

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. 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 the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

## PRELIMINARY OFFICIAL STATEMENT DATED MAY 5, 2025

NEW ISSUE—BOOK-ENTRY ONLY

RATINGS: S&P: "AA" (Stable Outlook) (AG Insured)  
Moody's: "Aa3" (Enhanced)  
Moody's: "A1" (Underlying)  
(See Ratings herein)

*In the opinion of Co-Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds, including interest in the form of original issue discount, will not be includible in gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the Authority and Career & Technical Center with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals. Under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. See "TAX MATTERS" herein.*

### **\$5,150,000\*** **State Public School Building Authority** **(Commonwealth of Pennsylvania)** **School Lease Revenue Bonds (Cumberland Perry Area Career and Technical Center Project),** **Series of 2025**

INITIALLY DATED: Date of Delivery  
PRINCIPAL DUE: November 15, as shown herein

INTEREST PAYABLE: May 15 and November 15  
FIRST INTEREST PAYMENT DATE: November 15, 2025

The State Public School Building Authority, School Lease Revenue Bonds (Cumberland Perry Area Career and Technical Center Project), Series of 2025, in the aggregate principal amount of \$5,150,000\* (the "Bonds"), will be issued in registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds will be registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or any integral multiple thereof only under the book-entry only system maintained by DTC through its brokers and dealers who are, or act through, DTC Participants. The purchasers of the Bonds will not receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond, that purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein. If, under the circumstances described herein, Bonds are ever issued in certificated form, the Bonds will be subject to registration of transfer, exchange and payment as described herein.

The Bonds will be special limited obligations of the State Public School Building Authority (the "SPSBA" or the "Authority") equally and ratably secured under the provisions of an Indenture, dated as of the dated date of the Bonds (the "Indenture") between the Authority and Manufacturers and Traders Trust Company, Harrisburg, Pennsylvania, as trustee (the "Trustee"). The Indenture provides that the Bonds shall be equally and ratably secured by a pledge and assignment by the SPSBA to the Trustee of the sublease rentals payable under the terms of a sublease agreement dated as of the dated date of the Bonds (the "Sublease"), between the Authority, as lessor, and Big Spring School District, Camp Hill School District, Cumberland Valley School District, East Pennsboro School District, Greenwood School District, Mechanicsburg School District, Newport School District, Northern York School District, South Middleton School District, Susquenita School District, Upper Adams School District, West Perry School District and West Shore School District (the "Member School Districts") and the Cumberland Perry Area Career and Technical Center (the "Career & Technical Center") as lessees. Under the Sublease, Greenwood School District, Newport School District, South Middleton School District and West Perry School District (the "Obligated School Districts") shall covenant to make sublease rental payments to the Authority in the amounts and on the dates required for the payment of principal of and interest on the Bonds. Big Spring School District, Camp Hill School District, Cumberland Valley School District, East Pennsboro School District, Mechanicsburg School District, Northern York School District, Susquenita School District, Upper Adams School District, and West Shore School District will, independently of the Obligated School Districts, each pay a one-time capital contribution for its share of the costs of the Capital Project (as defined hereinafter) in lieu of financing such costs under the Sublease and having to make periodic payments thereunder. The taxing power of each of the Obligated School Districts presently includes the power to levy an annual ad valorem tax on all taxable real property and available taxing power located within such Obligated School District as to rate or amount for the purpose of making payments in respect of such Obligated School Districts proportionate share of the rental payments under the Sublease (See "Security" and "Act 1 of Special Session 2006 ("Taxpayer Relief Act")" herein).

**The Bonds are special, limited revenue obligations of the Authority, payable solely from the Sublease rentals payable by the Obligated School Districts under the Sublease. The Obligated School Districts' payment obligations under the Sublease do not constitute debt of the Obligated School Districts. The Obligated School Districts have covenanted to budget and pay the amounts due under the Sublease, but payments are subject to annual appropriation by each of the Obligated School Districts. The Obligated School Districts payment obligations under the Sublease are, however, subject to enforcement by the Commonwealth of Pennsylvania under the state subsidy intercept provisions of Section 785 of the School Code (see, "Intercept of State Aid for Obligated School District's Failure to Make Payments Under the Lease", herein). The Authority and the Career & Technical Center have no taxing power.**

**The Bonds are subject to redemption prior to maturity as described herein.**

Proceeds of the Bonds will be used to (1) finance the acquisition, design and construction of renovations, additions and improvements to Career & Technical Center and (2) pay the costs and expenses related to the issuance of the Bonds.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Inc. ("AG").

**ASSURED  
GUARANTY**

**MATURITIES, AMOUNTS, RATES, YIELDS, AND CUSIPS**  
**As Shown on Inside Front Cover**

The Bonds are offered for delivery when, as and if issued by the Authority and received by the Underwriter and subject to the approving legal opinions of Eckert Seamans Cherin & Mellott, LLC of Harrisburg, Pennsylvania and Turner Law, P.C., of Philadelphia, Pennsylvania, Co-Bond Counsel, appointed by the Office of General Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Barley Snyder LLP, Lancaster, Pennsylvania, for the Career & Technical Center by its counsel, Saxton & Stump, LLC, Lancaster, Pennsylvania and for the Underwriter by its counsel McNees Wallace & Nurick LLC, Harrisburg, Pennsylvania. PFM Financial Advisors LLC, Harrisburg, Pennsylvania, serves as Financial Advisor to the Career & Technical Center. It is expected that the Bonds will be available for delivery through DTC, on or about June \_\_, 2025.

**RAYMOND JAMES®**

Dated:

\*Preliminary, subject to change.

**\$5,150,000\***  
**State Public School Building Authority**  
**School Lease Revenue Bonds (Cumberland Perry Area Career and Technical Center Project),**  
**Series of 2025**

**BOND MATURITY SCHEDULE**

**Dated: June \_\_, 2025**

**Interest Due: May 15 and November 15**

**Principal Due: November 15, as shown below**

**First Interest Payment: November 15, 2025**

<b>Nov. 15</b>	<b>Principal Amounts</b>	<b>Interest Rates</b>	<b>Yields</b>	<b>CUSIP Numbers<sup>(1)</sup></b>
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				

<sup>(1)</sup> These Committee on Uniform Securities Identification Procedures numbers have been assigned by an organization not affiliated with the Authority 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 Authority nor the Underwriter have 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.

<sup>\*</sup>Preliminary, subject to change.

# STATE PUBLIC SCHOOL BUILDING AUTHORITY

## MEMBERS OF THE AUTHORITY

Honorable Josh Shapiro  
Governor of the Commonwealth of Pennsylvania ..... President

Honorable Jarrett Coleman  
Designated by the President Pro Tempore of the Senate ..... Vice President

Honorable Lindsey M. Williams  
Designated by the Minority Leader of the Senate ..... Vice President

Honorable Peter G. Schweyer  
Designated by the Speaker of the House of Representatives ..... Vice President

Honorable Stacy Garrity  
State Treasurer ..... Treasurer

Honorable Reggie McNeil  
Secretary of General Services ..... Secretary

Honorable Bryan Cutler  
Designated by the Minority Leader of the House of Representatives ..... Board Member

Honorable Timothy L. Defoor  
Auditor General ..... Board Member

Honorable Dr. Carrier Rowe  
Acting Secretary of Education ..... Board Member

## EXECUTIVE DIRECTOR

JENNIFER SHEFFIELD

## COUNSEL TO THE AUTHORITY

(Appointed by the Office of General Counsel)

BARLEY SNYDER LLP

Lancaster, Pennsylvania

## TRUSTEE

MANUFACTURERS AND TRADERS TRUST COMPANY

Harrisburg, Pennsylvania

## CO-BOND COUNSEL

(Appointed by the Office of General Counsel)

ECKERT SEAMANS CHERIN & MELLOTT, LLC

Harrisburg, Pennsylvania

TURNER LAW, P.C.  
Philadelphia, Pennsylvania

## FINANCIAL ADVISOR

PFM Financial Advisors LLC

Harrisburg, Pennsylvania

## UNDERWRITER

RAYMOND JAMES & ASSOCIATES, INC.

Lancaster, Pennsylvania

## UNDERWRITER'S COUNSEL

MCNEES WALLACE & NURICK LLC

Harrisburg, Pennsylvania

## AUTHORITY ADDRESS

STATE PUBLIC SCHOOL BUILDING AUTHORITY

400 North Street, Floor 6

Harrisburg, Pennsylvania 17120

# Cumberland Perry Area Career and Technical Center

## JOINT OPERATING COMMITTEE MEMBERSHIP

<u>Name</u>	<u>Position</u>	<u>Member School District</u>
Brian Sanker	Chairperson	Mechanicsburg Area
Ryan Hoff	Vice Chairperson	Greenwood
Rebecca Kann	Secretary*	
Joni Rudy	Treasurer*	
Mike Hippensteel	Member	Big Spring SD
John Wardle	Member	Big Spring SD
Greg Lamay	Member	Camp Hill SD
Andrew Clancy	Member	Cumberland Valley SD
Kelly Potteiger	Member	Cumberland Valley SD
Cindi Ward	Member	East Pennsboro SD
Autumn Gehr-Shope	Member	Newport SD
Gregory Weir	Member	Northern York Co. SD
Rick Rovegno	Member	South Middleton SD
Dr. Michael Jones	Member	Susquenita SD
Sue Crouse	Member	Upper Adams SD
James Hamilton	Member	West Perry SD
Tina Magaro	Member	West Perry SD
David Brinton	Member	West Shore SD
Christopher Kambic	Member	West Shore SD
Adam Trone	Member	West Shore SD

### ADMINISTRATION

Thomas Wolfe	Administrative Director
Joni Rudy	Business Administrator
Joseph Knouse	Principal

\*Non-Voting Member

**CAREER & TECHNICAL CENTER SOLICITOR**  
 SAXTON & STUMP, LLC  
 Lancaster, Pennsylvania

**CAREER & TECHNICAL CENTER ADDRESS**  
 110 Old Willow Mill Rd  
 Mechanicsburg, Pennsylvania 17050

No dealer, broker or any other person has been authorized by the Authority, Cumberland Perry Area Career and Technical Center or any of the Member School Districts, to give any information or make any representation, other than those contained in this Preliminary Official Statement, and if given or made, such other information and representation must not be relied upon. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information set forth herein has been obtained from the Authority, the Career & Technical Center and the Member School Districts, and from other sources which are believed to be reliable, but the Authority, Cumberland Perry Area Career and Technical Center and the Member School Districts, do not guarantee the accuracy or completeness of information from sources other than the Authority, the Career & Technical Center, and the Member School Districts. No representation is made by Raymond James & Associates, Inc., Lancaster, Pennsylvania, as the Underwriter (the "Underwriter"), as to the accuracy or completeness of the information obtained from the Authority, the Career and Technical Center and the Member and the Member School Districts, or from sources other than the Authority, the Career and Technical Center and the Member School Districts. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Preliminary Official Statement, nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

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

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS PRELIMINARY OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS PRELIMINARY OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS OR THE INDENTURE IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF CERTAIN STATES, IF ANY, IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS PRELIMINARY OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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

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# **PRELIMINARY OFFICIAL STATEMENT**

**\$5,150,000\***

**State Public School Building Authority  
School Lease Revenue Bonds (Cumberland Perry Area Career and Technical Center Project),  
Series of 2025**

## **INTRODUCTORY STATEMENT**

This Preliminary Official Statement is furnished in connection with the offering of \$5,150,000\* aggregate principal amount of State Public School Building Authority, School Lease Revenue Bonds (Cumberland Perry Area Career and Technical Center Project), Series of 2025, dated as of June \_\_, 2025 (the "Bonds"), of the State Public School Building Authority (the "SPSBA" or the "Authority"). The Bonds are authorized to be issued pursuant to the State Public School Building Authority Act of 1947, P.L. 1217, as supplemented and amended (the "Act"), a Resolution of the Authority as adopted March 28, 2024, (the "Resolution") and a Trust Indenture, dated as of June \_\_, 2025 (the "Indenture") between the SPSBA and Manufacturers and Traders Trust Company, Harrisburg, Pennsylvania, as Trustee (the "Trustee").

The Cumberland Perry Area Career and Technical Center (the "Career & Technical Center") has been created by Big Spring School District, Camp Hill School District, Cumberland Valley School District, East Pennsboro School District, Greenwood School District, Mechanicsburg School District, Newport School District, Northern York School District, South Middleton School District, Susquenita School District, Upper Adams School District, West Perry School District and West Shore School District, all located in Cumberland, Perry, Adams or York Counties, Pennsylvania (the "Member School Districts"). The land and buildings constituting the Career & Technical Center are owned jointly, legally and/or equitably, by the Member School Districts and the Career & Technical Center.

The Member School Districts and the Career & Technical Center will lease real and personal property of the Career & Technical Center (the "Leased Property") to the SPSBA under a lease (the "Lease") for a term not less than the maturity of the Bonds, and the SPSBA under the Lease covenants to provide the proceeds of the Bonds to be used to finance the acquisition, design and construction of renovations, additions and improvements to Career & Technical Center and pay the costs and expenses related to the issuance of the Bonds (the "Project"). The SPSBA will Sublease to the Career & Technical Center and the Member School Districts the Leased Property under a Sublease Agreement dated as of June \_\_, 2025 (the "Sublease") for rental payments in amounts sufficient to provide for the debt service on the Bonds. Under the Indenture, the SPSBA will pledge and assign to the Trustee the Sublease rentals to be paid pursuant to the Sublease. Such Sublease rental payments are pledged by the SPSBA for the benefit of the holders of the Bonds.

The SPSBA is a body corporate and politic created in 1947 by the Act. Under the Act, the SPSBA is constituted a public corporation and governmental instrumentality, having perpetual existence, for the purpose of acquiring, financing, refinancing, constructing, improving, maintaining and operating public school and educational broadcasting facilities, and furnishing and equipping the same for use as part of the public school system of the Commonwealth of Pennsylvania (the "Commonwealth") under the jurisdiction of the Pennsylvania Department of Education ("the Department").

The descriptions and summaries of the Indenture, the Sublease and various other legal documents set forth in this Preliminary Official Statement do not purport to be comprehensive or definitive and reference is made to each such document for complete details of its terms and conditions; all statements made herein are qualified in their entirety by the terms of such documents.

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\*Preliminary, subject to change

## PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used to (1) finance the acquisition, design and construction of renovations, additions and improvements to Career & Technical Center and (2) pay the costs and expenses related to the issuance of the Bonds.

### Sources and Uses of Bond Proceeds

The following is a summary of the sources and uses of the proceeds from the issuance of the Bonds.

#### Source of Funds

Par Amount of Bonds.....	
Net Original Issue Premium/(Discount) .....	
Total Source of Funds .....	

