

NEW ISSUE - BOOK ENTRY ONLY

**RATINGS: S&P: “__” (___ Outlook) (___ Insured)
Moody’s: “A1” (Underlying)
(See “RATINGS” herein)**

In the opinion of Stevens & Lee, P.C., Reading, Pennsylvania, Bond Counsel, assuming continuing compliance by the School District with certain covenants to comply with provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and any applicable regulations thereunder, interest on the Bonds is not includable in gross income under Section 103(a) of the Code and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum taxes on individuals and corporations; however, interest on the Bonds may be subject to the Federal alternative minimum tax on “applicable corporations” as defined in Section 59(k) of the Code. See “TAX MATTERS” herein for a brief description of these provisions.

Under the laws of the Commonwealth of Pennsylvania, the Bonds and interest on the Bonds shall be free from taxation for State and local purposes within the Commonwealth of Pennsylvania, but this exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Bonds or the interest thereon. Under the laws of the Commonwealth of Pennsylvania, profits, gains or income derived from the sale, exchange or other disposition of the Bonds shall be subject to State and local taxation within the Commonwealth of Pennsylvania.

The School District has designated and determined under and for purposes of Section 265(b)(3) of the Code to qualify each of the Bonds as a “qualified tax-exempt obligation” as such phrase is defined in the Code.

For further information concerning federal and state tax matters related to the Bonds, see “TAX MATTERS” herein.

\$6,445,000*

**MINERSVILLE AREA SCHOOL DISTRICT
(Schuylkill County, Pennsylvania)
General Obligation Bonds, Series of 2026**

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: October 1, 2026
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 (the “Bonds” or “2026 Bonds”) in the aggregate principal amount of \$6,445,000* are being issued by the Minersville Area School District (the “School District”), a public school district located in Schuylkill 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 The Fidelity Deposit and Discount Bank, as the paying agent (“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 October 1, 2026, 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 April 22, 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, within limitations provided by law (see “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**”, APPENDIX A - “**TAXING POWERS AND LIMITS**” and “**PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS**” – “**Taxpayer Relief Act (Act 1)**” herein).

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

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

Bond Insurance: The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by _____.

[INSURANCE LOGO]

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 Stevens & Lee, P.C., Reading, Pennsylvania, as Bond Counsel to the School District, to be furnished upon delivery of the Bonds. Certain legal matters will be passed upon by Nicholas Quinn, Esquire, Pottsville, 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. It is expected that the Bonds will be available for delivery through the facilities of DTC, on or about June ____, 2026.

RAYMOND JAMES®

*Preliminary, subject to change.

This Preliminary Official Statement and the information herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The School District deems this Preliminary Official Statement to be final for the purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1) except for certain information on the cover hereof and certain pages herein which have been omitted in accordance with such Rule and which will be supplied in the final Official Statement.

\$6,445,000*

MINERSVILLE AREA SCHOOL DISTRICT
(Schuylkill County, Pennsylvania)
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Form: DTC Book-entry Only

BOND MATURITY SCHEDULE

(April 1)	Principal	Interest			CUSIP
<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Numbers</u> ⁽¹⁾

⁽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 AND NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

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

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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	Minersville Area School District, Schuylkill County, Pennsylvania (the "School District").
Bonds	<p>The General Obligation Bonds, Series of 2026 in the principal amount of \$6,445,000* (the "Bonds"), dated as of the date of delivery, maturing on April 1, ____ through April 1, ____.</p> <p>Interest on the Bonds shall be payable semiannually on April 1 and October 1 of each year. See "DESCRIPTION OF THE BONDS" herein.</p>
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 _____, _____, at a price equal to 100% of the principal amount of the Bonds to be redeemed and interest accrued thereon to the date fixed for such optional redemption. In the event that less than all of the Bonds of a maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.
Form	Book-Entry Only.
Application of Proceeds	Proceeds of the Bonds will be used to: (1) finance various capital projects of the School District; and (2) pay the related costs of issuing the Bonds.
Security	The Bonds are general obligations of the School District, for the payment of which the School District has pledged its full faith, credit and taxing power.
Ratings	S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") is expected to assign its municipal bond insurance rating to this issue of Bonds with the understanding that upon issuance and delivery of the Bonds, a municipal Bond insurance policy insuring the payment when due of the principal of and interest on the Bonds will be issued by _____. Currently, _____'s financial strength is rated "_____" (_____ outlook) by S&P. Moody's Investors Service ("Moody's") has assigned the School District an underlying rating of "A1". (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 – PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE , herein.)

*Preliminary, subject to change.

**MINERSVILLE AREA SCHOOL DISTRICT
(Schuylkill County, Pennsylvania)**

40 High School Lane
Pottsville, Pennsylvania 17901

BOARD OF SCHOOL DIRECTORS

Kevin Wigoda.....	President
Michael Andruchek.....	Vice President
Sarah Newton.....	Secretary
Albert Marazas.....	Treasurer
Dr. Cynthia Lubinsky.....	Member
James O'Brien, Jr.....	Member
James Croley, II.....	Member
Dr. William Yourey.....	Member
Timothy Sohosky.....	Member

SCHOOL ADMINISTRATION

Michael Maley.....	Superintendent of Schools
Brittany Doyle, CPA.....	Business Manager

BOND COUNSEL

Stevens & Lee, P.C.
Reading, Pennsylvania

SOLICITOR

Nicholas Quinn, Esquire
Pottsville, Pennsylvania

UNDERWRITER

Raymond James & Associates, Inc.
Lancaster, Pennsylvania

LIMITED SCOPE UNDERWRITER'S COUNSEL

Eckert Seamans Cherin & Mellott, LLC
Harrisburg, Pennsylvania

PAYING AGENT

The Fidelity Deposit and Discount Bank
Dunmore, Pennsylvania

OFFICIAL STATEMENT

\$6,445,000*

MINERSVILLE AREA SCHOOL DISTRICT

(Schuylkill County, Pennsylvania)

General Obligation Bonds, Series of 2026

INTRODUCTION

This Official Statement is furnished by the Minersville Area School District (the "School District"), a public school district located in Schuylkill County, Pennsylvania, in connection with the offering of its General Obligation Bonds, Series of 2026 (the "Bonds") in the aggregate principal amount of \$6,445,000*, 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 April 22, 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 October 1, 2026. 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 The Fidelity Deposit and Discount Bank, Dunmore, Pennsylvania (the "Paying Agent"), serving as paying agent and sinking fund depository, for transfer to DTC. When issued, the Bonds will be registered in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"), New York, New York. Purchasers of the Bonds (the "Beneficial Owners") will not receive any bond certificates, and beneficial ownership of the Bonds will be evidenced only by electronic book entries. See "BOOK-ENTRY ONLY SYSTEM" herein.

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

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

PURPOSE OF THE ISSUE

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

SOURCES AND USES OF FUNDS

Table with 2 columns: Description and Total. Rows include Sources of Funds (Proceeds of the Bonds, Original Issue Premium [Discount], Total Sources of Funds) and Uses of Funds (Construction Fund Deposit, Costs of Issuance (1), Total Uses of Funds).

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

*Preliminary, subject to change.

DESCRIPTION OF THE BONDS

Payment of Principal and Interest

The Bonds will be issued in book-entry form and will be dated date of delivery. The Bonds will bear interest payable on April 1 and October 1 of each year ("Interest Payment Dates"), commencing on October 1, 2026, as set forth on the cover page hereof and are issuable in denominations of \$5,000 or any whole multiple thereof. The Bonds mature on the dates and in the amounts shown on the inside cover page of this Official Statement. Each Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication of such Bonds, unless (a) such Bonds are registered and authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from said Interest Payment Date; or (b) the Bonds are registered and authenticated after a Regular Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bonds shall bear interest from such Interest Payment Date, or (c) the Bonds are registered and authenticated on or prior to the Regular Record Date preceding October 1, 2026, in which event such Bonds shall bear interest from the dated date thereof, or (d) as shown by the records of the Paying Agent, interest on such Bonds shall be in default, in which event such Bonds shall bear interest from the date on which interest was last paid on such Bonds.

The principal of the Bonds will be paid to the Registered Owners thereof or registered assigns, when due, upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent. The person in whose name any Bond is registered at the close of business on any Regular Record Date with respect to an Interest Payment Date (the "Registered Owner") will be entitled to receive the interest payable by check mailed to such Registered Owner on such Interest Payment Date notwithstanding the cancellation of such Bond upon any transfer or exchange thereof subsequent to such Regular Record Date and prior to such Interest Payment Date. Except in the case of defaulted interest, the term "Regular Record Date" with respect to an Interest Payment Date means the fifteenth day (whether or not a business day) next preceding each Interest Payment Date.

If the School District shall be in default in payment of interest due on any Interest Payment Date, such defaulted interest shall be payable to the person in whose name the Bonds are 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 the Bonds not less than ten (10) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing. If the date for the payment of the principal of or interest on 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 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.

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.

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.

Transfer, Exchange and Registration of Certificated Bonds

Subject to the provisions herein under "BOOK-ENTRY ONLY SYSTEM", the Bonds may be transferred or exchanged only on the bond register (the "Bond Register") of the School District maintained at the principal corporate trust office of the Paying Agent, or its duly authorized successor (the "Registrar, Paying Agent and Sinking Fund Depository"). No transfer or exchange of any Bond will be valid unless made at such office and registered on the Bond Register.

The School District and the Paying Agent shall not be required: (i) to issue or to register the transfer of or exchange any 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 Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given, or (ii) to register the transfer of or exchange any portion of any Bond selected for redemption, in whole or in part, until after the date fixed for redemption. Bonds may be exchanged for a like aggregate principal amount of Bonds or other authorized denominations of the same series, maturity and interest rate.

Subject to the provisions described herein, under "Book-Entry Only System", the Bonds shall be transferable or exchangeable by the registered owner thereof upon surrender thereof to the Paying Agent, at its corporate trust office, 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 thereof or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of the Bonds in the registration books of the School District maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees new fully registered Bonds or authorized denominations of the same maturity for the aggregate amount which the transferee or transferees are entitled to receive at the earliest practicable time.

The Bonds originally will be issued solely in book-entry form registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). So long as the Bonds are held in the book-entry only system, DTC or its nominee will be the registered owner of the

Bonds for all purposes of the Resolution, the Bonds and this Official Statement. For purposes of this Official Statement, DTC or its nominee, and its successors and assigns, are referred to as the "Securities Depository". See "BOOK-ENTRY ONLY SYSTEM," herein.

REDEMPTION OF BONDS

Mandatory Sinking Fund Redemptions

The Bonds stated to mature on April 1, _____, are subject to mandatory redemption prior to maturity on April 1 of the years (at a price equal to the principal amount of the Bonds called for mandatory redemption plus accrued interest to the date fixed for such mandatory redemption) and in the principal amounts as set forth in the following schedule, as drawn by lot by the Paying Agent:

<u>Year</u>	<u>Amount</u>	*
-------------	---------------	---

* at maturity

In lieu of mandatory sinking fund redemption, the Paying Agent, on behalf of the School District, may purchase from money in the Sinking Fund, at a price not to exceed the principal amount thereof plus accrued interest, or the School District may tender to the Paying Agent, all or part of the Bonds subject to being drawn for mandatory sinking fund redemption in any such year.

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 _____, _____, at a price equal to 100% of the principal amount of the Bonds to be redeemed and interest accrued thereon to the date fixed for such optional redemption. In the event that less than all of the Bonds of a maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.

Notice of Redemption

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

As provided more fully in the Resolution and in the form of the Bonds, notice of redemption of Bonds shall be given by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the redemption date to the Registered Owners of Bonds to be redeemed at the addresses which appear in the Bond Register. Neither failure to mail such notice nor any defect in the notice so mailed or in the mailing thereof with respect to any one Bond will affect the validity of the proceedings for the redemption of any other Bond. If the School District shall have duly given notice of redemption and shall have deposited with the Paying Agent funds for the payment of the redemption price of the Bonds so called for redemption with accrued interest thereon to the date fixed for redemption, interest on such Bonds will cease to accrue after such redemption date.

If at the time of mailing of the notice of redemption the School District shall not have deposited with the Paying Agent moneys 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 moneys with the Paying Agent no later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys 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" (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 Depository and invested by the Sinking Fund Depository 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 Depository, 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 depository 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. (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” herein.**

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

[PLACE HOLDER]

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 absence such prepayment by the School District unless the Bond Insurer chooses to pay such amounts at an earlier date.

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

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

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

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

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

Cybersecurity

The School District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the School District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the School District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. The School District experienced a cybersecurity incident in December 2025. The financial impact of this event was substantially mitigated through its cyber liability insurance coverage. Following the December 2025 incident, the School District further enhanced its cybersecurity posture through the implementation of additional preventative and monitoring measures. These efforts include engaging third-party specialists to perform independent penetration testing and vulnerability assessments, as well as expanding employee cybersecurity awareness training and simulated phishing exercises. These measures are intended to strengthen system defenses, improve threat detection capabilities, and reduce the risk of future incidents; however, no assurance can be given that such efforts will be effective in all circumstances. 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 maintains a comprehensive insurance policy to mitigate such risk.

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 MATTERS**” herein.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirement of Rule 15-c2-12 (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 and Supplement thereto (collectively, “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 its 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 not previously been subject to the Rule for the past 5 years but going forward will put reasonable procedures in place designed to ensure ongoing timely filings of its material continuing disclosure requirements in the future.

NO LITIGATION

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

TAX MATTERS

Federal Tax Laws

Numerous provisions of the Internal Revenue Code of 1986, as amended, (the “Code”), affect the issuers of state and local government unit bonds or notes, such as the School District, and impair or restrict the ability of the School District to finance projects on a tax-exempt basis. Failure on the part of the School District to comply with any one or more of such provisions of the Code, or any regulations under the Code, could render interest on the Bonds includable in the gross income of the owners thereof for purposes of federal income tax retroactively to the date of issuance of the Bonds. Among these provisions are more restrictive rules relating to: (a) investment of funds treated as proceeds of the Bonds; (b) the prohibition on advance refunding of tax-exempt bonds; and (c) the use of proceeds of the Bonds to benefit private activities. In addition, under the Code, the School District is required to file an information return with respect to the Bonds and, if applicable, to “rebate” to the federal government certain arbitrage profits on an ongoing basis throughout the term of the issue constituting the Bonds. Bond Counsel has not undertaken to determine (or to inform any person) whether any action 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.

Other provisions of the Code affect the purchasers and holders of certain state and local government bonds such as the Bonds. Prospective purchasers of the Bonds should be aware that: (i) Section 265 of the Code denies a deduction for interest on (a) indebtedness incurred or continued to purchase or carry certain state or local government bonds or notes, such as the Bonds, or, (b) in the case of a financial institution, that portion of a financial institution's interest expense allocated to interest on certain state or local government bonds or notes, such as the Bonds, unless the issuer of the state or local government bonds or notes designates the bonds or notes as "qualified tax-exempt obligations" for the purpose and effect contemplated by Section 265(b)(3)(B) of the Code (the School District has designated the Bonds as "qualified tax exempt obligations" under Section 265(b)(3)(B) of the Code, as such phrase is defined in the Code); (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(1) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest and amounts treated as such on certain state or local government bonds such as the Bonds; (iii) interest on certain state or local government bonds or notes, such as the Bonds, earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (iv) if a Subchapter S corporation has passive investment income (which passive investment income will include interest on state and local government bonds or notes such as the Bonds) exceeding 25% of such Subchapter S corporation's gross receipts and if such Subchapter S corporation has Subchapter "C" earnings and profits, then interest income derived from state and local government bonds or notes, such as the Bonds, may be subject to federal income tax under Section 1375 of the Code; and (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income receipts or accruals of interest on certain state or local government bonds or notes such as the Bonds.

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. Various legislative proposals have been submitted to Congress during the last several years, which if enacted, would limit for certain individual taxpayers the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. If enacted into law, such proposals may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Bonds.

No prediction is made whether these provisions will be enacted as proposed or concerning other future legislation which if passed might have the effect on the tax treatment of interest on the Bonds. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation. Bond Counsel will render its opinion as of the issue date and will assume no obligation to update its opinions after the issue date to reflect any future facts or circumstances, or any future changes in law or interpretation, or otherwise. Moreover, the opinion of Bond Counsel is only an opinion and not a warranty or guaranty of the matters discussed. Bond Counsel has no obligation to provide updated information concerning pending or future legislation. The School District does not have any obligation to provide updated information concerning pending or future legislation. Each purchaser of the Bonds should consult his or her own tax advisor regarding any pending or proposed federal tax legislation. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISERS REGARDING ANY PROPOSED FEDERAL TAX LEGISLATION, AS TO WHICH BOND COUNSEL EXPRESSES NO OPINION.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service or the courts.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds.

Tax Exemption

In the opinion of Bond Counsel, assuming continuing compliance by the School District with certain certifications and agreements relating to the use of Bond proceeds and covenants to comply with provisions of the Code and any applicable regulations thereunder, now or hereafter enacted, interest on the Bonds is not includable in the gross income of the holders of the Bonds under Section 103(a) of the Code and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals and corporations; however, such interest on the Bonds is taken into account in determining the annual adjusted financial statement income of "applicable corporations" as defined in Section 59(k) of the Code for the purpose of computing the alternative minimum tax imposed on corporations. Other provisions of the Code will affect certain purchasers and holders of the Bonds. See "Federal Tax Laws" above.

