	07/01/24-06/30/25	N/A	1,456		1,456	1,456		
Total Special Education (IDEA) Cluster						311,843	109,851	301,716	301,716	99,724	
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>						<b>667,927</b>	<b>120,015</b>	<b>728,829</b>	<b>728,829</b>	<b>180,917</b>	
<b>U.S. DEPARTMENT OF THE TREASURY</b>											
Passed through the Pennsylvania Commission on Crime and Delinquency:											
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	I	21.027	2023-CM-01-43516	01/01/24-12/31/25	119,563	50,000		50,000	50,000		
Total Coronavirus State and Local Fiscal Recovery Funds						50,000		50,000	50,000		
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>						<b>50,000</b>		<b>50,000</b>	<b>50,000</b>		
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>											
Passed through Pennsylvania Department of Human Services:											
Grants to States for Medicaid	I	93.778	N/A	07/01/24-06/30/25	N/A	1,659		1,659	1,659		
Total Medicaid Cluster						1,659		1,659	1,659		
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						<b>1,659</b>		<b>1,659</b>	<b>1,659</b>		
<b>U.S. DEPARTMENT OF AGRICULTURE</b>											
Team Nutrition Grants	D	10.574	N/A	11/01/11-11/01/15	1,000		(1,000)			(1,000)	
Passed through the Pennsylvania Department of Education:											
National School Lunch Program	I	10.555	N/A	07/01/23-06/30/24	N/A	26,053	26,053				
National School Lunch Program	I	10.555	N/A	07/01/24-06/30/25	N/A	699,307		715,418	715,418	16,111	
Passed through the Pennsylvania Department of Agriculture:											
National School Lunch Program	I	10.555	N/A	07/01/24-06/30/25	N/A	(a) 122,286	(b) (805)	(c) 121,962	(d) 121,962	(1,129)	
Total National School Lunch Program						847,646	25,248	837,380	837,380	14,982	
Passed through the Pennsylvania Department of Education:											
School Breakfast Program	I	10.553	N/A	07/01/23-06/30/24	N/A	8,410	8,410				
School Breakfast Program	I	10.553	N/A	07/01/24-06/30/25	N/A	213,437		218,508	218,508	5,071	
Total School Breakfast Program						221,847	8,410	218,508	218,508	5,071	
Total Child Nutrition Cluster						1,069,493	33,658	1,055,888	1,055,888	20,053	
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>						<b>1,069,493</b>	<b>32,658</b>	<b>1,055,888</b>	<b>1,055,888</b>	<b>19,053</b>	
<b>TOTAL FEDERAL AWARDS</b>						<b>\$ 1,789,079</b>	<b>\$ 152,673</b>	<b>\$ 1,836,376</b>	<b>\$ 1,836,376</b>	<b>\$ 199,970</b>	<b>\$</b>

SOURCE CODES:  
N/A - Not applicable  
D - Direct Funding  
I - Indirect Funding

FOOTNOTES:  
(a) Total amount of commodities received.  
(b) Beginning inventory at July 1, 2024.  
(c) Total amount of commodities used.  
(d) Ending inventory at June 30, 2025.

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**1. BASIS OF PRESENTATION:**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. 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.

**3. INDIRECT COST ALLOCATION PLAN:**

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



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

Board of School Directors  
Loyalsock Township School District  
Williamsport, Pennsylvania:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Loyalsock Township School District (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 February 12, 2026.

**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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-002 and 2025-003 to be significant deficiencies.

### **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*.

### **District's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.

*Larson, Kellitt & Associates, P.C.*

Montoursville, Pennsylvania  
February 12, 2026



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

Board of School Directors  
Loyalsock Township School District  
Williamsport, Pennsylvania:

**Report on Compliance for the Major Federal Program**

**Opinion on Major Federal Program**

We have audited Loyalsock Township School District's (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 Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of its major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-004 to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Larson, Kellett & Associates, P.C.*

Montoursville, Pennsylvania  
February 12, 2026

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

***Financial Statements***

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

Unmodified opinion.

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  no

Noncompliance material to financial statements noted?

yes  no

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported

Type of auditors' report issued on compliance for major federal programs: Unmodified opinion.

Any audit findings disclosed that are required to be reported under 2 CFR section 200.516(a)?

yes  no

Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
10.553/10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes  no

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**SECTION II - FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS**

2025-001. EARNED INCOME TAXES

*Criteria:* The District considers derived tax revenues to be available if they are collected within 30 days of the end of the fiscal period.

*Condition:* The District did not record earned income taxes receivable that were collected within 30 days of the end of the fiscal period.

*Cause:* There was a transition in tax collectors during the year, and the current collector remits collected taxes on a more frequent and timely basis.

*Effect:* Taxes receivable and revenue were understated.

*Questioned Costs:* Not applicable.

*Perspective Information:* The District recorded \$30,232 of the total \$313,832 earned income taxes receivable.

*Identification of Repeat Findings:* Not applicable.

*Recommendation:* The individuals who prepare and review year end closing procedures should review tax payments collected within 30 days of the end of the fiscal period to ensure they are accurately identified and recorded as receivables.

*Views of Responsible Officials:* Management agrees with the finding.

*Planned Corrective Action:* See District's corrective action plan.

2025-002. FOOD SERVICE RECEIVABLES

*Criteria:* The District is responsible for the preparation of its proprietary fund financial statements in accordance with the accrual basis of accounting.

*Condition:* The District did not accurately record amounts due from other governments for summer meals served.

*Cause:* The District recorded revenues when received instead of when earned.

*Effect:* Food Service Fund due from other governments and nonoperating revenue from state and federal sources were understated.

*Questioned Costs:* Not applicable.

*Perspective Information:* Not applicable.

*Identification of Repeat Findings:* Not applicable.

**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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*Recommendation:* The individuals who prepare and review year end closing procedures should review receipts after year end to ensure receivables are accurately identified and recorded.

*Views of Responsible Officials:* Management agrees with the finding.

*Planned Corrective Action:* See District's corrective action plan.

2025-003. PREPAID EXPENSES

*Criteria:* The District is responsible for the preparation of its fiduciary fund financial statements in accordance with the accrual basis of accounting.

*Condition:* The District did not accurately record prepaid expenses.

*Cause:* The District recorded prepaid items as expense prior to the receipt of goods or services.

*Effect:* Custodial Funds prepaid expenses were understated and student activities disbursements were overstated.

*Questioned Costs:* Not applicable.

*Perspective Information:* Not applicable.

*Identification of Repeat Findings:* Not applicable.

*Recommendation:* The District should evaluate payments and receipt of goods or services to identify potential year end prepaid expenses.

*Views of Responsible Officials:* Management agrees with the finding.

*Planned Corrective Action:* See District's corrective action plan.

**SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

U.S. DEPARTMENT OF AGRICULTURE

2025-004. Child Nutrition Cluster, National School Lunch Program – Assistance Listing 10.555; passed through the Pennsylvania Department of Education; Grant Period – Year Ended June 30, 2025

*Significant deficiency:* See deficiency 2025-002 in Section II.



Intermediate Unit 17

Proposed 2026-2027  
General Operations Budget

- Bradford
- Lycoming
- Sullivan
- Tioga

Board Member Copy

Office Locations:

- 2400 Reach Road, Williamsport  
570-323-8561 Voice / 570-323-1738 Fax
- 33 Springbrook Drive, Canton  
570-673-6001 Voice / 570-673-6007 Fax

Reviewed by the IU Council on January 9, 2026  
Approved by the IU 17's Board of Directors on January 21, 2026

# BLaST IU 17

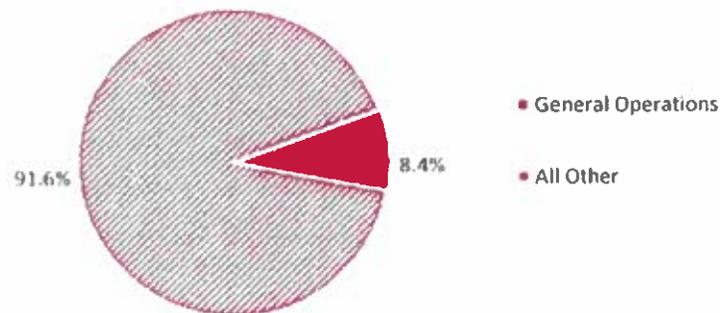
## Proposed Budget

2026/2027

### Executive Summary

**The IU team invites your inquiries and suggestions for its budgets and services and is available to discuss them at any district board meeting or administrative team meeting. Please direct inquiries to Christina Steinbacher-Reed, Executive Director or Sara McNett, Director of Management Services at (570) 673-6001.**

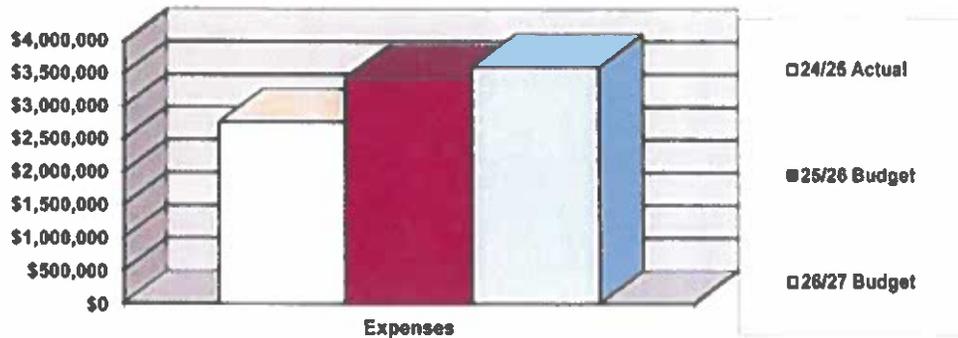
#### Overview:



This budget package contains a balanced budget for the General Operation (Funds 10 and 12) of IU 17. This budget does not include most program budgets for Federal, State, or local sources for specific purposes. Examples of these budgets are IDEA Supplemental Education Services (Individuals with Disability Education Act), Alternative Ed, partial hospitalization, Software consortium, eQUIP, etc. These budgets are governed by IU 17's Board of Directors and are adopted throughout the year. As the pie chart above illustrates, the General Operations Budget (Funds 10 and 12) comprises approximately 8.4% of the I.U. budgets, as compared to 8.2% last year.