#### Use of Funds

Construction Fund Deposit .....	
Costs of Issuance <sup>(1)</sup> .....	
Total Use of Funds.....	

<sup>(1)</sup>Includes Underwriter's discount, legal, financial advisor, municipal bond insurance, printing, rating, trustee, and miscellaneous fees.

### Cumberland Perry Area Career and Technical Center

The Career & Technical Center was created and is governed by the terms of an Articles of Agreement originally dated January 17, 1967, as thereafter amended and supplemented including most recently on April 17, 2023 (collectively, the "Articles of Agreement"), signed by each of the thirteen Member School Districts, pursuant to the Pennsylvania Public School Code authorizing the creation of "Area Vocational-Technical Schools" to provide vocational and technical training for secondary students and adults. The Career & Technical Center is governed by its Board, comprised of all members of the Boards of School Directors of the Member School Districts. The eighteen-member Joint Operating Committee of the Career & Technical Center (the "Joint Operating Committee") provides the day-to-day governance of the operations at the Career & Technical Center in conjunction with the administrative personnel employed by the Career & Technical Center, including its Principal and Administrative Director.

The member officers of the Joint Operating Committee are set forth below:

<u>Name</u>	<u>Position</u>	<u>Member School District</u>
Brian Sanker	Chairperson	Mechanicsburg Area
Ryan Hoff	Vice Chairperson	Greenwood
Rebecca Kann	Secretary*	
Joni Rudy	Treasurer*	
Mike Hippensteel	Member	Big Spring SD
John Wardle	Member	Big Spring SD
Greg Lamay	Member	Camp Hill SD
Andrew Clancy	Member	Cumberland Valley SD
Kelly Potteiger	Member	Cumberland Valley SD
Cindi Ward	Member	East Pennsboro SD
Autumn Gehr-Shope	Member	Newport SD
Gregory Weir	Member	Northern York Co. SD
Rick Rovegno	Member	South Middleton SD
Dr. Michael Jones	Member	Susquenita SD
Sue Crouse	Member	Upper Adams SD
James Hamilton	Member	West Perry SD
Tina Magaro	Member	West Perry SD
David Brinton	Member	West Shore SD
Christopher Kambic	Member	West Shore SD
Adam Trone	Member	West Shore SD

### The Authority

The Authority and the Pennsylvania Higher Educational Facilities Authority (PHEFA) (together, the "Authorities") share an executive, fiscal and administrative staff, and operate under a joint administrative budget. The Authority serves as a conduit issuer for school districts, community colleges and technical schools and intermediate units in the Commonwealth and has issued, and will continue to issue, multiple series of bonds to finance various projects. Each such series of bonds is or will be secured by instruments and collateral separate and apart from other series, including the Bonds.



Under the Act, the Authority members are the Governor of the Commonwealth, the State Treasurer, the Auditor General, the Secretary of Education, the Secretary of the Department of General Services, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate and the Minority Leader of the House of Representatives. The President Pro Tempore of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives and the Minority Leader of the House of Representatives may designate any member of his or her legislative body to act as a member of the Authority in his or her stead. The members of the Authority serve without compensation but are entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members. The powers of the Authority are exercised by a governing body consisting of the members of the Authority acting as a board.

The Bonds are being issued by the Authority on behalf of the College pursuant to the Act, the Indenture and the Resolution. The Authority has and will continue to issue bonds/notes for other eligible institutions and projects in the Commonwealth. None of the revenues of the Authority pledged to payment of the Bonds will be pledged to the payment of any other of its bonds/notes.

The following are key staff members of the Authority who are involved in the administration of the financing and projects:

**Jennifer Sheffield**  
**Executive Director**

Ms. Sheffield was appointed Executive Director of the Authority and PHEFA in 2024. She has been with the Authorities since 2006 and previously served as Director of Operations. Prior to her present employment, Ms. Sheffield was an auditor with the Pennsylvania Department of the Auditor General. Ms. Sheffield is a graduate of the University of Pittsburgh with a bachelor's degree in business and a concentration in accounting.

**David Player**  
**Comptroller and Director of Financial Management**

Mr. Player serves as the Comptroller & Director of Financial Management of the Authority and PHEFA. He has been with the Authorities since 1999. Prior to his present employment, Mr. Player was an audit senior with the Pennsylvania Department of the Auditor General. Mr. Player is a certified public accountant and a graduate of Penn State University with a bachelor's degree in accounting.

The Bonds are limited obligations of the Authority and are secured under the provisions of the Indenture, and are payable solely from the funds held under the Indenture and from Sublease Rentals to be made by the Career & Technical Center and the Obligated School Districts pursuant to the Sublease between the Authority and the Career & Technical Center and the Member School Districts, as described herein. Neither the principal of the Bonds, nor the interest accruing thereon, shall ever constitute a general indebtedness of the Authority or an indebtedness of the Commonwealth of Pennsylvania or any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever, or shall ever constitute or give rise to a pecuniary liability of the Authority or of the Commonwealth of Pennsylvania or any political subdivision thereof or a charge against the general credit of the Authority or the general credit or taxing power of the Commonwealth of Pennsylvania or any political subdivision thereof, nor will the Bonds be, or be deemed to be, a general obligation of the Authority or an obligation of the Commonwealth of Pennsylvania or any political subdivision thereof. The Authority has no taxing power.

The Authority has not prepared or assisted in the preparation of this Official Statement except for the statements under this captioned section and the section captioned "LITIGATION" in respect of the Authority, and, except as aforesaid, the Authority is not responsible for any statements made herein and will not participate in, or otherwise be responsible for, the sale of the Bonds. Accordingly, except as aforesaid, the Authority disclaims responsibility for the disclosure set forth herein made in connection with the sale of the Bonds.

## THE BONDS

### Description; Payment of Principal and Interest

The Bonds will be issued in the aggregate principal amount of \$5,150,000\*, dated their Date of Delivery, will mature on the dates and in the amounts set forth inside the front cover hereof and shall be payable as to interest on May 15 and November 15 of each year commencing November 15, 2025 at the rates set forth inside the cover page hereof. The Bonds will be subject to redemption prior to maturity as described herein.

The Bonds will be issued in fully registered form, and all registered in the name of Cede & Co., as owner and nominee of the Depository Trust Company. Purchases of the Bonds may be made in book-entry only form, in the denomination of \$5,000 and integral multiples thereof. Beneficial Owners of Bonds will not receive certificates representing their interest in Bonds purchased. While Cede & Co. is the registered owner, as nominee of DTC, references herein to the registered owners shall mean Cede & Co., and shall not mean the Beneficial Owners of the Bonds. See “**Book-Entry Only System**” herein.

Manufacturers and Traders Trust Company, Harrisburg, Pennsylvania, as Trustee and paying agent, will pay principal of and interest on the Bonds. While DTC or its nominee, Cede & Co., is the registered owner of the Bonds, such payments will be made directly to it as the registered owner. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described below.

### Payment on the Bonds

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of, redemption premium, if any, 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 City with respect to, and to the extent of, principal, redemption premium, if any, 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, redemption premium, if any, and interest on the Bonds shall be made as described in the following paragraphs.

Principal of certificated Bonds will be paid to the registered owners thereof or assigns, when due, upon surrender of the Bonds at the designated corporate trust office of the Trustee.

Interest on the Bonds is payable to the registered owner of a Bond from the Interest Payment Date (hereinafter defined) next preceding the date of registration and authentication, unless (a) such Bond is authenticated as of an Interest Payment Date, in which event such Bond shall bear interest from said Interest Payment Date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or (c) such Bond is registered and authenticated on or prior to the Record Date (hereinafter defined) preceding November 15, 2025, in which event such Bond shall bear interest from the dated date of the Bonds or (d) as shown by the records of the Trustee, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date on which interest was last paid on such Bond. Interest shall be paid semiannually on May 15 and November 15 of each year, beginning November 15, 2025 (each an “Interest Payment Date”) until the principal sum is paid. Interest on a certificated Bond is payable by check drawn by or on behalf of the Trustee which shall be mailed to the registered owner whose name and address shall appear by the close of business on the last day of the month next preceding each Interest Payment Date (the “Record Date”) on the registration books maintained by the Trustee on behalf of the Authority irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such Interest Payment Date, unless the Authority shall be in default in payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Bonds not less than fifteen (15) 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 (5<sup>th</sup>) day preceding the date of mailing.

Whenever the due date for payment of interest on or principal of the Bonds or the date fixed for redemption of any Bond shall be a Sunday, a legal holiday, or a day on which banking institutions in the Commonwealth are authorized by law to close, then payment of such interest, principal or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Sunday, legal holiday, or a day upon which banks in the Commonwealth are authorized by law to close, with the same force and effect as if made on the due date for payment of principal, interest, or redemption price, and no interest shall accrue thereon for any period after such due date.

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\*Preliminary, subject to change.

## **Transfer, Exchange and Registration**

Subject to the section below entitled **“BOOK-ENTRY ONLY SYSTEM”**, the Authority and the Trustee shall not be required to issue or register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15<sup>th</sup>) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day of mailing of the applicable notice of redemption or to register the transfer or exchange any portion of any Bond selected for redemption until after the redemption date.

Bonds may be transferred or exchanged by the registered owners thereof upon surrender of Bonds to the Trustee, at its designated corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Trustee, duly executed by the registered owner of such Bond or his attorney-in-fact or legal representative.

The Trustee shall enter any transfer of ownership of Bonds in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same series, maturity and interest rate or yield to maturity, applicable.

## **BOOK-ENTRY-ONLY SYSTEM**

Portions of the following information concerning The Depository Trust Company (“DTC”) and DTC's book-entry-only system have been obtained from DTC. The Authority (sometimes herein referred to as the “Issuer”), the Career & Technical Center, the Financial Advisor, and the Underwriter make no representation as to the accuracy of such information.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities 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 Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.

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](http://www.dtcc.com).

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security (“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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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 Securities may wish

to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 Securities 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 Securities 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities 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 redemption proceeds, distributions, and dividend 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.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Tender Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to Tender Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Tender Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security 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, Security 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 AUTHORITY NOR THE TRUSTEE SHALL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A BONDHOLDER WITH RESPECT TO EITHER: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (3) THE DELIVERY OR THE TIMELINESS OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO THE OWNER OF THE BONDS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Neither the Authority nor the Trustee shall have any responsibility or obligation to any DTC Participant or Indirect Participant with respect to:

- (i) the accuracy of the records of DTC, its nominee or any DTC Participant or Indirect Participant with respect to any beneficial ownership interest in any Bonds;
- (ii) the delivery to any DTC Participant or Indirect Participant or any other Person, other than the registered owner of a Bond, as shown in the Bond Register, of any notice with respect to any Bond, including, without limitation, any notice of redemption;
- (iii) the selection by DTC or any DTC Participant or Indirect Participant of any person to receive payment in the event of a partial redemption of Bonds;

- (iv) the payment to any DTC Participant or Indirect Participant or any other Person other than the registered owner of a Bond, as shown in the Bond Register, of any amount with respect to the principal of, redemption price, or interest on, any Bond; or
- (v) any consent given by DTC as registered owner.

Prior to the discontinuation of the book-entry only system as described herein, the Authority and the Trustee may treat DTC and any successor securities depository to be the absolute owner of the Bonds for all purposes, including, without limitation:

- (i) the payment of principal of redemption price or interest on the Bonds;
- (ii) giving notices of redemption and other matters with respect to the Bonds;
- (iii) registering transfers with respect to the Bonds; and
- (iv) the selection of Bonds for redemption.

The Beneficial Owners of the Bonds have no right to a securities depository for the Bonds. DTC or any successor securities depository may resign as depository for the Bonds by giving notice to the Trustee and discharging its responsibilities under applicable law. In addition, the Authority, or the Authority at the request of the Career & Technical Center, may remove DTC or a successor securities depository for any reason at any time. In such event, the Authority shall (i) appoint a securities depository qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, notify the prior securities depository of the appointment of such successor depository and transfer separate bond certificates to such successor securities depository or (ii) notify the securities depository of the availability through the securities depository of bond certificates and transfer one or more separate bond certificates to Depository Participants having Bonds credited to their accounts at the securities depository. In such event, such Bonds shall no longer be restricted to being registered in the registration books of the Authority in the name of the securities depository or its nominee, but may be registered in the name of the successor securities depository or its nominee, or in whatever name or names the Depository Participants receiving such Bonds shall designate, in accordance with the provisions of the Indenture.

#### **Discontinuance of Book-Entry Only System**

The book-entry only system for registration of the ownership of the Bonds may be discontinued at any time if: (i) DTC determines to resign as securities depository for the Bonds; or (ii) the Authority determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the Beneficial Owners. In either such event (unless the Authority appoints a successor securities depository), Bonds will then be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Authority, or the Trustee for the accuracy of such designation. Whenever DTC requests the Authority or the Trustee to do so, the Authority or the Trustee shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

THE AUTHORITY, THE CAREER & TECHNICAL CENTER AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS PRELIMINARY OFFICIAL STATEMENT.

## REDEMPTION OF BONDS

### Mandatory Redemption

The Bonds stated to mature on November 15, \_\_\_\_ are subject to mandatory sinking fund redemption in direct order of maturity pursuant to operation of the Sinking Fund in the manner set forth in the Indenture at a redemption price equal to one-hundred percent (100%) of the principal amount thereof, together with accrued interest on November 15 of the following years in the following principals amounts:

<u>Year</u>	<u>Amount</u>
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\_\_\_\_\_  
\*Stated Maturity

### Optional Redemption

The Bonds maturing on or after \_\_\_\_\_ are subject to optional redemption prior to maturity by the Authority at the direction of the Career & Technical Center in whole or from time to time in part, at any time on and after \_\_\_\_\_, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date of redemption. Any partial redemption may be in any order of maturity and in any principal amount within a maturity as designated by the Career & Technical Center. In the case of any Bond also subject to mandatory redemption, the Authority, at the direction of the Career & Technical Center, shall be entitled to designate whether any optional redemption shall be credited against principal amounts due at maturity or against particular scheduled mandatory redemption obligations with respect to such Bond. The Bonds to be redeemed within maturity will be selected by the Trustee by lot.

### Notice of Redemption

Notice of any redemption shall be given by depositing a copy of the redemption notice in first class mail not less than thirty (30) days prior to the date fixed for redemption addressed to each of the registered owners of Bonds to be redeemed, in whole or in part, at the addresses shown on the registration books kept by the Trustee as of the day such Bonds are selected for redemption. Failure to give such notice of redemption, or any defect therein or in the mailing thereof shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption as to which proper notice has been given.

