PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 13, 2026

NEW ISSUE - BOOK ENTRY ONLY

RATINGS: Moody's: "A1" (Negative Outlook)(Underlying)
S&P: "AA" (Stable Outlook) (BAM Insured)
(*See* **"RATINGS"** *herein*)

In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the Bonds is excludable from gross income of the owners thereof for purposes of federal income taxation. This opinion of Bond Counsel is subject to continuing compliance by the School District with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations thereunder. In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") as presently enacted and construed, the interest on the Bonds is exempt from the Pennsylvania personal income tax and the Pennsylvania corporate net income tax. For further information concerning federal and state tax matters relating to the Bonds, see ***"TAX EXEMPTION AND OTHER TAX MATTERS"*** *herein.*

$136,900,000*

ABINGTON SCHOOL DISTRICT

(Montgomery County, Pennsylvania)

General Obligation Bonds, Series of 2026 (Unlimited Tax)

Bonds Dated: Date of Delivery
Principal Due: April 1, as shown on inside cover
Denomination: Integral multiples of $5,000

Interest Payable: April 1 and October 1
First Interest Payment: April 1, 2027
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 2026 (Unlimited Tax) (the "Bonds" or "2026 Bonds") in the aggregate principal amount of $136,900,000* are being issued by the Abington School District (the "School District"), a public school district located in Montgomery County, 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 Manufacturers and Traders Trust Company, Harrisburg, Pennsylvania, 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 April 1, 2027, and thereafter, semiannually on April 1 and October 1 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 May 12, 2026, 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 (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 finance a portion of the Capital Improvement Program (defined herein) consisting of: (i) the demolition of the existing Abington Middle School building, (ii) the planning, designing, constructing, equipping, furnishing, and financing of a new Abington Middle School building; (iii) the planning and designing for the relocation of the athletic fields at Abington Middle School; (iv) the construction and relocation of parking lots for Abington Middle School (collectively, the "Capital Improvement Program"); and (v) paying the costs and expenses related to the issuance of 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 **Build America Mutual Assurance Company ("BAM").**

BAM

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 McNees Wallace & Nurick LLC, Plymouth Meeting, Pennsylvania, as Bond Counsel to the School District, to be furnished upon delivery of the Bonds. Certain legal matters will be passed upon by Wisler Pearlstine, LLP, Blue Bell, Pennsylvania, as Solicitor for the School District, and for the Underwriter by its limited scope underwriter's counsel, Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania. Piper Sandler & Co., Camp Hill, Pennsylvania, will serve as Municipal Advisor to the School District in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery through the facilities of DTC, on or about September 15, 2026.

RAYMOND JAMES®

*Preliminary, subject to change.

$136,900,000*

ABINGTON SCHOOL DISTRICT
(Montgomery County, Pennsylvania)
General Obligation Bonds, Series of 2026 (Unlimited Tax)

Bonds Dated: Date of Delivery
Principal Due: April 1, as shown below
Denomination: Integral multiples of $5,000

Interest Payable: April 1 and October 1
First Interest Payment: April 1, 2027
Form: DTC Book-entry Only

BOND MATURITY SCHEDULE

(April 1) Year	Principal Amount	Interest Rate	Yield	Price	CUSIP Numbers (1)
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
2048					
2049					
2050					
2051					
2052					
2053					
2054					
2055					
2056					

(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 Underwriter 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 Underwriter. 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 Underwriter 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 AT A LEVEL ABOVE THAT 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 ARE MADE ONLY BY THE MEANS OF THIS ENTIRE 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 UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM 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 BAM, supplied by BAM 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	Abington School District, Montgomery County, Pennsylvania (the "School District").
Bonds	The General Obligation Bonds, Series of 2026 (Unlimited Tax) in the principal amount of $136,900,000* (the "Bonds"), dated as of the date of delivery, maturing on April 1, _____ through and including April 1, __________. Interest on the Bonds shall be payable semiannually on April 1 and October 1. See **"DESCRIPTION OF THE BONDS"** herein.
Optional Redemption	The Bonds stated to mature on or after April 1, ____, 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 October 1, ____, 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........................	The proceeds of the Bonds will be used to finance a portion of the Capital Improvement Program consisting of: (i) the demolition of the existing Abington Middle School building, (ii) the planning, designing, constructing, equipping, furnishing, and financing of a new Abington Middle School building; (iii) the planning and designing for the relocation of the athletic fields at Abington Middle School; (iv) the construction and relocation of parking lots for Abington Middle School (collectively, the "Capital Improvement Program"); and (v) paying the costs and expenses related to the issuance of 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 insured rating of AA (stable outlook) to this issue of Bonds with the understanding that upon 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 BAM. Currently, BAM's financial strength is rated "AA" (stable outlook) by S&P. Moody's Investor's Service, Inc. ("Moody's") has assigned, to this issue of the Bonds, the School District an underlying rating of "A1" (negative 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,** herein.)

*Preliminary, subject to change.

ABINGTON SCHOOL DISTRICT
(Montgomery County, Pennsylvania)

970 Highland Avenue
Abington, Pennsylvania 19001

BOARD OF SCHOOL DIRECTORS

Dr. Melissa Mowry…………………………………………………………………………………..	President
Mr. Yaasiyn Muhammad…………………………………………………………………………	Vice President
Ms. Patricia Denicola..	Secretary*
Mr. Brian Allen..	Member
Mrs. Shameeka Browne..	Member
Ms. Elizabeth Eisenhart..	Member
Ms. Adrienne Fletcher	Member
Ms. Angelique Frazier	Member
Mrs. Rachel Hartman...	Member
Ms. Cathy D. Spaulding...	Member

*Non-voting member

SCHOOL ADMINISTRATION

Dr. Jeffrey S. Fecher..	Superintendent of Schools
Ms. Patricia Denicola..	Chief Financial Officer

SOLICITOR

Wisler Pearlstine, LLP
Blue Bell, Pennsylvania

BOND COUNSEL

McNees Wallace & Nurick LLC
Plymouth Meeting, Pennsylvania

MUNICIPAL ADVISOR

Piper Sandler & Co.
Camp Hill, Pennsylvania

UNDERWRITER

Raymond James & Associates, Inc.
Lancaster, Pennsylvania

LIMITED SCOPE UNDERWRITER'S COUNSEL

Eckert Seamans Cherin & Mellott, LLC
Harrisburg, Pennsylvania

PAYING AGENT

Manufacturers and Traders Trust Company
Harrisburg, Pennsylvania

OFFICIAL STATEMENT

$136,900,000*

ABINGTON SCHOOL DISTRICT

(Montgomery County, Pennsylvania)

General Obligation Bonds, Series of 2026 (Unlimited Tax)

INTRODUCTION

This Official Statement is furnished by the Abington School District (the "School District"), a public school district located in Montgomery County, Pennsylvania, in connection with the offering of its General Obligation Bonds, Series of 2026 (Unlimited Tax) (the "Bonds" or "2026 Bonds") in the aggregate principal amount of $136,900,000*, 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 May 12, 2026 (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 April 1 and October 1 of each year, commencing April 1, 2027. 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 Manufacturers and Traders Trust Company (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 finance a portion of the Capital Improvement Program (defined herein) consisting of: (i) the demolition of the existing Abington Middle School building, (ii) the planning, designing, constructing, equipping, furnishing, and financing of a new Abington Middle School building; (iii) the planning and designing for the relocation of the athletic fields at Abington Middle School; (iv) the construction and relocation of parking lots for Abington Middle School (collectively, the "Capital Improvement Program"); and (v) paying the costs and expenses related to the issuance of the Bonds.

SOURCES AND USES OF FUNDS

	Total
Sources of Funds	
Proceeds of the Bonds	
Net Original Issue Premium [Discount]	
Total Sources of Funds	
Uses of Funds	
Capital Improvement Program Funds Deposit	
Costs of Issuance [(1)]	
Total Uses of Funds	

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

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 April 1, 2027, and thereafter, semiannually on April 1 and October 1 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, April 1, 2027, 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 fifteenth (15th) 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

Optional Redemption

The Bonds maturing on or after April 1, ____, shall be subject to redemption, prior to maturity, at the option of the School District, in whole or in part, in any order of maturities, at any time on or after October 1, ___, at a price equal to 100% of the principal amount of the Bonds to be redeemed and accrued interest thereon to the date fixed for such optional redemption. In the event that less than all of the Bonds of a particular maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.

Mandatory Sinking Fund Redemptions

The Bonds stated to mature on April 1, ___ are subject to mandatory redemption, in part, as drawn by lot by the Paying Agent, prior to the stated maturity date, by application of money available for such purposes in the Sinking Fund established under the Bond Resolution, upon payment of the principal amount thereof, together with accrued interest, to the date fixed for redemption or upon maturity, as applicable, on April 1st of the following years as in the following principal amounts:

The Bonds Stated to Mature on April 1, _____:

____
*Maturity

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 twenty (20) 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.

With respect to any optional redemption of the Bonds, if at the time of mailing such notice of redemption, the School District shall not have deposited with the Paying Agent monies sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption monies with the Paying Agent not later than the redemption date, and such notice shall be of no effect unless such monies are 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 2026 (Unlimited Tax)" (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

The Commonwealth's fiscal year begins on July 1st; however, over several of the past years, the Commonwealth has started its fiscal year without a fully adopted state budget.

The Governor timely signed the state's 2021-22 fiscal year budget on June 30, 2021. That budget included an increase of $300 million for basic education, with $100 million of that targeted to the 100 historically underfunded school districts that included some in both urban and rural areas of the state. Special education received a $50 million increase, boosting that budget line to $1.24 billion, while preschool and Head Start programs received a $30 million increase, to $311.5 million. All told, funding for K-12 schools reached a then record high of $13.55 billion in the 2021-22 budget.

After a week's delay and intense negotiations, a $42.7 billion budget for the state's 2022-23 fiscal year was signed by then Governor Tom Wolf on July 8, 2022, which included $7.6 billion for the basic education funding appropriation and $225 million to supplement school districts with a higher at risk student population. The total amount was a $525 million increase over the 2021-22 fiscal year appropriation.

After over a month delay, a $44.9 billion budget for the state's 2023-24 fiscal year was signed by Governor Josh Shapiro on August 3, 2023, which included $7.87 billion for the basic education funding appropriation. The total amount was a $567 million increase over the 2022-23 fiscal year appropriation. The budget also provided $50 million in additional aid to school districts for special education services for a total of $1.4 billion. Certain funds authorized within the 2023-24 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.

Governor Josh Shapiro signed the state's budget for the 2024-25 fiscal year 11 days late on July 11, 2024. The $47.6 billion budget includes $8.097 billion for the basic education funding appropriation. The total amount is a $225 million increase over the 2023-24 fiscal year appropriation. The budget also provides $100 million in additional aid to school districts for special education services for a total of $1.487 billion and $100 million for cyber charter school tuition reimbursement. 348 school districts (including the School District) will receive additional funding totaling $493.8 million under a new Adequacy Supplement. 182 school districts will receive an additional $60 million in total of Hold Harmless Relief Supplement as a component of their basic education funding.

After months of negotiations, Governor Josh Shapiro signed the state's budget for the 2025-26 fiscal year late on November 12, 2025. The $50.1 billion budget includes (i) $8.262 billion for the basic education funding appropriation, which is more than a $100 million increase over the basic education funding appropriation for the 2024-25 fiscal year, and (ii) $1.526 billion for the special education appropriation, which is a $40,000,000 increase over the same appropriation for the 2024-25 fiscal year. The budget also increases the Ready to Learn Block Grant program appropriation by approximately 68% from the 2024-25 fiscal year. In addition, the budget hopes to provide $175 million in estimated savings for school districts through reforms to the existing cyber charter school law.

After approximately two weeks of delay, Governor Josh Shapiro signed the state's budget for the 2026-27 fiscal year on July 12, 2026. The $50.85 billion budget represents a 1.4% increase in spending over the prior fiscal year. The budget includes $8.3 billion for the basic education funding appropriation, which is a $50 million increase over the 2025-26 fiscal year appropriation, and $1.58 billion for the special education appropriation, which is a $55 million increase over the same appropriation for the 2025-26 fiscal year. The budget also includes $75 million in annual savings from cyber charter funding reform, bringing total cyber charter savings to $250 million annually. (See **"SECURITY FOR THE BONDS"** herein.)

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, Build America Mutual Assurance Company ("BAM") 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 exhibit 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.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 28 Liberty Street, 59th Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at https://www.spglobal.com/en/. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds 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 Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $493.3 million, $277.6 million and $215.7 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM 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 BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at https://bambonds.com/insights/#video. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at https://bambonds.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

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 Underwriter 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 absent 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.

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 Agreement 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 Agreement (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 Agreement.

The School District acknowledges that its undertaking pursuant to the Rule described herein and in the Continuing Disclosure Agreement 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 a continuing disclosure agreement with respect to 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 are outlined in the following table.

Fiscal Year	**Filing**	**Filing Dates**	
Ending	**Due Date**	**Audit**	**Operating Data***
6/30/2025	12/27/2025	12/19/2025[(1)]	8/21/2025[(6)]
6/30/2024	12/27/2024	01/02/2025[(2)]	8/19/2024[(7)]
6/30/2023	12/27/2023	01/02/2024[(3)]	8/01/2023[(8)]
6/30/2022	12/27/2022	12/27/2022[(4)]	8/22/2022
6/30/2021	12/27/2021	12/23/2021[(5)]	9/20/2021[(9)]

**A summary of the budget can be found in the audits filed to EMMA.*

[(1)]The School District filed to EMMA a "Failure to Timely File Notice". The School District subsequently filed its audit to EMMA, when it became available on 7/21/2026.

[(2)]The School District filed its unaudited financial statements, along with a "Failure to Timely File Notice". The School District subsequently filed its audit to EMMA, when it became available on 2/25/2025.

[(3)]The School District filed its unaudited financial statements, along with a "Failure to Timely File Notice". The School District subsequently filed its audit to EMMA, when it became available on 3/27/2024.

[(4)]The School District filed its unaudited financial statements, along with a "Failure to Timely File Notice". The School District subsequently filed its audit to EMMA, when it became available on 3/22/2023.

[(5)]The School District filed a "Failure to Timely File Notice". The School District subsequently filed its audit to EMMA, when it became available, on 3/1/2022.

[(6)]The Borrowing Base Certificate, which was not included in the operating data filed by the School District to EMMA on 8/21/2025, but was included in the School District's audit for FYE 6/30/2025, which was subsequently posted to EMMA on 12/19/2025.

[(7)]Information missing from the operating data filed by the School District to EMMA on 8/19/2024 was provided in subsequent filings made by the School District to EMMA on 1/2/2025 and 8/21/2025.

[(8)]The Borrowing Base Certificate, which was not included in the operating data filed by the School District to EMMA on 8/1/2023, was included in the School District's audit for FYE 6/30/2023, which was subsequently posted to EMMA on 1/02/2024.

[(9)]The Borrowing Base Certificate, which was not included in the operating data filed by the School District to EMMA on 9/20/2021, was included in the School District's audit for FYE 6/30/2021, which was subsequently posted to EMMA on 3/1/2022.

On June 23, 2025 S&P downgraded the School District's underlying rating from "AA" to "A", this downgrade may affect some, but not all of the School District's outstanding general obligation debt.

The School District has reasonable procedures in place designed to facilitate ongoing timely filings with respect to its continuing disclosure requirements.

NO LITIGATION

At the time of settlement, the School District will deliver a certificate stating to the knowledge of the School District there is no litigation pending with respect to the Bonds, the Resolution or the right of the School District to issue the Bonds and there is no litigation which would materially affect the School District's financial condition.

TAX EXEMPTION AND OTHER TAX MATTERS

Certain Federal Income Tax Matters

On the date of delivery of the Bonds, McNees Wallace & Nurick LLC ("Bond Counsel") will issue an opinion to the effect that under existing statutes and court decisions as of the date of initial delivery of the Bonds, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion of Bond Counsel will assume the accuracy of certifications made by the School District and will be subject to the condition that the School District complies with all requirements of the Code. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income prospectively and/or retroactively to the date of issuance of the Bonds.

Notwithstanding the general exclusion of interest on the Bonds from gross income and the exemption of the Bonds and the interest thereon from certain taxes, ownership of the Bonds may result in certain other federal income tax consequences to certain taxpayers, including, without limitation, certain foreign corporations doing business in the United States that are subject to the branch profits tax imposed by the Code, 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 or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion as to such other tax consequences, and prospective purchasers of the Bonds should consult their tax advisors as to all matters relating to the acquisition, ownership and disposition of the Bonds.