#### General Operations:

Again this year, there is no assessment to the districts being proposed to support the General Operations Budget.



**Expenses:**

As the above graph indicates, budgeted expenses are higher than last year's by approximately \$175,162, for an increase of 5.09%. Aside from normal year-over-year growth in employee salaries, a key driver in the increasing expenses is rising employee benefit costs. Early projections for healthcare insurance require a 14.1% budgetary increase for this benefit. Fortunately, growth in required employer share for PSERS retirement contributions has now slowed. The current budget reflects estimated 2026-27 salaries, with actual employee salaries to be set by the IU 17 Board of Directors during the Spring of 2026.

We have an anticipated capital transfer amount of \$200,000 in order to continue building a reserve to replace the heating units and fund upgrades and upkeep at both the Canton and Williamsport offices. Also, it is important to note that some expenses are allocated across many IU budgets (utilities, copiers, etc.) As revenue to other budgets diminishes, and salary, health care and PSERS increase, there is an increased pressure on the General Operations budget to absorb these costs.

**Revenue:**

The General Operations Subsidy for Intermediate Units remains eliminated from the State budget. IU 17 has been fortunate to receive revenue-generating opportunities from the state in past years, but a change in PDE's procurement strategy for Statewide System of Support initiatives has altered this revenue stream by channeling contracts through larger Intermediate Units that act as a "prime contractor" to PDE. We must continue to be proactive in seeking contracting opportunities outside IU 17 in order to fund our general operations without placing a financial burden on IU 17 member districts. We continue to contract services and products to our districts, as well as to districts and Intermediate Units throughout the state, to generate revenue in support of the General Operations budget.

IU 17 receives a significant portion of its revenue from indirect cost streams related to many of its state and federal programs. As these programs continue to experience flat funding or very small increases, we are struggling to accommodate salary and benefit increases within program grant funds. As a result, the indirect cost pool is being tapped to help cover these expenses, placing additional pressure on General Operations revenue. To the extent these revenues decrease, fund balance will be used, if necessary.

In order to continue providing delivery of training and technical assistance services to our member districts at no charge whenever possible, IU 17 intends to once again apply to PDE for an administrative waiver of 11% of Component 2 funds to support training and consultative (TAC) services.

There is no assessment to the IU 17 member school districts. On the affirmative vote of the IU Superintendents, we will request a \$2,500 per district contribution to help defer the cost of continuing professional development for school district administrative staff.

## **BUDGET ADOPTION PROCESS**

1. The IU 17 Team prepares the General Operation Budget.
2. The IU 17 Advisory Council of Superintendents reviews the Budget.
3. Reviewed and recommended for adoption to the IU 17 Board of Directors.
4. The Intermediate Unit Board of Directors shall, at least thirty (30) days before May 1st, adopt and advertise the proposed Intermediate Unit budget.
5. Copies of the approved budget are provided to each school board member of each component school district for consideration and approval.
6. The budget approval requires: (a) the affirmative vote of a majority of the nineteen school districts, and (b) a majority of the proportionate weighted votes (as determined by the Pennsylvania Department of Education) calculated from the resolution. This resolution is to be submitted to the Intermediate Unit by each board's secretary no later than April 15, 2026.

**BLaST Intermediate Unit 17  
General Operations (Funds 10 and 12)**

	Revenue		
	24/25 Budget	25/26 Budget	26/27 Budget
Interest	\$225,000	\$295,000	\$325,000
Indirect Cost/transfer from fund	\$1,217,387	\$1,235,317	\$1,299,420
Contracted Services	\$1,554,195	\$1,578,215	\$1,644,944
State Support (Retirement/SS)	\$314,329	\$329,927	\$344,257
	<b>\$3,310,911</b>	<b>\$3,438,459</b>	<b>\$3,613,621</b>

**General Operations - Fund Balance Summary  
2026-2027**

Anticipated June 30, 2026 Fund Balance Fund 10	<b>\$2,000,000</b>
Total Revenue	<b>\$3,613,621</b>
Total Available Resources	<b>\$5,613,621</b>
Total Budgeted Expenses	<b>\$3,613,621</b>
Projected Unreserved Fund Balance - June 30, 2027	<b>\$2,000,000</b>

**BLaST INTERMEDIATE UNIT 17  
GENERAL OPERATIONS FUND 10**

Function	Object		24/25 Actual	25/26 Budget	25/26 Projected Actuals	26/27 Budget
2310	151	Salaries-Board Services	\$594	\$0	\$0	\$0
2310	331	Legal Services	\$3,387	\$2,100	\$2,100	\$2,100
2310	500's	Board Travel/Meals/Advertising	\$4,185	\$5,300	\$5,300	\$5,300
2350	331	Legal Services	\$0	\$3,000	\$3,000	\$3,000
2360	111/151	Salaries-Office of Exec. Dir.	\$205,409	\$218,860	\$218,860	\$233,061
2360	200's	Benefits-Office of Exec. Dir.	\$139,367	\$154,940	\$154,940	\$160,536
2360	390	Purchased Prof Serv	\$3,810	\$4,000	\$4,000	\$4,000
2360	540	Advertising	\$0	\$1,000	\$1,000	\$1,000
2360	550	Communications	\$0	\$500	\$500	\$500
2360	580	Staff Travel/Other Expenses	\$42,125	\$43,500	\$43,500	\$53,000
2360	610	Administrative Supplies	\$8,085	\$3,500	\$3,500	\$3,500
2360	640	Books/Publications	\$250	\$1,000	\$1,000	\$1,000
2360	810	Dues/Memberships	\$11,091	\$10,000	\$10,000	\$12,000
2380	111	Salaries-Office of Principal Ser.	\$52,233	\$78,000	\$48,333	\$89,610
2380	200's	Benefits-Office of Principal Ser	\$48,268	\$46,487	\$32,000	\$56,930
2380	580	Staff Travel/Other Expenses	\$1,190	\$2,872	\$2,872	\$8,000
2380	610	Supplies	\$336	\$1,000	\$1,000	\$1,000
2380	810	Dues/Memberships	\$0	\$250	\$250	\$250
2500	111/112/151	Salaries- Business Office	\$342,294	\$435,621	\$435,621	\$467,182
2500	200's	Benefits - Business Office	\$233,857	\$284,542	\$284,542	\$328,687
2500	330	Audit/Legal	\$8,767	\$8,000	\$8,000	\$10,000
2500	340	Contracted Services	\$425	\$2,000	\$2,000	\$2,000
2500	531	Communication - Telephone	\$25	\$250	\$250	\$250
2500	532	Communication - Postage	\$3,539	\$3,750	\$3,750	\$3,750
2500	540	Advertising	\$2,302	\$250	\$250	\$250
2500	580	Staff Travel/Other Expenses	\$15,090	\$19,500	\$19,500	\$20,000
2500	610	Supplies	\$31,517	\$18,000	\$25,000	\$18,000
2500	750	Equipment-Noninstructional	\$0	\$0	\$0	\$0
2500	810	Dues/Memberships	\$6,938	\$7,000	\$7,000	\$7,000
2600	330	Professional Services	\$464	\$1,000	\$1,000	\$1,000
2600	411	Disposal Service	\$3,542	\$3,000	\$3,800	\$3,000
2600	413	Contracted Serv. Cleaning	\$27,548	\$28,000	\$28,000	\$30,000
2600	432	Contracted Serv. Maint.	\$29,691	\$25,000	\$25,000	\$28,000
2600	442	Rental - Equipment	\$3,858	\$8,000	\$8,000	\$8,000
2600	520	General Insurance	\$3,000	\$3,000	\$3,000	\$3,000
2600	610	Supplies- Cleaning	\$2,742	\$2,000	\$3,000	\$3,000
2600	620	Energy (Gas & Electric)	\$10,763	\$15,000	\$15,000	\$18,000
2600	750	Equipment-Noninstructional	\$0	\$0	\$0	\$0
2830	151	Salaries - Personnel	\$71,056	\$119,341	\$119,341	\$122,100
2830	200's	Personnel Benefits	\$75,092	\$76,159	\$76,159	\$79,674
2830	540	Advertising (personnel Ads)	\$2,777	\$2,000	\$2,000	\$2,000
2830	580	Staff Travel	\$5,189	\$3,000	\$5,000	\$3,000
2830	611	Supplies	\$138	\$1,000	\$1,000	\$1,000
2840	111/151	Salaries - Technology	\$421,156	\$620,108	\$620,108	\$638,711
2840	200's	Personnel Benefits	\$271,831	\$395,360	\$395,360	\$402,251
2840	330	Contracted Services	\$51,014	\$35,000	\$50,000	\$35,000
2840	530	Communications	\$6,393	\$8,000	\$8,000	\$8,000
2840	580	Staff Travel	\$18,072	\$30,000	\$25,000	\$30,000
2840	600's	Supplies	\$206,448	\$240,000	\$240,000	\$220,000
5200	400	Bldg Purch/Renov	\$200,000	\$200,000	\$200,000	\$200,000
5900	840	Budgetary Reserve	\$0	\$8,500	\$31,854	\$5,000
Fund 10 Total (General Operation)			\$2,575,857	\$3,178,690	\$3,178,690	\$3,332,642

