

FINANCIAL STATEMENTS AND REPORTS OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

JEFFERSON COUNTY DUBOIS AREA
VOCATIONAL TECHNICAL SCHOOL

June 30, 2025

Root, Spitznas & Smiley, Inc.

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Transmittal Letter

Board of Directors

Jefferson County-DuBois Area Vocational Technical School

We have performed the Single Audit of the Jefferson County-DuBois Area Vocational Technical School, Reynoldsville, Pennsylvania, for the year ended June 30, 2025, and have enclosed the Single Audit reporting package.

The Single Audit was done to fulfill the requirements of the Uniform Guidance and includes the following:

1. an audit of the financial statements and our opinion thereon, including our report on the schedule of expenditures of federal awards;
2. a 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*;
3. a report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

Root, Spitznas and Smiley, Inc.

ERIE, PENNSYLVANIA

December 8, 2025

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Independent Auditor's Report

Board of Directors

Jefferson County-DuBois Area Vocational Technical School

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jefferson County-DuBois Area Vocational Technical School, Reynoldsville, Pennsylvania, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School'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 Jefferson County-DuBois Area Vocational Technical School, Reynoldsville, Pennsylvania (School), as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 and the schedules, as listed in the table of contents, on pages 56 through 60 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jefferson County-DuBois Area Vocational Technical School'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 December 8, 2025, on our consideration of the Jefferson County-DuBois Area Vocational Technical School'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 School'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 Jefferson County-DuBois Area Vocational Technical School's internal control over financial reporting and compliance.

Root, Spitznagel and Smiley, LLC

ERIE, PENNSYLVANIA
December 8, 2025

**JEFFERSON COUNTY-DUBOIS AREA VOCATIONAL TECHNICAL SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information
June 30, 2025**

The management of Jefferson County-DuBois AVTS (Jeff Tech) is pleased to present the following discussion and analysis of the School's financial activities for the fiscal year ending June 30, 2025. This MD&A will provide a summary of the financial position and activities of the school to further enhance the reader's understanding of Jeff Tech's basic financial statements.

OVERVIEW OF THE SCHOOL

Jeff Tech is a joint venture operated in accordance with the established Articles of Agreement by its four-member school districts located in Clearfield and Jefferson counties. Jeff Tech is located in Reynoldsville, Pennsylvania and provides career and technical education and training to students in 9th, 10th, 11th, and 12th grades from Brockway, Brookville, DuBois, and Punxsutawney Area School Districts. Students attending from other districts pay tuition which is calculated according to an approved tuition policy. The school is funded primarily from contributions from the member school districts, state, and federal government sources. The funding method is detailed in the school's Articles of Agreement, which were revised and approved in October, 2003. Under the Articles of Agreement, operating expenses and capital expenditures are proportioned by a funding formula as follows: 50% of the formula is based on each district's aggregate days membership for resident students in grades 9, 10, and 11 and students attending Jeff Tech. The remaining 50% is based on Jeff Tech enrollment data for each district collected on October 1 of each year from three prior completed school years.

YEAR IN REVIEW

Jeff Tech began a building project in the spring of 2024 which will be a facility for training butchers and is being funded primarily by a federal USDA grant and a state RACP grant. Combined grant funding totals \$2,225,000. Jeff Tech's contribution to the project in 2023-2024 was \$203,000 with the Capital Project Reserve fund contributing \$89,580 following JOC approval. The remainder of the Jeff Tech contribution of \$113,420 came from Adult Funds from 2023-2024 and prior years. This program is anticipated to begin in the winter of 2026. In October 2024, the JOC voted to close the LPN program following the graduation of the part-time class in November, 2025 due to declining enrollment and losses sustained in the program over the past several years and an LPN program being opened by Penn State.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report is comprised of three sections:

1. Management's Discussion and Analysis
2. Basic Financial Statements
3. Required Supplementary Information

The first two statements of the basic financial statements *are government-wide financial statements*. These statements consist of the Statement of Net Position and the Statement of Activities. The government-wide financial statements provide both short-term and long-term information about the School's overall financial status.

The remaining basic financial statements consist of *fund financial statements*. These statements focus on the individual funds of the school and provide a more comprehensive presentation of Jeff Tech's financial operations. The *governmental fund statements* illustrate how the day-to-day operations of the school are financed and what funds are available for long term spending. The proprietary fund statements provide both short and long-term information about the financial activities of the school's food service fund. The basic financial statements also include notes that provide a more detailed explanation of some of the information in the financial statements.

Reporting the School as a Whole

Statement of Net Position and the Statement of Activities

The **government-wide statements** report financial information about Jeff Tech using accounting methods similar to the accounting used by private-sector companies. The *Statement of Net Position* includes all of the school's assets and deferred outflows of resources and liabilities and deferred inflows of resources utilizing the full accrual basis of accounting. The *Statement of Activities* accounts for all of the school's revenues and expenses, regardless of when cash is received or paid.

The school's net position represents the difference between the school's assets, deferred outflows, liabilities and deferred inflows. Jeff Tech's net position is one way to measure the financial position or financial health over a period of time. Increases or decreases in the school's net position are one indicator of whether the financial health is improving or deteriorating, respectively. In evaluating the school's overall financial picture, other non-financial factors must be considered—such as the financial health of the member districts, facility conditions, and the performance of the students. The government-wide financial statements of the school are divided into two categories:

Governmental Activities—Most of the school's basic services are reported here, such as instruction, administration, and support services. Contributions from the member school districts, state and federal government revenue, and grants are the primary funding sources for these activities.

Business Type Activities—Jeff Tech runs a food service operation and charges staff for the cost of the food and services it provides. The school provides free breakfast and lunch to all students under the federal community eligibility provision (CEP); additional meals and ala carte items can be purchased by students.

REPORTING THE SCHOOL'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, or major funds, of Jeff Tech.

Governmental funds—Most of Jeff Tech's basic services are reported here and focus on changes in financial resources, rather than upon net income determination. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. These funds provide a detailed short-term view of the school's operations and the basic services they provide. This information is useful in evaluating the level of financial resources that are available in the near future to finance Jeff Tech's operations

The governmental funds that are considered major funds for Jeff Tech are the General Fund, the Capital Projects Reserve Fund, and the Debt Service Fund. An additional Capital Project Fund was temporarily established with JOC approval for the Farm to Refrigerator building construction project and will be closed after the project is completed.

Proprietary funds—These funds account for the School's activities that are similar to private sector business operations, and focus on the determination of net income and financial position of the school. The only proprietary fund is the Food Service Fund, which is considered an enterprise fund. The information reported for this enterprise fund is the same information we report for the business-type activities included in the government – wide statement. However, the fund level statements provide more detailed information on the enterprise fund such as the cash flows statement.

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Changes in Entity-Wide Net Position

The chart below represents a two-year snapshot of the changes in the net position of the school. Jeff Tech's net position was \$1,450,323 as of June 30, 2025. The net position for the Government Activities was increased by \$1,931,266 compared to the 2023-2024 fiscal year. The increase in net position is a result of the implementation of GASB Statements #68 and #71 in June 2015 which required the School to record its portion of the PSERS long term pension obligation on the financial statements and GASB Statement #75 implemented in June, 2018 which required changes to the school's recognition of its other post-employment benefit obligations. Jeff Tech's pension liability as of June 30, 2025, was \$11,510,109. A portion of the school's assets are invested in capital assets (building, land and equipment). The remaining unrestricted assets are a combination of committed and unassigned amounts. The school has also incurred debt in the amount of \$12,645,000 during 2004-2005 in the form of general obligation bonds issued to fund the renovation project which began in 2004. In 2012-2013, this debt was refinanced in the amount of 11,425,000. The remaining debt is reflected in the long-term liabilities section of the Net Position chart below. In 2024-2025, the member schools made principal and interest debt service payments in the amount of \$896,943 which was proportionately divided between the four schools and calculated based on their contribution percentage for 2024-2025.

NET POSITION-- FISCAL YEAR ENDING JUNE 30, 2025

	2023-2024			2024-2025		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and Other Assets	\$ 3,656,631	\$ 339,476	\$ 3,996,107	\$ 3,750,202	\$ 343,477	\$ 4,093,679
Capital Assets	11,582,563	20,903	11,603,466	12,378,344	51,363	12,429,707
Total Assets	\$ 15,239,194	\$ 360,379	\$ 15,599,573	\$ 16,128,546	\$ 394,840	\$ 16,523,386
Deferred Outflow of Resources	3,371,768	-	3,371,768	2,961,756	-	2,961,756
Total Assets and Deferred Outflows	\$ 18,610,962	\$ 360,379	\$ 18,971,341	\$ 19,090,302	\$ 394,840	\$ 19,485,142
Current and Other Liabilities	2,571,559	64,358	2,635,917	2,074,698	131,975	2,206,673
Long-Term Liabilities	16,255,266	-	16,255,266	15,364,150	-	15,364,150
Total Liabilities	18,826,825	64,358	18,891,183	17,438,848	131,975	17,570,823
Deferred Inflow of Resources	561,101	-	561,101	463,996	-	463,996
Total Liabilities and Deferred Inflows	\$ 19,387,926	\$ 64,358	\$ 19,452,284	\$ 17,902,844	\$ 131,975	\$ 18,034,819
Net Position						
Invested in Capital, Net of Related Debt	7,700,911	20,903	7,721,814	9,162,597	51,363	9,213,960
Retirement of Long Term Debt	3,429	-	3,429	2,994	-	2,994
Unrestricted	(8,481,304)	275,118	(8,206,186)	(7,978,133)	211,502	(7,766,631)
Total Net Position	\$ (776,964)	\$ 296,021	\$ (480,943)	\$ 1,187,458	\$ 262,865	\$ 1,450,323
Total Liabilities, Deferred Inflows and Net Position	\$ 18,610,962	\$ 360,379	\$ 18,971,341	\$ 19,090,302	\$ 394,840	\$ 19,485,142

The results of the fiscal year operations are presented in the school's Statement of Activities. Specific charges for services and operating grants and contributions that directly relate to specific categories or expenses are applied against the expense to determine the amount of the school's activities that are supported by other general revenues. The following table takes the information reported on that statement, modifying the format slightly for discussion purposes, in order to present the total revenues and expenses for the year.

STATEMENT OF ACTIVITIES
FISCAL YEAR ENDING JUNE 30, 2025

	2023-2024			2024-2025		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
REVENUES						
Program Revenues:						
Charges for Services	\$ 610,839	\$ 104,322	\$ 715,161	\$ 578,886	\$ 103,897	\$ 682,783
Operating Grants and Contributions	2,756,299	590,267	3,346,566	2,958,432	622,076	3,580,508
Capital Grants and and Contributions	1,118,655	-	1,118,655	1,222,434	-	1,222,434
General Revenues:						
Contributions from Member Districts	7,226,910	-	7,226,910	7,568,318	-	7,568,318
State Grants and Subsidies						
Investment Earning	110,732	11,308	122,040	107,745	10,229	117,974
Miscellaneous	23,809	3,498	27,307	74,411	3,125	77,536
Gain (Loss) on Sale of Assets	5,430	-	5,430	-	-	-
Transfers	-	-	-	-	-	-
Total Revenues	11,852,674	709,395	12,562,069	12,510,226	739,327	13,249,553
EXPENSES						
Instruction	6,139,280	-	6,139,280	6,486,020	-	6,486,020
Support Services	3,783,540	-	3,783,540	3,934,439	-	3,934,439
Refund of Prior Year Receipts	-	-	-	-	-	-
Scholarships and Awards	-	-	-	-	-	-
Interest on Long Term Debt	149,191	-	149,191	125,345	-	125,345
FOOD SERVICE	-	689,849	689,849	-	772,483	772,483
Total Expenses	10,072,011	689,849	10,761,860	10,545,804	772,483	11,318,287
Increase (Decrease) in Net Position	\$ 1,780,663	\$ 19,546	\$ 1,800,209	\$ 1,964,422	\$ (33,156)	\$ 1,931,266

One source of program revenues for Jeff Tech is operating grants and subsidies. In 2024-2025, Jeff Tech received a federal grant from the *Carl D. Perkins Vocational and Technical Education* grant in the amount of \$227,123 which represented a \$22,356 increase from the 2023-2024 allocation. The school received grant funds in the amount of \$155,100 from the State Supplemental Equipment grant, which was an increase of \$38,211 over the prior year. In addition, Jeff Tech was awarded \$85,000 in a competitive equipment grant. Jeff Tech received \$794,150 in state vocational subsidies, which was an \$85,530 increase over 2023-2024 subsidy allocation. The increase in this subsidy is due primarily to the increase in enrollment, as it is largely driven by reported ADM information from the prior year. Adult Education programs consisted of evening school programs, a full-time and a part-time licensed practical nursing program, adult integrated programs and a CDL program. The licensed practical nursing programs together generated \$588,623 in revenue and the program cost \$616,246 to run resulting in a loss of \$27,623 which decreased the general fund committed fund balance for the LPN program to \$156,185. The LPN programs will close following the graduation of the part-time program in November 2025. The CDL program had a profit of \$12,101; the Adult Evening School profit was \$15,275 and the Adult Integrated program's profit was \$79,027. The Farm to Refrigerator Capital Project received or earned revenue in the amount of \$6,742 and incurred expenses in the amount of \$9,165.