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

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to close, then the date for payment of the 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 to close, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

### Manner of Redemption

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 that 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 Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

## SECURITY FOR THE BONDS

Pursuant to the Articles of Agreement of the Career & Technical Center, as amended (the "Articles of Agreement"), the Member School Districts have agreed to a formula for the allocation of all costs of capital outlay (as included under Capital Outlay in the Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems) for capital projects. Debt service payments for the Bonds are to be appropriated and paid annually from current revenues of each Obligated School District.

Notwithstanding anything contained herein to the contrary, each Member School District is permitted to prepay its respective share of the costs of the capital projects and, to the extent that any Member School District prepays its respective share of the costs of the capital project, such Member School District has no other financial obligation toward the costs of the capital project. It is hereby acknowledged and agreed that Big Spring School District, Camp Hill School District, Cumberland Valley School District, East Pennsboro School District, Mechanicsburg School District, Northern York School District, Susquenita School District, Upper Adams School District, and West Shore School District will prepay its respective share of the costs of the capital project for which the Bonds are being issued and, as a result, are not responsible for the rental payments under the Sublease including, without limitation, debt service due on the Bonds.

The payment allocation of each of the Member School Districts under the Sublease, which are fixed over the term of the Sublease, shall be as follows:

<b>District</b>	<b>Pro Rata Debt Service on the Bonds</b>
Big Spring SD <sup>(1)</sup>	0.000%
Camp Hill SD <sup>(2)</sup>	0.000%
Cumberland Valley SD <sup>(3)</sup>	0.000%
East Pennsboro SD <sup>(4)</sup>	0.000%
Greenwood SD	11.834%
Mechanicsburg SD <sup>(5)</sup>	0.000%
Newport SD	16.112%
Northern York SD <sup>(6)</sup>	0.000%
South Middleton SD	27.231%
Susquenita SD <sup>(7)</sup>	0.000%
Upper Adams SD <sup>(8)</sup>	0.000%
West Perry SD	44.823%
West Shore SD <sup>(9)</sup>	0.000%
	100.000%

- (1) As of the date hereof, Big Spring School District has agreed to make a capital contribution of \$2,359,860.67.
- (2) As of the date hereof, Camp Hill School District has agreed to make a capital contribution of \$480,680.55.
- (3) As of the date hereof, Cumberland Valley School District has agreed to make a capital contribution of \$3,445,315.33.
- (4) As of the date hereof, East Pennsboro School District has agreed to make a capital contribution of \$1,388,926.40.
- (5) As of the date hereof, Mechanicsburg School District has agreed to make a capital contribution of \$1,791,186.30.
- (6) As of the date hereof, Northern York School District has agreed to make a capital contribution of \$1,814,695.85.
- (7) As of the date hereof, Susquenita School District has agreed to make a capital contribution of \$1,384,173.81.
- (8) As of the date hereof, Upper Adams School District has agreed to make a capital contribution of \$787,405.77.
- (9) As of the date hereof, West Shore School District has agreed to make a capital contribution of \$4,898,036.28.

**The rental payments by the Obligated School Districts under the Sublease are several, not joint, unsecured contractual obligations of each of the Obligated School Districts, and do not constitute “debt” of the Obligated School Districts under the Pennsylvania Local Government Unit Debt Act. The rental payments are subject to annual appropriations by the Obligated School Districts like other operating expenses incurred on a yearly basis, however, pursuant to the terms of the Sublease, the Obligated School Districts have covenanted to budget, appropriate and pay their Proportionate Shares of the Rental Payments due in each year, as each of those terms are defined in the Sublease.**

**THE BONDS DO NOT PLEDGE THE CREDIT OF THE AUTHORITY OR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE MEMBER SCHOOL DISTRICTS. THE AUTHORITY HAS NO TAXING POWER. THE CAREER & TECHNICAL CENTER HAS NO TAXING POWER. HOWEVER, IF DEBT SERVICE PAYMENTS ARE NOT APPROPRIATED OR PAID BY AN OBLIGATED SCHOOL DISTRICT, THE COMMONWEALTH MAY WITHHOLD OUT OF ANY STATE APPROPRIATIONS DUE TO SUCH OBLIGATED SCHOOL DISTRICT, THE AMOUNT DUE FOR ITS RENTAL PAYMENTS (See “Intercept of State Aid for an Obligated School District’s Failure to Make Payments Under the Lease” below).**

#### **Intercept of State Aid for an Obligated School District’s Failure to Make Payments Under the Sublease**

Section 785 of the Public School Code of 1949 (the “School Code”), states “in all cases where the board of directors of any school district fails to pay or to provide for the payment of any rental, payment or rentals or payments due the State Public School Building Authority for any period in accordance with the terms of any lease, loan agreement or other lending instrument or contract, entered into under the terms of subdivision (f) of [Article VII of the School Code], upon written notice thereof from the Authority, the Secretary of Education shall notify such board of school directors of its obligation and shall withhold out of any State appropriation due such school district an amount equal to the amount of the rental, payment or rentals or payments owing by such school district to

the State Public School Building Authority and shall pay over the amount so withheld to the Authority in payment of the rental or payment.”

These withholding provisions are not part of any contract with the Trustee or any holder of the Bonds, and may be amended by future legislation. All public school subsidies in the Commonwealth are subject to appropriation by the General Assembly. Although the Constitution of the Commonwealth provides that “the General Assembly shall provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth”, the General Assembly is not legally obligated to appropriate such subsidies and there can be no assurance that it will do so in the future. The allocation formula pursuant to which the Commonwealth distributes such subsidies to the various school districts throughout the Commonwealth may be amended at any time by the General Assembly. Moreover, the Commonwealth’s ability to make such disbursements will be dependent upon its own financial condition. At various times in the past, the enactment of budget and appropriation laws by the Commonwealth has been delayed, resulting in interim borrowing by school districts pending the authorization and payment of state aid. Consequently, there can be no assurance that financial support from the Commonwealth for schools, either for capital projects or education programs in general will continue at present levels or that money will be payable to a school district if rentals owing by such school district are not paid when due.

***The Authority has no taxing power. Neither the general credit of the Authority or the general credit of or taxing power of the Commonwealth of Pennsylvania, any of the Member School Districts or any other political subdivision of the Commonwealth of Pennsylvania is pledged for the payment of principal of, or the interest on, the Bonds; nor shall any of the Bonds be deemed general obligations of the Authority or obligations of the Commonwealth of Pennsylvania, any of the Member School Districts or any other political subdivision of the Commonwealth of Pennsylvania.***

### **Payment Default, Intercept Provisions and Bond Insurance**

Pursuant to the Sublease, the Obligated School Districts are required to remit rental payments to the Trustee no less than 15 days prior to the debt service payment dates on the Bonds. If, beginning no more than 15 days prior to the debt service payment date, the Trustee does not have on deposit in the debt service fund established under the Indenture the full amount owing for the upcoming debt service payment, the Trustee is authorized, as an assignee of the Authority under the Lease, to notify the Department of Education regarding the failure or failures of the Obligated School Districts to remit payment and the Department of Education would then be authorized to withhold out of any State appropriation due such Obligated School District an amount equal to the amount owing.

Subject to the terms and conditions of the bond insurance policy, if on the third business day prior to the debt service payment date, there is not on deposit with the Trustee moneys sufficient to make such payment, the Trustee shall notify the bond insurer of such deficiency.

## **BOND INSURANCE**

### **Bond Insurance Policy**

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

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

### **Assured Guaranty Inc.**

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL” and together with its subsidiaries, “Assured Guaranty”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

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

#### *Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.*

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG ("AGM"), merged with and into AG, with AG as the surviving company (such transaction, the "Merger"). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

#### *Current Financial Strength Ratings*

On October 18, 2024, KBRA announced it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG's financial strength rating of "AA" (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

#### *Capitalization of AG*

At December 31, 2024:

- The policyholders' surplus of AG was approximately \$3,524 million.
- The contingency reserve of AG was approximately \$1,392 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,424 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

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

#### *Incorporation of Certain Documents by Reference*

Portions of AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the Securities and Exchange Commission (the "SEC") on February 28, 2025 that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof.

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the

information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

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

#### *Miscellaneous Matters*

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

### **SUMMARY OF CERTAIN PROVISIONS OF THE LEASE, SUBLEASE AND INDENTURE**

The following pages contain descriptions of certain provisions of the Lease, the Sublease and the Indenture. The Bonds are secured by the Indenture and are payable solely from payments due under the Sublease. *These descriptions are brief summaries and do not purport to be and should not be regarded as complete statements of the terms of the Lease, the Sublease or the Indenture or as complete synopses thereof. Reference is made to the documents in their entirety, copies of which may be obtained from the Trustee, for a complete statement of the terms and conditions therein.*

#### **Lease**

The Lease provides for the leasing of the "Leased Property" by the Member School Districts and the Career & Technical Center, as legal or equitable owners and lessors, and the SPSBA as lessee. The Leased Property will be subleased to the Career & Technical Center and the Member School Districts' pursuant to the terms of the Sublease, described below. The term of the Lease commences on the date of the Bonds, and subject to the Career & Technical Center's option to discharge its obligation under the Sublease by prepaying its obligations thereunder or the extension provisions contained in the Lease, ends on the final maturity date of the Bonds or such time as the Indenture has been satisfied and discharged. As rental under the Lease the SPSBA will deposit with the Trustee the net proceeds of the issuance the sale of the Bonds for application to the costs of the Project as provided in the Indenture. Under the terms of the Lease, the SPSBA has no responsibilities with respect to the maintenance, repair or operation of the Leased Property. All such obligations, including the duties to insure the Leased Property and pay all expenses related thereto, are assumed by the Career & Technical Center and the Member School Districts under the terms of the Lease and Sublease.

#### **Sublease**

In connection with the issuance of the Bonds, the Career & Technical Center and the Member School Districts will enter into the Sublease with the SPSBA. The Sublease will provide for rental payments by each of the Obligated School Districts to the SPSBA (the "Sublease Rentals") at the times and in amounts sufficient to pay the debt service requirements on the Bonds. The Career & Technical Center has the right to cause the prepayment of the Sublease Rentals to redeem the Bonds pursuant to optional redemption provisions.

*Representations, Warranties and Covenants:* The Member School Districts make certain representations, warranties and covenants under the Sublease, including without limitation, with respect to the existence and authority of the Member School Districts, the enforceability of the Sublease and the absence of material litigation.

*Source of Rental Payments:* The Sublease Rentals are payable by the Obligated School Districts from current revenues appropriated by the Obligated School Districts.

*Assignment of Sublease:* The Sublease Rentals shall be paid directly to the Trustee under an assignment by the SPSBA to the Trustee of such payments for the benefit and security of the Bondholders under the Indenture.

*Unconditional Obligation:* The obligations of the Obligated School Districts to pay the Sublease Rentals due under the Sublease and all other sums payable under the Sublease are absolute and unconditional. The Sublease Rentals are required to be made in full directly to the Trustee, as assignee, when due without delay or diminution for any cause whatsoever, and without right of set-off for default on the part of the SPSBA under the Sublease.

*Maintenance and Repair:* The Career & Technical Center covenants under the terms of the Sublease to pay the costs to operate, to maintain and repair the Career & Technical Center facilities from time to time as may be necessary. It is understood that this provision applies to all repairs, major as well as minor, without exception.

*Insurance:* The Career & Technical Center also covenants in the Sublease to maintain adequate insurance on the Career & Technical Center facilities in the name of the Career & Technical Center, and the Member School Districts, the SPSBA and the Trustee,

as additional insureds, as their interest may appear, with any loss payable to the Trustee, except that where the loss is not in excess of \$50,000, such loss shall be payable to the Career & Technical Center. The total amount recovered from time to time in connection with any fire or other casualty covered by insurance shall be expended as set forth in Section 7.7 of the Sublease.

*Compliance with Code:* The Career & Technical Center covenants to comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”) in order to protect the tax-exempt status of the Bonds.

*Events of Defaults:* Any one or more of the following events shall constitute an “Event of Default” under the Sublease: (a) the Obligated School Districts or Career & Technical Center fails to make any Rental Payment or other payment required under the Sublease as required by Section 6.1 of the Sublease; or (b) Career & Technical Center shall fail or refuse to comply with its covenants set forth in Sections 7.9 and 7.10 of the Sublease; (c) the Member School Districts or Career & Technical Center shall default in the due and punctual performance of any other of the covenants and agreements contained in the Sublease and such default shall continue for 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Member School Districts and Career & Technical Center by SPSBA; or (d) Career & Technical Center shall fail, discontinue or unreasonably delay in carrying out the Capital Project and shall fail to remedy such failure, discontinuance or delay within 30 days of notice thereof by the SPSBA.

*Remedies:* If an Event of Default has occurred and is continuing, (a) the SPSBA (or the Trustee as its assignee) may, in addition to its other rights and remedies as may be provided herein or may exist at the time at law or in equity, by suit, action or proceeding at law or in equity, enforce all rights of the SPSBA, and require the Obligated School Districts and CPACTC to carry out any agreements with or for the benefit of the Owners of the Bonds and to perform its duties under the Act and the Sublease; or (b) upon the occurrence of an Event of Default described in Paragraph 8.1(a) of the Sublease, the SPSBA shall, in addition to the exercise of any other remedy under the Sublease, notify the Secretary of the Department of Education of such Event of Default and request the Secretary, in accordance with the provisions of the Public School Code, 24 P.S. 7-785, to notify the Career & Technical Center and the applicable Obligated School District(s) of its or their obligations under the Sublease and to withhold out of any appropriation due Career & Technical Center or such Obligated School Districts under the Public School Code an amount equal to the sum or sums owing by the Obligated School Districts to the SPSBA under the Sublease, and shall pay over the amount so withheld to the Trustee on behalf of the SPSBA, if the Department of Education determines that such provisions or the provisions of 24 P.S. 7-785, as amended, so permit or require.

## **The Indenture**

*Limited Obligations of the Bonds:* The Bonds are limited obligations of the SPSBA and are secured by a pledge and assignment to the Trustee of payments and other revenues or income derived by or for the SPSBA from or with respect to the Sublease and all moneys to be paid over to the Trustee under the provisions of the Indenture. The SPSBA has no taxing power. Neither the general credit of the SPSBA nor the credit or taxing power of the United States of America, the Commonwealth of Pennsylvania or any political subdivision thereof (including the Member School Districts) is pledged for the payment of the principal of, or the interest on the Bonds; nor shall the Bonds be deemed to be obligations of the SPSBA, the Commonwealth of Pennsylvania, or any political subdivision thereof (including the Member School Districts). The Member School Districts are empowered to levy ad valorem taxes (see “Taxing Powers of the Member School Districts” herein).

*Pledge and Assignment of Certain Revenues:* The SPSBA has pledged to the Trustee, in the Indenture its right, title and interest in all Sublease Rentals and other sums payable under the Sublease, except for “Reserved Rights” as described below, for the benefit and security of the registered owners of the Bonds issued under such Indenture.