In the opinion of Bond Counsel under the laws of the Commonwealth, the Bonds and interest on the Bonds shall at all times be free from taxation for State and local purposes within the Commonwealth, but this exemption shall not extend to gift, estate, succession or inheritance taxes or any other taxes not levied directly on the Bonds or the interest thereon. Under the laws of the Commonwealth, profits, gains or income derived from the sale, exchange or other disposition of the Bonds are subject to State and local taxation within the Commonwealth of Pennsylvania. The residence of a holder of a Bond in a state or jurisdiction other than Pennsylvania, or being subject to tax in a state or jurisdiction other than Pennsylvania, may result in income or other tax liabilities being imposed by such state or jurisdiction or its political subdivisions, as applicable, based on the interest or other income from the Bonds.

The School District will issue its certificate regarding the facts, estimates and circumstances in existence on the date of delivery of the Bonds and regarding the anticipated use of the proceeds of the Bonds. The School District will certify that, on the basis of the facts, estimates and circumstances in existence on the date of issuance of the Bonds, the School District does not reasonably expect to use the proceeds of the Bonds in a manner that would cause the Bonds to be or become "arbitrage bonds" or "private activity bonds" as those terms are defined in Section 148 and Section 141 of the Code.

The School District has designated and determined under and for purposes of Section 265(b)(3)(B) of the Code to qualify each of the Bonds as a “qualified tax-exempt obligation” as such phrase is defined in the Code.

THE ABOVE SUMMARY OF POSSIBLE TAX CONSEQUENCES IS NOT EXHAUSTIVE. ALL PURCHASERS OF THE BONDS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE POSSIBLE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS. ANY STATEMENTS REGARDING TAX MATTERS HEREIN CANNOT BE RELIED UPON BY ANY PERSON TO AVOID TAX PENALTIES.

Regulations, Future Legislation

Under the provisions of the Code the Treasury Department is authorized and empowered to promulgate regulations implementing the intent of Congress under the Code, which could affect the tax-exemption and/or tax consequences of holding tax-exempt obligations, such as the Bonds. In addition, legislation may be introduced and enacted in the future which could change the provisions of the Code relating to tax-exempt bonds of a state or local government unit, such as the School District, or the taxability of interest in general.

The Inflation Reduction Act of 2022 (the “IRA”) includes a 15 percent alternative minimum tax to be imposed on the “adjusted financial statement income”, as defined in the IRA, of “applicable corporations” as defined in section 59(k) of the Code. Interest on the Bonds will be included in the “adjusted financial statement income” of such corporations for purposes of computing such alternative minimum tax.

No representation is made or can be made by the School District, or any other party associated with the issuance of the Bonds as to whether or not any other legislation now or hereafter introduced and enacted will be applied retroactively so as to subject interest on the Bonds to federal income taxes or so as to otherwise affect the marketability or market value of the Bonds.

EACH PURCHASER OF THE BONDS SHOULD CONSULT HIS OR HER OWN TAX ADVISOR REGARDING ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL TAX LEGISLATION.

LEGAL OPINIONS

The issuance of the Bonds is subject to the approving legal opinion of legal opinion of Stevens & Lee, P.C., Reading, Pennsylvania, as Bond Counsel to the School District, to be furnished upon delivery of the Bonds. Certain legal matters will be passed upon by Nicholas Quinn, Esquire, Pottsville, Pennsylvania, as Solicitor for the School District and Eckert Seamans Cherin & Mellott, LLC, in Harrisburg, Pennsylvania, will pass upon certain legal matters as limited scope undertaking counsel to the underwriter.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”) is expected to assign its municipal bond insured rating to this issue of Bonds with the understanding that upon issuance and delivery of the Bonds, a municipal bond insurance policy insuring the payment when due of the principal of and interest on the Bonds will be issued by _____. Currently, _____’s financial strength is rated “___” (_____ outlook) by S&P. Moody’s Investors Service (“Moody’s”) has assigned the School District an underlying rating of “A1”. This underlying rating may be changed, suspended or withdrawn as a result in, or unavailability of, information.

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

UNDERWRITING

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

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

PAYING AGENT

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

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

CERTAIN OTHER MATTERS

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

All information, estimates and assumptions herein have been obtained from officials of the School District, other governmental bodies, trade and statistical services, and other sources, which we believe to be 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.

MINERSVILLE AREA SCHOOL DISTRICT
Schuylkill 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 School District is a third-class school district located in Schuylkill County, Pennsylvania. It is centered on the borough of Minersville and also serves Branch Township, Cass Township, Foster Township, and Reilly Township. The school district encompasses approximately 55 square miles.

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

School Facilities

The School District presently operates two elementary schools and one high school, as described in the following table.

Elementary School	Year Constructed	Additions/ Alterations	Grades	Rated Pupil Capacity	2025-26 Enrollment
Minersville Area Elementary Center.....	1911	1929, 1976, 2002	1-6	600	486
Early Childhood Center, Llewellyn	1934	1962, 1995	4K-K	400	91
Secondary School					
Minersville Area Jr./Sr. High School	1972	1973, 2002	7-12	1,031	453
Total School District					1,030

Source: School District Officials.

Pupil Enrollment

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

Year	Elementary	Secondary	Total
2021-22	571	526	1,097
2022-23	557	527	1,084
2023-24	557	497	1,054
2024-25	569	481	1,050
2025-26 (Current).....	577	453	1,030
2026-27 (Projected).....	564	481	1,045

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

SCHOOL DISTRICT FINANCES

Financial Reporting

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

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

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

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

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

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

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

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

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

Summary and Discussion of Financial Results

The below table presents a summary of the School District’s General Fund Financial Condition for Fiscal Years ending June 30, 2021 through 2024 and unaudited June 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.

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

	ACTUAL				Unaudited	Budgeted
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Revenues						
Local Sources.....	\$8,676,795	\$9,181,236	\$9,697,263	\$10,329,249	\$10,882,891	\$10,155,650
State Sources.....	10,460,824	10,467,862	11,952,628	13,431,191	14,978,733	14,873,824
Federal Sources.....	<u>2,016,216</u>	<u>2,219,782</u>	<u>1,238,131</u>	<u>1,002,746</u>	<u>754,002</u>	<u>558,000</u>
Total Revenues	\$21,153,835	\$21,868,880	\$22,888,022	\$24,763,186	\$26,615,626	\$25,587,474
Expenditures						
Instructional Services.....	\$14,187,021	\$13,356,164	\$14,160,768	\$14,859,499	\$14,256,807	\$14,335,106
Support Services	5,791,810	5,964,118	6,195,845	6,756,079	7,045,401	8,046,363
Noninstructional Services	431,291	495,671	529,608	569,549	574,599	514,752
Capital Outlay.....	468,459	219,768	0	0	15,000	375,000
Debt Service.....	1,778,168	1,523,383	1,458,194	795,573	794,054	793,620
Miscellaneous	<u>0</u>	<u>0</u>	<u>28,343</u>	<u>28,342</u>	<u>32,316</u>	<u>0</u>
Total Expenditures	\$22,656,749	\$21,559,104	\$22,372,758	\$23,009,042	\$22,718,177	\$24,064,841
Other Financing Sources (Uses)						
Interfund Transfers in (out).....	\$0	\$0	\$0	\$0	\$(1,000,000)	\$(50,000)
Proceeds from extended term financing.....	1,664,027	950,000	0	0	0	0
Proceeds from insurance recoveries.....	4,456	0	10,521	0	0	0
Sale of Capital Assets	0	0	0	0	0	0
Proceeds of Lease Assets	0	0	0	0	139,297	0
Budgetary Reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,461,928)</u>
Total Other Financing Sources (Uses)	<u>\$1,668,483</u>	<u>\$950,000</u>	<u>\$10,521</u>	<u>\$0</u>	<u>\$(860,703)</u>	<u>\$(1,511,928)</u>
Net Change in Fund Balance	\$165,569	\$1,259,776	\$525,785	\$1,754,144	\$3,036,746	\$10,705
Beginning Fund Balance	<u>\$1,044,752</u>	<u>\$1,210,321</u>	<u>\$2,470,097</u>	<u>\$2,995,882</u>	<u>\$4,750,026</u>	<u>\$7,786,772</u>
Fund Balance June 30	<u>\$1,210,321</u>	<u>\$2,470,097</u>	<u>\$2,995,882</u>	<u>\$4,750,026</u>	<u>\$7,786,772</u>	<u>\$7,797,477</u>

Source: School District Audits and Budget.

TAXING POWERS AND LIMITS

In General

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

1. An annual tax on all real property taxable for school purposes, not to exceed 25 mills on each dollar of assessed valuation, to be used for general school purposes.
2. An unlimited ad valorem tax on the property taxable for school purposes to provide funds:
 - a) for minimum salaries and increments of the teaching and supervisory staff;
 - b) to pay rentals due any municipality authority or non-profit corporation or due the State Public School Building Authority;
 - c) *to pay interest and principal on any indebtedness incurred pursuant to the Local Government Unit Debt Act, or any prior or subsequent act governing the incurrence of indebtedness of the School District; and*
 - d) to pay for the amortization of a bond or note issue which provided a school building prior to the first Monday of July 1959.
3. An annual per capita tax on each resident over 18 years of age of not more than \$5.00.
4. Additional taxes subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege, under Act No. 511, enacted December 31, 1965, as amended (“The Local Tax Enabling Act”). These taxes, which may include, among others, a per capita tax, an earned income and net profits tax, a real estate transfer tax, a gross receipts tax, a local services tax and an occupation tax, shall not exceed, in the aggregate, an amount equal to the product of the market valuation of real estate in the School District (as certified by the State Tax Equalization Board of the Commonwealth (“STEB”)/Tax Equalization Division (“TED”)) multiplied by twelve mills. All local taxing authorities are required by the Local Tax Enabling Act to exempt disabled veterans and members of the armed forces reserve who are called to active duty at any time during the tax year from any local services tax and to exempt from any local services tax levied at a rate in excess of \$10 those persons whose total income and net profits from all sources within the political subdivision is less than \$12,000 for the tax year. The Local Tax Enabling Act also authorizes, but does not require, taxing authorities to exempt from per capita, occupation, and earned income taxes and any local services tax levied at a rate of \$10 or less per year, any person whose total income from all sources is less than \$12,000 per year.

PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS

Taxpayer Relief Act (Act 1)

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

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

1. to pay interest and principal on indebtedness incurred (i) prior to September 4, 2004, in the case of a school district which had elected to become subject to the provisions of the prior Homeowner Tax Relief Act, Act 72 of 2004 (“Act 72”), or (ii) prior to June 27, 2006, in the case of a school district which had not elected to become subject to Act 72 (as in the case of the School District); (a) to pay interest and principal on any indebtedness approved by the voters at referendum (electoral debt); and (b) to pay interest and principal on debt refunding or refinancing debt for which one of the above exceptions is permitted, as long as the refunding or refinancing incurs no additional debt other than for costs and expenses related to the refunding or refinancing and the funding of appropriate debt service reserves;
2. to pay costs incurred in providing special education programs and services to students with disabilities, under specified circumstances;
3. To make payments into the State Public School Employees’ Retirement System when the increase in the estimated payments between the current year and the upcoming year is 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.”

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

“Index” is defined in Act 1 as follows:

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:

<u>Fiscal Year</u>	<u>Index %</u>
2026-27	5.1
2025-26	5.8
2024-25	7.8
2023-24	6.0
2022-23	4.9

Source: Pennsylvania Department of Education website.

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

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

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

Limitations on School District Fund Balance

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

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

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

“Estimated ending unreserved, undesignated fund balance” is defined in Act 2003-48 as that portion of the fund balance which is appropriate 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

Realty Tax Rates

<u>Municipality</u>	<u>Real Estate (Mills)</u>			
	<u>School District</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Branch Township.....	48.79	6.85	19.48	75.12
Cass Township.....	48.79	4.50	19.48	72.77
Foster Township	48.79	8.20	19.48	76.47
Minersville Borough.....	48.79	23.50	19.48	91.77
Reilly Township.....	48.79	8.00	19.48	76.27

Non-Real Estate Tax Rates

<u>Municipality</u>	<u>Local Services</u>		<u>Earned Income</u>		<u>Real Estate Transfer</u>	
	<u>Municipal</u>	<u>School</u>	<u>Municipal</u>	<u>School</u>	<u>Municipal</u>	<u>School</u>
Branch Township.....	\$47	\$5	0.50%	0.50%	0.50%	0.50%
Cass Township.....	\$47	\$5	0.50%	0.50%	0.50%	0.50%
Foster Township	\$25	\$5	0.50%	0.50%	0.50%	0.50%
Minersville Borough.....	\$47	\$5	0.50%	0.50%	0.50%	0.50%
Reilly Township.....	\$ 5	\$5	0.50%	0.50%	0.50%	0.50%

Source: Local Officials

Real Estate Tax Collection Record

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

Fiscal Year	Total Levy	Current Collections	Current Percent Collected	Total Collections⁽¹⁾	Total Percent Collected
2020-21	\$6,437,932	\$5,875,604	91.3%	\$6,988,577	108.6%
2021-22	6,869,774	6,307,933	91.8%	7,263,682	105.7%
2022-23	7,347,176	6,719,955	91.5%	7,771,203	105.8%
2023-24	7,625,897	7,005,515	91.9%	8,152,159	106.9%
2024-25	7,814,785	7,090,112	90.7%	8,471,208	108.4%

⁽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:

Fiscal Year	Market Value	Assessed Value	Ratio
2020-21	\$361,194,317	\$168,249,440	46.58%
2021-22	368,425,620	172,803,480	46.90%
2022-23	420,193,970	173,001,945	41.17%
2023-24	425,701,685	174,504,585	40.99%
2024-25	486,460,303	175,796,150	36.14%
2025-26*	828,677,750	828,677,750	100.00%

The Schuylkill County countywide reassessment began in 2022, with data collection and valuation work completed in 2025. The new values went into effect January 1, 2026 but the reassessed, certified valuations provided by STEB, will not be released until June/July 2026.

*Based on STEB's pre-determined ratio of 100% during county-wide reassessment year.

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

Ten Most Valuable Taxable Parcels in the School District

The following table represents the ten real estate parcels having the highest assessed values in the School District. These taxpayers represent approximately 23.38% of the School District's total most recent assessed value.

Taxpayer	Taxable Assessed Valuation
First Security Bank Nat. Assoc.	\$44,641,500
Wegmans Food Markets Inc.	39,844,100
Exeter 25 Keystone LLC	27,089,300
Jeld Wen Inc.	21,946,000
Lineage Logistics MTC LLC	15,548,300
Commonwealth Envir. Systems LP	14,676,900
DG Distribution LLC	10,232,900
Fanelli Limited Partnership I	6,765,400
Highridge Ventures, LP	6,625,100
KSG High Ridge Park 50 LLC	<u>6,378,100</u>
Totals	<u>\$193,747,600</u>

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 72.18%. 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.

<u>DIRECT DEBT</u>	<u>Gross</u>	<u>Project</u>	<u>Effective⁽¹⁾</u>	<u>State</u>	<u>Local</u>
<u>NONELECTORAL DEBT</u>	<u>Outstanding</u>	<u>Reimbursable</u>	<u>Reimbursement</u>	<u>Share</u>	<u>Share</u>
<u>Issue Type</u>		<u>Percent (%)</u>			
General Obligation Bonds, Series of 2026.....	\$6,445,000	0.00%	0.00%	\$0	\$6,445,000
General Obligation Bonds, Series of 2020 (Gratz Bank)	310,000	0.00%	0.00%	0	310,000
General Obligation Note, Series of 2014 (QZAB)(Federally Taxable)(Fulton Bank, N.A.).....	3,960,000	0.00%	0.00%	0	3,960,000
Total Principal of Nonelectoral Debt.....	<u>\$10,715,000</u>			<u>\$0</u>	<u>\$10,715,000</u>
<u>LEASE RENTAL DEBT</u>					
Total Principal of Lease Rental Debt	<u>0</u>				
TOTAL DIRECT DEBT	<u>\$10,715,000</u>			<u>\$0</u>	<u>\$10,715,000</u>
<u>OVERLAPPING DEBT</u>					
Component Municipalities Debt	\$24,560,855				
Schuylkill County ⁽²⁾	1,586,807				
Total Principal of Overlapping Debt.....	<u>\$26,147,662</u>				
TOTAL DIRECT AND OVERLAPPING DEBT	\$36,862,662				
<u>DEBT RATIOS OF DIRECT DEBT</u>					
Market Valuation of Real Estate	2.20%				
Assessed Valuation of Real Estate	6.10%				
Per Capita (2022 Population).....	\$1,212				
<u>DEBT RATIOS OF DIRECT DEBT AND OVERLAPPING DEBT</u>					
Market Valuation of Real Estate	7.58%				
Assessed Valuation of Real Estate	20.97%				
Per Capita (2022 Population).....	\$4,170				

⁽¹⁾Gives effect to current appropriations for payment of debt service and expected future State Reimbursement of School District sinking fund payments based on current Aid Ratio. See “Commonwealth Aid to School Districts” herein.

⁽²⁾School District’s pro rata 6.75% share of Schuylkill County’s \$23,492,000 principal amount outstanding.

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

FUTURE FINANCING

The School District does not anticipate issuing additional long-term debt for its capital improvement plans in the near future.

**BORROWING CAPACITY
(Under Local Government Unit Debt Act)**

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

	<u>2022-23</u>	<u>2023-24</u>	<u>Unaudited 2024-25</u>
Total General Fund Revenues	\$22,888,022	\$24,763,186	\$26,615,626
Less: Required Deductions			
a. Rental and Sinking Fund Reimbursement.....	\$73,253	\$78,166	\$46,702
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	\$73,253	\$78,166	\$46,702
Total Net Revenues	\$22,814,769	\$24,685,020	\$26,568,924
 Total Net Revenues for Three Years		\$74,068,713	
Borrowing Base - Average Net Revenues for Three-Year Period		\$24,689,571	
 Computation of Borrowing Capacity			
Debt Limitation - 225% OF Borrowing Base		\$55,551,535	
Less: Net Non-Electoral and Lease Rental Debt.....		10,715,000	
Current Non-Electoral and Lease Rental Borrowing Capacity		\$44,836,535	

LABOR RELATIONS

Employees and Labor Contracts

There are presently 125 full-time employees of the School District, including 84 teachers/professional staff, 7 administrators, and 34 support personnel, including secretaries, custodial/maintenance staff, licensed practical nurses, 10-month staff, and technology specialists.