Adult program fund balance was used to offset Farm to Refrigerator loss, resulting overall increase to adult programs fund balance of \$103,979. The committed fund balance for adult programs as of 6-30-2025 was \$228,885.

The adult programs at Jeff Tech receive financial support from the member districts in the amount of \$120,485 which is the salary and benefits for the Evening School coordinator. These district funded adult expenditures are presented and approved each year as part of the district funded budget.

The largest source of general revenues for the school consists of contributions from the four-member school districts in the amount of \$7,568,318 which includes debt service principal and interest payments. The 2024-2025 payments increased by \$341,408 over the prior year. The total support from the member districts accounts for 71% of general revenue, excluding LPN, adult, and charitable program revenue. This percentage demonstrates the reliance that Jeff Tech places on the contributions received from its member districts for the operation of the school. By comparison, 2023-2024 member district support was 70% of total revenue and 2022-2023 member district support was also 76% of total revenue.

Net Cost and Funding of Governmental Activities

The following table presents the school's expense categories of the governmental activities, as well as each category's net cost (total cost less revenues directly generated by these activities). This table also shows the net costs offset by other unrestricted grants and subsidies to show the remaining financial needs supported by contributions from member districts and other miscellaneous revenues.

TOTAL AND NET COST OF SERVICES – GOVERNMENTAL ACTIVITIES

	2023-2024			2024-2025		
	Total Cost of Services	Program Revenue	Net Cost of Services	Total Cost of Services	Program Revenue	Net Cost of Services
Instruction/ CTC Programs	\$ 5,142,581	\$2,295,234	\$ 2,847,347	\$ 5,552,329	\$2,189,068	\$ 3,363,261
Adult Education Programs	996,699	1,783,228	(786,529)	933,691	1,929,738	(996,047)
Support Services	3,783,540	407,331	3,376,209	3,934,439	640,946	3,293,493
Refund of Prior Yr. Receipts	-	-	-	-	-	-
Scholarships	-	-	-	-	-	-
Interest on Long Term Debt	149,191	-	149,191	125,345	-	125,345
Total Governmental Activities	\$ 10,072,011	\$4,485,793	\$ 5,586,218	\$ 10,545,804	\$ 4,759,752	\$ 5,786,052
Less:						
Loss/Gain on the sale of assets			(5,430)			-
Interest			(110,732)			(107,745)
Miscellaneous Revenues (charges for services, other misc)			(23,809)			(74,411)
			5,446,247			5,603,896
Plus: Change in Net Position Charges for Services						
Plus: Change in Net Position			1,780,663			1,964,422
Total Needs from the Four Member District			\$ 7,226,910			\$ 7,568,318

The above illustration shows Jeff Tech's need for member district contributions including Elk County tuition payments during the fiscal year ending June 30, 2025, in the amount of \$7,568,318.

Net Cost and Funding of Business-Type Activities

The following table presents the expense function of Jeff Tech's food service program, the only business-type activity of the school, as well as the net cost of this program (total cost less revenues directly generated by the activities). In 2024-2025, the food service operations experienced a \$33,156 loss, primarily due to the cost of wages and benefits including health care for the staff; most which have been made full-time due to enrollment increases over the last several years. A new Combi Oven was purchased in July of 2024 at a cost of \$47,678, which will be expensed over a five-year period. The Food Service Specialist applied for and received approximately \$40,340 in additional commodities above our annual allocation of \$32,256, which resulted in lower food costs compared to 2023-2024, but this savings was not enough to make up for the increased expenses and decreased revenues. Jeff Tech received Federal Supply Chain Disruption funds in 2023-2024 in the amount of \$17,000 but this funding source was discontinued in 2024-2025. Federal Local Foods for Cooperative Schools revenue which was estimated at \$15,000 and was awarded in July 2024 but rescinded in March 2025. There have been no new revenue sources announced for 2025-2026 and the food service program is projected to again experience a loss in 2025-2026. Mitigating steps include raising ala cart prices, increasing adult meal prices and replacing full-time positions with part-time positions through attrition, if possible. The net position in the Food Service operations as of June 30, 2025, was \$262,865.

TOTAL AND NET COSTS OF SERVICES BUSINESS – TYPE ACTIVITIES

	2023-2024			2024-2025		
	Total Cost of Services	Total Revenues	Net Cost of Services	Total Cost of Services	Total Revenues	Net Cost of Services
Food Services Program	\$ 689,849	\$ 709,395	\$ 19,546	\$ 772,483	\$ 739,327	\$ (33,156)
			19,546			(33,156)
Addition To Fund Balance			<u>\$ 19,546</u>			<u>\$ (33,156)</u>

FINANCIAL ANALYSIS OF SCHOOL FUNDS

As of June 30, 2025, the school's governmental fund balances consist of the following components:

	2023-2024	2024-2025
General Fund, Unassigned	\$ 185,632	\$ 200,651
General Fund, Yearbook	\$ 4,343	\$ 4,343
General Fund, Greenhouse/Coffee Cart	\$ -	\$ 976
General Fund, Committed Fund Balance (LPN)	\$ 183,809	\$ 156,186
General Fund, Committed Fund Balance (Adult Programs)	\$ 124,905	\$ 228,885
General Fund, Committed Fund Balance (Backpack Program)	\$ 10,948	\$ 7,898
Capital Projects Fund, Committed Fund Balance	\$ 1,197,149	\$ 1,810,445
Debt Service Fund, Reserved for Debt Service	\$ 3,429	\$ 2,994
Total Fund Balances- Governmental Funds	<u>\$ 1,710,215</u>	<u>\$ 2,412,378</u>

The General Fund unassigned fund balances increased by \$15,019. The school's *Articles of Agreement* permit a fund balance equivalent to 2% of the current year's district funded secondary and CTC budget.

The LPN committed fund balance decreased by \$27,623. The Adult Programs committed fund balance increased by \$103,979. Other Committed fund balances have been approved by the JOC for specific programs and revenue received that exceeds the cost to run the programs is retained each year.

Capital Reserve Project Highlights

During the 2024-2025 school year, there was a capital project expenditure of \$96,912 for a metal printer for the Engineering program. Revenue for the Capital projects account consisted of interest earnings of \$48,201 and General fund transfers of \$676,995, including an approved transfer of auction proceeds. The capital fund balance increased by \$613,296 to meet the cash requirements for a 2.6M roof and building maintenance upgrade project which will be implemented during the 2025-2026 school year. Jeff Tech budgeted a \$100,000 transfer to capital projects and additional transfers were approved during the school year resulting in a total transfer of \$676,995 to the Capital Project fund. The additional funds that were transferred came from General Fund surplus revenue from state vocational subsidies, a refund of prior year's expenditures from Jeff Tech's health care consortium, and other unanticipated revenue. In addition, actual General Fund expenditures came in below budgeted expenditures and these funds were also used to transfer to Capital Projects. Another measure approved by the JOC was the return and delay of district refunds from 2023-2024 and 2024-2025 to be held in the Capital Projects Reserve account and used for cash flow while awaiting reimbursement of 1.3M from a state RACP grant. The roof replacement and building upgrades project is expected to continue into the 2026-2027 school year. Jeff Tech's total contribution to the roof project is expected to be 1.3M and the state RACP grant contribution is expected to match Jeff Tech's contribution of 1.3M.

General Fund Budgetary Highlights

During the fiscal year, the Joint Operating Committee may approve revisions to the original budget to accommodate variances from original budget estimates to actual expenditures. Sometimes budget revisions are necessary for the following reasons:

Jeff Tech applies for state and federal grants each year. Certain grants and other revenue may not be anticipated during the budgeting process and must be added to the budget during the fiscal year. In addition, the grants that are anticipated during the budgeting process are based on estimates. The budget must be modified during the fiscal year based on the actual grant award. Jeff Tech's total actual revenues fell short of budgeted revenues by \$581,361 and total actual expenditures fell short of budgeted expenditures by \$623,255. The revenue and expenditure shortfall is primarily due to adult expenditures and revenue being lower than budgeted, project funds budgeted but not realized and surplus member district funds which are due to be refunded to the sending districts.

Contractual obligations are budgeted each year but not always needed. Utilities, insurance and other items are conservatively budgeted, actual expenditures fell below budget and actual revenues exceeded budgeted revenues.

Jeff Tech participates in a multiple employer cost-sharing trust for self-insuring medical expenses called the Western Pennsylvania Schools Health Care Consortium (WPSHCC). In the budgeting process for the 2023-2024 fiscal year, Jeff Tech budgeted conservatively for health insurance costs.

Capital Assets

As of June 30, 2025, Jeff Tech Governmental Activities had \$12,378,344 invested in Capital Assets, including Right to Use Assets. This is an increase of \$795,781 from the prior year and is a result of accumulated depreciation, additions and deletions to the school's assets and facilities.

Other Assets

Beginning June 30, 2022, the school implemented GASB 87, accounting for leases and beginning June 30, 2023, the school implemented GASB 89, accounting for Subscription Based Information Technology (SBIT) leases. The school is obligated under several copier and SBIT lease agreements. Additional information on lease agreements can be found under Note G. Noncurrent Liabilities, item number 2 in the *Notes to the Financial Statements* section of the auditor's report.

Long-Term Debt

The school refinanced a 2004 general revenue bond issue in August 2012. As of June 30, 2025, the School had total outstanding debt of \$3,310,000 from 2012 general revenue bonds. The original debt was issued to finance the cost of a renovation project which was completed in 2006. No debt has been incurred by the Food Service Fund.

	<u>Governmental Activities</u>	
	2023-2024	2024-2025
Series of 2012 Revenue Bonds	\$4,075,000	\$3,310,000

Economic Factors and Future Budgets

Jeff Tech has prepared the General Fund budget for 2025-2026 with a total budget decrease of 1.89%, primarily due to the LPN program closure. The estimated member district contributions (excluding debt service) for the General Fund budget increased by 9.384%. Jeff Tech has seen a substantial increase in enrollment over the past several years going from 361 students in 2017-2018 to 586 students at the beginning of 2024-2025 school year. The district budget increase is being driven by the need for new classroom furniture, remodeling costs to create additional classroom space, utility and insurance increases, additional positions and annual salary and benefit increases.