*Project Fund:* All payments under the Lease with respect to the Bonds are required to be deposited in the Project Fund from which monies shall be disbursed at the requisition of the SPSBA and the Career & Technical Center for payment of the costs and expenses of the Project in accordance with the terms of the Indenture.

*Revenue Fund; Debt Service Fund; and Sinking Fund:* All Sublease Rentals with respect to the Bonds are due to the Trustee at least fifteen (15) days prior to the date of the corresponding debt service payment on the Bonds and are required to be deposited to the Revenue Fund established under the Indenture with the Trustee. Moneys in the Revenue Fund are required to be transferred by the Trustee to the Debt Service and Sinking Fund established under the Indenture and applied to pay the debt service on the Bonds when due.

*Rebate Fund:* The Trustee is required to establish a Rebate Fund. The SPSBA will periodically, and upon retirement of the last Bond, determine or cause to be determined the sum required to be deposited in the Rebate Fund (if any) and direct the Trustee to transfer such sum from the Debt Service and Sinking Fund. The SPSBA will direct the Trustee to pay to the United States Government the sums on deposit in the Rebate Fund at the times and in the amounts (if any) required by the Internal Revenue Code of 1986, as amended, and all extant regulations promulgated hereunder.

*Investment of Funds:* Moneys held in the funds and accounts established under the Indenture shall be invested in investments that are permitted for public school districts to the extent permitted under the applicable laws of the Commonwealth of Pennsylvania and otherwise in accordance with the terms of the Indenture.

*Additional Bonds:* The Indenture permits under certain circumstances and conditions, the issuance of additional bonds for the purposes of refunding any series of outstanding bonds of the SPSBA issued on behalf of the Career & Technical Center or financing the costs of any capital project of the Career & Technical Center.

*Default and Remedies:* The Act, which governs the SPSBA, provides remedies to the Bondholders in the event of default or failure on the part of the SPSBA to fulfill its covenants under the Indenture.

Under the Indenture, in the event of any default therein, the Trustee may enforce and upon written request of the holders of 25% in principal amount of the Bonds then outstanding accompanied by indemnity as provided in the Indenture shall enforce, for the benefit of all Bondholders all their rights of entry, of bringing suit, action or proceeding at law or in equity and of having a receiver appointed. Neither the Trustee nor any receiver, however, may sell, assign, mortgage, or otherwise dispose of any assets of the SPSBA. For more complete statement of rights and remedies of the Bondholders and for limitations thereon, reference is made to the Indenture.

*Modifications and Amendments:* Amendments to the Indenture are permitted without consent of Bondholders for certain purposes, including the imposition of additional restrictions and conditions respecting the issuance of bonds, the addition of covenants and agreements by the SPSBA, the modification of the Indenture to conform the same with governmental regulations (so long as the rights of the Bondholders issued thereunder are not adversely affected thereby), the curing of any ambiguity, defect or inconsistency in the Indenture, and the making of provision for matters which are necessary or desirable and which do not adversely affect the interests of Bondholders. Certain other modifications may be made to the Indenture, but only with the consent of the Issuer and the owners of not less than a majority in principal amount of Outstanding Bonds (as defined in the Indenture) issued thereunder.

*Reserved Rights:* Under the terms of the Indenture, the SPSBA has reserved the right to receive payment of any fees, costs and expenses from the Career & Technical Center and its right to indemnification by the Career & Technical Center. Such rights are not assigned to the Trustee.

*Defeasance:* Whenever all Bonds outstanding under the Indenture and all other sums due thereunder have been paid, or provision shall have been made for payment, then the rights, title and interest of the Trustee under the Indenture shall cease and the Trustee shall release and discharge the lien of the Indenture.

## **CUMBERLAND PERRY AREA CAREER AND TECHNICAL CENTER**

**Under the Articles of Agreement, the Member School Districts established and provided for the method of operation of the Career & Technical Center and for the allocation of capital payments between the Member School Districts to pay or finance capital projects for the Career & Technical Center including debt service and lease rental payments.**

The Career & Technical Center is governed by the Area Vocational-Technical Board (the "Joint Board") who has delegated to the Joint Operating Committee the affairs of operation, administration and management of the Career & Technical Center. The Joint Operating Committee meets regularly to oversee, with the professional administration, the governance of the Career & Technical Center. The purpose of the Career & Technical Center is to provide vocational or technical training and education for secondary school students, and adults within the Member School Districts and surrounding area.

## **Origination Description**

The Career & Technical Center began operation in 1970. It currently serves students from the following Big Spring School District, Camp Hill School District, Cumberland Valley School District, East Pennsboro Area School District, Greenwood School District, Mechanicsburg Area School District, Newport School District, Northern York County School District, South Middleton School District, Susquenita School District, Upper Adams School District, West Perry School District and West Shore School District. The Career & Technical Center is a part-time occupational school that provides 22 programs of study. Programs include: Arts & Technology, Construction & Maintenance, Health Sciences, Human Services & Hospitality, Advanced Manufacturing, Transportation & Logistics, Social Studies, Cooperative Education, and Diversified Occupations.

## **CAREER & TECHNICAL CENTER FINANCES**

### **Introduction**

The Career & Technical Center budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education. An annual operating budget is prepared by the Business Administrator and Administrative Director and submitted to the Joint Operating Committee and the Member School District Boards for approval prior to the beginning of the fiscal year on July 1.

### **Financial Reporting**

The Career & Technical Center financial statements are audited annually by an independent certified public accountant, as required by State law. The firm of Boyer & Ritter LLC, Camp hill, Pennsylvania, currently serves as the auditor for the Career and Technical Center.

A copy of the audited financial statements of the Career & Technical Center for the fiscal year ended June 30, 2023 is included in Appendix H.

## Summary and Discussion of Financial Results

Table 1 below shows the Career & Technical Center General Fund Balance Sheet, Table 2 on the following page shows Changes in Fund Balance and revenues and expenditures for recent years, and the Career & Technical Center budget for the 2024-25 school year.

**TABLE 1**  
**CUMBERLAND PERRY AREA CAREER AND TECHNICAL CENTER**  
**GENERAL FUND BALANCE SHEET**

<b>Assets</b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
Cash and Cash Equivalents .....	\$1,492,489	\$2,173,401	\$1,784,491	\$943,449	\$408,893
Investments .....	978,596	288,921	289,405	1,096,388	716,958
Due from Other Funds .....	7,274	0	1,159	15,690	1,020,884
Due from Other Governments.....	263,011	309,566	292,624	554,049	468,184
Other Receivables .....	264	0	3,213	879	109,943
Prepaid Expenses .....	415,000	486,544	215,479	151,473	253,313
Total Assets .....	<u>\$3,156,634</u>	<u>\$3,258,432</u>	<u>\$2,586,371</u>	<u>\$2,761,928</u>	<u>\$2,978,175</u>
<b>Liabilities</b>					
Due to Other Funds.....	\$472,001	\$441,110	\$328,730	\$174,179	\$511,707
Accounts Payable.....	54,979	84,799	192,337	66,538	168,144
Accrued Salaries and Benefits.....	685,554	723,035	731,898	744,499	922,921
Payroll Deductions and Withholdings.....	69,898	43,720	18,613	27,852	46,958
Other Current Liabilities .....	9,110	29,132	27,061	107,420	60,615
Total Liabilities.....	<u>\$1,291,542</u>	<u>\$1,321,796</u>	<u>\$1,298,639</u>	<u>\$1,120,488</u>	<u>\$1,710,345</u>
<b>Fund Balance</b>					
Nonspendable .....	\$415,000	\$486,544	\$215,479	\$151,473	\$253,313
Committed .....	1,450,092	1,450,092	1,072,253	1,490,017	1,014,517
Total Fund Balance.....	<u>\$1,865,092</u>	<u>\$1,936,636</u>	<u>\$1,287,732</u>	<u>\$1,641,490</u>	<u>\$1,267,830</u>
Total Liabilities and Fund Balance.....	<u>\$3,156,634</u>	<u>\$3,258,432</u>	<u>\$2,586,371</u>	<u>\$2,761,928</u>	<u>\$2,978,175</u>

Source: Cumberland Perry Area Career and Technical Center Audits.

**TABLE 2**  
**CUMBERLAND PERRY AREA CAREER AND TECHNICAL CENTER**  
**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES\***  
**(Fiscal Years Ending June 30)**

<b>REVENUES</b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b>Budgeted <u>2025<sup>(1)</sup></u></b>
Local Revenue .....	\$6,745,276	\$7,230,626	\$7,391,140	\$7,463,753	\$7,987,708	\$8,366,580
State Sources .....	1,657,161	1,973,047	1,973,306	2,201,325	2,981,537	2,170,213
Federal Sources .....	470,302	740,070	739,868	1,042,643	980,874	528,891
Other Sources .....	0	0	0	0	0	220,000
<b>TOTAL REVENUE .....</b>	<b>\$8,872,739</b>	<b>\$9,943,743</b>	<b>\$10,104,314</b>	<b>\$10,707,721</b>	<b>\$11,950,119</b>	<b>\$11,285,684</b>
<b>EXPENDITURES</b>						
Instruction .....	\$4,603,558	\$4,847,623	\$5,309,818	\$5,406,900	\$5,852,448	\$6,171,413
Support Services .....	3,627,947	4,226,467	4,270,287	4,634,702	5,380,495	5,040,245
Noninstructional Services .....	13,111	10,381	23,615	31,675	37,866	34,026
Refund of Prior Year Receipts.....	0	0	9,204	46,872	49,235	0
Fund Transfers.....	0	0	0	0	0	40,000
Budgetary Reserve.....	0	353,077	816,753	103,393	25,000	0
<b>TOTAL EXPENDITURES .....</b>	<b>\$8,244,616</b>	<b>\$9,437,548</b>	<b>\$10,429,677</b>	<b>\$10,223,542</b>	<b>\$11,345,044</b>	<b>\$11,285,684</b>
<b>TOTAL OTHER FINANCING SOURCES .....</b>	<b>(\$466,263)</b>	<b>(\$434,651)</b>	<b>(\$323,541)</b>	<b>(\$130,421)</b>	<b>(\$978,735)</b>	<b>\$0</b>
<b>Net Change in Fund Balance</b>	<b>\$161,860</b>	<b>\$71,544</b>	<b>(\$648,904)</b>	<b>\$353,758</b>	<b>(\$373,660)</b>	<b>\$0</b>
<b>Fund Balance- Beginning of Year</b>	<b>\$1,703,232</b>	<b>\$1,865,092</b>	<b>\$1,936,636</b>	<b>\$1,287,732</b>	<b>\$1,641,490</b>	<b>\$1,267,830</b>
<b>Fund Balance – End of Year</b>	<b>\$1,865,092</b>	<b>\$1,936,636</b>	<b>\$1,287,732</b>	<b>\$1,641,490</b>	<b>\$1,267,830</b>	<b>\$1,267,830</b>

\*Totals may not add due to rounding.

<sup>(1)</sup>Budget as adopted June 2024.

Source: Cumberland Perry Area Career and Technical Center Audit Reports and Budget.

**TABLE 3**  
**CUMBERLAND PERRY AREA CAREER AND TECHNICAL CENTER**  
**DEBT SERVICE REQUIREMENTS\***

<u>Year</u>	<u>Principal</u>	<u>Series 2025 Interest</u>	<u>Total</u>
2024-25			
2025-26			
2026-27			
2027-28			
2028-29			
2029-30			
2030-31			
2031-32			
2032-33			
2033-34			
2034-35			
2035-36			
2036-37			
2037-38			
2038-39			
2039-40			
2040-41			
2041-42			
2042-43			
2043-44			
2044-45			
<b>Total</b>			

\*Totals may not add due to rounding.

#### **Future Financing**

The Career & Technical Center does not anticipate issuance of additional (non-refunding) long-term debt in the next 3 years.

### **LABOR RELATIONS**

There are presently 59 full-time employees of the Career & Technical Center, including 43 teachers, 6 administrators, and 10 support personnel, including secretaries and maintenance staff; along with 13 part-time teachers aids.

The Career & Technical Center teachers are represented by the Cumberland Perry Teachers Education Association, an affiliate of the Pennsylvania State Educational Association (PSEA), under a contract, which expires June 30, 2025. The administrative Act 93 plan expires on June 30, 2027.

#### **Pension Program**

Currently, all Pennsylvania school districts, technical schools 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 Career & Technical Center 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, Technical Schools, 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 through June 30, 2019 is 7.5% or 10.3%, depending upon elections made by each employee member. For the period July 1, 2019 and after, the contribution rate is 7.5% or 8.25%, depending upon the elections made by each employee member. The PSERS Board of Trustees certified an annual employer contribution rate of 34.0% for the fiscal year 2025-26.

The Commonwealth will reimburse the Career & Technical Center 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 Career & Technical Center will be reimbursed by the Commonwealth at the rate of the higher of 50% of contributions made by the Career & Technical Center or the current Market Value/Personal Income Aid Ratio. The Career & Technical Center is reimbursed on a quarterly basis.

Under Act 5 of 2017 (“Act 5”) PSERS will transition 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.

Annual Career & Technical Center contributions have been as follows:

2019-20	\$601,678
2020-21	\$663,423
2021-22	\$655,037
2022-23	\$693,741
2023-24	\$696,541
2024-25 (Budget)	\$772,075

At June 30, 2024, the Career & Technical Center reported a liability of \$11,344,000 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 PSERS total pension liability as of June 30, 2022 to June 30, 2023. The Career & Technical Center’s proportion of the net pension liability was calculated utilizing its one-year reported covered payroll as it relates to the total one-year reported covered payroll of all schools. At June 30, 2024, the Career & Technical Center’s proportion as .0255% which was a increase of .0001% 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](http://www.psers.pa.gov), which is not incorporated by specific reference into this Official Statement.

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Source: School District Administrative Officials and PSERS.

### **Other Post-Employment Benefits (OPEB)**

The Career & Technical Center’s OPEB costs include benefits from both a Multiple Employer OPEB Plan as well as a Single Employer OPEB Plan.

The Multiple Employer OPEB Plan, known as the Health Insurance Premium Assistance Program, is provided by PSERS to all eligible retirees who qualify and elect to participate. At June 30, 2024, the Career & Technical Center reported a liability of \$347,907 for its proportionate share of the net OPEB liability. The Career & Technical Center recognized OPEB expense of \$21,481 for June 30, 2023.

The Single Employer OPEB Plan, in accordance with the PA School Code of 1949, as amended, medical coverage is provided to eligible retirees and spouses with the retiree paying the full active premium rate for coverage until the age of 65. The Career & Technical Center’s total OPEB liability under the Single Employer OPEB Plan was \$463,000, measured as of June 30, 2024. The Career & Technical Center recognized OPEB expense of \$17,700 for year ended June 30, 2023.