**BLaST INTERMEDIATE UNIT 17  
GENERAL OPERATIONS FUND 12**

Function	Object		24/25 Actual	25/26 Budget	25/26 Projected Actuals	26/27 Budget
2890	111/151	Salaries - Office of Prog Spec	\$29,706	\$112,354	\$112,354	\$118,867
2890	200's	Benefits - Office of Prog Spec	\$84,588	\$132,915	\$132,915	\$139,612
2890	330	Workshop	\$1,689	\$2,000	\$2,000	\$2,000
2890	580	Staff Travel/Other Expenses	\$16,076	\$5,000	\$7,500	\$8,000
2890	610	Materials & Supplies	\$61,807	\$5,000	\$5,000	\$10,000
2890	750	Equipment	\$0	\$0	\$0	\$0
5900	840	Budgetary Reserve	\$0	\$2,500	\$0	\$2,500
<b>Fund 12 Total (Educational Planning)</b>			<b>\$193,866</b>	<b>\$259,769</b>	<b>\$259,769</b>	<b>\$280,979</b>
<b>Total Fund 10 + 12</b>			<b>\$2,769,723</b>	<b>\$3,438,459</b>	<b>\$3,438,459</b>	<b>\$3,613,621</b>

## **POSITIONS / PERSONNEL -- GENERAL OPERATIONS BUDGET (FUNDS 10 AND 12)**

<b>Position</b>	<b>Personnel</b>
Executive Director	Christina Steinbacher-Reed
Assistant Executive Director	Carla Sauer
Director: Division of Educational Planning	Elizabeth Segraves
Director: Division of Management Services/Board Secretary	Sara McNett
Coordinator of Special Projects	Kelly Beck
Personnel Specialist	Hayden Lester
Business Services Coordinator	Vacant
Administrative Assistants	Tina Randall
	Renee Peluso
	Jennifer Diefenderfer
	Kiara Crossen
	Christy Colton
	Vacant
Accounting Personnel	Teresa Pfirman
	Norine Fuller
	Aimcc Pepper
Technology	Kyle Roberts
	Ed Ploy
	Tim Confer
	Ethan Smith
	Sean Meleski
	Spencer Gross
	Brooke Wise
	Alyssa English
	Blayne Wesneski
	4 Vacant
Coordinator of Professional Learning	Amanda Fair

The proposed 2026 - 2027 General Operations Budget projects costs of maintaining the staff positions listed above. Some positions represent partial FTE's.

**Comprehensive Listing of All BLaST IU 17 Budgets  
Fiscal Year - 2026-2027**

AUN: 1-17-00-000-0

<b>Fund</b>	<b>Description</b>	<b>Director</b>	<b>Source</b>	<b>Rate</b>	<b>Amount</b>
16	NTIC Health Professional	McNett	NTIC	0	\$ 95,145
19	Act 89	Corani/Pepper	State Grant	0.06	\$ 768,607
20	Equip	Segraves	Districts	0	\$ 1,115,747
20	DBRT	Beck/Pepper	State	0	\$ 89,000
21	LCIC Health Professional	McNett	LCIC	0	\$ 148,393
23	Special Ed Core	Swinehart/Pepper	State Grant	0.06	\$ 2,074,957
23	Special Ed Contracted	Swinehart/Pepper	Districts	0.05	\$ 8,189,000
24	Transportation EI	Swinehart/Pepper	State	0.08	\$ 915,129
25	Institutionalized Child	Swinehart/Pepper	State/Districts	0.06	\$ 243,768
26	State Early Intervention	Swinehart/Hindman/Pepper	State Grant	0.08	\$ 5,442,828
33	Preschool 619	Swinehart/Hindman/Pepper	Federal	0.08	\$ 613,791
40	IDEA Part B-School Age C-2 and C-3	Segraves/Pepper	Federal	0	\$ 7,649,225
40	IDEA PART B- EI	Swinehart/Hindman/Pepper	Federal	0.08	\$ 839,758
41	PATTAN	McNett/Pepper	Federal	0.08	\$ 1,925,327
44	T1 D	McNett/Beck	Federal	0	\$ 132,418
49	Data Governance	Segraves/Beck	State	0.08	\$ 12,000
49	STEM State	Segraves/Beck	State	0	\$ 90,500
49	CDT Focus and Support	Segraves/Beck	State	0	\$ 5,600
49	A-TSI	Segraves/Beck	State	0	\$ 22,350
49	Accelerated Learning Title I	Segraves/Beck	State	0.08	\$ 73,460
49	Accelerated Learning Title II	Segraves/Beck	State	0.08	\$ 81,200
53	Professional Certification Testing	Beck/Pepper	State	0	\$ 80,960
52	Access	McNett/Pepper	Federal	0	\$ 425,000
57	WAN	McNett/Paulhamus	State	0	\$ 625,000
59	ELECT	McNett/Beck	State	0.08	\$ 364,734
70	North Partial	Swinehart/Pepper	Districts	0.05	\$ 680,820
71	Lycoming Partial	Swinehart/Pepper	Districts	0.05	\$ 340,768
72	South Partial	Swinehart/Pepper	Districts	0.05	\$ 1,040,908
73	Tioga Partial	Swinehart/Pepper	Districts	0.05	\$ 349,448
74	LaSaQuik	Swinehart/Pepper	Districts	0.05	\$ 185,767
75	Clear Vision	Swinehart/Pepper	Districts	0.05	\$ 329,060
76	Lycoming Day Treatment	Swinehart/Pepper	Districts	0.05	\$ 417,996
77	Intergrated Studies South	Swinehart/Pepper	Districts	0.05	\$ 1,731,958
78	Intergrated Studies North	Swinehart/Pepper	Districts	0.05	\$ 866,248
79	Elkland Partial	Swinehart/Pepper	Districts	0.05	\$ 185,419
82	Software Resell Budget	Confer	Districts	0	\$ 915,000
91	Bridge Program Lycoming County	Swinehart/Pepper	Districts	0.05	\$ 255,000
92	Bridge Program Bradford County	Swinehart/Pepper	Districts	0.05	\$ 165,000
					\$ 39,487,289

## IU 17 Assessment History

The following is a HISTORY OF GENERAL OPERATIONS ASSESSMENT TO DISTRICTS

<b>Fiscal Year</b>	<b>\$ Assessment</b>	<b>Fiscal Year</b>	<b>\$ Assessment</b>
1971-72	0	2011-12	0
1972-73	0	2012-13	0
1973-74	0	2013-14	0
1974-75	10,000	2014-15	0
1975-76	54,218	2015-16	0
1976-77	70,755	2016-17	0
1977-78	12,020	2017-18	0
1978-79	10,080	2018-19	0
1979-80	0	2019-20	0
1980-81	0	2020-21	0
1981-82	20,980	2021-22	0
1982-83	5,000	2022-23	0
1983-84	41,650	2023-24	0
1984-85	43,260	2024-25	0
1985-86	0	2025-26	0
1986-87	39,815		
1987-88	0		
1988-89	0		
1989-90	0		
1990-91	0		
1991-92	0		
1992-93	0		
1993-94	0		
1994-95	0		
1995-96	0		
1996-97	0		
1997-98	0		
1998-99	0		
1999-00	0		
2000-01	0		
2001-02	0		
2002-03	0		
2003-04	0		
2004-05	0		
2005-06	0		
2006-07	0		
2007-08	0		
2008-09	0		
2009-10	0		
2010-11	0	<b>Total</b>	<b>\$309,778</b>

## **BOARD OF DIRECTORS**

Athens Area School District	Vacated
Canton Area School District	Arica Jennings
East Lycoming School District	Randy Holmes
Jersey Shore Area School District	Jessie Edwards
Loyalsock Township School District	Michael Zicoello
Montgomery Area School District	Vacant
Montoursville Area School District	Sharon Meyer
Muncy School District	Krista McMonigle
Northeast Bradford School District	Debra Hicks
Northern Tioga School District	Julie Preston
Sayre Area School District	Debra Agnew
Southern Tioga School District	Chad Riley
South Williamsport Area School District	Cathy Bachman
Sullivan County School District	Vacant
Towanda Area School District	Brady Finogle
Troy Area School District	LuAnn Knapp
Wellsboro Area School District	Jerry Curreri
Williamsport Area School District	Lori Baer
Wyalusing Area School District	Duane Naugle