Jeff Tech underwent a capital project in the 2004-2005 school year which consisted of renovations and additions to the school. Bonds were issued in July 2004 by the State Public School Building Authority in the amount of \$12,645,000 to finance the project. In July 2012, the school (through the State Public School Building Authority) approved the issuance of School Revenue Bonds, series of 2012. The proceeds of the bonds, in the amount of \$11,425,000 were loaned to the school and will be used to advance refund the Series of 2004 Bonds and to pay costs of issuing the bonds. The cost of the debt will be funded by the member districts as outlined in the Articles of Agreement and their contributing portions will include their principal and interest payments.

At the time these financial statements were prepared, the school was aware of the following circumstances that could affect its financial health in the future:

- The current Teachers' Association contract contains language which requires Jeff Tech to budget health insurance for retiring teachers who have had 20 years of service with the school and severance for unused sick days. Current Administrative agreements contain retirement incentives including health care and severance pay. PSERS contributions will remain high in the coming years.
- The current Teachers' Association contract will expire on June 30, 2027.
- The uncertain future of state funding for public education

Requests for Information

This financial report is designed to provide a general overview of the school's finances for all those with an interest in the financial status of the school. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Jefferson County – DuBois Area Vocational-Technical School
576 Vo Tech Road
Reynoldsville, PA 15851
Attn: Business Manager

FINANCIAL STATEMENTS

Jefferson County-DuBois Area Vocational-Technical School
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,871,497	\$ 293,463	\$ 2,164,960
Investments	-	-	-
Due from other governments	1,747,284	-	1,747,284
Other receivables	13,059	-	13,059
Inventories	-	50,014	50,014
Prepaid expenses	118,362	-	118,362
Other current assets	-	-	-
Total current assets	3,750,202	343,477	4,093,679
NONCURRENT ASSETS			
Land and site improvements	572,356	-	572,356
Building and building improvements (net)	8,413,820	-	8,413,820
Machinery and equipment (net)	1,118,650	51,363	1,170,013
Right to use assets (net)	210,974	-	210,974
Construction in progress	2,062,544	-	2,062,544
Other long-term receivables	-	-	-
Total noncurrent assets	12,378,344	51,363	12,429,707
Total assets	16,128,546	394,840	16,523,386
DEFERRED OUTFLOWS OF RESOURCES			
Debt refunding (net)	305,228	-	305,228
Other post-employment benefit obligation	227,010	-	227,010
Net pension liability (net)	2,429,518	-	2,429,518
Total assets and deferred outflows of resources	\$ 19,090,302	\$ 394,840	\$ 19,485,142
LIABILITIES			
CURRENT LIABILITIES			
Internal balances	\$ (117,113)	\$ 117,113	\$ -
Due to other governments	312,774	-	312,774
Accounts payable	167,446	7,058	174,504
Current portion of long-term debt	887,395	-	887,395
Accrued salaries and benefits	623,379	5,566	628,945
Payroll deductions and withholdings	-	-	-
Advances	-	2,238	2,238
Other current liabilities	200,817	-	200,817
Total current liabilities	2,074,698	131,975	2,206,673
NONCURRENT LIABILITIES			
Bonds payable	2,520,000	-	2,520,000
Lease purchase obligations	113,579	-	113,579
Long-term portion of compensated absences	159,830	-	159,830
Other post-employment benefit obligation	1,060,632	-	1,060,632
Net pension liability	11,510,109	-	11,510,109
Total noncurrent liabilities	15,364,150	-	15,364,150
Total liabilities	17,438,848	131,975	17,570,823
DEFERRED INFLOWS OF RESOURCES			
Other post-employment benefit obligation	173,847	-	173,847
Net pension liability (net)	290,149	-	290,149
Total deferred inflows of resources	463,996	-	463,996
NET POSITION			
Net investment in capital assets	9,162,597	51,363	9,213,960
Restricted for			
Retirement of long-term debt	2,994	-	2,994
Capital projects	-	-	-
Other	-	-	-
Unrestricted (deficit)	(7,978,133)	211,502	(7,766,631)
Total net position	1,187,458	262,865	1,450,323
Total liabilities deferred inflows and net position	\$ 19,090,302	\$ 394,840	\$ 19,485,142

The accompanying notes are an integral part of these statements.

Jefferson County-DuBois Area Vocational-Technical School
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	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
INSTRUCTION:							
Regular instruction	\$ 2,290,619	\$ -	\$ 306,754	\$ -	\$ (1,983,865)	\$ -	\$ (1,983,865)
Special instruction	977,875	-	191,123	-	(786,752)	-	(786,752)
Vocational instruction	2,283,835	351,338	1,024,019	315,834	(592,644)	-	(592,644)
Other instructional programs	-	-	-	-	-	-	-
Adult education programs	933,691	227,548	795,590	906,600	996,047	-	996,047
Total instructional services	6,486,020	578,886	2,317,486	1,222,434	(2,367,214)	-	(2,367,214)
SUPPORT SERVICES:							
Pupil personnel	597,005	-	320,374	-	(276,631)	-	(276,631)
Instructional staff	275,728	-	22,723	-	(253,005)	-	(253,005)
Administration	818,092	-	100,032	-	(718,060)	-	(718,060)
Pupil health	164,412	-	30,415	-	(133,997)	-	(133,997)
Business services	410,493	-	55,349	-	(355,144)	-	(355,144)
Operation and maintenance of plant services	1,043,857	-	71,500	-	(972,357)	-	(972,357)
Student transportation	-	-	-	-	-	-	-
Central	542,546	-	40,553	-	(501,993)	-	(501,993)
Other support services	82,306	-	-	-	(82,306)	-	(82,306)
Total support services	3,934,439	-	640,946	-	(3,293,493)	-	(3,293,493)
NON-INSTRUCTIONAL SERVICES:							
Student activities	-	-	-	-	-	-	-
Community services (excl. 3340)	-	-	-	-	-	-	-
Scholarships and awards	-	-	-	-	-	-	-
Interest on long-term debt	125,345	-	-	-	(125,345)	-	(125,345)
Unallocated depreciation expense	-	-	-	-	-	-	-
Total non-instructional services	125,345	-	-	-	(125,345)	-	(125,345)
Total governmental activities	10,545,804	578,886	2,958,432	1,222,434	(5,786,052)	-	(5,786,052)
BUSINESS-TYPE ACTIVITIES:							
Food service	772,483	103,897	622,076	-	-	(46,510)	(46,510)
Total primary government	\$ 11,318,287	\$ 682,783	\$ 3,580,508	\$ 1,222,434	(5,786,052)	(46,510)	(5,832,562)
GENERAL REVENUES							
Grants, subsidies and contributions not restricted					-	-	-
Receipts from member districts					7,568,318	-	7,568,318
Investment earnings					107,745	10,229	117,974
Miscellaneous income					74,411	3,125	77,536
Gain (loss) on sale of assets					-	-	-
Special items					-	-	-
Extraordinary items					-	-	-
Transfers					-	-	-
Total general revenues, special items, extraordinary items and transfers					7,750,474	13,354	7,763,828
Change in net position					1,964,422	(33,156)	1,931,266
Net position-beginning					(776,964)	296,021	(480,943)
Net position-ending					\$ 1,187,458	\$ 262,865	\$ 1,450,323

The accompanying notes are an integral part of these statements.

Jefferson County-DuBois Area Vocational-Technical School
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Capital Project Reserve	Capital Projects	Debt Service	Total Gov't Funds
ASSETS					
Cash and cash equivalents	\$ 1,189,658	\$ 677,845	\$ 1,000	\$ 2,994	\$ 1,871,497
Investments	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-
Due from other funds	117,113	1,132,600	-	-	1,249,713
Due from other governments	489,346	-	906,600	-	1,395,946
Other receivables	13,059	-	-	-	13,059
Inventories	-	-	-	-	-
Prepaid expenses	118,362	-	-	-	118,362
Other current assets	-	-	-	-	-
Total assets	<u>\$ 1,927,538</u>	<u>\$ 1,810,445</u>	<u>\$ 907,600</u>	<u>\$ 2,994</u>	<u>\$ 4,648,577</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ 225,000	\$ -	\$ 907,600	\$ -	\$ 1,132,600
Due to other governments	312,774	-	-	-	312,774
Accounts payable	167,446	-	-	-	167,446
Current portion of long-term debt	-	-	-	-	-
Accrued salaries and benefits	623,379	-	-	-	623,379
Payroll deductions and withholdings	-	-	-	-	-
Advances	-	-	-	-	-
Other current liabilities	-	-	-	-	-
Total liabilities	<u>1,328,599</u>	<u>-</u>	<u>907,600</u>	<u>-</u>	<u>2,236,199</u>
FUND BALANCES					
Nonspendable-inventories	-	-	-	-	-
Restricted	-	-	-	2,994	2,994
Committed	398,288	1,810,445	-	-	2,208,733
Assigned	-	-	-	-	-
Unassigned	200,651	-	-	-	200,651
Total fund balances	<u>598,939</u>	<u>1,810,445</u>	<u>-</u>	<u>2,994</u>	<u>2,412,378</u>
Total liabilities and fund balances	<u>\$ 1,927,538</u>	<u>\$ 1,810,445</u>	<u>\$ 907,600</u>	<u>\$ 2,994</u>	<u>\$ 4,648,577</u>

The accompanying notes are an integral part of these statements.

Jefferson County-DuBois Area Vocational-Technical School
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
June 30, 2025

Total fund balances - governmental funds \$ 2,412,378

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

Capital and right to use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$25,464,928, and the accumulated depreciation is \$13,086,584 12,378,344

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Bonds payable	\$ (3,310,000)	
Deferred outflows of resources - debt refunding, net	305,228	
Accrued interest on the bonds	(45,982)	
Leases payable	(210,974)	
Compensated absences	(314,665)	
Other post-employment benefit obligations	(1,060,632)	
Deferred outflows (inflows) of resources, net - opeb	53,163	
Net pension liability	(11,510,109)	
Deferred outflows (inflows) of resources, net - pension	2,139,369	(13,954,602)

Other:

Federal subsidy receivable	-
State subsidy receivable	-
Tuition receivable	351,338

Total net position - governmental activities \$ 1,187,458

The accompanying notes are an integral part of these statements.

Jefferson County-DuBois Area Vocational-Technical School
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Capital Project Reserve	Capital Projects
REVENUES			
6000 Local sources	\$ 8,333,134	\$ 48,201	\$ -
7000 State sources	2,389,693	-	906,600
8000 Federal sources	703,035	-	160,734
0010 Total revenues	11,425,862	48,201	1,067,334
EXPENDITURES			
1000 Instruction	6,161,222	111,900	-
2000 Support services	3,573,543	-	-
3000 NonInstructional services	-	-	-
4000 Capital outlay	6,500	-	1,067,334
5110 Debt service (principal and interest)	-	-	-
5130 Refunds of prior year receipts	44,143	-	-
5140 Lease payments	97,071	-	-
0020 Total expenditures	9,882,479	111,900	1,067,334
Excess (deficiency) of revenues over expenditures	1,543,383	(63,699)	-
OTHER FINANCING SOURCES (USES)			
9110 Bond proceeds	-	-	-
9120 Refunding bond proceeds	-	-	-
9200 Proceeds from extended term financing	119,857	-	-
9300 Interfund transfers	-	676,995	-
9400 Sale/compensation for fixed assets	-	-	-
9500 Refunds of prior years expenditures	-	-	-
9600 Operating transfers in (other LEAs)	-	-	-
9710 Operating transfers from component units	-	-	-
9720 Operating transfers from primary government	-	-	-
5120 Debt service (payment to refunded bond escrow agent)	-	-	-
5200 Operating transfers out	(1,573,938)	-	-
5310 Operating transfers to component unit	-	-	-
5320 Operating transfers to primary government	-	-	-
XXXX Total other financing sources (uses)	(1,454,081)	676,995	-
SPECIAL/EXTRAORDINARY ITEMS			
8888 Special items	-	-	-
8889 Extraordinary items	-	-	-
Net change in fund balances	89,302	613,296	-
0040 Fund balance - July 1, 2024	509,637	1,197,149	-
0050 Prior period adjustment	-	-	-
0700 Fund balance - June 30, 2025	\$ 598,939	\$ 1,810,445	\$ -

The accompanying notes are an integral part of these statements.