[The initial public offering price of the Bonds of certain maturities may be greater than the amount payable on such Bonds at maturity. Bond Counsel expresses no opinion herein with respect to the treatment of such excess of offering price over amounts payable at maturity ("original issue premium"). Investors should seek advice thereon from their own tax advisor.]

[The initial public offering price of the Bonds of certain maturities may be less than the amount payable at maturity. The difference between the initial public offering price and the amount payable at maturity constitutes "original issue discount." Bond Counsel is of the opinion that the appropriate portion of such original issue discount allocable to the original and each subsequent holder will, upon sale, exchange, redemption, or payment at maturity, be treated as interest and excluded from gross income for federal income tax purposes to the same extent as the stated interest on the Bonds.]

Certain Pennsylvania Tax Matters

On the date of delivery of the Bonds, Bond Counsel will issue an opinion to the effect that, under the laws of the Commonwealth as enacted and construed as of the date of initial delivery of the Bonds, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. The Bonds and the interest thereon may be subject to state or local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws. Bond Counsel will express no other opinion regarding other tax consequences with respect to the Bonds, including whether or not interest on the Bonds is subject to taxation under the laws of any jurisdiction other than the Commonwealth.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

LEGAL OPINIONS

The issuance of the Bonds is subject to the approving legal opinion of McNees Wallace & Nurick LLC, Plymouth Meeting, Pennsylvania, as Bond Counsel to the School District, substantially in the form of Appendix C. Certain legal matters will be passed on for the School District by Wisler Pearlstine, LLP, Blue Bell, Pennsylvania, Solicitor to the School District, and Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, will pass upon certain legal matters as Limited Scope Underwriters 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 of "AA" (stable outlook) to this issue of Bonds with the understanding that upon 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 BAM. Currently, BAM's financial strength is rated "AA" (stable outlook) by S&P.

Moody's Investors Service ("Moody's") has assigned, to this issue of the Bonds, the School District an underlying rating of "A1" (negative outlook). This rating may be changed, suspended or withdrawn as a result in, or unavailability of, information.

The above ratings are not a recommendation to buy, sell or hold the Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of the above ratings may have an adverse effect on the market price of the Bonds.

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 a net 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.

MUNICIPAL ADVISOR

The School District has retained Piper Sandler & Co., of Camp Hill, Pennsylvania, as municipal advisor (the "Municipal Advisor") in connection with the authorization and issuance of the Bonds. The Municipal Advisor is not obligated to perform an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of, the information contained in this Official Statement, and has neither performed any such verification nor assumed any such responsibility.

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.

ABINGTON SCHOOL DISTRICT
Montgomery County, 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

The Abington School District (the "School District") is located within Montgomery County (the "County") in the northern suburbs of Philadelphia, Pennsylvania. The School District's geographical limits coincide with those of the Township of Abington and the Borough of Rockledge. The School District is situated directly north of the City of Philadelphia. The School District surrounds the Borough of Jenkintown and covers an area of 15.2 square miles, which is primarily residential, serving a population of approximately 61,140.

The School District governed by a board of nine School Directors who are citizens of the School District and who are 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 who is appointed by the Board of School Directors.

School Facilities

The School District operates seven elementary schools, one middle school and one high school, all as described on the following table.

School	Year Constructed	Additions/ Alterations	Grades	Rated Pupil Capacity	2025-26 Enrollment
Elementary:					
Copper Beech	2002	---	K-5	1,244	819
Highland	1923/2005	1950 / 1953/ 1968	K-5	675	451
McKinley	1968	2000	K-5	700	594
Overlook	1926/2005	1927 / 1950	K-5	600	434
Roslyn	1926/2007	1950 / 1953	K-5	1,076	389
Rydal	1959	1961 / 2000	K-5	700	540
Willow Hill	1965	2007	K-5	714	337
Secondary:					
Middle School	1964	1998	6-8	2,200	2,047
Senior High	1956	1959 / 1998 / 2022	9-12	3,614	2,693
Total School District				11,523	8,303

Source: School District Officials.

Pupil Enrollment

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

Year	Elementary	Secondary	Total
2022-23	3,738	4,806	8,544
2023-24	3,769	4,839	8,608
2024-25	3,664	4,736	8,400
2025-26 (Current)	3,564	4,603	8,167
2026-27 (Projected)	3,561	4,553	8,114

Source: School District Officials – October 1st "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 Maillie LLP 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 must approve a proposed final budget at least 30 days prior to adoption. The School District 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. 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, 2021 through June 30, 2025. For more complete information, the individual financial statements and the 2026 Budget of the School District are available on the School District's website or may be reviewed at the School District's Business Office.

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

	ACTUAL					Budgeted
	2021	2022	2023	2024	2025	2026
Revenues						
Local Sources	$119,102,751	$123,482,614	$126,973,792	$132,855,105	$141,569,055	$143,624,481
State Sources	38,911,850	38,589,509	43,063,116	43,997,996	46,937,685	50,147,669
Federal Sources	2,808,757	4,747,099	4,494,641	4,252,066	3,327,605	2,248,959
Other Financing Sources	0	0	0	0	0	1,000,000
Total Revenues	$160,823,358	$166,819,222	$174,531,549	$181,105,167	$191,834,345	$197,021,109
Expenditures						
Instruction	$99,825,869	$100,304,899	$96,502,019	$109,273,407	$114,682,660	$119,462,105
Support Services	55,199,145	56,691,623	56,027,976	65,146,379	64,712,263	68,843,398
Operation of Non-Instructional Services	1,167,403	1,365,756	1,469,058	1,480,335	1,770,095	2,352,460
Insurance & retirement to be allocated	0	0	13,247,405	0	0	0
Capital Outlay	59,141	685,960	0	0	0	0
Debt Service	8,596,002	8,977,928	9,031,026	9,199,910	11,740,583	12,115,700
Total Expenditures	$164,847,560	$168,026,166	$176,277,484	$185,100,031	$192,905,601	$202,773,663
Other Financing Sources (Uses)						
Operating Transfers Out (to other funds)	($3,708,612)	($1,904,612)	($1,708,612)	($1,708,612)	($78,000)	($78,000)
Capital Lease Proceeds	1,275,659	0	0	0	0	0
Budgetary Reserve (Budget Only)	0	0	0	0	0	0
Total Other Financing Sources (Uses)	($2,432,953)	($1,904,612)	($1,708,612)	($1,708,612)	($78,000)	($78,000)
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing (Uses)	($6,457,155)	($3,111,556)	($3,454,547)	($5,703,476)	($1,149,256)	($5,830,554)
Beginning Fund Balance	$40,390,438	$33,933,283	$30,821,727	$27,367,180	$21,663,704	$20,514,448
Fund Balance June 30	$33,933,283	$30,821,727	$27,367,180	$21,663,704	$20,514,448	$14,683,894

Source: School District Audits, School Officials 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) (1) the revenue raised by the allowable increase under the Index is insufficient to balance the proposed budget due to one or more of the expenditures listed below, (2) the revenue generated by increasing the rate of a tax by more than the Index will be used to pay for one of the expenditures listed below, and (3) the use of the 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 not elected to become subject to Act 72 (as in the case of the School District) and to pay interest and principal on the refunding or refinancing of debt for which one of the above exceptions is permitted or refinancing of electoral debt, 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 interest and principal on any indebtedness approved by the voters at referendum (**"Electoral Debt"**) and to pay interest and principal on refunding or refinancing of electoral debt, 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;

3. to pay costs incurred in providing special education programs and services to students with disabilities if the increases in expenditures on such programs net of State special education payments is greater than the Index, as determined by PDE in accordance with the provisions of Act 1; or;

4. 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 greater 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.

The interest and principal payments on the Bonds constitute Electoral Debt, thereby allowing the School District to request PDE approval to increase the tax rate by more than the Index under exception numbered 2 above without further voter referenda in accordance with the provisions of the Taxpayer Relief Act (Act 1).

Any revenue derived from an increase in the rate of any tax allowed under the exceptions numbered 1 and 2 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 exceptions numbered 3 and 4 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:

INDEX

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 %**
2026-27	3.5
2025-26	4.0
2024-25	5.3
2023-24	4.1
2022-23	3.4

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 School District has not submitted a referendum question regarding increasing its EIT or imposing a PIT for the purpose of funding homestead and farmstead exclusions.

As stated under **"Taxpayer Relief Act (Act 1)"** above, the Bonds were not authorized before the effective date of Act 1. However, the Bonds represent approved electoral indebtedness of the School District, and hence the School District is entitled to an exception to the provisions of Act 1 limiting tax rate increases required to pay debt service resulting from issuing the Bonds. Under the Taxpayer Relief Act (Act 1), the School District is entitled to apply to the Pennsylvania Department of Education ("PDE") for an approval to utilize a referendum exception, if and to the extent a tax increase greater than the Index is needed to pay principal and interest on the Bonds in any particular fiscal year (see **"PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS - Taxpayer Relief Act (Act 1)"** herein). The Taxpayer Relief Act provides that PDE shall approve a school district's request if a review of the data demonstrates that the school district qualifies for the exception sought and the sum of the dollar amounts of all exceptions for which the school district qualifies is not more than what is necessary to balance the budget after giving effect to the revenue to be raised by the allowable increase under the Index. The i**ssuance of these Bonds represents the incurrence of a portion of the electoral debt approved by the voters at an election held on May 20, 2025** (see **"DEBT STATEMENT AND DEBT LIMITS"** herein**).**

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 $28,000,000 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

2025-26 Real Estate and Non-Real Estate Tax Rates

	Real Estate (Mills)			
Municipality	**School District**	**Municipal**	**County**	**Total**
Abington Township	38.550	5.922	5.642	50.114
Rockledge Borough	38.550	10.600	5.642	54.792

	Real Estate Transfer		Earned Income	
Municipality	**Municipal**	**School**	**Municipal**	**School**
Abington Township	0.5%	0.5%	0.5%	0.5%
Rockledge Borough	0.5%	0.5%	0.5%	0.5%

Source: School District 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	Adjusted Total Levy	Current Collections	Current Percent Collected	Total Collections[1]	Total Percent Collected
2020-21	$113,519,845	$110,193,826	97.07%	$111,625,435	98.33%
2021-22	116,425,802	113,147,200	97.18%	113,642,577	97.61%
2022-23	120,049,760	116,829,016	97.32%	118,167,043	98.43%
2023-24	125,079,226	121,153,019	96.86%	122,603,270	98.02%
2024-25	131,319,084	128,744,880	98.04%	130,646,017	99.49%

[1]Includes delinquent real estate collection.
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
2020	$5,736,187,530	$3,453,212,889	60.20%
2021	5,913,968,853	3,555,968,013	60.13%
2022	6,417,627,980	3,549,793,393	55.31%
2023	6,420,649,600	3,550,996,273	55.31%
2024	7,075,587,277	3,554,754,417	50.24%

Source: Pennsylvania State Tax Equalization Board (STEB). Valuations are certified in June of the 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 7.11% of the School District’s total most recent assessed value.

Taxpayer	Taxable Assessed Valuation
Preit - Willow Grove Park L.P.[1]	$59,674,400
Philadelphia Presbytery Homes, Inc.	37,440,490
Pleasantville Gardens Associates, LLC	32,219,540
Abington Memorial Hospital	30,393,870
Washington York, LLC[2]	28,367,940
Plaza Unit Acquisition, LP	14,618,050
Preit - Willow Grove Park Anchor B L.P.	14,000,000
Baederwood Fairway, LLC	13,620,500
Park Side Realty, LP[3]	10,000,000
Development Unit Acquisition, LP	8,955,730
Totals	$252,745,520

[1]An appeal by the taxpayer contesting the assessment for tax year 2027 and thereafter is pending in the Board of Assessment Appeals of Montgomery County, Pennsylvania.

[2]An appeal by the School District contesting the assessment for tax year 2025 and thereafter, is pending in the Court of Common Pleas of Montgomery County, Pennsylvania.

[3]An appeal by the taxpayer contesting the assessment for tax year 2025 and thereafter, is pending in the Court of Common Pleas of Montgomery County, Pennsylvania.

Source: County Assessment Office

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 2023-24 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. Beginning in 2024-25, there is also a Hold Harmless Relief Supplement for qualifying school districts.

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 MVAR is currently higher at 41.52%. 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 is a moratorium for the new PlanCon program, which still remains in place.

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 ELECTORAL DEBT	Gross Outstanding	Project Reimbursable Percent (%)	Effective[1] Reimbursement	State Share	Local Share
Issue Type[2]					
General Obligation Bonds, Series of 2026 (Unlimited Tax) ...	$136,900,000	0.00%	0.00%	$0	$136,900,000
General Obligation Bonds, Series of 2025 (Unlimited Tax) ...	14,555,000	0.00%	0.00%	0	14,555,000
Total Principal of Electoral Debt	$151,455,000			$0	$151,455,000
NONELECTORAL DEBT					
Issue Type					
General Obligation Bonds, Series of 2024	$14,990,000	0.00%	0.00%	$0	$14,990,000
General Obligation Bonds, Series AA of 2021	3,770,000	25.60%	10.63%	0	3,770,000
General Obligation Bonds, Series A of 2021 (Federally Taxable)	14,165,000	13.93%	5.78%	819,266	13,345,734
General Obligation Bonds, Series A of 2017	82,715,000	19.89%	8.26%	6,830,876	75,884,124
General Obligation Bonds, Series of 2017	19,230,000	15.56%	6.46%	1,242,356	17,987,644
Total Principal of Nonelectoral Debt	$134,870,000			$8,892,499	$110,987,501
Total Principal of Lease Rental Debt	$0				
TOTAL DIRECT DEBT	$286,325,000				
OVERLAPPING DEBT					
Component Municipalities Debt	$0				
Montgomery County[3]	45,272,211				
Total Principal of Overlapping Debt	$45,272,211				
TOTAL DIRECT AND OVERLAPPING DEBT	$331,597,211				
DEBT RATIOS OF DIRECT DEBT					
Market Valuation of Real Estate	4.05%				
Assessed Valuation of Real Estate	8.05%				
Per Capita (2020 Population)	$4,683				
DEBT RATIOS OF DIRECT DEBT AND OVERLAPPING DEBT					
Market Valuation of Real Estate	4.69%				
Assessed Valuation of Real Estate	9.33%				
Per Capita (2020 Population)	$5,424				
FINANCIAL FACTORS OF THE SCHOOL DISTRICT					
Market Value	$7,075,587,277				
Assessed Value	$3,554,754,417				
Population (2020)	61,140				

[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]Approved by voter referendum on May 20, 2025.
[3]School District's pro rata 5.8% share of the County's $782,399,821 principal amount outstanding.

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

FUTURE FINANCING

The Bonds are authorized pursuant to and in full compliance with the laws of the Commonwealth. On May 20, 2025 voters in the School District approved the issuance of general obligation bonds in an amount not to exceed $285,000,000 to pay the costs of construction of a new Abington Middle School (the "New Abington Middle School"). The School District issued the General Obligation Bonds, Series of 2025 and these Bonds, as the first and second in a series of general obligation bonds that will be issued to finance the cost of the School District's Capital Improvement Program. The New Abington Middle School is estimated to be completed by 2030.

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 electoral 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:

	2022-23	2023-24	2024-25
Total General Fund Revenues	$174,531,549	$181,105,167	$191,834,349
Less: Required Deductions			
a. Rental and Sinking Fund Reimbursement	$850,290	$871,229	$874,860
b. Revenues for Self-Liquidating Debt	0	0	0
c. Refunds from Prior Year Expenditures	0	0	0
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	$850,290	$871,229	$874,860
Total Revenues	$173,681,259	$180,233,938	$190,959,489
Total Net Revenues for Three Years		$544,874,686	
Borrowing Base - Average Net Revenues for Three-Year Period		$181,624,895	
Computation of Borrowing Capacity			
Debt Limitation - 225% OF Borrowing Base		$408,656,015	
Less: Net Non-Electoral and Lease Rental Debt		134,870,000	
Current Non-Electoral and Lease Rental Borrowing Capacity		$273,786,015	

LABOR RELATIONS

Employees and Labor Contracts

The School District employs approximately 1,211 full-time employees. The teaching staff currently consists of 612 professionals and there are 66 administrators and 533 classified support personnel. The teachers are represented by the Abington Education Association, an affiliate of the Pennsylvania State Education Association ("PSEA"), under contract with the School District which expires on June 30, 2028. The Abington School Service Personnel Association are represented by the American Federation of State, County and Municipal Employees ("AFSCME"), under contract with the School Ditrict which expires on June 30, 2027. The Abington Transportation Association's contract expires on June 30, 2029; the Abington Secretaries Educational Support Personnel Association contract expires on June 30, 2028; and the Abington Supervisors and Administrators Association compensation plan expires on June 30, 2030.