## **ADVISORY COUNCIL OF SUPERINTENDENTS**

**Athens Area School District  
Canton Area School District  
East Lycoming School District  
Jersey Shore Area School District  
Loyalsock Township School District  
Montgomery Area School District  
Montoursville Area School District  
Muncy School District  
Northeast Bradford School District  
Northern Tioga School District  
Sayre Area School District  
South Williamsport Area School District  
Southern Tioga School District  
Sullivan County School District  
Towanda Area School District  
Troy Area School District  
Wellsboro Area School District  
Williamsport Area School District  
Wyalusing Area School District**

**Craig Stage  
Amy Martell  
Mark Stamm  
Brian Ulmer  
Brooke Beiter  
Joseph Stoudt  
Daniel Taormina  
Craig Skaluba  
Matthew Holmes  
Kristopher Kaufman  
Michael Wells  
Eric Briggs  
Sam Rotella, Jr.  
Samantha Kahler  
Erick Cummings  
Brad Feldmeier  
Cheryl Sottolano  
Timothy Bowers  
Gary Otis**

## **IU 17 NONDISCRIMINATION POLICY**

**BLaST INTERMEDIATE UNIT 17, AN EQUAL OPPORTUNITY EMPLOYER, WILL NOT DISCRIMINATE IN EMPLOYMENT, EDUCATIONAL PROGRAMS OR ACTIVITIES, BASED ON RACE, COLOR, RELIGIOUS CREED, NATIONAL ORIGIN, SEX, AGE, ANCESTRY, NON-RELEVANT HANDICAPS AND DISABILITIES, OR UNION MEMBERSHIP. THIS POLICY OF NONDISCRIMINATION EXTENDS TO ALL OTHER LEGALLY PROTECTED CLASSIFICATIONS. PUBLICATION OF THIS POLICY IN BLaST, INTERMEDIATE UNIT 17's DOCUMENTS IS IN ACCORDANCE WITH STATE AND FEDERAL LAWS INCLUDING TITLE VI OF THE CIVIL RIGHTS ACT OF 1964, TITLE IX OF THE EDUCATION AMENDMENTS OF 1972, SECTIONS 503 AND 504 OF THE REHABILITATION ACT OF 1973, THE AGE DISCRIMINATION ACT OF 1975, AND THE AMERICANS WITH DISABILITIES ACT OF 1990 (ADA).**

**FOR INFORMATION REGARDING CIVIL RIGHTS OR GRIEVANCE PROCEDURES, CONTACT CHRISTINA STEINBACHER-REED, TITLE IX, SECTION 503 / 504 COORDINATOR, AT, 2400 REACH ROAD, WILLIAMSPORT, PA. FOR INFORMATION REGARDING THE AMERICANS WITH DISABILITIES ACT PROCEDURES, SERVICES, ACTIVITIES, AND FACILITIES WHICH ARE ACCESSIBLE TO AND USEABLE BY HANDICAPPED PERSONS, CONTACT CHRISTINA STEINBACHER-REED, EXECUTIVE DIRECTOR, AT 2400 REACH ROAD, WILLIAMSPORT, PA 17701.**

# Resolution

## Concerning Intermediate Unit Budget

Section 914-A (6)(i)(ii) Act 102 of 1970, requires that the intermediate unit budget shall be approved by “at least a majority of the school districts comprising the intermediate unit and at least a majority of the proportionate votes of all school directors...”

At a meeting on \_\_\_\_\_, 2026 by a vote of \_\_\_\_\_ to \_\_\_\_\_, with \_\_\_\_\_ abstaining and \_\_\_\_\_ absent, as recorded in the minutes, the members of the Board of Directors of \_\_\_\_\_

School district, a member of BLaST Intermediate Unit 17,

*Please Check One*

approved \_\_\_\_\_ or

disapproved \_\_\_\_\_

the budget of Intermediate Unit 17 for the fiscal year July 1, 2026 to June 30, 2027.

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

SEAL

**Instructions:** *Each school district* will file one copy of this form with the intermediate unit office and it shall be made part of the intermediate unit budget file to confirm compliance with Section 914-A (6)(i)(ii) Act 102 of 1970.

**AGREEMENT**  
**Between**  
**LOYALSOCK TOWNSHIP SCHOOL DISTRICT**  
**And**  
**BLaST IU #17**  
**EXTENDED SCHOOL YEAR PROGRAM**  
**For**  
**SUMMER 2026**

**I. PURPOSE OF THE EXTENDED SCHOOL YEAR PROGRAM (ESY)**

The ESY Program perceives the students' educational role and relationship to the on-going community as a supporting and extending one. The ESY site will serve school-age students, ages 5-21, in Lycoming County. The ESY program at the Schick Elementary School will operate from June through July from approximately 8:00 a.m. through 12:00 p.m. Monday through Thursday, except major holidays.

The ESY Program is responsible for the overall development of the student and feel that a well supervised, choice-oriented education program will meet the student's needs best.

The daily program is based on the students' individualized IEP goals and progress monitoring data. BLaST IU #17 provides staff with weekly themes. Activities will involve mixed age groups, as well as groups based on age and interests. Along with on-site educational and recreational activities, efforts will also be made to make use of the larger community and its resources through organized activities as scheduled.

**II. USE OF THE SCHOOL FACILITY**

**A. Designated Area.**

1. Classrooms will be designated by the District prior to the start of the program and will be the designated space for the ESY Program at the Donald E. Schick Elementary School.

**B. Policy Relating to Use of Area.**

1. The ESY Program will have access to its designated area at school four (4) hours for two days before the program begins and one day after the program ends for clean-up and planning. The ESY Program will have access to a designated area once weekly for thirty (30) minutes for staff meetings large enough to accommodate the ESY staff (approximately 60). In addition, three (3) days will be designated prior to the start of the program and after the program is complete for administrative planning. The days will be scheduled in advance and must be agreed upon by both parties.
2. The School is expected to give the ESY Program at least three (3) days' notice if the designated area is needed for other purposes or if schedules are changed. The ESY Program will be afforded the same commitment for continued use of the designated area that is given to any other educational activities.
3. The ESY Program will be assigned adequate storage space in or near its designated area, with additional storage in other rooms used. Storage cabinets will be supplied by the ESY Program, if needed.

4. The ESY Staff will supervise students at all times. Wherever there are students present, there will be adult supervision, with the maximum ratio being one (1) adult to twelve (12) students.
5. The ESY Staff will be responsible for cleaning up of their own activities and will work with the custodian to further define the clean-up responsibilities and cleaning schedules of both parties.

**C. Use of School Equipment.**

1. The ESY Program will have use of the outdoor play equipment.
2. Proper adult supervision of the students will be provided whenever they are using school equipment.

**III. RELATIONSHIP OF SCHOOL PERSONNEL AND ESY STAFF**

**A. Principal.**

1. A designated person from the ESY Staff will confer regularly with the Principal.

**B. Custodian.**

1. The Custodian will form an arrangement at the start of the ESY Program with the ESY Staff regarding key accessibility, clean-up responsibilities and schedules and said written arrangement shall be incorporated into this agreement as if fully set forth herein.
2. The Custodian will inform the ESY Staff regarding behavior of students and request that changes be made as necessary. Discipline and supervision of the students is the responsibility of the ESY Staff.
3. The Custodian will confer as needed with the ESY Staff.

**IV. PROGRAM ADMINISTRATION**

**A. Procedures.**

1. A cell phone number (Erin Powell 570-699-9970 or otherwise designated) will be provided by the ESY Program for the District in order to have constant and open communication.
2. The ESY Program will be assigned a box in the office for mail and messages.
3. The ESY Program will be responsible for paying all additional costs of the program not hereto agreed upon.

**V. INSURANCE/LICENSE**

1. The BLaST IU #17 will be responsible for the provision of adequate Liability and Property Insurance coverage for the ESY Program. A Certificate of Insurance will be provided to Loyalsock Township School District prior to the start of the program.
2. The ESY Program will be properly licensed and fulfill all requirements applicable by Pennsylvania Department of Education.
3. The ESY Staff at all times relevant hereto are employees of the BLaST IU #17 and are not employees of the District. The BLaST IU #17 shall indemnify and defend the District for any actions that may be brought for any reason related to the ESY Staff.

**VI. TERM**

This agreement will be valid for one (1) year beginning in June of 2026 and ending July of 2026.

**VII. PAYMENT**

Payment to the District must be received according to the following schedule:

- August 31, 2026: \$45,000

Payment amount does not include meals provided to the ESY program if Loyalsock Township School District does not qualify as an “open site” for the Summer Meals Program.

**VIII. CANCELLATION**

This CONTRACT may be cancelled by either party with ninety (90) days written notice.

This AGREEMENT, made this \_\_\_\_ day of \_\_\_\_\_, 2026 is a good faith agreement to uphold the policies set forth in this document.