In June 2015, GASB issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans. GASB 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2017.

## INFORMATION REGARDING THE OBLIGATED SCHOOL DISTRICTS

Reference is made to Appendix A through D for information concerning each of the Obligated School Districts.

### INVESTMENT 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; the Authority, the Career & Technical Center, Obligated School Districts 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 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.*

#### Economic Factors Affecting the Financial Condition of the Obligated School Districts

Changes in current economic conditions, on local, regional and national levels, could adversely affect the Obligated School Districts' operating revenues and expenses and, consequently, the Obligated School Districts' ability to pay Rental Payments under the Sublease. Among the factors that could have such adverse effects are: changes in local demographics; closure or relocation of key industries and employers; increases in local rates of unemployment; decreases in the assessed value of real estate within the Obligated School Districts; decreases in real estate tax collections; future contract negotiations with organized labor and the consequent impact on wage scales and operating costs; increasing costs of supplies and materials necessary to provide public services; loss or reduction of State and federal subsidies and reimbursements for operating and capital costs; and delays in adoption of, failure to budget and appropriate within or other adverse changes to, the Commonwealth's budget, as the same may effect Obligated School Districts' revenues or the timely payment thereof.

#### Expenditure Risks

There are a number of expenditure categories that the Obligated School Districts have limited control over. Material increases in pension costs, health care costs, tuition to cyber and charter schools, to name a few, could adversely impact the cash flows of the Obligated School Districts.

#### Enforcement of Remedies

Enforcement of a claim for payment of principal of and interest on the Bonds may be subject to the provisions of laws enacted by the United States or the Commonwealth or case law developed by competent courts applying general principles of equity, all of which could extend the time for payment or impose other constraints upon enforcement.

#### Funding Adjustments or Failure to Appropriate

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

The Governor timely signed the state's 2021-2022 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 record high of \$13.55 billion in the 2021-2022 budget.

After a week's delay, a \$45.2 billion budget for the state's 2022-2023 fiscal year was signed by Governor Tom Wolf on July 8, 2022, which included \$7.6 billion for the basic education funding appropriation and \$225 million to supplement those school districts with a higher at-risk student population. The total amount was a \$767.8 million (10.83%) increase over the 2021-2022 fiscal year appropriation.

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

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 included \$8.097 billion for the basic education funding appropriation. The total amount was a \$225 million increase over the 2023-2024 fiscal year appropriation. The budget also provided \$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.

*During a state budget impasse, school districts in Pennsylvania cannot be certain when 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 School Code, however recent legislation included in Act 85 of 2016 has attempted to address the timeliness of the withholding provisions of Section 633 of the School Code during any future budget impasses. See "Act 85 of 2016" hereinafter.*

### **Competing Commonwealth Intercept Authorities**

Under current Pennsylvania law, Commonwealth subsidies to school districts can be intercepted for purposes other than to pay debt service then due and owing on school district debt. For example, Pennsylvania law authorizes the diversion of Commonwealth Subsidies directly to charter schools if the relevant school district fails to transfer such subsidies to the charter school. Additionally, Commonwealth law authorizes the diversion of state subsidies to the Pennsylvania Public School Employees' Retirement System ("PSERS") if the school district fails to fully fund its annual contribution to the retirement system.

### **Cybersecurity**

The Career & Technical Center, like many other governmental entities, relies on a technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurance that any security and operational control measures implemented by the Career & Technical Center will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant.

### **No Assurance of Secondary Market for the Bonds**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that the Bonds can be sold for any particular price. Accordingly, purchasers of the Bonds should be prepared to have their funds committed until the Bonds mature. Prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different than the original purchase price. Moreover, while the Underwriter expects to reoffer the Bonds in the secondary market, the Underwriter is not specifically required to do so.

### **Risk of Audit by the 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 Career & Technical Center as the taxpayer and Bond purchasers may have no right to participate in such procedure. None of the Career & Technical Center, the Underwriter or Co-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.

## TAXING POWERS OF THE MEMBER SCHOOL DISTRICTS

*Subject to certain limitations imposed by the Taxpayer Relief Act (see “The Taxpayer Relief Act (Act 1)” herein),* the Member School Districts are empowered by the Public School Code and other statutes to levy the following taxes:

1. A basic 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 or inhabitant 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, an additional per capita tax, a wage and other earned income 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”) 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.

### The Taxpayer Relief Act (Act 1)

Under the Taxpayer Tax Relief Act, a school district may not levy any new tax for the support of the public schools or raise the rate of any earned income and net profits tax if already imposed under the authority of the Local Tax Enabling Act (Act 511), 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 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, or (ii) prior to June 27, 2006, in the case of a school district which had not elected to become subject to Act 72 of 2004; to pay interest and principal on any indebtedness approved by the voters at referendum (electoral debt); and 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; and
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.

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. 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.

The Index (to be determined and reported by PDE by September of each year for application to the following fiscal year) is the average of the percentage increase in the statewide average weekly wage, as determined by the State Department of Labor and

Industry for the preceding calendar year, and the employment cost index for elementary and secondary schools, as reported by the federal Bureau of Labor Statistics for the preceding 12-month period beginning July 1 and ending June 30. If and when a school district has a Market Value/Income Aid Ratio greater than 0.40 for the prior school year, however, the Index is adjusted upward by multiplying the unadjusted Index by the sum of 0.75 and such Aid Ratio.

A board of school directors may submit, but is not required to submit, a referendum question to the voters in a future municipal election seeking approval to levy or increase the rate of an EIT or a 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 Obligated School Districts' rental payment obligations under the Sublease constitute an operating expense included with other budgeted expenses that are subject to the limitation on annual tax increases in the absence of voter referendum.**

#### **Act 24 of 2001**

Act 24 of 2001 of the Commonwealth, which became law on June 22, 2001, authorizes a Board of School Directors to schedule a public hearing and conduct a ballot referendum on replacing the school district's occupation tax with an increase in the local earned income tax. Currently, school districts in Pennsylvania share a 1.0% (each receive 0.5%) tax on the annual amount of residents' wages and other earned income (which excludes unearned or investment income), with the resident municipality. Under the new law, this tax could be increased by the percentage necessary to generate revenue equal to what was collected during the preceding year on the occupation tax. The occupation tax is a flat amount for all employed individuals, or assessed by various trade, occupation and professional titles, regardless of income. The restructured tax is designed to be revenue neutral to the school district.

#### **Act 48 of 2003**

Pennsylvania Act No. 2003-48 (enacted December 23, 2003) prohibits a school district from increasing real property taxes for the school year 2006-07 or any subsequent school year, unless the school district has adopted a budget for such school year that includes an estimated ending unreserved undesignated fund balance which is not more than a specified percentage of the total budgeted expenditures, as set forth below:

<b><u>Total Budgeted Expenditures</u></b>	<b><u>Fund Balance % Limit</u></b> <b><u>(less than or equal to)</u></b>
<b>Less than or equal to \$11,999,999</b>	<b>12.0%</b>
<b>Between \$12,000,000 and \$12,999,999</b>	<b>11.5%</b>
<b>Between \$13,000,000 and \$13,999,999</b>	<b>11.0%</b>
<b>Between \$14,000,000 and \$14,999,999</b>	<b>10.5%</b>
<b>Between \$15,000,000 and \$15,999,999</b>	<b>10.0%</b>
<b>Between \$16,000,000 and \$16,999,999</b>	<b>9.5%</b>
<b>Between \$17,000,000 and \$17,999,999</b>	<b>9.0%</b>
<b>Between \$18,000,000 and \$18,999,999</b>	<b>8.5%</b>
<b>Greater than or equal to \$19,000,000</b>	<b>8.0%</b>

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

#### **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

A basic instructional subsidy is allocated to all school districts based on (1) the per pupil market value of assessable real property in the school district; (2) the per pupil earned income in the school district; and (3) the school district's tax effort, as compared with the tax effort of other school districts in the Commonwealth. School districts also receive Commonwealth aid for special education, pupil transportation, vocational education, and health services, among other things. Exceptions are: (1) for area vocational-technical school construction, either current market value aid ratio or .5000, whichever is greater, will be used; (2) for school districts eligible under density factor, the district's applicable permanent capital account reimbursement fraction, current market value aid ratio or .5000, whichever is the greatest, will be used.

## LITIGATION

At the time of settlement, the Career & Technical Center will deliver a certificate and the Career & Technical Center Solicitor will issue an opinion stating that there is no litigation pending with respect to the Bonds, the Indenture or the right of the Authority to issue the Bonds.

On or about October 17, 2023, the Career & Technical Center was contacted by the Pennsylvania Department of Environmental Protection (“DEP”) advising that DEP was responding to reports of a petroleum-type odor and sheen present on the Conodoguinet Creek. The Conodoguinet Creek flows on both sides of the Career & Technical Center’s campus.

DEP has alleged that the source of the leak was an underground storage tank located on the Career & Technical Center’s property. The underground storage tank stores fuel oil for heating purposes at the Career & Technical Center. It has been alleged that the leak allowed fuel oil to escape and contaminate the surrounding soil and abovementioned creek.

The Career & Technical Center has undertaken remediation of the impacted areas. To date, it has incurred and paid approximately \$1,110,924 in remediation costs and \$526,080 for emergency cleanup/containment, tank removal, county and state response fees, legal fees and the Fish & Boat fines.

As a result of the alleged discharge into the Conodoguinet creek, the Career & Technical Center has been notified of potential claims related to alleged impairment of a water source. To date, no specific information has been provided to the Career & Technical Center that would allow it to determine what if any potential liability it may have. The Career & Technical Center has notified its insurance companies and is working with them to determine if there is any insurance coverage available to the Career & Technical Center. The Career & Technical Center is still within the 2-year statute until October 17, 2025.

To date, the Career & Technical Center is unaware of any private well being affected by the fuel oil leak. Moreover, the Career & Technical Center has not received any notice(s) from any homeowners of any claims resulting from this incident.

The Career & Technical Center was notified by the Pennsylvania Fish and Boat Commission of potential fines resulting from waterway contamination. On or about April 17, 2024, the Career & Technical Center received a proposed “Settlement Agreement For Pollution of Waters.” This Settlement Agreement offered to the Career & Technical Center a resolution of potential fines and penalties in exchange for remittance of \$500.00 by the Career & Technical Center. The Joint Operating Committee (“JOC”) of the Career & Technical Center has approved the Pennsylvania Fish and Boat Commission settlement agreement on June 24, 2024 and the Career & Technical Center paid the \$500 fine on June 26, 2024.

Lastly, DEP has notified the Career & Technical Center that it is required to engage in Act 2 cleanup and remediation of the spill site. The Career & Technical Center has estimated and encumbered an additional \$80,527.19 to pay Aquaterra Technologies, Inc. for their services to complete the Act 2 Remediation requirements for PA DEP. As part of the cleanup, the Career & Technical Center has been completing quarterly well sampling and air testing. All tests have been favorable to date. Aquaterra has indicated to us that they expect completion of Act 2 within the next 9-12 months as we continue to receive favorable results from the quarterly well sampling and air testing.

There is no litigation of any nature now pending or, to the Authority’s knowledge, threatened against it restraining or enjoining the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds, the Indenture, or any proceedings of the Authority taken in connection with the issuance or sale of the Bonds, the pledge or application of any moneys or security provided for the payment of the Bonds, or the existence or powers of the Authority.

## TAX MATTERS

### Federal

#### *Exclusion of Interest from Gross Income*

In the opinion of Co-Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds, including interest in the form of original issue discount, will not be includible in gross income of the holders thereof for federal income tax purposes assuming continuing compliance by the Authority and Career & Technical Center with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals.

In rendering its opinion, Co-Bond Counsel has assumed compliance by the Authority and Career & Technical Center with its covenants contained in the Resolution and its representations in the Tax Compliance Certificate executed by the Authority and Career & Technical Center on the date of issuance of the Bonds relating to actions to be taken by the Authority and Career & Technical Center after issuance of the Bonds necessary to effect or maintain the exclusion from gross income of the interest on the Bonds for federal income tax purposes. These covenants and representations relate to, inter alia, the use and investment of proceeds of the Bonds, and the rebate to the United States Department of Treasury of specified arbitrage earnings, if any. Failure to comply with such covenants could result in interest on the Bonds becoming includible in gross income for federal income tax purposes from the date of issuance of the Bonds.

## **Other Federal Tax Matters**

Ownership or disposition of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, taxpayers who have an initial basis in the Bonds greater or less than the principal amount thereof, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers, including banks, thrift institutions and other financial institutions subject to Section 265 of the Code, who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds. In addition, ownership or disposition of the Bonds may result in other federal tax consequences to “applicable corporations” (within the meaning of Section 59(k) of the Code enacted as part of the Inflation Reduction Act of 2022) for tax years beginning after December 31, 2022, in that interest on the Bonds may be included in the calculation of the alternative minimum tax imposed on applicable corporations under Section 55(b) of the Code.

**Co-Bond Counsel is not rendering any opinion regarding any federal tax matters other than as described under the caption “Exclusion of Interest From Gross Income” above and expressly stated in the form of the opinion of Co-Bond Counsel included as APPENDIX F. Prospective purchasers of the Bonds should consult their independent tax advisors with regard to all federal tax matters.**

## **Pennsylvania**

In the opinion of Co-Bond Counsel, under the laws of the Commonwealth as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax; however, under the laws of the Commonwealth, as enacted and construed on the date hereof, any profits, gains or income derived from the sale, exchange or other disposition of the Bonds will be subject to Pennsylvania taxes and local taxes within the Commonwealth.

**Co-Bond Counsel is not rendering any opinion as to any Commonwealth of Pennsylvania tax matters other than those described under the caption “Pennsylvania” above and expressly stated in the form of the opinion of Co-Bond Counsel included as APPENDIX F hereto.**

**Prospective purchasers of the Bonds should consult their independent tax advisors with regard to all Commonwealth of Pennsylvania tax matters.**

## **Other**

The Bonds and the interest thereon may be subject to state and local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws.

**Purchasers of the Bonds should consult their independent tax advisors with regard to all state and local tax matters that may affect them.**

## **NOT QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Bonds are not “qualified tax-exempt obligations” under Section 265(b)(3) of the Code.

## **CONTINUING DISCLOSURE UNDERTAKING**

In accordance with the requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (“SEC”), the Career & Technical Center and each of the Obligated School Districts will execute and deliver a written continuing disclosure undertaking with respect to the Bonds. See the form of the Continuing Disclosure Certificate (the “Certificate”) in Appendix G to this Official Statement.