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 16, 2022, the PSERS Board certified the employer rate, to be paid by the School District, of 34% for the 2023-24 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 state reimbursement, have been as follows:

Fiscal Year		Amount
2021-22		$15,645,761
2022-23		15,197,123
2023-24		16,300,606
2024-25		15,877,993
2025-26	(budgeted)	16,984,371

On June 30, 2025, the School District reported a liability of $244,851,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the PSERS' total pension liability as of June 30, 2022 to June 30, 2024. 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, 2025 (measurement date), the School District's proportion was 0.5850%, which was a decrease of 0.0179% from its proportion measured as of June 30, 2024.

As of June 30, 2025, the PSERS plan was 64.8% funded, with an unfunded actuarial accrued liability of approximately $42.0 billion. PSERS' rate of return for fiscal year ended June 30, 2024 was 9.67%. The Fund had plan net assets of $83.7 billion at June 30, 2025. 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.

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APPENDIX B

LOCAL DEMOGRAPHIC AND STATISTICAL; AND ECONOMIC INFORMATION

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DEMOGRAPHIC AND STATISTICAL INFORMATION

Population

	2020	2010
School District	61,140	57,853
Montgomery County	856,553	799,874
Pennsylvania	12,794,885	12,702,379

Source: U.S. Bureau of Census.

Age Composition
(2020 5-year estimates)

	Percent Under 18	Percent 65 and Over
Montgomery County	24.6	13.5
Pennsylvania	20.7	18.3

Source: U.S. Bureau of Census.

Income
(2020 5-year estimates)

	Median Household	Per Capita	Persons in Poverty
Montgomery County	$106,748	$59,425	7.0%
Pennsylvania	63,627	35,518	10.9

Source: U.S. Bureau of Census.

Housing Characteristics
(2020 5-year estimates)

	Housing Units	% Owner-Occupied	Households	Persons Per Household
Montgomery County	352,167	71.0	338,467	2.50
Pennsylvania	5,815,392	69.2	5,147,783	2.44

Source: U.S. Bureau of Census.

Transportation

Transportation needs of the area are served by U.S. Route 611 (Old York Road). Commuter rail service is provided by the Southeastern Pennsylvania Transportation Authority (SEPTA) as its commuter bus service. Airport facilities are available at Philadelphia International Airport, approximately forty-five minutes from the School District, one of the major commercial domestic and international passenger and air freight facilities in the United States.

Utilities

Electric distribution and gas service are provided by the Philadelphia Electric Company. With deregulation, electric generation is provided by numerous suppliers. PECO provides both gas and electric services to residents. Telephone service is generally provided by Verizon. Water is provided by Aqua Pennsylvania, Inc. Sewer facilities in the Township are provided by Abington Township Sewer Authority and in the Borough by the Rockledge Municipal Authority.

Higher Education

School District residents are provided with numerous higher education facilities in addition to many business and technical schools which complement the colleges and universities in the area. There are several private and parochial schools in the vicinity of the School District. Higher education is offered by Ursinus College, Bryn Mawr College, Rosemont College, Haverford College, Villanova University, Saint Joseph's University, Arcadia University, Ambler Campus of Temple University, Abington Campus of Pennsylvania State University, Gwynedd Mercy College and Montgomery County Community College. The University of Pennsylvania is located in nearby Philadelphia, an easy commute for School District residents. Temple University is also located in the City of Philadelphia. The Philadelphia Metropolitan Area includes over 70 additional degree-granting institutions, offering a wide variety of educational choices.

Medical Facilities

Jefferson Health is the umbrella organization that encompasses many hospitals including those in Abington and in Lansdale. Jefferson Health entities also include convenient outpatient facilities which serve the School District's residents. In addition, Montgomery County contains many other hospitals which operate facilities in the area.

Ten Largest Employers in Montgomery County

Company
Merck Sharp & Dohme Corporation
Abington Memorial Hospital
Main Line Hospital Inc.
State Government
Albert Einstein Medical Center
SEI Investments Company
SmithKline Beecham Corporation
Giant Food Stores LLC
Lockheed Martin Corp.
Montgomery County

Source: Department of Labor a& Industry, Center for Workforce Information and Analysis – Labor & Industry (L & I), 1st Quarter, 2025.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

APPENDIX B
PROPOSED FORM OF OPINION OF BOND COUNSEL

Below is the Proposed Form of Bond Counsel Opinion Expected to be Delivered in Connection with the Issuance of the Bonds

[________________], 2026

Abington School District
970 Highland Avenue
Abington, PA 19001

Re: Abington School District, Montgomery County, Pennsylvania [$_____________] General Obligation Bonds, Series of 2026

We have acted as Bond Counsel to Abington School District, Montgomery County, Pennsylvania (the "School District") in connection with the issuance of its [$_____________] General Obligation Bonds, Series of 2026 (the "Bonds") pursuant to the Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.,* as amended (the "Act"), and pursuant to a resolution duly adopted by the Board of School Directors of the School District on May 12, 2026 (the "Resolution").

The Bonds are being issued for the purpose of financing a project consisting of: (i) the demolition of the existing Abington Middle School building, (ii) the planning, designing, constructing, equipping, furnishing, and financing of a new Abington Middle School building; (iii) the planning and designing for the relocation of the athletic fields at Abington Middle School; (iv) the construction and relocation of parking lots for Abington Middle School; and (v) paying the costs and expenses related to the issuance of the Bonds.

The School District has covenanted in the Resolution (i) to include the amount of debt service for the Bonds for each fiscal year in which such sums are due and payable in its budget for that year; (ii) to appropriate such amounts from its general revenues for the payment of such debt service; and (iii) to duly and punctually pay, or cause to be paid, from its sinking fund or any other of its revenues or funds, the principal of, and interest on, the Bonds at the dates and places and in the manner stated in the Bonds, according to the true intent and meaning thereof; for such budgeting, appropriation and payment the School District in the Resolution has pledged its full faith, credit and taxing power.

As Bond Counsel to the School District we have examined originals or certified copies of the transcript of the proceedings of the School District filed with and approved by the Department of Community and Economic Development (the "Department") of the Commonwealth of Pennsylvania (the "Commonwealth"), the Resolution, the form of the Bonds, such constitutional and statutory provisions, and such other certificates, instruments, and documents as we have deemed necessary or appropriate in order to enable us to render an informed opinion as to the matters set forth herein.

In rendering this opinion we have examined and relied upon (i) the opinion of counsel to the School District with respect, *inter alia*, to the due adoption by the School District of the Resolution in accordance with applicable laws; and (ii) the accuracy of the statements and representations and the performance by the School District of its covenants set forth in the Resolution and the School District's Tax and Non-Arbitrage Certificate delivered on this date in connection with the issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the representations of the School District contained in the Resolution and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, it is our opinion that:

1. The School District is authorized under the provisions of the Constitution and laws of the Commonwealth to issue the Bonds for the purposes above set forth, and the School District has authorized the issuance thereof.

2. The Bonds are valid and binding general obligations of the School District payable from the revenues of the School District from whatever source derived, which revenues at the time of the issuance and sale of the Bonds include *ad valorem* taxes levied upon all the taxable property within the School District, within limitations provided by law.

3. Under the laws of the Commonwealth of Pennsylvania as presently enacted and construed, interest on the Bonds is exempt from Pennsylvania personal income tax and corporate net income tax.

4. Interest on the Bonds and accruals of original issue discount are excludable from gross income for federal income tax purposes under existing laws as enacted and construed on the date of initial delivery of the Bonds. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in the preceding sentences are subject to the condition that the School District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The School District has covenanted to comply with all such requirements. Our opinion assumes compliance with such covenants, and we do not undertake to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium, or other laws now or hereafter enacted by any state or the federal government affecting the enforcement of creditors' rights generally.

We have not been engaged to express and do not express any opinion herein with respect to the adequacy of the security for the Bonds or the sources of payment for the Bonds. We express no opinion herein as to the accuracy, adequacy, or completeness of the Official Statement relating to the Bonds. We express no opinion with respect to any matters not specifically set forth herein.

This opinion is rendered solely for the benefit of the addressee hereof in connection with the initial issuance of the Bonds. The addressee may not rely on this opinion letter for any other purpose. This opinion letter is limited to the matters set forth herein. This opinion is subject to future changes in applicable law, and we do not undertake any obligation to update any of the opinions expressed in this letter. No opinion may be inferred or implied beyond the matters expressly stated herein, and our opinions expressed herein must be read in conjunction with the assumptions, limitations, exceptions, and qualifications set forth herein. The law covered by the opinions expressed herein is limited to the laws of the Commonwealth and the federal law of the United States of America. Our engagement as Bond Counsel has concluded with the issuance of the Bonds.

MCNEES WALLACE & NURICK LLC

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE AGREEMENT

$__________
ABINGTON SCHOOL DISTRICT
Montgomery County, Pennsylvania
General Obligation Bonds, Series of 2026

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated _________, 2026 (including any future amendments or supplements hereto, collectively, the "**Disclosure Agreement**"), is executed and delivered by Abington School District (as more fully defined below, the "**Issuer**") in connection with the issuance of its $___________ General Obligation Bonds, Series of 2026 (the "2026 Bonds"). The Issuer, intending to be legally bound, hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Holder from time to time of the Bonds (as defined below) and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. Unless the context clearly requires otherwise, the following capitalized terms shall have the meanings set forth below:

"**Additional Bonds**" shall mean any indebtedness of the Issuer issued subsequent to the 2026 Bonds which the Issuer has declared in writing to be covered by this Disclosure Agreement. No such written declaration shall be considered an amendment to this Disclosure Agreement for purposes of Section 8 hereof.

"**Annual Filing Date**" shall mean the 270th day following the end of the Issuer's fiscal year.

"**Annual Financial Information**" shall mean the Issuer's audited financial statements for the most recently completed fiscal year, copy of the Issuer's budget for the current fiscal year and annual updates of the financial information and operating data provided in the following Sections of the Official Statement for the 2026 Bonds:

Item	Official Statement Page Reference
TAX LEVIES—REAL ESTATE AND NON-REAL ESTATE TAXES	A-6
REAL ESTATE TAX COLLECTION RECORD	A-7
TRENDS IN MARKET AND ASSESSED VALUATIONS	A-7

"**Annual Report**" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Bonds" shall mean the 2026 Bonds and Additional Bonds, if any.

"**EMMA**" shall mean the Electronic Municipal Market Access System maintained by the MSRB at http://emma.msrb.org/, which serves as the sole nationally recognized municipal securities information repository under the Rule.

"**Holder**" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"**Insurer**" shall mean an issuer of a municipal bond insurance policy, if any, with respect to any Additional Bonds.

"**Issuer**" shall mean Abington School District, Montgomery County, Pennsylvania or any successor Obligated Person that assumes either by operation by law or by contract both (i) the obligation to pay debt service on the Bonds and (ii) the obligations of the Issuer under this Disclosure Agreement.

"**MSRB**" shall mean the Municipal Securities Rulemaking Board, or any successor organization.

"**Notice Event**" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"**Obligated Person**" shall have the meaning set forth in the Rule, provided that the sole objective criteria used to select the Obligated Person shall be the entity obligated to repay all debt service with respect to the relevant Bonds.

"**Official Statement**" shall mean the final Official Statement relating to the 2026 Bonds or a Series of Additional Bonds, as applicable.

"**Participating Underwriter"** shall mean any of the original underwriters of any Series of Bonds required to comply with the Rule in connection with offering of such Bonds.

"**Repository**" shall mean each nationally recognized municipal securities information repository under the Rule. **As of the date hereof, the Securities and Exchange Commission has appointed the MSRB through EMMA to act as the sole Repository**. Any information filed in connection with this Disclosure Agreement shall be filed with EMMA at http://emma.msrb.org/, any State Repository and any future Repository as may be required under the Rule.

"**Rule**" shall mean Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as heretofore amended, and as such Rule may be hereafter amended from time-to-time.

"**State Repository**" shall mean any public or private repository or entity designated by the Commonwealth of Pennsylvania as a state information repository for the purpose of the Rule and with which the Issuer is legally required to file the Annual Report. Currently, there is no State Repository in Pennsylvania. The list of state information repositories maintained by the United States Securities and Exchange Commission shall be conclusive as to the existence of a State Repository.

"**2026 Bond Insurer**" shall mean Build America Mutual Assurance Company, or any successor thereto.

"**2026 Bonds**" shall mean the Issuer's $______________ General Obligation Bonds, Series of 2026, dated ____________, 2026.

Section 3. Provision of Annual Reports.

(a) The Issuer shall not later than the Annual Filing Date, commencing with the fiscal year ending June 30, 2027, provide to the MSRB via EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided however that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide the Annual Report to the Repository by the date required in subsection (a), a Notice Event pursuant to Section 5(a)(15) shall be deemed to have occurred and the Issuer shall report to the Repository electronically in accordance with the provisions of Section 5(b) hereof.

(c) Audited financial statements of the Issuer not submitted as part of the Annual Report shall be provided to the Repository, if and when available to the Issuer, and in any event not more than thirty (30) days after receipt thereof from the Issuer's auditors. In the event that audited financial statements are not submitted as part of the Annual Report, the Issuer shall provide in lieu thereof, when available, unaudited financial statements for the relevant fiscal year.

(d) The Issuer shall promptly provide written notice of any change in its fiscal year to the MSRB and to each Repository.

Section 4. Content of Annual Reports.

(a) The Issuer's Annual Report shall contain or incorporate by reference the Annual Financial Information including audited financial statements with respect to the relevant fiscal year.

(b) Any or all Annual Financial Information may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to any Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(c) If any Annual Financial Information can no longer be generated because the operations to which such information relates have been materially changed or discontinued, a statement to that effect shall satisfy the obligations of the Issuer under this Section 4, provided however that the Issuer shall, to the greatest extent feasible, provide in lieu thereof similar information with respect to any substitute or replacement operations.

Section 5. Reporting of Notice Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Non payment-related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. 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 security, or other material events affecting the tax status of the security;

7. Modifications to rights of Holder, if material;

8. Bond calls (other than mandatory sinking fund redemptions), if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of any Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer (for the purposes of the event identified in subsection 5(a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer);

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material;

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties; and

17. Failure to provide annual financial information as required the occurrence of a Notice Event, the Issuer shall file a notice of such occurrence with the MSRB via EMMA in a timely manner not in excess of ten (10) Business Days after the occurrence of the Notice Event.

Section 6. Accounting Standards. The financial statements described in Section 4(a) above shall be audited in accordance with generally accepted accounting principles applicable in the preparation of financial statements of the Issuer as promulgated by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, or such other body recognized as authoritative by the American Institute of Certified Public Accountants or any successor body, as applicable (**"GAAP"**), and shall also comply with applicable federal and state auditing statutes, regulations, standards and/or guidelines. The Issuer may from time-to-time modify its accounting principles to the extent necessary or desirable to comply with changes in either GAAP or applicable federal and state statutes, regulations, standards and/or guidelines. Any such modification of accounting standards or principles to conform to changes in either GAAP or applicable federal or state auditing statutes, regulations, standards or guidelines shall not constitute an amendment to this Disclosure Agreement within the meaning of Section 8 hereof, but such modifications shall be disclosed in the first Annual Report to be provided subsequent to such modifications.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon (a) the legal defeasance, prior redemption or payment in full of all of the Bonds, or (b) the assumption by a successor Obligated Person of all of the obligations of the prior Obligated Person both hereunder and under the Bonds. The prior Issuer shall provide timely written notice to each Repository of any termination of its obligations hereunder.

Section 8. Amendments.