FOR LOYALSOCK TOWNSHIP SCHOOL DISTRICT:

District Representative	Title

FOR BLaST IU #17:

BLaST IU 17 Representative	Title

# The best tools for education. The best options for your budget.



## Pay to Own

### Solution Total

**\$316,820.00**

*0% Promotional APR  
March order placement*

### Payment Date

### Payment

07/15/2026	\$78,205.00
07/15/2027	\$78,205.00
07/15/2028	\$78,205.00
07/15/2029	\$78,205.00



### Review

Finalize product selections and payment plan.



### Confirm

Provide signer contact details, and we'll send documentation.



### Order

Submit signed documentation and we'll place your order.

### Ownership, affordability, flexibility.

The Pay-to-Own option helps make it possible to acquire all the equipment needed today through predictable and affordable payments over time. Your institution will retain ownership of all devices upon final payment.

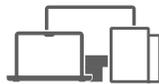
Flexible payment options are available to align with your budget, source of funding, and lifecycle goals.

### We're here to help.

We deliver lifecycle management with innovative capabilities, just as you'd expect from Apple. Please contact your AFS Manager to move forward, or to explore other flexible options.

### Amanda Curran

Area Finance Manager | Apple Financial Services  
610-392-3629 | amandac@apple.com



### Right tools.

The right tools empower your learning environment. We build payment plans aligned to your budget to get the right tools.



### Right time.

The right timing can make all the difference. We provide flexible terms that put you in control of when to deploy and refresh.



### Sustainable.

Creating a predictable lifecycle plan is an important element for ensuring a sustainable implementation.



# Apple Inc. Education Price Quote

**Customer:**

Justin Van Fleet  
LOYALSOCK TOWNSHIP SCHOOL DISTRICT  
Phone: 570-220-0891  
Email: jvanfleet@ltsd.k12.pa.us

**Apple Inc:**

Troy Jakobeit  
Email: troyj@apple.com

**Apple Quote:**

2214221142

**Quote Date:**

February 25, 2026

**Quote Valid Until:**

March 14, 2026

**Quote Comments:**

Item #	Details	Qty	Unit List Price	Disc. Per Unit	Unit Disc. Price	Extended Disc. Price
1	<b>iPad Wi-Fi 256GB - Silver (Packaged in a 10-pack)</b> Part Number: MD6Q4LL/A	450	\$424.00	\$0.00	\$424.00	\$190,800.00
2	<b>Logitech Rugged Combo 4 Case with Integrated Smart Connector Keyboard for iPad (A16) – Blue</b> Part Number: HQEW2ZM/A	450	\$99.95	\$0.00	\$99.95	\$44,977.50
3	<b>4-Year AppleCare+ for Schools - iPad (no service fees)</b> Part Number: S7832LL/A	450	\$79.00	\$0.00	\$79.00	\$35,550.00
4	<b>13-inch MacBook Air: Apple M4 chip with 10-core CPU and 10-core GPU, 16GB, 512GB SSD - Silver (Packaged in a 5-pack)</b> Part Number: MW183LL/A <b>Configuration:</b> 065-CH5T : Apple M4 chip with 10-core CPU, 10-core GPU, 16-core Neural Engine 065-CH5V : 16GB unified memory 065-CH60 : 512GB SSD storage 065-CH64 : 35W Dual USB-C Port Compact Power Adapter 065-CH7C : 12MP Center Stage camera 065-CH7D : Two Thunderbolt 4 ports 065-CH7F : MagSafe 3 charging port 065-CH7G : 13.6-inch Liquid Retina display with True Tone 065-CH9N : None 065-CH98 : Backlit Magic Keyboard with Touch ID - US English 065-CH9K : Accessory Kit	15	\$1,079.00	\$0.00	\$1,079.00	\$16,185.00
5	<b>4-Year AppleCare+ for Schools 13-inch MacBook</b>	15	\$239.00	\$0.00	\$239.00	\$3,585.00

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**Air (M3/M4) (no service fees)**

Part Number: SLTH2LL/A

6	<b>16-inch MacBook Pro: Space Black</b> Part Number: Z1FV <b>Configuration:</b> 065-CJLX : Apple M4 Max with 14-core CPU, 32-core GPU and 16-core Neural Engine 065-CJM1 : 36GB unified memory 065-CJM8 : 2TB SSD storage 065-CJNQ : 140W USB-C Power Adapter 065-CJNW : Three Thunderbolt 5 ports, HDMI port, SDXC card slot, MagSafe 3 port 065-CJNY : 16-inch Liquid Retina XDR display 065-CJNN : Standard display finish 065-CJQ0 : None 065-CJPL : Backlit Magic Keyboard with Touch ID - US English 065-CJPM : Accessory Kit	1	\$3,559.00	\$0.00	\$3,559.00	\$3,559.00
7	<b>4-Year AppleCare+ for Schools - 16-inch MacBook Pro Apple Silicon (no service fees)</b> Part Number: SD6Y2LL/A	1	\$449.00	\$0.00	\$449.00	\$449.00
8	<b>14-inch MacBook Pro: Apple M5 chip with 10-core CPU and 10-core GPU, 24GB, 1TB SSD - Silver</b> Part Number: MDE64LL/A <b>Configuration:</b> 065-CK56 : Apple M5 chip with 10-core CPU, 10-core GPU, 16-core Neural Engine 065-CK58 : 24GB unified memory 065-CK5F : 1TB SSD storage 065-CK5H : 70W USB-C Power Adapter 065-CK5M : Three Thunderbolt 4 ports, HDMI port, SDXC card slot, headphone jack, MagSafe 3 port 065-CK5P : 14-inch Liquid Retina XDR display 065-CK66 : Standard display finish 065-CK7K : None 065-CK77 : Backlit Magic Keyboard with Touch ID - US English 065-CK5Q : Accessory Kit	4	\$1,899.00	\$0.00	\$1,899.00	\$7,596.00
9	<b>4-Year AppleCare+ for Schools - 14-inch MacBook Pro (no service fees)</b> Part Number: SD6P2LL/A	4	\$319.00	\$0.00	\$319.00	\$1,276.00
10	<b>UZBL Mag Folio Case for iPad (A16) – Black   Special 10-pack pricing (includes qty. 10 HQXF2ZM/A)</b> Part Number: BW9A2LL/A  <b>UZBL Mag Folio Case for iPad (A16) – Black</b> Part Number: HQXF2ZM/A Quantity: 150	15	\$349.50	\$0.00	\$34.95	\$5,242.50

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11	<b>20W USB-C Power Adapter</b> Part Number: MWVV3AM/A	200	\$19.00	\$0.00	\$19.00	\$3,800.00
12	<b>60W USB-C Charge Cable (1m)</b> Part Number: MW493AM/A	200	\$19.00	\$0.00	\$19.00	\$3,800.00

<b>Extended Education List Price Total</b>	<b>\$316,820.00</b>
<b>Total Discount</b>	\$0.00
<b>Extended Discounted Price Subtotal</b>	\$316,820.00
Additional Tax	\$0.00
Estimated Tax	\$0.00
Total Tax	\$0.00
<b>Extended Discounted Total Price*</b>	<b>\$316,820.00</b>

*\*In most cases Extended Discounted Total Price does not include Sales Tax  
 \*If applicable, Recycle/eWaste/CBE Fees for CA Accounts are included. Standard shipping is complimentary.*

# Disclosure

This document has been created for you as Apple Quote ID **2214221142**.

**Your institution's Authorized Purchaser may submit an order online** at <https://ecommerce.apple.com>. Go to the Quote area of your Apple Online Store, click on it and convert to an order.

- If you're the authorized purchaser and need assistance in registering for access to the Apple Online Store, please contact your Apple Sales Representative.

**This is a quote for the sale of products or services. Your use of this quote is subject to the following provisions which can change on subsequent quotes:**

- A. Any order that you place in response to this Quote will be governed by the purchase agreement between Apple Inc. ("Apple") and you or another entity under which you're authorized to purchase under, in effect at the time you place the order.
  - If you do not have a purchase agreement in effect with Apple, please contact [csteam.edu@apple.com](mailto:csteam.edu@apple.com).
- B. All sales are final. Please review Return Policy below if you have any questions. If you use your institution's Purchase Order form to place an order in response to this Quote, Apple rejects any Terms set out on the Purchase Order that are inconsistent with or in addition to the Terms of the governing purchase agreement between the parties.
- C. Unless this Quote specifies otherwise, it remains in effect until the Quote Valid Until Date set forth above. Apple reserves the right to withdraw this Quote before an order is placed, modify, or cancel any provision of this Quote, or cancel any orders placed.