The School District's teachers/professional staff are represented by the Pennsylvania State Education Association (PSEA), under a contract that will expire June 30, 2028. The custodial/maintenance staff are represented by the Teamsters Local Union No. 429 under a contract that will expire June 30, 2026.

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. The PSERS Board certified the employer rate, to be paid by the School District, of 33.6% for the 2026-27 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 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 gross payments have been as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021-22	\$2,413,002
2022-23	\$2,336,591
2023-24	\$2,128,061
2024-25	\$2,653,749
2025-26 (budgeted)	\$2,685,367

On June 30, 2025, the School District reported a liability of \$21,137,000 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, 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 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, 2024 (measurement date), the School District's proportion was 0.0505%, which was an increase of 0.0099% from its proportion measured as of June 30, 2023.

As of June 30, 2024, the PSERS plan was 64.63% funded, with an unfunded actuarial accrued liability of approximately \$42.3 billion. PSERS’ rate of return for fiscal year ended June 30, 2024 was 7.05%. The Fund had plan net assets of \$76.5 billion at June 30, 2024. For more information, visit the PSERS website at www.psers.pa.gov, which is not incorporated by specific reference into this Preliminary 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

	<u>2010</u>	<u>2022</u>
School District	8,913	8,841
Schuylkill County	148,288	143,201
Pennsylvania	12,612,705	12,989,208

Source: U.S. Bureau of Census, 2022 American Community Survey 5-Year Estimates.

**Age Composition
(2022)**

<u>Municipality</u>	<u>Median Age</u>	<u>Percent Under 18</u>	<u>Percent 18-64</u>	<u>Percent 65 and Over</u>
Schuylkill County	44.2	19.8	59.5	20.7
Pennsylvania	40.8	20.5	60.8	18.7

Source: U.S. Bureau of Census, 2022 American Community Survey 5-Year Estimates.

**Income
(2022)**

	<u>Household Median</u>	<u>Family Median</u>	<u>Percentage of Families in Poverty</u>
Schuylkill County	63,574	76,212	7.9
Pennsylvania	73,170	93,685	8.0

Source: U.S. Bureau of Census, 2022 American Community Survey 5-Year Estimates.

**Housing Characteristics
(2022)**

	<u>Total Housing Units</u>	<u>Percent Occupied</u>	<u>Percent Vacant</u>	<u>Median Value Owner Occupied</u>
Schuylkill County	67,328	84.6	15.4	127,900
Pennsylvania	5,753,908	90.3	9.7	226,200

Source: U.S. Bureau of Census, 2022 American Community Survey 5-Year Estimates.

**Occupied Housing
(2022)**

	<u>Total Occupied Housing</u>	<u>Total Owner Occupied</u>		<u>Total Renter Occupied</u>	
	<u>Units</u>	<u>Units</u>	<u>% of Total</u>	<u>Units</u>	<u>% of Total</u>
Schuylkill County	56,987	43,614	76.5	13,373	23.5
Pennsylvania	5,193,727	3,593,490	69.2	1,600,237	30.8

Source: U.S. Bureau of Census, 2022 American Community Survey 5-Year Estimates.

Medical Facilities

There are three acute care hospitals that serve Schuylkill County. These hospitals, their licensed bed capacities, and number of full-time and part-time employees are as follows:

<u>Institution</u>	<u>Location</u>	<u>Licensed Beds</u>	<u>Staff</u>	
			<u>Full-Time</u>	<u>Part-Time</u>
Lehigh Valley Hospital Schuylkill	Pottsville	186	656	305
St. Luke’s Miners Memorial Hospital	Coaldale	49	348	149
Geisinger St. Luke’s.....	Orwigsburg	40	234	169

Source: Pennsylvania Department of Health, Bureau of Health Statistics

Top 10 Employers in Schuylkill County

<u>Employer</u>	<u>Service/Product</u>
Wal-Mart Associates Inc	Retail
State Government.....	Government
Hydro Extrusion USA LLC.....	Manufacturing
Lehigh Valley Hospital - Schuylkill South Jackson Street	Healthcare
Kings Home Healthcare	Healthcare
Cargill Meat Solutions Corporation	Food Distribution
Jeld-Wen Inc	Manufacturing
Wegmans Food Markets Inc.....	Grocery Store
Lowe’s Home Centers LLC.....	Retail
Saks Com LLC.....	Retail

Source: Center for Workforce Information and Analysis, 3rd Quarter 2025

Trends in Schuylkill County Employment and Unemployment

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

TIME PERIOD	CIVILIAN LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	RATE (%)	SEASONALLY ADJUSTED			
					LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	RATE (%)
January 2026	67,000	63,600	3,400	5.1	66,900	63,700	3,200	4.8
December 2025	67,700	64,800	2,900	4.3	68,300	65,000	3,300	4.9
November	67,700	64,700	3,000	4.4	68,300	65,000	3,300	4.9
January 2025	66,700	63,600	3,000	4.6	66,500	63,700	2,800	4.2

SOURCE: U.S. Department of Labor and Industry, Pennsylvania Bureau of Employment.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

Stevens & Lee

111 N. Sixth Street
P.O. Box 679
Reading, PA 19603
(610) 478-2000
www.stevenslee.com

_____, 2026

Re: Minersville Area School District, Schuylkill County, Pennsylvania
\$ _____ General Obligation Bonds, Series of 2026

TO: THE REGISTERED OWNERS OF THE ABOVE-CAPTIONED BONDS

We have served as Bond Counsel in connection with the issuance by the Minersville Area School District, Schuylkill County, Pennsylvania (the “School District”), of its \$ _____ aggregate principal amount General Obligation Bonds, Series of 2026 (the “Bonds”), dated as of and bearing interest from _____, 2026. The Bonds are being issued, without the assent of the electors, in fully registered form, without coupons, in denominations of \$5,000 each or multiples thereof, pursuant to the provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as reenacted and amended (the “Act”). The Bonds are being issued pursuant to the provisions of a resolution adopted by the Board of School Directors of the School District on April 22, 2026 (the “Resolution”).

The Bonds are being issued to provide funds for (1) the acquisition, construction and installation of various capital improvements to the School District’s facilities, buildings and systems, including but not limited to the installation of energy efficiency systems including the construction of a ground mount and roof-mounted solar photovoltaic system and the rehabilitation and repair of a roof; (2) additional capital projects of the School District to the extent approved by the Board of School Directors; and (3) the payment of the costs and expenses of issuance of the Bonds, as described more completely in the Resolution.

The School District has covenanted in the Resolution that it will make no use of the proceeds of the Bonds and it has neither done nor suffered and will neither do nor suffer any other action which, if such use or action had been reasonably expected on the date of issue of the Bonds, would cause the Bonds to be “arbitrage bonds” or “private activity bonds,” as those terms are defined in the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations thereunder. The School District has further covenanted that it will comply with the requirements of Section 148 and Section 141 of the Code and with the applicable regulations thereunder throughout the term of the Bonds. Further, the School District has designated each of the Bonds as a “qualified tax-exempt obligation” within the meaning and for the purposes of Section 265(b)(3) of the Code.

In the Resolution, the School District has covenanted that (1) it will include in its budget in each fiscal year the amount required to pay debt service on the Bonds for such year, (2) it will appropriate from its general revenues in each such fiscal year the amount required to pay debt service on the Bonds for such year, and (3) it will duly and punctually pay or cause to be paid

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Stevens & Lee

_____, 2026

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when due, from its sinking fund or any other of its revenues or funds, the principal of and interest on every Bond at the dates and place and in the manner stated therein, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the School District has irrevocably pledged its full faith, credit and taxing power, subject to such limitations provided by law. In addition, the School District has established with The Fidelity Deposit and Discount Bank, Dunmore, Pennsylvania (the "Paying Agent"), as paying agent and sinking fund depository, a sinking fund, and has covenanted to deposit into such sinking fund amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable.

In our capacity as Bond Counsel, we have reviewed: (a) a certified copy of the Resolution; (b) the sworn debt statement and borrowing base certificate of the School District filed with the Department of Community and Economic Development of the Commonwealth of Pennsylvania (the "Department") in accordance with the provisions of the Act; (c) the proceedings of the School District and the various proofs of publication in connection with the advertisement of the Resolution, all of which were filed with the Department as required by the provisions of the Act; (d) the approval of the Department; (e) a specimen copy of one of the Bonds; (f) the Nonarbitrage Certificate of the School District executed and delivered pursuant to the provisions of the Code and the regulations applicable thereto; (g) the General Certificate signed by officials of the School District; (h) a completed and executed Form 8038-G to be filed with the Internal Revenue Service; (i) the opinion of Nicholas Quinn, Esquire, Solicitor to the School District (the "Solicitor's Opinion"); (j) the Certificate dated the date hereof of Raymond James & Associates, Inc. (the "Purchaser"); and (k) the other documents, certificates and opinions executed and delivered at the closing held this day.

Based and in reliance upon our review of the foregoing, our attendance at the closing held this day and subject to the qualifications set forth herein, it is our opinion that, as of the date hereof, under existing law:

1. The School District is empowered under provisions of the Constitution and laws of the Commonwealth of Pennsylvania to issue the Bonds.
2. The Resolution was duly adopted by the Board of School Directors of the School District and continues to be in full force and effect as of the date hereof.
3. The Bonds have been duly authorized and executed and constitute valid and binding obligations of the School District, enforceable in accordance with their terms, except as the legality, validity, binding nature and enforceability thereof may be limited by (a) applicable bankruptcy, insolvency or other laws or equitable principles now or hereafter affecting the enforcement of creditors' rights generally or (b) general principles of equity.

Stevens & Lee

_____, 2026
Page 3

4. Interest on the Bonds is not includable in gross income for federal income tax purposes under Section 103(a) of the Code.

5. Under the laws of the Commonwealth of Pennsylvania, the Bonds and interest on the Bonds shall be free from taxation for State and local purposes within the Commonwealth of Pennsylvania, but this exemption shall not extend to gift, estate, succession or inheritance taxes or other taxes not levied directly on the Bonds or the interest thereon. Under the laws of the Commonwealth of Pennsylvania, profits, gains or income derived from the sale, exchange or other disposition of the Bonds, are subject to State and local taxation within the Commonwealth of Pennsylvania.

6. Under the Code, interest on the Bonds does not constitute an item of tax preference under Section 57 of the Code and thus is not subject to alternative minimum tax on individuals and corporations; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

In connection with providing the foregoing opinions, we call to your attention the following:

A. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other documents, agreements, instruments, reports and certificates furnished to us at or in connection with the issuance of the Bonds (including, without limitation, certificates and agreements by the School District as to the expected use of proceeds of the Bonds, and as to its continuing compliance with Sections 148 and 141 of the Code to assure that the Bonds do not become “arbitrage bonds” or “private activity bonds” and its expectations with respect to the issuance of additional, tax-exempt obligations within this calendar year) without undertaking to verify the same by independent investigation. We have also relied upon the accuracy of the representations and warranties and the performance of the covenants and agreements of the School District set forth in the Resolution and the various certificates and other agreements delivered at or in connection with the closing held this day.

B. In providing the opinions set forth in paragraphs 2 and 3 above, we have relied, without independent investigation, on the Solicitor’s Opinion.

C. In providing the opinion set forth in paragraph 4 above, we have assumed continuing compliance by the School District with the requirements of the Code and applicable regulations thereunder which must be met subsequent to the issuance of the Bonds in order that

Stevens & Lee

_____, 2026
Page 4

the interest thereon be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds.

D. Except as specifically set forth above, we express no opinion regarding other federal income tax consequences arising with respect to the Bonds, including, without limitation, the treatment for federal income tax purposes of gain or loss, if any, upon the sale, redemption, or other disposition of the Bonds prior to maturity of the Bonds subject to original issue discount or premium and the effect, if any, of certain other provisions of the Code which could result in collateral federal income tax consequences to certain investors as a result of adjustments in the computation of tax liability dependent on tax-exempt interest.

E. We have not been engaged to verify, nor have we independently verified, the accuracy, completeness or truthfulness of any statements, certifications, information or financial statements set forth in the Preliminary Official Statement _____, 2026 (the “Preliminary Official Statement”), or the Official Statement, dated _____, 2026 (the “Official Statement”), or otherwise used in connection with the offer and sale of the Bonds or set forth in or delivered by School District officials. We express no opinion with respect to whether the School District, in connection with the sale of the Bonds or the preparation of the Preliminary Official Statement or the Official Statement, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made not misleading.

F. We have not verified, and express no opinion as to the accuracy of, any “CUSIP” identification number which may be printed on any Bond. We have also assumed the genuineness of the signatures appearing upon all the certificates, documents and instruments executed and delivered at closing.

G. The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement as Bond Counsel has concluded with the issuance of the Bonds and we disclaim any obligation to update this letter.

STEVENS & LEE, P.C.

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

MINERSVILLE AREA SCHOOL DISTRICT
SCHUYLKILL COUNTY, PENNSYLVANIA
GENERAL OBLIGATION BONDS, SERIES OF 2026

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Minersville Area School District, Schuylkill County, Pennsylvania (the “School District”), in connection with the issuance of its \$ _____ aggregate principal amount General Obligation Bonds, Series of 2026 (the “Bonds”). The Bonds are being issued pursuant to a Resolution of the School District, dated April 22, 2026 (the “Resolution”). The School District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the School District for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with the Rule (hereinafter defined).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the School District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Bondholders” or “Holders” shall mean the registered owners of the Bonds and, if registered in the name of Cede & Co., through The Depository Trust Company, New York, New York (“DTC”), any Beneficial Owners (as such term is used by DTC to define holders other than nominees) of the Bonds, unless the Rule, or an authoritative interpretation thereof by the Securities and Exchange Commission (the “Commission”) or its staff, does not require this Disclosure Certificate to be for the benefit of such Beneficial Owners.

“Business Day” shall mean a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“Commission” shall mean the Securities and Exchange Commission.

“Dissemination Agent” shall mean any person or entity designated from time to time in writing by the School District and which has filed with the School District a written acceptance of such designation and of the duties of the Dissemination Agent under this Disclosure Certificate.

“EMMA” shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule as further described in Section 13 hereof.

“Filing” shall mean, as applicable, any Annual Report or Listed Event filing or any other notice or report made public under this Disclosure Certificate made with each NRMSIR or the MSRB and the SID, if any, together with a completed copy of a cover sheet in such form acceptable to each NRMSIR, the MSRB or SID, if applicable, describing the event by checking the box in said form when filing pursuant to the pertinent sections of this Disclosure Certificate.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto for purposes of the Rule.

“NRMSIR” shall mean any Nationally Recognized Municipal Securities Information Repository recognized for purposes of the Rule and the MSRB, as reflected on the website of the Securities and Exchange Commission at www.sec.gov. **As of the date of this Disclosure Certificate, the sole NRMSIR shall be the MSRB, through the operation of EMMA, as provided in Section 13 hereof.**

“Official Statement” shall mean the School District’s Official Statement dated _____, 2026 related to the Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean each NRMSIR and the SID, if any.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SID” shall mean any public or private state information depository or entity designated by the Commonwealth of Pennsylvania as a state information depository for the purpose of the Rule, if any. As of the date of this Disclosure Certificate, no SID has been designated.

SECTION 3. Provision of Annual Reports.

(a) The School District shall not later than 270 days after the end of each fiscal year of the School District, commencing with the fiscal year ending June 30, 2026, provide directly or through the Dissemination Agent to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. In connection therewith, not later than fifteen (15) Business Days prior to said date, the School District shall

provide the Annual Report to the Dissemination Agent (if one has been designated by the School District under this Disclosure Certificate). 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 Certificate; provided that the audited financial statements of the School District may be submitted separately from the remainder of the Annual Report when such audited financial statements are available. If the audited financial statements are not submitted as part of the Annual Filing to each Repository pursuant to this Section 3(a), the School District shall provide to each Repository such audited financial statements when they are available to the School District.

(b) If the School District is unable to provide an Annual Report by the date required in subsection (a), the School District shall send or cause the Dissemination Agent to send, in a timely manner, a notice to each NRMSIR and the SID, if any, in substantially the form attached as Exhibit A.

(c) The School District or the Dissemination Agent, if applicable, shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each NRMSIR and the SID, if any; and

(ii) if a Dissemination Agent has been designated hereunder, file a report with the School District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing each Repository to which it was provided.

(iii) The School District shall promptly file a notice of any change in its fiscal year and the new annual filing date with each NRMSIR and the SID, if any.

(d) If the Dissemination Agent does not receive the Annual Report from the School District by the fifteenth Business Day specified in Section 3(a) above, the Dissemination Agent shall provide a written reminder notice to the School District with respect to the School District's obligations under Section 3(a) above no later than five (5) Business Days after such fifteenth Business Day.