(a) Notwithstanding any other provision of this Disclosure Agreement, the Issuer may modify or amend this Disclosure Agreement. The Issuer acknowledges and agrees that the current SEC interpretation of the Rule requires satisfaction of the following preconditions for any amendment:

(i) the modification or amendment is being made in connection with a change of circumstances that arises from a change in legal requirements, change in law, change in the identity, nature or status of the Issuer, or change in the type of business conducted by the Issuer;

(ii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule as of the date of issuance of the relevant Bonds, after taking into account any amendment or interpretations of the Rule, as well as any change in circumstances; and

(iii) the modification or amendment does not materially adversely affect the interests of Holders, as determined either by a party unaffiliated with the Issuer (such as the Paying Agent or nationally recognized bond counsel) or by an approving vote of a majority of Holders.

(b) The Issuer shall report any modification or amendment of this Disclosure Agreement as required by the Rule. To the extent required by the Rule, the Issuer shall include as a component of the first Annual Report to be provided subsequent to the relevant amendment, a copy of the amendment, together with a notice explaining in narrative form both (i) the reasons for the amendment and (ii) the impact of the change in the type of operating data or financial information being provided. To the extent required by the Rule, if the amendment relates to changes in accounting principles to be followed in preparing financial statements, the first Annual Report to be provided subsequent to the relevant amendment shall also include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles and a qualitative (and to the extent reasonably feasible, quantitative) discussion of the differences in the accounting principles and the impact of the change in the accounting principles upon the presentation of the financial information. Written notice of any such change in accounting principles shall be provided in a timely fashion to each Repository.

(c) Neither a supplement to this Disclosure Agreement to declare that it is applicable to Additional Bonds or a modification of accounting principles or standards pursuant to Section 6 shall be considered an amendment for purposes of this Section 8.

Section 9. Issuer to Provide 2026 Bond Insurer With Information. The Issuer shall provide the 2026 Bond Insurer with all notices and other information it is obligated to provide hereunder with respect to its 2026 Bonds.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including disclaimers or any other information in any Annual Report or notice of occurrence of a Notice Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Notice Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Notice Event.

Section 11. Submission of Information to the MSRB. The information required to be disclosed pursuant to this Disclosure Agreement shall be submitted to the MSRB through EMMA. Subject to future changes in submission rules and regulations, such submissions shall be provided to the MSRB, through EMMA, in portable document format (**"PDF"**) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. Such PDF files shall be word-searchable (allowing the user to search for specific terms used within the document through a search or find function available in a software package). Subject to future changes in submission rules and regulations, at the time that such information is submitted through EMMA, the Issuer shall also provide to the MSRB information necessary to accurately identify the category of information being provided and other identifying descriptions required by MSRB rules and regulations.

Section 12. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Paying Agent, any Participating Underwriter or any Holder may take such actions as may be necessary and appropriate, including seeking a writ of mandamus or specific performance by court order to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Bonds or any document relating to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance; provided however that nothing herein shall limit any Holder's rights under applicable federal securities law.

Section 13. Severability. In case any section or provision of this Disclosure Agreement or any covenant, stipulation, obligation, agreement, or action, or any part thereof, made, assumed, entered into or taken under this Disclosure Agreement, or any application thereof, is for any reason held to be illegal or invalid or is at any time inoperable, such illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision or the Disclosure Agreement, or any other covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into or taken under this Disclosure Agreement, which shall at the time by construed and enforced as if such illegal or invalid or inoperable portion were not contained therein.

Section 14. Entire Agreement. This Disclosure Agreement contains the entire agreement of the Issuer with respect to the subject matter hereof and supersedes all prior arrangements and understandings with respect thereto, provided however that this Disclosure Agreement shall be interpreted and construed with reference to and in *pari materia* with the Rule.

Section 15. Captions. The captions or headings herein shall be solely for convenience of reference and shall in no way define, limit or describe the scope or intent of any provisions or sections hereof.

Section 16. Beneficiaries. This Disclosure Agreement is being entered into solely for the benefit of the Participating Underwriters and Holders from time-to-time of the Bonds, and nothing in this Disclosure Agreement expressed or implied is intended to or shall be construed to give to any other person or entity any legal or equitable right, remedy or claim under or in respect of this Disclosure Agreement or any covenants, conditions or provisions contained herein.

Section 17. Governing Law. This Disclosure Agreement shall be deemed to be a contract made under the laws of the Commonwealth of Pennsylvania, and all provisions hereof shall be governed and construed in accordance with the laws of the Commonwealth of Pennsylvania, without reference to the choice of law principles thereof.

IN WITNESS WHEREOF, ABINGTON SCHOOL DISTRICT has caused this Disclosure Agreement to be duly executed as of the day and year first above written.

ABINGTON SCHOOL DISTRICT

By:____

(Vice) President, Board of School Directors

By: ____________________________________

Board Secretary

APPENDIX E

AUDITED FINANCIAL STATEMENTS

ABINGTON SCHOOL DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2025

Maillie

ACCOUNTANTS • ADVISORS

INTRODUCTORY SECTION

FINANCIAL SECTION

Maillie LLP I maillie.com
500 North Lewis Road, Limerick PA 19468
600 Willowbrook Lane, Suite 624, West Chester, PA 19382
PO Box 11847, Wilmington, DE 19850-1847

Independent Auditors' Report

To the Board of School Directors
Abington School District
Abington, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements 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 Abington School District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note M to the financial statements, Abington School District implemented GASB Statement No. 101, *Compensated Absences,* during the current fiscal year. As a result of this implementation, the beginning net position was restated to reflect the change in the beginning balance of compensated absences. Our opinions are not modified with respect to this matter.

To the Board of School Directors
Abington School District
Abington, Pennsylvania

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Abington 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 Abington School District's ability to continue as a going concern for a reasonable period of time.

To the Board of School Directors
Abington School District
Abington, Pennsylvania

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 7 through 15, budgetary comparison information on pages 59 through 60, schedule of the school district's proportionate share of the PSERS net pension liability on page 61, schedule of the school district's PSERS pension contributions on page 62, schedule of the school district's proportionate share of the PSERS net other postemployment benefit plan liability on page 63, schedule of the school district's PSERS other postemployment benefit plan contributions on page 64, and the schedule of changes in the total other postemployment benefit plan liability and related ratios on page 65 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 Abington School District's basic financial statements. The 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The summary schedule of activity funds, receipts, disbursements and changes in cash balances, schedule of borrowing base calculation and the schedule of expenditures of federal and certain state awards are 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. Such 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 schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Board of School Directors
Abington School District
Abington, Pennsylvania

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2026, on our consideration of Abington 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 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 Abington School District's internal control over financial reporting and compliance.

Maillie LLP

Limerick, Pennsylvania
May 6, 2026

This section of the Abington School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2025. Please read it in conjunction with the notes to the financial statements and the financial statements to enhance the understanding of the District's financial performance.

DISTRICT HIGHLIGHTS

The Abington School District constructed its first school building in 1887, and, with the close of the 2024-2025 school year, it has completed 138 years of providing excellent educational services to its students.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended June 30, 2025, are as follows:

- The ending net position of Governmental Activities decreased to a negative $165,032,461 which is a change of $8,433,306. The negative net position is largely caused by the requirements of GASB 68.

- Total fund balance of all Governmental Funds equals $34,248,636. This amount is a decrease of $7,949,158 compared to the prior 2023-2024 fiscal year due to Capital Project fund decrease associated with capital projects of the district.

- Committed General Fund balance equals $19,940,004.

- The District's Proprietary Fund/Business-Type Activity (food service) showed a net decrease of $30,249.

Governmental Activities

At June 30, 2025, the District had an increase of $8,433,306 in net position from operating results.

Business-Type Activities

The business-type activity (food service) has total net position of $1,517,242. The 2024-2025 operations resulted in a net position decrease of $30,249.

OVERVIEW OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been prepared in accordance with GASB Statement No. 34 and present both government-wide and fund level financial statements using both the accrual and modified accrual basis of accounting, respectively.

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
    - ✓ The Governmental Funds statements tell how basic services such as regular and special education were financed in the short term, as well as what remains for future spending.
    - ✓ Proprietary Fund statements offer short- and long-term financial information about the activities the District operates like businesses, such as food services.
    - ✓ Fiduciary Funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of the Abington School District Annual Financial Report

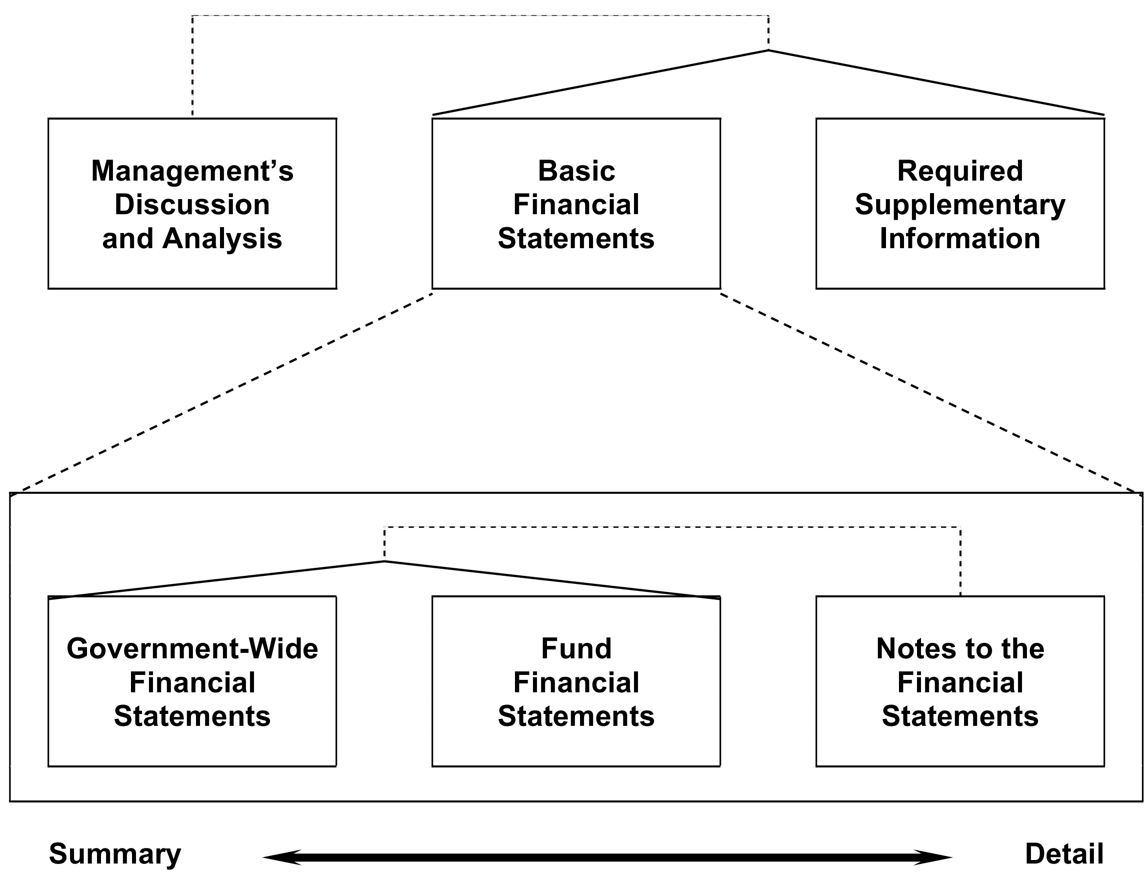

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2
Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Fund	Fiduciary Funds
Scope	Entire School District (except Fiduciary Funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the School District operates similar to private businesses: food services and adult education	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures and changes in fund balances	• Statement of net position • Statement of revenues, expenses and changes in net position • Statement of cash flows	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/ outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position--the difference between the District's assets and liabilities--is one way to measure the District's financial health or position.

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

- To assess the District's overall health, you need to consider additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are divided into two categories:

- ***Governmental Activities***: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.

- ***Business-Type Activities***: The District charges fees to help it cover the costs of certain services it provides. The District's food service program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds--not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has three kinds of funds:

- ***Governmental Funds***: Most of the District's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental Funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information following the Governmental Funds statements explains the relationship (or differences) between them.

- ***Proprietary Fund***: Services for which the District charges a fee are generally reported in the Proprietary Fund. The Proprietary Fund is reported in the same way as the government-wide statements. The District's Enterprise Fund (one type of Proprietary Fund) is the same as its business-type activities but provides more detail and additional information, such as cash flows.

- ***Fiduciary Funds***: The District is the trustee, or fiduciary, for assets that belong to others, such as the Student Activity Funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The following analysis focuses on net position (Figure A-3) and changes in net position (Figure A-4) of the District's governmental and business-type activities.

Figure A-3
Condensed Statements of Net Assets (In Thousands of Dollars)

	June 30, 2025			June 30, 2024		
	Governmental Activities	Business-Type Activities	Total School District	Governmental Activities	Business-Type Activities	Total School District
Current and other assets	$ 63,922	$ 1,256	$ 65,178	$ 70,360	$ 1,119	$ 71,479
Capital assets, net	198,598	586	199,184	194,452	628	195,080
TOTAL ASSETS	262,520	1,842	264,362	264,812	1,747	266,559
Deferred outflows-pension and OPEB activities	39,424	-	39,424	51,572	-	51,572
TOTAL DEFERRED OUTFLOWS	39,424	-	39,424	51,572	-	51,572
Long-term debt outstanding	414,341	-	414,341	444,697	-	444,697
Other liabilities	37,475	324	37,799	35,348	199	35,547
TOTAL LIABILITIES	451,816	324	452,140	480,045	199	480,244
Deferred amount on refunding	58	-	58	52	-	52
Deferred inflows-pension and OPEB activities	15,103	-	15,103	9,753	-	9,753
TOTAL DEFERRED INFLOWS	15,161	-	15,161	9,805	-	9,805
Net position						
Net investment in capital assets	64,128	586	64,714	59,476	628	60,104
Unrestricted	(229,161)	932	(228,229)	(232,942)	920	(232,022)
TOTAL NET POSITION	$ (165,033)	$ 1,518	$ (163,515)	$ (173,466)	$ 1,548	$ (171,918)

Figure A-4
Changes in Net Position from Operating Results (In Thousands of Dollars)

	Year Ended June 30, 2025			Year Ended June 30, 2024		
	Governmental Activities	Business-Type Activities	Total School District	Governmental Activities	Business-Type Activities	Total School District
REVENUES						
Program revenues	$ 29,348	$ 4,113	$ 33,461	$ 28,639	$ 4,342	$ 32,981
General revenues	163,627	16	163,643	153,442	30	153,472
TOTAL REVENUES	192,975	4,129	197,104	182,081	4,372	186,453
EXPENSES	184,542	4,159	188,701	182,412	4,356	186,768
CHANGE IN NET POSITION	$ 8,433	$ (30)	$ 8,403	$ (331)	$ 16	$ (315)

General Fund Budgetary Highlights

The total equity in the General Fund is $20,514,450, of which $135,117 is reserved for inventory, $439,329 is for prepaid expenses and $19,940,004 is committed for capital projects and mandated benefits.

Total General Fund revenue was greater than budget by $3,459,329 or 1.8%.

Budget estimate differed in the following areas:

- ***Local*** - The budget estimate was $3,144,831 *lower* than actual primarily due to higher than anticipated earned income tax collections and earnings on investments.

- ***State*** - The budget estimate was $76,759 *higher* than actual due primarily to lower than anticipated state subsidies payments for Retirement Subsidy.

- ***Federal*** - The budget estimate was $391,257 *lower* than actual due primarily to higher than anticipated ARP ESSER fund and ACCESS funds receipts.

Actual General Fund expenditures were less than budgeted by $6,330,243 or 3.28%. The budget estimate differed in the following areas:

	Budget	Actual	Variance	Percent
Instruction	$ 114,564,086	$ 110,735,990	$ 3,828,096	3.34%
Support services	70,694,438	68,767,634	1,926,804	2.73%
Student and community activities	2,341,816	1,905,045	436,771	18.65%
Debt service and fund transfers	11,879,156	11,740,584	138,572	1.17%
	$ 199,479,496	$ 193,149,253	$ 6,330,243	3.17%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Abington School District's investment in capital assets for its governmental and business-type activities as of June 30, 2025, totals $199,183,548 (net of accumulated depreciation). The District's investment in capital assets includes land, buildings, furniture and equipment and vehicles (see Figure A-5 and Note E).

This is an increase from last year of $4,103,998 and is primarily due to building improvements and construction in progress which is in excess of depreciation expense in the 2024-2025 school year.