Under the terms of the Certificate, the Career & Technical Center and Obligated School Districts will undertake to file with the Municipal Securities Rulemaking Board (the “MSRB”) financial and other information concerning the Career & Technical Center and Obligated School Districts (annual audited financial statements, budgets and notice of certain events affecting the Career & Technical Center and the Obligated School Districts). The obligations of the Career & Technical Center and the Obligated School Districts with respect to continuing disclosure shall terminate upon the prior redemption or payment in full of all of the Bonds.

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 “Participating 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>.

## **Summary of Continuing Disclosure Undertaking Compliance**

The Career & Technical Center has not previously been subject to the Rule during the past 5 years.

For each of the Obligated School District's continuing disclosure undertakings with respect to its own outstanding indebtedness during the past 5 years please refer to the appropriate Appendix.

## **RATINGS**

S&P Global Ratings is expected to assign its municipal bond rating of "AA" (Stable Outlook) to the Bonds based on the understanding that upon delivery of the Bonds, a municipal bond insurance policy with respect to the Bonds will be issued by AG. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: 55 Water Street, New York, New York 10041-0003.

Moody's Investors Service has assigned its enhanced municipal bond rating of "Aa3" to this issue of Bonds based upon the additional security provided by the Commonwealth of Pennsylvania's Act 150 School District Intercept Program (See "**Payment Default, Intercept Provisions and Bond Insurance**").

Moody's Investors Service has assigned its underlying municipal bond rating of "A1" to this issue of Bonds. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

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

## **UNDERWRITING**

The Underwriter has agreed to purchase the Bonds from the Authority, subject to certain conditions precedent, and will purchase the Bonds if any of such Bonds are purchased. The Bonds will be purchased for a purchase price of \$\_\_\_\_\_, equal to the par amount of the Bonds less an underwriter's discount of \$\_\_\_\_\_ plus/less a net original issue premium/discount of \$\_\_\_\_\_, plus accrued interest, if any from the dated date of the Bonds to the date of delivery of the Bonds.

## **LEGAL OPINION**

The Bonds are offered subject to the receipt of the unqualified approving legal opinion of Eckert Seamans Cherin & Mellott, LLC of Harrisburg, Pennsylvania, and Turner Law, P.C., Philadelphia, Pennsylvania, Co-Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Barley Snyder LLP, Lancaster, Pennsylvania, for the Career & Technical Center by its counsel, Saxton & Stump, LLC, Lancaster, Pennsylvania and for the Underwriter by its counsel McNeese Wallace & Nurick LLC, Harrisburg, Pennsylvania.

## **FINANCIAL ADVISOR**

The Career & Technical Center has retained PFM Financial Advisors LLC of Harrisburg, Pennsylvania, as financial advisor (the "Financial Advisor") in connection with the preparation, authorization and issuance of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Preliminary Official Statement. PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **ROLE OF TRUSTEE**

Manufacturers and Traders Trust Company, has been appointed to serve as Trustee under the Trust Indenture. The Trustee is to carry out those duties it has agreed to under the Trust Indenture. The Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the contents, accuracy, fairness or completeness of the information given in this Official Statement or for the recitals contained in the Trust Indenture or for the validity, sufficiency, or legal effect of any of



such documents. Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by Authority of the proceeds from the sale of the Bonds. The Trustee has no duty to, has not undertaken to evaluate, and has not evaluated, the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

## **MISCELLANEOUS**

This Preliminary Official Statement has been prepared under the direction of the Career & Technical Center by PFM Financial Advisors LLC, Harrisburg, Pennsylvania, in its capacity as Financial Advisor to the Authority and the Career & Technical Center. The information set forth in this Preliminary Official Statement has been obtained from the Authority, the Career & Technical Center, the Obligated School Districts and from other sources believed to be reliable. Insofar as any statement herein includes matters of opinion or estimates about future conditions, it is not intended as representation of fact, and there is no guarantee that it is, or will be, realized. Summaries or descriptions of provisions of the Bonds, the Resolution, and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof. Reference is hereby made to the complete documents, copies of which will be furnished by the Authority or the Financial Advisor upon request. The information assembled in this Preliminary Official Statement is not to be construed as a contract with holders of the Bonds.

The Authority has authorized the distribution of this Preliminary Official Statement.

The Authority has no responsibility for the Career & Technical Center's or the Obligated School Districts' compliance with the Continuing Disclosure Certificate or for the contents of, or any omissions from, the financial information, operating data or notices provided thereunder.

The Authority has not assisted in the preparation of the Preliminary Official Statement, except for the statements under the section captioned "THE AUTHORITY" herein and, except for that section, the Authority is not responsible for any statements made in this Preliminary Official Statement. Except for the authorization, execution and delivery of documents required to effect the issuance of the Bonds, the Authority has not otherwise assisted in the public offer, sale or distribution of the Bonds. Accordingly, except as aforesaid, the Authority assumes no responsibility for the disclosures set forth in this Preliminary Official Statement.

## **STATE PUBLIC SCHOOL BUILDING AUTHORITY**

By: /s/ Jennifer Sheffield  
Executive Director

Approved:

## **CUMBERLAND PERRY AREA CAREER AND TECHNICAL CENTER**

By: /s/ Brian Sanker  
Chairperson

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**APPENDIX A**

**GREENWOOD SCHOOL DISTRICT  
Perry and Juniata Counties, Pennsylvania**

**Descriptive, Financial and Economic Information**

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## THE SCHOOL DISTRICT

### Introduction

The School District is located in the northern section of Perry County and a portion of Greenwood Township, which lies in Juniata County, in Central Pennsylvania, approximately 30 miles west of Harrisburg, Pennsylvania. The School District covers 98.8 square miles.

### Administration

The School District is governed by a nine member Board of School Directors, (the “School Board”), elected for four-year terms. The Superintendent is the chief administrative officer of the School District, with overall responsibility for all aspect of operations, including education and finance, budget and financial operations. The Business Manager is responsible for budget and financial operations. Both of these officials are appointed by the School Board.

### School Facilities

The School District presently operates one elementary school, and a middle school/high school, both as described on the following table. Students in grades 10, 11 and 12 may attend the Cumberland-Perry Area Vocational Technical School for additional vocational-technical training.

**TABLE 1**  
**GREENWOOD SCHOOL DISTRICT FACILITIES**

<b>Building</b>	<b>Original Construction Date</b>	<b>Addition/ Renovation Date(s)</b>	<b>Grades</b>	<b>Rated Pupil Capacity</b>	<b>2024-25 Enrollment</b>
<b><i>Elementary School</i></b>					
Greenwood Elementary .....	1980	2010	K-6	550	321
<b><i>Secondary School</i></b>					
Greenwood Middle/High ...	1953	1978/1990	7-12	631	397

Source: School District Officials

### Enrollment Trends

Table 2 presents recent trends in school enrollment and projections of enrollment for the next 5 years, as prepared by School District officials.

**TABLE 2**  
**GREENWOOD SCHOOL DISTRICT ENROLLMENT TRENDS**

<b>Actual Enrollments</b>				<b>Projected Enrollments</b>			
<b>School Year</b>	<b>Elementary</b>	<b>Secondary</b>	<b>Total</b>	<b>School Year</b>	<b>Elementary</b>	<b>Secondary</b>	<b>Total</b>
2020-21	340	422	762	2025-26	323	384	707
2021-22	336	410	746	2026-27	308	395	703
2022-23	332	421	753	2027-28	299	395	694
2023-24	335	405	740	2028-29	298	393	691
2024-25	321	397	718	2029-30	303	381	684

Source: School District Officials.

## SCHOOL DISTRICT FINANCES

### Introduction

The School District budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education. An annual operating budget is prepared by the Superintendent and Business Manager and submitted to the School Board for approval prior to the beginning of the fiscal year which begins on July 1.

### Financial Reporting

The School District keeps its books and prepares its financial reports according to an accrual basis. Major accrual items are accrued salaries and benefits, accounts payable, delinquent taxes receivable, loans receivable from other funds, and revenues receivable from other governmental units. Its financial statements are audited annually by a firm of independent certified public accountants, as required by State law. The firm of Boyer & Ritter, State College, Pennsylvania serves as the School District's auditor.

### Budgeting Process in School Districts under the Taxpayer Relief Act

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

Procedures for Adoption of the Annual Budget. Under the Taxpayer Relief Act, all school districts of the first class, second class, third class and fourth class (except as described below) must adopt a preliminary budget proposal (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the election immediately preceding the fiscal year. The preliminary budget proposal 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' public notice of its intent to adopt the final budget.

If the adopted preliminary budget includes an increase in the rate of any tax levy, the preliminary budget must be submitted to the Pennsylvania Department of Education (PDE) no later than 85 days prior to the date of the election immediately preceding the fiscal year. PDE is to compare the proposed percentage increase in the rate of any tax with the school district's Index (see "**The Taxpayer Relief Act**" or "**Act 1**" herein) and within 10 days, but not later than 75 days prior to the upcoming election, inform the school district whether the proposed percentage increase is less than or equal to the Index. If PDE determines that a proposed tax increase will exceed the Index, the school district must reduce the proposed tax increase, seek voter approval for the tax increase at the upcoming election, or seek approval to utilize one 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**" or "**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 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 only that the proposed annual budget be prepared at least 30 days, and made available for public inspection at least 20 days, prior to its adoption, and that at least ten (10) days' public notice be given of the board's intent to adopt the annual budget. No referendum exceptions are available to a school district adopting such a resolution.

### Summary and Discussion of Financial Results

A summary of the General Fund Balance sheet and changes in fund balances is presented in Tables 3 and 4. Table 5 which follows shows revenues and expenditures for the past five years and the budget for 2024-25. The budget for 2024-25, as adopted June 12, 2024, projected revenues of \$16,886,712 and expenditures of \$17,486,712.

**TABLE 3**  
**GREENWOOD SCHOOL DISTRICT**  
**SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEET**  
**(Years ending June 30)**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>ASSETS</b>					
Cash and Cash Equivalents.....	\$662,858	\$945,823	\$1,010,907	\$942,820	\$785,910
Investments.....	1,067,199	1,551,831	1,394,019	1,535,194	1,049,838
Taxes Receivable.....	406,775	426,640	381,090	457,007	456,511
Due from Other Funds.....	287,859	40,226	149,386	133,126	212,312
Due from Other Governments .....	230,060	388,595	729,939	801,471	646,980
Other Intergovernmental Revenue .....	0	0	0	137,678	131,181
Other Receivables.....	43,540	46,816	27,784	63,504	203,148
<b>TOTAL ASSETS</b> .....	<u>\$2,698,291</u>	<u>\$3,399,931</u>	<u>\$3,693,125</u>	<u>\$4,070,800</u>	<u>\$3,485,880</u>
<b>LIABILITIES</b>					
Due to Other Funds.....	\$0	\$550,400	\$550,000	\$500,423	22,110
Accounts Payable .....	158,789	161,964	176,094	267,419	235,189
Accrued Salaries and Benefits .....	971,702	990,558	1,069,366	1,380,167	1,475,355
Payroll Deducts & Withholdings.....	2,590	2,592	2,718	2,764	3,243
Other Revenues .....	176,327	186,090	0	35,709	14,795
<b>TOTAL LIABILITIES</b> .....	<u>\$1,309,408</u>	<u>\$1,891,604</u>	<u>\$1,798,178</u>	<u>\$2,186,482</u>	<u>\$1,750,692</u>
Deferred Inflows of Resources .....	\$0	\$0	\$241,399	\$171,456	\$203,002
<b>FUND EQUITIES</b>					
Unassigned Fund Balance.....	<u>\$1,388,883</u>	<u>\$1,508,327</u>	<u>\$1,653,548</u>	<u>\$1,712,862</u>	<u>\$1,532,186</u>
<b>TOTAL FUND EQUITIES</b> .....	<u>\$1,388,883</u>	<u>\$1,508,327</u>	<u>\$1,653,548</u>	<u>\$1,712,862</u>	<u>\$1,532,186</u>
<b>TOTAL LIABILITIES</b>					
<b>AND FUND EQUITIES</b> .....	<u>\$2,698,291</u>	<u>\$3,399,931</u>	<u>\$3,693,125</u>	<u>\$4,070,800</u>	<u>\$3,485,880</u>

Source: School District Annual Financial Reports.

**TABLE 4**  
**GREENWOOD SCHOOL DISTRICT GENERAL FUND**  
**SUMMARY OF CHANGES IN FUND BALANCE\***  
**Years Ending June 30**

	<b>Actual</b>					<b>Budgeted</b>
	<b><u>2020<sup>(1)</sup></u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025<sup>(2)</sup></u></b>
<b>Beginning Fund Balance .....</b>	\$1,294,124	\$1,388,883	\$1,508,328	\$1,653,547	\$1,712,859	\$1,532,185
Revenues over (under) Expenditure .	<u>94,759</u>	<u>119,445</u>	<u>145,219</u>	<u>59,312</u>	<u>(180,675)</u>	<u>(600,000)</u>
<b><i>Ending Fund Balance .....</i></b>	<b><u><u>\$1,388,883</u></u></b>	<b><u><u>\$1,508,328</u></u></b>	<b><u><u>\$1,653,547</u></u></b>	<b><u><u>\$1,712,859</u></u></b>	<b><u><u>\$1,532,185</u></u></b>	<b><u><u>\$932,185</u></u></b>

\*Totals may not add due to rounding.

<sup>(1)</sup>Restatement

<sup>(2)</sup>Budget as adopted June 12, 2024.

Source: School District Annual Financial Reports and Budget.