**Customer Name:** LOYALSOCK TOWNSHIP  
SCHOOL DIST

**Quote No:** 23451883

**Quote Name:**

**Quotation Date:** 01/12/2026

**Sales Support Contact:** ERYN MAUGER

**Sales Support Phone:** 610-495-1224

**Sales Support Email:** EMAUGER@EPLUS.COM

**Account Executive:** Mary Stratton

**Account Executive Phone:** 484-791-6036

**Account Executive Email:** Mary.Stratton@eplus.com

**Customer PO No:**

**Order No:**

**Expiration Date:** 03/13/2026

ePlus Technology inc, 13595 Dulles Technology Drive, Herndon, VA, 20171

Line No.	Part Number	MFG	Description/Line Notes	Duration	QTY	Unit Price	Ext Price
001	MX275-V5	SMART TECH	SMART BOARD MX075-V5 INTERACTIVE DISPLAY WITH IQ		43	2,560.29	110,092.47
002	EOW4-SBID-75-7Y	SMART TECH	5 YEAR ASSURE WARRANTY EXTENSION WITH RM FOR SMART BOARD 75IN INTERACTIVE DISPLAY - YEARS 4 TO 7	P 7Y	43	229.47	9,867.21
003	WM-SBID-200	SMART	WALL MOUNT MX-V2 GX SERIES 6000 AND 7000 SERIES		43	32.76	1,408.68
*Special Delivery Options*							
004	SPECIAL DELIVERY - LIFTGATE	SMART TECH	LIFTGATE FEE		1	3,415.00	3,415.00
005	SPECIAL DELIVERY - INSIDE DELIVERY	SMART TECH	INSIDE DELIVERY FEE		1	3,555.00	3,555.00
006	COSTARS 003-E22-579	EPLUS	AS PER COSTARS-3 IT HARDWARE CONTRACT NUMBER 003-E 22-579 FAX PO TO 610-495-1208		1	0.00	0.00

**Totals** 128,338.36

<b>Shipping:</b> <b>Packing:</b>	<b>Sub Total (USD):</b>	<b>128,338.36</b>
	<b>Est. Tax (USD):</b>	<b>0.00</b>
	<b>Shp&amp;Hnd (USD):</b>	<b>0.00</b>
	<b>Total (USD):</b>	<b>128,338.36</b>

All orders are governed by your organization's signed agreement with ePlus or applicable public sector contract; if there is no such agreement the Customer Terms and Conditions for Products and/or Services located at [www.ePlus.com](http://www.ePlus.com) govern. No additional or contrary terms in a purchase order shall apply, and ePlus' performance shall not be deemed acceptance of any preprinted PO terms. Use of software, subscription services or other products resold by ePlus is subject to manufacturer/publisher end user agreements or subscription terms. Any periodic payment obligations for specific offerings, along with customer-incurred overages, consumption fees, add-ons, quantity adjustments and automatic renewals are non-cancelable for any reason except by public sector customers required by law to terminate due to non-appropriation of funds.

PLEASE NOTE: Recent supply chain disruption and tariffs on certain imports are causing price increases for many IT products, with little or no notice, and beyond ePlus' control. As a result, this quote is subject to change without notice, even before the expiration date reflected above. Related manufacturer policy changes may result in orders being non-cancelable and products non-returnable except in accordance with the manufacturer warranty. Please confirm pricing and other restrictions prior to order placement. Unless freight amount is indicated, or is zero, freight will be added to the invoice. Unless Bill-To company is exempt from Sales Tax, it will be added to the invoice. Recognizing that the global pandemic has disrupted operations for many organizations, ePlus will ship products for delivery in accordance with customer's written ship-to instructions and products will be deemed delivered notwithstanding any failure of customer personnel to sign for receipt due to facility closing or otherwise. Supply chain disruption and tariffs on certain imports in accordance with applicable law may cause price increases for many IT products, with little or no notice, and beyond [SELLER'S] control. When such increases occur, this quote is subject to change without notice, even before the expiration date reflected above.

[ePlus offers flexible and easy leasing options for your IT equipment. Use leasing to increase your IT acquisition capability, overcome limited budgets, and manage the lifecycle of your assets. Contact an ePlus Leasing Coordinator at 1-703-984-8021 or \[leasing@eplus.com\]\(mailto:leasing@eplus.com\) to receive a lease quote today.](#)

<b>Customer Acceptance</b> Signature: _____ Name: _____ Title: _____ Date: _____ Customer PO #: _____	<b>Bill To</b> LOYALSOCK TOWNSHIP SCHOOL DIST	<b>Ship To</b> LOYALSOCK TOWNSHIP SCHOOL DIST  UNITED STATES
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Where Technology  
Means More®

## Statement of Work

**Loyalsock Township School District**

43 - 75" Smart-board Installation Services at High School

SOW# Loyalsock Township School District-43-75" Smart-board Installation Services  
at High School -173236

2/25/2026

**Eric Gee**

570-326-3581

[ege@loyalsocklancers.org](mailto:ege@loyalsocklancers.org)



## 1.0 INTRODUCTION AND EXECUTIVE SUMMARY

This Agreement and Statement of Work (this “Agreement” or “SOW”) is made February 25<sup>th</sup>, 2026 (“Effective Date”) by and between Loyalsock Township School District (“Customer”) and ePlus Technology, inc. (“ePlus”) (each of ePlus and Customer a “Party” and together the “Parties”).

### 1.1 EXECUTIVE SUMMARY OF THE SERVICES

Customer has engaged ePlus to provide Services for their classrooms located in Williamsport, PA. After gathering the information required while ePlus was on site, ePlus has provided a solution that includes up to forty-three (43) interactive 75” smartboards. This will include the installation of smartboards in the high school classrooms.

### 1.2 DEFINITIONS

**Deliverable:** A measurable indication of progress within a given phase, documentation in hard copy or electronic form such as analyses, reports, manuals, test results, or any other items as set forth in section 2.2.

**Milestone:** A specific goal, objective, or event pertaining to services described in this SOW.

**Normal Business Hours:** The hours of Monday through Friday 8:00 a.m. to 5:00 p.m. local time, excluding any federal and ePlus observed holidays. A list of ePlus observed holidays will be provided upon request.

**Products:** Third-party hardware and/or software products are sold separately and are not deliverables.

## 2.0 SCOPE

### 2.1 SERVICES

The Services that ePlus and/or its subcontractor shall provide will include:

#### Project Kick-Off:

- Host conference call/meetings platform of choice to review project pre-requisites and verify project pre-requisites have been met.
- Identify Customer’s and/or ePlus’ action items.
- Customer verifying that all equipment is on site.

#### High School Classrooms:

- Remove up to forty-three (43) existing M600 Smart Boards and projectors from Customer’s current location. This equipment will be turned over to the school district.
- Install up to forty-three (43) 75” Interactive Smart Boards. This includes transporting the boards to each mounting location from wherever within the building the boards will be stored. The district will furnish a receptacle for packaging and cardboard. The boards will be installed over top of the existing whiteboards. All of these locations are not cinder block walls. The new boards will be fastened to the wall with the mounting method and materials.
- This work will be performed after schools’ hours on a second shift basis.
- This SOW includes labor and mounting materials required to complete the installation.
- Labor is quoted at non-prevailing wage rate.

### 2.2 DELIVERABLES

ePlus will provide Services only, and no Deliverables will be provided.



# STATEMENT OF WORK

Loyalsock Township School District

Notwithstanding anything to the contrary set forth herein: (i) ePlus shall have the right to retain a copy of any work product of its personnel for its records; (ii) as part of ePlus' provision of the Services, ePlus may utilize proprietary works of authorship that have not been created specifically for Customer, including without limitation computer programs, methodologies, designs, tools, and documentation, as well as intellectual property rights, ideas, concepts, know-how, or data, and any derivatives thereof, which have been originated, developed or purchased by ePlus or its affiliate, subcontractors or suppliers ("ePlus Information"); and (iii) ePlus Information and ePlus' administrative communications and records relating to the Services shall remain the sole and exclusive property of ePlus.

## 2.3 PLACE OF PERFORMANCE

Unless otherwise specified elsewhere in this SOW, all on-site Services will be performed at Customer's facilities located at the following location(s) ("Customer Site"):

- 1801 Loyalsock Drive, Williamsport, PA 17701

## 3.0 CUSTOMER RESPONSIBILITIES

### 3.1 GENERAL RESPONSIBILITIES

During the course of this project, ePlus will require the support of Customer staff and computing resources. If the required Customer resources cannot be made available, the scope of the Services, estimated schedule (see section 5.1), or both may be affected. Customer agrees to provide the following:

- A work area suitable for the tasks to be performed and any required software or documentation.
- If Customer directly procures any hardware or software required for this project, Customer agrees to provide the hardware, software, and any accompanying support documentation or instructions.
- Ensure that sufficient rack space, power, cooling, etc. for new hardware is in place prior to implementation
  - **Note:** The Customer is responsible for moving existing equipment within a rack to make sufficient space for new hardware. ePlus resources are not responsible for moving existing equipment during the physical installation of new hardware.
- Customer is responsible for the removal and disposal of hardware being replaced as part of this project.
- Customer is responsible for configuring the smart boards to be placed on to their network.
- Provide location for disposal of packing materials. ePlus will dispose of debris (cardboard, plastic, wood skids, Styrofoam, and other miscellaneous packing materials) in customer-supplied dumpster
- Customer will provide patch cables related to project unless otherwise specified in this SOW.
- A secure storage location for all equipment delivered to the Customer Site until the scheduled ePlus installation date, if applicable.
- Contact personnel to escort the ePlus resource(s) through the Customer Site.
- Access to the Customer Site during the work hours required for this project.
- Current network topology
- Electrical power outlets to support requirements of the installed network equipment
- Provide a single technical point of contact, who is familiar with the IT environment and requirements, to work with ePlus engineering resource(s) throughout the project and act as a liaison between the Customer's staff.
- Provide requested network diagrams/information to ePlus within two (2) days of the initial request.



# STATEMENT OF WORK

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## 3.2 PROJECT SPECIFIC CUSTOMER RESPONSIBILITIES

### Work Not Included:

The following additional items may be required but are not included in the ePlus scope of work.

- For completion prior to arrival:
  - 120V AC power circuits as required
  - Low-voltage cabling pathways between devices as required
  - Network data drops and configuration at all locations as required
  - Wall blocking as required for mounting video displays
- Patching and/or painting required as resulting from existing equipment removal.
- Any existing or owner-furnished equipment must be received in working order.
- Should any issues be discovered during system installation, additional hardware and/or services may be required.
- Building access to accommodate oversize equipment may be required, including freight elevators, doors, and hallways, in original packaging.
- Garbage and recycling containers for large cardboard waste

## 3.3 System Responsibilities

- Customer is responsible for providing all software and associated licenses.
- Unless otherwise agreed by the Parties, Customer shall respond within two (2) business days of ePlus' request for documentation or information needed for the project.
- Customer shall ensure that contracts with its own vendors and third parties are fully executed and enable Customer's business requirements to be met in full. Customer shall be responsible for all payments to, and the performance of, all non-ePlus entities assigned to, or working on this project.
- ePlus will not be responsible for data loss. Backups should be performed prior to work starting. All data is the responsibility of the Customer.
- Should a manufacturer provide Customer with specialized or custom software unique to Customer, ePlus will not be responsible for any delays or failures to perform related to use of such software.
- ePlus shall not be responsible for support and maintenance of products.
- Unless otherwise specified in this SOW, ePlus shall not be responsible for any customization of, or labor to install software (except operating systems or firmware pre-installed by the manufacturer).
- Services do not include resolution of software or hardware problems resulting from third party equipment or services or problems beyond ePlus' control.
- Services exclude any hardware upgrade required to run new or updated software.

## 4.0 ASSUMPTIONS

### 4.1 GENERAL ASSUMPTIONS

The following assumptions were made to create this SOW. Should any of these assumptions prove to be incorrect or incomplete then ePlus may modify the price, scope of work, or Milestones pursuant to the Change Management Procedure set forth herein. ePlus assumes:

- Where applicable, Customer's Site shall be ready prior to the date scheduled for ePlus to perform the Services. Costs associated with Customer's inability to (1) make the Customer Site ready or (2) meet any of the other responsibilities specified in this SOW shall be billed at ePlus' then-current time and materials



## STATEMENT OF WORK

Loyalsock Township School District

rates plus travel and other related expenses. Any additional costs incurred by Customer as a result of delays shall be the sole responsibility of the Customer.

- This SOW defines exclusively the scope of the Services. This SOW shall not apply to any purchase, support or maintenance of products, which are purchased separately.
- In the event ePlus is required to provide third party materials under this SOW (i.e. cables, racks, etc.), Customer shall be responsible for any costs, maintenance, and/or warranty obligations therein.
- Acceptance tests conducted in respect of the Services shall apply only to such Services and shall not constitute acceptance or rejection of any Product purchased or licensed separately by Customer.
- The schedule shall be extended up to thirty (30) days for any personnel change requests made by Customer.
- Customer acknowledges that at any time during the project, if progress is stalled, by no fault of ePlus, for more than twenty (20) contiguous business days, ePlus reserves the right to issue a Milestone Completion Certificate for work that has been completed.
- If Services include any assessments of Customer's network, systems, or security protocols, Customer understands that no guaranty is made by ePlus or its subcontractors that such assessments will detect all security weaknesses, potential security problems, vulnerabilities, or potential breaches. ePlus does not guarantee that recommendations or actions undertaken pursuant to this SOW will completely address all issues identified or not identified.
  - If an ePlus Subcontractor is used to perform the security assessment/audit services, the data will be shared with ePlus for gap analysis and recommendation purposes.
- If Services include the implementation of any system dealing with Emergency 911 (E911) Services, including but not limited to phone systems, the Customer is responsible for ensuring its 911 dialing is compliant with all applicable laws, including but not limited to "Kari's Law" and the "Ray Baum Act". ePlus encourages customers to consult with their counsel regarding this matter.
- Documents are created using ePlus templates (structure and format) and delivered to Customer in softcopy only. Customization to deliverable documents (structure, format, and/or other non-standard content) must be handled via a Change Request (CR) unless explicitly stated in this SOW.
- ePlus Deliverable Documents include up to two (2) revisions, per document, based on Customer feedback. Subsequent revisions will require a CR or separate SOW.
- The final source code, if within scope, for the Customer's system is available as a deliverable at the conclusion of the project. System files will be stored on ePlus servers. Attempting to modify, compile, restore, or upload to any hardware during the warranty period will void the system warranty. Should the Customer desire the final source code as a deliverable, ePlus will no longer be held liable for any changes made to the Customer's system or the code itself. This includes any system failures that would normally be covered under the existing warranty agreement.

### 4.2 PROJECT SPECIFIC ASSUMPTIONS

- Calls and meetings will be scheduled at a mutually agreeable time between Customer's and ePlus' resources. The calls and meetings will be scheduled through ePlus' Project Manager.
- Training will be provided by Smart Technologies. There are up to two (2) trainings that will happen during the year in which Smart Technologies has provided the information to Customer. The training is not included in this project unless otherwise specified in this SOW.
- Services schedule reflects work effort based on non-contiguous business days and does not include a full-time ePlus Engineer for staff augmentation during the project.



5.0 PERIOD OF PERFORMANCE

5.1 ESTIMATED TIMELINE

- The estimated timeline for the Services will begin within thirty (30) days after execution of this SOW and continue for not more than six (6) months. If Services have not been scheduled at the execution of this SOW, a timeline should be developed mutually by the Parties and agreed to before each phase of the Services begins. The actual start date will depend on the following considerations:
- Scheduled availability of a qualified systems engineer
- Receipt of Product and any necessary equipment
- Receipt of signed SOW from Customer prior to proposed start date
- Receipt of purchase order from Customer

5.2 TERMINATION

Either Party may terminate the SOW for any reason on thirty (30) days prior written notice to the other Party. Upon any such termination, ePlus will be paid all fees and expenses which have been incurred or earned in connection with the performance of the Services through the effective date of such termination. Additionally, in the event Customer cancels any Services with less than two (2) weeks prior notice, Customer shall reimburse ePlus for any non-refundable expenses incurred in preparation for such cancelled Services.

6.0 PRICING AND PAYMENT TERMS

For the Services performed under this SOW, Customer agrees to pay ePlus a fee of \$15,560.00 (the "Fee"), plus any applicable taxes, as specified.

Milestones are as follows:

TITLE:	DESCRIPTION:	AMOUNT:
Milestone 1	Project Completion	\$15,560.00

The Pricing in this SOW is valid for sixty (60) days from delivery to the Customer. Fees include reasonable travel to and from the required location up to a maximum of fifty (50) miles and incidental expenses. Customer shall issue a purchase order adequate to cover the Fee prior to commencement of Services. Fees for additional services related to but not defined in this SOW will be on a time and materials basis at a rate set forth in a written amendment or Change Request. All tasks under this SOW will be completed during Normal Business Hours.

Payment is due upon receipt of invoice. Customer acknowledges that ePlus may participate in and retain the benefit of incentive plans or other programs with, among others, its travel providers wherein ePlus may receive benefits, such as frequent flier miles or other consideration for corporate travel volume. Fees, expenses, and other charges for the Services do not include sales, use, excise, value added, or other applicable taxes, tariffs, or duties. Payment that may be due on such amounts, and shall be the sole responsibility of Customer (excluding any applicable taxes based on ePlus' net income or taxes arising from the employment or independent contractor relationship between ePlus and its personnel).



# STATEMENT OF WORK

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## 7.0 ACCEPTANCE OF MILESTONES OR SERVICES

Upon ePlus' completion of a Milestone or Service performed, ePlus shall notify Customer by providing one of the following forms of acceptance:

- Signed work order or time sheet; or
- Milestone/Service Completion Certificate ("MCC"); or
- Project completion document

Customer has five (5) working days from the completion of the Services or Milestone, as applicable, to accept the work performed as being complete. Signing of the MCC, approving the time sheet, or Customer's failure to respond to the approval request within the designated five (5) working day period, signifies Customer's acceptance of the Milestone or time sheet and that Services have been performed in accordance with the SOW. In order to refuse acceptance of the Services, Customer must provide ePlus with full details that show that Services do not conform to the SOW. ePlus shall address such non-conformance in a timely manner and shall compile an action plan to correct any deficiencies. The acceptance process shall be repeated until all deficiencies have been resolved and the Services meet the requirements of the SOW. Acceptance may not be withheld due to defects in Services that do not represent a material non-conformance with the requirements of the SOW.

## 8.0 CHANGE MANAGEMENT PROCEDURES

Any change to the scope of Services or the obligations of the Parties under this SOW shall be set forth in a mutually agreed change request signed by both Parties ("Change Request"). The Change Request may be drafted by either Party and will describe the nature of the change, the reason for the change, and the effect of the change on the scope of work, Deliverables and/or the schedule. The Parties will negotiate in good faith the changes to the Services and the additional charges, if any, required to implement the Change Request.