Figure A-5
Capital Assets (Net of Depreciation, In Thousands of Dollars)

	Year Ended June 30, 2025			Year Ended June 30, 2024		
	Governmental Activities	Business-Type Activities	Total School District	Governmental Activities	Business-Type Activities	Total School District
Land	$ 1,628	$ -	$ 1,628	$ 1,628	$ -	$ 1,628
Buildings and building improvements	75,737	-	75,737	79,301	-	79,301
Equipment, furniture and textbooks	1,748	586	2,334	1,949	628	2,577
Vehicles	2,818	-	2,818	2,001	-	2,001
Construction in progress	116,667	-	116,667	109,573	-	109,573
TOTAL	$ 198,598	$ 586	$ 199,184	$ 194,452	$ 628	$ 195,080

Long-Term Debt

At June 30, 2025, the District had $422,197,831 in outstanding long-term debt for governmental activities compared to $452,163,210 for the previous year. This decrease is consistent with principal payments on outstanding debt and the requirements of GASB 68 to report net pension liability and GASB 75 to report net OPEB liability and related activity. Outstanding general obligation bonds debt is $141,540,000, which is a decrease in $6,620,000. There is no debt for business-type activities.

Figure A-6
Outstanding Long-Term Debt (In Thousands of Dollars)

	Total District		Total Percentage Change
	2025	2024	2024-2024
General obligation bonds	$ 141,540	$ 148,160	
Other long-term debt	280,658	304,003	
TOTAL	$ 422,198	$ 452,163	-6.63%

FACTORS BEARING ON THE DISTRICT'S FUTURE

Uncertainty of future expenditures associated with the potential capital expenditures associated with plans to renovate and/or expand the existing middle school or replace the existing school with a newly constructed middle school.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Board secretary (bus@abington.k12.pa.us).

ABINGTON SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and cash equivalents	$ 53,485,744	$ 794,090	$ 54,279,834
Taxes receivable, net	1,582,718	-	1,582,718
Internal balances	8,537	(8,537)	-
State revenue receivable	7,035,870	-	7,035,870
Federal revenue receivable	1,209,702	383,644	1,593,346
Other receivables, net	1,963	-	1,963
Inventories	135,117	86,719	221,836
Prepaid expenses	439,329	-	439,329
Capital assets			
Land and site improvements	1,627,748	-	1,627,748
Buildings and building improvements, net of accumulated depreciation	75,736,587	-	75,736,587
Furniture, equipment and vehicles, net of accumulated depreciation	4,565,951	585,709	5,151,660
Construction in progress	116,667,553	-	116,667,553
Bond discounts	23,483	-	23,483
TOTAL ASSETS	262,520,302	1,841,625	264,361,927
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources, pension activity	36,990,000	-	36,990,000
Deferred outflows of resources, OPEB activity	2,434,389	-	2,434,389
TOTAL DEFERRED OUTFLOWS OF RESOURCES	39,424,389	-	39,424,389
LIABILITIES AND NET POSITION			
LIABILITIES			
Accounts payable	4,369,494	237,664	4,607,158
Accrued interest	1,313,289	-	1,313,289
Current portion of long-term liabilities	7,879,837	-	7,879,837
Accrued salaries and benefits	23,360,087	-	23,360,087
Unearned revenue	94,738	86,719	181,457
Other liabilities	457,474	-	457,474
Long-term liabilities			
Bonds payable	134,870,000	-	134,870,000
Financed purchase obligation	146,720	-	146,720
Net pension liability	244,851,000	-	244,851,000
Long-term portion of compensated absences	12,406,348	-	12,406,348
Other postemployment benefits	16,576,019	-	16,576,019
Bond premiums	5,491,390	-	5,491,390
TOTAL LIABILITIES	451,816,396	324,383	452,140,779
DEFERRED INFLOWS OF RESOURCES			
Deferred amount on refunding	57,834	-	57,834
Deferred inflows of resources, pension activity	9,783,000	-	9,783,000
Deferred inflows of resources, OPEB activity	5,319,922	-	5,319,922
TOTAL DEFERRED INFLOWS OF RESOURCES	15,160,756	-	15,160,756
NET POSITION			
Net investment in capital assets	64,128,464	585,709	64,714,173
Unrestricted	(229,160,925)	931,533	(228,229,392)
TOTAL NET POSITION	$ (165,032,461)	$ 1,517,242	$ (163,515,219)

See accompanying notes to the basic financial statements.

ABINGTON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
Instruction	$ 110,182,030	$ 158,934	$ 19,445,808	$ -
Instructional student support	19,210,920	-	6,616,528	-
Administration and financial support services	17,118,534	-	414,803	-
Operation and maintenance of plant services	17,809,111	-	-	-
Pupil transportation	12,996,090	-	1,661,833	-
Student activities	2,190,779	-	-	-
Community services	380,519	175,430	-	-
Interest on general long-term debt	4,654,272	-	874,860	-
TOTAL GOVERNMENTAL ACTIVITIES	184,542,255	334,364	29,013,832	-
BUSINESS-TYPE ACTIVITIES				
Food service	4,159,466	1,581,734	2,531,483	-
TOTAL DISTRICT ACTIVITIES	$ 188,701,721	$ 1,916,098	$ 31,545,315	$ -

GENERAL REVENUES
Taxes
Property taxes, levied for general purposes
Transfer taxes
Earned income taxes
Grants and contributions not restricted to specific programs
Investment earnings
Miscellaneous
TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION AT BEGINNING OF YEAR, AS PREVIOUSLY PRESENTED

RESTATEMENT

NET POSITION AT BEGINNING OF YEAR, AS RESTATED

NET POSITION AT END OF YEAR

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
$ (90,577,288)	$ -	$ (90,577,288)
(12,594,392)	-	(12,594,392)
(16,703,731)	-	(16,703,731)
(17,809,111)	-	(17,809,111)
(11,334,257)	-	(11,334,257)
(2,190,779)	-	(2,190,779)
(205,089)	-	(205,089)
(3,779,412)	-	(3,779,412)
(155,194,059)	-	(155,194,059)
-	(46,249)	(46,249)
(155,194,059)	(46,249)	(155,240,308)
130,867,469	-	130,867,469
1,696,556	-	1,696,556
9,896,641	-	9,896,641
16,653,213	-	16,653,213
3,922,502	16,000	3,938,502
590,984	-	590,984
163,627,365	16,000	163,643,365
8,433,306	(30,249)	8,403,057
(163,930,311)	1,547,491	(162,382,820)
(9,535,456)	-	(9,535,456)
(173,465,767)	1,547,491	(171,918,276)
$ (165,032,461)	$ 1,517,242	$ (163,515,219)

ABINGTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Athletic/ Activity Fund	Capital Project Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 37,688,032	$ 311,132	$ 15,486,580	$ 53,485,744
Taxes receivable, net	1,582,718	-	-	1,582,718
Due from other funds	8,537	-	-	8,537
State revenue receivable	7,035,870	-	-	7,035,870
Federal revenue receivable	1,209,702	-	-	1,209,702
Other receivables	1,963	-	-	1,963
Inventories	135,117	-	-	135,117
Prepaid items	439,329	-	-	439,329
TOTAL ASSETS	$ 48,101,268	$ 311,132	$ 15,486,580	$ 63,898,980
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 2,305,968	$ -	$ 2,063,526	$ 4,369,494
Accrued salaries and benefits	23,360,087	-	-	23,360,087
Unearned revenue	94,738	-	-	94,738
Other current liabilities	457,474	-	-	457,474
TOTAL LIABILITIES	26,218,267	-	2,063,526	28,281,793
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues, property taxes	1,368,551	-	-	1,368,551
FUND BALANCES				
Nonspendable				
Inventories	135,117	-	-	135,117
Prepaid expenses	439,329	-	-	439,329
Restricted				
Capital projects	-	-	13,423,054	13,423,054
Committed				
Capital projects	5,004,942	-	-	5,004,942
Assessment appeals	5,982,001	-	-	5,982,001
Stabilization employee benefits	5,982,001	-	-	5,982,001
MCIU transportation contingency	1,076,760	-	-	1,076,760
SEPaST contingency	1,894,300	-	-	1,894,300
Assigned	-	311,132	-	311,132
TOTAL FUND BALANCES	20,514,450	311,132	13,423,054	34,248,636
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 48,101,268	$ 311,132	$ 15,486,580	$ 63,898,980

See accompanying notes to the basic financial statements.

ABINGTON SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2025

TOTAL GOVERNMENTAL FUNDS BALANCES	$ 34,248,636
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. The cost of assets and land is $160,376,894 less accumulated depreciation of $78,446,608, plus construction in progress of $116,667,553.	198,597,839
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.	1,368,551
Deferred charges used in governmental activities are not financial resources and therefor are not reported in the funds. These assets consist of:	
Deferred amount on refunding	(57,834)
Deferred inflows and outflows of resources related to pension and OPEB activities are not financial resources and therefore not reported in the governmental funds.	24,321,467
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Bonds payable	(141,540,000)
Financed purchase obligation	(190,129)
Accrued interest on long-term debt	(1,313,289)
Net pension liability	(244,851,000)
Long-term portion of compensated absences	(12,717,217)
Other postemployment benefits	(16,795,019)
Bond premiums	(6,132,034)
Long-term assets (bond discounts) are not available to pay current period expenditures and therefore are not reported in the fund financial statements but are reported in the governmental activities on the statement of net position.	27,568
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (165,032,461)

See accompanying notes to the basic financial statements.

ABINGTON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General Fund	Athletic/ Activity Fund	Capital Project Funds	Total Governmental Funds
REVENUES				
Local sources	$ 141,569,057	$ 590,984	$ 787,340	$ 142,947,381
State sources	46,937,686	-	-	46,937,686
Federal sources	3,327,606	-	-	3,327,606
TOTAL REVENUES	191,834,349	590,984	787,340	193,212,673
EXPENDITURES				
Instruction	110,735,990	-	-	110,735,990
Support services	68,767,634	-	-	68,767,634
Operation of non-instructional services	1,905,045	656,681	-	2,561,726
Facilities acquisition, construction and improvement services	-	-	7,112,445	7,112,445
Debt service	11,740,584	-	487,102	12,227,686
TOTAL EXPENDITURES	193,149,253	656,681	7,599,547	201,405,481
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,314,904)	(65,697)	(6,812,207)	(8,192,808)
OTHER FINANCING SOURCES (USES)				
Proceeds from financed purchase obligations	243,650	-	-	243,650
Interfund transfers in	-	78,000	-	78,000
Interfund transfers out	(78,000)	-	-	(78,000)
TOTAL OTHER FINANCING SOURCES (USES)	165,650	78,000	-	243,650
NET CHANGE IN FUND BALANCES	(1,149,254)	12,303	(6,812,207)	(7,949,158)
FUND BALANCES AT BEGINNING OF YEAR	21,663,704	298,829	20,235,261	42,197,794
FUND BALANCES AT END OF YEAR	$ 20,514,450	$ 311,132	$ 13,423,054	$ 34,248,636

See accompanying notes to the basic financial statements.

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	(7,949,158)
Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by capital outlays ($9,034,847) exceeds depreciation ($4,888,855) in the current period.		4,145,992
Unavailable revenues decreased by this amount this year.		(237,112)
The issuance of long-term debt (e.g., bonds, financed purchase obligations) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		7,318,972
Interest expense incurred on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources.		10,792
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in Governmental Funds:		
Changes in compensated absences		(558,943)
Changes in net pension plan liability and related deferrals		5,592,000
Changes in net OPEB plan liability and related deferrals		110,763
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	8,433,306

See accompanying notes to the basic financial statements.

ABINGTON SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	Enterprise Fund
	Food Service Fund
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 794,090
Due from other governments	383,644
Inventories	86,719
TOTAL CURRENT ASSETS	1,264,453
CAPITAL ASSETS	
Machinery and equipment	1,139,957
Accumulated depreciation	(554,248)
TOTAL CAPITAL ASSETS	585,709
TOTAL ASSETS	$ 1,850,162
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Due to other funds	$ 8,537
Accounts payable	237,664
Unearned revenues	86,719
TOTAL CURRENT LIABILITIES	332,920
NET POSITION	
Net investment in capital assets	585,709
Unrestricted	931,533
TOTAL NET POSITION	1,517,242
TOTAL LIABILITIES AND NET POSITION	$ 1,850,162

See accompanying notes to the basic financial statements.

ABINGTON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	Enterprise Fund
	Food Service Fund
OPERATING REVENUES	
Food service revenue	$ 1,581,734
OPERATING EXPENSES	
Other purchased service	3,550,250
Supplies	552,842
Depreciation	56,374
TOTAL OPERATING EXPENSES	4,159,466
OPERATING LOSS	(2,577,732)
NONOPERATING REVENUES	
Earnings on investments	16,000
State sources	415,601
Federal sources	2,115,882
TOTAL NONOPERATING REVENUES	2,547,483
CHANGE IN NET POSITION	(30,249)
NET POSITION AT BEGINNING OF YEAR	1,547,491
NET POSITION AT END OF YEAR	$ 1,517,242

See accompanying notes to the basic financial statements.

ABINGTON SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

		Enterprise Fund
		Food Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from users	$	1,635,061
Cash payments to suppliers for goods and services		(4,084,624)
NET CASH USED BY OPERATING ACTIVITIES		(2,449,563)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources		394,186
Federal sources		2,104,373
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		2,498,559
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Facilities acquisition, construction and improvements		(14,390)
CASH FLOWS FROM INVESTING ACTIVITIES		
Earnings on investments		16,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		50,606
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		743,484
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	794,090
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	$	(2,577,732)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation		56,374
(Increase) decrease in		
Inventories		(53,327)
Increase (decrease) in		
Due to other funds		(261)
Accounts payable		72,056
Unearned revenues		53,327
NET CASH USED BY OPERATING ACTIVITIES	$	(2,449,563)
SUPPLEMENTAL DISCLOSURES		
Noncash activities		
Donated foods	$	442,703

See accompanying notes to the basic financial statements.

ABINGTON SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Custodial Funds	
	Activity Fund	Other Custodial Fund
ASSETS		
Cash and cash equivalents	$ 420,709	$ 29,864
Investments	262,402	-
Other receivables	-	222,325
TOTAL ASSETS	$ 683,111	$ 252,189
LIABILITIES		
Other payables	$ 67,985	$ -
NET POSITION		
Restricted for		
Individuals and organizations	615,126	29,864
DVCEE	-	222,325
TOTAL LIABILITIES AND NET POSITION	$ 683,111	$ 252,189

See accompanying notes to the basic financial statements.

ABINGTON SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025

	Custodial Funds	
	Activity Fund	Other Custodial Fund
ADDITIONS		
DVCEE revenues	$ -	$ 342,358
Student activities collections	434,889	-
Interest	-	668
Donations	-	9,879
TOTAL ADDITIONS	434,889	352,905
DEDUCTIONS		
DVCEE staff development expenses	-	447,710
Payments for student activities	518,199	947
Community services	-	2,001
TOTAL DEDUCTIONS	518,199	450,658
CHANGE IN NET POSITION	(83,310)	(97,753)
NET POSITION AT BEGINNING OF YEAR	698,436	349,942
NET POSITION AT END OF YEAR	$ 615,126	$ 252,189

See accompanying notes to the basic financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Abington School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The accompanying basic 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 District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (1) the District's ability to impose its will over a component unit or (2) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. In addition, component units can be organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading. This report presents the activities of the Abington School District. The District is not a component unit of another reporting entity nor does it have any component units.

The tax collectors are elected officers who collect taxes on behalf of the county, township and District. The District regards the tax collectors' office as a separate entity and, therefore, does not account for the activity in the financial statements.

Basis of Presentation and Accounting

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for Fiduciary Funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

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

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of Governmental and Proprietary Funds financial statements is on individual major funds rather than reporting funds by type. Each major fund is presented in a separate column. Fiduciary Funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due. The financial statements for Governmental Funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The Proprietary Fund Type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

The Proprietary Fund distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund’s principal ongoing operations. The principal operating revenues of the District’s Enterprise Fund are charges to customers for sales and services. Operating expenses for the Enterprise Fund include cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds are reported using the economic resources measurement focus.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

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

Governmental Funds

General Fund - The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose provided it is expended or transferred according to the general laws of Pennsylvania.

Special Revenue Funds - These funds account for the proceeds of specific revenue sources that are assigned to expenditures for specific purposes. The District's *Athletic/Activity Fund* is accounted for in this fund type.