SECTION 4. Content of Annual Reports. The School District's Annual Report shall contain or incorporate by reference the following:

(a) a copy of the School District's annual financial statements prepared in accordance with generally accepted accounting principles for local government units; and

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

(c) an update to the financial information and operating data contained in Appendix A of the Official Statement on page A-6 and A-7 under the headings "TAX REVENUES OF THE SCHOOL DISTRICT – Tax Levies – 2025-26 Real Estate and Non-Real Estate Tax Rates – Realty Tax Rates", "TAX REVENUES OF THE SCHOOL DISTRICT –

Real Estate Tax Collection Record”, “TAX REVENUES OF THE SCHOOL DISTRICT – Trends in Market and Assessed Valuations” and “TAX REVENUES OF THE SCHOOL DISTRICT – Ten Most Valuable Taxable Parcels in the School District”.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the School District or related public entities, which have been submitted to each Repository or the Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The School District shall clearly identify each such other document so incorporated by reference. The School District reserves the right to modify from time to time specific types of information provided hereunder or the format of the presentation of such information, to the extent necessary or appropriate; provided, however, that any such modification will be done in a manner consistent with the Rule.

SECTION 5. Reporting of Significant Events.

(a) The occurrence of any of the following events with respect to a particular series of the Bonds constitutes a “Listed Event” only with respect to such series of the Bonds. This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

- (i) Principal and interest payment delinquencies;
- (ii) Nonpayment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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-exempt status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of securities holders, if material;
- (viii) Bond calls, if material, and tender offers for the Bonds;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;

- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar events of the School District;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, 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;
- (xiv) Appointment of a successor or additional trustee or paying agent or the change of name of a trustee or paying agent, if material;
- (xv) Incurrence of a Financial Obligation of the School District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the School District, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the School District, any of which reflect financial difficulties.

(b) Whenever the School District obtains knowledge of the occurrence of a Listed Event, the School District shall as soon as possible (with respect to those Listed Events where a determination of materiality by the School District is applicable) determine if such event would constitute material information for Holders of Bonds under applicable federal securities laws.

(c) If (i) a Determination of materiality by the School District is not relevant to the obligation to give notice of a Listed Event or (ii) the School District determines (with respect to those Listed Events where a determination of materiality by the School District is applicable) that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the School District shall promptly file in a timely manner, not in excess of ten (10) Business Days after the occurrence of the Listed Event, or cause the Dissemination Agent to so file (if a Dissemination Agent has been designated hereunder) a notice of such occurrence with each NRMSIR and the SID, if any, with a copy to the Paying Agent.

(d) For purposes of the Listed Events in Section 5(a)(xii), the School District and the Dissemination Agent acknowledge the following interpretive note which the Commission has set forth in the Rule: *“Note: for the purposes of the event identified in subparagraph (b)(5)(i)(C)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person 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 obligated person, or if such jurisdiction has been assumed by leaving the existing governmental 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 obligated person;”

SECTION 6. Termination of Reporting Obligation. The School District’s obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

In the event that any person or entity subsequent to the execution hereof becomes an “obligated person,” as such term is defined in the Rule, with respect to the Bonds, the School District covenants to use its best effort to cause such obligated person to enter into a written undertaking to comply with the provisions of the Rule or to cause this Disclosure Certificate to be amended and to cause such obligated person to join in the execution of such amendment.

SECTION 7. Dissemination Agent. The School District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The School District shall cause the Dissemination Agent appointed hereunder and any successors to execute and deliver an acknowledgment of acceptance of the designation and duties of Dissemination Agent under this Disclosure Statement.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the School District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, as well as any change in circumstances.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the School District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the School District 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 Listed Event.

SECTION 10. Default. In the event of a failure of the School District to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Bonds

or the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the School District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent, if other than the School District. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the School District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the School District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Undertaking with Respect to Certain Procedures and Policies. The School District agrees to begin the process of establishing internal policies and procedures for the purpose of continuing disclosure compliance. Without intending to preclude the adoption of other necessary or useful policies and procedures, a single School District official will be designated with ultimate responsibility for continuing disclosure compliance and will oversee the process of informing and training appropriate deputies and other School District employees with respect to the School District's continuing disclosure undertakings.

SECTION 13. EMMA. Filings shall be made to the continuing disclosure service portal provided through EMMA as provided at <http://www.emma.msrb.org>, or any similar system that is acceptable to the Commission.

SECTION 14. Alternative Filing. Notwithstanding the other provisions of this Disclosure Certificate, any filing under this Disclosure Certificate, and any additional supplements hereto, may be made with such depositories and using such electronic filing systems as may be approved by the United States Securities and Exchange Commission (in lieu of the procedures currently in this Disclosure Certificate).

SECTION 15. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the School District, the Paying Agent, the Dissemination Agent (if any), the Participating Underwriter and the Holders from time to time of the Bonds and shall create no rights in any other person or entity.

MINERSVILLE AREA SCHOOL DISTRICT
Schuylkill County, Pennsylvania

(SEAL)

By: _____
President

Attest: _____
Secretary

Date: _____, 2026

EXHIBIT A¹

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Minersville Area School District
Schuylkill County, Pennsylvania

Name of Bond Issue: Minersville Area School District
Schuylkill County, Pennsylvania
\$_____ aggregate principal amount
General Obligation Bonds,
Series of 2026 (the "Bonds")

Date of Issuance: _____, 2026

NOTICE IS HEREBY GIVEN that the Minersville Area School District, Schuylkill County, Pennsylvania (the "School District"), has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated _____, 2026, executed by the School District. The School District anticipates that the Annual Report will be filed by _____.

Dated: _____

MINERSVILLE AREA SCHOOL DISTRICT,
SCHUYLKILL COUNTY, PENNSYLVANIA,
[OR DISSEMINATION AGENT ON BEHALF OF
THE MINERSVILLE AREA SCHOOL
DISTRICT, SCHUYLKILL COUNTY,
PENNSYLVANIA]

cc: Paying Agent

¹ The substantive content of this notice shall be provided in any applicable notice filing. Appropriate modifications may be made to accommodate the electronic submission format requirements of the EMMA system or other successor electronic filing system.

APPENDIX E
AUDITED FINANCIAL STATEMENTS

MINERSVILLE AREA SCHOOL DISTRICT

SINGLE AUDIT REPORT

MINERSVILLE, PENNSYLVANIA

FOR THE YEAR ENDED JUNE 30, 2024

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JONES & CO.

A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM L. JONES, III, M.B.A., C.P.A.
RICHARD W. PITCAVAGE, C.P.A.
EDWIN H. EBLING, C.P.A.
JOHN W. PAULSHOCK, C.P.A.
ELI B. HOSTETTER, C.P.A.

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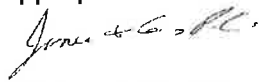
Board of School Directors
Minersville Area School District
Minersville, Pennsylvania

We have performed the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) of the Minersville Area School District for the year ended June 30, 2024. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) indicates that the auditee is responsible for ensuring appropriate submission of the audit reports to appropriate government officials.

In accordance with the Uniform Guidance, the single audit reporting package and data collection form are to be submitted to the Federal Audit Clearinghouse within the earlier of 30 calendar days after these reports are received from us or nine months after the end of the audit period. In certain instances, those submission deadlines may have been extended. You are responsible for submitting electronically the single audit reporting package and the data collection form to the Federal Audit Clearinghouse. We will provide a copy of this reporting package in the appropriate format for submission to the Federal Audit Clearinghouse. We will also coordinate our completion of the appropriate sections of the data collection form that summarize our audit findings and our certification of the submission with you.

The Single Audit was done to fulfill the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance). It entailed: (1) an audit of the general purpose financial statements and our opinion thereon; (2) an examination of the Schedule of Expenditures of Federal Awards and our opinion thereon; (3) a review of the internal control structure based solely on the understanding obtained as part of the audit of the general purpose financial statements; (4) a review of the internal control structure made as a part of the audit of the federal financial assistance programs; (5) a review of compliance based on an audit of the general purpose financial statements in accordance with Government Auditing Standards; and (6) a review of compliance with laws and regulations related to the federal financial assistance programs and our opinion thereon.

When filing the Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), and the Data Collection Form with the agencies listed on Page 2, the District must enclose the appropriate number of reports as listed.



February 12, 2025
Pottsville, Pennsylvania

MINERSVILLE AREA SCHOOL DISTRICT

LIST OF REPORT DISTRIBUTION

JUNE 30, 2024

- | | |
|---|---|
| 1 Single Audit Report and
Data Collection Form
Single Audit Clearing
Package Checklist | Must be submitted Via Electronic Mail (E-mail)
Commonwealth of Pennsylvania
Office of the Budget - Bureau of Audits,
Special Audit Services Division
RA-BAFMSingleAudit@pa.gov |
| 1 Single Audit Report and
Data Collection Form | Federal Audit Clearinghouse
Via Internet Website
www.fac.gov |
| 1 Single Audit Report | Schuylkill Intermediate Unit #29
Box 130, Second Floor
Marlin, PA 17951 |
| 1 Single Audit Report | Prothonotary Office
Schuylkill County Courthouse
401 North Second Street
Pottsville, PA 17901 |

JONES & CO.

A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM L. JONES, III, M.B.A., C.P.A.
RICHARD W. PITCAVAGE, C.P.A.
EDWIN H. EBLING, C.P.A.
JOHN W. PAULSHOCK, C.P.A.
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110 North Second Street
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INDEPENDENT AUDITOR'S REPORT

Board of School Directors
Minersville Area School District
Minersville, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Minersville Area School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Minersville Area School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Minersville Area School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Minersville Area 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.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10-22 and the schedule of the District's proportionate share of the net pension liability, the schedule of the District's contributions, the District's proportionate share of the net OPEB-PSERS liability, the schedule of the District's contributions - OPEB-PSERS, the schedule of the District's proportionate share of the OPEB liability and the schedule of District contributions – OPEB on pages 75-80 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Minersville Area School District's basic financial statements. The accompanying combining schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purpose of additional analysis and are not required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

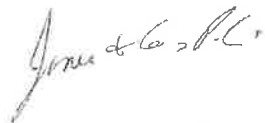
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2025, on our consideration of the Minersville Area 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Minersville Area School District's internal control over financial reporting and compliance.



February 12, 2025
Pottsville, Pennsylvania

JONES & CO.

A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM L. JONES, III, M.B.A., C.P.A.
RICHARD W. PITCAVAGE, C.P.A.
EDWIN H. EBLING, C.P.A.
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of School Directors
Minersville Area School District
Minersville, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Minersville Area School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Minersville Area School District's basic financial statements, and have issued our report thereon dated February 12, 2025.

Report on Internal Control over Financial Reporting

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

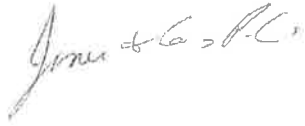
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Minersville Area 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.



February 12, 2025
Pottsville, Pennsylvania

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

Board of School Directors
Minersville Area School District
Minersville, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Minersville Area 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 Minersville Area School District's major federal programs for the year ended June 30, 2024. The Minersville Area School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Minersville Area School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Minersville Area 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 the Minersville Area 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 the Minersville Area School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Minersville Area School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Minersville Area 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 the Minersville Area 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 the Minersville Area School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

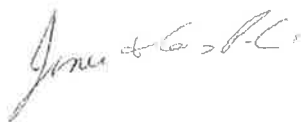
Report on Internal Control over Compliance

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

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

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

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.



February 12, 2025
Pottsville, Pennsylvania

MINERSVILLE AREA SCHOOL DISTRICT
MINERSVILLE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2024

The discussion and analysis of Minersville Area School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

During the fiscal year 2023-2024, the Minersville Area School District experienced increases in the costs for instruction, health insurance, and cyber/charter costs plus inflationary increases for operating expenses. The real estate millage increased from the prior year of 44.79 mills to 45.79 mills for the fiscal year ended June 30, 2024. With the assistance of the Federal ESSER Grants, the District finished with an increase in the General Fund balance.

USING THE ANNUAL FINANCIAL REPORT (AFR)

This annual report consists of two distinct series of financial statements: district-wide and fund.

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

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

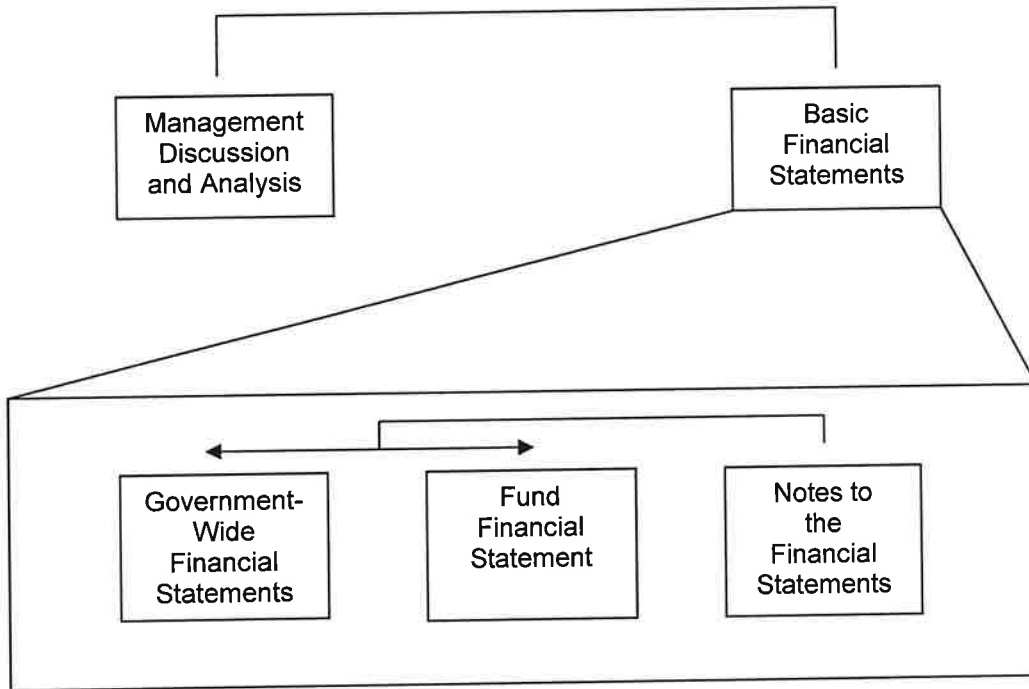
The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

MINERSVILLE AREA SCHOOL DISTRICT
MINERSVILLE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2024

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

Figure A-1
Required Components of
Minersville Area School District's
Financial Report



MINERSVILLE AREA SCHOOL DISTRICT
MINERSVILLE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2024

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

Figure A-2 Major Features of Minersville Area School District's Government-wide and Fund Financial Statements				
		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as education, administration, and community services	Activities the District operates similar to private business – Food Services	Instances in which the District is the trustee or agent to someone else's resources – Scholarship Funds
Required financial statements	Statement of Net Position (NAGW) Statement of Activities (SOA)	Balance Sheet (NAG) Statement of Revenues, Expenditures, and Changes in Fund Balance (REG)	Statement of Net Position (NAP) Statement of Revenues, Expenses, and Changes in Net Assets (REP) Statement of Cash Flows (CFP)	Statement of Fiduciary Net Position (NAF) Statement of Changes in Fiduciary Net Assets (CNAF)
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets 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
Type of inflow-outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

MINERSVILLE AREA SCHOOL DISTRICT
MINERSVILLE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government'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 assets and how they have changed. Net assets, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position.

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

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

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

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

Fund Financial Statements

The District's fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required by state law and by bond requirements.

Governmental funds – Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

MINERSVILLE AREA SCHOOL DISTRICT
MINERSVILLE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2024

Fiduciary funds - The District is the trustee, or fiduciary, for some scholarship and agency funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets. We exclude these activities from the District's other financial statement because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Assets. The District's combined net assets were higher on June 30, 2024 when compared to the prior fiscal year. Total net position increased 26.2% during the year from (\$12,432,877) to (\$9,176,061) on June 30, 2024 (See Table A-3.) The change in net position was mainly due to federal grant monies provided from the COVID-19 pandemic shown on the financial statements.