## 9.0 AV WARRANTY TERMS AND CONDITIONS

ePlus warrants the installation to be free of defects in materials and workmanship for a period of ninety (90) days, commencing upon receipt of beneficial use of the equipment, or upon completion of the installation, whichever comes first (the "Warranty Period"). If, during the Warranty period, Customer notifies ePlus that the system fails to perform as specified, ePlus shall correct the problem at no additional cost to the Owner. The foregoing warranty excludes damage or inability to use the system due to defects in the equipment, loss or fluctuation of AC power, interruptions in network service, or Customer misuse. Equipment components in the system are covered by manufacturer's warranty of varying lengths as determined by each manufacturer. Should those equipment components fail, ePlus will provide support services to diagnose, repair, and replace components under manufacturer's warranty for no charge during the Warranty Period and may continue to provide such support services after the Warranty Period as a billable service, using a new or existing BSA agreement as the billing method. Costs for repair or restoration of service caused by conditions listed above shall be billed on a Time and Materials basis. Throughout the Warranty Period, ePlus shall provide telephone and email support, on a best effort basis, during normal business hours, Monday-Friday 8:00 a.m. EST to 5:00 p.m. EST.

## 10.0 WARRANTY

ePlus warrants that Services will be performed in a professional and workmanlike manner in accordance with industry standards for service providers under similar circumstances. ALL WARRANTIES PROVIDED HEREIN ARE PERSONAL TO, AND INTENDED SOLELY FOR THE BENEFIT OF, CUSTOMER AND DO NOT EXTEND TO ANY THIRD PARTY. EPLUS DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THIS SOW (INCLUDING, WITHOUT LIMITATION, WARRANTIES AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE), TITLE, NON-INFRINGEMENT OR OTHERWISE, EXPRESS OR IMPLIED.



# STATEMENT OF WORK

Loyalsock Township School District

## 11.0 LIMITATION OF LIABILITY

IN NO EVENT WILL EPLUS BE LIABLE TO THE CUSTOMER OR ITS AFFILIATES FOR (A) ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, EVEN IF EPLUS HAS BEEN ADVISED OF THE POSSIBILITY THEREOF, (B) ANY DAMAGES RESULTING FROM LATENT DEFECTS, LOSS OF DATA OR PROFITS, (C) ANY CLAIM WHETHER IN CONTRACT OR TORT, THAT AROSE MORE THAN ONE (1) YEAR PRIOR TO INSTITUTION OF SUIT THEREIN. EPLUS SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE RESULTING FROM THE USE, OPERATION OR PERFORMANCE OF PRODUCTS MANUFACTURED OR LICENSED BY THIRD PARTIES. EXCEPT FOR DAMAGES RESULTING FROM PERSONAL INJURY OR TANGIBLE PROPERTY DAMAGES DIRECTLY RESULTING FROM GROSS NEGLIGENCE, EPLUS' AGGREGATE LIABILITY HEREUNDER, IF ANY, SHALL BE STRICTLY LIMITED TO THE AMOUNT PAID BY CUSTOMER PURSUANT TO THIS STATEMENT OF WORK. IN NO EVENT SHALL EPLUS BE LIABLE FOR ANY CLAIMS BY A THIRD PARTY. EACH PARTY ACKNOWLEDGES THAT THIS SECTION SETS FORTH A REASONABLE ALLOCATION OF LIABILITY BETWEEN THEM, AND THAT EPLUS' PRICING IS OFFERED IN RELIANCE ON THE WARRANTY DISCLAIMERS AND LIABILITY LIMITATIONS AND EXCLUSIONS SET FORTH IN THIS SOW.

## 12.0 OTHER TERMS AND CONDITIONS

**Effect of Termination:** Termination of this SOW does not relieve Customer's obligations to pay all fees that accrued before termination.

**Late Payment Charge and Default:** Customer agrees to pay a late payment charge computed at the rate of one and one-half percent (1.5%) per month, or the maximum late payment charge permitted by applicable law, whichever is less, on any unpaid amount due under this Agreement and/or Purchase Orders. A late payment charge will apply to any amount not received by the due date and continue until all overdue payments, including late charges, are paid in full. Failure by ePlus to assess this charge on one occasion in no way affects its right to do so on another occasion. In the event ePlus must resort to collection, Customer shall be responsible for all collection costs, including legal fees. ePlus reserves its right to review and revise either the credit or the payment terms based on Customer's financial condition or payment history at the time of such review, and Customer agrees to provide all relevant information to affect such review. ePlus further reserves its right to suspend Services for nonpayment by Customer for Services either under this Agreement and/or Purchase Orders.

**Assignment:** Neither Party may assign this SOW without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that either Party may assign this SOW to a corporation controlling, controlled by or under common control with the assigning Party without the prior written consent of the other Party. Notwithstanding the foregoing, ePlus may assign payment for financing purposes without notifying Customer, but Services will not be affected.

**Non-Disclosure:** "Confidential Information" is information or material disclosed by a party ("Discloser") to the other (Recipient") in connection with this Agreement that is either (a) marked or identified in writing as confidential, or (b) relates to the processes, technology, plans, or methodologies used by ePlus or its suppliers to provide the Services. Recipient shall not disclose Confidential Information to any third party until three (3) years after expiration or termination of this Agreement. Confidential Information does not include information that: (i) is or becomes publicly available without breach of this Agreement; (ii) is in Recipient's possession at the time of receipt or becomes available from a third party without breach of confidentiality obligation; or (iii) is independently developed by or for Recipient without access to Confidential Information, as evidenced by written records. This section shall not prohibit ePlus from disclosing information required by its suppliers or subcontractors in connection with this Agreement. Customer acknowledges that ePlus or its employees and subcontractors may provide similar services to others and use or disclose to others general knowledge, skill and experience developed over the years, including under this Agreement. A Recipient may disclose Confidential Information pursuant to a legal requirement or court order after first notifying Discloser and making a reasonable effort to obtain a protective order limiting the scope of disclosure.

**Non-Solicitation:** Customer acknowledges that ePlus has invested significant resources in the training of its employees and that these employees are a valuable resource. Therefore, if ePlus provides Services under this Agreement, Customer agrees that during the term of this Agreement and for a period of eighteen (18) months thereafter, Customer shall not solicit for hire or hire employees of ePlus (or anyone who has been employed by ePlus within the month prior to the date of solicitation). Should such a hiring of an ePlus employee take place, ePlus shall be entitled to liquidated damages and/or compensation directly from the Customer in the amount of 20% of the employee's total annual compensation.



# STATEMENT OF WORK

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**Choice of Law, Attorney Fees and Jury Trial Waiver:** The laws of the Commonwealth of Virginia will govern the construction and operation of this SOW without regard to the conflicts of laws and provisions thereof. In the event it is necessary for ePlus to bring legal action due to Customer's non-payment, ePlus shall be entitled to recover all costs of such action, including reasonable attorneys' fees. The Parties hereto waive, and to the extent permitted by law, all rights to a jury trial in any action or proceeding to enforce or defend any rights hereunder.

**Severability:** The invalidity of any provision of this SOW will not affect the validity and binding effect of any other provision.

**Subcontracting:** The relationship created hereunder between the Parties shall be solely that of independent contractors entering into an agreement. No representations or assertions shall be made or actions taken that could imply or establish any agency, joint venture, fiduciary, partnership, employment or other relationship between the Parties with respect to the subject matter of this SOW. ePlus retains the right to subcontract any Service described herein to subcontractor(s) of ePlus' choosing, provided that such subcontractor(s) shall possess qualifications equivalent to those of ePlus.

**Data Rights and Consents:** Customer represents and warrants that it has all right, title, and interest in and to any data furnished in connection with the Services and/or that it has obtained all necessary consents, permissions, and releases necessary for ePlus to perform its obligations under this SOW. Customer shall indemnify, defend, and hold ePlus harmless from any claims or liabilities arising out of Customer's breach of the foregoing.

**Integration; Order of Precedence:** This SOW constitutes the entire agreement of the Parties hereto with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions, and communications, whether oral or in writing. In the event of a conflict between the provisions of this SOW and any exhibits, the provisions of this SOW shall control, except to the extent the provisions in an exhibit expressly provide otherwise. This SOW may be modified only by means of a duly executed written amendment. Neither the terms of any purchase order, invoice, or other instrument documenting a payment or transaction that is issued by either Party in connection this SOW, nor any other act, document, usage, custom, or course of dealing shall modify the terms of this Agreement. This SOW shall be enforceable in accordance with its terms when signed by each of the Parties hereto.

## 13.0 SOW ACCEPTANCE

This SOW # Loyalsock Township School District-43-75" Smart-board Installation Services at High School -173236 is acceptable. Please sign and return to Professional Services at PS-Requests-PA-NJ@eplus.com.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties hereto have caused this SOW to be executed.

ePlus Technology, inc.		Loyalsock Township School District	
AUTHORIZED SIGNATURE		AUTHORIZED SIGNATURE	
PRINTED NAME		PRINTED NAME	
TITLE		TITLE	
DATE		DATE	
		PO#	