Capital Project Funds - Capital Project Funds are used to account for financial resources to be used for the acquisition and construction of capital equipment and improvements in accordance with the applicable general obligation bond agreements.

Proprietary Fund

Food Service Fund - The Food Service Fund is used to account for operations (1) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds

Custodial Funds - The Custodial Funds account for monies held for various student activities and on behalf of the Delaware Valley Consortium for Excellence and Equity, none of which are held in trust.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

The District follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May 31, the District Board submits a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the General Fund and Special Revenue Funds.

2. Taxpayer comments are conducted at a public meeting of the Board of School Directors.

3. Prior to June 30, the budget is legally enacted through passage of an ordinance.

4. Legal budgetary control is maintained by the District Board at the departmental level. Transfers between departments, whether between funds or within a fund, or revisions that alter the total revenues and expenditures of any fund must be approved by the District Board.

5. Budgetary data are included in the District's management information system and are employed as a management control device during the year.

The budgetary data does not include restricted federal revenue and expenditures.

All budget amounts presented in the budgetary comparison schedule reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budgets during the year).

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition with no restrictions on withdrawals.

Investments

State statutes authorize the District to invest in: 1) obligations, participations and other instruments of any Federal agency, 2) repurchase agreements with respect to U.S. Treasury bills or obligations, 3) negotiable certificates of deposit, 4) bankers' acceptances, 5) commercial paper, 6) shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933, and 7) savings or demand deposits. The specific conditions under which the District may invest in these categories are detailed in Pennsylvania Act No. 53 of 1973, as amended by Pennsylvania Act No. 10 of 2016. Investments are stated at fair value.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-Term Interfund Receivables/Payables

During the course of operations, transactions may occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the Governmental Funds balance sheet. Short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which, when present, are shown as internal balance

Allowance for Doubtful Accounts

The District believes that all receivables are collectible; therefore, an allowance for doubtful accounts is not necessary.

Inventories and Prepaid Items

Inventory of food and milk in the Food Service Fund consists of supplies purchased and donated foods received from the federal government. Donated foods are valued at their fair market value in accordance with the *Manual of Accounting for Pennsylvania School Systems* - *Food Service Fund*. Food and supplies are carried at cost using the first-in, first-out method. Inventories of Governmental Funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The District defines a capital asset as an asset with an initial, individual cost equal to or greater than $2,500 or purchased with debt proceeds and must also have an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings and building improvements	40-50
Machinery and equipment	10-15
Vehicles	8-10
Textbooks	5-7

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue

Unearned revenue arises when assets are recognized before the revenue recognition criteria have been satisfied. Unearned revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the Governmental Funds balance sheet and revenue is recognized.

Long-Term Obligations

In the government-wide financial statements and the Proprietary Fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported at their gross amount, with related bond premiums or discounts reported as other long-term liabilities and long-term prepayments, respectively. Bond issuance costs are recognized during the period in which they were incurred.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. These benefits are accrued when incurred in the government-wide, Proprietary Fund and Fiduciary Funds financial statements. A liability for these amounts is reported in Governmental Funds only if they have matured, for example, as a result of employee resignations and retirements.

The District implemented GASB Statement No. 101, Compensated Absences, effective July 1, 2024. The objective of GASB 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. 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. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences.

The adoption of GASB 101 did have a material impact on the financial statements. See Note M for additional information.

Deferred Outflows/Inflows of Resources

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 outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualifies for reporting in this category. The deferred outflow of resources for pension activities is reported in the government-wide statement of net position. The deferred outflow related to pension activity is the result of the net difference between projected and actual investment earnings, changes in proportions and actual contributions subsequent to the measurement date.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The deferred outflow of resources for OPEB activities is reported in the government-wide statement of net position. Deferred outflows of resources for OPEB relates to the District's net OPEB liability and OPEB expense and arises from the difference between expected and actual experience, variances in projected versus actual investment earnings, changes of assumptions, changes in the School District's proportionate share of the total plan from year to year, and contributions subsequent to the measurement date and prior to the District's year-end. 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 an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four types of items that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the Governmental Funds balance sheet. The Governmental Funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred amount on refunding is reported in the government-wide statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition prices. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred inflow related to pension activity is reported in the government-wide statement of net position and is the result of the difference between expected and actual experience and changes in proportions. The deferred inflow of resources for OPEB activities is reported in the government-wide statement of net position. Deferred inflows of resources for OPEB relates to the District's net OPEB liability and OPEB expense and arises from changes in assumptions, the difference between expected and actual experience, changes in the School District's proportionate share of the total plan from year to year, and the difference between actual employer contributions and the School District's proportionate share of total contributions

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Sometimes the District will fund outlays for a particular purpose for both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and Proprietary Fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

The District previously implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the District's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- ***Nonspendable Fund Balance*** - Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

- ***Restricted Fund Balance*** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or by enabling legislation.

- ***Committed Fund Balance*** - Amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (the Board of School Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

- ***Assigned Fund Balance*** - Amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of School Directors or by an official or body to which the Board of School Directors delegates the authority. As of June 30, 2025, the Board has not delegated the authority to assign fund balance.

- ***Unassigned Fund Balance*** - Amounts available for any purpose. Positive amounts are reported only in the General Fund.

The Board of School Directors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a commitment of the fund. Assigned fund balance is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed.

The District will typically use restricted fund balances first, followed by committed resources and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - CASH AND INVESTMENTS

Cash

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2025, the Federal Depository Insurance Corporation insured $292,947 of the District's $56,289,214 bank balances. The remaining bank balances of $55,996,267 were exposed to custodial credit risk. However, this amount is collateralized by an Irrevocable Standby Letter of Credit.

Investments

As of June 30, 2025, the District had the following investments and maturities:

Fiduciary Funds:

		Investment Maturities	
Investment Type	Amount	Less Than One Year	One to Five Years
Certificates of deposit	$ 262,402	$ 262,402	$ -

Investments in certificates of deposit of $262,402 are valued at amortized cost.

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The School District does not have any investments measured at fair value as of June 30, 2025.

Interest Rate Risk - The District's investment policy limits investment maturities in accordance with the Commonwealth of Pennsylvania School Code as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - The District has no investment policy that would limit its investment choices to those with certain credit ratings.

Concentration of Credit Risk - More than 5% of the District's investments are in certificate of deposits. These investments are 99% of the District's total investments and are in four certificate of deposits.

NOTE C - PROPERTY TAXES

Property taxes attach as an enforceable lien on property when levied. Taxes are levied on or about July 1 and are payable on or before November 15. Taxes paid prior to September 15 are payable at a 2% discount; taxes paid after November 15 are assessed at a 10% penalty. The District has two independently elected tax collectors to bill and collect property taxes.

Property taxes levied for fiscal year 2025 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during fiscal year 2025 and expected to be collected within the first 60 days of fiscal year 2026 are recognized as revenues in fiscal year 2025. Net receivables estimated to be collectible subsequent to September 1, 2025, are reflected as unavailable revenues. Prior years' levies were recorded using these same principles, and remaining receivables are annually re-evaluated as to collectability.

NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2025, is as follows:

Interfund Receivables and Payables

Receivable Fund	Payable Fund	Amount
General Fund	Food Service Fund	$ 8,537

Interfund Transfers

Transfer In	Transfer Out	Amount
Athletic/Activity Fund	General Fund	$ 78,000

The General Fund transfer of $78,000 consists of transfers to the Junior and Senior High Athletic and Activity Funds. The transfers to the Athletic Funds were used to pay the fees for referees and other expenses for student athletics events at the Senior and Junior High Schools. The transfers to the Activity Funds were used at the Senior and Junior High Schools to pay for student co-curricular items, such as the school newspaper and school clubs.

NOTE E - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 1,627,748	$ -	$ -	$ 1,627,748
Construction in progress	109,572,601	7,094,952	-	116,667,553
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	111,200,349	7,094,952	-	118,295,301
Capital assets being depreciated				
Buildings and building improvements	141,418,876	-	-	141,418,876
Machinery and equipment	5,515,798	14,843	-	5,530,641
Vehicles	4,655,537	1,460,750	(723,963)	5,392,324
Textbooks	6,175,154	464,302	(232,151)	6,407,305
TOTAL CAPITAL ASSETS BEING DEPRECIATED	157,765,365	1,939,895	(956,114)	158,749,146
Accumulated depreciation				
Buildings and building improvements	(62,117,638)	(3,564,651)		(65,682,289)
Machinery and equipment	(4,632,779)	(205,896)		(4,838,675)
Vehicles	(2,654,012)	(644,213)	723,963	(2,574,262)
Textbooks	(5,109,438)	(474,095)	232,151	(5,351,382)
TOTAL ACCUMULATED DEPRECIATION	(74,513,867)	(4,888,855)	956,114	(78,446,608)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	83,251,498	(2,948,960)	-	80,302,538
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	194,451,847	4,145,992	-	198,597,839
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated				
Machinery and equipment	1,125,567	14,390	-	1,139,957
Accumulated depreciation	(497,864)	(56,384)	-	(554,248)
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net	627,703	(41,994)	-	585,709
CAPITAL ASSETS, net	$ 195,079,550	$ 4,103,998	$ -	$ 199,183,548

NOTE E - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 3,253,980
Instructional student support	488,205
Administration and financial support services	549,315
Operation and maintenance of plant services	540,648
Student activities	56,707
	$ 4,888,855

NOTE F - LONG-TERM DEBT

General Obligation Bonds

The District issues general obligation bonds to provide funds for acquisition and construction of major capital facilities. The original amount of general obligation bonds issued in prior years was $179,225,000. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2026	$ 6,670,000	$ 5,154,026	$ 11,824,026
2027	6,515,000	5,904,051	12,419,051
2028	5,665,000	4,672,176	10,337,176
2029	5,880,000	4,457,026	10,337,026
2030	6,025,000	4,283,726	10,308,726
2031 to 2035	33,010,000	18,696,373	51,706,373
2036 to 2040	40,255,000	11,753,550	52,008,550
2041 to 2044	37,520,000	3,256,000	40,776,000
	$ 141,540,000	$ 58,176,928	$ 199,716,928

NOTE G - CHANGES IN LONG-TERM LIABILITIES

A summary of governmental long-term liability activity of the District for the year ended June 30, 2025, is as follows:

	Maturities	Interest Rate	Beginning Balance
GENERAL OBLIGATION BONDS			
Series of 2017	2017 to 2034	3.50% to 5.000%	$ 27,660,000
Series A of 2017	2017 to 2042	3.00% to 5.000%	83,815,000
Series A of 2021	2021 to 2032	1.00% to 1.350%	14,950,000
Series AA of 2021	2021 to 2031	2.00% to 5.000%	6,735,000
Series of 2024	2024 to 2044	5.000%	15,000,000
TOTAL GENERAL OBLIGATION BONDS			148,160,000
FINANCED PURCHASE OBLIGATIONS			263,226
COMPENSATED ABSENCES			12,158,274
NET PENSION LIABILITY			268,208,000
OTHER POSTEMPLOYMENT BENEFITS			16,637,266
BOND PREMIUMS			6,768,097
BOND DISCOUNTS			(31,653)
TOTAL LONG-TERM LIABILITIES			$ 452,163,210

Funds to repay outstanding long-term liabilities will be provided by the General Fund.

General Obligation Bonds

The District issued general obligation bonds to provide funds for acquisition and construction of major capital facilities. The original amount of general obligation bonds issued in prior years was $179,225,000. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year.

Additions	Reductions	Ending Balance	Due Within One Year
$ -	$ (3,580,000)	$ 24,080,000	$ 4,850,000
-	(700,000)	83,115,000	400,000
-	(425,000)	14,525,000	360,000
-	(1,910,000)	4,825,000	1,055,000
-	(5,000)	14,995,000	5,000
-	(6,620,000)	141,540,000	6,670,000
243,650	(316,747)	190,129	43,409
558,943	-	12,717,217	310,869
-	(23,357,000)	244,851,000	-
-	157,753	16,795,019	219,000
-	(636,063)	6,132,034	640,644
-	4,085	(27,568)	(4,085)
$ 802,593	$ (30,767,972)	$ 422,197,831	$ 7,879,837

NOTE G - CHANGES IN LONG-TERM LIABILITIES (Continued)

Financed purchase obligations

The School District has entered into various financed purchase agreements for vehicles. The future annual payments for the years ending June 31 are as follows:

Year Ending June 30,	Vehicles 2.31% Interest Rate	Vehicles 2.39% Interest Rate	Vehicles 3.16% Interest Rate	Total Principal	Interest Maturities
2026	17,791	13,893	11,725	43,409	11,568
2027	18,819	14,725	12,504	46,048	8,927
2028	19,907	15,607	13,336	48,850	6,126
2029	$ 21,058	$ 16,542	$ 14,222	$ 51,822	$ 3,154
	$ 77,575	$ 60,767	$ 51,787	$ 190,129	$ 29,775

NOTE H - UNEARNED REVENUE

Governmental Funds

Program grants received prior to the incurrence of qualifying expenditures are recorded as unearned revenue.

At June 30, 2025, unearned revenue consisted of other program revenues of $94,738.

Food Service Fund

Unearned revenue of $86,719 in the Food Service Fund represents the carryover of U.S.D.A. donated foods inventories.

NOTE I - PENSION PLAN

Summary of Significant Accounting Policies

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

NOTE I - PENSION PLAN (Continued)

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

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 membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

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

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

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

NOTE I - PENSION 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

Members Contributions

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

Member Contribution Rates

Membership Class	Continuous Employment Since	Defined Benefit DB Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	7.50%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	10.30%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	8.25%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	7.50%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Shared Risk Program Summary

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

Employer Contributions

The School District’s contractually required contribution rate for the fiscal year ended June 30, 2025 was 32.92 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. Contributions to the plan from the School District were $29,087,000 for the year ended June 30, 2025.

NOTE I - PENSION PLAN (Continued)

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

At June 30, 2025, the School District reported a liability of $244,851,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2023 to June 30, 2024. 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 total one-year reported contributions. At June 30, 2025, the School District's proportion was 0.5850%, which was a decrease of 0.0179% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the School District recognized pension expense of $23,495,000. At June 30, 2025, the School 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
Difference between expected and actual experience	$ -	$ 3,850,000
Net difference between projected and actual investment earnings	4,053,000	-
Changes in proportions	3,850,000	5,933,000
Contributions subsequent to the measurement date	29,087,000	-
	$ 36,990,000	$ 9,783,000

NOTE I - PENSION PLAN (Continued)

$29,087,000 reported as deferred outflows of resources related to pensions resulting from School District contributions made after the measurement date of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2026	$ (6,617,000)
2027	6,458,000
2028	(850,000)
2029	(871,000)
	$ (1,880,000)

Changes in Actuarial Assumptions

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

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

NOTE I - PENSION PLAN (Continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	4.8%
Private equity	12.0%	6.7%
Fixed income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure	10.0%	6.4%
Real estate	9.5%	5.9%
	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, 2024.

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE I - PENSION PLAN (Continued)

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
School District's proportionate share of the net pension liability	$ 322,544,000	$ 244,851,000	$ 179,246,000

Pension Plan Fiduciary Net Position - Detailed information about PSERS's fiduciary net position is available in the PSERS Annual Comprehensive Financial Report which can be found on the System's website at www.pa.gov/PSERS.

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - PSERS

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of 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 are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Health Insurance Premium Assistance Program

Health Insurance Premium Assistance Program

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

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - PSERS (Continued)

Premium Assistance Eligibility Criteria

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

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

For Class DC members to become eligible for premium assistance, they must satisfy the following criteria:

- Attain Medicare eligibility with 24 ½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions.

Pension Plan Description

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

Benefits Provided

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

Employer Contributions

The school districts' contractually required contribution rate for the fiscal year ended June 30, 2025 was 0.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were $557,000 for the year ended June 30, 2025.