**Table A-3
Minersville Area School District
For Years Ended June 30, 2024 and 2023
Net Position**

	Governmental Activities 2022-2023	Governmental Activities 2023-2024	Business-Type Activities 2022-2023	Business-Type Activities 2023-2024	Total 2022-2023	Total 2023-2024
Current and Other Assets	7,926,475	9,838,184	204,013	327,160	8,130,488	10,165,344
Capital Assets	13,965,074	12,838,185	47,030	45,060	14,012,104	12,883,245
Deferred Outflows	1,540,226	1,396,618	-	-	1,540,226	1,396,618
Total Assets	23,431,775	24,072,987	251,043	372,220	23,682,818	24,445,207
Current and Other Liabilities	4,100,867	4,149,688	22,890	23,600	4,123,757	4,173,288
Long-Term Liabilities	29,146,418	25,097,222	-	-	29,146,418	25,097,222
Deferred Inflows	2,845,520	4,350,758	-	-	2,845,520	4,350,758
Total Liabilities	36,092,805	33,597,668	22,890	23,600	36,115,695	33,621,268
Invested in Capital Assets Net of Related Debt	7,309,992	7,018,185	47,030	45,060	7,357,022	7,063,245
Restricted Net Assets	-	59,617	-	-	-	59,617
Unrestricted Net Assets (Deficit)	(19,971,022)	(16,602,483)	181,123	303,560	(19,789,899)	(16,298,923)
Prior Period Adjustment	-	-	-	-	-	-
Total Net Position (Deficit)	(12,661,030)	(9,524,681)	228,153	348,620	(12,432,877)	(9,176,061)

MINERSVILLE AREA SCHOOL DISTRICT
MINERSVILLE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2024

Table A-4
Minersville Area School District
Statement of Activities
For Years Ended June 30, 2024 and 2023

	Governmental Activities 2022-2023	Governmental Activities 2023-2024	Business-Type Activities 2022-2023	Business-Type Activities 2023-2024	Total 2022-2023	Total 2023-2024
REVENUES:						
Program Revenues						
Charges for Services	43,500	43,741	117,327	122,661	160,827	166,402
Operating Grants & Contributions	5,972,861	5,747,771	768,610	802,484	6,741,471	6,550,255
General Revenues						
Property Taxes	6,718,399	7,002,008	-	-	6,718,399	7,002,008
Other Taxes	2,423,505	2,617,949	-	-	2,423,505	2,617,949
Grants, Subsidies, & Contributions	7,914,054	8,994,063	-	-	7,914,054	8,994,063
Investment Earnings	143,080	341,175	670	731	143,750	341,906
Transfer	-	-	-	-	-	-
Other	122,844	116,365	-	-	122,844	116,365
Total Revenues	23,338,243	24,863,072	886,607	925,876	24,224,850	25,788,948
EXPENSES:						
Depreciation - Unallocated	N/A	N/A	-	-	N/A	N/A
Instruction	14,227,203	14,341,102	-	-	14,227,203	14,341,102
Instructional Student Support	1,157,316	1,183,701	-	-	1,157,316	1,183,701
Administration	2,231,248	2,459,921	-	-	2,231,248	2,459,921
Operation & Maintenance of Facilities	2,429,501	2,419,293	-	-	2,429,501	2,419,293
Pupil Transportation	668,623	774,684	-	-	668,623	774,684
Student Activities	473,224	435,052	-	-	473,224	435,052
Community Services	58,174	67,914	-	-	58,174	67,914
Interest on Long-Term Debt	74,048	45,056	-	-	74,048	45,056
Food Service	-	-	781,224	805,409	781,224	805,409
Total Expenses	21,319,337	21,726,723	781,224	805,409	22,100,561	22,532,132
INCREASE (DECREASE) IN NET POSITION	2,018,906	3,136,349	105,383	120,467	2,124,289	3,256,816

MINERSVILLE AREA SCHOOL DISTRICT
MINERSVILLE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2024

The District's total revenues were \$25,788,948 for the year ended June 30, 2024. Taxes and General Grants, Subsidies, & Contributions amounted to \$18,614,020 or 72.2% of total revenue for the year. Another \$6,550,255 or 25.4% came from State and Federal Aid for specific programs (Operating Grants and Contributions) and the remainder totaling \$624,673 or 2.4% from Fees Charged for Services as well as Investment Earnings and Miscellaneous Sources. (See Table A-4.)

The total cost of all programs and services was \$22,532,132 for the year ended June 30, 2024. The majority of the District's costs related to educating and servicing students (Instruction, Instructional Student Support, Pupil Transportation, Student Activities), in the amount of \$16,734,539 or 74.3%, Administrative Costs accounted for \$2,459,921 or 10.9%, Operation of the District's Facilities accounted for \$2,419,293 or 10.7%, Food Service Costs made up \$805,409 or 3.6%, and all other expenses accounted for \$112,970 or 0.5%. (See Table A-4.)

Total revenues exceeded expenditures, increasing net assets by \$3,256,816. (See Table A-4.)

Table A-5
Minersville Area School District
Net Cost of Governmental Activities
For Years Ended June 30, 2024 and 2023

	Total Cost of Services 2023-2024	Total Cost of Services 2022-2023	Percentage Change from FY 23 to 24	Net Cost of Services 2023-2024	Net Cost of Services 2022-2023	Percentage Change from FY 23 to 24
Depreciation - Unallocated	N/A	N/A	N/A	N/A	N/A	N/A
Instruction	14,341,102	14,227,203	0.8%	10,044,268	9,635,147	4.2%
Instructional Student Support	1,183,701	1,157,316	2.3%	1,003,126	961,226	4.4%
Administration	2,459,921	2,231,248	10.2%	2,132,000	1,907,486	11.8%
Operation & Maintenance of Facilities	2,419,293	2,429,501	-0.4%	2,101,272	2,176,034	-3.4%
Pupil Transportation	774,684	668,623	15.9%	257,893	161,076	60.1%
Student Activities	435,052	473,224	-8.1%	361,848	403,038	-10.2%
Community Services	67,914	58,174	16.7%	67,914	58,174	16.7%
Interest on Long-Term Debt	45,056	74,048	-39.2%	(33,110)	795	-4264.8%
Food Service	-	-		-	-	
Total Expenses	21,726,723	21,319,337	1.9%	15,935,211	15,302,976	4.1%

The results of this year's operations are reported in the Statement of Activities. Specific charges, grants, revenues, and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the Basic Education Subsidy provided by the State of Pennsylvania, and the local taxes assessed to community taxpayers.

MINERSVILLE AREA SCHOOL DISTRICT
MINERSVILLE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2024

FINANCIAL ANALYSIS OF DISTRICT FUNDS

As of June 30, 2024, the District's governmental funds reported a combined fund balance of \$4,807,753, an increase of \$1,754,741 from the prior year amount of \$3,053,012. (See Table A-6.) The primary reasons for this are specific to:

General Fund:

Even though the District has realized increases in our commercial real estate development, the lack of funding for our government mandated programs has put a burden on the District finances. Fluctuations in Cyber/Charter school students, increases in Special Education students' needs, and facility maintenance has played a major role in the District's budgeting process. The total cost during 2023-2024 for Cyber/Charter students alone was \$2,025,265, a 15.7% increase from the prior year.

The total surplus for June 30, 2024 was \$1,754,144; however, the District utilized \$264,660 in Federal COVID grants to purchase necessary supplies and avoid furloughs.

Non-Major funds are zero due to GASB 54 ruling. The funds are currently included in the General Fund.

**Table A-6
Minersville Area School District
Change in Fund Balances
For Years Ended June 30, 2024 and 2023**

	Fund Balance June 30, 2023	Fund Balance June 30, 2024	Increase (Decrease)
General Fund	2,993,992	4,748,136	1,754,144
Capital Reserve Fund	59,020	59,617	597
Non-Major Funds	-	-	-
Totals	3,053,012	4,807,753	1,754,741

General Fund Budget

During the fiscal year, the Board of School Directors (the Board) authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. All adjustments are again confirmed at the time the annual audit is accepted, which is after the end of the fiscal year, which is not prohibited by state law.

The District's final budget compared to actual expenses can be reviewed in detail in the Financial Statements. The positive variances were due to Administration efforts to decrease expenditures.

The District applies for federal, state, and local grants and these grants cannot always be anticipated in the budgeting process.

MINERSVILLE AREA SCHOOL DISTRICT
MINERSVILLE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2024

The following provides a summary of General Fund revenues:

Table A-7
Minersville Area School District
General Fund Revenues and Other Financing Sources
For Years Ended June 30, 2024 and 2023

	Revenues 2022-2023	Revenues 2023-2024	Increase (Decrease)	Percentage Change
Revenue				
Local Sources				
Taxes	9,058,491	9,525,196	466,705	5.2%
Interest	128,208	336,049	207,841	162.1%
Other	510,564	468,004	(42,560)	-8.3%
State Sources	11,952,628	13,431,191	1,478,563	12.4%
Federal Sources	1,238,131	1,002,746	(235,385)	-19.0%
Total	22,888,022	24,763,186	1,875,164	8.2%
Other Financing				
Insurance Proceeds	10,521	-	(10,521)	-100.0%
Refunding of Bond Issue	-	-	-	0.0%
Bond/Loan Proceeds	-	-	-	0.0%
Total Other Financing Sources	10,521	-	(10,521)	-100.0%
Total Revenue	22,898,543	24,763,186	1,864,643	8.1%

Total General Fund revenue increased by \$1,875,164 or 8.2% from the prior year. (See Table A-7.) Under Local Sources, taxes increased due to the Industrial Park within the District and an increase in the real estate millage. Interest Income significantly increased due to the change in the market with rapidly raising rates throughout the 2023-2024 fiscal year. Other Local Sources remained relatively stable with a slight decrease from the prior year. State Sources increased 12.4% due to increases in state funding for Basic Education, Special Education, Pupil Transportation, and School Mental Health and Safety and Security Grants. Federal Sources decreased due to the decrease in Title IV and COVID-19 grant monies in fiscal year 2023-2024 as compared to the prior year.

MINERSVILLE AREA SCHOOL DISTRICT
MINERSVILLE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2024

The following provides a summary of General Fund expenditures and other financing uses:

Table A-8
Minersville Area School District
General Fund Expenditures and Other Financing Uses
For Years Ended June 30, 2024 and 2023

	Expenditures 2022-2023	Expenditures 2023-2024	Increase (Decrease)	Percentage Change
EXPENDITURES				
Salaries	7,671,518	7,810,749	139,231	1.8%
Employee Benefits	5,972,673	6,518,312	545,639	9.1%
Purchased Services	5,982,274	6,304,685	322,411	5.4%
Supplies	1,144,414	1,409,073	264,659	23.1%
Equipment	25,000	41,868	16,868	67.5%
Debt Service	1,458,194	795,573	(662,621)	-45.4%
Other	120,575	128,782	8,207	6.8%
Total	22,374,648	23,009,042	634,394	2.8%
Other Financing Uses				
Insurance Proceeds	10,521	-	(10,521)	-100.0%
Interfund Transfers	-	-	-	0.0%
Refunded Bonds	-	-	-	0.0%
Total Other Financing Uses	10,521	-	(10,521)	-100.0%
Total Expenditures and Other Financing Uses	22,385,169	23,009,042	623,873	2.8%

Total General Fund expenditures increased \$634,394 or 2.8% from the prior year. The primary reasons for the General Fund expenditure increases were due to salary increases as agreed upon by the contracts, corresponding increases in employee benefits (especially rising health insurance and state retirement costs), significant increase in cyber/charter costs, and the purchasing of student iPads for elementary and special education students. These expenditure increases were offset by less repayments of debt service. (See Table A-8)

MINERSVILLE AREA SCHOOL DISTRICT
MINERSVILLE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the District had \$12,817,295, a decrease of \$1,114,727, invested in a broad range of capital assets, including land and site improvements, buildings and improvements, and furniture and equipment. (See Table A-9.)

The following provides a summary of our Capital Assets:

**Table A-9
Minersville Area School District
Capital Assets
For Years Ended June 30, 2024 and 2023**

	Governmental Activities 2022-2023	Governmental Activities 2023-2024	Business-Type Activities 2022-2023	Business-Type Activities 2023-2024	Total 2022-2023	Total 2023-2024	Percentage Change
Land & Site Improvements	1,519,205	1,488,168	-	-	1,519,205	1,488,168	-2.0%
Building and Building Improvements	11,235,700	10,416,578	-	-	11,235,700	10,416,578	-7.3%
Furniture and Equipment	1,130,087	867,489	47,030	45,060	1,177,117	912,549	-22.5%
Totals	13,884,992	12,772,235	47,030	45,060	13,932,022	12,817,295	-8.0%

MINERSVILLE AREA SCHOOL DISTRICT
MINERSVILLE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2024

Debt Administration

As of June 30, 2024, the District had a total outstanding principal of \$5,820,000. This debt consists of General Obligation Bonds. (See Table A-10.)

Other obligations include accrued vacation pay and sick leave for specific employees of the District and Post-Employment Benefits. More detailed information about the long-term liabilities is included in the financial statements.

The following provides a summary of the Long-Term Liabilities:

Table A-10
Minersville Area School District
Long-Term Liabilities
For Years Ended June 30, 2024 and 2023

	Year Ending June 30, 2023	Year Ending June 30, 2024	Increase (Decrease)	Percentage Change
General Obligation Bonds	6,575,000	5,820,000	(755,000)	-11.5%
Compensated Absences	591,982	519,091	(72,891)	-12.3%
Post-Employment Benefits - MASD/PSERS	1,020,436	729,131	(291,305)	-28.5%
Copier Lease	19,752	-	(19,752)	100.0%
Pension	20,851,000	18,061,000	(2,790,000)	-13.4%
Totals	29,058,170	25,129,222	(3,928,948)	-13.5%

MINERSVILLE AREA SCHOOL DISTRICT
MINERSVILLE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2024

FUTURE ECONOMIC FACTORS

Major economic factors are the future rising costs of health care, charter costs, and heating oil and electricity. Another concern is the projected sizable increases to Public School Employees Retirement System costs. (See Table A-11.)

Table A-11
Minersville Area School District
Employer's Retirement Contributions

Year	Retirement Percentage	Status
2023-2024	34.00%	Actual
2024-2025	33.90%	Actual
2025-2026	34.00%	Actual
2026-2027	34.72%	Projected
2027-2028	35.26%	Projected
2028-2029	35.85%	Projected
2029-2030	36.49%	Projected

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to show the Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact Ms. Brittany K. Doyle, Business Manager, at Minersville Area School District, 40 High School Lane, Pottsville, PA 17954, (570) 544-1400.

MINERSVILLE AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION (DEFICIT)

JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and cash equivalents	\$ 7,039,748	\$ 309,943	\$ 7,349,691
Cash and cash equivalents (Restricted)	59,617	0	59,617
Taxes receivable, net	1,992,941	0	1,992,941
Intergovernmental receivables	678,650	2,360	681,010
Other receivables	67,228	0	67,228
Inventories	0	14,857	14,857
TOTAL CURRENT ASSETS	<u>9,838,184</u>	<u>327,160</u>	<u>10,165,344</u>
NON-CURRENT ASSETS			
Land and site improvements - net	1,488,168	0	1,488,168
Building and building improvements - net	10,416,578	0	10,416,578
Machinery and equipment - net	867,489	45,060	912,549
Loss on Refinancing - net	65,950	0	65,950
TOTAL NON-CURRENT ASSETS	<u>12,838,185</u>	<u>45,060</u>	<u>12,883,245</u>
TOTAL ASSETS	<u>22,676,369</u>	<u>372,220</u>	<u>23,048,589</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,396,618</u>	<u>0</u>	<u>1,396,618</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 24,072,987</u>	<u>\$ 372,220</u>	<u>\$ 24,445,207</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)			
CURRENT LIABILITIES			
Accounts payable	\$ 261,370	\$ 14,379	\$ 275,749
Accrued salaries and benefits	2,622,443	0	2,622,443
Deferred Revenue	489,905	9,221	499,126
Current portion of long-term debt - bonds	770,000	0	770,000
Accrued interest	5,970	0	5,970
TOTAL CURRENT LIABILITIES	<u>4,149,688</u>	<u>23,600</u>	<u>4,173,288</u>
NON-CURRENT LIABILITIES			
Bonds payable	5,050,000	0	5,050,000
Other postemployment benefits	1,467,131	0	1,467,131
Long-term portion of compensated absences	519,091	0	519,091
Pension Liability	18,061,000	0	18,061,000
TOTAL NON-CURRENT LIABILITIES	<u>25,097,222</u>	<u>0</u>	<u>25,097,222</u>
TOTAL LIABILITIES	<u>29,246,910</u>	<u>23,600</u>	<u>29,270,510</u>
DEFERRED INFLOWS OF RESOURCES	4,350,758	0	4,350,758
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	7,018,185	45,060	7,063,245
Restricted	59,617	0	59,617
Unrestricted (Deficit)	<u>(16,602,483)</u>	<u>303,560</u>	<u>(16,298,923)</u>
TOTAL NET POSITION (DEFICIT)	<u>(9,524,681)</u>	<u>348,620</u>	<u>(9,176,061)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)	<u>\$ 24,072,987</u>	<u>\$ 372,220</u>	<u>\$ 24,445,207</u>

See notes to financial statements
which are an integral part of this statement.

MINERSVILLE AREA SCHOOL DISTRICT
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
GOVERNMENTAL ACTIVITIES	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Instruction	\$ 14,341,102	\$ 0	\$ 4,296,834	\$ 0	\$ (10,044,268)
Instructional student support	1,183,701	0	180,575	0	(1,003,126)
Administrative and financial support services	2,459,921	0	327,921	0	(2,132,000)
Operation and maintenance of plant services	2,419,293	0	318,021	0	(2,101,272)
Pupil transportation	774,684	0	516,791	0	(257,893)
Student activities	435,052	43,741	29,463	0	(361,848)
Community services	67,914	0	0	0	(67,914)
Interest on long-term debt	45,056	0	78,166	0	33,110
TOTAL GOVERNMENTAL ACTIVITIES	21,726,723	43,741	5,747,771	0	(15,935,211)
BUSINESS-TYPE ACTIVITIES					
Food services	805,409	122,661	802,484	0	119,736
TOTAL PRIMARY GOVERNMENT	22,532,132	166,402	6,550,255	0	(15,935,211)
GENERAL REVENUES AND TRANSFERS					
Taxes:					
Property taxes, levied for general purposes, net					7,002,008
Public utility, realty, earned income and miscellaneous taxes levied for general purposes, net					2,617,949
Grants, subsidies, and contributions not restricted					8,994,063
Investment earnings					341,175
Transfers					0
Miscellaneous					116,365
TOTAL GENERAL REVENUES AND TRANSFERS					19,071,560
CHANGE IN NET POSITION					731
NET POSITION (DEFICIT) - BEGINNING					3,136,349
NET POSITION (DEFICIT) - ENDING					(12,661,030)
					120,467
					228,153
					\$ (9,524,681)
					\$ 348,620
					\$ (9,176,061)

See notes to financial statements
which are an integral part of this statement.