Debt Service		Total Gov. Funds	
\$	3,285	\$	8,384,620
-	-		3,296,293
-	-		863,769
<u>3,285</u>		<u>12,544,682</u>	
-	-		6,273,122
-	-		3,573,543
-	-		-
-	-		1,073,834
900,663	-		900,663
-	-		44,143
-	-		97,071
<u>900,663</u>		<u>11,962,376</u>	
<u>(897,378)</u>		<u>582,306</u>	
-	-		-
-	-		-
-	-		119,857
896,943	-		1,573,938
-	-		-
-	-		-
-	-		-
-	-		-
-	-		-
-	-		(1,573,938)
-	-		-
-	-		-
<u>896,943</u>		<u>119,857</u>	
-	-		-
-	-		-
<u>(435)</u>		<u>702,163</u>	
3,429	-		1,710,215
-	-		-
<u>\$ 2,994</u>		<u>\$ 2,412,378</u>	

Jefferson County-DuBois Area Vocational-Technical School
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
To the Statement of Activities
For the Year Ended June 30, 2025

Total net change in fund balances - governmental funds	\$ 702,163
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays, including the purchase of textbooks and library books, and leases are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation/amortization expense	\$ (846,205)	
Capital outlays	<u>1,591,984</u>	745,779

Proceeds of bonds and lease financing is recorded as revenue in the governmental funds, but the receipt increases long-term liabilities in the statement of net position.	(119,857)
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Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	862,071
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Payments to the pension plan and for post employment benefits are reported in the governmental funds as expenditures. However, in the statement of net position they either reduce the liability or change the deferred inflows/outflows of resources. In addition deferred inflows/outflows are adjusted based on actuarial calculations and amortized. The pension and opeb liabilities and their net deferred inflows/outflows changed by this amount this year.	(150,787)
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Amortization of deferred outflows - debt refunding	(76,307)
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Other:

Donation of capital assets	50,000
Change in federal and state subsidies receivable	-
Change in tuition receivable	(40,317)
Change in accrued interest payable	10,318
Change in compensated absences	<u>(18,641)</u>

Change in net position of governmental activities	<u>\$ 1,964,422</u>
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The accompanying notes are an integral part of these statements.

Jefferson County-DuBois Area Vocational-Technical School
Statement of Revenue, Expenditures and Changes in Fund Balances, Budget and Actual
General Fund
For the Year Ended June 30, 2025

		Budgeted Amounts		Actual
		Original	Final	(Budgetary Basis)
REVENUES				
6000	Local revenues	\$ 8,791,984	\$ 8,791,984	\$ 8,333,134
7000	State program revenues	2,589,995	2,589,995	2,389,693
8000	Federal program revenues	745,101	745,101	703,035
Total revenues		12,127,080	12,127,080	11,425,862
EXPENDITURES				
1100	Regular programs	2,304,185	2,260,735	2,138,167
1200	Special programs	880,192	897,152	887,632
1300	Vocational programs	2,369,268	2,330,508	2,277,829
1400	Other instructional programs	-	-	-
1600	Adult education programs	1,284,750	1,284,750	857,594
1700	Community/junior college ed programs	-	-	-
2100	Pupil personnel services	559,550	559,550	543,661
2200	Instructional staff services	189,315	254,315	235,799
2300	Administrative services	784,921	782,421	733,186
2400	Pupil health	150,010	150,010	149,641
2500	Business services	385,208	382,208	372,682
2600	Operation and maintenance of plant services	1,504,582	1,476,282	995,582
2700	Student transportation services	-	-	-
2800	Central and other support services	544,661	459,711	542,992
2900	Other support services	-	-	-
3100	Food services	-	-	-
3200	Student activities	-	-	-
3300	Community services	-	-	-
3400	Scholarships and awards	-	-	-
4000	Facilities acquisition and construction	-	2,000	6,500
5110	Debt service	-	-	-
5130	Refunds of prior years expenditures	-	-	44,143
5140	Lease payments	22,370	89,370	97,071
Total expenditures		10,979,012	10,929,012	9,882,479
Excess (deficiency) of revenues over expenditures		1,148,068	1,198,068	1,543,383
OTHER FINANCING SOURCES (USES)				
9100	Sale of bonds	-	-	-
9200	Proceeds from extended term financing	-	-	119,857
9300	Interfund transfers	-	-	-
9400	Sale/compensation for fixed assets	-	-	-
9700	Operating transfers from Component units	-	-	-
5120	Debt service - refunded bond issues	-	-	-
5200	Fund transfers	(1,000,662)	(1,150,662)	(1,573,938)
5300	Transfers to component units	-	-	-
5900	Budgetary reserve	(100,000)	-	-
Total other financing sources (uses)		(1,100,662)	(1,150,662)	(1,454,081)
8888	Special items	-	-	-
8889	Extraordinary items	-	-	-
Net change in fund balances		47,406	47,406	89,302
0040	Fund balance--July 1, 2024	509,637	509,637	509,637
0050	Change in Inv/RS Equity Trans/Prior Yr Adj	-	-	-
XXXX	Fund balance--June 30, 2025	\$ 557,043	\$ 557,043	\$ 598,939

The accompanying notes are an integral part of these statements.

Variance with Final Budget Positive (Negative)	Budget to GAAP Difference	Actual Amounts GAAP basis
\$ (458,850)	\$ 634,150	\$ 7,698,984
(200,302)	-	2,389,693
(42,066)	-	703,035
(701,218)	634,150	10,791,712
122,568	(152,452)	2,290,619
9,520	(90,243)	977,875
52,679	(6,006)	2,283,835
-	-	-
427,156	(76,097)	933,691
-	-	-
15,889	(53,344)	597,005
18,516	(39,929)	275,728
49,235	(84,906)	818,092
369	(14,771)	164,412
9,526	(37,811)	410,493
480,700	(48,275)	1,043,857
-	-	-
(83,281)	446	542,546
-	(82,306)	82,306
-	-	-
-	-	-
-	-	-
-	-	-
(4,500)	6,500	-
-	-	-
(44,143)	44,143	-
(7,701)	97,071	-
1,046,533	(537,980)	10,420,459
345,315	1,172,130	371,253
-	-	-
119,857	119,857	-
-	-	-
-	-	-
-	-	-
(423,276)	(1,573,938)	-
-	-	-
-	-	-
(303,419)	(1,454,081)	-
-	-	-
-	-	-
\$ 41,896	\$ (281,951)	\$ 371,253

Jefferson County-DuBois Area Vocational-Technical School
Statement of Net Position
Proprietary Funds
June 30, 2025

	<u>Food Service</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 293,463
Investments	-
Due from other funds	-
Due from other governments	-
Other receivables	-
Inventories	50,014
Prepaid expenses	-
Other current assets	-
	<hr/>
Total current assets	343,477
NONCURRENT ASSETS	
Land and site improvements	-
Building and building improvements(net)	-
Machinery and equipment (net)	51,363
Construction in progress	-
Long-term prepayments	-
	<hr/>
Total noncurrent assets	51,363
	<hr/>
Total assets	\$ 394,840
LIABILITIES	
CURRENT LIABILITIES	
Due to other funds	\$ 117,113
Due to other governments	-
Accounts payable	7,058
Current portion of long-term debt	-
Accrued salaries and benefits	5,566
Payroll deductions and withholdings	-
Advances	2,238
Other current liabilities	-
	<hr/>
Total current liabilities	131,975
NONCURRENT LIABILITIES	
Bonds payable	-
Lease purchase obligations	-
Long-term portion of compensated abs	-
Other long-term liabilities	-
	<hr/>
Total noncurrent liabilities	-
	<hr/>
Total liabilities	131,975
NET POSITION	
Net investment in capital assets	51,363
Restricted for legal purposes	-
Unrestricted	211,502
	<hr/>
Total net position	262,865
	<hr/>
Total liabilities and net position	\$ 394,840

The accompanying notes are an integral part of these statements.

Jefferson County-DuBois Area Vocational-Technical School
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	<u>Food Service</u>
OPERATING REVENUES:	
6600 Food service revenue	\$ 103,897
6900 Charges for services	-
6999 Other operating revenues	<u>3,125</u>
0010 Total operating revenues	<u>107,022</u>
OPERATING EXPENSES:	
0100 Salaries	233,722
0200 Employee benefits	187,448
0300 Purchased professional and technical service	-
0400 Purchased property service	-
0500 Other purchased service	-
0600 Supplies	327,178
0700 Depreciation	17,218
0810 Dues and fees	-
0820 Claims and judgments	-
0890 Other operating expenditures	<u>6,917</u>
0020 Total operating expenses	<u>772,483</u>
0030 Operating income (loss)	<u>(665,461)</u>
NONOPERATING REVENUES (EXPENSES):	
6500 Earnings on investments	10,229
6920 Contributions and donations	-
6930 Gain/loss on sale of fixed assets	-
7000 State sources	74,840
8000 Federal sources	547,236
9500 Refunds of prior year expenditures	-
0820 Claims and judgments	-
0830 Interest expenses	<u>-</u>
0040 Total nonoperating revenues (expenses)	<u>632,305</u>
Income (loss) before contributions	<u>(33,156)</u>
6920 Capital contributions	-
9999 Transfers in (out)	<u>-</u>
Change in net position	(33,156)
XXXX Total net position - July 1, 2024	296,021
0057 Accounting changes	-
0061 Prior period adjustment	<u>-</u>
XXXX Total net position - June 30, 2025	<u>\$ 262,865</u>

The accompanying notes are an integral part of these statements.

Jefferson County-DuBois Area Vocational-Technical School
Combined Statement of Cash Flows
Proprietary Fund Types
For the Year Ended June 30, 2025

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
9937 Cash received from users	\$ 104,509
9938 Cash received from assessments made to other funds	-
9939 Cash received from earnings on investments	-
9940 Cash received from other operating revenue	3,125
9941 Cash payments to employees for services	(418,284)
9942 Cash payments for insurance claims	-
9943 Cash payments to suppliers for goods and services	(274,419)
9944 Cash payments for other operating expenses	(6,917)
	<hr/>
Net cash provided by (used for) operating activities	(591,986)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
6000 Local sources	-
7000 State sources	74,840
8000 Federal sources	547,236
9917 Notes and loans received	-
9918 Interest paid on notes/loans (5100-830)	-
9919 Operating transfers in (out)/ residual equity	-
9920 Operating transfers in (out) primary government	-
9921 Operating transfers in (out) component units	-
9922 Refunds of prior year expenditures (9500)	-
	<hr/>
Net cash provided by (used for) non-capital financing activities	622,076
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
4000 Facilities acquisition/construction/imp. serv	(47,678)
6930 Gain/loss on sale of fixed assets (proceeds)	-
9200 Proceeds from extended term financing	-
9925 Principal paid on financing agreements	-
9926 Interest paid on financing agreements (5100-830)	-
9927 Change in contributed capital	-
	<hr/>
Net cash provided by (used for) capital and rel financing activities	(47,678)
CASH FLOWS FROM INVESTING ACTIVITIES	
6500 Earnings on investments	10,229
9929 Purchase of invest securities/deposits to invest pools	-
9930 Withdrawals from investment pools	-
9931 Proceeds from sale and maturity of Invest securities	-
9932 Loans received (paid)	-
	<hr/>
Net cash provided by (used for) investing activities	10,229
Net increase (decrease) in cash and cash equivalents	(7,359)
9935 Cash and cash equivalents beginning of year	300,822
	<hr/>
9936 Cash and cash equivalents at year end	\$ 293,463
	<hr/>

The accompanying notes are an integral part of these statements.

Jefferson County-DuBois Area Vocational-Technical School
Combined Statement of Cash Flows
Proprietary Fund Types - Continued
For the Year Ended June 30, 2025

	<u>Food Service</u>
9900 Operating income (loss)	\$ (665,461)
Adjustments to reconcile operating income (loss) to net cash provided by (used for):	
9901 Depreciation and net amortization	17,218
9902 Provision for uncollectible accounts	-
9903 Write-in	-
9904 (Increase) decrease in accounts receivable	226
9905 (Increase) decrease in advances to other funds	-
9906 (Increase) decrease in inventories	(11,586)
9907 (Increase) decrease in prepaid expenses	-
9908 (Increase) decrease in other current assets	-
9909 Increase (decrease) in accounts payable	6,992
9910 Increase (decrease) in accrued salaries and benefits	2,886
9911 Increase (decrease) in payroll deductions/withholding	-
9912 Increase (decrease) in advances from other funds	57,353
9913 Increase (decrease) in deferred revenue	386
9914 Increase (decrease) in other current liabilities	-
	<hr/>
Total adjustments	73,475
	<hr/>
Cash provided by (used for) total	<u>\$ (591,986)</u>

The accompanying notes are an integral part of these statements.

Jefferson County-DuBois Area Vocational-Technical School
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	<u>Custodial</u>
ASSETS	
Cash and cash equivalents	\$ 22,000
Investments	-
Due from other funds	-
Other receivables	-
Inventories	-
Prepaid expenses	-
Other current assets	-
Building and building improvements(net)	-
Machinery and equipment (net)	-
	<hr/>
Total assets	<u>\$ 22,000</u>
LIABILITIES	
Accounts payable	\$ -
Due to other funds	-
Due to other governments	-
Accrued salaries and benefits	-
Payroll deductions and withholdings	-
Advances	-
Other current liabilities	-
	<hr/>
Total liabilities	<hr/> -
NET POSITION	
Net investment in capital assets	-
Restricted for student organizations	22,000
Unassigned	-
	<hr/>
Total net position	<u>22,000</u>
	<hr/>
Total liabilities and net position	<u>\$ 22,000</u>

The accompanying notes are an integral part of these statements.

Jefferson County-DuBois Area Vocational-Technical School
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	<u>Custodial</u>
ADDITIONS	
Gifts and contributions	\$ -
Fundraising	83,653
Earnings/(loss) on investments	6
DEDUCTIONS	
Administration fees	-
Student activities	<u>(77,583)</u>
Change in net position	6,076
Net position - July 1, 2024	<u>15,924</u>
Net position - June 30, 2025	<u><u>\$ 22,000</u></u>

The accompanying notes are an integral part of these statements.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) as applied to governmental units prescribed in the statements issued by the Government Accounting Standards Board (GASB) and other recognized authoritative sources.

1. Financial Reporting Entity

The Jefferson County-DuBois Area Vocational Technical School (Jeff Tech) is a public area vocational-technical school. The operation, administration and management of the School is directed by a joint operating committee which is comprised of two members from each of the four participating school districts. The member school districts are the Dubois Area, Punxsutawney Area, Brookville Area, and Brockway Area School Districts. The School and administrative offices are located at 576 Vo Tech Road, Reynoldsville, PA.

The member districts have entered into Articles of Agreement for Operation of Jeff Tech effective October 13, 2003. Under the Articles of Agreement, operating expenses and capital expenditures are portioned among the participating school districts pursuant to a specified formula. 50% of the operating expenses and capital expenditures are shared based upon each district's aggregate days membership for resident students for grades 9, 10, 11 and all students attending Jeff Tech as reported to the PA Department of Education from the prior school year. The remaining 50% is to be based upon enrollment data collected at Jeff Tech from the prior three completed school years. For the year ended June 30, 2025, the member schools contributed \$7,568,318, including \$27,004 in special education payments from an additional school.

The Articles of Agreement shall remain in effect until terminated or superseded by majority vote of each of the member districts. No member district is permitted to withdraw from the Articles of Agreement while Jeff Tech or any authority related thereto is obligated for the repayment of long-term capital obligations. If there are no long-term capital obligations, a member district may withdraw by giving not less than one school year's written notice of their intent to withdraw. The assets of Jeff Tech will be apportioned among the remaining member districts in proportion to their respective ratios of participation. All right, title and interest of the withdrawing member district in real and personal property of Jeff Tech shall cease, terminate and forever be waived as of the effective date of the withdrawal.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Fund Accounting

The accounts of the School are maintained, and the accompanying fund financial statements have been prepared on the basis of accounting practices prescribed or permitted by the Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems, issued by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania.

These practices, as they apply to the Jefferson County-DuBois Area Vocational Technical School, are in conformity with accounting principles generally accepted in the United States of America. The financial transactions of the School are recorded in individual funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific School functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund equity, revenues and expenditures/expenses.

The School reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Project Reserve Fund - The Capital Project Reserve Fund is used to account for resources for the repair and maintenance of the School's facilities and the purchase of capital improvement equipment.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the construction of capital facilities for the Farm to Fridge project.

Debt Service Fund - The Debt Service Fund is used to account for the payment of principal and interest related to the outstanding General Obligation Bonds of the School.

The School reports the following major enterprise fund:

Food Service Fund - The Food Service Fund is used to account for all financial transactions related to the food service operation of the School. Enterprise Funds are used to account for operations (a) 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; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Additionally, the School reports the following fund type:

Fiduciary Funds - Fiduciary Funds are used to account for assets held by the School in a fiduciary capacity. These include private-purpose trust and custodial funds. The Student Activity Funds are classified as Custodial Funds as they are custodial in nature. The School holds assets for the benefit of various student organizations.

3. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between governmental and business-type activities of the School.

The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each identifiable activity of the business-type, and for each function or program of the governmental activities of the School. 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 amounts paid by the recipient of 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. All revenues not classified as program revenues are presented as general revenues of the School.

Fund Financial Statements

Fund financial statements report detailed information about the School. Their focus is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for by using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Proprietary funds operating revenues consist of its charges for services and miscellaneous revenue. Its nonoperating revenues consist of its investment earnings and state and federal subsidies.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities (whether current or noncurrent) associated with the operations of these funds are included on the balance sheet. Proprietary fund's operating statements present increases (revenues) and decreases (expenses) in total net position.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Government-wide financial statements are prepared using the accrual basis of accounting. The Fund financial statements are prepared using either modified accrual for governmental funds or accrual basis for proprietary and fiduciary funds.

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period of the School is sixty days after year end.

Nonexchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, tuition, grants and student fees.

On the accrual basis of accounting, expenses are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on general long-term debt, which is recorded when due, and (2) the costs related to compensated absences, which are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration.

6. Budgets and Budgetary Accounting

As required by School Laws of Pennsylvania, Public School Code of 1949, the School follows these procedures in establishing the budgetary data reflected in the statement of revenue, expenditures and changes in fund balance, budget and actual, general fund:

- a. During February of each year, the proposed budget in summary form is submitted to the Joint Operating Committee for review.
- b. The proposed budget, including any requested revisions, is submitted to the Joint Operating Committee in March of each year for approval.
- c. After tentative approval by the full operating Committee, the budget is sent to the Boards of School Directors of each member school district and the required public notice for public inspection of the proposed budget is done during March.
- d. By mail ballot in April, the budget is adopted.

Once adopted, the budget can be amended during the last nine months of the fiscal year by approval of the Joint Operating Committee.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the School considers all temporary investments with initial maturities of three months or less to be cash equivalents.

8. Investments

Investments are reported at fair value based on quoted market prices.

9. Inventory

The School's inventory consists of donated and purchased food of the Food Service Fund. Purchased food is valued at cost while donated commodities are presented at market value figures provided by the federal government. The Food Service Fund uses the consumption method of inventory. Under this method, inventory is charged to expenditures when used.

10. Capital Assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by proprietary funds are reported on both statement types.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School defines capital assets as assets with an initial, individual or group costs of \$5,000 or more. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Donated fixed assets are recorded at their fair market value as of the date received. The School does not possess any infrastructure.

All reported capital assets, with the exception of land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Useful Life</u>
Buildings/Improvements	20-50 years
Land Improvements	5 years
Vehicles	10 years
Equipment	8-20 years
Library/textbooks	5-15 years

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Sales of goods and services between funds are reported as revenues in the seller funds and as expenses/expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

On fund financial statements, advances between funds are accounted for in the appropriate interfund receivable and payable accounts. These advances are considered available and spendable resources and current obligations of the respective funds. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

12. Compensated Absences

It is the School's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no limit to the number of sick days which may be accumulated. Upon retirement, eligible employees are paid an established rate per day depending on their classification.

All employees are considered 100% vested in these benefits and the entire compensated absences liability is reported on the government-wide financial statements. For governmental fund financial statements, the liability is not recorded as those amounts are not expected to be paid using expendable available financial resources.

13. Long-Term Debt

Long-term debt is reported as a liability in the government-wide financial statements as well as the proprietary fund financial statements. Bond premiums and discounts, as well as bond issuance costs are recognized during the current period in accordance with Governmental Accounting Standards Board Statement No. 65. Long-term debt paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

14. Concentration of Credit Risk

The School maintains various deposits presented on the balance sheet as cash and investments with several local banks. The amounts on deposit with certain banks exceed the \$250,000 federally insured limit on interest bearing accounts. There is no dollar limit on non-interest bearing accounts for public deposits. See Note B for further detail.

15. Estimates in Financial Statements

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

16. Pension Plan Description

The School contributes to the Public School Employees' Retirement System, a Governmental cost-sharing multiple-employer 401(a) defined benefit plan. See Note I for detailed information.

NOTE B - CASH AND INVESTMENTS

The School's cash and investments consist of deposits with financial institutions. The School's investment policies are governed by state statute and School policy. Permissible investments include United States treasury bills and other federal instruments, time accounts or share accounts of institutions insured by the Federal Deposit Insurance Corporation, certificates of deposit to the extent such certificates are secured by a proper bond or secured by such proper collateral.

1. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School's deposits may not be returned. The School policy for custodial credit risk is that all accounts are insured to the maximum limit as provided by law and amounts invested in excess of the insured amounts must be collateralized as provided by law and an Act 72 agreement must be signed and in place.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE B - CASH AND INVESTMENTS - Continued

As of June 30, 2025, the bank balance of the School's deposits that are exposed to custodial credit risk is \$1,927,403 and their carrying amount is \$1,864,925. These amounts are uninsured. However, they are collateralized with securities held by the trust department or agent but not in the School's name. Included in these deposits is a pooled savings account held with the PA School District Liquid Asset Fund (PDSLAF). The PSDLAF is rated AAA by S&P and measure all of their investments at amortized cost, which approximates fair value. There are no limits or restrictions on withdrawals from the fund.

2. Investments

Interest Rate Risk - The School 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. However, safety of principal is of a highest priority and this is ensured through the mitigation of interest rate risk.

Credit Risk - The School has no formal investment policy that limits its choices to certain credit ratings. Like interest rate risk, credit risk is mitigated to preserve the safety of principal.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of a bank failure of the counterparty, the School will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk - The School places no limit on the amount that may be invested in one issuer.

Fair Market Value - The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE C - INTERFUND TRANSACTIONS

Interfund receivables and payables on the fund statements at June 30, 2025 consist of advances in the amount of \$117,113 between the General and Food Service Funds; transfer due in the amount of \$225,000 from the General Fund to the Capital Projects Reserve Fund; and a advances between Capital Projects Reserve and Capital Projects Fund of \$907,600.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE C - INTERFUND TRANSACTIONS - Continued

Interfund transfers on the fund statements at June 30, 2025 consist of transfers from the General Fund to the Debt Service Fund in the amount of \$896,943. The purpose of the transfers was to make principal and interest payments related to the School's outstanding General Obligation Bonds. Interfund transfers also consist of transfers of \$676,995 from the General Fund to the Capital Project Reserve Fund. The purpose of the transfers was to provide additional reserves.

NOTE D - CAPITAL ASSETS

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

	Balance at 6/30/24	Additions	Deletions	Balance at 6/30/25
Governmental Activities				
Land/improvements	\$ 902,836	\$ -	\$ -	\$ 902,836
Buildings and Improvements & CIP	17,144,411	1,067,334	-	18,211,745
Machinery/equipment	5,590,396	454,793	57,177	5,988,012
Total Capital Assets	23,637,643	1,522,127	57,177	25,102,593
Less: Accumulated Depreciation:				
Land/improvements	296,998	33,482	-	330,480
Buildings and improvements	7,439,425	295,956	-	7,735,381
Machinery/equipment	4,506,844	419,695	57,177	4,869,362
Total Accumulated	12,243,267	749,133	57,177	12,935,223
Capital Assets, Net	\$ 11,394,376	\$ 772,994	\$ -	\$ 12,167,370
Business-Type Activities				
Equipment	\$ 98,138	\$ 47,678	\$ -	\$ 145,816
Less: Accumulated Depreciation	77,235	17,218	-	94,453
Capital Assets, Net	\$ 20,903	\$ 30,460	\$ -	\$ 51,363

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE D - CAPITAL ASSETS - Continued

Depreciation expense was charged to the following functions in the statement of activities:

Regular instruction	\$ 166,072
Special instruction	70,922
Vocational instruction	165,724
Other instructional programs	-
Adult education programs	67,816
Pupil personnel	43,290
Instructional staff	19,001
Administration	59,340
Pupil health	11,921
Business services	29,776
Operation and maintenance of plant services	75,889
Support services - central	33,383
Other support services	5,999
	<u>\$ 749,133</u>

NOTE E - DUE TO OTHER GOVERNMENTS

Due to other governments represents costs incurred by the School but not yet paid to other governmental entities or amounts due back to member school districts or other governmental entities for support or grant funds received in excess of costs incurred. The amount due at June 30, 2025 consists of the following:

Due to member districts	\$307,812
Due to other governmental entities	<u>4,962</u>
	<u>\$312,774</u>

NOTE F - OTHER CURRENT LIABILITIES

Other current liabilities on the statement of net position consists of \$45,982 of accrued interest payable on the School's outstanding General Obligation Bonds, and \$154,835, representing the current portion of the School's compensated absences liability.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE G - NONCURRENT LIABILITIES

1. BONDS PAYABLE

Series of 2012

On August 1, 2012, the School issued, through the State Public School Building Authority (SPSBA), \$11,425,000 principal amount of Revenue Bonds. The bonds were issued to advance refund the Series of 2004 Revenue Bonds and to pay costs of issuing the bonds. The Bonds mature serially at various amounts through February 1, 2029, bear interest ranging from 2.00% to 3.50%.

2. RIGHT TO USE ASSET LEASES/SUBSCRIPTIONS

The School is obligated under several leases for office equipment (copiers) and subscriptions to education-related and security software. Certain leases for office equipment contain an amount included for supplies and maintenance charges which are assessed on a per copy amount. Those charges have been estimated based on the average number of copies used per machine. The School has assumed an interest rate of zero percent associated with all right to use asset leases.

The office equipment leases have various starting dates ranging from April, 2019 thru June, 2029, with terms ranging from 36-60 months. Payments range from \$95 to \$546 per month for total monthly payments of \$1,464. The subscriptions have various starting dates ranging from April, 2019 thru June, 2028 and have terms ranging from 36-60 months. Payments range from \$2,750 to \$39,677 annually for total payments of \$79,250.

A summary of right to use lease asset activity during the fiscal year follows:

	June 30, 2024	Additions	Deletions	June 30, 2025
Office equipment	\$ 76,980	\$ 826	\$ -	\$ 77,806
Subscriptions	183,656	119,032	18,159	284,529
Less: Accumulated Amortization:	<u>72,449</u>	<u>97,071</u>	<u>18,159</u>	<u>151,361</u>
Net	<u>\$ 188,187</u>	<u>\$ 22,787</u>	<u>\$ -</u>	<u>\$ 210,974</u>

The following is a summary of the School's future annual debt service requirements to maturity for the right to use asset leases:

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE G - NONCURRENT LIABILITIES - Continued

	<u>Lease Principal</u>	<u>Subscription Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 18,145	\$ 79,250	\$ -	\$ 97,395
2027	12,135	63,066	-	75,201
2028	9,406	23,389	-	32,795
2029	5,583	-	-	5,583
2030	-	-	-	-
	<u>\$ 45,269</u>	<u>\$ 165,705</u>	<u>\$ -</u>	<u>\$ 210,974</u>

The changes in noncurrent liabilities for the year ended June 30, 2025 consist of the following:

	<u>Balance at 6/30/24</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at 6/30/25</u>	<u>Due In One Year</u>
Series of 2012	\$ 4,075,000	\$ -	\$ 765,000	\$ 3,310,000	\$ 790,000
Right to use:					
Leases	62,264	826	17,821	45,269	18,145
Subscriptions	125,923	119,032	79,250	165,705	79,250
Compensated					
Absences	296,024	18,641	-	314,665	154,835
Post-employment					
Benefits	956,636	134,651	30,655	1,060,632	-
Net Pension					
Liability	<u>11,699,918</u>	<u>1,251,717</u>	<u>1,441,526</u>	<u>11,510,109</u>	<u>-</u>
	17,215,765	1,524,867	2,334,252	16,406,380	<u>\$1,042,230</u>
Less: Current					
Portion	<u>960,499</u>	<u>1,042,230</u>	<u>960,499</u>	<u>1,042,230</u>	
Total Noncurrent					
Liabilities	<u>\$16,255,266</u>	<u>\$ 482,637</u>	<u>\$ 1,373,753</u>	<u>\$15,364,150</u>	

The following is a summary of the School's future annual debt service requirements to maturity for its Bonds:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 790,000	\$ 110,800	\$ 900,800
2027	810,000	85,125	895,125
2028	840,000	58,800	898,800
2029	870,000	30,450	900,450
2030	-	-	-
2031-2035	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,310,000</u>	<u>\$ 285,175</u>	<u>\$ 3,595,175</u>

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE G - NONCURRENT LIABILITIES - Continued

The School's bonds are paid by the Debt Service Fund via transfers from the General Fund. The remaining long-term liabilities are paid directly by the General Fund.

NOTE H - POST-EMPLOYMENT BENEFITS

PSERS HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (System)

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of PSERS and additions to/deductions from the 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.

PSERS provides Premium Assistance, which is a governmental cost sharing, multiple-employer other post-employment benefit 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.

Retirees of PSERS can participate in the Premium Assistance program if they satisfy the following criteria: have 24.5 or more years of service, or are a disability retiree, or have 15 or more years of service and retired after reaching superannuation age, and participate in the HOP or employer sponsored health insurance premium.

1. Plan Description

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

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE H - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued

Benefits provided

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 Option Program. As of June 30, 2024, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions

The School's contractually required contribution rate for fiscal year ended June 30, 2025 was .63% of covered payroll, actuarially determined as an amount that 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 School were \$29,020 for the year ended June 30, 2025. \$9,697 of this amount was payable to the plan for the contributions for the quarter ending June 30, 2025.

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

At June 30, 2025, the School reported a liability of \$495,632 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 School'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, 2024, the School's proportion was .0279%, which was an increase of .0015% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School recognized OPEB expense related to the System of \$27,336. At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to the System's OPEB from the following sources:

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE H - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 466	\$ -
Difference between expected and actual experience	1,613	7,136
Changes in proportions	80,570	18,141
Changes in assumptions	27,379	67,419
Contributions subsequent to the measurement date	29,020	-
	<u>\$ 139,048</u>	<u>\$ 92,696</u>

\$29,020 reported as deferred outflows of resources related to the System's OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be amortized and recognized in OPEB expense as follows:

Year ended June 30:

2026	\$ 79
2027	647
2028	874
2029	3,941
2030	7,507
Thereafter	4,284

3. Actuarial Assumptions

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

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE H - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued

- Actuarial cost method - Entry Age Normal - level % of pay
- Investment return - 4.21%, S&P 20 Year Municipal Bond Rate
- Salary growth - effective average of 4.5%, comprised of inflation of 2.50%, and 2.00% for real wage growth and merit or seniority increases
- Premium Assistance reimbursement is capped at \$1,200 per year
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.
- Participation rate - eligible retirees will elect to participate Pre-age 65 at 50% and Post-age 65 at 70%

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024
- Cost method - Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date
- Asset valuation method - Market value
- Participation rate - 63% of 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 rate of return for each asset class. The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board.

Under the program, as defined in the retirement code, employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE H - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	1.7%

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

4. Discount Rate

The discount rate used to measure the total OPEB liability was 4.21%, an increase from 4.13% in the prior valuation. 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 the 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 Rate

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 and 489 members were receiving less than the maximum amount allowed. 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:

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE H - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
System net OPEB liability	\$ 495,000	\$ 495,632	\$ 496,000

Sensitivity of the School'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 4.21%</u>	<u>1% Increase 5.21%</u>
School's proportionate share of the net OPEB liability	\$ 560,000	\$ 495,632	\$ 442,000

5. OPEB Plan Fiduciary Net Position

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

SCHOOL STAND ALONE OPEB PLAN (Plan)

1. Plan Description

The School administers a single-employer defined benefit OPEB plan. The School has entered into an agreement with the Jefferson County-DuBois Area Vocational-Technical Education Association. Terms of the plan may not be amended unless all parties agree on the amendments. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The School finances the plan on a pay-as-you-go basis and includes a provision for its costs in each year's annual budget.

Benefits Provided

Teaching and support staff and certain administrator retirees and spouses pay the full premium amount. Under the incentive, teaching staff retirees receive a notional account in the amount of \$1,000 per year of service. The account can only be applied toward healthcare premiums in retirement. Certain administrative, under the incentive, retirees remit the PSERS premium assistance amount. Eligible administrative retirees who meet the incentive eligibility requirements receive School-paid life insurance with a face amount of \$100,000 until age 65.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE H - OTHER POST-EMPLOYMENT BENEFITS - Continued

All employees can elect to retire and the School will continue to provide their health care benefits through age 65 or qualification for Medicare, if earlier, at no cost to the School. Spouse coverage continues, also at no cost to the School, until age 65, qualification for Medicare, or cessation of retiree coverage if earlier. Surviving spouses of teaching staff may utilize the remainder of the retiree's notional account, if any. Teachers are eligible for an incentive upon retirement after meeting PSERS requirements (superannuation or early retirement) and completing 20 years of service with the School. Administrators, after four years of employment, are eligible for single health coverage equivalent to the plan until the employee qualifies for government provided medical coverage, not to exceed 8 years. The retirees are required to reimburse the School any PSERS Premium Assistance coverage that they receive.

Employees Covered

As of the most recent actuarial valuation as of July 1, 2024, the following employees were covered by the benefit terms:

Inactive employees/beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>78</u>
	<u>80</u>

2. Total Plan OPEB Liability

The School Plan's total OPEB liability as of June 30, 2025 was \$565,000, and was determined by an actuarial calculation based on the July 1, 2024 actuarial valuation.

3. Actuarial Assumptions and Other Inputs

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

- Actuarial cost method - Entry Age Normal
- Discount rate - 5.20% as of June 30, 2025; 3.93% as of June 30, 2024
- Health cost trend - 6.9%; using the Society of Actuaries Long-Run Medical Cost Trend Model to project per capita claim costs and premiums, an increase from 6.3%

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE H - OTHER POST-EMPLOYMENT BENEFITS - Continued

- Salary increases - Based on rates utilized in the June 30, 2024 actuarial valuation for PSERS. Increases range from 2.75% to 8.65% based on the employee age
- Participation rate - 100% of professional staff and administrators and 10% of support staff
- Mortality rates were based on the PubT-H2010 Mortality Tables, adjusted to reflect the MP-2021 Mortality Improvement Scale.

4. Discount Rate

The discount rate of 5.20% was based on the Bond Buyer 20 Year Bond GO Index.

5. Changes in Plan's Total OPEB Liability

Balance at June 30, 2024,	\$ 479,000
Service cost	35,000
Interest on total OPEB liability	19,000
Effect of plan changes	(4,000)
Effect of economic/demographic (gains) or losses	85,000
Effect of assumption changes	(46,000)
Benefit payments	(<u>3,000</u>)
Balance at June 30, 2025	<u>\$ 565,000</u>

Changes in assumptions reflect a change in the discount rate from 3.93% as of June 30, 2024 to 5.20% as of June 30, 2025.

Sensitivity of the Plan's Net OPEB Liability to change in Healthcare Cost Trend Rate

The following presents the Plan's net OPEB liability, calculated using current Healthcare cost trends (6.9%), as well as what the Plan's net OPEB liability would be if health cost trends were 1-percentage point lower (5.9%), or 1-percentage-point higher (7.9%) than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Plan net OPEB liability	\$ 499,000	\$ 565,000	\$ 643,000

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE H - OTHER POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the Plan's net OPEB liability to changes in the discount rate

The following presents the Plan's net OPEB liability, calculated using the discount rate of 5.20%, as well as what the Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Plan's net OPEB liability	\$ 619,000	\$ 565,000	\$ 516,000

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

For the year ended June 30, 2025, the School recognized OPEB expense of \$48,643 related to the Plan. At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 79,391	\$ 10,287
Changes in assumptions	<u>8,571</u>	<u>70,864</u>
	<u>\$ 87,962</u>	<u>\$ 81,151</u>

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

Year ended June 30:	
2026	(\$ 8,356)
2027	(5,689)
2028	2,476
2029	2,472
2030	2,906
Thereafter	13,002

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE I - PENSION OBLIGATION

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS or the System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. 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.

1. Plan Description

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

Benefits provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 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. Benefits are generally equal 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.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE I - PENSION OBLIGATION - Continued

Act 5 of 2017 introduced a hybrid benefit with two new memberships, Class T-G and Class T-H, and a separate defined contribution membership class, 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 service. Class T-G may also qualify by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of service.

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

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Contributions

Member Contributions:

Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Class T-C) or at 6.50% (Class T-D) of the member's qualifying compensation.

Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Class T-C) or at 7.50% (Class T-D) of the member's qualifying compensation.

Members who joined the System after June 30, 2001 and before July 1, 2011, contribute at 7.50% (automatic Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE I - PENSION OBLIGATION - Continued

Members who joined the System after June 30, 2011, automatically contribute at the Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.3% (base rate) of the member's qualifying compensation. Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Class T-E contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

Members who joined the System after June 30, 2019 can contribute at the Class T-G or Class T-H rate of 5.5% or 4.5% (base rate), respectively, of the member's qualifying compensation. They are also eligible to participate in a defined contribution plan at a rate of up to 2.75% and 3.0%, respectively. All new hires who have elected Class T-E, T-F, T-G or T-H membership, contribute at their respective base rate of the member's qualifying compensation. Those Membership Classes are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause those Membership Classes contribution rates to fluctuate up or down by .5% to .75%.

Employer Contributions:

The schools' 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 School were \$1,532,555 for the year ended June 30, 2025. \$512,094 of this amount was payable to the plan for the contributions for the quarter ending June 30, 2025.

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

At June 30, 2025, the School reported a liability of \$11,510,109 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2023 to June 30, 2024.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE I - PENSION OBLIGATION - Continued

The School's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the School's proportion was .0275%, which was an increase of .0012% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School recognized pension expense of \$1,668,404. At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 154,463	\$ -
Difference between expected and actual experience	-	174,899
Changes in proportions	742,500	115,250
Changes in assumptions	-	-
Contributions subsequent to the measurement date	1,532,555	-
	<u>\$ 2,429,518</u>	<u>\$ 290,149</u>

\$1,532,555 reported as deferred outflows of resources related to pensions resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized in pension expense as follows:

Year ended June 30:

2026	(\$106,166)
2027	576,385
2028	175,203
2029	(38,608)

3. Actuarial Assumptions

The total pension liability as of June 30, 2024 was determined by rolling forward the System's total pension liability as of the June 30, 2023 actuarial valuation 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 - 7.00%, includes inflation of 2.50%
- Salary growth - effective average of 4.5%, comprised of inflation of 2.50%, and 2.00% for real wage growth and for merit or seniority increases

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE I - PENSION OBLIGATION - Continued

- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	4.8%
Fixed income	33.5%	3.9%
Real estate	9.5%	5.9%
Private equity	12.0%	6.7%
Infrastructure	10.0%	6.4%
Commodities	5.0%	2.5%
	<u>100%</u>	

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

4. 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.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE I - PENSION OBLIGATION - Continued

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
School's proportionate share of the net pension liability	\$15,162,000	\$11,510,109	\$ 8,426,000

5. Pension Plan Fiduciary Net Position

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

NOTE J - COMMITTED FUND BALANCE

The Board of Directors/Joint Operating Committee is the School's highest level decision making authority. The Board must approve the commitment or modification of fund balance. The Board has committed \$2,208,733 of its unrestricted fund balance at June 30, 2025. The purpose of the commitment is to provide for the School's LPN Program, which is not funded by the School's member districts, in the amount of \$156,186, to provide resources for the School's Commercial Driver's License Program in the amount of \$228,885; to provide resources for the backpack program in the amount of \$7,898; to provide resources for the yearbook in the amount of \$4,343; to provide resources for a greenhouse in the amount of \$976; and to provide resources for the Capital Project Reserve in the amount of \$1,810,445.

In addition, certain funds are restricted for specific purposes. At June 30, 2025 \$2,994 of Debt Service fund balance has been restricted for future debt payments.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE J - COMMITTED FUND BALANCE - Continued

The School has adopted policies in which it considers committed fund balances to be spent when expenditures have been specifically identified to release the commitment.

NOTE K - CAPITAL PROJECT RESERVE FUND

To provide a means of accumulating needed funds for anticipated projects, the School established a Capital Project Reserve Fund under section 1431 of the Municipal Code. At the March 27, 2006 Board meeting, the closing of this Fund by June 30, 2006 was approved and a new Capital Project Reserve Fund under Section 1850.1(b)(26) was established. That fund is to be used for capital improvement equipment and maintaining facilities. The fund balance in the Fund is \$1,810,445 as of June 30, 2025.

NOTE L - RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, theft or, damage to, and destruction of assets, errors and omissions, and injuries to employees for which the School purchases commercial insurance. Settled claims have not exceeded insurance coverage in any of the past three years. There were no significant reductions in coverage compared to prior years.

The School participates in a multiple employer cost-sharing trust for self-insuring hospitalization expenses. The trust makes monthly premium payments to its program administrator for payment of claims submitted. Participating Schools pay monthly premiums to the trust based upon claims paid experience. The administrator reconciles claims paid against premiums received on an annual basis. Any deficiency of premiums received over claims paid must be remitted to the plan administrator by the members. The trust has obtained stop loss insurance for claims exceeding 125% of premiums paid.

NOTE M - CONTINGENT LIABILITIES AND COMMITMENTS

The School participates in both state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The School is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although the School believes such amounts to be immaterial. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Jefferson County-DuBois Area Vocational Technical School

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE M - CONTINGENT LIABILITIES AND COMMITMENTS - Continued

The School has executed contracts for a construction project. The balance due on the uncompleted contract at June 30, 2025 is \$274,894.

REQUIRED SUPPLEMENTAL INFORMATION

Jefferson County-DuBois Area Vocational Technical School
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
Pennsylvania Public School Employees' Retirement System - Health Insurance Premium Assistance Program
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017
School's proportion of net OPEB liability	0.0279%	0.0264%	0.0248%	0.0258%	0.0223%	0.0229%	0.0237%	0.0235%
School's proportionate share of net OPEB liability	495,632	477,636	456,511	611,481	481,835	487,047	494,133	478,792
School's covered-employee payroll	4,425,058	4,052,227	3,645,770	3,661,351	3,132,496	3,159,433	3,185,598	3,122,613
School's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	11.20%	11.79%	12.52%	16.70%	15.38%	15.42%	15.51%	15.33%
Plan fiduciary net position as a percentage of the total net OPEB liability	7.13%	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

Notes to Schedule:

Changes of assumptions:

The following are the discount rates used in each period:

The following assumptions changed during the most recent valuation:

None

* - for those years that are available

Jefferson County-DuBois Area Vocational Technical School
SCHEDULE OF SCHOOL CONTRIBUTIONS
Pennsylvania Public School Employees' Retirement System - Health Insurance Premium Assistance Program
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	31,742	31,438	36,533	34,565	30,947	31,942	31,902	29,538
Contractually required contribution	28,424	30,191	28,960	30,022	26,252	26,237	26,479	25,981
Contributions in relation to the actuarially determined contribution	(28,424)	(30,191)	(28,960)	(30,022)	(26,252)	(26,237)	(26,479)	(25,981)
Contribution deficiency (excess)	3,317	1,248	7,574	4,542	4,695	5,705	5,423	3,557
District's covered-employee payroll	4,425,058	4,052,227	3,645,770	3,661,351	3,132,496	3,159,433	3,185,598	3,122,613
Contributions as a percentage of covered-employee payroll	0.64%	0.75%	0.79%	0.82%	0.84%	0.83%	0.83%	0.83%

* - for those years that are available

Jefferson County-DuBois Area Vocational Technical School
SCHEDULE OF CHANGES IN SCHOOL'S
OPEB LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	35,000	34,000	37,000	36,000	25,000	24,000	34,000	33,000
Interest	19,000	17,000	16,000	11,000	13,000	22,000	25,000	27,000
Effect of plan changes	(4,000)	0	0	0	20,000	0	22,000	0
Effect of economic/demographic changes	85,000	0	(18,000)	0	23,000	0	329,000	0
Changes of assumptions or other inputs	(46,000)	(10,000)	15,000	(49,000)	(39,000)	42,000	(242,000)	(13,000)
Benefit payments	(3,000)	(39,000)	(57,000)	(75,000)	(125,000)	(160,000)	(153,000)	(96,000)
Net change in total OPEB liability	86,000	2,000	(7,000)	(77,000)	(83,000)	(72,000)	15,000	(49,000)
Total OPEB liability - beginning	479,000	477,000	484,000	561,000	644,000	716,000	701,000	750,000
Total OPEB liability - ending	565,000	479,000	477,000	484,000	561,000	644,000	716,000	701,000
School's covered-employee payroll	4,425,058	4,052,227	3,645,770	3,661,351	3,132,496	3,159,433	3,185,598	3,122,613
Total OPEB liability as a percentage covered-employee payroll	12.77%	11.82%	13.08%	13.22%	17.91%	20.38%	22.48%	22.45%

Notes to Schedule:

Changes of assumptions:

The following are the discount rates used in each period:

5.20%

The following mortality assumption table changed in the following periods:

2023	PubT-H2010 Mortality table adjusted for Mortality Improvement Scale MP-2021
2019	RP-2014 Mortality table adjusted for Mortality Improvement Scale MP-2018
2018	RP-2014 Mortality table adjusted for Mortality Improvement Scale MP-2015

The following assumptions changed during the most recent valuation:

Health cost trend increased to 6.9% from 6.3%

The plan provisions changed during the most recent valuation:

Maximum of 35 years set for teacher incentive notional account

Support staff retirement bonus added and duration of administrator periods updated

* - for those years that are available

Jefferson County-DuBois Area Vocational Technical School
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (NPL)
Pennsylvania Public School Employees' Retirement System
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School's proportion of NPL	0.0275%	0.0263%	0.0247%	0.0257%	0.0224%	0.0229%	0.0237%	0.0235%	0.0235%	0.0225%
School's proportionate share of NPL	11,510,109	11,699,918	10,981,304	10,551,580	11,029,540	10,713,000	11,377,177	11,606,275	11,645,854	9,745,945
School's covered-employee payroll	4,425,058	4,052,227	3,645,770	3,661,351	3,132,496	3,159,433	3,185,598	3,122,613	3,039,422	2,888,893
School's proportionate share of NPL as a percentage of its covered-employee payroll	260.11%	288.73%	301.21%	288.19%	352.10%	339.08%	357.14%	371.68%	383.16%	337.36%
Plan fiduciary net position as a percentage of the total NPL	64.63%	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%

Notes to Schedule:

The following assumptions changed during the most recent valuation:
None

Jefferson County-DuBois Area Vocational Technical School
SCHEDULE OF SCHOOL CONTRIBUTIONS
Pennsylvania Public School Employees' Retirement System
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	1,443,630	1,377,355	1,231,436	1,221,351	1,046,513	1,025,516	1,005,669	898,853	831,971	740,163
Contractually required contribution	1,443,630	1,377,355	1,231,436	1,221,351	1,046,513	1,025,516	1,005,669	898,853	747,638	580,976
Contributions in relation to the actuarially determined contribution	(1,443,630)	(1,377,355)	(1,231,436)	(1,221,351)	(1,046,513)	(1,025,516)	(1,005,669)	(898,853)	(747,638)	(580,976)
Contribution deficiency (excess)	0	0	0	0	0	0	0	0	84,334	159,188
School's covered-employee payroll	4,425,058	4,052,227	3,645,770	3,661,351	3,132,496	3,159,433	3,185,598	3,122,613	3,039,422	2,888,893
Contributions as a percentage of covered-employee payroll	32.62%	33.99%	33.78%	33.36%	33.41%	32.46%	31.57%	28.79%	24.60%	20.11%

SUPPLEMENTAL INFORMATION

JEFFERSON COUNTY-DUBOIS AREA VOCATIONAL TECHNICAL SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2025

<u>Grantor Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Grantor's Number</u>	<u>Grant Period Beginning/ Ending Date</u>	<u>Program or Award Amount</u>	<u>Total Received For the Year</u>
<u>U.S. Department of Education</u>					
<u>Student Financial Assistance Cluster</u>					
Pell Grants	84.063	P063P234105/ P063P253105	July 1, 2024/ June 30, 2025	\$ N/A	\$ 220,532
Direct Loans	84.268	P268K243105/ P268K253105/ P268K263105	April 1, 2023/ August 31, 2025	N/A	170,602
<u>Passed through the Pa. Department of Education</u>					
COVID-19 - ARP ESSER Career & Technical Centers	84.425U	224-21-1140	March 13, 2020/ September 30, 2024	280,548	35,706
Secondary Allocations	84.048	380-25-0043	July 1, 2024/ June 30, 2025	227,123	227,123
Total passed through the Pa. Department of Education				507,671	262,829
<u>Passed through the Central Pennsylvania Institute of Science and Technology</u>					
Tech Prep PN Program	84.048	381-25-0000	August 30, 2024/ June 30, 2025	N/A	8,821
Total U.S. Department of Education				507,671	662,784
<u>U.S. Department of Agriculture</u>					
<u>Passed through the Pa. Department of Education</u>					
<u>Child Nutrition Cluster</u>					
National School Lunch Program	10.555	362	July 1, 2024/ June 30, 2025	346,397	346,397
School Breakfast Program	10.553	365	July 1, 2024/ June 30, 2025	128,090	128,090
Total passed through the Pa. Department of Education				474,487	474,487
<u>Passed through the Pa. Department of Agriculture</u>					
National School Lunch Program (Non-Cash Donated Commodities)	10.555	2-01-33-340	July 1, 2024/ June 30, 2025	N/A	72,597
Total passed through the Pa. Department of Agriculture				-	72,597
Community Facilities Program	10.766	N/A	May 17, 2023/ May 17, 2028	1,125,000	551,476
Total U.S. Department of Agriculture				1,599,487	1,098,560
<u>U.S. Department of Labor</u>					
<u>WIOA Cluster</u>					
<u>Passed through Arbor E&T, LLC.</u>					
WIA Adult Program	17.258	N/A	July 1, 2024/ June 30, 2025	N/A	26,360
Total U.S. Department of Labor				-	26,360

Accrued or (Deferred) Revenue at July 1, 2024	Revenue Recognized	Federal Expenditures for the year Ended June 30, 2025			Passed Through to Subrecipients	Accrued or (Deferred) Revenue at June 30, 2025
		Pass-Thru	Direct	Total		
\$ -	\$ 221,927	\$ -	\$ 221,927	\$ 221,927	\$ -	\$ 1,395
-	170,899	-	170,899	170,899	-	297
13,901	21,805	21,805	-	21,805	-	-
-	227,123	227,123	-	227,123	-	-
13,901	248,928	248,928	-	248,928	-	-
-	8,821	8,821	-	8,821	-	-
13,901	650,575	257,749	392,826	650,575	-	1,692
-	346,397	346,397	-	346,397	-	-
-	128,090	128,090	-	128,090	-	-
-	474,487	474,487	-	474,487	-	-
(4,371)	72,750	72,750	-	72,750	-	(4,218)
(4,371)	72,750	72,750	-	72,750	-	(4,218)
390,742	160,734	-	160,734	160,734	-	-
386,371	707,971	547,237	160,734	707,971	-	(4,218)
641	26,360	26,360	-	26,360	-	641
641	26,360	26,360	-	26,360	-	641

JEFFERSON COUNTY-DUBOIS AREA VOCATIONAL TECHNICAL SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2025

<u>Grantor Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Grantor's Number</u>	<u>Grant Period Beginning/ Ending Date</u>	<u>Program or Award Amount</u>	<u>Total Received For the Year</u>
<u>U.S. Department Veterans Affairs</u>					
Post 9/11 Veterans Educational Assistance	64.028	N/A	July 1, 2024/ June 30, 2025	N/A	17,184
Total U.S. Department Veterans Affairs				-	17,184
<u>U.S. Department of Health and Human Services</u> <u>Passed through the Pa. Department of Education</u>					
COVID-19 - Public Health Workforce Supplemental Funding	93.354	160-23-0030	July 1, 2022/ June 30, 2024	111,820	14,906
Total U.S. Department of Health and Human Services				111,820	14,906
<u>U.S. Department of the Treasury</u> <u>Passed through Pennsylvania Commission on Crime and Delinquency</u>					
Coronavirus State & Local Fiscal Recovery Funds	21.027	2023-CM-01 42234	Jan 1, 2024/ Dec 31, 2025	70,000	-
Total U.S. Department of the Treasury				70,000	-
Total Federal Financial Assistance				\$ 2,288,978	\$ 1,819,794

Accrued or (Deferred) Revenue at July 1, 2024	Revenue Recognized	Federal Expenditures for the year Ended June 30, 2025			Passed Through to Subrecipients	Accrued or (Deferred) Revenue at June 30, 2025
		Pass-Thru	Direct	Total		
-	17,184	-	17,184	17,184	-	-
-	17,184	-	17,184	17,184	-	-
14,906	-	-	-	-	-	-
14,906	-	-	-	-	-	-
-	17,744	17,744	-	17,744	-	17,744
-	17,744	17,744	-	17,744	-	17,744
<u>\$ 415,819</u>	<u>\$ 1,419,834</u>	<u>\$ 849,090</u>	<u>\$ 570,744</u>	<u>\$ 1,419,834</u>	<u>\$ -</u>	<u>\$ 15,859</u>

Total Expenditures by Assistance Listing Number

Program Title	Assistance Listing Number	Expenditures
Child Nutrition Cluster	10.553/10.555	\$ 547,237
Community Facilities Program	10.766	160,734
WIOA Cluster	17.258/17.259/17.278	26,360
Coronavirus State and Local Fiscal Recovery Funds	21.027	17,744
Post 9/11 Veterans Educational Assist	64.028	17,184
Career and Technical Education	84.048	235,944
Student Financial Assistance Cluster	84.083/84.268	392,826
COVID-19 - Education Stabilization Fund	84.425	21,805
		<u>\$ 1,419,834</u>

JEFFERSON COUNTY-DUBOIS AREA VOCATIONAL TECHNICAL SCHOOL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2025

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is presented on the same basis of accounting, the accrual basis in accordance with generally accepted accounting principles, as the School's government-wide financial statements. The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs may be more than shown for a particular grant. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87 or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

NOTE B - INDIRECT COST RATE

The School has elected to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

NOTE C - IDENTIFICATION OF 40% RULE (20% FOR LOW RISK AUDITEES)

Total expenditures		\$1,419,834
less state expenditures		<u>-</u>
Total Federal Assistance		<u>\$1,419,834</u>
Programs selected for testing:		
Child Nutrition Cluster	10.553/10.555	<u>547,237</u>
		<u>\$547,237</u>
% of Total Federal Assistance		<u>38.5%</u>

Root, Spitznas & Smiley, Inc.

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

Board of Directors

Jefferson County-DuBois Area Vocational Technical School

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jefferson County-DuBois Area Vocational Technical School, Reynoldsville, Pennsylvania (School) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 8, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Root, Spitznagel and Smiley, LLC

ERIE, PENNSYLVANIA
December 8, 2025

Root, Spitznas & Smiley, Inc.

Certified Public Accountants

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

Board of Directors

Jefferson County-DuBois Area Vocational Technical School

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Jefferson County-DuBois Area Vocational Technical School's (School) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2025. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jefferson County-DuBois Area Vocational Technical School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School'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 School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the School'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 School's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Root, Spitznagel and Smiley, LLC

ERIE, PENNSYLVANIA
December 8, 2025

Jefferson County-DuBois Area Vocational Technical School

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

Summary of Auditor's Results:

Financial Statements

1. Type of auditor's report issued: unmodified
2. Internal control over financial reporting:
Material weakness(es) identified? _____ yes X no
Significant deficiency (ies) _____ yes X none
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major programs:
Material weakness(es) identified? _____ yes X no
Significant deficiency (ies)? _____ yes X none
2. Type of auditor's report issued on compliance for major programs: unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? _____ yes X no
4. Identification of major programs:
Child Nutrition Cluster - #10.553/10.555
5. Dollar threshold used to distinguish between type A and type B programs: \$750,000
6. Auditee qualified as low-risk auditee? X yes _____ no

Audit Findings:

The audit resulted in no current findings. In addition, there were no findings noted in the prior year's audit.

Jefferson County-DuBois Area Vocational Technical School

EXIT CONFERENCE

June 30, 2025

An exit conference was held via email and telephone on various dates.
Participating were:

Ms. Sherry Hasselman, Business Manager
Jefferson County-DuBois Area Vocational Technical School

John W. Orlando, CPA, Principal
Root, Spitznas and Smiley, Inc.

A draft of the audit report for the Jefferson County-DuBois Area Vocational Technical School, Reynoldsville, Pennsylvania, for the year ended June 30, 2025 was reviewed. Special attention was devoted to reviewing the MD&A and the various reports on internal controls and reports on compliance.

List of Report Distribution

Copies

1	Commonwealth of Pennsylvania Office of the Budget/Bureau of Audits Submitted electronically
1	Federal Audit Clearinghouse Submitted electronically
1	Punxsutawney Area School District 475 Beyer Avenue Punxsutawney, Pennsylvania 15767 Attn: Ms. Susan Robertson, Business Administrator
1	DuBois Area School District 500 Liberty Blvd DuBois, Pennsylvania 15801 Attn: Ms. Jeanette Buriak, Business Manager
1	Brookville Area School District PO Box 479 Brookville, Pennsylvania 15825 Attn: Mr. Shawn Arbaugh, Business Administrator
1	Brockway Area School District 40 North Street Brockway, Pennsylvania 15824 Attn: Ms. Laurie Piccirillo, Business Manager