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - PSERS (Continued)

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

At June 30, 2025, the District reported a liability of $10,360,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District's proportion was 0.5832%, which was a decrease of 0.0195% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized OPEB expense of $362,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 39,000	$ 156,000
Changes in assumptions	631,000	1,582,000
Net difference between projected and actual investment earnings	11,000	-
Changes in proportions	330,000	341,000
Difference between employer contributions and proportionate share of total contributions	12,000	19,000
Contributions subsequent to the measurement date	557,000	-
	$ 1,580,000	$ 2,098,000

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - PSERS (Continued)

$557,000 was reported as deferred outflows of resources related to OPEB resulting from District contributions made after the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as flows:

Year Ending June 30,	
2026	$ (228,000)
2027	(271,000)
2028	(371,000)
2029	(80,000)
2030	(125,000)
	$ (1,075,000)

Actuarial Assumptions

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

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

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

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - PSERS (Continued)

The following assumptions were used to determine the contribution rate:

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	1.7%
	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, 2024.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.21%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a “pay-as-you-go” plan. A discount rate of 4.21% which represents the S&P 20 year Municipal Bond Rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - PSERS (Continued)

Changes in Actuarial Assumptions

- The discount rate used to measure the Total OPEB Liability increased from 4.13% as of June 30, 2022 to 4.21% as of June 30, 2024.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
  - Salary growth rate - decreased from 5.00% to 4.50%
  - Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
  - Mortality rates - previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

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

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

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

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	$ 10,359,000	$ 10,360,000	$ 10,361,000

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - PSERS (Continued)

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

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

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
School District's proportionate share of the net OPEB liability	$ 11,704,000	$ 10,360,000	$ 9,235,000

OPEB Plan Fiduciary Net Position

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

NOTE K - OTHER POSTEMPLOYMENT BENEFITS - SINGLE EMPLOYER PLAN

Plan Description

The District provides health care to eligible retired employees and spouses through a single-employer defined benefit plan. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a stand-alone financial report. The activity of the plan is reported in the District's General Fund.

Plan Membership - At June 30, 2024, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	24
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	1,214
	1,238

Funding Policy and Funding Status

The plan is an unfunded plan with no assets accumulated in a trust. Contributions to the plan are equal to benefit payments. For the fiscal year ended June 30, 2024, the District contributed $219,702 to the Plan related to retirees.

NOTE K - OTHER POSTEMPLOYMENT BENEFITS - SINGLE EMPLOYER PLAN (Continued)

Benefits Provided

Special Contract Group Benefits: Medical, prescription drug and vision benefits are payable to all members. The district will provide full paid medical, prescription drug, and vision coverage until each person reached Medicare age. Upon reaching Medicare age, the member may continue to receive fully paid Medicare Supplement insurance. If the member dies before the spouse reaches Medicare age, the spouse can continue equal coverage for the duration of his/her lifetime

All Other Employees Benefits: Retired employees are allowed to continue coverage for themselves and their dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment equal to the premium determined for the purposes of COBRA.

Eligibility: For individuals who were members of PSERS prior to July 1, 2011, an employee is eligible if he or she is eligible for either 1) PSERS early retirement while under 62 with 5 years of PSERS service or 2) PSERS superannuation retirement upon reaching age 60 with 30 years of PSERS service, age 62 with 1 year of PSERS service or 35 years of PSERS service regardless of age. For individuals who became members of PSERS on or after July 1, 2011, an employee is eligible for PSERS retirement if he or she is eligible for either 1) PSERS early retirement while under 65 with 10 years of PSERS service or 2) PSERS superannuation retirement upon reaching age 65 with 30 years of PSERS service, or upon attainment of a total combination of age plus service equal to or greater than 92 with a minimum of 35 years of PSERS service. All individuals are eligible for a special early retirement upon reaching age 55 with 25 years of PSERS service.

Assumptions

The following assumptions and actuarial methods and calculation were used:

Interest Rate - 4.29%, based on S&P Municipal Bond 20 Year High Grade Rate Index at July 1, 2024.

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

Health Care Cost Trend Rate - 7.0% in 2024 with 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Withdrawal - Rates of withdrawal are based on PSERS Plan experience and vary by age, gender years of service and PSERS pension class. Sample rates for employees with more than 10 years of service are shown below. Rates for new employees start at 25.93% for men and 27.46% for women and decrease with age and service.

NOTE K - OTHER POSTEMPLOYMENT BENEFITS - SINGLE EMPLOYER PLAN (Continued)

Age	Male Rate	Female Rate	Age	Male Rate	Female Rate
25	4.55%	3.90%	45	1.41%	1.60%
30	4.55%	3.90%	50	1.89%	2.08%
35	1.68%	2.83%	55	3.63%	3.66%
40	1.42%	1.67%	60	5.49%	5.94%

Mortality - Pub-T-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. Pub-T-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees

Disability - No disability was assumed.

Retirement - Assumed retirement rates are based on PSERS plan experience and vary by age, service and gender.

Percent of Eligible Retirees Electing Coverage in Plan - 100% of those that are eligible for a district subsidy, 55% of teachers and administrators, and 25% of the support staff are assumed to elect coverage.

Percent Married at Retirement - 25% of employees are assumed to be married and have a spouse covered by the plan at retirement. Non-spouse dependents are deemed to be immaterial.

Spouse Age - Wives are assumed to be two years younger than their husbands.

Life Insurance - It is assumed that the annual cost to provide life insurance varies by age. The assumed cost is equal to the amount of coverage times the applicable mortality factor contained in the valuation mortality table.

Retiree Contributions - Retiree Contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.

Actuarial Value of Assets - Equal to the Market Value of Assets.

Actuarial Cost Method - Entry Age Normal - Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.

Changes in Assumptions - In the 2024 actuarial valuation, the discount rate changed from 4.13% to 4.29%. The trend assumption was updated.

NOTE K - OTHER POSTEMPLOYMENT BENEFITS - SINGLE EMPLOYER PLAN (Continued)

Changes in the Total OPEB Liability

		Total OPEB Liability
Balance at June 30, 2024	$	5,733,266
Changes for the year		
Service cost		308,461
Interest cost		244,608
Differences between expected and actual experience		380,577
Changes in assumptions		(12,191)
Benefit payments		(219,702)
Net changes		701,753
Balance at June 30, 2025	$	6,435,019

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

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

	1% Increase 5.29%	Current Discount Rate 4.29%	1% Decrease 3.29%
Total OPEB liability	$ 5,893,888	$ 6,435,019	$ 7,017,050

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

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

	1% Decrease	Current Rates	1% Decrease
Total OPEB liability	$ 5,675,060	$ 6,435,019	$ 7,328,891

NOTE K - OTHER POSTEMPLOYMENT BENEFITS - SINGLE EMPLOYER PLAN (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2025, the School District recognized OPEB expense of $260,253. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 327,071	$ 1,730,319
Difference between expected and actual experience	351,302	1,491,603
Contributions subsequent to the measurement date	176,016	-
	$ 854,389	$ 3,221,922

$176,016 was reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2026	$ (292,816)
2027	(292,816)
2028	(292,816)
2029	(292,816)
2030	(292,815)
Thereafter	(1,079,470)
	$ (2,543,549)

NOTE L - RISK MANAGEMENT

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

NOTE M - RESTATEMENT OF NET POSITION OF GOVERNMENTAL ACTIVITIES

During the current year, Abington School District implemented GASB Statement No. 101, *Compensated Absences.* In addition to the value of unused vacation time owed to employees upon separation of employment, Abington School District now recognizes an estimated amount of sick leave earned as of June 30, 2024 that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the "Restatement – GASB 101 implementation" column in the table below.

	Net position 6/30/2024 as previously reported	Restatement - GASB 101 implementation	Net position 6/30/2024 as restated
GOVERNMENT-WIDE			
Governmental activities	$ (163,930,311)	$ (9,535,456)	$ (173,465,767)

NOTE N - SUBSEQUENT EVENT

In November 2025, the School District issued General Obligation Bonds, Series of 2025 in the amount of $14,555,000. The proceeds of the Bonds will be used to finance a portion of the Capital Improvement Program and paying the related costs to insure and issue the Bonds. The Bonds are payable in principal amounts ranging from $5,000-$870,000 at 4.25%-5% interest through June 2056.

REQUIRED SUPPLEMENTARY INFORMATION

ABINGTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget Positive (Negative)
REVENUES				
Local sources	$ 138,424,226	$ 138,424,226	$ 141,569,057	$ 3,144,831
State sources	47,014,445	47,014,445	46,937,686	(76,759)
Federal sources	2,936,349	2,936,349	3,327,606	391,257
TOTAL REVENUES	188,375,020	188,375,020	191,834,349	3,459,329
EXPENDITURES				
Regular programs	85,909,050	85,526,349	82,039,483	3,486,866
Special programs	26,803,137	26,803,137	26,548,486	254,651
Vocational programs	2,058,843	2,058,843	2,058,843	-
Other instructional programs	164,775	164,775	79,834	84,941
Nonpublic school programs	4,379	10,982	9,344	1,638
Pupil personnel services	9,025,213	9,149,468	9,251,460	(101,992)
Instructional staff services	7,246,553	7,246,468	7,192,520	53,948
Administrative services	12,247,273	12,247,273	11,474,517	772,756
Pupil health	2,562,529	2,562,529	2,536,132	26,397
Business services	2,836,749	2,869,873	2,758,209	111,664
Operation and maintenance of plant services	18,999,942	18,820,671	17,677,940	1,142,731
Student transportation services	11,302,515	13,286,528	13,301,016	(14,488)
Central and other support services	4,405,211	4,405,211	4,479,748	(74,537)
Other support services	106,417	106,417	96,092	10,325
Student activities	1,926,559	1,926,559	1,518,606	407,953
Community services	101,195	415,257	386,439	28,818
Debt service (principal and interest)	11,879,156	11,879,156	11,740,584	138,572
TOTAL EXPENDITURES	197,579,496	199,479,496	193,149,253	6,330,243
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,204,476)	(11,104,476)	(1,314,904)	9,789,572
OTHER FINANCING SOURCES (USES)				
Proceeds from financed purchase obligations	-	-	243,650	(243,650)
Interfund transfers out	(78,000)	(78,000)	(78,000)	-
Budgetary reserve	(1,900,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,978,000)	(78,000)	165,650	(243,650)
NET CHANGE IN FUND BALANCE	(11,182,476)	(11,182,476)	(1,149,254)	10,033,222
FUND BALANCE AT BEGINNING OF YEAR	(4,329,520)	(4,329,520)	21,663,704	25,993,224
FUND BALANCE AT END OF YEAR	$ (15,511,996)	$ (15,511,996)	$ 20,514,450	$ 36,026,446

NOTE A - BUDGETARY INFORMATION

The budgetary comparison schedules are presented on a budgetary basis of accounting other than generally accepted accounting principles (GAAP). The sole difference between the School Districts reporting under GAAP and the budgetary basis of accounting is that under the GAAP basis of accounting, an expenditure and other financing source are recognized for the present value of the expected lease payments at the time a government enters into a lease involving a governmental fund. No such expenditure or other financing source are recognized under the budgetary basis of accounting used by the School District. For the year ended June 30, 2025 there are no differences.

ABINGTON SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE
SHARE OF THE PSERS NET PENSION LIABILITY
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021
School District's proportion of the net pension liability (asset)	0.5850%	0.6029%	0.5855%	0.5867%	0.5781%
School District's proportionate share of the net pension liability (asset)	$ 244,851,000	$ 268,208,000	$ 260,306,000	$ 240,880,000	$ 284,651,000
School District's covered payroll	$ 92,586,881	$ 92,335,221	$ 86,009,015	$ 83,042,390	$ 81,054,950
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	264.46%	290.47%	302.65%	290.07%	351.18%
The plan's fiduciary net position as a percentage of the total pension liability	64.63%	61.85%	61.34%	63.64%	54.32%

NOTE TO SCHEDULE

The District's covered payroll noted above is as of the measurement date of the net pension liability (June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015).

2020	2019	2018	2017	2016
0.5757%	0.5780%	0.5799%	0.5885%	0.5791%
$ 269,327,000	$ 277,469,000	$ 286,403,000	$ 291,642,000	$ 250,839,000
$ 79,401,191	$ 77,841,925	$ 77,213,527	$ 76,216,287	$ 74,513,992
339.20%	356.45%	370.92%	382.65%	336.63%
55.66%	54.00%	51.84%	50.14%	54.36%

ABINGTON SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PSERS PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021
Contractually required contribution	$ 29,087,000	$ 30,460,000	$ 30,705,000	$ 29,551,000	$ 27,761,000
Contributions in relation to the contractually required contribution	29,087,000	30,460,000	30,705,000	29,551,000	27,761,000
CONTRIBUTION (EXCESS) DEFICIENCY	$ -	$ -	$ -	-	$ -
School District's covered payroll	$ 88,355,747	$ 92,586,881	$ 92,335,221	$ 86,009,015	$ 83,042,390
Contributions as a percentage of covered payroll	32.92%	32.90%	33.25%	34.36%	33.43%

	2020	2019	2018	2017	2016
	$ 26,884,000	$ 25,168,000	$ 24,530,000	$ 22,130,000	$ 18,803,000
	26,884,000	25,168,000	24,530,000	22,130,000	18,803,000
	$ -	$ -	$ -	$ -	$ -
	$ 81,054,950	$ 79,401,191	$ 77,841,925	$ 77,213,527	$ 76,216,287
	33.17%	31.70%	31.51%	28.66%	24.67%

ABINGTON SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE PSERS NET OTHER POSTEMPLOYMENT BENEFIT PLAN LIABILITY
LAST NINE FISCAL YEARS

	2025	2024	2023	2022	2021
School District's proportion of the net OPEB liability	0.5832%	0.6027%	0.5849%	0.5858%	0.5775%
School District's proportionate share of the net OPEB liability	$ 10,360,000	$ 10,904,000	$ 10,767,000	$ 13,884,000	$ 12,478,000
School District's covered payroll	$ 92,586,881	$ 92,335,221	$ 86,009,015	$ 83,042,390	$ 81,054,950
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	11.19%	11.81%	12.52%	16.72%	15.39%
The plan's fiduciary net position as a percentage of the total OPEB liability	7.13%	7.22%	6.86%	5.30%	5.69%

NOTES TO SCHEDULE

The District's covered payroll noted above is as of the measurement date of the net pension liability (June 30, 2024, 2023, 2022, 2021, 2020, 2019 and 2018).

This schedule is to present the requirement to show information for ten (10) years. However, until a full ten-year trend is compiled, information for only those years for which information is available is shown.

2020	2019	2018
0.5757%	0.5780%	0.5799%
$ 12,244,000	$ 12,051,000	$ 11,815,000
$ 79,401,191	$ 77,841,925	$ 77,213,527
15.42%	15.48%	15.30%
5.56%	5.56%	5.73%

ABINGTON SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PSERS OTHER
POSTEMPLOYMENT BENEFIT PLAN CONTRIBUTIONS
LAST NINE FISCAL YEARS

	2025	2024	2023	2022	2021
Contractually required contribution	$ 557,000	589,000	$ 671,000	$ 696,000	$ 684,000
Contributions in relation to the contractually required contribution	557,000	589,000	671,000	696,000	684,000
CONTRIBUTION (EXCESS) DEFICIENCY	$ -	-	$ -	$ -	$ -
School District's covered payroll	$ 88,355,747	92,586,881	$ 92,335,221	$ 86,009,015	$ 83,042,390
Contributions as a percentage of covered payroll	0.63%	0.64%	0.73%	0.81%	0.82%

NOTE TO SCHEDULE

This schedule is to present the requirement to show information for ten (10) years. However, until a full ten-year trend is compiled, information for only those years for which information is available is shown.

	2020	2019	2018
	$ 677,000	$ 641,000	$ 641,000
	677,000	641,000	641,000
	$ -	$ -	$ -
	$ 81,054,950	$ 79,401,191	$ 77,841,925
	0.84%	0.81%	0.82%

ABINGTON SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT BENEFIT PLAN LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS

	2025	2024	2023	2022	2021
TOTAL OPEB LIABILITY					
Service cost	$ 308,461	$ 274,239	$ 532,278	$ 529,736	$ 425,772
Interest	244,608	216,040	180,002	142,157	241,279
Changes of benefit terms	-	209,681	-	-	-
Differences between expected and actual experience	380,577	-	(1,313,613)	-	(427,654)
Changes of assumptions	(12,191)	74,442	(1,527,324)	(255,144)	301,220
Benefit payments	(219,702)	(192,179)	(180,773)	(151,442)	(219,502)
NET CHANGE IN TOTAL OPEB LIABILITY	701,753	582,223	(2,309,430)	265,307	321,115
TOTAL OPEB LIABILITY, BEGINNING	5,733,266	5,151,043	7,460,473	7,195,166	6,874,051
TOTAL OPEB LIABILITY, ENDING	$ 6,435,019	$ 5,733,266	$ 5,151,043	$ 7,460,473	$ 7,195,166
COVERED-EMPLOYEE PAYROLL	$ 89,215,131	$ 84,147,801	$ 84,147,801	$ 79,555,626	$ 79,555,626
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	7.21%	6.81%	6.12%	9.38%	9.04%

NOTES TO SCHEDULE

No assets are accumulated in a trust to pay benefits related to this plan.