MINERSVILLE AREA SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2024

	<u>General</u>	<u>Capital Reserve</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and cash equivalents	\$ 7,039,748	\$ 0	\$ 7,039,748
Cash and Cash equivalents (Restricted)	0	59,617	59,617
Taxes receivable	1,992,941	0	1,992,941
Intergovernmental receivables	678,650	0	678,650
Other Accounts Receivable	67,228	0	67,228
TOTAL ASSETS	<u>9,778,567</u>	<u>59,617</u>	<u>9,838,184</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 9,778,567</u>	<u>\$ 59,617</u>	<u>\$ 9,838,184</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 261,370	\$ 0	\$ 261,370
Accrued Payroll & Benefits	2,622,443	0	2,622,443
Deferred revenue	2,146,618	0	2,146,618
TOTAL LIABILITIES	<u>5,030,431</u>	<u>0</u>	<u>5,030,431</u>
DEFERRED INFLOWS OF RESOURCES	0	0	0
FUND BALANCES			
Restricted	0	59,617	59,617
Committed	1,210,000	0	1,210,000
Unreserved - unassigned	3,538,136	0	3,538,136
TOTAL FUND BALANCES	<u>4,748,136</u>	<u>59,617</u>	<u>4,807,753</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 9,778,567</u>	<u>\$ 59,617</u>	<u>\$ 9,838,184</u>

See notes to financial statements
which are an integral part of this statement.

MINERSVILLE AREA SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION (DEFICIT)

GOVERNMENTAL FUNDS

AS OF JUNE 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 4,807,753**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

Cost of capital assets	36,676,912	
Less: accumulated depreciation	<u>(23,904,677)</u>	12,772,235

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

Bond and lease principal payable	(5,820,000)	
Compensated absences	(519,091)	
Deferred Inflows & Outflows of Resources	(2,954,141)	
Net pension liability	(18,061,000)	
Other postemployment benefits	<u>(1,467,131)</u>	(28,821,363)

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds. 1,656,714

Governmental funds report debt issuance premiums and discounts as an other financing source or use at the time of issuance. Premiums and discounts are reported as an unamortized asset or liability in the District-wide financial statements. 65,950

Governmental funds do not report a liability for accrued interest until due and payable. (5,970)

TOTAL NET POSITION (DEFICIT) - GOVERNMENTAL ACTIVITIES **\$ (9,524,681)**

See notes to financial statements
which are an integral part of this statement.

MINERSVILLE AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	General	Capital Reserve	Total Governmental Funds
REVENUES			
Local sources	\$ 10,329,249	\$ 597	\$ 10,329,846
State sources	13,431,191	0	13,431,191
Federal sources	1,002,746	0	1,002,746
TOTAL REVENUES	24,763,186	597	24,763,783
EXPENDITURES			
Instruction	14,859,499	0	14,859,499
Support services	6,756,079	0	6,756,079
Operation of non-instructional services	569,549	0	569,549
Facilities acquisition, construction, and improvement services	0	0	0
Debt service	795,573	0	795,573
Refund of Prior Year Revenues / Receipts	0	0	0
Leases and Other Right-to-Use Arrangements	28,342	0	28,342
TOTAL EXPENDITURES	23,009,042	0	23,009,042
EXCESS OF REVENUES OVER EXPENDITURES	1,754,144	597	1,754,741
OTHER FINANCING SOURCES (USES)			
Interfund transfers	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0
NET CHANGE IN FUND BALANCES	1,754,144	597	1,754,741
FUND BALANCES - BEGINNING	2,993,992	59,020	3,053,012
FUND BALANCES - ENDING	\$ 4,748,136	\$ 59,617	\$ 4,807,753

See notes to financial statements
which are an integral part of this statement.

MINERSVILLE AREA SCHOOL DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES**

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 1,754,741
Because some property and personal taxes will not be collected for several months after the District's year end, they are not considered as available revenues in the governmental funds.	94,760
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	774,752
Bond issuance costs are expensed in the governmental funds when incurred but are amortized in the Statement of Activities.	(14,132)
Expenses reported in the Statement of Activities, such as compensated absences OPEB and Net Pension Liability, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	1,634,878
Interest is recognized in governmental funds when paid but is accrued in the Statement of Activities.	4,107
Governmental funds recognize capital outlays as expenditures versus capital assets in the Statement of Net Assets.	66,858
Depreciation expense is recognized in the Statement of Activities but is not recognized in governmental funds.	<u>(1,179,615)</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$ <u><u>3,136,349</u></u>

See notes to financial statements
which are an integral part of this statement.

MINERSVILLE AREA SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local sources	\$ 9,602,150	\$ 9,602,150	\$ 10,329,249	\$ 727,099
State sources	13,116,808	13,116,808	13,431,191	314,383
Federal sources	1,012,316	1,012,316	1,002,746	(9,570)
TOTAL REVENUES	<u>23,731,274</u>	<u>23,731,274</u>	<u>24,763,186</u>	<u>1,031,912</u>
EXPENDITURES				
Regular programs	8,622,353	8,622,353	8,165,625	456,728
Special programs	6,367,133	6,367,133	6,248,636	118,497
Vocational programs	401,611	401,611	401,608	3
Other instructional programs	3,144	3,144	23,551	(20,407)
Non-public instruction	0	0	20,078	(20,078)
Adult education programs	0	0	0	0
Pupil personnel services	902,104	902,104	853,365	48,739
Instructional staff services	450,479	450,479	436,843	13,636
Administrative services	1,477,002	1,477,002	1,488,963	(11,961)
Pupil health	323,232	323,232	346,957	(23,725)
Business services	393,756	393,756	385,440	8,316
Operation and maintenance of plant services	2,189,629	2,189,629	2,023,922	165,707
Student transportation services	824,925	824,925	779,415	45,510
Central support services	239,989	239,989	441,174	(201,185)
Other support services	0	0	0	0
Student activities	463,213	463,213	501,635	(38,422)
Community services	65,812	65,812	67,914	(2,102)
Facilities acquisition, construction, and improvement services	55,000	55,000	0	55,000
Debt service	795,490	795,490	795,573	(83)
Refund of Prior Year Revenues / Receipts	0	0	0	0
Leases and Other Right-to-Use Arrangements	0	0	28,343	(28,343)
TOTAL EXPENDITURES	<u>23,574,872</u>	<u>23,574,872</u>	<u>23,009,042</u>	<u>565,830</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>156,402</u>	<u>156,402</u>	<u>1,754,144</u>	<u>1,597,742</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(50,000)	(50,000)	0	50,000
Budgetary reserve	(250,000)	(250,000)	0	250,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>	<u>300,000</u>
NET CHANGE IN FUND BALANCES	<u>(143,598)</u>	<u>(143,598)</u>	<u>1,754,144</u>	<u>1,897,742</u>
FUND BALANCE - BEGINNING OF YEAR	<u>2,470,097</u>	<u>2,470,097</u>	<u>2,993,992</u>	<u>523,895</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,326,499</u>	<u>\$ 2,326,499</u>	<u>\$ 4,748,136</u>	<u>\$ 2,421,637</u>

See notes to financial statements
which are an integral part of this statement.

MINERSVILLE AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Food Service</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash	\$ 309,943
Intergovernmental receivables	2,360
Inventory	14,857
TOTAL CURRENT ASSETS	<u>327,160</u>
NON-CURRENT ASSETS	
Machinery and equipment	281,933
Accumulated depreciation	<u>(236,873)</u>
TOTAL NON-CURRENT ASSETS	45,060
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 372,220</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable	\$ 14,379
Deferred revenues	9,221
TOTAL CURRENT LIABILITIES	<u>23,600</u>
TOTAL NON-CURRENT LIABILITIES	<u>0</u>
TOTAL LIABILITIES	23,600
DEFERRED INFLOWS OF RESOURCES	0
NET POSITION	
Invested in capital assets	45,060
Unrestricted	303,560
TOTAL NET POSITION	<u>348,620</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 372,220</u>

See notes to financial statements
which are an integral part of this statement.

MINERSVILLE AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Food Service</u>
OPERATING REVENUES	
Food service revenues	\$ 118,741
Other operating revenues	<u>3,920</u>
TOTAL OPERATING REVENUES	<u>122,661</u>
 OPERATING EXPENSES	
Food service management and related costs	784,903
Supplies	438
Depreciation	9,536
Other operating expenses	<u>10,532</u>
TOTAL OPERATING EXPENSES	<u>805,409</u>
 OPERATING (LOSS)	 <u>(682,748)</u>
 NON-OPERATING REVENUES (EXPENSES)	
Earnings on investments	731
State sources	42,583
Federal sources	<u>759,901</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>803,215</u>
 CHANGE IN NET POSITION	 <u>120,467</u>
 NET POSITION - BEGINNING OF YEAR	 <u>228,153</u>
 NET POSITION - END OF YEAR	 <u><u>\$ 348,620</u></u>

See notes to financial statements
which are an integral part of this statement.

MINERSVILLE AREA SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	\$ 124,859
Cash payments to suppliers for goods and services	(802,181)
NET CASH (USED FOR) OPERATING ACTIVITIES	(677,322)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State sources	42,777
Federal sources	763,557
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	806,334
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase and or disposition of capital assets	(7,566)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(7,566)
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on investments	731
NET INCREASE IN CASH AND CASH EQUIVALENTS	122,177
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	187,766
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 309,943
OPERATING (LOSS)	\$ (682,748)
ADJUSTMENTS TO RECONCILE OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES:	
Depreciation	9,536
Changes in current assets and current liabilities	
(Increase) Decrease in inventories	(4,820)
Increase (Decrease) in accounts payable	(1,488)
Increase (Decrease) in deferred revenue	2,198
Increase (Decrease) in Internal Balances	0
TOTAL ADJUSTMENTS	5,426
TOTAL CASH (USED FOR) OPERATING ACTIVITIES	\$ (677,322)

See notes to financial statements
which are an integral part of this statement.

MINERSVILLE AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Private Purpose Trust</u>	<u>Custodial Funds</u>	<u>Total Fiduciary Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash	\$ 271,400	\$ 54,760	\$ 326,160
TOTAL ASSETS	<u>271,400</u>	<u>54,760</u>	<u>326,160</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 271,400</u>	<u>\$ 54,760</u>	<u>\$ 326,160</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
LIABILITIES	\$ 0	\$ 0	\$ 0
DEFERRED INFLOWS OF RESOURCES	0	0	0
NET POSITION			
Restricted for Scholarships	271,400	0	271,400
Restricted for Activity Clubs	0	54,760	54,760
TOTAL NET POSITION	<u>271,400</u>	<u>54,760</u>	<u>326,160</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 271,400</u>	<u>\$ 54,760</u>	<u>\$ 326,160</u>

See notes to financial statements
which are an integral part of this statement.

MINERSVILLE AREA SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Private Purpose Trust	Custodial Funds	Total Fiduciary Funds
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Gifts and contributions	\$ 11,375	\$ 0	\$ 11,375
Program Income	0	59,527	59,527
Investment income	1,430	233	1,663
TOTAL ADDITIONS	<u>12,805</u>	<u>59,760</u>	<u>72,565</u>
 DEDUCTIONS			
Scholarships awarded	16,045	0	16,045
Program Expenses	0	67,340	67,340
TOTAL DEDUCTIONS	<u>16,045</u>	<u>67,340</u>	<u>83,385</u>
 CHANGE IN NET ASSETS	<u>(3,240)</u>	<u>(7,580)</u>	<u>(10,820)</u>
 NET POSITION - BEGINNING OF YEAR	<u>274,640</u>	<u>62,340</u>	<u>336,980</u>
 NET POSITION - END OF YEAR	<u>\$ 271,400</u>	<u>\$ 54,760</u>	<u>\$ 326,160</u>

See notes to financial statements
which are an integral part of this statement.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Minersville Area School District (the District) is governed by the Minersville Area School District Board of Education (the Board), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters.

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

In June 1999, the Governmental Accounting Standards Board (GASB) approved Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis -for State and Local Governments.

The financial statements include:

- Management's Discussion and Analysis (MD&A), providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full-accrual accounting for all of the District's activities.
- A change in the fund financial statements to focus on major funds.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DEFINING THE REPORTING ENTITY

The reporting entity was defined by applying the following criteria which were established by the Governmental Accounting Standards Board Statement Number 14, The Financial Reporting Entity.

- (A) Financial interdependency
- (B) Selection of governing authority
- (C) Designation of management
- (D) Ability to significantly influence operations
- (E) Accountability for fiscal matters.

The District is one of twelve member school districts of the Schuylkill County Area Vocational-Technical School Authority, a joint financing authority created to borrow funds to construct buildings for the Schuylkill Intermediate Unit and Schuylkill County Area Vocational-Technical School. Separate audited financial statements are issued by the Authority, which the reader should consult for more information.

In defining the reporting entity, all known federal program awards received by the entity have been included and have been subjected to the terms and requirements of the Single Audit Act.

In applying the above criteria, the District does not have any component units nor is the District a component unit of any other primary government.

BASIS OF PRESENTATION

Government-wide statements - The statement of net assets and the statement of activities provide information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-Type activities are financed in whole or in part by fees charged to external parties.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF PRESENTATION - continued

The statement of activities presents a comparison between direct expenses and program revenues for each business-type activity of the District and for each function of the District's governmental activities.

- Direct Expenses are those that are clearly identifiable with a specific program.
- Program revenues include 1) charges to students or recipients who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.
- Taxes and other items not properly included among program revenues are reported as general revenues.

Depreciation expense is allocated by function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. The effect of interfund activity has been removed from these statements.

Fund Financial Statements - The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category - *governmental, proprietary and fiduciary*-are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Enterprise fund operating revenues are related to charges for food in the District's cafeteria. The primary non-operating revenues are federal nutrition program grants and commodities received from the U.S. Department of Agriculture.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS – continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF PRESENTATION - continued

The fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the District, these funds are not incorporated into the District-wide statements.

The District reports the following major governmental funds:

General Fund - The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

Capital Reserve Fund - The Capital Reserve Fund is used to account for funds to be used for capital improvement and other allowable expenses per state law.

The District reports the following major proprietary fund type:

Food Service Fund - The Food Service Fund is used to account for all financial transactions related to the food service operation.

Other fund types:

Agency Funds - These funds account for assets held by the District as an agent for various student groups and clubs.

Private Purpose Trust Fund - These funds account for assets held by the District as an agent for the specific purposes as designated by outside parties.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF ACCOUNTING

The district-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

All business-type activities and enterprise funds of the district follow FASB Statements and Interpretations on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

An operating budget is adopted prior to the beginning of each year for the General Fund on a modified accrual basis of accounting. The General Fund is the only fund for which a budget is legally required.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BUDGETS AND BUDGETARY ACCOUNTING – continued

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

The School District, before levying annual school taxes, is required to prepare an operating budget for the succeeding fiscal year.

The School District is required to publish notice by advertisement, at least once in two newspapers of general circulation in the municipality in which it is located, and within fifteen days of final action, that the proposed budget has been prepared and is available for public inspection at the administrative office of the School District.

Notice that public hearing will be held on the proposed operating budget must be included in the advertisement; such hearings are required to be scheduled at least ten days prior to when final action on adoption is taken by the Board.

Legal budgetary control is maintained at the sub-function/major object level. The Board of School Directors may make transfers of funds appropriated to any particular item of expenditure by legislative action in accordance with the Pennsylvania School Code. Management may amend the budget at the sub-function/sub-object level without Board approval. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at or below the level of budgetary control and includes the effect of approved budget amendments. The Board of School Directors made several supplemental budgetary appropriations throughout the year which resulted in an increase in the general fund budget. The entire supplemental budgetary appropriation was a result of program budgets prescribed by federal and state agencies.

In order to preserve a portion of an appropriation for which an expenditure has been committed by a purchase order, contract or other form of commitment, an encumbrance is recorded. Encumbrances outstanding at year end, if any, are reported in the fund financial statements as reservations of fund balances.

Included in the General Fund budget are program budgets as prescribed by the federal and state agencies funding program. These budgets are approved on a program by program basis by the federal and state funding agencies.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

DEPOSITS AND INVESTMENTS

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.

Investments with a maturity of one year or less at the time of purchase are recorded at cost or amortized cost. Those with a maturity of greater than one year are reported at fair value. Changes in the fair value of investments are recorded as investment income.

INVENTORY

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method. Surplus commodities are stated at standard costs, as determined by the Department of Agriculture. In the fund based financial statements, commodities received are recorded as deferred revenue until consumed.

CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

CAPITAL ASSETS – continued

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

<u>Description</u>	<u>Useful Life</u>
Land	Not depreciated
Land Improvements	20 years
Buildings and Improvements	15-30 years
Furniture and Equipment	5-15 years
Vehicles	3-15 years

COMPENSATED ABSENCES

Compensated absences are those for which employees receive pay. A liability is recorded through the use of estimates, which apply historical data to current factors. The District maintains records of unused absences and applies current and/or contracted compensation rates to the various types of compensated absences. Sick leave is recorded using the termination payment method, which has a current maximum of \$7,500. per employee. The District allows only restricted sabbatical leave and therefore, has no recorded liability in advance of the sabbatical.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

In government-wide financial statements as well as proprietary fund financial statements, all accrued liabilities and long-term debt are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In fund financial statements, governmental fund types 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.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

FUND EQUITY

In the fund financial statements, governmental funds report fund balance in accordance with GASB Statement No. 54 (see Note 9).

NET ASSETS

Net assets represent the difference between assets and liabilities in the District-wide financial statements. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.

FOOD SERVICE FUND - UNALLOCATED COSTS

The District does not attempt to allocate "Building-Wide Costs" to the Food Service Fund. Thus, General Fund expenditures (utilities, janitorial services, insurance, etc.) which partially benefit the Food Service Fund are not proportionately recognized within the Food Service Fund. Similarly, the Food Service Fund does not recognize a cost for the building space it occupies (no facilities rental expense).

OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS

During 2015, the District adopted the provisions of GASB Statement No. 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement provides the accounting and reporting requirements for the benefit plans as well as require that public sector employers accrue the cost of any postretirement healthcare or similar benefits (OPEB) they may offer to employees. For the purpose of the financial statements, GASB Statement No. 75 requires that governments account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in the same manner as they currently do for pensions. Accordingly, the District's net OPEB obligation for 2024 has been reported on the statement of net assets. The disclosure requirements of GASB Statement No. 75 are included in Note 5.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

ACCOUNTING STANDARDS ADOPTED IN YEAR ENDED JUNE 30, 2024

GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for fiscal years beginning after June 15, 2023.

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The District did not have any situations subject to this standard during the year ended June 30, 2024.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS:

DEPOSITS

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. The deposit policy of the school district adheres to state statutes and prudent business practice. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less. Cash and cash equivalents consist of demand deposits at various financial institutions, a money market fund, certificates of deposit, and cash on hand of \$900. The market values of deposits are equal to the cost of the deposits.

Under Section 440.1 of the Public School Code of 1949, as amended, the District is permitted to:

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

At June 30, 2024, the carrying amount of the District's deposits was \$7,734,955. and the bank balance was \$8,101,764. Of the bank balance, \$500,000. was covered by federal depository insurance coverage and \$1,079,147. was exposed to custodial credit risk because it was uninsured and the collateral held by the depository's agent was not in the District's name.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS: - continued

DEPOSITS - continued

A portion of the Districts deposits \$6,522,617 are in the Pennsylvania School District Liquid Asset Fund (PSDLAF). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1.00 per share and is rated by a nationally recognized statistical rating organization and is subject to an independent annual audit.

INVESTMENTS

The investment policy of the school district adheres to state statutes and prudent business practices. The investments of the school district consist of certificates of deposit and U.S. Agency Obligations as authorized by the Board. Investments are stated at cost including accrued interest which approximates market value.

The District invests in the Pennsylvania Treasurer's Invest Program for Local Government as authorized by the Board. Pennsylvania Treasurer's Invest Program for Local Government insures that it will not place deposits with any single issuing institution if the largest participant's pro rata share of such deposits exceeds \$100,000., unless such deposits are secured by (1) Treasurer, federal agencies (collateralized at 102%) or (2) certificates of deposit (collateralized by 120%). These funds have the characteristics of open-end mutual funds and are not subject to credit risk classification.

As of June 30, 2024, the District had the following investment.

Pennsylvania Local Government Investment Trust (PLGIT)	\$ 513 =====
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NOTE 3 - INTERGOVERNMENTAL RECEIVABLES:

Intergovernmental receivables listed in the General Fund at June 30, 2024, are comprised of the following:

Local Programs	\$ 120,497
Federal Programs	67,106
State Programs	491,047
Total	<u><u>\$ 678,650</u></u>

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 4 - GENERAL LONG-TERM DEBT:

A summary of general long-term debt is as follows:

	Accrued Compensated Absences	Other Post- Employment Benefits	PSERS Pension Liability	Copier Lease	General Obligation Bond Series of 2020	QZAB Obligation Bond Series B of 2014	Total
BALANCE - JULY 1, 2023	\$ 591,982	\$ 1,883,436	\$ 20,851,000	\$ 19,752	\$ 1,615,000	\$ 4,960,000	\$ 29,921,170
ADDITIONS	0	0	0	0	0	0	0
REDUCTIONS - Payments	(72,891)	(416,305)	(2,790,000)	(19,752)	(750,000)	(5,000)	(4,053,948)
BALANCE - JUNE 30, 2024	<u>\$ 519,091</u>	<u>\$ 1,467,131</u>	<u>\$ 18,061,000</u>	<u>\$ 0</u>	<u>\$ 865,000</u>	<u>\$ 4,955,000</u>	<u>\$ 25,867,222</u>

	Copier Lease	General Obligation Bond Series of 2020	QZAB Obligation Bond Series B of 2014	Total
Year Ending June 30,				
2025	\$ 0	\$ 479,030	\$ 315,024	\$ 794,054
2026	0	103,910	689,710	793,620
2027	0	106,820	689,015	795,835
2028	0	109,620	688,330	797,950
2029	0	107,310	687,626	794,936
2030-2033	0	0	1,908,712	1,908,712
Total	0	906,690	4,978,417	5,885,107
Less: Interest	0	(41,690)	(23,417)	(65,107)
OUTSTANDING BALANCE	\$ 0	\$ 865,000	\$ 4,955,000	\$ 5,820,000

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 4 - GENERAL LONG-TERM DEBT - continued

GENERAL OBLIGATION BONDS - SERIES B OF 2014

On December 29, 2014, the District issued General Obligation Bonds, Series B of 2014 (Qualified Zone Academy Bonds), in the amount of \$5,000,000. at an interest rate of 0.10%. Annual installments, as listed above, are required to provide for repayment of the principal and interest through April 1, 2032.

GENERAL OBLIGATION BONDS – SERIES OF 2020

On February 19, 2020, the District issued General Obligation Bonds, Series of 2020, in the amount not to exceed \$4,495,000 at an interest rate of 2.20%. To date, the District has only received \$3,397,187 of the available amount. The District's availability to draw down new monies expired February 2022. Annual installments, as listed above, are required to provide or repayment of the principal and interest through April 1, 2029.

Capital Lease – Fraser Copier

On April 4, 2019 the District signed a five (5) year capital lease with Fraser Advanced Information Systems. The lease payment will be \$2,362 per month for 60 months. Interest rates on the lease is 40.69%. The copier lease was paid in fully as of June 30, 2024.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 4 - GENERAL LONG-TERM DEBT - continued

COMPENSATED ABSENCES

General Long-Term Debt includes liabilities of \$519,091. which represents the estimated amount of compensated absences computed by using unused sick and vacation days at current negotiated compensation rates. If an employee separates from service for reasons other than sickness or retirement, no payout is required.

If an employee retires with unused compensated absences, the payout policy is as follows:

- Emergency and personal - no payout
- Vacation (administrative personnel) - unlimited accumulation of days
- Sickness - payout is based on actual days accrued of retirement with a combined maximum payout limitation of \$7,500.

NOTE 5 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - DISTRICT:

PLAN DESCRIPTION

The Minersville Area School District Retiree Health Care Plan and Life Insurance Plan (the Plan) is a single-employer defined benefit healthcare and life insurance plan administered by the School Board. The Plan provides postemployment healthcare and life insurance benefits to eligible retirees of the District in accordance with the various labor contracts and personnel policies. Inasmuch as the Plan has no assets, reporting another employee benefit trust fund in the accompanying financial statements is not required nor was a separate or stand-alone report issued.

FUNDING POLICY

The contribution requirements of plan members and the District are established and may be amended by the School Board, subject to applicable labor contracts and benefit plans. Plan members are required to pay \$100. per month towards the premium for medical, drugs, dental, and vision.

A one-time addendum to the Professional contract during 2021 was agreed upon. It states eligibility for the plan is attained once the employee's age and PSERS years of service are greater than or equal to 80 or the employee's age is a minimum of 65 by June 30, 2021. Plan members have two (2) options at retirement. 1.) The member will receive a one-time stipend of \$7,500. 2.) The member will receive single medical and prescription coverage for up to three (3) years or until age 65.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 5 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - DISTRICT –
continued**

Employees who meet certain age and length of service criteria, are allowed, upon retirement to continue coverage for themselves and their dependents in the Districts 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 by the district plan.

For 2024, the District made no contributions and instead elected to continue funding on a pay-as-you-go basis, which amounted to \$66,225. for 2024. These costs are recognized as an expense when claims or premiums are paid.

Plan Membership

Inactive plan member or beneficiaries currently receiving benefits	22
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	119
	141

Components of the net OPEB liability

Total OPEB liability	729,131
Plan fiduciary net position	0
Net OPEB liability	729,131

Plan fiduciary net position of the total OPEB liability 0.00%

Sensitivity of the Net OPEB liability to changes in the discount rate

	1% Decrease	Current Discount Rate	1% Increase
	3.13%	4.13%	5.13%
Net OPEB liability (asset)	\$ 786,400	\$ 729,131	\$ 675,114

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 5 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - DISTRICT - continued

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

	1% Decrease	Current Healthcare cost Trend	1.00% Increase
Net OPEB liability (asset)	\$ 651,121	\$ 729,131	\$ 820,866

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of potential occurrences of certain events in the future. Examples include assumption about future employment, mortality, healthcare costs trends, inflation, etc. Amounts determined regarding the funded status of the plan and the annual required contributions of the District are subject to constant changes and modifications as actual results are compared with past expectations and new estimates and assumptions are formed regarding the future. Projections of retiree benefits for financial reporting purposes are based on current plan activities as it is handled by the District and the benefits are received by the eligible plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the District and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2021 actuarial valuation, the individual entry age normal actuarial cost method was used. There were also merit and seniority salary rate increase assumptions taken into consideration and those are detailed in the actuarial study and are based on age. There was also an inflationary rate assumption factored into the calculation. Per the actuarial study, the assumed rate ranges from 7.0% in the short-term to 4.1% in the long-term for health care related costs. The UAAL is being amortized as a level percentage of active member payroll over a period of 20 years.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 6 - CAPITAL ASSETS:

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

	<u>Balance</u> <u>June 30, 2023</u>	<u>Net Additions</u> <u>(Deductions)</u>	<u>Balance</u> <u>June 30, 2024</u>
Governmental Activities:			
Capital Assets, Not Being Depreciated			
Land	\$ 352,356	\$ 0	\$ 352,356
Construction in Progress	<u>94,682</u>	<u>(94,682)</u>	<u>0</u>
Total Capital Assets, Not Being Depreciated	447,038	(94,682)	352,356
Capital Assets, Being Depreciated:			
Site Improvements	2,273,681	61,587	2,335,268
Buildings and Improvements	31,014,875	5,271	31,020,146
Furniture and Equipment	<u>2,874,460</u>	<u>94,682</u>	<u>2,969,142</u>
Total Capital Assets, Being Depreciated	36,163,016	161,540	36,324,556
Accumulated Depreciation For:			
Site Improvements	1,106,832	92,624	1,199,456
Buildings and Improvements	19,779,175	824,393	20,603,568
Furniture and Equipment	<u>1,839,055</u>	<u>262,598</u>	<u>2,101,653</u>
Total Accumulated Depreciation	<u>22,725,062</u>	<u>1,179,615</u>	<u>23,904,677</u>
Governmental Activities - Capital Assets, Net	<u>\$ 13,884,992</u>	<u>\$ (1,112,757)</u>	<u>\$ 12,772,235</u>
Business-type Activities:			
Furniture/Equipment	\$ 274,367	\$ 7,566	\$ 281,933
Less: Accumulated Depreciation	<u>(227,337)</u>	<u>(9,536)</u>	<u>(236,873)</u>
Business-type Activities - Capital Assets, Net	<u>\$ 47,030</u>	<u>\$ (1,970)</u>	<u>\$ 45,060</u>

Depreciation expense was charged to functions of the District as follows:

Instructional	\$ 628,162
Support Services	539,113
Operation of Non - Instructional Services	<u>12,340</u>
Total Depreciation Expense	<u>\$ 1,179,615</u>

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 7 - TAXES ASSESSED AND DEFERRED REVENUE:

The following is a listing of the taxes assessed along with their respective assessed valuations:

Tax Type	Millage/Rate	Assessed Valuation
Real Estate - Schuylkill County	45.79 mills	\$ 7,628,145
Occupation Tax - Act 511	\$200.00/person	1,233,000
Per Capita Tax - Act 511	\$ 5.00/person	30,825
Per Capita Tax - Section 679	\$ 5.00/person	30,825
Total Assessed Valuation		\$ 8,922,795

The following is the tax calendar showing levy date, payment periods and delinquent dates for the above listed taxes:

Levy date	July 1
Discount (2%) payment period	July 1 to August 31
Face payment period	September 1 to October 31
Penalty (10%) payment period	November 1 to December 31
Delinquent date	January 1

The School District, in accordance with GAAP, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes as determined by the administration. A portion of the net amount estimated to be collectible was measurable and available within the 60 days, was recognized as revenue, and the balance deferred in the fund financial statements. All taxes, net of uncollectible amounts, are recognized in the period for which levied in the government-wide financial statements, regardless of when collected.

The balances at June 30, 2024, are as follows:

Tax	Governmental Funds				
	Gross Taxes Receivable	Allowance for Uncollectible Taxes	Net Estimated to be Collectible	Tax Revenue Recognized	Deferred Taxes
Real Estate	\$ 899,323	\$ 17,987	\$ 881,336	\$ 52,351	\$ 828,985
Per Capita	108,993	50,142	58,851	2,442	56,409
Occupation	2,094,404	1,316,833	777,571	45,409	732,162
Lst	5,622	0	5,622	5,622	0
Earned Income	262,211	0	262,211	223,053	39,158
Realty Transfer	7,350	0	7,350	7,350	0
Tax	\$ 3,377,903	\$ 1,384,962	\$ 1,992,941	\$ 336,227	\$ 1,656,714

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - COMMITMENTS AND CONTINGENCIES:

During the normal course of business, the District is subject to numerous disputes and claims. At June 30, 2024, there is no item(s) of pending or threatening litigation which management believes would have a material effect on the District's financial condition.

GRANT PROGRAMS

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 9 - GASB STATEMENT NO. 54:

On June 15, 2010, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54 (Fund Balance Reporting and Governmental Fund Type Definitions). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB-54 establishes criteria for classifying fund balances into specifically defined classifications that should be based on hierarchy that reflects the extent to which the government is bound to honor constraints on how those funds can be spent. Established classifications are as follows:

Nonexpendable – Amounts that cannot be spend because they are either in a nonspendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts constrained to be used for a specific purpose stipulated by constitution, external resource providers or through enabling legislation.

Committed – Amounts constrained to be used for a specific purpose determined by a formal action of the School District Board of Directors (the district's highest level of decision-making authority).

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 - GASB STATEMENT NO. 54 – continued

Assigned – Amounts intended to be used for a specific purpose by the finance committee or an individual authorized by the governing body.

Unassigned – Residual amounts available for any purpose not contained in other classifications.

The District’s committed fund balance is fund balance reporting required by the school board because of motions that passed at the school board meetings. The balance consists of \$710,000. for PSERS rate increases.

ORDER OF FUND BALANCE SPENDING POLICY

The District’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting entries.

First, nonspendable fund balances are determined. Then, restricted fund balances for the nongeneral funds are classified as restricted fund balance.

It is possible for the nongeneral funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balance for the nongeneral fund.

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Capital Reserve	Total Governmental Funds
EQUITY			
Nonspendable	\$ 0	\$ 0	\$ 0
Restricted	0	59,617	59,617
Committed	1,210,000	0	1,210,000
Assigned	0	0	0
Unassigned	3,538,136	0	3,538,136
TOTAL FUND BALANCE	\$ 4,748,136	\$ 59,617	\$ 4,807,753

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 10 - RELATED ORGANIZATIONS:

Not included in the School's District financial statements are any Parent-Teacher Associations (PTA), Parent-Teacher Organizations (PTO) and athletic and band booster clubs. These agencies provide services to students and employees of the School District, but are separate legal entities having sufficient autonomy in the management of their own affairs to distinguish them as separate from the administrative organization of the School District. The School District does not account for these entities as component units or joint ventures; it does not maintain an ongoing financial interest or have responsibility for these entities.

NOTE 11 – PENSION:

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.

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 than can be obtained at www.psers.pa.gov.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11 – PENSION - continued

BENEFITS PROVIDED

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

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two 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 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. 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.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11 – PENSION – 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

Member Contributions:

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

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

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

Members who joined the System after June 30, 2011, automatically contributed at the Membership Class T-E rate of 7.50% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elected Class T-F membership, contribute at 10.30% (base rate) of the member's qualifying compensation. All new hires after June 30, 2019, who elected Class T-G membership, contribute at 8.25% (base rate) of the member's qualifying compensation. Membership Class T-E, Class T-F, Class T-G & Class T-H are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.50% and 9.50% and Membership Class T-F contribution rate to fluctuate between 10.30% and 12.30%, Membership Class T-G contribution rate to fluctuate between 5.50% and 8.50% and Membership Class T-H contribution rate to fluctuate between 4.5% and 7.50%.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11 – PENSION – continued

Employer Contributions:

The school district's contractually required contribution rate for fiscal year ended June 30, 2024 was 33.09% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$2,128,061. for the year ended June 30, 2024.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2024, the District reported a liability of \$18,061,000. for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2022 to June 30, 2023. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2023, the District proportion was .0406%, which was a decrease of .0063% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$(1,542,000). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,000	\$ 247,000
Changes in assumptions	270,000	0
Net difference between projected and actual investment earnings	511,000	0
Changes in proportion	0	3,122,000
Difference between employer contributions and proportionate share of total contributions	0	0
Contributions subsequent to the measurement date	0	0
Total All Funds	<u>\$ 785,000</u>	<u>\$ 3,369,000</u>

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11 – PENSION – continued

***PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS
OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED
TO PENSIONS - continued***

\$785,000. reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2024	\$ (1,099,000)
2025	(1,502,000)
2026	(154,000)
2027	170,000
Total Deferred Outflows/ Inflows of Resources	\$ (2,585,000)

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11 – PENSION – continued

***PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS
OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED
TO PENSIONS – continued***

Total pension liability as of June 30, 2023 was determined by rolling forward the System's total pension liability as of the June 30, 2022 to June 30, 2023 using the following actuarial assumptions applied to all periods included in the measurement:

- Valuation Date – June 30, 2022
- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 7.00%, includes inflation at 2.50%
- Salary Growth – Effective average of 4.50%, comprised of inflation 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, 2022 and as of June 30, 2023.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
 - Salary growth rate – decreased from 5.00% to 4.50%
 - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
 - Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

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

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11 – PENSION – continued

***PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS
OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED
TO PENSIONS – continued***

ACTUARIAL ASSUMPTIONS

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	5.2%
Private Equity	12.0%	7.9%
Fixed Income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure / MLP's	10.0%	5.4%
Real Estate	11.0%	5.7%
Absolute Return	4.0%	410.0%
Cash	3.0%	1.2%
Leverage	-10.5%	1.2%
	100%	

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, 2023.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11 – PENSION – continued

***PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS
OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED
TO PENSIONS - continued***

DISCOUNT RATE

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

**SENSITIVITY OF THE DISTRICT’S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE**

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net position 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%
District's proportionate share of the net pension liability	\$ 23,413,000	\$ 18,061,000	\$ 13,547,000

PENSION PLAN FIDUCIARY NET POSITION

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

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’ RETIREMENT SYSTEM (PSERS):

1. Summary of Significant Accounting Policies

Other Postemployment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of 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, 2023, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

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

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

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

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.psers.pa.gov.