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**TABLE 5**  
**GREENWOOD SCHOOL DISTRICT**  
**SUMMARY OF SCHOOL DISTRICT GENERAL FUND**  
**REVENUES\***  
**(For years ending June 30)**

<b>REVENUE:</b>	<b>Actual</b>					<b>Budget</b>
<b>Local Sources:</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025<sup>(1)</sup></b>
Real Estate .....	\$5,022,120	\$5,201,433	\$5,295,015	\$5,403,540	\$5,574,891	\$5,794,962
Total Act 511 Taxes.....	1,554,715	1,792,786	1,919,820	2,106,461	2,019,416	2,100,000
Public Utility Taxes.....	6,204	6,752	6,837	7,089	6,705	7,000
Payment in Lieu of Taxes.....	4,804	4,804	4,804	4,804	4,804	4,810
Interim Real Estate Taxes.....	8,567	3,907	50,355	25,455	20,325	8,500
Delinquent Taxes .....	266,575	294,418	231,377	271,069	237,599	220,000
Earnings from Investments.....	35,743	11,199	5,612	139,094	163,772	132,506
Rev. from Student Activities .....	17,405	2,252	12,499	12,623	13,248	13,000
State Rev. Rcvd. From Other PA Public Schools ...	24,454	44,303	43,525	62,520	70,122	0
Federal IDEA Pass Through Revenue .....	137,749	153,002	147,664	144,198	131,181	187,000
Federal ARRA IDEA Pass Through Revenue .....	0	0	30,000	0	0	0
Rentals .....	765	0	1,000	2,200	1,900	2,000
Contributions & Donations-Private Sres. ....	0	6,000	3,700	6,834	21,310	0
Tuition .....	33,092	26,818	26,870	46,461	140,598	130,800
Refunds of Prior Years' Expenditures.....	1,069	3,866	4,582	931	23,601	10,600
Other Sources.....	7,955	7,560	2,576	10,945	1,473	0
<b>Total Local Sources.....</b>	<b>\$7,121,216</b>	<b>\$7,559,099</b>	<b>\$7,786,235</b>	<b>\$8,244,223</b>	<b>\$8,430,943</b>	<b>\$8,611,178</b>
<b>State Sources:</b>						
Instructional Subsidy.....	\$3,576,494	\$3,576,491	\$3,658,327	\$3,897,443	\$4,159,362	\$4,369,120
Tuition Court placed & Institutionalized.....	58,658	13,800	0	11,105	22,298	12,000
Vocational Education .....	49,708	45,445	41,697	58,054	65,991	55,000
Driver Ed.....	245	0	0	175	105	200
Special Education.....	498,954	498,927	524,290	579,313	609,280	637,634
Transportation .....	801,722	768,016	682,621	753,171	830,095	892,000
Rentals and Sinking Fund Payments .....	604,726	577,485	382,762	361,980	0	0
Health Services .....	14,123	14,452	14,067	14,156	13,835	15,000
State Property Tax Reduction Allocation .....	205,590	205,818	205,473	258,994	259,269	311,352
PA Accountability Grant .....	141,325	216,574	116,396	116,396	116,396	201,296
Revenue for Social Security .....	226,692	249,424	244,310	259,823	287,152	280,000
Revenue for Retirement .....	1,049,199	1,078,173	1,108,187	1,288,411	1,330,624	1,344,403
Other Sources.....	0	0	0	62,343	209,953	0
<b>Total State Sources.....</b>	<b>\$7,227,436</b>	<b>\$7,244,605</b>	<b>\$6,978,129</b>	<b>\$7,661,364</b>	<b>\$7,904,361</b>	<b>\$8,118,005</b>
<b>Federal Sources:</b>						
<b>Total Federal Sources .....</b>	<b>\$150,044</b>	<b>\$460,368</b>	<b>\$296,310</b>	<b>\$357,946</b>	<b>\$798,215</b>	<b>\$157,529</b>
<b>Other Sources:</b>						
<b>Total Other Sources .....</b>	<b>\$0</b>	<b>\$2,159,924</b>	<b>\$0</b>	<b>\$159,629</b>	<b>\$4,750</b>	<b>\$0</b>
<b>TOTAL REVENUE.....</b>	<b>\$14,498,695</b>	<b>\$17,423,997</b>	<b>\$15,060,674</b>	<b>\$16,423,162</b>	<b>\$17,138,269</b>	<b>\$16,886,712</b>

\*Totals may not add due to rounding.

<sup>(1)</sup>Budget, as adopted June 12, 2024.

Source: School District Annual Financial Reports and Budget.

**TABLE 5**  
**(cont.)**  
**GREENWOOD SCHOOL DISTRICT**  
**SUMMARY OF SCHOOL DISTRICT GENERAL FUND**  
**EXPENDITURES\***  
**(For years ending June 30)**

	Actual					Budget
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025<sup>(1)</sup></u>
<b>EXPENDITURES:</b>						
Instruction .....	\$8,035,717	\$8,355,557	\$8,289,026	\$8,955,067	\$9,781,427	\$10,559,583
Pupil Personnel.....	354,062	370,133	520,087	576,968	610,977	661,501
Instructional Staff.....	338,761	313,140	306,510	548,388	556,458	550,712
Administration.....	937,991	938,565	957,944	945,659	921,431	980,413
Pupil Health.....	152,935	157,887	157,860	170,921	193,842	192,952
Business .....	234,347	237,783	236,473	272,905	340,656	386,668
Operation and Maintenance of Plant Services.....	903,080	1,093,133	928,461	1,108,418	1,157,386	1,265,697
Student Transportation .....	950,366	923,051	974,951	1,063,055	1,153,213	1,170,000
Central.....	448,699	373,724	430,953	549,641	524,051	594,910
Other Support Services.....	6,795	6,787	6,762	6,633	6,609	7,400
Operation of Noninstructional Services.....	404,149	356,386	418,861	458,940	462,116	509,968
Fac. Acq., Constr. & Improv. ....	58,660	0	33,636	0	689,633	35,000
Refunds of Prior Year Receipts .....	0	0	0	0	0	0
Debt Service.....	1,578,375	3,340,547	1,103,930	1,207,254	921,144	563,908
Fund Transfers.....	0	837,859	550,000	500,000	0	8,000
Budgetary Reserve.....	0	0	0	0	0	0
<b>TOTAL EXPENDITURES.....</b>	<u>\$14,403,936</u>	<u>\$17,304,552</u>	<u>\$14,915,454</u>	<u>\$16,363,850</u>	<u>\$17,318,944</u>	<u>\$17,486,712</u>
<b>SURPLUS OF REVENUES OVER</b>						
<b>(UNDER) EXPENDITURES.....</b>	<u>\$94,759</u>	<u>\$119,445</u>	<u>\$145,219</u>	<u>\$59,312</u>	<u>(\$180,675)</u>	<u>(\$600,000)</u>

\*Totals may not add due to rounding.

<sup>(1)</sup>Budget, as adopted June 12, 2024.

Source: School District Annual Financial Reports and Budget.

## Tax Levy Trends

Table 6 which follows shows the recent trend of tax rates levied by the School District. Table 7 shows the comparative trend of real property tax rates for the School District, the boroughs, the township, and the Counties.

**TABLE 6**

### GREENWOOD SCHOOL DISTRICT TAX RATES

	Real Estate (mills)		Real Estate Transfer	Earned Income Tax <sup>(2)</sup>
	Perry County	Juniata County	(%)	(%)
2020-21	14.460	138.180	0.50	1.25
2021-22	14.840	138.640	0.50	1.25
2022-23	14.840	138.820	0.50	1.25
2023-24	15.140	141.460	0.50	1.25
2024-25	15.690	141.750	0.50	1.25

<sup>(1)</sup> Includes School Code and Act 511 taxes.

Source: Department of Community and Economic Development- Municipal Statistics

**TABLE 7**

### GREENWOOD SCHOOL DISTRICT COMPARATIVE REAL PROPERTY TAX RATES (Mills on Assessed Value)

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<b>School District:</b>					
<i>Perry County</i> .....	14.460	14.840	14.840	15.140	15.690
<i>Juniata County</i> .....	138.180	138.640	138.820	141.460	141.750
Greenwood Township.....	0.738	0.738	0.738	0.738	1.238
Liverpool Borough.....	2.000	2.000	2.000	2.000	2.280
Liverpool Township.....	0.160	0.160	0.160	0.160	0.160
Millerstown Borough.....	2.500	2.500	2.500	2.500	2.500
Tuscarora Township .....	0.789	0.789	0.500	0.500	1.289
Greenwood Township (Juniata County) .....	2.000	2.000	2.000	2.000	2.000
Perry County .....	4.562	4.562	4.562	4.562	4.562
Juniata County .....	22.750	22.750	22.750	22.750	25.00

Source: Department of Community and Economic Development- Municipal Statistics

## Real Property Tax

The following tables summarize recent trends of assessed and market valuations of real property and real property tax collection data. The last county-wide assessment in Perry County became effective in January 2011.

TABLE 8

**GREENWOOD SCHOOL DISTRICT  
REAL PROPERTY ASSESSMENT DATA**

<b>Year</b>	<b>Market Value</b>	<b>Assessed Value</b>	<b>Ratio</b>
2019-20.....	\$365,448,358	\$341,209,960	93.37%
2020-21.....	374,890,368	342,152,620	91.27%
2021-22.....	378,124,139	344,338,428	91.06%
2022-23.....	409,269,126	346,922,761	84.77%
2023-24.....	444,040,709	350,163,866	78.86%
Compound Average Annual Percentage Change .....	3.97%	0.52%	

Source: Pennsylvania State Tax Equalization Board.

TABLE 9

**GREENWOOD SCHOOL DISTRICT  
REAL PROPERTY ASSESSMENT DATA BY MUNICIPALITY**

	<b>2022 Market Value</b>	<b>2022 Assessed Value</b>	<b>2023 Market Value</b>	<b>2023 Assessed Value</b>
<i>Greenwood School District.....</i>	\$409,269,126	\$346,922,761	\$444,040,709	\$350,163,866
Greenwood Township.....	84,202,711	83,804,600	92,750,931	84,390,800
Liverpool Borough.....	45,981,834	46,895,500	48,733,459	46,786,200
Liverpool Township.....	88,054,068	79,179,300	94,646,319	80,117,400
Millerstown Borough.....	37,085,547	39,629,500	40,026,508	40,117,700
Tuscarora Township .....	94,926,153	91,234,900	104,585,283	92,481,400
Greenwood Township (Juniata County) .....	59,018,813	6,178,961	63,298,209	6,270,366
Perry County.....	3,018,744,764	3,048,656,220	3,246,529,857	3,079,005,420

Source: Pennsylvania State Tax Equalization Board.

TABLE 10

**GREENWOOD SCHOOL DISTRICT  
ASSESSMENT BY LAND USE**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Residential .....	\$189,147,070	\$189,754,610	\$189,835,700	\$190,725,800	\$192,228,260
Trailers.....	11,342,030	11,317,260	11,374,410	11,630,290	11,571,790
Seasonal.....	6,426,680	6,249,480	6,261,710	6,185,410	6,408,510
Lots.....	4,568,930	4,507,660	4,567,670	4,587,170	4,060,650
Industrial.....	911,100	911,100	911,100	911,100	911,100
Commercial .....	20,427,700	20,153,500	19,742,100	20,318,200	20,581,900
Agriculture.....	104,072,970	105,016,380	107,379,659	108,167,133	110,385,936
Land.....	4,313,480	4,242,630	4,266,079	4,397,658	4,015,720
<b>Total .....</b>	<b>\$341,209,960</b>	<b>\$342,152,620</b>	<b>\$344,338,428</b>	<b>\$346,922,761</b>	<b>\$350,163,866</b>

Source: Pennsylvania State Tax Equalization Board.

**TABLE 11**  
**GREENWOOD SCHOOL DISTRICT**  
**REAL PROPERTY TAX COLLECTION DATA**

<b>Year</b>	<b>Adjusted Levy<sup>(1)</sup></b>	<b>Current Collections (July-June)</b>	<b>Current Year Collections as Percent of Levy</b>	<b>Total Current Plus Delinquent Collections<sup>(2)</sup></b>	<b>Total Collections as Percent of Total Adjusted Taxes Levied</b>
2019-20.....	\$5,342,423	\$5,022,120	94.00%	\$5,288,322	98.99%
2020-21.....	5,511,045	5,205,340	94.45%	5,499,663	99.79%
2021-22.....	5,647,369	5,345,370	94.65%	5,576,033	98.74%
2022-23.....	5,706,345	5,428,995	95.14%	5,700,061	99.89%
2023-24.....	5,865,199	5,588,122	95.28%	5,808,344	99.03%

<sup>(1)</sup>Includes penalties, less discounts and exonerations.

<sup>(2)</sup>Includes delinquent realty taxes only.

The Total Flat Billing shown excludes the amount payable from the Property Tax and Rent Rebate Program funded pursuant to the Taxpayer Relief Act of the Commonwealth.

Source: School District officials.

The ten largest real property taxpayers, together with 2024-25 assessed values, are shown on Table 12. The aggregate assessed value of these ten taxpayers totals approximately 3.4 percent of the total assessed value of the School District.

**TABLE 12**  
**GREENWOOD SCHOOL DISTRICT**  
**TEN LARGEST REAL PROPERTY TAXPAYERS, 2024-25**

<b>Owner</b>	<b>2024-25 Assessed Value</b>
Republic Development	\$2,596,400
Jason Saylor	1,359,100
Linda A Martin REV LIV TRT	1,191,938
Linda A Martin	1,032,521
Erin & Benjamin Warner	989,227
Edgar W & Linda D Byers	941,292
Gerald L Strawser Jr.	906,900
Dennis L & Lawanda J Nolt	891,500
Jeremy L & Vanita F Sensinig	866,700
Keith Edward Brofee	861,900
<b>Total</b>	<b>\$11,637,478</b>

Source: School District officials.

## DEBT AND DEBT LIMITS

### Debt Statement

Table 13 which follows shows the debt of the School District as of May 5, 2025, including the issuance of the Bonds.

**TABLE 13**  
**GREENWOOD SCHOOL DISTRICT**  
**DEBT STATEMENT\***  
**(As of May 5, 2025)**

	<b>Gross Outstanding</b>
<b>NONELECTORAL DEBT</b>	
General Obligation Note, Series of 2021 (last maturity 2028).....	\$1,863,000
<b><i>TOTAL NONELECTORAL DEBT</i></b> .....	<b><i>\$1,863,000</i></b>
<b>LEASE RENTAL DEBT</b>	
<b><i>TOTAL LEASE RENTAL DEBT</i></b> .....	<b><i>\$0</i></b>
<b><i>TOTAL PRINCIPAL OF DIRECT DEBT</i></b> .....	<b><i>\$1,863,000</i></b>

\*Includes the estimated Bonds offered through this Preliminary Official Statement.

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## Debt Limit and Remaining Borrowing Capacity

The statutory borrowing limit of the School District under the Act is computed as a percentage of the School District's "Borrowing Base". The "Borrowing Base" is defined as the annual arithmetic average of "Total Revenues" (as defined by the Act), for the three full fiscal years ended next preceding the date of incurring debt. The School District calculates its present borrowing base and borrowing capacity as follows:

Total Revenues for 2021-22.....	\$14,525,432
Total Revenues for 2022-23.....	15,704,525
Total Revenues for 2023-24.....	16,477,652
Total Revenues, Past Three Years.....	<u>\$46,707,609</u>
Annual Arithmetic Average (Borrowing Base) .....	<u>\$15,569,203</u>

Under the Act as presently in effect, no school district shall incur any nonelectoral debt or lease rental debt, if the aggregate net principal amount of such new debt together with any other net nonelectoral debt and lease rental debt then outstanding, would cause the net nonelectoral debt plus net lease rental debt to exceed 225% of the Borrowing Base. The application of the aforesaid percentage to the School District's Borrowing Base produces the following product:

	<b><u>Legal Limit</u></b>	<b><u>Net Debt Outstanding*</u></b>	<b><u>Remaining Borrowing Capacity</u></b>
Net Nonelectoral Debt and Lease Rental Debt Limit:			
225% of Borrowing Base.....	\$35,030,707	\$1,863,000	\$33,167,707

\*Includes the estimated principal amount of the Bonds described herein; does not reflect credits against gross indebtedness that may be claimed for a portion of principal of debt estimated to be reimbursed by Commonwealth Aid.