Changes in assumptions: In the 2024 actuarial valuation, the discount rate changed from 4.13% to 4.29%. The trend assumption was updated.

Changes in assumptions: In the 2023 actuarial valuation, the discount rate changed from 4.06% to 4.13%. The trend assumption was updated.

Changes in assumptions: In the 2022 actuarial valuations, the discount rate changes from 2.28% to 4.06%. The trend assumption was updated. Assumptions for salary, mortality, and withdrawal and retirement were updated based on new PSERS assumptions.

Changes in assumptions: In the 2021 actuarial valuation, the discount rate changed from 1.86% to 2.28%. The trend assumption was updated.

Changes in assumptions: In the 2020 actuarial valuation, the discount rate changed from 3.36% to 1.86%. The trend assumption was updated. The election percentage for Teachers and Administrators changed from 60% to 55%. The election percentage for Support Staff changed from 30% to 25%.

Changes in assumptions: In the 2019 actuarial valuation, the discount rate changed from 2.98% to 3.36%. Assumptions for salary, mortality, withdrawal and retirement remained unchanged.

Changes in assumptions: In the 2018 actuarial valuation, the discount rate changed from 3.13% to 2.98%. The trend assumption was updated. Election for Support Staff decreased from 35% to 30%. Percent married at retirement decreased from 35% to 25%.

Changes in assumptions: In the 2017 actuarial valuation, the discount rate changed from 2.49% to 3.13%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

The District's covered payroll noted above is as of the measurement date of the total pension liability (June 30, 2023, 2022, 2021, 2020, 2019, 2018 and 2017).

This schedule is to present the requirement to show information for ten (10) years. However, until a full ten-year trend is compiled, information for only those years for which information is available is shown.

2020	2019	2018
$ 424,276	$ 476,358	$ 458,292
207,587	234,352	169,286
-	-	-
-	(472,239)	-
(222,046)	(537,318)	204,660
(169,109)	(171,818)	(149,601)
240,708	(470,665)	682,637
6,633,343	7,104,008	6,421,371
$ 6,874,051	$ 6,633,343	$ 7,104,008
$ 74,445,346	$ 74,445,346	$ 72,627,462
9.23%	8.91%	9.78%

SUPPLEMENTARY INFORMATION SECTION

ABINGTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF ACTIVITY FUNDS RECEIPTS,
DISBURSEMENTS AND CHANGES IN CASH BALANCES
YEAR ENDED JUNE 30, 2025

	Cash Balance July 1, 2024	Receipts	Disbursements	Cash Balance June 30, 2025
Abington Senior High School	$ 187,278	$ 505,576	$ (515,628)	$ 177,226
Abington Junior High School	111,551	163,408	(141,053)	133,906
	$ 298,829	$ 668,984	$ (656,681)	$ 311,132

ABINGTON SCHOOL DISTRICT
SCHEDULE OF BORROWING BASE CALCULATION
YEARS ENDED JUNE 30, 2025, 2024 AND 2023

	Years Ended June 30,		
	2025	2024	2023
GENERAL FUND REVENUES	$ 191,834,349	$ 181,105,167	$ 174,626,068
STATE AND FEDERAL SUBSIDIES AND REIMBURSEMENTS TO A PARTICULAR PROJECT FINANCED BY DEBT	(874,860)	(871,240)	(850,290)
TOTAL GENERAL FUND REVENUES, AS ADJUSTED	$ 190,959,489	$ 180,233,927	$ 173,775,778
TOTAL THREE YEARS NET REVENUES			$ 544,969,194
BORROWING BASE (THREE-YEAR ARITHMETIC AVERAGE OF TOTAL NET REVENUES, AS DEFINED)			$ 181,656,398

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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

To the Board of School Directors
Abington School District
Abington, Pennsylvania

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Abington School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Abington School District's basic financial statements, and have issued our report thereon dated May 6, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Abington School District 's internal control over financial reporting (internal control) to determine the 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 Abington School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Abington 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Board of School Directors
Abington School District

Abington, Pennsylvania

Compliance and Other Matters

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

Maillie LLP

Limerick, Pennsylvania
May 6, 2026

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Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With Uniform Guidance

To the Board of School Directors
Abington School District
Abington, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Abington 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 Abington 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 Abington School District's federal programs.

To the Board of School Directors
Abington School District
Abington, Pennsylvania

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

To the Board of School Directors
Abington School District
Abington, Pennsylvania

Report on Internal Control Over Compliance

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

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

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

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

Maillie LLP

Limerick, Pennsylvania
May 6, 2026

SUPPLEMENTARY INFORMATION - MAJOR FEDERAL AWARD PROGRAMS AUDIT

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ABINGTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AND CERTAIN STATE AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor Project Title	School Year	Source Code	Federal AL Number	Pass Through Grantors Number	Grant Period Beginning Date	Grant Period Ending Date
U.S. Dept. of Education						
Passed Through PA Dept. Of Education						
Title I Grants to Local Educational Agencies	23/24	I	84.010	013-230001	7/26/2023	9/30/2024
Title I Grants to Local Educational Agencies	24/25	I	84.010	013-240001	8/13/2024	9/30/2025
Subtotal Title I 84.010:						
Improving Teacher Quality State Grants (Title II)	22/23	I	84.367	020-230001	7/1/2022	9/30/2023
Improving Teacher Quality State Grants (Title II)	23/24	I	84.367	020-240001	7/26/2023	9/30/2024
Improving Teacher Quality State Grants (Title II)	24/25	I	84.367	020-250001	8/13/2024	9/30/2024
Subtotal Title II 84.367:						
English Language Acquisition State Grants (Title III)	22/23	I	84.365	010-230001	7/1/2022	9/30/2023
English Language Acquisition State Grants (Title III)	23/24	I	84.365	010-240001	7/26/2023	9/30/2024
English Language Acquisition State Grants (Title III)	24/25	I	84.365	010-250001	8/13/2024	9/30/2024
Subtotal Title III 84.365:						
Student Support and Academic Enrichment Program (Title IV)	22/23	I	84.424	144-220001	7/1/2022	9/30/2023
Student Support and Academic Enrichment Program (Title IV)	23/24	I	84.424	144-230001	7/26/2023	9/30/2024
Student Support and Academic Enrichment Program (Title IV)	24/25	I	84.424	144-240001	8/13/2024	9/30/2025
Subtotal Title IV 84.424:						
COVID-19 Education Stabilization Fund	20/21	I	84.425U	223-210001	3/13/2020	9/30/2024
COVID-19 Education Stabilization Fund	20/21	I	84.425W	181-212002	7/1/2021	9/30/2024
Subtotal Education Stabilization Fund 84.425:						
Excellent and Equitable Youth Services Collection	24/25	I	45.310	FA-LLG-25-0013	7/1/2024	9/30/2025
Passed Through Intermediate Unit						
Special Education Grants to States	23/24	I	84.027		7/1/2023	6/30/2024
Special Education Grants to States	24/25	I	84.027		7/1/2024	6/30/2025
Subtotal IDEA 84.027:						
Special Education Preschool Grants	23/24	I	84.173	131-22-0023	7/1/2023	6/30/2024
Special Education Preschool Grants	24/25	I	84.173	131-22-0024	7/1/2024	6/30/2025
Subtotal Special Education Preschool Grants 84.173:						
Subtotal Special Education Cluster:						
Total U.S. Department of Education						
U.S. Dept. of Treasury						
Passed Through PA Commission on Crime and Delinquency						
COVID-19 School Mental Health	23/24	I	21.027	2023-CM-01	1/1/2024	12/31/2025
Subtotal School Mental Health 21.027:						
Total U.S. Dept. of Treasury						
U.S. Dept. of Health and Human Services						
Passed Through PA Dept. Of Public Welfare						
Medical Assistance Program	23/24	I	93.778		7/1/2023	6/30/2024
Medical Assistance Program	24/25	I	93.778		7/1/2024	6/30/2025
Subtotal Medical Assistance 93.778:						
Subtotal Medicaid Cluster						
Passed Through PA Dept. Of Education						
Ukraine Refugee School Impact Grant	23/24	I	93.566	228-230011	10/1/2023	9/30/2024
Subtotal Refugee and Entrant Assistance 93.566:						
Passed Through Intermediate Unit						
Project AWARE (Advancing Wellness and Resiliency in Education)	24/25	I	93.243	SM-22-018	6/1/2025	9/29/2026
Total U.S. Dept. of Health and Human Services						
U.S. Dept. of Agriculture						
Passed Through PA Dept. of Agriculture						
National School Lunch Program		I	10.555	N/A	7/1/2022	6/30/2023
Passed Through PA Dept. of Education						
National School Lunch Program		I	10.555	N/A	7/1/2023	6/30/2024
National School Lunch Program		I	10.555	N/A	7/1/2024	6/30/2025
Subtotal ALN 10.555:						
National School Breakfast Program		I	10.553	N/A	7/1/2023	6/30/2024
National School Breakfast Program		I	10.553	N/A	7/1/2024	6/30/2025
Subtotal ALN 10.553:						
Total Child Nutrition Cluster:						
Total Passed Through PA Dept. of Education						
SUBTOTAL FORWARD						

Program Or Award Amount	Total Received For the Year	Accrued (Deferred) Revenue At 7/1/2024	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue At 6/30/2025	Amount Pass-through to Subrecipients
$ 1,086,757	$ 273,044	$ 111,223	$ 161,821	$ 161,821	$ -	$ -
1,042,584	681,661	-	735,109	735,109	53,448	-
2,129,341	954,705	111,223	896,930	896,930	53,448	-
149,581	(3,440)	(1,887)	1,888	1,888	3,441	-
192,478	24,687	(638)	25,325	25,325	-	-
176,255	88,967	-	45,736	45,736	(43,231)	-
518,314	110,214	(2,525)	72,949	72,949	(39,790)	-
51,220	-	(3,690)	3,690	3,690	-	-
66,191	44,127	(113)	49,620	49,620	5,380	-
73,822	26,365	-	14,051	14,051	(12,314)	-
191,233	70,492	(3,803)	67,361	67,361	(6,934)	-
65,388	-	(8,437)	-	-	(8,437)	-
55,454	14,788	8,137	6,651	6,651	-	-
81,841	52,612	-	46,588	46,588	(6,024)	-
202,683	67,400	(300)	53,239	53,239	(14,461)	-
5,002,167	727,588	(66,612)	794,200	794,200	-	-
71,823	50,000	50,000	7,019	7,019	7,019	-
5,073,990	777,588	(16,612)	801,219	801,219	7,019	-
5,000	-	-	1,480	1,480	1,480	-
1,750,383	1,585,773	1,486,789	180,148	180,148	81,164	-
1,679,595	711,598	-	1,679,595	1,679,595	967,997	-
3,429,978	2,297,371	1,486,789	1,859,743	1,859,743	1,049,161	-
6,192	6,192	6,192	-	-	-	
7,421	-	-	7,421	7,421	7,421	-
13,613	6,192	6,192	7,421	7,421	7,421	-
3,443,591	2,303,563	1,492,981	1,867,164	1,867,164	1,056,582	-
	4,283,962	1,580,964	3,760,342	3,760,342	1,057,344	-
203,788	103,571	33,093	109,786	109,786	39,308	-
	103,571	33,093	109,786	109,786	39,308	-
	103,571	33,093	109,786	109,786	39,308	-
-	8,333	8,333	-	-	-	-
-	53,143	-	67,952	67,952	14,809	-
	61,476	8,333	67,952	67,952	14,809	-
	61,476	8,333	67,952	67,952	14,809	-
44,180	(2,528)	(5,770)	28,299	28,299	25,057	-
44,180	(2,528)	(5,770)	28,299	28,299	25,057	-
62,695	-	-	3,179	3,179	3,179	
	58,948	2,563	99,430	99,430	43,045	-
	A	B	C		D	
N/A	442,703	(33,392)	389,376	389,376	86,719	-
N/A	240,972	240,972	-	-	-	-
N/A	1,144,974	-	1,386,237	1,386,237	241,263	-
	1,828,649	207,580	1,775,613	1,775,613	327,982	-
N/A	52,702	52,702	-	-	-	-
N/A	276,450	-	340,369	340,369	63,919	-
	329,152	52,702	340,369	340,369	63,919	-
	2,157,801	260,282	2,115,982	2,115,982	391,901	-
	2,157,801	260,282	2,115,982	2,115,982	391,901	-
	$ 6,604,282	$ 1,876,902	$ 6,085,540	$ 6,085,540	$ 1,531,598	$ -

ABINGTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AND CERTAIN STATE AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor Project Title	School Year	Source Code	Federal AL Number	Pass Through Grantors Number	Grant Period Beginning Date	Grant Period Ending Date
SUBTOTAL FORWARDED						
Passed Through PA Dept. of Education						
National School Lunch Program		S	N/A	N/A	7/1/2023	6/30/2024
National School Lunch Program		S	N/A	N/A	7/1/2024	6/30/2025
National School Breakfast Program		S	N/A	N/A	7/1/2023	6/30/2024
National School Breakfast Program		S	N/A	N/A	7/1/2024	6/30/2025
School Breakfast Initiative		S	N/A	N/A	7/1/2023	6/30/2024
School Breakfast Initiative		S	N/A	N/A	7/1/2024	6/30/2025
Subtotal State Awards:						
Total Passed Through PA Dept. of Education						
Total Financial Assistance						
Less: State Assistance						
Total Federal Assistance						

(A) Donated Commodities Received From Dept. of Agriculture
(B) Beginning Inventory 7/1/24
(C) Donated Commodities Used
(D) Ending Inventory 6/30/25

Program Or Award Amount	Total Received For the Year	Accrued (Deferred) Revenue At 7/1/2024	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue At 6/30/2025	Amount Pass-through to Subrecipients
	$ 6,604,282	$ 1,876,902	$ 6,085,540	$ 6,085,540	$ 1,531,598	$ -
N/A	12,105	12,105	-	-	-	-
N/A	59,105	-	71,713	71,713	12,608	-
N/A	3,469	3,469	-	-	-	-
N/A	18,847	-	23,259	23,259	4,412	-
N/A	41,464	41,464	-	-	-	-
N/A	259,187	-	320,629	320,629	61,442	-
	394,177	57,038	415,601	415,601	78,462	-
	394,177	57,038	415,601	415,601	78,462	-
	6,998,459	1,933,940	6,501,141	6,501,141	1,610,060	-
	(394,177)	(57,038)	(415,601)	(415,601)	(78,462)	-
	$ 6,604,282	$ 1,876,902	$ 6,085,540	$ 6,085,540	$ 1,531,598	$ -

NOTE A - ORGANIZATION AND SCOPE

The schedule of expenditures of federal and certain state awards is a listing of the total federal financial assistance received, both directly and/or indirectly, from federal and state grantor agencies.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District uses the modified accrual basis of accounting to report federal, state and other grants. Revenues designated for payment of specified District expenditures are recognized when the related expenditures are incurred. Any excess receipts or expenditures at the fiscal year-end are recorded as unearned revenue or a receivable, respectively. The modified accrual basis of accounting is described in Note A to the financial statements.

Total assistance is valued at the sum of cash received and the value of U.S.D.A. donated foods based upon the federal price list accompanying each shipment.

NOTE C - INDIRECT COST RATES

The School District has not elected to use the de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the Abington School District.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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.*

3. No instances of noncompliance material to the financial statements of the Abington School District were disclosed during the audit.

4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance.

5. The auditors' report on compliance for the major award programs for the Abington School District expresses an unmodified opinion.

6. There are no audit findings that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance.

7. The programs tested as major programs include:

Program	ALN
Child Nutrition Cluster	10.553/10.555

8. The threshold used for distinguishing Types A and B programs was $750,000.

9. Abington School District was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

None.

APPENDIX F

BOND AMORTIZATION SCHEDULE

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, 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 first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such 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 BAM. 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 BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

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 (as defined herein) 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 BAM 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 made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or 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, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

To the fullest extent permitted by applicable law, BAM 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 BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM 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, 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. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ______________________________________

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
28 Liberty Street, 59th Floor
New York, New York 10005
Telecopy:
212-962-1524 (attention: Claims)