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. As of June 30, 2023, there were no assumed future benefit increases to participating eligible retirees

Employer Contributions:

The school districts’ contractually required contribution rate for the fiscal year ended June 30, 2024 was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$47,000. for the year ended June 30, 2024.

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

At June 30, 2023, the District reported a liability of \$738,000. for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, 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, 2022 to June 30, 2023. 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, 2023, the District’s proportion was .0408% percent, which was a decrease of .0062% from its proportion measured as of June 30, 2023.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

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

For the year ended June 30, 2024, the District recognized OPEB expense of (\$58,000). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 5,000	\$ 7,000
Changes in assumptions	64,000	140,000
Net difference between projected and actual investment earnings	2,000	0
Changes in proportion	15,000	176,000
Difference between employer contributions and proportionate share of total contributions	0	0
Contributions subsequent to the measurement date	0	0
Total All Funds	<u>\$ 86,000</u>	<u>\$ 323,000</u>

\$86,000. reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Estimated Amount</u>
2024	\$ (49,000)
2025	(50,000)
2026	(54,000)
2027	(62,000)
2028	(22,000)
Thereafter	<u>0</u>
Total Deferred Outflows/ Inflows of Resources	<u>\$ (237,000)</u>

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

3. Actuarial Assumptions

The Total OPEB Liability as of June 30, 2023, was determined by rolling forward the System’s Total OPEB Liability as of June 30, 2022 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
 - Investment return – 4.13% - S&P 20 Year Municipal Bond Rate.
 - Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
 - Premium Assistance reimbursement is capped at \$1,200 per year.
 - Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
 - Mortality rates were based on a blend of 50% PubT-2010 and 50% PUbG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
- Eligible retirees will elect to participate Pre age 65 at 50%
 - Eligible retirees will elect to participate Post age 65 at 70%

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

3. Actuarial Assumptions – continued

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.

OPEB - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	1.2%
	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, 2023.

Discount rate

The discount rate used to measure the Total OPEB Liability was 4.13%. 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 4.13% which represents the S&P 20 year Municipal Bond Rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

3. Actuarial Assumptions – continued

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2022, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2023, 92,677 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2023, 522 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the System net OPEB liability for June 30, 2023, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if it health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
System net OPEB liability	\$ 738,000	\$ 738,000	\$ 738,000

Sensitivity of the District’s proportionate share of the net OPEB liability to changes
in the discount rate

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

	<u>1% Decrease 3.09%</u>	<u>Current Discount Rate 4.09%</u>	<u>1% Increase 5.09%</u>
District’s proportionate share of the net OPEB liability	\$ 835,000	\$ 738,000	\$ 657,000

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

3. Actuarial Assumptions – continued

OPEB plan fiduciary net position

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

NOTE 13 – TAX ABATEMENT:

The Minersville Area School District enters into property tax abatement agreements with local businesses under the Local Economic Revitalization Tax Assistance (LERTA) Act 72 of 1977 (amended, 1988) and the Pennsylvania Keystone Opportunity Act 63 of 2005, as amended by Act 79 of 2008 for the purpose of attracting or retaining businesses within the District. The abatements are granted in areas that are experiencing distress characterized by one or more of the following: high unemployment, low investment of new capital, blighted conditions, underutilized, obsolete or abandoned industrial/commercial property and deteriorated tax base.

For the fiscal year ended June 30, 2024

<u>Parcel</u>	<u>Designation</u>	<u>Abatement Agreement End Date</u>	<u>Abatement Amount</u>
5-2-2.7	LERTA	2030	\$ 67,890
5-2-2-01	LERTA	2030	88,711
5-4-1	LERTA	2025	253,307
11-2-5.4	LERTA	2027	203,111
			<u>\$ 613,019</u>

For the fiscal year ended June 30, 2024, the District abated real estate taxes for the listed parcels to companies in a developing business park.

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 14 – SUBSEQUENT EVENTS

The District has evaluated events and transactions occurring subsequent to the balance sheet date of June 30, 2024 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through February 12, 2025, the date these financial statements were available to be issued.

**REQUIRED SUPPLEMENTAL
INFORMATION**

MINERSVILLE AREA SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

A. SUMMARY OF AUDIT RESULTS

1. Auditor's report expresses an unqualified opinion on the financial statements of Minersville Area School District.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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 Minersville Area School District, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No significant deficiencies relating to the audit of internal controls over major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Minersville Area School District expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for Minersville Area School District.
7. The programs tested as major programs included:

Program	CFDA #
Education Stabilization Fund	84.425
Child Nutrition Cluster - School Breakfast Program	10.553
Child Nutrition Cluster - National School Lunch	10.555

8. The threshold for distinguishing types A and B Programs was \$750,000.
9. Minersville Area School District was determined not to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT
None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT
None

MINERSVILLE AREA SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/ Pass Through Grantor/ Program Title	Source Code	Federal CFDA Number	Federal Cluster Program	Pass Through Grantors' Number	Program or Award Amount	Grant Period Beginning/Ending Date	Total Received For Year	Accrued Or (Deferred) Revenue July 1, 2023	Revenue Recognized	Expenditures	Accrued Or (Deferred) Revenue June 30, 2024
U.S. DEPARTMENT OF EDUCATION											
Passed Through State Department of Education:											
E.S.E.A. Title I - Improving Basic Programs - 2022 - 2023	(I)	84,010		013-23-0257	\$ 480,894	07/01/22-09/30/23	\$ 0	\$ (12,018)	\$ 12,018	\$ 12,018	\$ 0
E.S.E.A. Title I - Improving Basic Programs - 2023 - 2024	(I)	84,010		013-24-0257	476,966	07/01/23-09/30/24	413,360	0	453,184	453,184	39,824
E.S.E.A. Title II Improving Teacher Quality - 2022 - 2023	(I)	84,367		020-23-0257	59,985	07/01/22-09/30/23	0	(4,560)	4,560	4,560	0
E.S.E.A. Title II Improving Teacher Quality - 2023 - 2024	(I)	84,367		020-24-0257	49,938	07/01/23-09/30/24	49,938	0	49,387	49,387	(651)
E.S.E.A. Title IV Student Support and Academic Enrichment - 2022 - 2023	(I)	84,424		144-23-0257	26,208	07/01/22-09/30/23	1,337	861	476	476	0
E.S.E.A. Title IV Student Support and Academic Enrichment - 2023 - 2024	(I)	84,424		144-24-0257	37,648	07/01/23-09/30/24	155,471	(71,774)	37,648	37,648	0
Elementary and Secondary School Emergency Relief (ESSER III) Fund	(I) / (CV)	84,425D		223-21-0257	2,151,466	03/13/20-09/30/24	82,764	36,419	226,245	226,245	0
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) (Consolidated)	(I) / (CV)	84,425U		225-21-0257	167,218	03/13/20-09/30/24			36,415	36,415	(9,930)
Passed Through Schuykill I.U. #29:											
Special Education - Grants to States (IDEA)	(I)	84,027	(SE)	N/A	278,267	07/01/23-06/30/24	278,267	0	278,267	278,267	0
Special Education - Preschool Grants (IDEA)	(I)	84,173	(SE)	N/A	4,302	07/01/23-06/30/24	4,302	0	4,302	4,302	0
21st Century Community Learning Center - 2022 - 2023	(I)	84,287		N/A	92,598	10/01/22-09/30/23	21,257	21,257	0	0	0
21st Century Community Learning Center - 2023 - 2024	(I)	84,287		N/A	100,606	10/01/23-09/30/24	79,907	0	100,606	100,606	20,689
TOTAL DEPARTMENT OF EDUCATION					<u>3,926,116</u>		<u>1,125,251</u>	<u>(29,815)</u>	<u>1,205,108</u>	<u>1,205,108</u>	<u>50,042</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES											
Passed Through State Department of Education:											
Medical Assistance - Access	(I)	93,778	(MA)	044-00-7257	3,436	7/01/22-9/30/23	3,436	3,436	0	0	0
Medical Assistance - Access	(I)	93,778	(MA)	044-00-7257	3,111	7/01/23-9/30/24	0	0	3,111	3,111	3,111
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					<u>6,547</u>		<u>3,436</u>	<u>3,436</u>	<u>3,111</u>	<u>3,111</u>	<u>3,111</u>
U.S. DEPARTMENT OF AGRICULTURE											
Passed Through State Department of Education:											
School Breakfast Program - 2022 - 2023	(I)	10,555	(CN)	129-54-470-3	123,289	07/01/22-06/30/23	480	480	0	0	0
School Breakfast Program - 2023 - 2024	(I)	10,555	(CN)	129-54-470-3	138,918	07/01/23-06/30/24	138,918	0	138,918	138,918	0
National School Lunch - 2022 - 2023	(I)	10,555	(CN)	129-54-470-3	508,900	07/01/22-06/30/23	2,280	2,280	0	0	0
National School Lunch - 2023 - 2024	(I)	10,555	(CN)	129-54-470-3	567,316	07/01/23-06/30/24	567,316	0	567,316	567,316	0
School Breakfast Program	(S)	N/A		129-54-470-3	N/A	07/01/22-06/30/23	113	113	0	0	0
School Breakfast Program	(S)	N/A		129-54-470-3	N/A	07/01/23-06/30/24	23,301	0	23,301	23,301	0
National School Lunch	(S)	N/A		129-54-470-3	N/A	07/01/22-06/30/23	81	81	0	0	0
National School Lunch	(S)	N/A		129-54-470-3	N/A	07/01/23-06/30/24	19,283	0	19,283	19,283	0
P-EBT Local Administration Funds	(I)	10,649		129-54-470-3	3,256	07/01/23-06/30/24	3,256	3,256	0	0	0
Passed Through Penn State University: Child Nutrition Discretionary Grants Limited Availability	(I)	10,579		N/A	9,863	07/01/23-06/30/25	6,904	0	9,264	9,264	2,360
Passed Through State Department of Agriculture: Value of USDA Commodities	(I)	10,555	(CN)	129-54-470-3	44,403	07/01/23-06/30/24	(A) 46,802	(B) (2,236)	44,403	(C) 44,403	(D) (4,635)
TOTAL DEPARTMENT OF AGRICULTURE					<u>808,734</u>		<u>808,734</u>	<u>3,974</u>	<u>802,485</u>	<u>802,485</u>	<u>(2,275)</u>
SUB-TOTAL							<u>1,937,421</u>	<u>(22,405)</u>	<u>2,010,704</u>	<u>2,010,704</u>	<u>50,878</u>
STATE AWARD EXPENDITURES							<u>42,778</u>	<u>194</u>	<u>42,984</u>	<u>42,984</u>	<u>0</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS							<u>\$ 1,894,643</u>	<u>\$ (22,599)</u>	<u>\$ 1,966,120</u>	<u>\$ 1,966,120</u>	<u>\$ 50,878</u>

Other Code Legend:
(A) Indicates value of USDA commodities received in current year.
(B) Indicates beginning inventory value of USDA commodities.
(C) Indicates value of USDA commodities used in current year.
(D) Indicates ending inventory value of USDA commodities.

Source Code Legend:
(I) Indicates direct federal financial assistance funding.
(I) Indicates indirect federal financial assistance funding.
(S) Indicates State matching funding.
(CV) Indicates Coronavirus Funding

Federal Cluster Code Legend:
(SE) Indicates Special Education Cluster
(CN) Indicates Child Nutrition Cluster
(MA) Medicaid Assistance Cluster

MINERSVILLE AREA SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

The accompanying Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

NOTE 2 - COMMODITIES:

The beginning and ending deferred income figures listed represent the beginning and ending commodities inventories in the Cafeteria Fund. These commodities are received through the State from the U.S. Department of Agriculture. The commodities are valued at amounts assigned to the various items by the U.S. Department of Agriculture when the commodities are offered.

NOTE 3 – INDIRECT COSTS:

The District did not charge any indirect costs to any of the federal grants and programs during this fiscal year. As such, the District did not use the 10% de minimis cost rate.

NOTE 4 - CLUSTER PROGRAMS:

The following CFDA's have been deemed a cluster of programs by the Office of Management and Budget and, therefore, are treated as one program in determining the major programs to be audited.

<u>Child Nutrition Cluster</u>		<u>Special Education Cluster (IDEA)</u>		<u>Medicaid Cluster</u>	
<u>CFDA #</u>	<u>Expenditures</u>	<u>CFDA #</u>	<u>Expenditures</u>	<u>CFDA#</u>	<u>Expenditures</u>
10.553	\$ 138,918	84.027	\$ 278,267	93.778	\$ 3,111
10.555	611,719	84.173	4,302		
Total	\$ 750,637	Total	\$ 282,569	Total	\$ 3,111

NOTE 5 - MEDICAL ASSISTANCE:

Access reimbursements received under CFDA #93.778 Revenue Code 8810 are classified as fee-for-service revenues and are not recognized as federal awards for the purpose of the Schedule of Expenditures of Federal Awards.

**OTHER SUPPLEMENTAL
INFORMATION**

MINERSVILLE AREA SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)	\$ 18,061,000	\$ 20,851,000	\$ 20,857,000	\$ 25,555,000	\$ 23,578,000	\$ 24,050,000	\$ 25,188,000	\$ 24,679,000	\$ 20,791,000	\$ 19,316,000
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 6,256,410	\$ 6,900,702	\$ 7,200,999	\$ 6,947,937	\$ 6,947,937	\$ 6,752,566	\$ 6,791,951	\$ 6,455,160	\$ 6,178,384	\$ 6,225,837
	288.68%	302.16%	289.64%	367.81%	339.35%	356.16%	370.85%	382.31%	336.51%	310.25%
DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	47.99%	52.24%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY										

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

MINERSVILLE AREA SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ 2,128,061	\$ 2,336,591	\$ 2,413,002	\$ 2,425,241	\$ 2,257,000	\$ 2,126,000	\$ 1,951,000	\$ 1,584,000	\$ 1,239,000	\$ 972,000
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	2,128,061	2,336,591	2,413,002	2,425,241	2,257,000	2,126,000	1,951,000	1,584,000	1,239,000	972,000
CONTRIBUTION DEFICIENCY (EXCESS)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 6,256,410	\$ 6,900,702	\$ 7,200,999	\$ 7,283,234	\$ 6,947,937	\$ 6,752,566	\$ 6,791,951	\$ 6,455,160	\$ 6,178,384	\$ 6,225,837
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	34.01%	33.86%	33.51%	33.30%	32.48%	31.48%	28.73%	24.54%	20.05%	15.61%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

MINERSVILLE AREA SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
DISTRICT'S PROPORTION OF THE NET OPEB LIABILITY (ASSET)							
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)	\$ 729,131	\$ 1,020,436	\$ 1,328,350	\$ 702,808	\$ 605,515	\$ 602,347	\$ 632,583
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 6,438,413	\$ 6,139,580	\$ 6,139,580	\$ 6,390,819	\$ 6,390,819	\$ 6,220,717	\$ 6,220,717
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	11.32%	16.62%	21.64%	11.00%	9.47%	9.68%	10.17%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

MINERSVILLE AREA SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CONTRIBUTION DEFICIENCY (EXCESS)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 6,438,413	\$ 6,139,580	\$ 6,139,580	\$ 6,390,819	\$ 6,390,819	\$ 6,220,717	\$ 6,220,717
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

MINERSVILLE AREA SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB-PSERS LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
DISTRICT'S PROPORTION OF THE NET OPEB - PSERS LIABILITY (ASSET)								
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB - PSERS LIABILITY (ASSET)	\$ 738,000	\$ 863,000	\$ 1,204,000	\$ 1,121,000	\$ 1,072,000	\$ 1,045,000	\$ 1,039,000	\$ 1,073,000
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 6,256,410	\$ 6,900,702	\$ 7,200,999	\$ 7,283,234	\$ 6,947,937	\$ 6,752,566	\$ 6,791,951	\$ 6,455,160
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB - PSERS LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	11.80%	12.51%	16.72%	15.39%	15.43%	15.48%	15.30%	16.62%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB - PSERS LIABILITY	7.22%	6.86%	5.30%	5.69%	5.56%	5.40%	5.18%	5.01%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

MINERSVILLE AREA SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB-PSERS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ 47,000	\$ 55,000	\$ 59,000	\$ 61,000	\$ 58,000	\$ 56,000	\$ 56,000
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	<u>47,000</u>	<u>55,000</u>	<u>59,000</u>	<u>61,000</u>	<u>58,000</u>	<u>56,000</u>	<u>56,000</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 6,256,410	\$ 6,900,702	\$ 7,200,999	\$ 7,283,234	\$ 6,947,937	\$ 6,752,566	\$ 6,791,951
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	0.75%	0.80%	0.82%	0.84%	0.83%	0.83%	0.82%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

APPENDIX F
BOND AMORTIZATION SCHEDULE

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY