DAC Bond®

NEW ISSUE - BOOK ENTRY ONLY

RATINGS: S&P: "A" (Stable Outlook) (Underlying)
S&P: "AA" (Stable Outlook) (AGM Insured)
(*See* **"RATINGS"** *herein*)

In the opinion of Bond Counsel, under existing statutes, regulations and judicial decisions, interest on the Bonds is excluded from gross income for purposes of federal income taxation and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and, as to applicable corporations (as defined in Section 59(k) of the Code (as defined below)); however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations for tax years beginning after December 31, 2022. This opinion of Bond Counsel is subject to continuing compliance by the School District with its covenants in the Resolution and other documents to comply with requirements of the Code, as amended, and applicable regulations thereunder.

Bond Counsel is also of the opinion that under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") as presently al property taxes in the Commonwealth and the interest on the Bonds is exempt from Commonwealth's Personal Income Tax and the Commonwealth's Corporate Net Income Tax.

$3,000,000*

LACKAWANNA TRAIL SCHOOL DISTRICT

(Wyoming and Lackawanna Counties, Pennsylvania)

General Obligation Bonds, Series of 2024

Bonds Dated: Date of delivery
Principal Due: March 15, as shown on inside cover
Denomination: Integral multiples of $5,000

Interest Payable: March 15 and September 15
First Interest Payment: September 15, 2024
Form: DTC Book-Entry Only

Legal Investment for Fiduciaries in Pennsylvania: The Bonds are a legal investment for fiduciaries in the Commonwealth of Pennsylvania under the Probate, Estate and Fiduciaries Code, Act of June 30, 1972, No. 164, P.L. 508 as amended and supplemented.

General: The General Obligation Bonds, Series of 2024 (the "Bonds" or "2024 Bonds") in the aggregate principal amount of $3,000,000* are being issued by the Lackawanna Trail School District (the "School District"), a public school district located in Wyoming and Lackawanna Counties, Pennsylvania. The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds can be made only under the book-entry system of DTC, and purchasers will not receive certificates representing their interests in the Bonds. While DTC, or its nominee Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by Fidelity Deposit & Discount Bank, as paying agent, directly to Cede & Co. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to Beneficial Owners of the Bonds is the responsibility of the DTC Participants and the Indirect Participants. See **"BOOK-ENTRY ONLY SYSTEM"** herein. Interest on the Bonds is payable initially on September 15, 2024, and thereafter, semiannually on March 15 and September 15 of each year.

Security: The Bonds are payable from the tax and other general revenues of the School District. The School District has covenanted that it will provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service due on the Bonds for such year and will duly and punctually pay or cause to be paid from funds deposited by the School District in the respective sinking funds established under the Resolution adopted by the School District on March 11, 2024, authorizing and securing the Bonds, or from any other of its legally available revenue or funds, the principal of every Bond and the interest thereon at the dates and place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District has irrevocably pledged its full faith, credit and taxing power, which taxing power includes the power to levy *ad valorem* taxes on all taxable property in the School District, within limitations provided by law (see **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS", APPENDIX A - "TAXING POWERS AND LIMITS"** and **"PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS" – "Taxpayer Relief Act (Act 1)"** herein).

Redemption: The Bonds are subject to optional redemption prior to their stated maturity dates, as described herein.

Proceeds of the Bonds will be used to: (1) finance various capital projects of the School District; and (2) pay the related costs, including the costs of issuing the Bonds.

Bond Insurance: The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY MUNICIPAL CORP. ("AGM")**.

ASSURED GUARANTY® MUNICIPAL

The Bonds are offered for delivery when, as and if issued by the School District and received by the Underwriter, subject to the approving legal opinion of Haggerty Hinton & Cosgrove, LLP, Dunmore, Pennsylvania, as Bond Counsel to the School District, to be furnished upon delivery of the Bonds. Certain legal matters will be passed upon by Sweet, Stevens, Katz & Williams, LLP, New Britain, Pennsylvania, as Solicitor for the School District, and for the Underwriter by its limited scope underwriter's counsel, McNees Wallace & Nurick LLC, Lancaster, Pennsylvania. It is expected that the Bonds will be available for delivery through the facilities of DTC, on or about May ____, 2024.

RAYMOND JAMES®

*Preliminary, subject to change.

$3,000,000*

LACKAWANNA TRAIL SCHOOL DISTRICT

(Wyoming and Lackawanna Counties, Pennsylvania)

General Obligation Bonds, Series of 2024

Bonds Dated: Date of delivery
Principal Due: March 15, as shown on inside cover
Denomination: Integral multiples of $5,000

Interest Payable: March 15 and September 15
First Interest Payment: September 15, 2024
Form: DTC Book-entry Only

BOND MATURITY SCHEDULE

(March 15) Year	Principal Amount	Interest Rate	Yield	Price	CUSIP Numbers [1]
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					

[1]The CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the School District or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of Bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the School District nor the Underwriter has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

*Preliminary, subject to change.

No dealer, broker, salesman or other person has been authorized by the School District or the Underwriters to give any information or to make any representation, other than that given or made in this Official Statement, and if given or made, any such other information or representation may not be relied upon as having been authorized by the School District or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement has been approved by the School District and, while the information set forth in this Official Statement has been furnished by the School District and other sources which are believed to be reliable, such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriters or, as to information obtained from other sources, by the School District. The information and expressions of opinion set forth in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that the affairs of the School District have remained unchanged since the date of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AND NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS AND NOTES ARE MADE ONLY BY THE MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT PURSUANT TO ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading **"BOND INSURANCE"** and "Appendix G - Specimen Municipal Bond Insurance Policy".

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APPENDIX A - SUMMARIES OF OPERATING DATA REGARDING THE SCHOOL DISTRICT

SUMMARY PAGE

This Summary Statement is subject in all respects to more complete information in this Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or otherwise use it without the entire Official Statement. A full review of the entire Official Statement should be made by potential Bond purchasers.

Issuer	Lackawanna Trail School District, Wyoming and Lackawanna Counties, Pennsylvania (the "School District").
Bonds	The General Obligation Bonds, Series of 2024 in the principal amount of $3,000,000* (the "Bonds"), dated as of the date of delivery, maturing on March 15, _____ through March 15, _____. Interest on the Bonds shall be payable semiannually on March 15 and September 15. See **"DESCRIPTION OF THE BONDS"** herein.
Optional Redemption	The Bonds stated to mature on or after March 15, _____, are subject to redemption prior to maturity at the option of the School District in whole or, from time to time, in part, in any order of maturities as the School District shall select, on any date or dates on or after March 15, _____, at a price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for such optional redemption.
Form	Book-Entry Only.
Application of Proceeds.........................	Proceeds of the Bonds will be used to: (1) finance various capital projects of the School District; and (2) pay the related costs, including the costs of issuing the Bonds.
Security	The Bonds are general obligations of the School District, for the payment of which the School District has pledged its full faith, credit and taxing power.
Ratings..	S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") is expected to assign its municipal bond insurance rating to this issue of Bonds with the understanding that upon issuance and delivery of the Bonds, a municipal Bond insurance policy insuring the payment when due of the principal of and interest on the Bonds will be issued by AGM. Currently, AGM's financial strength is rated "AA" (stable outlook) by S&P. S&P has also assigned the School District an underlying rating of "A" (stable outlook). (See **"RATINGS"** herein.)
Continuing Disclosure Undertaking......................................	The School District has agreed to provide, or cause to be provided, in a timely manner, certain information in accordance with the requirements of Rule 15c2-12, as promulgated under the Securities Exchange Act of 1934, as amended and interpreted (the "Rule"). (See **"CONTINUING DISCLOSURE UNDERTAKING"** and "**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE, for the filing deadline, see "Section 3: Time period within which annual information must be filed"** herein.)

*Preliminary, subject to change.

LACKAWANNA TRAIL SCHOOL DISTRICT
(Wyoming and Lackawanna Counties, Pennsylvania)

179 College Ave.
Factoryville, Pennsylvania 18419

BOARD OF SCHOOL DIRECTORS

Jospeh Ross	President
Tracy Wescott	Vice President
Dr. Michael Mould	Treasurer
Adrian Bianchi	Secretary
Heather Clark	Member
Brendan Dwyer	Member
Eric Johnson	Member
Jaclyn Litwin	Member
Tony Vanko	Member

SCHOOL ADMINISTRATION

Matthew Rakauskas	Superintendent of Schools
Keith Glynn	Business Manager

BOND COUNSEL

Haggerty Hinton & Cosgrove, LLP
Dunmore, Pennsylvania

SOLICITOR

Sweet, Stevens, Katz & Williams, LLP
New Britain, Pennsylvania

UNDERWRITER

Raymond James & Associates, Inc.
Lancaster, Pennsylvania

LIMITED SCOPE UNDERWRITER'S COUNSEL

McNees Wallace & Nurick LLC
Lancaster, Pennsylvania

PAYING AGENT

Fidelity Deposit & Discount Bank
Dunmore, Pennsylvania

OFFICIAL STATEMENT

$3,000,000*

LACKAWANNA TRAIL SCHOOL DISTRICT

(Wyoming and Lackawanna Counties, Pennsylvania)

General Obligation Bonds, Series of 2024

INTRODUCTION

This Official Statement is furnished by the Lackawanna Trail School District (the "School District"), a public school district located in Wyoming and Lackawanna Counties, Pennsylvania, in connection with the offering of its General Obligation Bonds, Series of 2024 (the "Bonds") in the aggregate principal amount of $3,000,000*, to be dated their date of delivery (the "Delivery Date") when the Bonds are issued and delivered to DTC (described below) or its agent. The Bonds are general obligations of the School District, which are secured by a parity pledge of its full faith, credit and taxing power to pay the principal of and interest due on the Bonds.

The Bonds are being issued pursuant to, and are secured by, a Resolution adopted by the Board of School Directors of the School District on March 11, 2024 (the "Resolution"), in accordance with the laws of the Commonwealth of Pennsylvania (the "Commonwealth" or "State"), including the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Debt Act"). Copies of the Resolution may be obtained from the School District.

The Bonds shall be issued in fully registered form, without certificates or coupons, in the denomination of $5,000 principal amount and integral multiples thereof. Interest on the Bonds is payable semiannually on March 15 and September 15 of each year, commencing September 15, 2024. Interest on any Bond is payable to the Beneficial Owner as of the applicable Record Date (defined below). The interest on and principal of the Bonds is payable by the School District to Fidelity Deposit & Discount Bank (the "Paying Agent"), serving as paying agent and sinking fund depositary, for transfer to DTC. When issued, the Bonds will be registered in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"), New York, New York. Purchasers of the Bonds (the "Beneficial Owners") will not receive any bond certificates, and beneficial ownership of the Bonds will be evidenced only by electronic book entries. See **"BOOK-ENTRY ONLY SYSTEM"** herein.

The information which follows contains summaries of the Resolution, the Bonds, the Debt Act, Act 1 (herein defined) and other laws, the School District's Budget and its Financial Statements. Such summaries do not purport to be complete, and reference is made to such documents and laws in their entirety, copies of which are on file and available for examination at the offices of the School District.

Neither the delivery of the Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create an implication that there have been no changes in the affairs of the School District, or in the communities or areas in or about the School District, since the date of the Official Statement of the earliest date as of which certain information contained herein is given.

PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used to: (1) finance various capital projects of the School District; and (2) pay the related costs, including the costs of issuing the Bonds.

SOURCES AND USES OF FUNDS

	Total
Sources of Funds	
Proceeds of the Bonds	
Original Issue Premium [Discount]	
Total Sources of Funds	
Uses of Funds	
Construction Fund Deposit	
Costs of Issuance (1)	
Total Uses of Funds	

(1) Includes legal fees, underwriter's discount, paying agent fees, rating fee, municipal bond insurance premium, CUSIP, printing and miscellaneous fees.

*Preliminary, subject to change.

DESCRIPTION OF THE BONDS

The Bonds will be issued in book-entry form, in denominations of $5,000 principal amount and integral multiples thereof. The Bonds will bear interest from the Delivery Date at the rates and mature in the amounts and on the dates set forth on the inside front cover of this Official Statement. Interest on the Bonds will be payable initially on September 15, 2024, and thereafter, semiannually on March 15 and September 15 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for.

*When issued, the Bonds will be registered in the name of Cede & Co., as partnership nominee for The Depository Trust Company ("DTC"), New York, New York. Purchasers of the Bonds (the "Beneficial Owners") will not receive any physical delivery of bond certificates, and beneficial ownership of the Bonds will be evidenced only by book entries. See **"BOOK-ENTRY ONLY SYSTEM"** herein.*

Payment of Principal and Interest

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of and interest on the Bonds, when due, are to be made to DTC and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the School District with respect to, and to the extent of, principal and interest so paid. If the use of the book-entry only system for the Bonds is discontinued for any reason, bond certificates will be issued to the Beneficial Owners of the Bonds and payment of principal and interest on the Bonds shall be made as described in the following paragraphs.

The principal of any certificated Bonds, when due upon maturity or any earlier mandatory or optional redemption, will be paid to the registered owners of such Bonds, or registered assigns, upon surrender of such Bonds to the Paying Agent at its designated corporate trust office (or to any successor paying agent at its designated office(s)).

Interest on any certificated Bonds will be payable to the registered owner of such a Bond from the interest payment date next preceding the date of registration and authentication of the Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding, September 15, 2024, in which event such Bond shall bear interest from the Delivery Date, or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond. Interest on a certificated Bond will be payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the last day of the month (whether or not a day on which the Paying Agent is open for business) next preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date, unless the School District shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of such Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names such certificated Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

If the date for payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

Transfer, Exchange and Registration of Certificated Bonds

Subject to the provisions herein under ***"BOOK-ENTRY ONLY SYSTEM"***, any certificated Bonds are transferable or exchangeable by the registered owners thereof upon surrender of such Bonds to the Paying Agent, accompanied by a written instrument or instruments in form, with instructions and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of such Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of such Bonds in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered and certificated bond or bonds of authorized denominations of the same, maturity and interest rate for the aggregate principal amount that the registered owner is entitled to receive. The School District and the Paying Agent may deem and treat the registered owner of any certificated Bond as the absolute owner thereof (whether such Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the School District and the Paying Agent shall not be affected by any notice to the contrary.

The School District and the Paying Agent shall not be required: (a) to register the transfer of or exchange any certificated Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of such Bonds to be redeemed and ending at the close of business on the day of mailing of the applicable notice of redemption; or (b) to register the transfer of or exchange any portion of any certificated Bond selected for redemption until after the redemption date. Certificated Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity, and interest rate.

REDEMPTION OF BONDS

Mandatory Sinking Fund Redemptions

In the manner and upon the terms and conditions provided in the Resolution, the following Bond maturities are subject to mandatory redemption in direct order of maturity, pursuant to operation of the Mandatory Sinking Fund in the manner set forth in the Resolution at a redemption price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest, on March 15th of the following years and in the following principal amounts:

Year	Amount

Optional Redemption

The Bonds maturing on and after March 15, ________ are subject to redemption prior to maturity at the option of the School District, in whole or in part, in any order of maturities as the School District shall select, on any date on or after March 15, ________ at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for such optional redemption. In the event that less than all Bonds of a particular maturity are to be redeemed, the Bonds of such maturity shall be drawn by lot by the Paying Agent.

Notice of Redemption

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, however, the School District and the Paying Agent shall send redemption notices only to Cede & Co. See **"BOOK-ENTRY ONLY SYSTEM"** herein for further information regarding conveyance of notices and Beneficial Owners.*

Notice of any redemption shall be given by depositing a copy of the redemption notice in first class mail not less than thirty (30) days nor more than forty-five (45) days prior to the date fixed for redemption, addressed to each of the registered owners of any certificated Bonds to be redeemed, at the addresses shown on the registration books kept by the Paying Agent as of the date such Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption as to which proper notice has been given.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and interest being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Resolution, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect thereto, except to receive payment of the principal to be redeemed and accrued interest thereon to the date fixed for redemption.

The notice of redemption may state that it is conditional, *i.e.*, that it is subject to the deposit of sufficient redemption money with the Paying Agent or other escrow agent on the redemption date in sufficient time to effectuate the redemption of Bonds. If, after issuing a notice of redemption, the School District is unable or otherwise fails to deposit with the Paying Agent (or other bank or depositary acting as refunding escrow agent) money sufficient to redeem the Bonds called for redemption, such notice may be withdrawn or be of no effect until such money is so deposited.

Manner of Redemption

*So long as Cede & Co., nominee of DTC, is the registered owner of the Bonds, however, payment of the redemption price shall be made by Cede & Co. in accordance with the existing arrangements by and among the School District, the Paying Agent and DTC and, if less than all of the Bonds in a particular maturity are to be redeemed, the amount of the interest of each DTC Participant, Indirect Participant and Beneficial Owner on such Bonds to be redeemed shall be determined by the governing arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. See **"BOOK-ENTRY ONLY SYSTEM"** herein for further information regarding redemption of Bonds registered in the name of Cede & Co.*

If a Bond is of a denomination larger than $5,000, a portion of such Bond may be redeemed. For the purposes of redemption, a Bond shall be treated as representing the number of Bonds that is equal to the principal amount thereof divided by $5,000, each $5,000 portion of such Bond being subject to redemption. In the case of partial redemption of a certificated Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for certificated Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of such principal, premium, if any, and interest upon such redemption shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

If any maturity of the Bonds which is subject to mandatory sinking fund redemption shall be called for optional redemption in part, the School District shall be entitled to designate whether the principal amount redeemed is to be credited against the principal amount of the Bonds of such maturity required to be called for mandatory sinking fund redemption on any particular future date or dates, or shall be credited against the principal amount of such Bonds to be due and payable at stated maturity, in each case in a whole multiple of $5,000 principal amount.

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from materials provided by DTC for such purpose. The School District (herein referred to as the "Issuer") and the Underwriter do not guaranty the accuracy or completeness of such information, and such information is not to be construed as a representation of the School District or the Underwriter

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each series of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC.

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The Ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NEITHER THE SCHOOL DISTRICT NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT, INDIRECT PARTICIPANT OR BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY TO ANY BENEFICIAL OWNER BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

The School District and the Paying Agent cannot give any assurances that DTC or the Participants will distribute payments of the principal or redemption price of and interest on the Bonds paid to DTC or its nominee, as the registered owner of the Bonds, or any redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General Obligation Pledge

The Bonds are general obligations of the School District, payable from its local taxes and other general revenues, including available state subsidies, on a parity basis with each other, and other existing or future general obligation debt of the School District. The taxing powers of the School District are described more fully in **APPENDIX A – TAXING POWERS AND LIMITS**. The School District has covenanted in the Resolution that it will include in its budget for each fiscal year, and will appropriate in each such year, the amount of the debt service due on the Bonds for such year and will duly and punctually pay, or cause to be paid, the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment, the School District has irrevocably pledged its full faith, credit and taxing power.

Actions in the Event of Default on the Bonds

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

Sinking Fund

Under the Resolution, the School District has created a "Sinking Fund - General Obligation Bonds, Series of 2024" (the "Sinking Fund Depository") as required by the Debt Act and segregated from all other funds of the School District. The School District shall deposit in the respective Sinking Funds, not later than the date when principal or interest is to become due on the Bonds, an amount sufficient to provide for the payment of interest and principal becoming due on the Bonds.

The Sinking Fund shall be held by the Sinking Fund Depositary and invested by the Sinking Fund Depositary in such securities as are authorized by the Debt Act, upon direction of the School District. Such deposits and securities shall be in the name of the School District but subject to withdrawal or collection only by the Sinking Fund Depositary, and such deposits and securities, together with the interest thereon, shall be a part of the Sinking Funds.

The Paying Agent is authorized and directed to pay from the Sinking Fund the principal of and interest on the respective Bonds when due and payable.

Commonwealth Enforcement of Debt Service Payments

Section 633 of the Pennsylvania Public School Code of 1949, as amended by Act 150 of 1975, and as further amended and supplemented (the "Public School Code"), provides that in all cases where the board of school directors of any school district fails to pay or to provide for the payment of any indebtedness on the date of maturity or date of mandatory redemption or on any sinking fund deposit date, or any interest due on such indebtedness on any interest payment date or on any sinking fund deposit date, in accordance with the schedule under which the bonds were issued, the Secretary of Education of the Pennsylvania Department of Education ("PDE") shall notify such board of school directors of its obligation and shall withhold out of any Commonwealth appropriation due such school district an amount equal to the sum of the principal amount maturing or subject to mandatory redemption and interest owing by such school district, or sinking fund deposit due by such school district, and shall pay over the amount so withheld to the bank or other person acting as sinking fund depositary for such Bond issue. These withholding provisions are not part of any contract with the holders of the Bonds, and may be amended or repealed by future legislation.

The effectiveness of Section 633 of the Public School Code may be limited by the application of other withholding provisions contained in the Public School Code, such as provisions for withholding and paying over of appropriations for payment of unpaid teachers' salaries. In addition, enforcement may also be limited by bankruptcy, insolvency, or other laws or equitable principles affecting the enforcement of creditors' rights generally. See **"Pennsylvania Budget Adoption"** herein.

Pennsylvania Budget Adoption Impasses

For the 2017-18 fiscal year, the state budget became law, known as Act 1A of 2017, on July 11, 2017 when the Governor failed to sign or veto the state budget that was adopted by the General Assembly on June 30, 2017. Act 1A of 2017 did not have any accompanying legislation regarding the potential revenue that would be needed to fund the balance of the 2017-18 Budget at the time of its enactment. On October 25, 2017, the General Assembly adopted House Bill 542 which contained the necessary revenue to fund the balance of the previously adopted Act 1A of 2017. On October 30, 2017 the Governor approved and signed House Bill 542 and it became known as Act 43 of 2017.

The budgets for the 2018-19 and the 2019-20 fiscal years were adopted timely. Due to the uncertainty of funding and expenditures caused by the COVID-19 pandemic, on May 29, 2020, the Governor approved a five-month stopgap budget for the fiscal year 2020-21. This budget provided five months of flat funding for most state programs and a full twelve months of flat funding for public education. On November 20, 2020, the General Assembly passed Senate Bill 1350 and House Bill 2536, which included the 2020-21 Supplemental Budget to fund the Commonwealth through the remaining seven-months of fiscal year 2020-21. The legislation was sent to the Governor's desk for approval and on November 23, 2020, the Governor approved the 2020-21 Supplemental Budget, which included mostly flat funding for public education similar to the stopgap budget adopted for the first five months of the 2020-21 fiscal year.

The Governor signed the state's 2021-2022 fiscal year budget that directs more money to public schools on June 30, 2021. The budget includes an increase of $300 million for basic education, with $100 million of that targeted to the 100 historically underfunded school districts that includes some in both urban and rural areas of the state. Special education would receive a $50 million increase, boosting that budget line to $1.24 billion, while preschool and Head Start programs will receive a $30 million increase, to $311.5 million. All told, funding for K-12 schools reaches a record high of $13.55 billion in the new budget.

After a week's delay and intense negotiations, the $45.2 billion budget for Pennsylvania's 2022-2023 fiscal year was signed by Governor Tom Wolf on July 8, 2022. The 2022-2023 enacted budget includes $7,625,124,000 for the basic education funding appropriation and $225,000,000 to supplement those school districts with a higher at risk student population. The total amount is a $767,820,000 (10.83%) increase over the 2021-2022 fiscal year appropriation.

After over a month delay, a $45.5 billion budget for the state's 2023-24 fiscal year was signed by Governor Josh Shapiro on August 3, 2023, which includes $8.4 billion for the basic education funding appropriation. The total amount is a $796.6 million (10.45%) increase over the 2022-2023 fiscal year appropriation. The budget also provides $50 million in additional aid to school districts for special education services for a total of $1.3 billion. Certain funds authorized within the 2023-2024 Budget required companion implementation language amending the Fiscal Code to be fully implemented. On December 13, 2023 multiple code bills were passed finalizing the 2023-24 Budget for education.

During a state budget impasse, school districts in the Commonwealth cannot be certain that state subsidies and revenues owed them from the Commonwealth will become available. This includes many of the major state subsidies, and overall revenues, that a Pennsylvania school district receives including basic education funding, special education funding, PlanCon reimbursements, and certain block grants, among many others. **Future budget impasses may affect the timeliness or amount of payments by the Commonwealth under the withholding provisions of Section 633 of the Public School Code. Act 85 of 2016 was adopted to address the timeliness of the withholding provisions of Section 633 of the Public School Code during any future budget impasses. See "Act 85 of 2016" below.**

Act 85 of 2016 (State Subsidy Intercept During a Budget Impasse)

On July 13, 2016, the Governor of the Commonwealth signed into law Act No. 85 of 2016, (P.L. 664, No. 85) ("Act 85 of 2016"), an amendment to the Act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code ("Fiscal Code"). Act 85 of 2016 adds to the Fiscal Code Article XVII-E.4, entitled "School District Intercepts for the Payment of Debt Service During Budget Impasse", which provides for intercept of subsidy payments by PDE otherwise due a school district that is subject to an intercept statute or an intercept agreement, in the event of a Commonwealth budget impasse in any fiscal year.

Act 85 of 2016 includes in the definition of "intercept statutes" Sections 633 of the Public School Code. The School District's general obligation debt, including the Bonds, are subject to Section 633 of the Public School Code.

Act 85 of 2016 provides that the amounts as may be necessary for PDE to comply with the provisions of the applicable intercept statute or intercept agreement "shall be appropriated" to PDE from the General Fund of the Commonwealth after PDE submits justification to the majority and minority chairs of the appropriations committees of the Pennsylvania Senate and House of Representatives allowing ten (10) calendar days for their review and comment, if, in any fiscal year:

(1) annual appropriations for payment of Commonwealth money to school districts have not been enacted by July 1 and continue not to be enacted when a payment is due;

(2) the conditions under which PDE is required to comply with an intercept statute or intercept agreement have occurred, thereby requiring PDE to withhold payments which would otherwise be due to school districts; and

(3) the Secretary of PDE, in consultation with the Secretary of the Budget, determines that there are no payments or allocations due to be paid to the applicable school districts from which PDE may withhold money as required by the applicable intercept statute or intercept agreement.

The necessary amounts shall be appropriated on the expiration of the tenth (10th) day following submission of the justification described above to the majority and minority chairs of the appropriations committees, who may comment on the justification but cannot prevent the effectiveness of the appropriation.

The total of all intercept payments under Article XVII-E.4 of Act 85 of 2016 for a school district may not exceed 50% of the total nonfederal general fund subsidy payments made to that school district in the prior fiscal year.

Act 85 of 2016 requires that each school district subject to an intercept statute or intercept agreement must deliver to PDE, in the format PDE directs, information pertaining to each eligible borrowing within thirty (30) days of receipt of the proceeds of the obligations. The School District intends to submit this information to PDE within the prescribed timeframe following the issuance of the Bonds. Act 85 of 2016 provides that any obligation for which PDE does not receive the required documents shall not be subject to the applicable intercept statute or intercept agreement.

The provisions of Act 85 of 2016 are not part of any contract with the holders of the Bonds and may be amended or repealed by future legislation.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

ASSURED GUARANTY MUNICIPAL CORP.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On October 20, 2023, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 13, 2023, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On March 18, 2022, Moody's announced it had upgraded AGM's insurance financial strength rating to "A1" (stable outlook) from "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Capitalization of AGM

At December 31, 2023:

- The policyholders' surplus of AGM was approximately $2,646 million.

- The contingency reserve of AGM was approximately $876 million.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,077 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK") and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and net deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the Securities and Exchange Commission (the "SEC") on February 28, 2024 that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof.

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption **"BOND INSURANCE – Assured Guaranty Municipal Corp."** or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "**BOND INSURANCE**".

BONDHOLDER CONSIDERATIONS

The Bonds, like all investment securities, carry a risk of loss of the investment, in whole or in part. This Official Statement does not purport to describe all of the risks of an investment in the Bonds; both the School District and the Underwriters disclaim any responsibility to advise prospective investors of such risks either as they may exist at the date of dissemination of this Official Statement or as they may appear or change from time to time in the future. Prospective purchasers of the Bonds should consult their own legal and tax advisors as to the risks associated with an investment in the Bonds, their ability to bear a loss from an investment in the Bonds and the suitability of investing in the Bonds, in light of their particular, individual circumstances. Prospective purchasers should carefully consider the matters described below, as well as all the information contained within this entire Official Statement inclusive of its Appendices.

Bond Insurance Risk Factors

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the School District which is recovered by the School District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absence such prepayment by the School District unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies that the Paying Agent exercises and the Bond Insurer's consent may be required in connection with amendments to the applicable agreements.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received by the Paying Agent pursuant to the applicable agreements. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See description under **"RATINGS"** herein.

The obligations of the Bond Insurer are general obligations of the Bond Insurer and in an event of default by the Bond Insurer, the remedies available to the Paying Agent may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the School District or Underwriter has made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given.

Cybersecurity

The School District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the School District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the School District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. The School District has never had a material cyber breach or a cyber breach that resulted in a financial loss. No assurance can be given that the School District's current efforts to manage cyber threats and security will, in all cases, be successful. The School District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances. In addition to the various processes in place to safeguard against cyber security attacks, the School District also maintains a comprehensive insurance policy which includes privacy liability, cyber incident response, data breach, network security, internet media and network extortion coverages.

The School District relies on other entities and service providers in the course of operating the School District, including its accountants, attorneys, the trustee, and banks, as well as vendors with respect to outsourced critical digital network operations and functions. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the School District, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The School District cannot predict the timing, extent, or severity of climate change and its impact on its operations and finances. The School District has not experienced increases in extreme weather events, but has established reserves to address severe weather disasters and maintains a comprehensive insurance policy.

Operations Disruption Risk; COVID-19

Certain external events beyond the control of the School District, such as pandemics, could potentially disrupt the School District's ability to conduct its operations. Since early 2020, the School District, along with the rest of the world, has been dealing with the effects of COVID-19 pandemic. The COVID-19 pandemic and the governmental response has had a profound impact on the operations of educational institutions at all levels, including the School District. As the result of the COVID-19 pandemic, the School District has been awarded federal grant funding assistance totaling approximately $3,073,789, all of which has been expended or earmarked for use by September 30, 2024. The School District has addressed and continues to address challenges due to COVID-19. For information on the School District's response to the COVID-19 pandemic and the impact of the COVID-19 pandemic on the School District, please see the School District's audited financial statements for the fiscal year ended June 30, 2023, set forth in Appendix "E" to this Preliminary Official Statement. The future severity of the economic challenges and duration of this and other public health crisis cannot be fully known at this time.

Risk of Audit by Internal Revenue Service

The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the School District as the taxpayer and Bond purchasers may have no right to participate in such procedure. None of the School District, the Underwriter or Bond Counsel is obligated to defend the tax-exempt status of the Bonds on behalf of the Bond purchasers, nor to pay or reimburse the cost of any Bond purchaser with respect to any audit or litigation relating to the Bonds. See **"TAX EXEMPTION AND OTHER TAX MATTERS"** herein.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirement of Rule 15c2-12 (the "Rule") of the United States Securities and Exchange Commission (the "SEC"), the School District (being an "obligated person" with respect to the Bonds, within the meaning of the Rule), will agree to provide certain financial information and operating data to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB, either directly, or indirectly through a designated agent, as set forth in its Continuing Disclosure Certificate substantially in the form attached hereto as Appendix D.

With respect to the filing of annual financial information and operating data, the School District reserves the right to modify from time to time the specific types of information and data provided or the format of the presentation of such information to the extent necessary or appropriate as a result of a change in legal requirements or a change in the nature of the School District or it operations or financial reporting, but the School District will agree that any such modification will be done in a manner consistent with the Rule.

The School District is required to give notice of certain events as set forth in the Continuing Disclosure Certificate (not all of which will be relevant to the School District). The School District may from time to time choose to file notice of other events in addition to those specified in the Continuing Disclosure Certificate.

The School District acknowledges that its undertaking pursuant to the Rule described herein and in the Continuing Disclosure Certificate is intended to be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by the holder and beneficial owner of the Bonds, but the right of the holders and beneficial owners of the Bonds to enforce the provisions of the School District's continuing disclosure undertaking shall be limited to a right to obtain specific enforcement, and any failure by the School District to comply with the provisions of the undertaking shall not be an event of default with respect to the Bonds.

The School District's obligations with respect to continuing disclosure described herein shall terminate upon the prior defeasance, redemption or payment in full of all of the Bonds or if and when the School District is no longer an "obligated person" with respect to the Bonds, within the meaning of the Rule.

The MSRB has been designated by the SEC to be the central and sole repository for continuing disclosure information filed by issuers of municipal securities since July 1, 2009. Information and notices filed by municipal issuers (and other defined "obligated persons") with respect to municipal securities issues) are made available through the MSRB's Electronic Municipal Market Access (EMMA) System, which may be accessed on the internet at http://www.emma.msrb.org.

The School District has previously entered into Continuing Disclosure Agreements with respect to each one of its previously issued bond issues that are currently outstanding. The School District's filing history of its annual financial and operating information during the past five (5) years is outlined in the following table.

Fiscal Year Ending	Filing Due Date	Filing Dates		
		Audit	Operating Data	Budget
6/30/2023	3/31/2024	3/12/2024	3/13/2024	6/09/2023
6/30/2022	4/01/2023	2/15/2023	11/23/2022	7/01/2022
6/30/2021	4/01/2022	3/15/2022	12/13/2021	6/30/2021
6/30/2020	4/01/2021	3/09/2021	3/10/2021	12/08/2020
6/30/2019	3/31/2020	3/11/2020	3/11/2020(1)	7/10/2020(1)

(1)The School District failed to timely file a certain portion of its operating data , the "Ten Largest Taxpayer's" and its budget, but the information was subsequently filed separately to EMMA, along with a "Failure to Timely File Notice" on 7/10/2020.

The School District has reasonable procedures in place designed to ensure ongoing timely filings of its material continuing disclosure requirements. Digital Assurance Certification, LLC ("DAC") currently serves as the School District's dissemination agent.

NO LITIGATION

As a condition to the settlement for the Bonds, the School District will deliver a certificate, and the School District's Solicitor's opinion will include a paragraph, stating that there is no pending litigation challenging or pertaining to the Bonds.

TAX EXEMPTION AND OTHER TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuing compliance by the School District with certain covenants to comply with provisions of the Internal Revenue Code of 1986, as amended (the "Code") in order to preserve the Federal income tax exemption of the interest on the Bonds, interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and, as to applicable corporations (as defined in Section 59(k) of the Internal Revenue Code, as amended (the "Code")); however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations for tax years beginning after December 31, 2022, under existing statutes, regulations, rulings and court decisions.

The School District will issue its certificate to the effect that on the basis of the facts, estimate and circumstances in existence on the date of delivery of the Bonds it will make no use of the proceeds of the Bonds if such use on the date of issuance reasonably had been expected to cause the Bonds to be "arbitrage bonds" under Section 148 of the Code or the United States Treasury regulations relating to "arbitrage bonds" or corresponding provisions of any Federal tax laws or regulations from time to time proposed or enacted and at the time applicable or proposed to be applicable to the Bonds.

Failure of the School District to comply with certain provisions of the Code, including the requirements to pay certain arbitrage profits to the United States Treasury (unless the School District qualifies for exemption from such requirement) may result in the interest on the Bonds becoming includable in the gross income of the Bondholders. In certain circumstances, such taxability of the interest on the Bonds may be retroactive to the date of the original issuance. It is not anticipated that it will be necessary to rebate any arbitrage profits under the Code.

Deductions for Interest Paid by Financial Institutions to Purchase or Carry Tax-Exempt Obligations

Under the Internal Revenue Code of 1986, as amended (the "Code"), financial institutions are disallowed 100 percent of their interest expense deductions that are allocable, by a formula, to tax-exempt obligations acquired after August 7, 1986. An exception, which reduces the amount of the disallowance, is provided for certain tax-exempt obligations that are designated or "deemed designated" by the issuer as "qualified tax-exempt obligations" under Section 265 of the Code.

The Bonds are designated as bank qualified tax-exempt obligations for purposes of Section 265 of the Code (relating to expenses and interest rating to tax-exempt income of certain financial institutions.)

Financial institutions intending to purchase Bonds should consult with their professional tax advisors to determine the effect of the interest expense disallowance on their federal income tax liability.

Other Federal Tax Matters

Ownership of the Bonds may result in other collateral federal income tax consequences to certain taxpayers, including, but not limited to, financial institutions, property and casualty insurance companies, certain subchapter S corporations with substantial passive income and subchapter C earnings and profits, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. No opinion or representation concerning these matters is being given or made by the School District, Bond Counsel or any other party associated with the issuance, offering or sale of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors concerning these matters.

Changes in Law

From time to time, certain legislative proposals may be introduced, or may now be pending, in the Congress of the United States, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters described above or affect the market value of the Bonds. No prediction can be made whether or in what form any such proposal or proposals might be enacted into law or whether, if enacted, the same would apply to bonds issued prior to enactment.

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law, will not cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent any beneficial owner of a Bond from realizing the full current benefit of the tax status of the interest on the Bonds. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

The Inflation Reduction Act, H.R. 5376 (the "IRA"), was signed into law by President Biden on August 16, 2022. The IRA includes a 15 percent alternative minimum tax to be imposed on the "adjusted financial statement income", as defined in the IRA, of certain corporations for tax years beginning after December 31, 2022. Under the IRA, interest on the Bonds is included in the "adjusted financial statement income" of such corporations for purposes of computing such alternative minimum tax.

Pennsylvania Tax Matters

On the Date of Delivery of the Bonds, Bond Counsel will issue an opinion to the effect that under existing laws of the Commonwealth, the Bonds are exempt from personal property taxes in the Commonwealth and the interest thereon is exempt from the Commonwealth's personal income tax and the Commonwealth's corporate net income tax; however, any profits, gains, or income derived from the sale, exchange, or other disposition of the Bonds will be subject to Pennsylvania taxes and local taxes within the Commonwealth. Bond Counsel will express no opinion regarding other state consequences arising with respect to the Bonds.

Original Issue Premium

The Bonds maturing March 15, ____ through and including March 15, ____ have been sold at an original issue premium (the "Premium Bonds"). Under the Code, the premium on the Premium Bonds is an adjustment to basis and must be amortized. No deduction is allowable on account of such premium. The method of amortization may be the method regularly employed by the taxpayer if such method is reasonable, or, in all other cases, must be the method prescribed by applicable Treasury Regulations, which provide that the amortizable bond premium is an amount which bears the same ratio to the premium on the Premium Bonds as the number of months in the taxable year during which the bond or note was held by the taxpayer bears to the number of months from the beginning of the taxable year (or, if the bond or note was acquired in the taxable year, from the date of acquisition) to the date of maturity. The basis of the Premium Bonds is reduced by the amount of the amortizable premium.

Holders of Premium Bonds purchased with an original issue premium (the "Acquisition Premium") should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation as to the treatment of Acquisition Premium for state tax purposes.

Information Reporting

Under 2006 amendments to the Internal Revenue Code, payments of interest on the Bonds will be reported to the Internal Revenue Service by the payor on Form 1099 unless the bondholder is an "exempt person" under Section 6049 of the Code. A Bondholder, who is not an exempt person, may be subject to "backup withholding" at a specified rate prescribed in the code if the Bondholder does not file Form W-9 with the payor advising the payor of the Bondholder's taxpayer identification number. Bondholders should consult with their brokers regarding this matter.

The Paying Agent will report to the Bondholders and to the Internal Revenue Service for each calendar year the amount of any "reportable payments" during such year and the amount of tax, if any, with respect to payments made on the Bonds.

LEGAL OPINIONS

The issuance of the Bonds is subject to the approving legal opinion of legal opinion of Haggerty Hinton & Cosgrove, LLP, Dunmore, Pennsylvania, as Bond Counsel to the School District, to be furnished upon delivery of the Bonds. Certain legal matters will be passed upon by Sweet, Stevens, Katz & Williams, LLP, New Britain, Pennsylvania, as Solicitor for the School District and McNees Wallace & Nurick LLC, in Lancaster, Pennsylvania, will pass upon certain legal matters as limited scope undertaking counsel to the underwriter.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") is expected to assign its municipal bond insured rating to this issue of Bonds with the understanding that upon issuance and delivery of the Bonds, a municipal bond insurance policy insuring the payment when due of the principal of and interest on the Bonds will be issued by AGM. Currently, AGM's financial strength is rated "AA" (stable outlook) by S&P. S&P has also assigned the School District an underlying rating of "A" (stable outlook). This underlying rating may be changed, suspended or withdrawn as a result in, or unavailability of, information.

The above rating are not recommendations to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings mayhave an adverse effect on the market price of the Bonds. See "**BOND INSURANCE**" herein.

UNDERWRITING

Raymond James & Associates, Inc., Lancaster, Pennsylvania (the "Underwriter") subject to certain conditions, has purchased the Bonds from the School District at a purchase price of $_________ (representing the par amount of the Bonds of $_________, plus an original issue premium of $________, less an underwriting discount of $________). The Underwriter's obligations are subject to certain conditions precedent; however, the Underwriter will be obligated to purchase all such Bonds on the Delivery Date if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the School District. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the School District. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

PAYING AGENT

Pursuant to the provisions of the Resolution, as paying agent and sinking fund depository, the Paying Agent has the limited duty of receiving payments from the School District, depositing such payments in a sinking fund and making payments to the owners of the Bonds of the principal of, interest on, and premium, if any, on the Bonds when due, but only to the extent such moneys have been received. As registrar and transfer agent, the Paying Agent has the limited duty of handling the registration and transfer of the Bonds. Accordingly, the Paying Agent performs ministerial duties not involving the exercise of discretion and assumes no fiduciary relationship with respect to the owners of the Bonds.

The Paying Agent may now or in the future have banking relationships with the School District which involve making loans to the School District; these loans may have a security feature which is different from that of the security feature associated with the Bonds. The Paying Agent may also serve as trustee or paying agent and sinking fund depository on other obligations issued by or on behalf of the School District.

CERTAIN OTHER MATTERS

All references to sections or language of the Debt Act, Act 1, the Bonds and the Resolution set forth in this Official Statement are made subject to all the detailed provisions thereof, to which reference is hereby made for further information, and this Official Statement does not purport to be complete statements of any or all such provisions.

All information, estimates and assumptions herein have been obtained from officials of the School District, other governmental bodies, trade and statistical services, and other sources, which we believe to reliable; but no representations whatsoever are made that such estimates or assumptions are correct or will be realized. So far as any statements herein involve matters of opinion, whether or not expressly so stated, they are intended as such and not representations of fact.

The School District has authorized the distribution of this Official Statement.

LACKAWANNA TRAIL SCHOOL DISTRICT
Wyoming and Lackawanna Counties, Pennsylvania

By: ____________________
President, Board of School Directors

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APPENDIX A

SUMMARIES OF OPERATING DATA REGARDING THE SCHOOL DISTRICT

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DESCRIPTION OF THE SCHOOL DISTRICT

Introduction

Lackawanna Trail School District (the “School District”) is located within portions of Wyoming and Lackawanna Counties, Pennsylvania. The Boroughs of Factoryville and Nicholson and the Townships of Clinton and Nicholson in Wyoming County and the Borough of Dalton and the Townships of Benton, LaPlume and West Abington in Lackawanna County (the “Municipalities”) comprise the School District’s area of approximately 74.4 square miles. The School District, which lies 15 miles to the County seat, consists of a mix of residential and rural communities.

The School District is governed by a nine member Board of School Directors who are citizens of the School District and elected to serve four-year terms on a staggered basis. The daily operations and management of the School District are performed by a central administrative staff which is led by the Superintendent and the Business Manager who are appointed by the Board of School Directors.

School Facilities

The School District presently operates one elementary school and one junior/senior high school, as described in the following table.

School	Year Constructed	Additions/ Alterations	Grades	Rated Pupil Capacity	2023-24 Enrollment (1)
Lakawanna Trail Elementary Center	1975	1991	K-6	900	526
Lackawanna Trail Junior/Senior H.S.	1956	1992	7-12	827	428
Total School District.........................					954

Source: School District Officials.

Pupil Enrollment

The past, current and projected enrollments within the School District are shown below:

Year	Elementary	Secondary	Total
2019-20	550	492	1,042
2020-21	498	468	966
2021-22	498	467	965
2022-23	524	433	957
2023-24 (Current)	525	425	950
2024-25 (Projected)	525	425	950

Source: School District Officials – October 1 “Enrollment Report” as filed with the Pennsylvania Department of Education.

SCHOOL DISTRICT FINANCES

Financial Reporting

The School District keeps its books and prepares its financial reports according to a modified accrual basis. Major accrual items are payroll taxes and pension fund contributions payable, loans receivable from other funds, and revenues receivable from other governmental units.

The School District's financial statements are audited annually by a firm of independent certified public accountants, as required by State law. The firm of Murphy, Dougherty & Company, of Moscow, Pennsylvania currently serves as the School District's auditor. The School District's auditor has not been engaged to perform and has not performed since the date of its report, any procedures on the financial statements addressed in that report. Such auditor also has not performed any procedures relating to this official statement.

Budgeting Process in accordance with the Public School Code and Act 1 of 2006 (Taxpayer Relief Act)

In General. School districts budget and expend funds according to procedures mandated by the Pennsylvania Department of Education ("PDE"). An annual operating budget is prepared by school district administrative officials on a uniform form furnished by PDE and submitted to the board of school directors for approval prior to the beginning of the school districts' fiscal year beginning on July 1.

Procedures for Adoption of the Annual Budget. Unless the Simplified Procedures described below are utilized, under Pennsylvania Act No. 1 of the Special Session of 2006, as amended by Act 25 of 2011 (together, the "Taxpayer Relief Act" or "Act 1") all school districts of the first class A, second class, third class and fourth class must adopt a preliminary budget (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the election preceding the next fiscal year. This preliminary budget must be printed and made available for public inspection at least 20 days prior to its adoption; the board of school directors may hold a public hearing on the budget; and the board must give at least 10 days prior public notice of its intent to adopt the preliminary budget prior to its adoption. The board of school directors shall print the final budget and make it available for public inspection at least 20 days prior to its adoption and shall give public notice of its intent to adopt the final budget at least 10 days prior to adoption, and may hold a public hearing prior to adoption. Guidance from PDE suggest that the preliminary budget be converted to a proposed budget adopted by the board of school directors at least 30 days prior to the adoption of the final budget as required by the Public School Code. The School District follows the requirements of Act 1 and the guidance of PDE pursuant to the requirements of the Public School Code.

If the adopted preliminary budget includes an increase in the rate of any tax levied, the school district must submit information on the increase to PDE on a uniform form furnished by PDE. Such information must be submitted no later than 85 days prior to the date of the election immediately preceding the school district's next fiscal year. PDE compares the proposed percentage increase in the rate of any tax with an index established annually (see **"The Taxpayer Relief Act (Act 1)"** herein) and within 10 days of the receipt of the information but not later than 75 days prior to the date of the election immediately preceding the beginning of the school district's next fiscal year, PDE informs the school district whether the proposed tax rate increase is less than or equal to the index. If PDE determines that the proposed percentage increase in the rate of the tax exceeds the index, PDE notifies the school district that: (1) the proposed tax increase must be reduced to an amount less than or equal to the index; or (2) the proposed tax increase must be approved by the electorate at the election immediately preceding the beginning of the school district's next fiscal year; or (3) the School District seek approval to utilize one or more of the referendum exceptions authorized under the Taxpayer Relief Act.

With respect to the utilization of any of the Taxpayer Relief Act referendum exceptions for which PDE approval is required (see **"The Taxpayer Relief Act (Act 1)"** herein), the school district must publish notice of its intent to seek PDE approval not less than one week before submitting its request for approval to PDE and, if PDE determines to schedule a public hearing on the request, a notice of the date, time and place of such hearing. PDE is required by the Taxpayer Relief Act to rule on the school district's request and inform the school district of its decision no later than 55 days prior to the upcoming election so that, if PDE denies the school district's request, the school district may submit a referendum question to the local election officials at least 50 days before the upcoming election if it so chooses.

If a school district seeks voter approval to increase taxes at a rate higher than the applicable Index, whether or not it first seeks approval to utilize one of the referendum exceptions available under the Taxpayer Relief Act, and the referendum question is not approved by a majority of the voters voting on the question, the board of school directors may not approve an increase in the tax rate greater than the applicable Index.

Simplified Procedures in Certain Cases. The above budgetary procedures will not apply to a school district if the board of school directors adopts a resolution no later than 110 days prior to the election immediately preceding the upcoming fiscal year declaring that it will not increase any tax at a rate that exceeds the applicable Index and that a tax increase at or below the rate of the Index will be sufficient to balance its budget. In that case, the Taxpayer Relief Act requires that the school district comply with the procedures in Section 687 of the School Code for the adoption of its proposed and final budgets. Section 687 of the School Code requires that the school district adopt a proposed budget at least thirty (30) days prior to the adoption of the annual budget; that the proposed budget be made available for public inspection at least twenty (20) days prior to the date set for the adoption of the annual budget; and that action shall not be taken on the annual budget until after ten (10) days public notice. No referendum exceptions are available to a school district adoption such resolution.

Summary and Discussion of Financial Results

The below table presents a summary of the School District's General Fund Financial Condition for Fiscal Years ending June 30, 2019 through 2023. For more complete information, the individual financial statements and the 2024 Budget of the School District are available on the School District's website or may be reviewed at the School District's Business Office.

LACKAWANNA TRAIL SCHOOL DISTRICT
General Fund Revenues, Expenditures and Fund Balances
(Fiscal Years Ending June 30)

	Actual					Budgeted
	2019	**2020**	**2021**	**2022**	**2023**	**2024**
Revenues						
Local Sources	$10,593,773	$10,790,938	$10,651,216	$11,388,396	$11,735,632	$11,488,862
State Sources	10,756,556	10,336,705	10,330,582	10,555,588	11,244,741	11,607,162
Federal Sources	618,933	597,593	1,805,198	1,893,340	544,246	488,750
Total Revenues	$21,969,262	$21,725,236	$22,786,996	$23,837,324	$23,524,619	$23,584,774
Expenditures						
Instructional Services	$13,798,550	$13,112,667	$14,064,163	$14,576,351	$15,277,795	$15,879,258
Support Services	5,724,498	5,826,685	5,968,917	5,979,249	6,276,047	6,721,787
Noninstructional Services	479,877	500,229	409,769	500,265	557,857	541,079
Capital Outlay	51,409	728,972	153,933	953,343	202,574	50,000
Debt Service	390,067	385,168	352,955	349,970	357,286	357,650
Miscellaneous	1,707	450	150	1,762	1,500	0
Total Expenditures	$20,446,108	$20,554,171	$20,949,887	$22,360,940	$22,673,059	$23,549,774
Other Financing Sources (Uses)						
Interfund Transfers out	($36,807)	($33,738)	$0	$0	$0	($35,000)
Proceeds from extended term financing	0	0	0	0	0	0
Refunds of prior year's receipts	0	9,187	1,688	2,750	350	0
Sale of Capital Assets	0	0	0	0	0	0
Loss on lease termination	0	0	0	0	0	0
Budgetary Reserve	0	0	0	0	0	0
Total Other Financing Sources (Uses)	($36,807)	($24,551)	$1,688	$2,750	$350	($35,000)
Excess Expenditures Over (Under) Revenues	$1,486,347	$1,146,514	$1,838,797	$1,479,134	$851,910	$0
Beginning Fund Balance	$3,168,286	$4,654,633	$5,801,147	$7,639,944	$9,119,078	
Fund Balance June 30	$4,654,633	$5,801,147	$7,639,944	$9,119,078	$9,970,988	

Source: School District Audits and Budget.

TAXING POWERS AND LIMITS

In General

Subject to certain limitations imposed by the Act 1 (more specifically described below), the School District is empowered by the School Code and other statutes to levy the following taxes:

1. An annual tax on all real property taxable for school purposes, not to exceed 25 mills on each dollar of assessed valuation, to be used for general school purposes.

2. An unlimited ad valorem tax on the property taxable for school purposes to provide funds:

   a) for minimum salaries and increments of the teaching and supervisory staff;

   b) to pay rentals due any municipality authority or non-profit corporation or due the State Public School Building Authority;

   c) *to pay interest and principal on any indebtedness incurred pursuant to the Local Government Unit Debt Act, or any prior or subsequent act governing the incurrence of indebtedness of the School District; and*

   d) to pay for the amortization of a bond or note issue which provided a school building prior to the first Monday of July 1959.

3. An annual per capita tax on each resident over 18 years of age of not more than $5.00.

4. Additional taxes subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege, under Act No. 511, enacted December 31, 1965, as amended ("The Local Tax Enabling Act"). These taxes, which may include, among others, a per capita tax, an earned income and net profits tax, a real estate transfer tax, a gross receipts tax, a local services tax and an occupation tax, shall not exceed, in the aggregate, an amount equal to the product of the market valuation of real estate in the School District (as certified by the State Tax Equalization Board of the Commonwealth ("STEB")/Tax Equalization Division ("TED") multiplied by twelve mills. All local taxing authorities are required by the Local Tax Enabling Act to exempt disabled veterans and members of the armed forces reserve who are called to active duty at any time during the tax year from any local services tax and to exempt from any local services tax levied at a rate in excess of $10 those persons whose total income and net profits from all sources within the political subdivision is less than $12,000 for the tax year. The Local Tax Enabling Act also authorizes, but does not require, taxing authorities to exempt from per capita, occupation, and earned income taxes and any local services tax levied at a rate of $10 or less per year, any person whose total income from all sources is less than $12,000 per year.

PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS

Taxpayer Relief Act (Act 1)

The information set forth below is a partial summary of relevant sections of Act 1 and their impact. This summary is not intended to be an exhaustive discussion of the provisions of Act 1 nor intended to provide a legal interpretation of any provision of Act 1. A prospective purchaser of the Bonds should review the full text of Act 1 as a part of any decision to purchase the Bonds.

Under the Taxpayer Relief Act (Act 1), a school district may not levy any tax for the support of the public schools which was not levied in the previous fiscal year, raise the rate of any earned income and net profits tax if already imposed under the authority of the Local Tax Enabling Act, or increase the rate of any tax for school purposes by more than the Index (defined below), unless in each case either (a) such increase is approved by the voters in the school district at a public referendum or (b) one or more of the exceptions summarized below is applicable and the use of such exception is approved by PDE:

1. to pay interest and principal on indebtedness incurred (i) prior to September 4, 2004, in the case of a school district which had elected to become subject to the provisions of the prior Homeowner Tax Relief Act, Act 72 of 2004 ("Act 72"), or (ii) prior to June 27, 2006, in the case of a school district which had <u>not</u> elected to become subject to Act 72 (as in the case of the School District); (a) to pay interest and principal on any indebtedness approved by the voters at referendum (electoral debt); and (b) to pay interest and principal on debt refunding or refinancing debt for which one of the above exceptions is permitted, as long as the refunding or refinancing incurs no additional debt other than for costs and expenses related to the refunding or refinancing and the funding of appropriate debt service reserves;
2. to pay costs incurred in providing special education programs and services to students with disabilities, under specified circumstances;
3. To make payments into the State Public School Employees' Retirement System when the increase in the estimated payments between the current year and the upcoming year is great than the Index (as determined by PDE in accordance with the provisions of Act 1), subject to the limitation that the salary base used for calculating estimated payments is capped at the 2011-12 salary base level, per PDE Referendum Exception Guidelines."

Any revenue derived from an increase in the rate of any tax allowed under the exception numbered 1 above may not exceed the anticipated dollar amount of the expenditure, and any revenue derived from an increase in the rate of any tax allowed pursuant to any other exception enumerated above may not exceed the rate increase required, as determined by PDE, as the case may be. If a school district's petition or request to increase taxes by more than the Index pursuant to one or more of the allowable exceptions is not approved, the school district may submit the proposed tax increase to a referendum.

"Index" is defined in Act 1 as follows:

<u>INDEX</u>

1. Except as set forth in paragraph (2), the average of the percentage increase in the Statewide Average Weekly Wage and the Employment Cost Index.

2. For a school district with a market value/income aid ratio great than 0.400 for the school fiscal year prior to the school fiscal year for which the Index is calculated, the value under paragraph (1) multiplied by the sum of:

   (i) 0.75; and
   (ii) the school district's market value/income aid ratio for the school fiscal year prior to the school fiscal year for which the Index is calculated.

"Statewide Average Weekly Wage" is defined in Act 1 as follows:

STATEWIDE AVERAGE WEEKLY WAGE

That amount determined by the Department of Labor and Industry in the same manner that it determines the average weekly wage under section 404(e)(2) of the Act of December 5, 1936 (2nd Sp. Sess., 1937 P.L. 2897, No. 1), known as the Unemployment Compensation Law, except that it shall be calculated for the preceding calendar year.

The Act 1 Index applicable to the School District for the next fiscal year, current fiscal year and prior four fiscal years is as follows:

Fiscal Year	Index %
2024-25	6.8
2023-24	5.3
2022-23	4.4
2021-22	3.8
2020-21	3.3

Source: Pennsylvania Department of Education website.

In accordance with Act 1, a board of school directors may submit, but is not required to submit, a referendum question to the voters in any future municipal election seeking approval to levy or increase the rate of an earned income tax ("EIT") or impose a personal income tax ("PIT") for the purpose of funding homestead and farmstead exclusions, but the proposed rate of the EIT or PIT shall not exceed the rate that is required to provide the maximum homestead and farmstead exclusions allowable under law. The referendum was not approved by a majority of the voters at the primary election.

Status of the Bonds Under the Taxpayer Relief Act (Act 1)

The debt service payable on the Bonds described in this Official Statement is not eligible for a specific exception to the Index limits of Act 1.

Limitations on School District Fund Balance

Set forth below is a summary of relevant sections of Act 48. This summary is not intended to be an exhaustive discussion of the provisions of Act 48 nor intended to provide a legal interpretation of any provisions of Act 48. A prospective purchaser of the Bonds should review the full text of Act 48 as a part of any decision to purchase the Bonds.

Pennsylvania Act No. 2003-48 (enacted December 23, 2003) prohibits a school district from increasing real property taxes unless the school district has adopted a budget for such school fiscal year that includes an estimated ending unreserved and undesignated fund balance which is not more than a specified percentage of the total budgeted expenditures, as set forth below:

Total Budgeted Expenditures:	Estimated Ending Unreserved Undesignated Fund Balance as a Percentage of Total Budgeted Expenditures(1):
Less than or equal to $11,999,999	12.0%
Between $12,000,000 and $12,999,999	11.5%
Between 13,000,000 and $13,999,999	11.0%
Between $14,000,000 and $14,999,999	10.5%
Between $15,000,000 and $15,999,999	10.0%
Between $16,000,000 and $16,999,999	9.5%
Between $17,000,000 and $17,999,999	9.0%
Between $18,000,000 and $18,999,999	8.5%
Greater than or equal to $19,000,000	8.0%*

"Estimated ending unreserved, undesignated fund balance" is defined in Act 2003-48 as that portion of the fund balance which is appropriable for expenditure or not legally or otherwise segregated for a specific or tentative future use, projected for the close of the school year for which a school district's budget was adopted and held in the general fund accounts of the school district.

*Applicable to the School District

(1) Effective June 30, 2011, Governmental Accounting Standards Statement #54 adopted the term "Unassigned" to refer to general fund balances that would fall within the definition of "Unreserved and Undesignated Fund Balance" in the statute known as Act 48 of 2003.

TAX REVENUES OF THE SCHOOL DISTRICT

Tax Levies

2023-24 Real Estate and Non-Real Estate Tax Rates

Realty Tax Rates

	Real Estate (Mills)			
Municipality	**School District**	**Municipal**	**County**	**Total**
Clinton Township*	92.160	4.000	25.848	122.008
Factoryville Borough*	92.160	22.200	25.848	140.208
Nicholson Borough*	92.160	16.420	25.848	134.428
Nicholson Township*	92.160	3.800	25.848	121.808
Benton Township**	190.570	9.000	63.920	263.490
Dalton Borough**	190.570	37.700	63.920	292.190
LaPlume Township**	190.570	4.450	63.920	258.940
West Abington Township**	190.570	8.000	63.920	262.490

Non-Real Estate Tax Rates

	Local Services		Earned Income		Real Estate Transfer	
Municipality	**Municipal**	**School**	**Municipal**	**School**	**Municipal**	**School**
Clinton Township*	$52.00	$0.00	0.5%	0.5%	0.5%	0.5%
Factoryville Borough*	52.00	0.00	0.5%	0.5%	0.5%	0.5%
Nicholson Borough*	0.00	0.00	0.5%	0.5%	0.5%	0.5%
Nicholson Township*	0.00	0.00	0.5%	0.5%	0.5%	0.5%
Benton Township**	0.00	0.00	0.5%	0.5%	0.5%	0.5%
Dalton Borough**	0.00	0.00	0.5%	0.5%	0.5%	0.5%
LaPlume Township**	0.00	0.00	0.5%	0.5%	0.5%	0.5%
West Abington Township**	0.00	0.00	0.5%	0.5%	0.5%	0.5%

*Wyoming County **Lackawanna County
Source: Local Officials

Real Estate Tax Collection Record

The School District's realty tax collection record for the current and previous five fiscal years ending June 30th, of the years shown below, is as follows:

Fiscal Year	Total Levy(1)	Tax Levy (mills)(2)	Current Collections	Current Percent Collected	Total Collections(3)	Total Percent Collected
2018-19	$9,060,895	93.80 / 165.68	$8,284,089	91.4%	$8,284,089	91.4%
2019-20	9,188,437	93.96 / 167.28	8,351,365	90.9%	8,351,365	90.9%
2020-21	9,227,322	91.68 / 170.88	8,325,806	90.2%	8,325,806	90.2%
2021-22	9,424,507	91.69 / 174.76	8,624,191	91.5%	8,624,191	91.5%
2022-23	9,576,888	91.70 / 182.68	8,737,997	91.2%	8,737,997	91.2%

(1)Excludes Tax Levy on 8 properties in Benton Township which are part of a KOEZ agreement to make a payment in lieu of taxes in addition to all other tax abatements.
(2)Total tax levy in mills is not convertible as there are two separate millage rates for the School District's two counties.
(3)Beginning in fiscal year 2015-16, the School District entered into a Tax Lien Sale program where delinquent balances are borrowed as an advance and are excluded from the tax collection record.

Source: School District Officials.

Trends in Market and Assessed Valuations

The trend in market and assessed valuations of real estate in the School District is shown below:

Tax Year	Market Value	Assessed Value	Ratio
2018-19	$509,102,460	$76,017,180	14.93%
2019-20	513,961,530	80,443,996	15.65%
2020-21	528,324,218	76,781,569	14.53%
2021-22	543,344,805	81,469,072	14.99%
2022-23	585,833,221	82,727,927	14.12%

Source: Pennsylvania State Tax Equalization Board (STEB). Valuations are certified in June of following year.

Ten Most Valuable Taxable Parcels in the School District

The following table represents the ten real estate parcels having the highest assessed values in the School District. These taxpayers represent approximately 4.09% of the School District's total most recent assessed value.

Taxpayer	Taxable Aggregate Assessed Valuation
Crystal Window & Door System PA	$1,253,453
Meade Pipline Co. LLC	384,485
Oxbow Creek Energy, LLC	365,530
Keystone College	362,990
ATR Laplume LLC	344,070
Private Concern/Farm & Residence	148,988
Private Concern/Farm & Residence	113,658
Private Concern/Residence & Commercial Bldg.	113,829
Private Concern/Farm & Residence	103,137
Hearthstone 16 LLC	193,060
Totals	$3,383,200

Source: County Assessment Office

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COMMONWEALTH AID TO SCHOOL DISTRICTS

Pennsylvania school districts receive financial assistance from the Commonwealth in a number of forms, all subject to statutory provisions and annual appropriation by the Pennsylvania General Assembly.

Basic education funding is allocated to all school districts in an amount equal to: (1) a fixed sum equal to the school district's Fiscal Year 2014-15 basic educational funding; plus (2) an additional increment determined annually pursuant to statutory formula which adjusts a school district's average daily membership by a number of factors specific to the composition of the student population as well as the school district's median household income, local tax effort and capacity to generate local revenue. The additional increment as calculated above for any individual school district may be zero.

Information concerning the calculation of the School District's basic education funding can be found on the Pennsylvania Department of Education's website at https://www.education.pa.gov .

School districts also receive subsidies for special education, pupil transportation, career and technical education and health services, among other things.

Lack of Commonwealth Appropriations for Debt Service Reimbursement

Commonwealth law presently provides that the School District will receive reimbursement from the Commonwealth for a portion of the debt service on some or all of the School District's outstanding bonds after said bonds have received final approval from the Department of Education (see **"DEBT STATEMENT AND DEBT LIMITS"** herein). Commonwealth reimbursement is based on the "Reimbursable Percentage" assigned to the Bonds and the School District's Aid Ratio or CARF, whichever is higher. The School District's CARF is currently higher at 56.38%. The Reimbursable Percentage is determined through a process known as the "Planning and Construction Workbook" or "PlanCon". In future years, this percentage may change as the School District's MVAR changes, or as a result of future legislation regarding changes to, or even elimination of, the PlanCon program.

In May of 2016, the Commonwealth enacted appropriation legislation known as Act 25 ("Act 25"), which contains authorization for the Commonwealth Finance Authority ("CFA") to issue up to $2.5 billion of debt to fund PlanCon reimbursements to school districts. Act 25 also instituted a moratorium on new projects entering the PlanCon process while an advisory committee established under Act 25 considers amendments to the PlanCon reimbursement program. This moratorium went into effect on May 15, 2016 and expired on June 30, 2017. On November 6, 2017, House Bill 178 became law without the signature of the Governor and became known as Act 55 of 2017. Contained in Act 55 of 2017 was an extension of the PlanCon moratorium through the end of the 2017-18 fiscal year and a retroactive effective date of July 1, 2017. Subsequently, the Commonwealth enacted Act 42 of 2018, which permitted PlanCon applications submitted between July 1, 2017 and November 6, 2017, and whose school district votes to proceed with construction and award bids on their construction contracts no later than July 1, 2021, to receive PlanCon funding as permitted by law, if made available by the Commonwealth. On June 22, 2018, the Governor approved and signed House Bill 1448, known as Act 39 of 2018, extending the PlanCon moratorium through the end of the 2018-2019 fiscal year. On June 28, 2019, the Governor approved and signed House Bill 1615, known as Act 16 of 2019, that included a continuation of the moratorium on new PlanCon Part A submittals through the end of the 2019-20 fiscal year. Act 30 of 2020 extended the moratorium on new PlanCon Part A submittals through the end of the 2020-21 fiscal year. On June 30, 2021, the Governor approved and signed Senate Bill 381 known as School Code or Act 26 of 2021, which extended the moratorium on new PlanCon Part A submittals through the end of the 2021-2022 fiscal year.

To date, the CFA has issued $1,903,065,000, to provide for PlanCon reimbursements owed to school districts, consisting of the issuance of its Revenue Bonds, Series A of 2016 (Federally Taxable) in the principal amount of $758,185,000 issued on October 31, 2016 and its Revenue Bonds, Series of 2019 (Federally Taxable) in the total amount of $412,520,000 issued on January 18, 2018, its Revenue Bonds (Federally Taxable), Series A of 2019 in the total amount of $388,975,000 issued on May 9, 2019, as well as its Revenue Bonds (Federally Taxable), Series A of 2021 in the total amount of $343,385,000 issued on June 23, 2021. It is expected that proceeds of these issues will be used to provide PlanCon reimbursement to the School District for the current and future fiscal years. However, the School District cannot be certain that any future PlanCon reimbursement will be received by PDE as the ability for CFA to issue additional bonds in the future to fund future PlanCon reimbursements owed to school districts may impact the availability of PlanCon reimbursements payable to the School District. Any failure by the Commonwealth to adopt a timely budget and enact necessary spending authorizations could have a material adverse effect upon the School District's anticipated receipt of PlanCon reimbursements.

Act 70 of 2019 was adopted by the State legislature that has modified the PlanCon process. The Act states that on July 1, 2020, a new PlanCon system will go online. However, the legislation does not include any funding nor does it state when the Commonwealth would start to allow applicants to enter into the new program.

There can be no assurances that the School District will be able to successfully apply for, be awarded, and receive sufficient PlanCon reimbursement for the costs of any current or future projects of the School District. A failure by the School District to receive such reimbursement could force the School District to apply other available funds, if any, toward the completion costs of the Project and may have a material adverse effect on the financial resources of the School District to fund other obligations, including payment of debt service on the Bonds.

DEBT STATEMENT AND DEBT LIMITS

Residents of the School District are responsible for the following debt within the School District, the municipalities within the School District and the County following the settlement of the Bonds. The School District has never defaulted on the payment of debt service.

DIRECT DEBT **NONELECTORAL DEBT**	**Gross Outstanding**	**Project Reimbursable Percent (%)**	**Effective[1] Reimbursement**	**State Share**	**Local Share**
Issue Type					
General Obligation Bonds, Series of 2024	$3,000,000	0.00%	0.00%	$ 0	$3,000,000
General Obligation Bonds, Series of 2020	3,440,000	15.90%	8.96%	308,376	3,131,624
Total Principal of Nonelectoral Debt	$6,440,000			$308,376	$6,131,624
LEASE RENTAL DEBT					
Total Principal of Lease Rental Debt	0				
TOTAL DIRECT DEBT	$6,440,000				
OVERLAPPING DEBT					
Component Municipalities Debt	$10,913,879				
Wyoming County[2]	3,394,084				
Lackawanna County[2]	9,983,784				
Total Principal of Overlapping Debt	$24,291,748				
TOTAL DIRECT AND OVERLAPPING DEBT	$30,731,748				
DEBT RATIOS OF DIRECT DEBT					
Market Valuation of Real Estate	1.10%				
Assessed Valuation of Real Estate	7.78%				
Per Capita (2020 Population)	$796				
DEBT RATIOS OF DIRECT DEBT AND OVERLAPPING DEBT					
Market Valuation of Real Estate	5.25%				
Assessed Valuation of Real Estate	37.15%				
Per Capita (2020 Population)	$3,798				

[1]Gives effect to current appropriations for payment of debt service and expected future State Reimbursement of School District sinking fund payments based on current Aid Ratio. See **"Commonwealth Aid to School Districts"** herein.
[2]School District's pro rata 21.16% share of Wyoming County's $16,040,143 principal amount outstanding and pro rata 4.76% share of Lackawanna County's $209,543,900 principal amount outstanding.

Source: Department of Community and Economic Development ("DCED") website.

FUTURE FINANCING

The School District does not have any future debt plans for the next five years.

BORROWING CAPACITY
(Under Local Government Unit Debt Act)

The legal borrowing capacity of the School District is calculated in accordance with the Debt Act, which describes the applicable debt limits for local government units (entities with taxing powers), including school districts and municipalities. Under the Debt Act, the School District may incur electoral debt, which is debt that is approved by a majority of the School District's voters at either a general or special election, in an unlimited amount. Net nonelectoral debt, or debt not approved by the School District's electorate, net of state aid, may not exceed 225% of the School District's "Borrowing Base", as defined in the Debt Act. The Bonds constitute nonelectoral debt under the Debt Act. The Borrowing Base is calculated as the annual arithmetic average of Total Revenues (as defined in the Debt Act), for the three full fiscal years next preceding the date of incurring debt. Combined net nonelectoral debt and net lease rental debt (debt represented by capital leases and similar agreements relating to debt payments), net of approved state aid, incurred on behalf of the School District may not exceed 225% of the School District's Borrowing Base. The Borrowing Base and borrowing capacity of the School District are as follows:

	2020-21	2021-22	2022-23
Total General Fund Revenues	$22,788,684	$23,840,074	$23,524,969
Less: Required Deductions			
a. Rental and Sinking Fund Reimbursement	3,255	3,236	3,263
b. Revenues for Self-Liquidating Debt	0	0	0
c. Refunds from Prior Year Expenditures	1,688	2,750	350
d. Grant and Gifts for Capital Projects	0	0	0
e. Sale of Equipment and Non-Recurring Items (i.e., insurance recoveries)	0	0	0
Total Deductions	4,943	5,986	3,613
Total Net Revenues	$22,783,741	$23,834,088	$23,521,356
Total Net Revenues for Three Years			
Borrowing Base - Average Net Revenues for Three-Year Period		$70,139,185	
		$23,379,728	
Computation of Borrowing Capacity			
Debt Limitation - 225% OF Borrowing Base		$52,604,389	
Less: Net Non-Electoral and Lease Rental Debt		6,440,000	
Current Non-Electoral and Lease Rental Borrowing Capacity		$46,164,389	

LABOR RELATIONS

Employees and Labor Contracts

There are presently 791 employees of the School District, including 88 teachers, 10 administrators, 31 full-time secretaries, athletic staff, maintenance/custodial staff, transportation staff, cafeteria staff and teachers' aides. Part-time and substitute employees are not included in this total.

The current collective bargaining agreement between the School District and its professional employees, represented by the Lackawanna Trail Education Association, extends until June 30, 2026. Relations between the School District and Association have been good.

Pension Program

Currently, all Pennsylvania school districts and intermediate units participate in a pension program administrated by the Commonwealth. The program is formally known as the Public School Employees' Retirement System ("PSERS"), and a percentage of each eligible employee's salary is contributed by the employee, the School District and the Commonwealth. All full-time employees, part-time employees salaried over eighty days per year and hourly employees with over five hundred hours per year participate in the program.

Contributions are required by active members, School Districts, and the Commonwealth of Pennsylvania as established by the Public School Employees' Retirement Code. Members who enrolled prior to January 1, 2002, range from 5.28% to 7.5% of compensation, depending upon the date of commencement of employment and elections made by each employee member. Members who enrolled in the pension plan on or after January 1, 2002 and before July 1, 2011 is 7.5% of compensation. The contribution rate for PSERS members who enrolled on or after July 1, 2011 is 7.5% or 10.3%, depending upon elections made by each employee member. On December 3, 2020, the PSERS Board certified the employer rate, to be paid by the School District, of 34.94% for the 2021-22 fiscal year. According to Act 120 of 2010 the employer contribution rate is suppressed for future years by using rate caps to keep the rate from rising too high, too fast.

The Commonwealth will reimburse the School District at the rate of 50% of its total contributions with respect to all employees who were hired prior to July 1, 1994. With respect to employees hired after July 1, 1994, and who were not previously employed by another public school system in the Commonwealth, the School District will be reimbursed by the Commonwealth at the rate of the higher of 50% of contributions made by the School District or the current Market Value/Personal Income Aid Ratio. The School District is reimbursed on a quarterly basis.

Under Act 5 of 2017 ("Act 5") PSERS transitioned from a traditional defined benefit system and begin to offer defined contribution plans as well. Beginning July 1, 2019, in addition to other transaction rules and options based on members' classifications, certain classes of active members may choose to switch from the current defined benefit plan to one of three new retirement benefit plan options which will be available. Additionally, all active members newly hired on or after July 1, 2019, will be required to select one of those three new retirement benefit plan options and will not be eligible to participate in the current defined benefit plan. The three new plans consist of two hybrid plans, with defined benefit and defined contribution components, along with a stand-alone defined contribution plan.

In addition to its comprehensive change in available plans for active members, Act 5 also made certain changes to the PSERS Board of Trustees and administrative protocols and created the Public Pension Management and Asset Investment Review Commission to study and make recommendations to the General Assembly and the Governor regarding investment performance and strategies.

According to the Independent Fiscal Office, Act 5 is not expected to reduce school district and state contributions to PSERS over the first fifteen years. However, beginning in fiscal 2034-35 through fiscal 2049-50, employer contribution rates are expected to begin to decline due to the lower long-term employer costs of the new benefit plans and will be lower, in the aggregate, over the study period. Both the School District and the Commonwealth are responsible for paying a portion of the employer's share. School entities are responsible for paying 100% of the employer share of contributions to PSERS. The Commonwealth reimburses the employer for one-half the payment for employees. The School District contributions are made on a quarterly basis and employee contributions are deducted bi-weekly for each paycheck and remitted monthly. Recent School District payments, net of reimbursement, have been as follows:

Fiscal Year		Amount
2019-20		$1,444,803
2020-21		1,453,741
2021-22		1,501,729
2022-23		1,487,700
2023-24	(Budgeted)	1,569,845

On June 30, 2023, the School District reported a liability of $27,253,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by rolling forward the PSERS' total pension liability as of June 30, 2021 to June 30, 2022. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the PSERS' one-year reported contributions. This method was changed beginning with the System's fiscal year ended June 30, 2020. In prior years, the proportion of the PSERS net pension liability was calculated utilizing the School District's one-year reported covered payroll as it related to PSERS' total one-year report covered payroll. On June 30, 2022 (measurement date), the School District's proportion was 0.0613%, which was a decrease of 0.0026% from its proportion measured as of June 30, 2022.

As of June 30, 2022, the PSERS plan was 61.6% funded, with an unfunded actuarial accrued liability of approximately $44.0 billion. PSERS' rate of return for fiscal year ended June 30, 2022, was 2.23%. The Fund had plan net assets of $71.2 billion on June 30, 2022. For more information, visit the PSERS website at www.psers.pa.gov, which is not incorporated by specific reference into this Official Statement.

Source: School District Audit and PSERS

Other Post-Employment Benefits ("OPEB")

The School District provides certain health care and life insurance benefits for its retirees (commonly referred to as "other post-employment benefits" or "OPEB"). Effective for the 2008-2009 fiscal year, the District adhered to Governmental Accounting Standards Board Statement No. 45, ("GASB 45") "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions," for certain post-employment healthcare benefits and life insurance benefits provided by the District. As of June 2017, GASB 45 has been eliminated and replaced with a new standard, Governmental Accounting Standards Board Statement No. 75 ("GASB 75"). GASB 75 replaces the requirements of GASB 45 and establishes new accounting and financial reporting requirements. The School District funds the PSERS cost sharing, multiple-employer OPEB plan through contractually required contribution rates. No assurances can be given that the District's future OPEB obligations will not have a material impact on the District's ability to pay its debts, including the Bonds.

For a full description of the pension and OPEB plans, please refer to Appendix E – Audited Financial Statements.

APPENDIX B

LOCAL DEMOGRAPHIC AND STATISTICAL; AND ECONOMIC INFORMATION

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DEMOGRAPHIC AND STATISTICAL INFORMATION

Population

	2010	2020
School District	8,671	8,091
Clinton Township	1,367	1,252
Factoryville Borough	1,158	1,145
Nicholson Borough	767	698
Nicholson Township	1,385	1,028
Benton Township*	1,908	1,872
Dalton Borough*	1,234	1,279
LaPlume Township*	602	570
West Abington Township*	250	247
Wyoming County	28,276	26,069
Lackawanna County*	214,437	215,900
Pennsylvania	12,702,379	13,002,788

Source: U.S. Bureau of Census.

Percentage of Age Composition
(Estimates as of July 1, 2022)

	Under 18 years	Under 18 to 64 years	65 years and over
Wyoming County	19.0%	58.0%	24.0%
Lackawanna County	18.0	58.0	22.0
Pennsylvania	5.2	20.2	19.6

Source: U.S. Bureau of Census.

Income
(Estimates as of July 1, 2022)

	Median Household	Per Capita	Persons in Poverty
School District	$65,909	$49,666	3.4%
Wyoming County	67,968	21,979	2.7
Lackawanna County	61,372	22,010	4.6
Pennsylvania	73,170	36,289	4.7

Source: U.S. Bureau of Census.

Housing Characteristics
(Estimates as of July 1, 2022)

	Housing Units	% Owner-Occupied	Households	Persons Per Household
School District	3,915	80.0	3,144	2.3
Wyoming County	12,846	84.0	10,788	2.4
Lackawanna County	100,179	89.0	89,262	2.3
Pennsylvania	5,753,908	90.0	5,193,727	2.4

Source: U.S. Bureau of Census.

Medical facilities

Institution
Tyler Memorial Hospital, Wyoming County
Allied Services Inst. Of Rehabilitation Medicine, Scranton
Clarks Summit State Hospital (Psychiatric), Clarks Summit
Geisinger – Community Medical Center, Scranton
Moses Taylor Hospital, Scranton
Regional Hospital of Scranton, Scranton

Source: School District Officials.

Transportation

Highways. The major routes which provide transportation in the area are U.S. Routes 6 and 11, which run east-west and north-south, respectively.

Bus Service. Long distance bus service is available through Martz and Greyhound Bus Lines in the City of Scranton.

Air Service. The Wilkes-Barre/Scranton International Airport, located just across the Lackawanna County border in Luzerne County, provides passenger and freight service to all parts of the United States, plus many international destinations.

Utilities and Communications

Sewer. Sewer service is provided to School District households by the Bunker Hill Sewer Company, the Eaton Sewer and Water Company and local municipal authorities.

Water. Water service to residents of the School District is provided by the Bunker Hill Water Company, the Eaton Sewer and Water Company and Pennsylvania-American Water Company

Electricity and Gas. Electricity is provided to the School District residents by UGI. Gas is provided by UGI Energy.

Telephone. Telephone service is provided by Verizon, Frontier Communications and by other telephone companies.

Higher Education

Lackawanna County is endowed with a good range of institutions of higher learning, including Keystone College in LaPlume Township, with an enrollment of approximately 1,200, was given formal approval to offer 4-year degree programs in 1998. The two larger, private institutions offering undergraduate and graduate degrees in the County are the University of Scranton and Marywood University in Scranton, which currently report approximate enrollments of 5,000, and over 3,000 respectively. Lackawanna College, which offers 2-year degree programs, operates from its main campus in Scranton, with over 1,000 students attending classes there and at its off-campus sites in Hazleton, Honesdale and Towanda. Johnson College, located in Scranton, which offers clinical and technological associate degrees, estimates its student enrollment at 400. Pennsylvania State University – Worthington Campus, is located in Dunmore. There are several colleges and universities located in Luzerne County that are within Wilkes University in Wilkes-Barre and Misericordia University in Dallas.

Recreation

Wyoming County offers its residents and visitors the natural splendor of the Endless Mountains and the Susquehanna River. The many campgrounds and resorts near scenic trails and parks, give hikers the opportunity to view nature's beauty. Wyoming County is the center for several Northeastern Pennsylvania wine tours and the home to many outstanding golf courses. The Nicholson Bridge draws many railroad enthusiasts, as it is the world's largest concrete railroad bridge.

Lackawanna County residents have access to a variety of recreational facilities through public, private and quasi-public agencies. These include a wide range of recreational facilities featuring, the New York Yankees' affiliated Scranton/Wilkes-Barre RailRiders Triple A baseball team, the Wilkes-Barre/Scranton Penguins of the American Hockey League, a Convention Center/Civic Arena, over 40 golf courses, including Glenmaura National Golf Club in Moosic, parks, playgrounds, the Pocono resorts, Pocono Downs harness racing, and the nearby Pocono International Raceway which hosts NASCAR, SCCA, and IMSA racing.

ECONOMIC INFORMATION

Ten Largest Employers

Wyoming County Company	Lackawanna County Company
The Procter & Gamble Paper Prods. Co.	State Government
Exel Inc.	Community Medical Center
Tunkhannock Area School District	Allied Services Foundation
Wal-Mart Associates Inc.	Chewy Inc.
William WPC-I Inc.	Amazon.com Services Inc.
Lackawanna Trail School District	Scranton School District
Wyoming County Employees	Scranton Hospital Company LLC
Manpower US Inc.	Lackawanna County
State Government	Wal-Mart Associates Inc.
Meshoppen Stone Inc.	Federal Government

Source: Department of Labor a& Industry, Center for Workforce Information and Analysis – Labor & Industry (L & I), 3rd Quarter, 2023.

SCRANTON - WILKES-BARRE - HAZLETON METROPOLITAN STATISTICAL AREA

(Lackawanna, Luzerne and Wyoming Counties)

TOTAL CIVILIAN LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT, AND UNEMPLOYMENT RATE BY PLACE OF RESIDENCE

TIME PERIOD	CIVILIAN LABOR FORCE	EMPLOY-MENT	UNEMPLOY-MENT	RATE (%)	SEASONALLY ADJUSTED[4] LABOR FORCE	SEASONALLY ADJUSTED[4] EMPLOY-MENT	SEASONALLY ADJUSTED[4] UNEMPLOY-MENT	SEASONALLY ADJUSTED[4] RATE (%)
January 2024	281,200	269,100	12,100	4.3	280,500	269,200	11,200	4.0
December 2023	280,400	270,600	9,800	3.5	280,100	268,500	11,500	4.1
November	281,700	271,900	9,800	3.5	279,600	267,900	11,600	4.2
January 2023	279,200	263,800	15,300	5.5	278,300	264,200	14,100	5.1

Classification of Employment by Industry

SCRANTON-WILKES-BARRE-HAZLETON METROPOLITAN STATISTICAL AREA

(Lackawanna, Luzerne, and Wyoming counties)

January 2024
NONFARM JOBS - NOT SEASONALLY ADJUSTED

ESTABLISHMENT DATA	Industry Employment Jan 2024	Dec 2023	Nov 2023	Jan 2023	Net Change From: Dec 2023	Jan 2023
TOTAL NONFARM	**265,800**	271,200	271,600	259,200	-5,400	6,600
TOTAL PRIVATE	**236,900**	242,000	242,400	231,400	-5,100	5,500
GOODS-PRODUCING	**40,200**	40,900	41,100	39,400	-700	800
Mining, Logging, and Construction	**10,100**	10,600	10,900	9,600	-500	500
Manufacturing	**30,100**	30,300	30,200	29,800	-200	300
Durable Goods	**13,600**	13,600	13,500	13,400	0	200
Non-Durable Goods	**16,500**	16,700	16,700	16,400	-200	100
SERVICE-PROVIDING	**225,600**	230,300	230,500	219,800	-4,700	5,800
PRIVATE SERVICE-	**196,700**	201,100	201,300	192,000	-4,400	4,700
PROVIDING	**69,400**	71,400	70,500	68,800	-2,000	600
Trade, Transportation, and Utilities	**10,000**	10,000	10,000	9,800	0	200
Wholesale Trade	**28,500**	29,400	29,200	28,700	-900	-200
Retail Trade	**6,300**	6,400	6,400	6,500	-100	-200
Grocery and convenience retailers General	**5,400**	5,700	5,600	5,300	-300	100
merchandise retailers	**30,900**	32,000	31,300	30,300	-1,100	600
Transportation, Warehousing, and Utilities	**2,900**	2,900	2,900	2,900	0	0
Information Financial	**11,600**	11,600	11,500	11,600	0	0
Activities	**28,100**	28,700	29,400	27,700	-600	400
Professional and Business Services Education	**53,600**	54,900	55,200	51,000	-1,300	2,600
and Health Services	**9,000**	10,300	10,700	8,200	-1,300	800
Educational services	**44,600**	44,600	44,500	42,800	0	1,800
Health care and social assistance	**7,900**	7,900	7,800	7,800	0	100
Hospitals	**22,100**	22,700	22,900	21,400	-600	700
Leisure and Hospitality	**19,300**	19,700	19,800	19,100	-400	200
Accommodation and food services	**17,100**	17,500	17,600	16,800	-400	300
Food services and drinking places	**9,000**	8,900	8,900	8,600	100	400
Other Services Government	**28,900**	29,200	29,200	27,800	-300	1,100
Federal Government	**4,500**	4,500	4,500	4,400	0	100
State Government	**5,400**	5,500	5,500	5,400	-100	0
Local Government	**19,000**	19,200	19,200	18,000	-200	1,000
Local government educational services	**11,600**	11,700	11,800	10,800	-100	800
Local government excluding educational services	**7,400**	7,500	7,400	7,200	-100	200
Data benchmarked to March 2023	***Data changes of 100 may be due to rounding***					

Source: Pennsylvania Department of Labor & Industry.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

HHC
HAGGERTY
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COSGROVE LLP
ATTORNEYS AT LAW

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Joseph O. Haggerty, Jr.
J. Timothy Hinton, Jr.*
Michael F. Cosgrove
Matthew E. Haggerty - Of Counsel

$3,000,000
LACKAWANNA TRAIL SCHOOL DISTRICT
LACKAWANNA & WYOMING COUNTIES
(PENNSYLVANIA)
GENERAL OBLIGATION BONDS Series of 2024

May _______, 2024

TO THE PURCHASERS OF THE
ABOVE DESCRIBED BONDS

We have acted as Bond Counsel in connection with the issuance and sale by the Lackawanna Trail School District, Lackawanna and Wyoming County, Pennsylvania (the "Issuer") of its $_______ aggregate principal amount, of its General Obligation Bonds, Series of 2024 (the, "Bonds"). The Bonds have been issued pursuant to a resolution (the "Resolution") enacted by the Issuer on March 11, 2024, are issuable in the denominations of $5,000 and integral multiples thereof and are in fully registered form. The Bonds bear interest from the date of delivery payable initially on September 15, 2024, and on each March 15th and September 15th thereafter. The Bonds mature on the dates and in the amounts and are subject to redemption as set forth in the Resolution.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify those facts by independent investigation.

In rendering this opinion we have examined and relied upon (a) the opinion of counsel to the Issuer with respect, inter alia, to the due enactment by the Issuer of the Resolution in accordance with applicable laws and (b) the accuracy of the statements and representations and the performance of the covenants of the Issuer set forth in the Resolution and the Issuer's Non-Arbitrage Certificate delivered on this date in connection with the issuance of the Bonds.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Issuer is authorized under the provisions of the Constitution and laws of the Commonwealth of Pennsylvania to issue the Bonds for the purposes above set forth, and the Issuer

*Certified Civil Trial Advocate By National Board Of Trial Advocacy,
A Pennsylvania Supreme Court Accredited Agency

has authorized the issuance thereof.

2. As indicated in the Issuer's debt statement filed with the Department of Community and Economic Development in connection with the issuance of the Bonds, outstanding debt of the Issuer, including debt represented by the Bonds, is within the debt limitations act.

3. The Bonds are valid and binding general obligations of the Issuer, the payment for which the Issuer is obligated to exercise its ad valorem taxing power, subject to the limitations prescribed by law, upon all taxable property within the Issuer, and the Bonds are additionally secured by the "state aid intercept" provisions of Section 633 of the Public School Code of 1949, as amended by Act 150 of 1975.

4. The Issuer has effectively covenanted to include the amount of the debt service on the Bonds for each fiscal year in which such sums are due in its budget for that year, to appropriate such amounts to the payment of such debt service and to punctually pay or cause to be paid the debt service on the Bonds at the dates and places and in the manner stated in the Bonds.

5. The interest on the Bonds (a) is excluded from gross income for federal income tax purposes, (b) is not an item of tax preference within the meaning of Section 57(a)(5) of the Code for purposes of the federal alternative minimum tax imposed by Section 55 of the Code on individuals and corporations; however, it should be noted that (1) with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purposes of (i) computing the alternative minimum tax imposed on such corporations by Section 55 of the Code, and (ii) computing the environmental tax imposed by Section 59A of the Code, and (2) with respect to foreign corporations, such interest could be subject to a branch profits tax. The opinion set forth in clause (a) above is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (and continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

Ownership of the Bonds may give rise to collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. We express no opinion as to such collateral federal income tax consequences.

6. The Bonds are exempt from personal property taxes in Pennsylvania; the interest on the Bonds and any gain from the sale or exchange thereof are exempt from Pennsylvania Corporate Net Income Tax and from Pennsylvania State and local personal income tax.

7. Under the Probate, Estates and Fiduciaries Code of Pennsylvania, the Bonds are

authorized investments for fiduciaries and personal representatives, as defined in said code, in Pennsylvania.

8. The Bonds are Qualified Tax-Exempt Obligations under Section 265(b)(3) of the Code.

In providing this opinion, we advise you that it may be determined in the future that interest on the Bonds, retroactive to the date of issuance thereof or prospectively, will not be excluded from the gross income of the owners of the Bonds for federal income tax purposes if certain requirements of the Internal Revenue Code are not met. The Issuer has covenanted in the Resolution to comply with such requirements.

It is understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, except that we have reviewed the portion of the Official Statement relating to our opinion and have determined that such portion is a fair and accurate description of our opinion.

Very truly yours,

HAGGERTY HINTON & COSGROVE, LLP

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$3,000,000
LACKAWANNA TRAIL SCHOOL DISTRICT
LACKAWANNA AND WYOMING COUNTIES, PENNSYLVANIA
GENERAL OBLIGATION BONDS, Series of 2024

CONTINUING DISCLOSURE AGREEMENT

ARTICLE I - Undertaking to File Current Information with EMMA

Section 1.01

The Lackawanna Trail School District (the "Obligated Person") in connection with the issuance of the Obligated Person's $3,000,000.00 Series of 2024 Bonds (the "Bonds") hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, to provide or cause to be provided, to the Electronic Municipal Market Access System ("EMMA"), the following annual financial information and operating data within two hundred and seventy-five (275) days following the close of each respective fiscal year, commencing with the fiscal year ended June 30, 2024:

(I) a copy of its audited financial statements, prepared in accordance with the guidelines adopted by the Governmental Accounting Standard Board and the American Institute of Certified Public Accountant's Audit guide, Audits of State and Local government, beginning with the fiscal year ending June 30, 2024, containing:

(II) the financial statements for the most recent fiscal year, prepared in accordance with generally accepted accounting principals for local government units and audited in accordance with generally accepted auditing standards;

(III) a summary of the budget for the current fiscal year;

(IV) the aggregate assessed value and market value of all taxable real estate for the most recent fiscal year;

(V) the taxes and millage rates imposed for the most recent fiscal year;

(VI) the real property tax collection results for the most recent fiscal year, including (1) the real estate levy imposed (expressed both as a millage rate and an aggregate dollar amount), (2) the dollar amount of real estate taxes collected that represented current collections (expressed both as a percentage of such fiscal year's levy and as an aggregate dollar amount), (3) the amount of real estate taxes collected that represented taxes levied in prior years (expressed as an aggregate dollar amount), and (4) the total amount of real estate taxes collected (expressed both as a percentage of the current year's levy and as an aggregate dollar amount); and

(VII) a list of the ten (10) largest real estate taxpayers and, for each, the total assessed value of real estate for the most recent fiscal year.

Such annual information and operating data described above will be made available, in addition to EMMA, to the Paying Agent (if any) and to each holder of bonds who makes inquest for such information.

ARTICLE II - Modification of Types of Information and Format of Information Permitted

Section 2.01

The Obligated Person reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent or appropriate, as a result of a change in legal requirements or a change in the nature of the Obligated Person, provided, however, that the Obligated Person (which may rely on an Opinion of Counsel), agrees that any such modification will be done in a manner consistent with the Rule, and will not substantially impair the interest of the bondholders.

ARTICLE III - Event Disclosure

Section 3.01

The Obligated Person will provide in a timely manner, not to exceed ten business days after occurrence, to the Municipal Securities Rulemaking Board (the "MSRB") via the Electronic Municipal Market Access (EMMA) System created by the MSRB, on such form and in such format as shall be required by the MSRB for such filings, notice of any of the following events with respect to the Bonds within the meaning of the Rule:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on any credit enhancements reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(g) modifications to rights of the owners, if material;

(h) optional or unscheduled redemptions of any Bonds, if material;

(I) defeasance of the Bonds or any portion thereof;

(j) release, substitution, or sale of property securing repayment of the Bonds, if material;

(k) rating changes;

(l) tender offers;

(m) bankruptcy, insolvency, receivership or similar event of the School District;

(n) consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the School District, or entry into or termination of a definitive agreement relating to the foregoing, if material; and

(o) appointment of a successor or additional paying agent or trustee or the change of name of the paying agent or trustee, if material; and

(p) Incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenant, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect security holders, if material; and

(q) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Obligated Person, any of which reflect financial difficulties; and

(r) Incurrence of a financial obligation of the issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or Obligated Person, any of which affect security holders, if material; and

(s) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or Obligated Person, any of which reflect financial difficulties.

The Obligated Person may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the Obligated Person, such other events are material with respect to the Bonds, but the Obligated Person does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The Obligated Person agrees to provide or cause to be provided, in a timely manner, to the Paying Agent, and to EMMA , notice of a failure by the Obligated Person to provide the annual financial information described in Section 1.01 (I)-(VI) above on or prior to the date set forth in Section 1.01above.

The Paying Agent shall have no obligation to independently provide notices to the MSRB of any of the preceding events, even if the Paying Agent has notified the Obligated Person of the occurrence of the event, but rather is obligated only, if so agreed to be the Paying Agent, to disseminate such notice in such form as the Obligated Person has provided to it.

Failure to Provide Information. The Obligated Person reserves the right to terminate its obligation to provide annual financial information and notices of material events, as set forth, if and when the Obligated Person no longer remains an obligated person with respect to the Bonds, within the meaning of the Rule.

Disclosure for Benefit of Registered Owners: Remedies. The Obligated Person agrees that its undertaking, pursuant to the Rule, set forth above is required to be for the benefit of the registered owners of the Bonds. A failure by the Obligated Person to comply with the provisions of this undertaking shall not constitute an event of default with respect to the Bonds under the Act or otherwise. In the event the Obligated Person fails to comply with the provisions of the section within 10 days of receipt of a written request for information which the Obligated Person has agreed to provide hereunder by a registered owner of the Bonds, the registered owner shall be limited in its remedies to specific performance or a writ of mandamus in a court of competent jurisdiction to enforce the obligations of the Obligated Person under this section.

LACKAWANNA TRAIL SCHOOL DISTRICT

By:____________________________
Joseph Ross
President of the Board of School Directors

____
Adrian Bianchi, Secretary

APPENDIX E

AUDITED FINANCIAL STATEMENTS

LACKAWANNA TRAIL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS
AND
SINGLE AUDIT REPORT

JUNE 30, 2023

AND

REPORT OF INDEPENDENT

CERTIFIED PUBLIC ACCOUNTANTS

AND

SUPPLEMENTARY INFORMATION

TABLE OF CONTENTS

MURPHY, DOUGHERTY & COMPANY
Certified Public Accountants

1310 Church Street, Suite 3000, Route 690 • Moscow, PA 18444
Ph: (570) 848 2866 • Fax: (570) 848 2833

J. PAUL MURPHY, CPA
MICHAEL DOUGHERTY, CPA

PAUL T. MURPHY, CPA
LEAH C. ROSENKRANS, CPA

INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS
AND
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Board of School Directors
Lackawanna Trail School District
Factoryville, Pennsylvania

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 Lackawanna Trail School District, Factoryville, Pennsylvania as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Lackawanna Trail School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lackawanna Trail School District, Factoryville, Pennsylvania as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lackawanna Trail School District, Factoryville, Pennsylvania, 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, the Lackawanna Trail School District adopted new accounting guidance, GASB Statement No. 96, "Subscription-Based Information Technology Arrangements". Our opinions are not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Lackawanna Trail School District, Factoryville, Pennsylvania's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lackawanna Trail School District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lackawanna Trail School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, the schedule of the District's proportionate share of the net pension liability on page 52, the schedule of District's contributions to the pension plan on page 53, the schedule of District's proportionate share of the net OPEB liability on page 54, the schedule of District's OPEB contributions on page 55 and the schedule of changes in total OPEB liability and related ratios on page 55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the 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 Lackawanna Trail School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the supplementary information on pages 52 through 56 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements 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 and the supplementary information on pages 57 through 66 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 20, 2024, on our consideration of Lackawanna Trail School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Lackawanna Trail School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Lackawanna Trail School District's internal control over financial reporting and compliance.

Murphy Dougherty & Co, CPA's

Moscow, Pennsylvania
February 20, 2024

LACKAWANNA TRAIL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

The discussion and analysis of Lackawanna Trail School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- In total, net position from increased $2,301,992 which represents a 12.2 percent increase from 2022.
- General revenues accounted for $18,500,783 in revenue or 76.4 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $5,700,006 or 23.6 percent of total revenues of $24,200,789.
- Total assets of governmental activities increased by $110,316 as current assets increased $1,033,326, net capital assets decreased by $219,929 and deferred outflows of resources decreased $703,081.
- The School District had $21,898,797 in expenses; only $5,700,006 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state revenues) of $18,500,783 were adequate to provide for these programs.

USING THIS GENERAL ACCEPTED ACCOUNTING PRINCIPALS REPORT (GAAP)

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

The Statement of Net Position and Statement of Net Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Lackawanna Trail School District, the General Fund is by far the most significant fund.

REPORTING THE SCHOOL DISTRICT AS A WHOLE
STATEMENT OF NET POSITION AND THE STATEMENT OF NET ACTIVITIES

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Net Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Net Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District operates the food service fund as a business type activity.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS
FUND FINANCIAL STATEMENTS

The analysis of the School District's major funds begins on page 14. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Capital Projects and Debt Service Funds.

GOVERNMENTAL FUNDS

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

THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2023 compared to 2022:

TABLE 1
NET ASSETS

	2023	2022
ASSETS		
Current and Other Assets	$ 14,185,023	$ 13,085,880
Capital Assets	9,272,384	9,437,769
Deferred Outflows of Resources	5,826,897	6,535,091
TOTAL ASSETS	29,284,304	29,058,740
LIABILITIES		
Current Liabilities	3,517,465	3,299,663
Other Liabilities	38,403,265	38,432,516
TOTAL LIABILITIES	41,920,730	41,732,179
DEFERRED INFLOWS OF RESOURCES	3,951,731	6,216,710
NET ASSETS		
Net Investment in Capital Assets	5,390,375	5,457,769
Restricted balance	-0-	-0-
Unrestricted (deficit), balance	(21,978,532)	(24,347,918)
TOTAL NET ASSETS	$(16,588,157)	$(18,890,149)

Total assets increased by $225,564 primarily related to cash increases of $2,417,227 and other current asset increases of $71,234 offset by decreases in intergovernmental receivables of $1,389,318. In addition, there was a decrease in deferred outflows of resources related to pensions of $515,455 and deferred outflows related to OPEB of $192,739. The District also reported decreases to capital assets of $165,385. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the School District increased by $2,369,386. This increase was mainly attributable to the favorable revenue and expenditure performance of the General Fund.

Table 2 shows the changes in net assets for fiscal year 2023 and 2022.

TABLE 2
CHANGES IN NET ASSETS

	2023	PERCENTAGE 2023	2022	PERCENTAGE 2022
REVENUES				
Program Revenues:				
Charges for Services	$ 177,779	0.7%	$ 76,444	0.3%
Operating Grants and Contributions	5,522,227	22.9%	6, 865,785	27.8%
Capital Grants and Contributions	-0-		-0-	
General Revenues:				
Property taxes & other taxes	9,682,541	40.0%	9,659,093	39.2%
Grants and Entitlements	7,218,527	29.8%	6,787,122	27.5%
Other	1,599,715	6.6%	1,269,238	5.2%
TOTAL REVENUES	24,200,789	100%	24,657,682	100%
PROGRAM EXPENSES				
INSTRUCTION	14,233,452	65.0%	12,537,161	64.1%
SUPPORT SERVICES:				
Pupils and Instructional Staff	983,430	4.5%	838,447	4.3%
Board of Education, Administration, Fiscal and Business	1,747,034	8.0%	1,550,416	7.9%
Operation and Maintenance of Plant	1,466,685	6.7%	1,387,799	7.1%
Pupil Transportation	1,384,817	6.3%	1,265,776	6.5%
Central and Other Support Services	268,981	1.2%	245,573	1.2%
Operation of Non-Instructional Services	1,079,262	4.9%	988,885	5.0%
Unallocated Depreciation Expense	655,177	3.0%	680,183	3.5%
Operating Transfers	0	0.0%	0	0.0%
Interest and Fiscal Charges	79,959	0.4%	78,431	0.4%
TOTAL EXPENSES	21,898,797	100%	21,706,363	100%
INCREASE (DECREASE) IN NET ASSETS	$ 2,301,992		$ 5,085,011	

GOVERNMENTAL ACTIVITIES

Property taxes made up 40.0 and 39.2 percent of revenues for governmental activities for the Lackawanna Trail School District for fiscal years 2023 and 2022, respectively. This is up 0.8% from 2022.

Instruction comprises 65.0 and 64.1 percent of District expenses for the years 2023 and 2022, respectively. Support services expenses make up 26.7 and 27.0 percent of the expenses for the years 2023 and 2022, respectively.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

TABLE 3

	Total Cost Of Services 2023	Net Cost Of Services 2023	Total Cost Of Services 2022	Net Cost Of Services 2022
Instruction	$14,233,452	$10,672,280	$12,537,161	$ 7,796,602
Support Services:				
Pupil and Instructional Staff	983,430	829,757	838,447	697,668
Board of Education, Administration Fiscal and Business	1,747,034	1,552,283	1,550,416	1,374,176
Operation and Maintenance of Plant	1,466,685	1,343,378	1,387,799	1,274,113
Pupil Transportation	1,384,817	492,118	1,265,776	371,897
Other Support Services	268,981	230,237	245,573	210,018
Operation of Non-Instructional Services	1,079,262	346,865	988,885	150,590
Unallocated Depreciation Expense	655,177	655,177	680,183	680,183
Operating Transfers	0	0	0	0
Interest and Fiscal Charges	79,959	76,696	78,431	75,195
TOTAL EXPENSES	$21,898,797	$16,198,791	$19,572,671	$12,630,442

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to pupils.

Board of education, administration, fiscal and business includes expenses associated with administrative and financial supervision of the District.

Operation and maintenance of plant activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Operation of non-instructional services includes the preparation, delivery, and servicing of lunches, snacks and other incidental meals to students and school staff in connection with school activities, and extracurricular activities which includes expenses related to student activities provided by the School District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purpose of motivation, enjoyment and skill improvement.

Interest and fiscal charges involves the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon taxes revenue is apparent. 40.0 percent of the District's costs are supported by tax revenue.

THE SCHOOL DISTRICT'S FUNDS

Information about the School District's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenue of $23,524,619 and expenditures of $22,673,059. Other financing sources, net accounted for net revenue of $350. The net change in fund balance increased by $851,910 with $851,910 of this increase being in the general fund.

The District had budgeted no change in fund balance (of which $0 was a budgetary reserve).

GENERAL FUND BUDGETING HIGHLIGHTS

The School District budget is prepared according to Pennsylvania law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The School District adopted the budget for the fiscal year June 30, 2023 at its June 2022 meeting. The School District's budgetary process flows through the business office after appraisals have been made by authorized supervisory officials. This system is designed to tightly control the budget at the business manager level.

During the fiscal year the District had budgeted to receive $22,627,847 in revenue but actually received $23,524,619 or a plus of $896,772. Local revenue was favorable by $647,492, state revenue was favorable by $257,334, and federal grants and awards were unfavorable by $8,054. Earned income taxes, interest income and real estate taxes, including transfer and delinquent taxes, were the primary drivers of favorable local income. The favorable state revenue variance was driven primarily by increased state subsidies for basic and special education offset in part by decreased social security and retirement subsidies due to lower than budgeted salaries and wages. The variance in federal revenue related to federal grants as of the result of the COVID pandemic ARPA grant that did not have the anticipated spend as budgeted and lower than projected Title program funding partially offset by favorable school based access revenue. On the expenditure side of the budget the District was $116,712 over budget primarily from increased building and grounds renovation costs paid for through assigned fund balance which included High School gymnasium HVAC units and math textbooks paid through assigned fund balance. Additional increases came from tuition for special education and charter school and higher transportation cost partially offset by lower health care benefit costs and educator salaries. Overall the budget was favorable by $851,910, increasing the fund surplus by $851,910.

The School District had anticipated having $7,674,319 beginning fund balance and started the fiscal year with surplus of $9,119,078. The fund balance increased by $851,910. The fund balance at June 30, 2023 was a surplus of $9,970,988 and carried over to the June 30, 2023 budget.

CAPITAL ASSETS

At the end of the fiscal year 2023, the School District had $9,272,384 invested in land, buildings, furniture, equipment and vehicles.

Table 4 shows fiscal 2023 balance compared to 2022.

TABLE 4
CAPITAL ASSETS (NET OF DEPRECIATION) AT JUNE 30

	2023	2022
Land and Site Improvements	$ 3,047,451	$ 2,842,546
Construction in progress	156,453	94,022
Buildings and Improvements	5,467,731	6,332,379
Furniture and Equipment	489,868	168,642
Right of use asset	110,681	168,642
Vehicles	200	200
TOTAL	$ 9,272,384	$ 9,437,789

Depreciation amounted to $655,177 for the year ending June 30, 2023.

DEBT ADMINISTRATION

During the fiscal year 2021, the district refunded a prior debt issuance with a remaining balance of $4,545,000 through the issuance of a general obligation bonds of $4,545,000. At June 30, 2023, the District had $3,715,000 of total debt. During the fiscal year 2023, the District paid $265,000 of principal for this debt.

CURRENT FINANCIAL ISSUES AND CONCERNS

The Lackawanna Trail School District is financially stable. The District does not have a large industrial base and property taxes are generated by residential properties.

Finances of the District depend primarily upon state revenues and local property taxes. Should the Commonwealth of Pennsylvania not increase the subsidy payments sufficiently, then local property taxes would need to be raised to meet any budget shortfall.

In conclusion, the Lackawanna Trail School District has committed itself to financial excellence for many years. In addition, the School District system of financial planning, budgeting and internal controls are well regarded. Through conservative fiscal management, the District has been able to accumulate to stable fund balance, which has been assigned to cover future mandated cost increases and capital projects. The School District plans to continue its sound fiscal management to meet the challenges of the future.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, inventory and regulatory agencies and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Keith Glynn, Business Administrator of the Lackawanna Trail School District, College Avenue, Factoryville, Pennsylvania.

LACKAWANNA TRAIL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash and cash equivalents	$ 11,521,021	$ 462,678	$ 11,983,699
Investments	-	-	-
Taxes receivable, net	921,322	-	921,322
Interfund receivables	1,110	66,035	67,145
Intergovernmental receivables	1,095,502	-	1,095,502
Other receivables, net	74,121	270	74,391
Other current assets	29,189	-	29,189
Inventories	-	13,775	13,775
Prepaid expenses	-	-	-
Total Current Assets	13,642,265	542,758	14,185,023
NON-CURRENT ASSETS			
Land and site improvements	3,047,451	-	3,047,451
Building and building improvements	23,358,726	-	23,358,726
Fixtures and equipment	2,396,046	328,639	2,724,685
Construction in progress	156,453	-	156,453
Accumulated depreciation	(19,851,517)	(274,095)	(20,125,612)
Right of Use Asset	127,709	-	127,709
Accumulated amortization	(17,028)	-	(17,028)
Total Non-Current Assets	9,217,840	54,544	9,272,384
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized discount on issuance of bonds	-	-	-
Deferred amounts related to pensions	4,394,956	47,515	4,442,471
Deferred amounts related to OPEB	1,383,046	1,380	1,384,426
Total Deferred Outflows of Resources	5,778,002	48,895	5,826,897
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOUCES	28,638,107	646,197	29,284,304
LIABILITIES			
CURRENT LIABILITIES			
Interfund payables	66,035	-	66,035
Accounts payable	394,265	16,570	410,835
Accrued salaries & benefits	2,485,469	25,228	2,510,697
Accrued retirement incentive	118,541	-	118,541
Accrued interest	24,106	-	24,106
Revenue received in advance	-	39,217	39,217
Other current liabilities	49,196	-	49,196
Current portion of long-term obligations	275,000	-	275,000
Current lease liability	23,838	-	23,838
Total Current Liabilities	3,436,450	81,015	3,517,465
NON-CURRENT LIABILITIES			
OPEB obligation	7,006,233	23,611	7,029,844
Bonds payable	3,440,000	-	3,440,000
Accrued retirement incentive	174,217	-	174,217
Net pension liability	26,529,778	723,222	27,253,000
Long-term portion of compensated absences	417,577	-	417,577
Long-term lease liability	88,627	-	88,627
Note payable	-	-	-
Total Non-Current Liabilities	37,656,432	746,833	38,403,265
TOTAL LIABILITIES	41,092,882	827,848	41,920,730
DEFERRED INFLOWS OF RESOURCES			
Unamortized premium on issuance of bonds	134,766	-	134,766
Deferred amounts related to pensions	1,696,681	31,319	1,728,000
Deferred amount related to OPEB	2,071,792	17,173	2,088,965
Total Deferred Inflows of Resources	3,903,239	48,492	3,951,731
NET POSITION			
Invested in capital assets, net of related debt	5,390,375	-	5,390,375
Unrestricted	(21,748,389)	(230,143)	(21,978,532)
TOTAL NET POSITION	$ (16,358,014)	$ (230,143)	$ (16,588,157)

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT
STATEMENT OF NET ACTIVITIES
FOR THE YEAR ENDING JUNE 30, 2023

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES							
INSTRUCTION:							
Regular	$9,022,917	$	$1,581,050	$	$ (7,441,867)	$	$ (7,441,867)
Special	4,136,272		1,887,856		(2,248,416)		(2,248,416)
Vocational	1,067,548		91,059		(976,489)		(976,489)
Other Instructional Programs	6,715		1,207		(5,508)		(5,508)
Pre-Kindergarten	-		-		-		-
TOTAL INSTRUCTIONAL SERVICES	14,233,452		3,561,172	-0-	(10,672,280)		(10,672,280)
SUPPORT SERVICES							
Pupil Personnel	591,960		90,919		(501,041)		(501,041)
Instructional Staff	179,682		18,405		(161,277)		(161,277)
Administration	1,452,973		162,036		(1,290,937)		(1,290,937)
Pupil Health	211,788		44,349		(167,439)		(167,439)
Business	294,061		32,715		(261,346)		(261,346)
Operation and Maintenance of Plant Services	1,466,685		123,307		(1,343,378)		(1,343,378)
Student Transportation Services	1,384,817		892,699		(492,118)		(492,118)
Central	256,307		38,744		(217,563)		(217,563)
Other Support Services	12,674		-0-		(12,674)		(12,674)
TOTAL SUPPORT SERVICES	5,850,947		1,403,174	-0-	(4,447,773)		(4,447,773)
OPERATION OF NON-INSTRUCTIONAL SERVICES	524,915		52,076		(472,839)		(472,839)
Unallocated Depreciation Expense	655,177		0		(655,177)		(655,177)
Refund of proior year receipts	-		350		350		350
Interest on Long-Term Debt/Other Objects	79,959		3,263		(76,696)		(76,696)
Operating transfers out	-		-		-		-
TOTAL GOVERNMENTAL ACTIVITIES	21,344,450	0	5,020,035	-0-	(16,324,415)		(16,324,415)
Business-Type Activities-Food Service	554,347	177,779	502,192			125,624	125,624
TOTAL PRIMARY GOVERNMENT	$21,898,797	$177,779	$5,522,227	$-0-	$ (16,324,415)	$ 125,624	$ (16,198,791)
GENERAL REVENUES: TAXES:							
Property taxes, levied for general purposes					9,682,541		9,682,541
Public utility realty and earned income taxes levied for general purposes					1,208,278		1,208,278
Grants, subsidies and contributions not restricted					7,218,527		7,218,527
Investment earnings					229,107		229,107
Miscellaneous income					162,330		162,330
TOTAL GENERAL REVENUES					18,500,783	0	18,500,783
Change in Net Position					2,176,368	125,624	2,301,992
NET POSITION, BEGINNING OF YEAR					(18,534,382)	(355,767)	(16,713,781)
NET POSITION, END OF YEAR					(16,358,014)	$ (230,143)	$ (14,411,789)

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents	$ 11,521,021	$ 0	$ 11,521,021
Investments	-		-
Taxes receivable, net	921,322		921,322
Interfund receivables	1,110		1,110
Intergovernmental receivables	1,095,502		1,095,502
Other receivables, net	74,121		74,121
Other current assets	29,189		29,189
Inventories	-		-
TOTAL ASSETS	$ 13,642,265	0	$ 13,642,265
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Interfund payables	66,035		66,035
Accounts payable	394,265		394,265
Accrued salaries & benefits	2,485,469		2,485,469
Accrued interest	-		-
Payroll deductions & withholding	-		-
Accumulated compensated absences	-		-
Other current liabilities	49,196		49,196
TOTAL LIABILITIES	2,994,965	0	2,994,965
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	676,312		676,312
Total Deferred Inflows of Resources	676,312	0	676,312
FUND BALANCES			
Unassigned fund balance			
General fund balance (deficit)	2,675,152		2,675,152
Assigned for:			
Future capital projects	5,722,687		5,722,687
Future pension increases	500,000		500,000
Future charter school tuition increases	400,000		400,000
Future textbook and curriculum costs	207,610		207,610
Future technology costs	465,539	0	465,539
TOTAL FUND BALANCES	9,970,988	0	9,970,988
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 13,642,265	$ -	$ 13,642,265

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

Total Governmental Fund Balance	$ 9,970,988
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land and site improvements	3,047,451
Buildings and building improvements	23,358,726
Furniture and equipment	2,396,046
Right of use asset	127,709
Construction in progress	156,453
Accumulated depreciation	(19,868,545)
Total Capital Assets	9,217,840
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	676,312
Bond premiums, net of amortization	(134,766)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	4,394,955
Deferred outflows of resources related to OPEB	1,383,046
Deferred inflows of resources related to OPEB	(2,071,792)
Deferred inflows of resources related to pensions	(1,696,681)
Total Deferred Outflows and Inflows of Resources	2,009,528
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	(3,715,000)
Accrued retirement incentive	(292,758)
OPEB Obligation	(7,006,233)
Net pension liability	(26,529,778)
Lease liability	(112,465)
Accrued interest	(24,106)
Compensated absences	(417,576)
Total Liabilities	(38,097,916)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (16,358,014)

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDING JUNE 30, 2023

	GENERAL	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Local sources	$ 11,735,632	$ -	$ -	$ 11,735,632
State sources	11,244,741			11,244,741
Federal sources	544,246			544,246
TOTAL REVENUES	23,524,619	-	-	23,524,619
EXPENDITURES				
Instructional Services				
Regular	9,783,555			9,783,555
Special	4,363,899			4,363,899
Vocational	1,122,909			1,122,909
Other instructional programs	7,432			7,432
Pre-Kindergarten	-			0
TOTAL INSTRUCTIONAL SERVICES	15,277,795	-	-	15,277,795
Support Services				
Pupil personnel	649,698			649,698
Instructional staff	190,629			190,629
Administration	1,555,679			1,555,679
Pupil health	227,773			227,773
Business	313,531			313,531
Operation and maintenance of plant services	1,660,332			1,660,332
Student transportation services	1,384,817			1,384,817
Central	280,626			280,626
Other support services	12,962			12,962
TOTAL SUPPORT SERVICES	6,276,047	-	-	6,276,047
Operation of Non-Instructional Services	557,857			557,857
Capital outlay	202,574			202,574
Community services	1,500			1,500
Debt Service - Refund of prior year revenues	-			-
Debt Service: Principal	265,000			265,000
Debt Service: Interest	92,286			92,286
TOTAL EXPENDITURES	22,673,059	-	-	22,673,059
(EXCESS) DEFICIENCY OF REVENUES OVER EXPENDITURES	851,560			851,560
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	-			-
Refund of prior year expense	350			350
Proceeds from extended term financing	-			-
Bond issuance proceeds	-			-
Bond premiums	-			-
Bond discounts	-			-
Principal - refunded bonds	-			-
Operating transfers in	-			-
Operating transfers out	-			-
TOTAL OTHER FINANCING SOURCES (USES)	350	-	-	350
NET CHANGE IN FUND BALANCES	851,910	-	-	851,910
Fund Balances-Beginning	9,119,078	-	-	9,119,078
FUND BALANCES-ENDING	$ 9,970,988	$ -	$ -	$ 9,970,988

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2023

Net change in Fund Balances – Total Government Funds	$	851,910
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay		307,539
Depreciation expense		(655,177)
Excess of capital outlay over depreciation expense		(347,638)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Capital lease payments		15,244
Bond premium amortization		10,781
Bond principal payments		265,000
		291,025
Some revenues that will not be collected for several months after the District's fiscal year ends are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased by this amount this year:		
Property taxes		(4,150)
Governmental funds report district pension contributions as expenditures. However, in the Statement of Net Activities, the cost of pension related benefits earned net of employee contributions is reported as pension expense:		
District pension contributions		3,207,471
Cost of pension benefits earned, net of employee contributions		(1,697,670)
Total		1,509,801
Bond proceeds are reported as revenue but the proceeds increases the long term liabilities in the statement of net position.		-
Net OPEB liability is considered long-term in nature, and is not reported as a liability within the funds. Such a liability is, however, reported within the statement of net deficit, and changes in the liability is reflected within the statement of net deficit. This represents the change in OPEB liability and the deferred outflows and inflows related to the OPEB		(196,915)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Net (increase)/decrease in accrued interest		1,546
Net (increase)/decrease in accrued retirement incentive		50,301
Net (increase)/decrease in compensated absences		20,488
		72,335
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	2,176,368

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDING JUNE 30, 2023

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES				
Local sources	$ 11,088,140	$ 11,088,140	$ 11,735,632	$ 647,492
State sources	10,987,407	10,987,407	11,244,741	257,334
Federal sources	552,300	552,300	544,246	(8,054)
Total Revenues	22,627,847	22,627,847	23,524,619	896,772
EXPENDITURES				
Instructional Services:				
Regular	9,858,573	9,858,573	9,783,555	75,018
Special	4,407,822	4,407,822	4,363,899	43,923
Vocational	1,037,567	1,037,567	1,122,909	(85,342)
Other instructional programs	8,575	8,575	7,432	1,143
Pre-Kindergarten	-	-	-	-
Total Instructional Services	15,312,537	15,312,537	15,277,795	34,742
Support Services				
Pupil personnel	663,163	663,163	649,698	13,465
Instructional staff	228,260	228,260	190,629	37,631
Administration	1,519,060	1,519,060	1,555,679	(36,619)
Pupil health	232,528	232,528	227,773	4,755
Business	324,544	324,544	313,531	11,013
Operation & maintenance of plant services	1,754,452	1,754,452	1,660,332	94,120
Student transportation services	1,339,000	1,339,000	1,384,817	(45,817)
Central	288,486	288,486	280,626	7,860
Other support services	13,194	13,194	12,962	232
Total Support Services	6,362,687	6,362,687	6,276,047	86,640
Operation of Non-Instructional Services	526,673	526,673	557,857	(31,184)
Community services	1,500	1,500	1,500	0
Capital outlay	0	0	202,574	(202,574)
Debt Service	352,950	352,950	357,286	(4,336)
TOTAL EXPENDITURES	22,556,347	22,556,347	22,673,059	(116,712)
(EXCESS) DEFICIENCY OF REVENUES OVER EXPENDITURES	71,500	71,500	851,560	780,060
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	0	0	0	0
Proceeds from extended term financing	0	0	0	0
Refund of prior year expense	500	500	350	(150)
Operating transfers in	0	0	0	0
Operating transfers out	(72,000)	(72,000)	0	72,000
Budgetary reserve	0	0	0	0
Total Other Financing Sources(Uses)	(71,500)	(71,500)	350	71,850
Net Change in Fund Balances	0	0	851,910	$ 851,910
FUND BALANCES-BEGINNING	7,674,319	7,674,319	9,119,078	
FUND BALANCES-ENDING	$ 7,674,319	$ 7,674,319	$ 9,970,988	

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	FOOD SERVICE	OTHER ENTERPRISE SERVICE	TOTAL PROPRIETARY FUNDS
ASSETS			
Cash and cash equivalents	$ 462,678	$ -	$ 462,678
Investments	-		-
Taxes receivable, net	-		-
Interfund receivables	66,035		66,035
Intergovernmental receivables	-		0
Other receivables, net	270		270.00
Inventories	13,775		13,775
Prepaid expenses	-		-
Total Current Assets	542,758	-	542,758
NON-CURRENT ASSETS			
Fixtures and equipment	328,639		328,639
Accumulated depreciation	(274,095)		(274,095)
Total Non-Current Assets	54,544	-	54,544.00
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	47,515		47,515
Deferred amounts related to OPEB	1,380		1,380
Total Deferred Outflows of Resources	48,895	-	48,895
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	646,197	-	646,197
LIABILITIES			
CURRENT LIABILITIES			
Interfund payables	-		-
Accounts payable	16,570		16,570
Accrued salaries & benefits	25,228		25,228
Payroll deductions & withholdings	-		-
Revenue received in advance	39,217		39,217
Other current liabilities	-		-
Total Current Liabilities	81,015	-	81,015
NON-CURRENT LIABILITIES			
Net Pension liability	723,222		723,222
Net OPEB liability	23,611		23,611
Total Non-Current Liabilities	746,833	-	746,833
TOTAL LIABILITIES	827,848	-	827,848
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	31,319		31,319
Deferred amounts related to OPEB	17,173		17,173
Total Deferred Inflows of Resources	48,492	-	48,492
NET POSITION			
Net Investment in capital assets	-		-
Unrestricted (Deficit)	(230,143)		(230,143)
TOTAL NET POSITION	$ (230,143)	-	$ (230,143)

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION-PROPRIETARY FUNDS
FOR THE YEAR ENDING JUNE 30, 2023

	FOOD SERVICE	OTHER ENTERPRISE SERVICE	TOTAL PROPRIETARY FUNDS
OPERATING REVENUE			
Food service revenue	$ 177,138	$ -	$ 177,138
Income from special events	641		641
Total Operating Revenue	177,779	-	177,779
OPERATING EXPENSES			
Salaries	78,241		78,241
Employee benefits	61,918		61,918
Purchased professional & technical services	2,185		2,185
Purchased property services	4,619		4,619
Other purchased services	393,985		393,985
Supplies	9,719		9,719
Property	-		-
Other objects	421		421
Depreciation	3,259		3,259.00
Total Operating Expenses	554,347	-	554,347
Operating Income (Loss)	(376,568)	-	(376,568)
NON-OPERATING REVENUES (EXPENSES)			
Earnings on investments	1,097		1,097
State sources	103,262		103,262
Federal sources	397,833		397,833
Miscellaneous revenue	-		-
Operating transfers	-		-
Total Non-Operating Revenue (Expenses)	502,192	-	502,192
Change in Net Position	125,624	-	125,624
NET POSITION, BEG. OF YEAR	(355,767)	-	(355,767)
NET POSITION, END OF YEAR	(230,143)	-	(230,143)

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDING JUNE 30, 2023

	FOOD SERVICE	OTHER ENTERPRISE SERVICE	TOTAL PROPRIETARY FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 174,395	$ -	$ 174,395
Cash payments to suppliers for goods & services	(384,666)	-	(384,666)
Cash payments to employees for services	(153,931)	-	(153,931)
Cash payments for other operating expenses	-	-	-
Net Cash Provided by (used for) Operating Activities	(364,202)	-	(364,202)
CASH FLOWS FROM NON-CAPITAL FINANCING SOURCES			
State sources	110,380	-	110,380
Federal sources	433,791	-	433,791
Net Cash Provided by (used for) Non-capital Financing Activities	544,171	-	544,171
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Fixed asset purchases	(57,803)	-	(57,803)
Net Cash Provided by (used for) Non-capital Related Financing Activities	(57,803)	-	(57,803)
CASH FLOWS FROM INVESTING ACTIVITIES			
Operating transfers in (out)	-	-	-
Earnings on investments	1,097	-	1,097
Net Cash Provided by (used for) Investing Activities	1,097	-	1,097
Net Increase (Decrease) in Cash & Cash Equivalents	123,263	-	123,263
CASH & CASH EQUIVALENTS, BEG. OF YEAR	339,415	-	339,415
CASH & CASH EQUIVALENTS, END OF YEAR	$ 462,678	$ -	$ 462,678
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:			
Operating Loss	(376,568)	-	(376,568)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Depreciation	3,259	-	3,259
Other adjustments	39,948	-	39,948
(Increase) decrease in deferred amounts related to pensions	4,712	-	4,712
(Increase) decrease in deferred amounts related to OPEB	401		401
(Increase) decrease in inventories	2,174	-	2,174
(Increase) decrease in accounts receivables	-	-	-
(Increase) decrease in interfund receivable	(24,601)	-	(24,601)
Increase (decrease) in deferred amounts related to pensions	(25,578)	-	(25,578)
Increase (decrease) in deferred amounts related to OPEB	15,345		15,345
Increase (decrease) in net pension liability	8,123	-	8,123
Increase (decrease) in net OPEB liability	(16,895)		(16,895)
Increase (decrease) in accounts payable	8,742	-	8,742
Increase (decrease) in interfund payable	-	-	-
Increase (decrease) in accrued salaries & benefits	120	-	120
Increase (decrease) in revenue received in advance	(3,384)	-	(3,384)
TOTAL ADJUSTMENTS	12,366	-	12,366
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ (364,202)	$ -	$ (364,202)

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	CUSTODIAL FUNDS STUDENT ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 30,751
Investments	0
TOTAL ASSETS	$ 30,751
LIABILITIES	
Interfund Payable	1,110
Other current liabilities	0
TOTAL LIABILITIES	$ 1,110
NET POSITION	
Restricted for Student Activities	29,641
TOTAL NET POSITION	$ 29,641

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDING JUNE 30, 2023

	CUSTODIAL FUNDS STUDENT ACTIVITIES
ADDITIONS	
Investment income	$ 298
Net appreciation in fair value of investments	0
Student activity receipts	82,461
Contributions	0
Total Additions	82,759
DEDUCTIONS	
Net depreciation in fair value of investments	0
Student activity expenditures	86,355
Fees	0
Scholarships awarded	0
Total Deductions	86,355
Change in net position	(3,596)
NET POSITION, BEGINNING OF YEAR	33,237
NET POSITION, END OF YEAR	$ 29,641

The accompanying notes are an integral part of these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lackawanna Trail School District (the District) located in Factoryville, Pennsylvania, provides a full range of educational services appropriate to grade levels kindergarten through 12 to students living in parts of Lackawanna and Wyoming Counties. These include regular, advanced academic, and vocational education programs, and special education programs for gifted and handicapped children. The District has a nine-member elected school board and an appointed Superintendent and Business Manager who oversee the daily operations of the District. The District is comprised of one elementary school and one high school.

The accounting policies of Lackawanna Trail School District conform with generally accepted accounting principles as applicable to governmental units. The District implemented new reporting model standards beginning July 1, 2002. Comparability with reports of all prior years will be affected. The following is a summary of the District's significant accounting policies:

A. REPORTING ENTITY

The accompanying financial statements comply with the provisions of GASB Statement No. 61, The Financial Reporting Entity: Omnibus, in that the financial statements include all organizations, activities and functions for which the School District is financially accountable. Financially accountability is defined as the appointment of a voting majority of a component unit's board and either (1) the School District's ability to impose its will over a component unit or (2) the possibility that the component unity will provide a financial benefit or impose a financial burden on the School District. In addition, component units can be organizations for which the nature and significance of their relationship with the School District are such that exclusion would cause the School District's financial statements to be misleading. This report presents the activities of Lackawanna Trail School District. Based upon the application of these criteria, the School District is not a component unity of another reporting entity. Currently, the School District does not have any potential component units that should be included in the School District's reporting entity.

B. BASIS OF PRESENTATION, FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which constitutes a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent. Account groups are used to establish accounting control and accountability for the District's General Fixed Assets and General Long-Term Obligations. The following fund types are used by the District:

GOVERNMENTAL FUND TYPES

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

GENERAL FUND

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

DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation of resources, sources for and the payment of, general long-term debt obligations.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for the revenue and expenditures of major construction projects of the District.

PROPRIETARY FUND TYPES

Proprietary Fund Types account for operations that are financed and operated in a manner similar to private business enterprises.

FOOD SERVICE FUND

The Food Service Fund accounts for all financial resources associated with the operations of the cafeterias.

FIDUCIARY FUND TYPES (TRUST AND AGENCY FUNDS)

Fiduciary Fund Types account for assets held by a governmental unit in a trustee capacity or as an agent for other funds.

AGENCY FUND

Agency funds are used to account for assets held by the District as an agent. Agency funds are custodial in nature, assets equal liabilities, and do not involve measurement or results of operations. The following is in the District's agency fund:

- The Student Activity Fund accounts for programs operated and sponsored by various clubs and organizations.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as the trust and agency fund. The primary government and component unit are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and District general revenues, from business-type activities, generally financed in whole or in part with fees charged for services.

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

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The financial statements of the District are prepared in accordance with accounting principles generally accepted in the United States of America. The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide, proprietary fund and component unit financial statements apply Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using the same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues, net of any uncollectible amounts, are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. Net position (total assets less total liabilities) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible with the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Property taxes levied but collected beyond 60 days after year-end, are recorded as deferred revenue to be recognized as revenue when the taxes are collected. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: property taxes, intergovernmental revenues, investment income, rent and certain miscellaneous revenues. In general, other revenues are recognized when cash is received. In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges for services. Principal operating expenses are the cost of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

In governmental funds when an expenditure is incurred that can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to other, less-restricted classifications – committed; assigned; and then unassigned fund balances.

E. BUDGETARY DATA

An operating budget is adopted each year for the General Fund on a modified accrual basis of accounting. The District utilizes the Executive Budget approach to budgetary control. This approach requires the Superintendent, together with the Business Office, to prepare and submit a plan of financial operation to the School Board.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in government funds. Encumbrances at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities but serve as authorization for expenditures in the subsequent year. As of June 30, 2023, the District had no such encumbrances.

G. INTERFUND TRANSACTIONS

Advances between funds are accounted for in the appropriate interfund receivables and payable accounts. Any outstanding amounts (reported in "due from" asset accounts) are considered "available spendable resources". As of June 30, 2023, the outstanding interfund balance was $64,925.

H. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash, certificates of deposit and liquid asset funds, are all carried at cost, which approximates fair value. The District considers all investments purchased with an original maturity of three months or less to be cash equivalents.

I. TAXES RECEIVABLE AND UNEARNED TAX REVENUES

The portion of delinquent real estate taxes receivable that is expected to be received within 60 days of June 30 is recorded as revenue in the current year. The remaining amount of those and other tax receivables is recorded as unearned tax revenues.

J. INVENTORIES AND PREPAID EXPENSES

Inventories are valued at the lower of cost, determined by the first-in, first-out method, or market; except for donated inventories, which are valued at fair value on the date donated. Textbooks and instructional and custodial supplies are charged to expense upon acquisition.

Prepaid expenses represent the cost of goods and services that has been paid for in advance of receipt. The consumption method is used to account for prepaid expenses in all fund types. Under the consumption method, prepaid expenses are recorded as assets and expended or expensed as the goods or services are received.

Inventories and prepaid expenses in the General Fund are reported as a nonspendable fund balance, which indicates that the amounts do not represent spendable resources and that they are unavailable for appropriation.

K. CAPITAL ASSETS AND DEPRECIATION

The District's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Proprietary fund capital assets are also reported in their fund financial statements. Donated assets are stated at fair value on the date donated. The District generally capitalizes assets with a cost of $5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are generally as follows:

School buildings	40 years
Land improvements & building improvements	20 years
Furniture, fixtures & equipment	5-12 years
Vehicles	8 years
Computer hardware	3 years

L. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. The capital leases, and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

M. LIABILITY FOR FUTURE COMPENSATED ABSENCES

Employees of the District are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service, and other factors. Employees are represented by a number of labor unions, and each contract contains different provisions for such employee-compensated absences.

In addition, administration and other non-union employees have agreements with the District that provide for compensated absences. The District normally pays its compensated absences from the general fund.

At June 30, 2023 the District had a compensated absence liability of $417,577.

N. PENSION PLAN

Substantially all full-time and part-time employees of the District participates in a cost-sharing multiple employer defined pension plan. The District recognizes annual pension expenditures or expenses equal to its contractually required contributions, subject to the modified accrual basis of accounting in governmental funds. (That is, if contributions from governmental funds are required but not made, the difference would not be reported as an expenditure until payable with expendable, available financial resources.) The District made all required contributions for the year ended June 30, 2023 and has recognized them as expenditures and expenses in the governmental and proprietary funds, respectively.

O. UNEARNED REVENUES

Unearned revenue arises when amounts are received prior to the delivery of goods and/or services or expenditures of allowable costs.

P. NET POSITION

Net position represents the difference between assets and liabilities. Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Q. ALLOCATION OF INDIRECT EXPENSES

The District does not allocate any indirect expenses including depreciation.

R. USE OF ESTIMATES

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

S. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Effective July 1, 2017, the District adopted Statement of Governmental Accounting Standards Board ("GASB"), Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" which replaces the requirements of GASB Statement No. 45, for the year ended June 30, 2018. Statement No. 75 establishes that governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. Additionally, Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures, including a sensitivity analysis of the discount rate and a healthcare cost trend rate assumptions used for the valuation, and required supplementary information about their OPEB liabilities.

T. FUND BALANCES

Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" was implemented during fiscal year 2011. The statement establishes fund balance classifications that comprise hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications: nonspendable, restricted, committed, assigned, and unassigned.

In the governmental fund financial statements, reservations of fund balance are reported for amounts not available for appropriation or legally restricted by outside parties for use for a specific purpose. Fund balances are classified as follows:

- Nonspendable – Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to remain intact.
- Restricted – Amounts which can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed – Amounts which can be used only for specific purposes determined by the Board of Education's formal action through a resolution.
- Assigned – Amounts that reflect the District's intent to spend resources for a specific purpose expressed by who is authorized by policy approved by the Board of Education to make assignments.
- Unassigned – All amounts not included in other spendable classifications.

U. DEFERRED INFLOWS OF RESOURCES

The Government Accounting Standards Board (GASB) has issued Statement No. 65, Items Previously Reported as Assets and Liabilities (GASB 65). Under GASB 65, in addition to liabilities the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents a decrease in net position or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) until then. The District has four items that qualify for reporting in this category. The first is the unavailable property tax revenue reported in the balance sheet of the governmental funds financial statements. Unavailable property tax revenue represents property taxes not collected (delinquent taxes) within 60 days subsequent to the District's year-end. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The second are the amounts related to the pension that include the difference between actual and projected investment earning and the difference between the District's actual and proportionate share of pension contributions. The third relates to Other Post Employment Benefits (OPEB) and includes changes of assumptions and the difference between the District's actual and proportionate share of contributions. The fourth is the unamortized premium on debt issuance reported in the government-wide financial statement of net position. An unamortized premium results from the difference between the face value of a bond and the price above this face value, at which the bond has been issued. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

V. DEFERRED OUTFLOWS OF RESOURCES

The Government Accounting Standards Board (GASB) has issued Statement No. 65, Items Previously Reported as Assets and Liabilities (GASB 65). Under GASB 65, in addition to assets the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred ouflows of resources, represents a increase in net position or fund balance that applies to a future period(s) and thus, will not be recognized as an ouflow of resources (expenditure) until then. The District has two items that qualify for reporting in this category. The first represents the amounts related to pensions such as the District's contributions for the period subsequent to the measurement date. The third relates to Other Post Employment Benefits (OPEB) and includes the difference between projected and actual investment earnings.

(NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED)

W. PENSION LIABILITY

Effective July 1, 2014, the District adopted Governmental Accounting Standards Board Statements No. 68, Accounting and Financial Reporting for Pensions and No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, to be in conformity with generally accepted accounting principles.

Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures in order to improve accounting and financial reporting by governments for pensions. The statement also enhances note disclosure and required supplementary information for government pension plans.

Statement No. 71 establishes standards for recording and reporting contributions made to a defined benefit plan after the measurement date of the government's beginning net pension liability.

X. IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENT

During the year ended June 30, 2023, the District implemented GASB Statement No. 96 "Subscription-based Information Technology Arrangements." GASB No. 96 establishes new reporting requirements for governments utilizing noncancelable, multi-year information technology service subscriptions. Under the new guidance, governments must report an intangible right-to-use subscription asset, and a corresponding subscription liability for any information technology services meeting the definitions outlined in GASB Statement No. 96. The District does not have any software services that meet these requirements at June 30, 2023.

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Under Section 440.1 of the Public School Code of 1949, as amended, the District is permitted to invest funds in the following types of investments:

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

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

The deposit and investment policy of the District adheres to state statutes. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the District.

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance. The District's investment policy limits investment of funds to instruments backed by the full faith and credit of the federal and state governments or those investments specified in the Public School Code. At June 30, 2023 the bank balance of the District's cash deposits with financial institutions was $12,445,432, compared to the carrying amounts of $12,014,450. The total bank balance that was secured by Federal Depository Insurance was $500,000. The remaining bank balance was covered by securities pledged by the financial institutions for such funds but not in the District's name. As of June 30, 2023, the District did not have any investments.

NOTE 3 – TAXES RECEIVABLE

Real estate taxes and taxpayer-assessed taxes are recognized as revenue when available on the modified accrual basis, which means collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed sixty days.

The government-wide financial statements recognize real estate tax revenue when the taxes are levied. Estimated collectible delinquent taxes at June 30, 2023 are as follows:

	OUTSTANDING BALANCE	ESTIMATED UNCOLLECTIBLE	ESTIMATED COLLECTIBLE
Real estate, wage and per capita taxes	$1,143,158	$(221,836)	$921,322

The tax on real estate, as levied by the Board, was 182.68 mills ($182.68 per $1,000 of assessed valuation) for Lackawanna County and 91.70 mills for Wyoming County for fiscal 2022. Assessed valuations of property are determined by the Counties and the elected tax collectors are responsible for collection. The schedule for real estate taxes levied for each fiscal year is as follows:

July 15	-Levy Date
July 15 – September 15	-2% Discount Period
September 16 – November 15	-Face Payment Period
November 16 – December 31	-10% Penalty Period
January 1	-Turned over to County-Wyoming
January 1	-Turned over to County-Lackawanna

NOTE 4 – DUE FROM OTHER GOVERNMENTS

A summary of the receivables due from other governments at June 30, 2023 is as follows:

	GOVERNMENTAL	PROPRIETARY	TOTAL
Federal grants	$ 52,404	$ -0-	$ 52,404
State subsidies	796,516	-0-	796,516
Other	246,582	-0-	246,582
Total Due from Other Governments	$ 1,095,502	$ -0-	$ 1,095,502

NOTE 5 – CAPITAL ASSETS

A summary of changes in the capital assets is as follows:

	BALANCE 2022	ADDITIONS	DELETIONS	BALANCE 2023
Governmental activities:				
Land & improvements	$ 2,842,546	$ 204,905	$ -0-	$ 3,047,451
Construction in progress	94,022	62,431	-0-	156,453
Buildings & building improvements	23,358,726	-0-	-0-	23,358,726
Furniture & equipment	2,220,087	40,203	-0-	2,260,290
Right of use asset	-0-	127,709	-0-	127,709
Vehicles	135,756	-0-	-0-	135,756
Total Historical Cost	$ 28,651,137	$ 435,248	-0-	$ 29,086,385
LESS: Accumulated depreciation				
Buildings & building improvements	$ 17,341,958	$ 549,037	-0-	$ 17,890,995
Furniture & equipment	1,735,854	89,112	-0-	1,824,966
Right of use asset	-0-	17,028	-0 -	17,028
Vehicles	135,556	-0-	-0-	135,556
Total Accumulated Depreciation	$ 19,213,368	$ 655,177	-0-	$ 19,868,545
Governmental Activities, net	$ 9,437,769	$ (219,929)	-0-	$ 9,217,840

	BALANCE 2022	ADDITIONS	DELETIONS	BALANCE 2023
Business-type activities:				
Furniture and equipment	$ 270,836	$ -0-	$(-0-)	$ 270,836
Accumulated depreciation	(270,836)	(-0-)	(-0-)	(270,836)
Business-type Activities, net	$ -0-	$(-0-)	$ -0-	$ -0-

Depreciation expense of $655,177 was charged to governmental functions as an unallocated expense.

NOTE 6 – GENERAL OBLIGATION FUNDING BONDS PAYABLE

During its June 30, 2021 fiscal year, the District issued General Obligation Bonds, Series of 2020 in the amount of $4,545,000 for the purpose of refunding all of the outstanding General Obligation Bonds, Series of 2015 and pay related costs, including the costs of issuing and insuring the Bonds. The bonds are due in varying annual installments plus interest at rates ranging from 0.58% to 4.00% with final maturity scheduled for 2035. Principal due in 2024 is $275,000.

During its June 30, 2016 fiscal year, the District issued General Obligation Bonds, Series of 2015 in the amount of $5,790,000 for the purpose of refunding all of the outstanding General Obligation Bonds, Series of 2009, to finance capital projects as approved by the Board of School Directors of the School District and to pay costs of issuing and insuring the bonds. This Bond was fully refunded with General Obligation Bond, Series of 2020.

Total interest paid on these bonds in 2023 was $87,950. No interest is reported as a direct expense in the statement of activities.

(NOTE 6 – GENERAL OBLIGATION FUNDING BONDS PAYABLE – CONTINUED)

The following summarizes the changes in bonds payable in 2023:

	BALANCE JULY 1, 2022	INCREASES	DECREASES	BALANCE JUNE 30, 2023
Series of 2020	3,980,000	-0-	(265,000)	3,715,000
TOTAL	$ 3,980,000	$ -0-	$ (265,000)	$ 3,715,000

The following summarizes the District's future debt service requirements on these bonds as of June 30, 2023:

MATURITY DATES		PRINCIPAL AMOUNT	INTEREST AMOUNT	INTEREST RATE
2024		275,000	82,650	2.00%
2025		275,000	77,150	4.00%
2026		285,000	66,150	3.00%
2027		295,000	57,600	2.00%
2028		305,000	51,700	2.00%
2029-2033		1,590,000	165,900	2.00%
2034-2035		690,000	20,800	2.00%
	TOTAL	$3,715,000	$ 521,950	

NOTE 7 – RETIREMENT PLAN

Summary of Significant Accounting Policies

Pensions

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

General Information about the Pension Plan

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 under Title 24 Part IV of the Pennsylvania General Assembly. 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.state.pa.us.

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service: or (c) 35 or more years of service regardless of age, Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E and Class T-F members must work until age 65 with a minimum of three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2 percent or 2.5 percent, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

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

(NOTE 7 – RETIREMENT PLAN-CONTINUED)

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

Contributions

The contribution policy is set by the state statute and requires contributions by active members, employees, and the Commonwealth of Pennsylvania.

Member Contributions:
Active members who joined the System prior to July 22, 1983, contribute at 5.25 percent (Membership Class T-C) or at 6.50 percent (Membership 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 percent (Membership Class T-C) or at 7.50 percent (Membership 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 percent (automatic Membership 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.

Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5 percent (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 percent (base rate) of the member's qualifying compensation. Membership 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 Membership Class T-E contribution rate to fluctuate between 7.5 percent and 9.5 percent and Membership Class T-F contribution rate to fluctuate between 10.3 percent and 12.3 percent.

Employer Contributions:

The District's contractually required contribution rate for fiscal year ended June 30, 2023 was 34.51 percent 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. The rate was certified by the PSERS Board of Trustees. Contributions to the pension plan from the District were $3,207,471 for the year ended June 30, 2023.

The District is also required to contribute a percentage of covered payroll to PSERS for healthcare insurance premium assistance. For the year ended June 30, 2023 the contribution rate was 0.75 percent of covered payroll and the District contributed $69,707.

Under the current legislation, the Commonwealth of Pennsylvania reimburses the District for approximately one-half of the employer contributions made, including contributions related pension and healthcare. The reimbursement recognized by the District for the year ended June 30, 2023 was $1,791,933.

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

At June 30, 2023, the District reported a liability of $27,253,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021 to June 30, 2022. The District'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, 2022, the District's proportion was .0613 percent, which was a decrease of .0026 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of $3,307,215. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ -	$ 462,000
Changes in proportion	409,000	1,030,000
Changes in actual experience and expected experience	12,000	236,000
Changes in assumptions	814,000	
Contributions subsequent to the measurement date	3,207,471	-
	$ 4,442,471	$ 1,728,000

The $3,207,471 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ending June 30:

2023	(131,000)
2024	2,000
2025	(1,010,000)
2026	645,000
	$ (494,000)

(NOTE 7 – RETIREMENT PLAN-CONTINUED)

Actuarial Assumptions

The total pension liability as of June 30, 2022 was determined by rolling forward the System's total pension liability as of the June 30, 2021 actuarial valuation to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method-Entry Age Normal-level percent of pay
- Investment return-7.00 percent, includes inflation at 2.50 percent
- Salary increases-Effective average of 4.50 percent, which reflects an allowance for inflation of 2.50 percent, real wage growth and merit or seniority increases of 2.00 percent
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The 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	Allocation	Rate of Return
Global public equity	28.0%	5.3%
Fixed income	33.0%	2.3%
Commodities	9.0%	2.3%
Absolute return	6.0%	3.5%
MLPs/Infrastructure	9.0%	5.4%
Real estate	11.0%	4.6%
Alternative investments	12.0%	8.0%
Cash	3.0%	0.5%
Financing (LIBOR)	-11.0%	0.5%
	100%	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rate of return for each major asset class as of June 30, 2022.

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.00 percent, 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 Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	$ 35,250,000	$ 27,253,000	$20,511,000

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.state.pa.us.

Payables to the Pension Plan

At June 30, 2023, the District had an accrued balance due to PSERS of $1,242,288. This amount represents the District's contractually obligated contributions for wages earned in April 2023 through June 30, 2023. The balance was paid in September 2023.

School districts in the Commonwealth of Pennsylvania participate in a State administered pension program established under legislative authority, which is a cost-sharing multiple-employer public employee retirement system ("PSERS"). Under this program, contributions are made by each of three parties – the school district, the Commonwealth and the employee. Substantially all the School District's full-time employees, part-time employees salaried over eighty days and hourly employees working more than five hundred hours per year participate in the program. Currently, each party to the program contributes a fixed percentage of employees' gross earnings.

NOTE 8 – CONTINGENT LIABILITIES

The pension program is wholly administered, in Pennsylvania, by the statewide, autonomous Commonwealth of Pennsylvania Public School Employees Retirement System ("The System") with offices in Harrisburg, Pennsylvania. The School District has no responsibility or authority for the operation and administration of the pension program, nor has it any related liability except for the current contribution requirements.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by written request to the Office of Financial Management & Budget, Public School Employees Retirement System, P.O. Box 125, Harrisburg, PA 17108-0125. The report is also available in the publications section of the PSERS site on the Internet.

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

The District is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of the District solicitor, the ultimate disposition of any matters outstanding at June 30, 2023 will not have a material effect on the District's financial position.

NOTE 9 – RISK MANAGEMENT

Other Risks

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased various insurance policies to safeguard the assets of the District from risk of loss.

NOTE 10 - COMPENSATED ABSENCES

The following summarizes the changes in compensated absences in 2023:

	Governmental Activities
Balance @ July 1, 2022	$ 438,065
Net increase (decrease)	(20,488)
Balance @ June 30, 2023	$ 417,577
Less: Current Portion	0
Long-term compensated absences	$ 417,577

The District normally pays compensated absences from the General Fund.

NOTE 11 - INTERNAL BALANCES/INTERFUND TRANSFERS

The District did not have any interfund transfers in 2023:

	TRANSFERS IN	TRANSFERS OUT
Food Service Fund	$ 0	$ 0
General Fund	0	0
Totals	$ 0	$ 0

NOTE 13 – SPECIAL TERMINATION BENEFITS

The District's collective bargaining agreements provide an early retirement incentive for those employees who retire with a specified level of service to the District. The District pays 70%-90% of the final salary based upon years of service in equal payments ranging from (3) three to (5) five years. The District used a discount rate of 3.00% to estimate the effect of making these payments over future years.

The summary of these charges in special termination benefits in 2023 are:

Balance at June 30, 2023	$ 311,619
LESS: Amortized discount	(18,861)
Present value of special termination benefits	292,758
LESS: Current portion	(118,541)
Long-term Special Termination Benefits	$ 174,217

NOTE 14-POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

LACKAWANNA TRAIL SCHOOL DISTRICT POSTEMPLOYMENT BENEFITS PLAN

Plan Description and Benefits Provided

Plan Description and Benefits Provided

The District's collective bargaining agreement with its Education Association provides for post-employment health insurance benefits for eligible employees and their dependents that have reached twenty-five years with PSERS and have retired through PSERS and have fifteen years of service with Lackawanna Trail School District. The District is providing medical coverage from the date of retirement until the individual reaches age 65. The cost of such medical coverage for retirees and spouses is determined by the contract provisions at the time of retirement. The plan provides medical and prescription drug benefits. Effective January 1, 2020, the District's collective bargaining agreement with its Support Professionals Association provides for post-employment health insurance benefits for eligible employees that have qualified for the Health Insurance Premium Assistance Program administered by PSERS and have retired through PSERS. The District is providing coverage from the date of retirement until the individual becomes eligible for the federal government health insurance program, but in no case more than five years. The cost of such medical coverage for retirees is determined by the contract provisions at the time of retirement and this provision expires on June 29, 2025. The plan provides medical and prescription drug benefits.

(NOTE 14-POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) – CONTINUED)

Two administrators are being provided post-employment health insurance benefits for the employee and their dependents that have reached twenty-five years with PSERS and have retired through PSERS and have fifteen years of service with Lackawanna Trail School District. The District is providing medical coverage from the date of retirement until the individual reaches age 65. The cost of such medical coverage for retirees and spouses is determined by the contract provisions at the time of retirement. The plan provides medical and prescription drug benefits.

Effective July 1, 2024, all other administrators are being provided post-employment health insurance benefits for the employee-only that have reached fifteen years with PSERS and have retired through PSERS and have fifteen years of service with Lackawanna Trail School District. The District is providing medical coverage from the date of retirement until the individual reaches age 65. The cost of such medical coverage for retirees and spouses is determined by the contract provisions at the time of retirement. The plan provides medical and prescription drug benefits. One educator is being provided employee only post-employment benefits. The District is providing coverage from the date of retirement until the individual becomes eligible for the federal government health insurance program. The District is covering the full cost of these benefits and the provision expires on August 31, 2024. The plan is unfunded and no financial reports are prepared. These benefits are accounted for in accordance with GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* Retired employees who are ineligible under the above requirements and choose to participate in the medical plan must pay 100% of the composite rate cost of such coverage.

Employees Covered by Benefit Terms

At July 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	19
Inactive employees entitled to but not yet receiving benefit payments - Active employees	141
Total	160

Funding Policy

The contribution requirements of plan members and the School District are established and may be amended by the School Board. The plan is funded on a pay-as-you-go basis, i.e., premiums are paid annually to fund the health care benefits provided to current retirees. The retiree is responsible for 100% of the premiums.

Total OPEB Liability

The District's total OPEB liability of $5,902,844 was measured as of July 1, 2023, and was determined by rolling forward the District's total OBEP liability as of the July 1, 2021 actuarial valuation to June 30, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Interest rate	3.83%
Salary increases	2.5% cost of living adjustment, 1.5% real wage growth, and for teachers and administrators a merit increase which varies by age from 2.75 to 0%.
Discount rate	3.83%
Healthcare cost trend rates	7.0% in 2023. Rates gradually decrease from 5.4% in 2027 to 4.1% in 2075 and later based on the Society of Actuaries Long-Run Healthcare Trends Resource Model.

The discount rate was based on Fidelity Fixed Income Market Data for Municipal GO AA BondYield Curve at 20 years at the measurement date of June 30, 2021.

Separate mortality rates are assumed preretirement and postretirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. Incorporated into the table are rates projected generationally by the Buck Modified 2016 projection scale to reflect mortality improvement.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2022	$ 6,618,619
Changes for the year:	
Service cost	308,389
Interest	239,599
Changes of benefit terms	-0-
Differences between expected and actual experience	-0-
Changes in assumptions or other inputs	(716,758)
Benefit payments	(247,005)
Net changes	(415,775)
Balance at June 30, 2023	$ 6,202,844

Changes in assumptions or other inputs reflect a change in the discount rate from 3.69% in 2022 to 3.83% in 2023.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69%) or 1-percentage-point higher (4.69%) than the current discount rate:

	1% Decrease (2.83%)	Discount Rate (3.83%)	1% Increase (4.83%)
Total OPEB Liability	$ 6,273,746	$ 5,902,844	$ 5,545,719

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 5,308,823	$ 5,902,844	$ 6,572,288

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

For the year ended June 30, 2023, the District recognized OPEB expense of ($488,143). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$ 932,200	$ 1,206,652
Differences between expected and actual experience	-	533,313
Benefit payments subsequent to the measurement date (June 30, 2021)	-	-
	$ 932,200	$ 1,739,965

(NOTE 14-POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) – CONTINUED)

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

2024	$	(59,845)
2025		(59,268)
2026		(88,423)
2027		(88,423)
2028		(88,423)
Thereafter		(423,383)
	$	(807,765)

PSERS HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM

General Information about the PSERS Health Insurance Premium Assistance Program

PSERS provides Premium Assistance which is a governmental cost sharing, multiple employer OPEB plan for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of $100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS'Health Options Program ("HOP"). As of June 30, 2022 there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of PSERS can participate in the Premium Assistance program if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program.

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to PSERS from the District were $69,707 for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of $1,127,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward PSERS' total OPEB liability as of June 30, 2021 to June 30, 2022. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2022, the District's proportion was .0637%, which was a decrease of .0025 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of $7,000. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 125,000	$ 266,000
Difference between expected and actual experience	10,000	6,000
Net differences between projected and actual investment earnings	3,000	-
Changes in proportion	24,000	77,000
District contributions subsequent to the measurement date	69,707	
	$ 231,707	$ 349,000

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

2023	$ (54,000)
2024	(27,000)
2025	(32,000)
2026	(36,000)
2027	(37,000)
Thereafter	-
	$ (186,000)

Actuarial Assumptions

The Total OPEB Liability as of June 30, 2022, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2021 to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay
- Investment return – 4.09% - S&P 20 Year Municipal Bond Rate
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases
- Premium Assistance reimbursement is capped at $1,200 per year
- Assumed Healthcare cost trends were applied to retirees with less than $1,200 in premium assistance per year
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP2020 Improvement Scale.
- Participation rate:
  Eligible retirees will elect to participate Pre age 65 at 50%
  Eligible retirees will elect to participate Post age 65 at 70%

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2022
- 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 are assumed to elect premium assistance
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

(NOTE 14 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)-CONTINUED)

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

OPEB-Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	0.50%
	100.0%	

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, 2022.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.09%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 2.18% which represents the S&P 20 year Municipal Bond Rate at June 30, 2022, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of PSERS Net OPEB Liability to Change in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than $1,200 in annual Premium Assistance. As of June 30, 2022, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of $1,200. The actual number of retirees receiving less than the $1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

(NOTE 14 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)-CONTINUED)

The following presents PSERS net OPEB liability for June 30, 2022, calculated using current Healthcare cost trends as well as what PSERS net OPEB liability would be if it health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Trends Cost	1% Increase
PSERS Net OPEB Liability	$ 1,126,000	$ 1,127,000	$ 1,127,000

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

The following presents the net OPEB liability, calculated using the discount rate of 4.09%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	1 % Decrease 3.09%	Discount Rate 4.09%	1% Increase 5.09%
PSERS proportionate share of the net OPEB liability	$ 1,274,000	$ 1,127,000	$ 1,003,000

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 15-CAPITAL LEASES

OPEB Plan Fiduciary Net Position

The District has entered into a long term lease agreement for office equipment. The terms for the lease is six years with a 5.00% interest rate. The total lease payments are $28,920 for 2024 through 2027 and $9,640 for 2028. The value of capital assets as of June 30, 2023 is $110,681, net of accumulated depreciation of $17,028 and is included with noncurrent assets on the statement of net position. The future minimum lease payments under these leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 23,838	$ 5,082	$ 28,920
2025	25,058	3,862	28,920
2026	26,340	2,580	28,920
2027	27,688	1,232	28,920
2028	9,540	100	9,640
Total	$ 112,464	$ 12,856	$ 125,320

NOTE 16- PENDING CHANGES IN ACCOUNTING PRINCIPLES

The Government Accounting Standards Board has issued the following standards which have not yet been implemented:

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, will be effective for the District beginning with its year ending June 30, 2024 (fiscal years beginning after June 15, 2023). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements.

GASB Statement No. 101, *Compensated Absences*, will be effective for the District beginning with its year ending June 30, 2025 (fiscal years beginning after December 15, 2023). This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

The District has not yet completed the analysis to determine the actual financial statement impact of these new pronouncements.

REQUIRED

SUPPLEMENTARY INFORMATION

LACKAWANNA TRAIL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

Last Ten (10) Fiscal Years*

	June 30,2023	June 30,2022	June 30,2021	June 30,2020	June 30,2019	June 30,2018	June 30,2017	June 30,2016	June 30,2015	June 30,2014
District's proportion of the net pension liability	0.06130%	0.0639%	0.0622%	0.0633%	0.0633%	0.0634%	0.0692%	0.0698%	0.0677%	0.0652%
District's proportionate share of the net pension liability	$ 27,253,000	$ 26,235,000	$ 30,627,000	$ 29,612,999	$ 30,387,000	$ 31,312,000	$ 34,292,999	$ 30,234,000	$ 26,796,000	$ 26,691,000
District's covered-employee payroll	$ 8,992,504	$ 9,034,127	$ 8,711,021	$ 8,735,164	$ 8,521,068	$ 8,442,701	$ 8,962,465	$ 8,980,488	$ 8,639,220	$ 8,361,616
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	303.06%	290.40%	351.59%	339.01%	356.61%	370.88%	382.63%	336.66%	310.17%	319.21%
Plan fiduciary net position as a percentage of the total pension liability	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.35%	57.24%	54.49%

*This schedule is presented to illustrate the requirement to show information for ten (10) years, however, until a full 10-year trend is complete, available information is presented.

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
TO THE PENSION PLAN

Last Ten (10) Fiscal Years*

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30,2014
Contractually required contribution	$ 3,053,268	$ 3,052,926	$ 3,018,986	$ 2,895,928	$ 2,835,426	$ 2,677,825	$ 2,416,101	$ 2,214,434	$ 1,782,586	$ 1,329,081
Contributions in relation to the contractually required contribution	$ (3,053,268)	$ (3,052,926)	$ (3,018,986)	$ (2,895,928)	$ (2,835,426)	$ (2,677,825)	$ (2,416,101)	$ (2,214,434)	$ (1,782,586)	$ (1,329,081)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's covered-employee payroll	$ 8,992,504	$ 9,034,127	$ 8,711,021	$ 8,735,164	$ 8,521,068	$ 8,442,701	$ 8,962,465	$ 8,980,488	$ 8,639,220	$ 8,361,616
Contributions as a percentage of covered-employee payroll	34.0%	33.8%	34.7%	33.2%	33.3%	31.7%	27.0%	24.7%	20.6%	15.9%

Amounts are based on actual contibutions during the fiscal year.

*This schedule is presented to illustrate the requirement to show information for ten (10) years, however, until a full 10-year trend is complete, available information is presented.

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE OPEB LIABILITY

	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.0612%	0.0637%	0.0621%	0.0633%	0.0633%	0.0634%	0.0692%
District's proportionate share of the net OPEB liability	$ 1,127,000	$ 1,510,000	$ 1,342,000	$ 1,346,000	$ 1,320,000	$ 1,292,000	$ 1,491,000
District's covered-employee payroll	$ 8,992,504	$ 9,034,127	$ 8,711,021	$ 8,735,164	$ 8,521,068	$ 8,442,701	$ 8,962,465
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	12.5%	16.7%	15.4%	15.4%	15.5%	15.3%	16.6%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Data is not available for years prior to June 30, 2017

Note: Covered-employee payroll above represents the amount for the year coinciding with the measurement date

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
OPEB

Last Ten (10) Fiscal Years*

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Contractually required contribution	$ 69,707	$ 71,539	$ 73,876	$ 72,919	$ 72,262	$ 70,025	$ 68,677
Contributions in relation to the contractually required contribution	$ (69,707)	$ (71,539)	$ (73,876)	$ (72,919)	$ (72,262)	$ (70,025)	$ (68,677)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	8,992,504	9,034,127	8,711,021	8,735,164	8,521,068	8,442,701	8,962,465
Contributions as a percentage of covered-employee payroll	0.78%	0.79%	0.85%	0.83%	0.85%	0.83%	0.77%

Amounts are based on actual contibutions during the fiscal year.

*This schedule is presented to illustrate the requirement to show information for ten (10) years, however, until a full 10-year trend is complete, available information is presented.

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

YEAR ENDED JUNE 30, 2023

	June 30,2023	June 30,2022	June 30,2021	June 30,2020	June 30,2019	June 30,2018
Total OPEB Liability						
Service Cost	$ 308,389	$ 497,179	$ 427,466	$ 321,940	$ 301,660	$ 300,026
Interest Cost	239,599	164,243	190,603	204,022	225,867	213,730
Changes of benefit terms	-	(1,174,521)	-	-	-	-
Differences between expected and actual experience	-	(433,920)	-	(267,431)	-	-
Changes of assumptions or other inputs	(716,758)	(676,351)	331,025	868,456	250,733	(5,137)
Benefit payments (expected claims)	(247,005)	(251,261)	(235,895)	(241,542)	(242,826)	(306,137)
Net Change in Total OPEB liability	(415,775)	(1,874,631)	713,199	885,445	535,434	202,482
Total OPEB Liability, Beginning	6,318,619	8,193,250	7,480,051	6,594,606	6,059,172	5,856,690
Total OEPB Liability, Ending	5,902,844	6,318,619	8,193,250	7,480,051	6,594,606	6,059,172
Covered-employee Payroll	$ 8,732,540	$ 8,732,540	$ 8,365,598	$ 8,365,598	$ 5,709,435	$ 5,743,427
Total OPEB Liability as a percentage of covered-employee payroll	67.60%	72.36%	97.94%	89.41%	115.50%	105.50%

The District implemented GASB Statement No. 75 during its year ended June 30, 2018.
Information prior to 2018 year is not available.

Notes:

Changes of Assumptions
The discount rate changed from 3.69% to 3.83%.
The trend assumption was also updated.

Changes in Benefit Terms
Each year's loss (or gain) is recognized over a closed period,using the average of the expected remaining service lives of all active and inactive employees that are currently receiving a benefit may be eligible to receive a benefit in the future.

These figures are based on estimated benefit payments. These amounts may be adjusted for actual benefit payments made during the year.

The accompanying notes are an integral part of these financial statements.

SUPPLEMENTARY INFORMATION

OTHER FINANCIAL STATEMENTS

LACKAWANNA TRAIL SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND FUND BALANCE
YEARS ENDING JUNE 30, 2023 AND 2022

EXHIBIT A

	SCHEDULE	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
REVENUES					
Local Sources	1	$ 11,088,140	$ 11,735,632	$ 647,492	$ 11,388,396
State Sources	2	10,987,407	11,244,741	257,334	10,555,588
Federal Sources	3	552,300	544,246	(8,054)	1,893,340
Refund of Prior Year Expense	-	500	350	(150)	2,750
Sale of or Compensation for Loss of Fixed Assets	-	-	-	-	-
Proceeds from Extended Term Financing	-	-	-	-	-
		22,628,347	23,524,969	896,623	23,840,074
EXPENDITURES					
1100-INSTRUCTION Regular Programs	4	9,858,573	9,783,555	75,018	9,529,665
1200- Special Programs	5	4,407,822	4,363,899	43,923	3,957,927
1300-VOCATIONAL EDUCATION	6	1,037,567	1,122,909	(85,342)	1,082,218
1400-OTHER INSTRUCTIONAL PROGRAMS-E/S	7	8,575	7,432	1,143	6,541
1800-PRE-KINDERGARTEN	8	-	-	-	-
2100-SUPPORT SERVICES- Pupil Personnel	9	663,163	649,698	13,465	621,172
2200-SUPPORT SERVICES- Instructional Staff	10	228,260	190,629	37,631	163,828
2300-SUPPORT SERVICES- Administration	11	1,519,060	1,555,679	(36,619)	1,477,222
2400-SUPPORT SERVICES- Pupil Health	12	232,528	227,773	4,755	217,681
2500-SUPPORT SERVICES-Business	13	324,544	313,531	11,013	309,677
2600-SUPPORT SERVICES-Operation & Maintenance of Plant Services	14	1,754,452	1,660,332	94,120	1,632,286
2700-SUPPORT SERVICES-Student Transportation Services	15	1,339,000	1,384,817	(45,817)	1,265,776
2800-SUPPORT SERVICES-Central	16	288,486	280,626		276,724
2900-SUPPORT SERVICES-Other	17	13,194	12,962	232	14,883
3200-OPERATION OF NON-INSTRUCTIONAL SERVICES-STUDENT ACTIVITIES	18	526,673	557,857	(31,184)	500,265
3300-COMMUNITY SERVICES	19	1,500	1,500	0	1,762
4000-FACILITIES ACQUISITION, CONSTRUCTION & IMPROVE-MENT SERVICES	20	0	202,574	(202,574)	953,343
5100- DEBT SERVICE	21	352,950	357,286	(4,336)	349,970
5200-FUND TRANSFERS	22	72,000	-	72,000	-
5900-BUDGETARY RESERVE	23	-	-	-	-
		22,628,347	22,673,059	(44,712)	22,360,940
EXCESS REVENUE OVER EXPENDITURES		0	851,910	$ 851,910	1,479,134
FUND BALANCE, BEGINNING			9,119,078		7,639,944
FUND BALANCE, ENDING			$ 9,970,988		$ 9,119,078

The accompanying notes are an integral part of these financial statements.

SCHEDULE 1

		BUDGET		2023 ACTUAL		VARIANCE FAVORABLE (UNFAVORABLE)		2022 ACTUAL
REVENUE FROM LOCAL SOURCES								
Current real estate taxes	$	8,574,593		8,737,998	$	163,405		8,624,192
Public utility realty taxes		10,000		10,016		16		10,287
Payment in lieu of taxes		4,000		3,798		(202)		3,904
Per capita - Section 679		-		-		-		-
Per capita - Act 511		-		-		-		-
Earned income taxes		1,025,000		1,198,262		173,262		1,096,271
Real estate transfer taxes		132,000		169,934		37,934		208,632
Delinquent taxes		775,300		774,961		(339)		795,008
Earnings on investments		50,000		229,107		179,107		55,972
Contributions and donations from private sources		192,311		198,661		6,350		192,811
Revenue from intermediate sources		-		-		-		-
Revenue from District activities		30,000		22,563		(7,437)		21,595
Pass through revenue from NEIU		243,000		250,562		7,562.00		294,611
Tuition from patrons and other Leas		-		-		-		-
Rentals		11,450		12,050		600		11,675
Refunds & other miscellaneous revenue		40,486		127,720		87,234		73,438
	$	11,088,140	$	11,735,632	$	647,492	$	11,388,396

SCHEDULE 2

REVENUE FROM STATE SOURCES								
Basic instructional subsidy	$	6,064,500		6,168,649	$	104,149		5,881,408
Tuition		50,000		-		(50,000)		-
State property tax reduction		669,763		669,763		0		531,449
Special education of exceptional pupils		976,950		1,147,237		170,287		1,068,325
Pre-k pass through		-		-		-		-
Transportation		871,240		892,699		21,459		893,879
Rentals & sinking fund payments		3,500		3,263		(237)		3,236
Health services		18,000		17,418		(582)		17,378
Safe Schools Grants		-		-		-		-
Revenue for social security		392,000		372,325		(19,675)		328,449
Revenue for retirement		1,760,000		1,791,933		31,933		1,650,010
Extra grants		181,454		181,454		-		181,454
	$	10,987,407	$	11,244,741	$	257,334	$	10,555,588

The accompanying notes are an integral part of these financial statements.

SCHEDULE 3

	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
REVENUE FROM FEDERAL SOURCES				
NCLB-Title I	$ 217,253	213,687	$ (3,566)	217,253
NCLB Title II	32,323	31,333	(990)	32,323
Title IV	16,895	16,997	102	16,895
ESSER I	-	-	-	-
ESSER II	-	-	-	-
ESSER III	189,829	127,566	(62,263)	1,449,462
ARP	-	41,584	41,584	43,119
PCCD Cares Act	-	-	-	-
Medical Assistance reimbursement	96,000	113,079	17,079	127,429
IDEA Funds	0	-	-	6,859
	$ 552,300	$ 544,246	$ (8,054)	$ 1,893,340

SCHEDULE 4

1100-INSTRUCTION-REGULAR PROGRAMS				
Salaries	$ 5,095,353	$ 5,002,427	$ 92,926	$ 4,882,181
Employee benefits	3,813,078	3,591,717	221,361	3,592,641
Purchased professional and technical services	157,762	177,801	(20,039)	153,938
Purchased property services	40,550	63,894	(23,344)	128,156
Other purchased services	517,406	665,376	(147,970)	511,171
Supplies	209,224	267,734	(58,510)	260,806
Property	23,600	13,066	10,534	-
Other objects	1,600	1,540	60	772
	$ 9,858,573	$ 9,783,555	$ 75,018	$ 9,529,665

SCHEDULE 5

1200-INSTRUCTION-SPECIAL PROGRAMS				
Salaries	$ 1,693,325	$ 1,650,635	$ 42,690	$ 1,598,962
Employee benefits	1,189,847	1,205,332	(15,485)	1,069,345
Purchased professional and technical services	418,603	269,199	149,404	412,648
Purchased property services	-	922	(922.00)	-
Other purchased services	1,061,889	1,213,156	(151,267)	842,471
Supplies	43,647	24,149	19,498	33,996
Property	-	-	-	-
Other objects	510	506	4	505
	$ 4,407,822	$ 4,363,899	$ 43,923	$ 3,957,927

SCHEDULE 6

1300-VOCATIONAL EDUCATION				
Salaries	$ 405,234	$ 401,445	$ 3,789	$ 433,102
Employee benefits	248,343	255,600	(7,257)	249,704
Purchased professional and technical services	-	-	-	-

The accompanying notes are an integral part of these financial statements.

SCHEDULE 6 - CONTINUED

	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
Purchased property services	250	-	250	-
Other purchased services	360,800	440,854	(80,054)	377,566
Supplies	22,939	17,454	5,485	21,846
Property	-	7,556	(7,556.00)	-
	$ 1,037,567	$ 1,122,909	$ (85,342)	$ 1,082,218

SCHEDULE 7

1400-OTHER INSTRUCTIONAL PROGRAMS-E/S	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
Salaries	$ 6,000	$ 5,202	$ 798	$ 4,590
Employee benefits	2,575	2,230	345	1,951
Other purchased services	-	-	-	-
Supplies	-	-	-	-
	$ 8,575	$ 7,432	$ 1,143	$ 6,541

SCHEDULE 8

1800-PRE-KINDERGARTEN	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
Salaries	$ -	$ -	-	$ -
Other purchased services	-	-	-	-
	$ -	$ -	$ -	$ -
TOTAL INSTRUCTIONAL	$ 15,312,537	$ 15,277,795	$ 34,742	$ 14,576,351

SCHEDULE 9

2100-SUPPORT SERVICES-PUPIL PERSONNEL	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
Salaries	$ 420,228	418,702	$ 1,526	$ 407,091
Employee benefits	217,452	216,089	1,363	205,969
Purchased professional and technical services	-	-	-	-
Purchased property services	240	932	(692)	240
Other purchased services	4,500	830	3,670	119
Supplies	20,453	12,925	7,528	7,534
Other objects	290	220	70	219
	$ 663,163	$ 649,698	$ 13,465	$ 621,172

The accompanying notes are an integral part of these financial statements.

SCHEDULE 10

	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
2200-SUPPORT SERVICES-INSTRUCTIONAL STAFF				
Salaries	$ 79,375	$ 79,382	$ (7)	$ 73,027
Employee benefits	128,534	104,594	23,940	84,897
Purchased professional and technical services	7,016.00	-	7,016.00	-
Purchased property services	240	60	180.00	220
Other purchased services	-	-	-	-
Supplies	13,095	6,593	6,502	5,684
Property	-	-	-	-
Other objects	-	-	-	-
	$ 228,260	$ 190,629	$ 37,631	$ 163,828

SCHEDULE 11

	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
2300-SUPPORT SERVICES-ADMINISTRATION				
Salaries	$ 731,796	$ 744,753	$ (12,957)	$ 716,171
Employee benefits	520,877	503,078	17,799	491,332
Purchased professional and technical services	153,521	215,063	(61,542)	181,440
Purchased property services	5,977	5,326	650.60	4,077
Other purchased services	54,750	51,309	3,441	49,824
Supplies	30,340	33,988	(3,648)	33,138
Property	-	-	-	-
Other objects	21,800	2,162	19,638	1,240
	$ 1,519,060	$ 1,555,679	$ (36,619)	$ 1,477,222

SCHEDULE 12

	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
2400-SUPPORT SERVICES-PUPIL HEALTH				
Salaries	$ 118,338	$ 115,915	$ 2,423	$ 113,007
Employee benefits	94,790	93,359	1,431	88,981
Purchased professional and technical services	12,850	15,521	(2,671)	12,393
Purchased property services	300	-	300	-
Other purchased services	250	-	250	-
Supplies	6,000	2,978	3,022	3,300
Property	-	-	-	-
	$ 232,528	$ 227,773	$ 4,755	$ 217,681

The accompanying notes are an integral part of these financial statements.

SCHEDULE 13

2500-SUPPORT SERVICES-BUSINESS	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
Salaries	$ 141,123	$ 141,184	$ (61)	$ 137,872
Employee benefits	111,574	111,463	111	105,534
Purchased professional and technical services	59,790	53,066	6,724	57,281
Purchased property services	0	921	(921)	1,309
Other purchased services	7,000	2,243	4,757	3,058
Supplies	4,207	3,699	508	3,838
Property	-		-	-
Other objects	850	955	(105)	785
	$ 324,544	$ 313,531	$ 11,013	$ 309,677

SCHEDULE 14

2600-SUPPORT SERVICES-OPERATION & MAINTENANCE OF PLANT SERVICES	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
Salaries	$ 555,768	$ 532,539	$ 23,229	$ 521,860
Employee benefits	447,737	427,853	19,884	410,298
Purchased professional and technical services	20,000	48,247	(28,247)	48,616
Purchased property services	293,160	231,882	61,278	248,585
Other purchased services	103,088	111,780	(8,692)	109,511
General Supplies	277,900	232,678	45,222	199,816
Property	56,800	75,353	(18,553)	93,600
Other objects	-	-	-	-
	$ 1,754,452	$ 1,660,332	$ 94,120	$ 1,632,286

SCHEDULE 15

2700-SUPPORT SERVICES-STUDENT TRANSPORTATION SERVICES	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
Salaries	$ -	$ -	$ -	$ -
Benefits	-	-	-	-
Purchased property services	-	-	-	-
Other purchased services	1,337,500	1,384,670	(47,170)	1,265,306
Supplies	1,500	147	1,353	470
Property	-	-	-	-
	$ 1,339,000	$ 1,384,817	$ (45,817)	$ 1,265,776

The accompanying notes are an integral part of these financial statements.

SCHEDULE 16

	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
2800-SUPPORT SERVICES-CENTRAL				
Salaries	$ 176,097	$ 176,346	$ (249)	$ 172,612
Benefits	94,339	93,927	412	90,035
Purchased professional and technical services	-	-	-	2,778
Other purchased services	500	-	500	0
Supplies	17,550	10,353	7,197	4,894
Property	-	0	0	6,405
	$ 288,486	$ 280,626	$ 7,860	$ 276,724

SCHEDULE 17

	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
2900-SUPPORT SERVICES-OTHER				
Other purchased services	$ 13,194	$ 12,962	$ 232	$ 14,883
TOTAL SUPPORT SERVICES	$ 6,362,687	$ 6,276,047	$ 86,640	$ 5,979,249

SCHEDULE 18

	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
3200-OPERATION OF NONINSTRUCTIONAL SERVICES-STUDENT ACTIVITIES				
Salaries	$ 233,860	$ 238,882	$ (5,022)	$ 226,089
Benefits	101,459	97,413	4,046	89,364
Purchased professional and technical services	30,405	30,917	(512)	29,603
Purchased property services	3,000	-	3,000	205
Other purchased services	89,149	126,388	(37,239)	103,309
Supplies	52,800	49,902	2,898	46,895
Property	9,000	8,960	40	-
Other objects	7,000	5,395	1,605	4,800
	$ 526,673	$ 557,857	$ (31,184)	$ 500,265

SCHEDULE 19

	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
3300-COMMUNITY SERVICES				
Salaries	$ -	$ -	$ -	$ -
Employee benefits	-	-	-	-
Purchased professional and technical services	1,500	1,500	0	1,755

The accompanying notes are an integral part of these financial statements.

	BUDGET	2023 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
				SCHEDULE 19 - CONTINUED
Other purchased services	-	-	-	7
Supplies	-	-	-	-
	$ 1,500	$ 1,500	$ -	$ 1,762
TOTAL OPERATION OF NON-INSTRUCTIONAL SERVICES	$ 528,173	$ 559,357	$ (31,184)	$ 502,027
				SCHEDULE 20
4000-FACILITIES ACQUISITION, CONSTRUCTION & IMPROVEMENT SERVICES				
Property and improvements	$ -	$ 202,574	$ (202,574)	$ 953,343
				SCHEDULE 21
5100-DEBT SERVICES				
Other objects - Interest	$ 87,950	$ 92,286	$ (4,336)	$ 89,970
Other objects - Refund of prior year revenues	-	-	-	-
Other financing uses - Principal	265,000	265,000	0	260,000
	$ 352,950	$ 357,286	$ (4,336)	$ 349,970
				SCHEDULE 22
5200- FUND TRANSFERS				
Contribution of Cafeteria Fund	$ 72,000	$ -	$ 72,000	$ -
Contribution of Athletic Fund		-	-	-
	$ 72,000	$ -	$ 72,000	$ -
				SCHEDULE 23
5900-BUDGETARY RESERVE	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements.

LACKAWANNA TRAIL SCHOOL DISTRICT
SCHEDULE OF REAL ESTATE TAX COLLECTIONS
YEARS ENDING 2023 AND 2022

SCHEDULE 24

	2023 TOTAL	TAX ACCRUAL	TOTAL LACKAWANNA COUNTY	BENTON TOWNSHIP	DALTON BOROUGH	LA PLUME TOWNSHIP	WEST ABINGTON TOWNSHIP	TOTAL WYOMING COUNTY	NICHOLSON TOWNSHIP	NICHOLSON BOROUGH	CLINTON TOWNSHIP	FACTORY-VILLE BOROUGH	2023 TOTAL
REAL ESTATE													
Market Value	$ 528,324,218	N/A	$ 294,032,373					$ 234,291,845					$ 513,961,530
Assessment value	$ 82,727,927	N/A	$ 31,824,207	$ 16,857,188	$ 9,753,561	$ 2,741,214	$ 2,472,244	$ 50,903,720	$ 17,157,470	$ 6,410,150	$ 19,718,520	$ 7,617,580	$ 82,097,332
Millage	N/A	N/A	182.68	182.68	182.68	182.68	182.68	91.70	91.70	91.70	91.70	91.70	N/A
Tax Due (rounding)	9,802,397	-	5,458,473	2,894,281	1,678,099	465,600	420,493	4,343,924	1,460,604	542,047	1,699,538	641,735	9,647,077
Penalties	47,821	-	20,411	9,876	8,854	740	941	27,410	9,104	4,448	11,706	2,152	58,656
Additional Valuations - Net	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	$ 9,850,218	$ -	$ 5,478,884	$ 2,904,157	$ 1,686,953	$ 466,340	$ 421,434	$ 4,371,334	$ 1,469,708	$ 546,495	$ 1,711,244	$ 643,887	$ 9,705,733
REAL ESTATE INCOME	8,737,997	$ -	$ 4,780,224	$ 2,434,847	$ 1,561,051	$ 393,271	$ 391,055	$ 3,957,773	$ 1,342,926	$ 486,216	$ 1,601,271	$ 527,360	$ 8,624,191
DISCOUNTS	140,510	-	76,992	39,079	25,759	5,806	6,348	63,518	21,107	7,192	26,198	9,021	139,107
ABATEMENTS	225,509	-	222,932	222,932	-	-	-	2,577	707	-	-	1,870	222,570
UNPAID TAXES RETURNED TO COUNTY	746,202	-	398,736	207,299	100,143	67,263	24,031	347,466	104,968	53,087	83,775	105,636	719,865
TOTAL	$ 9,850,218	$ -	$ 5,478,884	$ 2,904,157	$ 1,686,953	$ 466,340	$ 421,434	$ 4,371,334	$ 1,469,708	$ 546,495	$ 1,711,244	$ 643,887	$ 9,705,733
COLLECTION %	92.4%		92.7%	92.8%	94.0%	85.6%	94.3%	92.0%	92.8%	90.2%	95.1%	83.5%	92.5%
CHECK	-	-	-	-	-	-	-	-	-	-	-	-	-

Ten Largest Taxpayers in School District

The ten largest real estate taxpayers in the School District based on their real estate tax and the 2022-23 assessed valuation of their real estate tax are as follows:

Taxpayer	Description	County		Assessed Valuation		Tax	Municipality
Crystal Window & Door System PA	Commercial Factory	Lackawanna	$	1,253,453	$	228,980.79	Benton Township
Meade Pipeline Co LLC	Commercial Infrastructure	Wyoming		384,485		35,257.27	Clinton Township
Oxbow Creek Energy, LLC	Commercial Buildings & Land	Wyoming		365,530		33,519.10	Nicholson Township
Keystone College	Commercial Buildings & Land	Wyoming		362,990		33,286.18	Factoryville Borough
ATR Laplume LLC	Apartment Buildings	Wyoming		344,070		31,551.22	Factoryville Borough
Private Concern	Farm & Residence	Lackawanna		148,988		27,217.13	Benton Township
Private Concern	Farm & Residence	Lackawanna		113,658		20,763.04	Benton Township
Private Concern	Residence & Commercial Building & Land	Lackawanna		113,829		20,794.28	Dalton Borough
Private Concern	Farm & Residence	Lackawanna		103,137		18,841.07	Dalton Borough
Hearthstone 16 LLC	Apartment Buildings	Wyoming		193,060		17,703.60	Clinton Township
	Total	**Total**	**$**	**3,383,200**	**$**	**467,913.69**	

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J. PAUL MURPHY, CPA
MICHAEL DOUGHERTY, CPA

PAUL T. MURPHY, CPA
LEAH C. ROSENKRANS, CPA

February 20, 2024

Board of Education
Lackawanna Trail School District
Factoryville, Pennsylvania 18419

To the Members of the Board:

We have performed the Single Audit of the Lackawanna Trail School District for the year ended June 30, 2023 and have enclosed the Single Audit reporting package.

The Single Audit was done to fulfill the requirements of the Uniform Guidance. It entailed: 1. An audit of the general purpose financial statements and our opinion thereon; 2. a review of compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards; 3. an audit of the Schedule of Expenditures of Federal Awards and our opinion thereon; 4. a review of compliance with requirements applicable to each major program and internal control over compliance in accordance with the Uniform Guidance.

Please be advised that a management letter was not necessary as part of our report.

One copy of the Audit Report was distributed to:

a) Federal Audit Clearinghouse
Bureau of the Census
1201 E. 10th Street
Jeffersonville, IN 47132

b) Court of Common Pleas
Lackawanna County
Scranton, Pennsylvania
18503

c) N.E.I.U. # 19
1200 Line Street
Archbald, Pennsylvania 18403

d) Office of Prothonotary
Wyoming County
Tunkhannock, Pennsylvania
18657

The Audit Report was distributed electronically to:

a) Commonwealth of Pennsylvania
   Bureau of Audits
   Special Audit Services Division
   Forum Place – 8th Floor
   555 Walnut Street
   Harrisburg, Pennsylvania 17101

Your cooperation in this matter is appreciated.

Very truly yours,

Murphy Dougherty & Co. CPAs

Murphy, Dougherty & Company
Certified Public Accountants

MURPHY, DOUGHERTY & COMPANY
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

Board of Education
Lackawanna Trail School District
Factoryville, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lackawanna Trail School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Lackawanna Trail School District's basic financial statements and have issued our report thereon dated February 20, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lackawanna Trail School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 Lackawanna Trail School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Lackawanna Trail School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 20, 2024
Moscow, Pennsylvania

Murphy Dougherty & Co. CPA's

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

Board of Education
Lackawanna Trail School District
Factoryville, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lackawanna Trail School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023. Lackawanna Trail School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lackawanna Trail School District compiled, 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, 2023.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lackawanna Trail School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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

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

Report on Internal Control over Compliance

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

A significant deficiency in internal control over compliance is 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.

Purpose of this Report

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Murphy Dougherty & Co. CPAs

February 20, 2024
Moscow, Pennsylvania

LACKAWANNA TRAIL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDING JUNE 30, 2023

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	GRANT PERIOD BEGINNING/ ENDING DATE	PROGRAM OR AWARD AMOUNT	TOTAL RECEIVED FOR THE YEAR	ACCRUED OR (DEFERRED) REVENUE AT 7/1/2022	REVENUE RECOGNIZED	EXPENDITURES	ACCRUED OR (DEFERRED) REVENUE AT 6/30/2023
U.S. DEPARTMENT OF EDUCATION										
Passed through the Pennsylvania Department of Education										
NCLB - Title I	I	84.010	013-230216	7/1/22-9/30/23	$ 213,687	$ 197,250	$ -	$ 213,687	$ 213,687	$ 16,437
NCLB - Title I	I	84.010	013-200216	7/1/21-9/30/22	217,253	30,835	30,835	0	0	0
TOTAL CFDA# 84.010						228,085	30,835	213,687	213,687	16,437
Title II-Supporting Effective Instruction	I	84.367	020-230216	7/1/22-9/30/23	31,333	28,955	0	31,333	31,333	2,378
Title II-Supporting Effective Instruction	I	84.367	020-200216	7/1/21-9/30/22	32,323	4,770	4,770	0	0	0
TOTAL CFDA# 84.367						33,725	4,770	31,333	31,333	2,378
Title IV-Student Support and Academic Enrichment	I	84.424	144-230216	7/1/22-9/30/23	16,997	16,997	0	16,997	16,997	0
Title IV-Student Support and Academic Enrichment	I	84.424	144-200216	7/1/21-9/30/22	16,895	2,608	2,608	0	0	0
TOTAL CFDA# 84.424						19,605	2,608	16,997	16,997	0
ARP ESSER III	I	84.425U	223-210216	3/13/20-9/30/24	1,678,099	1,495,034	1,327,419	127,566	127,566	(40,049)
ARP 7 % Set-Asides	I	84.425U	225-210216	3/13/20-9/30/24	130,425	28,456	7,549	41,584	41,584	20,677
TOTAL CFDA# 84.425						1,523,490	1,334,968	169,150	169,150	(19,372)
TOTAL PASSED THROUGH PENNSYLVANIA DEPARTMENT OF EDUCATION						1,804,905	1,373,181	431,167	431,167	(557)
Passed through the N.E.I.U. # 19										
Individuals with Disabilities Education Act	I	84.027 (1)	N/A	7/1/22-6/30/23	246,545	0	0	246,545	246,545	246,545
Individuals with Disabilities Education Act	I	84.027 (1)	N/A	7/1/21-6/30/22	242,547	242,547	240,554	1,993	1,993	0
Individuals with Disabilities Education Act - ARP of 2021	I	84.027X (1)	N/A	7/1/21-9/30/23	50,277	50,277	50,277	0	0	0
IDEA - Section 619	I	84.173 (1)	N/A	7/1/22-6/30/23	2,025	2,025	0	2,025	2,025	0
TOTAL N.E.I.U. # 19						294,849	290,831	250,563	250,563	246,545
TOTAL IDEA PROGRAM CLUSTER						294,849	290,831	250,563	250,563	246,545
TOTAL DEPARTMENT OF EDUCATION						2,099,754	1,664,012	681,730	681,730	245,988
U.S. DEPARTMENT OF AGRICULTURE										
Passed through the Pennsylvania Department of Agriculture										
National School Lunch Program-Commodities	I	10.555	N/A	7/1/22-6/30/23	N/A	38,559 (a)	(10,230) (b)	39,948	39,948 ©	(8,841) (d)
Passed through the Pennsylvania Department of Education										
National School Lunch Program-Cash	I-F	10.555	N/A	7/1/22-6/30/23	N/A	268,083	50,657	217,426	217,426	0
National School Lunch Program-Supply Chain Assistance	I-F	10.555	N/A	7/1/22-6/30/23	N/A	33,806	(23,267)	28,746	28,746	(28,327)
TOTAL CFDA# 10.555						340,448	17,160	286,120	286,120	(37,168)
School Breakfast Program	I-F	10.553	N/A	7/1/22-6/30/23	N/A	137,204	26,639	110,565	110,565	0
TOTAL CHILD NUTRITION CLUSTER						477,652	43,799	396,685	396,685	(37,168)
Pandemic-EBT	I-F	10.649	N/A	10/1/21-9/30/22	N/A	628	0	628	628	0
TOTAL DEPARTMENT OF AGRICULTURE						478,280	43,799	397,313	397,313	(37,168)
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES										
Passed through the Pennsylvania Department of Public Welfare:										
Medical Assistance Program	I	93.778	N/A	7/1/22-6/30/23	N/A	7,202	5,507	5,461	5,461	3,766
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES						7,202	5,507	5,461	5,461	3,766
TOTAL FEDERAL AWARDS						$ 2,585,236	$ 1,713,318	$ 1,084,504	$ 1,084,504	$ 212,586

SOURCE CODES: D - Direct Funding
I - Indirect Funding
F - Federal Share
(1) - Denotes Special Educaion Cluster

FOOTNOTES: (a) Total commodities received from Department of Agriculture.
(b) Beginning inventory at July 1.
© Total amount of commodities used.
(d) Ending inventory at June 30, 2021.

LACKAWANNA TRAIL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	____ yes __X__ no
Significant deficiency (ies) identified?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	____ yes __X__ no
Significant deficiency (ies) identified?	____ yes __X__ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)	____ yes __X__ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
84.425	Education Stabilization Fund
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: $750,000
Auditee qualified as low risk auditee? __X__ yes ____ no

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

LACKAWANNA TRAIL SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDING JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lackawanna Trail School District located in Factoryville, Pennsylvania is a school district mandated by the Pennsylvania Department of Education. The District provides educational services to children in Grades K-12.

A. REPORTING ENTITY

The accompanying financial statements comply with the provisions of GASB Statement No. 61, The Financial Reporting Entity: Omnibus, in that the financial statements include all organizations, activities and functions for which the School District is financially accountable. Financially accountability is defined as the appointment of a voting majority of a component unit's board and either (1) the School District's ability to impose its will over a component unit or (2) the possibility that the component unity will provide a financial benefit or impose a financial burden on the School District. In addition, component units can be organizations for which the nature and significance of their relationship with the School District are such that exclusion would cause the School District's financial statements to be misleading. This report presents the activities of the Lackawanna Trail School District. Based upon the application of these criteria, the School District is not a component unity of another reporting entity. Currently, the School District does not have any potential component units that should be included in the School District's reporting entity.

B. BASIS OF ACCOUNTING

This financial statement has been prepared on the modified basis of accounting except for the National School Lunch Program which uses the full accrual method.

C. INVENTORY OF MATERIALS, SUPPLIES AND EQUIPMENT

Materials, supplies and equipment of all federal funds except the National School Lunch Programs Inventories are expended on a first-in, first-out basis as the foodstuffs and supplies are consumed in providing meals and services.

LACKAWANNA TRAIL SCHOOL DISTRICT
SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

* NO PRIOR FINDINGS NOTED.

APPENDIX F

BOND AMORTIZATION SCHEDULE

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: $ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ________________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100