## Future Financing

The School District is contemplating issuing additional long-term debt for approximately \$10 – 15 million in the next five years.

## CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements 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 Certificate (the "Continuing Disclosure Certificate") substantially in the form attached hereto as Appendix G.

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 Certificate (not all of which will be relevant to the School District). The School District may from time to time choose to file notice of other events, on a voluntary basis, in addition to those specified in the Continuing Disclosure Certificate.

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

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

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

<b>Fiscal</b>	<b>Filing</b>	<b>Filing Date:</b>
<b>Year</b>	<b>Due Date</b>	<b>Audit/Budget/Operating Data</b>
<b><u>Ending</u></b>		
6/30/2024	N/A	N/A
6/30/2023	N/A	N/A
6/30/2022	N/A	N/A
6/30/2021	N/A	N/A
6/30/2020	N/A	N/A

*N/A: The School District's General Obligation Bonds, Series of 2012 came to full maturity on 11/15/2020. The School District is not currently subject to the Rule.*

The School District has reasonable procedures in place designed to ensure ongoing timely filings of its material continuing disclosure requirements.



**APPENDIX B**

**NEWPORT SCHOOL DISTRICT  
Perry County, Pennsylvania**

**Descriptive, Financial and Economic Information**

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## THE SCHOOL DISTRICT

### Introduction

The School District is located in the eastern section of Perry County in Central Pennsylvania, approximately 30 miles northwest of Harrisburg, Pennsylvania, the capital of the Commonwealth. The School District covers 73 square miles.

### Administration

The present School District, formerly the Newport Union School District, reorganized as the Newport School District, with a nine-member board of directors, effective July 1, 1966. The School District is comprised of the Borough of Newport and Townships of Buffalo, Howe, Juniata, Oliver, and Miller. The Superintendent of Schools is the chief administrative officer of the School District, with overall responsibility for all aspects of operations, including education and finance. The Business Manager is responsible for budget and financial operations. Both of these officials are appointed by the School Board.

### School Facilities

The School District presently operates one elementary school and one middle/high school, all as described on the following table. Students in grades 10, 11 and 12 may attend the Cumberland-Perry Area Vocational-Technical School.

**TABLE 1**  
**NEWPORT SCHOOL DISTRICT**  
**SCHOOL FACILITIES**

<b><u>Building</u></b>	<b><u>Original Construction Date</u></b>	<b><u>Addition/ Renovation Date</u></b>	<b><u>Grades</u></b>	<b><u>Rated Pupil Capacity</u></b>	<b><u>2024-25 Enrollment</u></b>
<b><i>Elementary:</i></b> Newport.....	1969	1989/2015	K-5	906	453
<b><i>Secondary:</i></b> Newport Middle/High School ....	1939	1980/2007	6-12	916	493

Source: School District officials.

### Enrollment Trends

The following table presents recent trends in school enrollment and projections of enrollment for the next five years, as prepared by School District officials.

**TABLE 2**  
**NEWPORT SCHOOL DISTRICT**  
**ENROLLMENT TRENDS**

<b><u>Actual Enrollments</u></b>				<b><u>Projected Enrollments</u></b>			
<b><u>School Year</u></b>	<b><u>Elementary</u></b>	<b><u>Secondary</u></b>	<b><u>Total</u></b>	<b><u>School Year</u></b>	<b><u>Elementary</u></b>	<b><u>Secondary</u></b>	<b><u>Total</u></b>
2020-21	452	566	1,018	2025-26	453	493	946
2021-22	463	524	987	2026-27	453	493	946
2022-23	456	528	984	2027-28	453	493	946
2023-24	437	532	969	2028-29	453	493	946
2024-25	453	493	946	2029-30	453	493	946

Source: School District officials.

## SCHOOL DISTRICT FINANCES

### Introduction

The School District budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education ("PDE"). An annual operating budget is prepared by the Superintendent and Business Manager and submitted to the School Board for approval prior to the beginning of the fiscal year on July 1.

### Summary and Discussion of Financial Results

A summary of General Fund balance sheet is presented in Table 2. Table 3 shows revenue and expenditures and changes in fund balances for the past five years and budgeted 2024-25

**TABLE 3**  
**NEWPORT SCHOOL DISTRICT**  
**SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEET**  
**(Years ending June 30)**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>ASSETS</b>					
Cash and Cash Equivalents .....	\$3,969,886	\$3,953,676	\$4,595,785	\$3,410,297	\$2,088,005
Investments.....	3,667,866	3,619,235	3,070,795	5,073,547	5,922,962
Taxes Receivable.....	787,972	667,408	632,609	692,660	695,434
Interfund Receivable .....	0	0	2,408	4,533	1,427
State Revenue Receivable .....	17,052	2,029	0	163,874	147,844
Federal Revenue Receivable .....	85,940	156,883	1,193,827	495,298	494,285
Other Receivables.....	698,889	620,495	411,320	413,577	296,101
Prepaid Expenses.....	0	0	0	24,158	6,000
<b>TOTAL ASSETS</b> .....	<u>\$9,227,605</u>	<u>\$9,019,726</u>	<u>\$9,906,744</u>	<u>\$10,277,944</u>	<u>\$9,652,058</u>
<b>LIABILITIES</b>					
Due to Other Governments.....	\$0		\$14,440	\$0	\$0
Due to Other Funds .....	57,178	280,600	135,412	8,550	7,540
Accounts Payables.....	107,505	270,364	222,804	510,199	491,412
Accrued Salaries and Benefits .....	1,454,409	1,425,823	1,508,498	1,568,348	1,581,276
Payroll Deductions and Withholdings.....	700,197	254,321	746,615	644,779	764,698
Unearned Revenues .....	368,167	248,469	186,067	252,954	223,573
Other.....	0	0	0	0	0
<b>TOTAL LIABILITIES</b> .....	<u>\$2,687,456</u>	<u>\$2,479,577</u>	<u>\$2,813,836</u>	<u>\$2,984,830</u>	<u>\$3,068,499</u>
<b>Deferred Inflows of Resources</b> .....	\$0	\$0	\$0	\$0	\$0
<b>FUND EQUITIES</b>					
Nonspendable Fund Balance .....	\$0	\$0	\$0	\$24,158	\$6,000
Committed Fund Balance .....	4,480,578	4,761,952	5,242,908	5,242,907	5,242,907
Unassigned Fund Balance .....	1,500,000	1,500,000	1,850,000	1,436,461	745,064
Assigned Fund Balance .....	559,571	278,197	0	589,588	589,588
<b>TOTAL FUND EQUITIES</b> .....	<u>\$6,540,149</u>	<u>\$6,540,149</u>	<u>\$7,092,908</u>	<u>\$7,293,114</u>	<u>\$6,583,559</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITIES</b> .....	<u>\$9,227,605</u>	<u>\$9,019,726</u>	<u>\$9,906,744</u>	<u>\$10,277,944</u>	<u>\$9,652,058</u>

Source: School District Annual Financial Reports.

**TABLE 4**  
**NEWPORT SCHOOL DISTRICT GENERAL FUND**  
**SUMMARY OF CHANGES IN FUND BALANCE\***

	<b>Actual</b>					<b>Budget</b>
	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025<sup>(1)</sup></u></b>
<b>Beginning Fund Balance.....</b>	\$5,869,883	\$6,540,147	\$6,540,146	\$7,092,904	\$7,293,110	\$6,583,557
Revenues over (under) expenditures	\$670,264	(\$1)	\$552,758	\$200,206	(\$709,554)	(\$364,601)
Prior Period Adjustment.....		0	0	0	0	0
<b>Ending Fund Balance.....</b>	<b><u>\$6,540,147</u></b>	<b><u>\$6,540,146</u></b>	<b><u>\$7,092,904</u></b>	<b><u>\$7,293,110</u></b>	<b><u>\$6,583,557</u></b>	<b><u>\$6,218,956</u></b>

\*Totals may not add due to rounding.

<sup>(1)</sup>Budget, as adopted June 11, 2024.

Source: School District Annual Financial Reports and Budget

#### **Revenue**

The School District received \$24,002,264 in revenue in 2023-24 and has budgeted revenue of \$24,002,264 in 2024-25. Local sources increased as a share of revenue in the past five years, from 28.8 percent in 2019-20 to 44.2 percent in 2023-24. Revenue from Commonwealth sources increased as a share of the total from 35.3 percent to 49.8 percent over this period. Federal and other sources contributed an decreasing share from 35.9 percent to 6.0 percent over this period.

**TABLE 5**  
**NEWPORT SCHOOL DISTRICT**  
**SUMMARY OF SCHOOL DISTRICT GENERAL FUND**  
**REVENUES AND EXPENDITURES\***  
**(For years ending June 30)**

<b>REVENUE:</b>	<b>Actual</b>					<b>Budgeted</b>
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025<sup>(1)</sup></b>
<b>Local Sources:</b>						
Real Estate Taxes.....	\$5,945,416	\$6,003,702	\$6,318,292	\$6,460,896	\$6,703,624	\$7,081,009
Interim Real Estate Taxes .....	28,222	5,832	28,594	17,549	28,034	27,912
Public Utility Realty Tax .....	7,162	7,765	8,156	8,177	7,938	7,938
Payments in Lieu of Current Taxes - State/Local .....	3,578	3,578	3,578	856	3,643	3,643
Per Capita (Sec. 679) Taxes .....	22,709	22,767	22,757	23,404	23,153	22,862
Total Act 511 Taxes.....	1,869,134	1,889,205	2,079,102	2,290,864	2,281,341	2,464,367
Delinquency on Taxes Levied.....	297,610	479,006	413,270	326,568	400,315	440,908
Earnings from Investments .....	102,263	37,601	22,303	209,537	544,253	397,500
Revenue from Student Activities .....	35,565	4,444	27,832	29,968	30,939	29,403
Federal IDEA Rev. Received as Pass Through.....	221,736	230,907	210,523	249,553	229,394	196,994
Fed. Rev. Rec'd - Other Intermed. Srcs. ....	1,000	0	-83,921	0	0	0
Rentals.....	1,442	0	2,198	2,227	2,344	2,198
Contributions & Donations Private Sources .....	1,874	1,119	9,304	11,451	19,936	5,000
Tuition .....	2,130	1,140	0	0	0	1,635
Receipts from Other LEAs in PA-Ed. ....	62,048	24,660	548	0	5,232	0
Refunds of Prior Years' Expenditures .....	19,333	9,814	46,438	1,407	17,142	325,360
All Other Srvs. - Other Govts. & LEAs.....	3,671	3,046	0	6,279	0	0
Other Revenues Not Specified .....	227,084	238,667	236,151	291,974	315,652	0
<b>Total Local.....</b>	<b>\$8,851,977</b>	<b>\$8,963,255</b>	<b>\$9,345,123</b>	<b>\$9,930,710</b>	<b>\$10,612,940</b>	<b>\$11,006,729</b>
<b>State Sources:</b>						
Basic Instructional Subsidy.....	\$6,006,609	\$6,006,605	\$6,188,462	\$6,353,845	\$6,612,320	\$6,824,050
Tuition for Orphans & Children in Private Homes.....	27,032	35,494	16,767	4,425	21,102	10,596
Vocational Education .....	58,940	64,695	60,455	60,392	62,614	60,423
Special Education .....	960,063	960,028	969,809	1,087,372	1,127,761	1,127,810
Transportation .....	656,546	646,794	640,264	556,229	621,061	474,126
Rentals and Sinking Fund Payments .....	605,012	516,006	631,419	613,913	627,807	626,500
Health Services .....	18,920	18,777	17,227	17,576	17,871	17,860
State Property Tax Allocation .....	423,268	422,662	423,226	532,636	532,796	640,226
PA Accountability Grant/Read to Learn.....	199,785	199,785	199,785	199,785	199,785	199,785
Revenue for Social Security .....	319,851	350,048	312,276	330,349	327,108	368,586
Revenue for Retirement .....	1,562,073	1,607,508	1,674,265	1,844,141	1,719,938	1,907,076
School Safety Grant .....	17,052	9,949	2,999	150,667	92,050	0
Other.....	0	0	0	12,190	0	0
<b>Total State Sources .....</b>	<b>\$10,855,152</b>	<b>\$10,838,348</b>	<b>\$11,136,956</b>	<b>\$11,763,520</b>	<b>\$11,962,211</b>	<b>\$12,257,038</b>
<b>Federal Sources:</b>						
<b>Total Federal Sources.....</b>	<b>\$462,564</b>	<b>\$852,384</b>	<b>\$1,904,264</b>	<b>\$1,823,860</b>	<b>\$1,191,550</b>	<b>\$381,280</b>
<b>Other Sources:</b>						
<b>Total Other Sources .....</b>	<b>\$10,553,987</b>	<b>\$385,095</b>	<b>\$6,823,480</b>	<b>\$742,102</b>	<b>\$237,067</b>	<b>\$357,217</b>
<b>TOTAL REVENUE .....</b>	<b>\$30,723,679</b>	<b>\$21,039,082</b>	<b>\$29,209,824</b>	<b>\$24,260,192</b>	<b>\$24,003,769</b>	<b>\$24,002,264</b>
<b>EXPENDITURES:</b>						
Instruction.....	\$12,772,782	\$13,160,828	\$13,474,351	\$14,240,239	\$14,837,845	\$14,904,846
Pupil Personnel.....	491,531	393,404	493,952	530,329	573,507	542,199
Instructional Staff .....	671,291	710,216	899,275	700,308	741,383	729,059
Administration .....	1,158,186	1,190,375	1,305,739	1,322,249	1,419,333	1,524,211
Pupil Health .....	166,038	171,250	176,923	220,605	229,224	208,703
Business.....	339,373	351,464	388,126	429,020	456,627	489,134
Operation and Maintenance .....	1,108,539	1,221,276	1,364,107	1,697,169	1,964,879	1,593,873
Student Transportation.....	882,743	833,390	817,163	935,146	991,078	959,572
Central .....	497,793	789,340	602,915	722,818	725,957	708,507
Other Support Services .....	8,048	7,887	7,826	7,661	7,589	7,692
Operation of Noninstructional Services.....	426,711	403,280	441,736	525,052	511,071	504,229
Debt Service .....	11,507,372	1,509,108	8,651,900	2,064,071	2,153,282	2,191,840
Facilities, Acquisition, Construction .....	23,011	23,329	33,055	665,317	100,756	3,000
Fund Transfers .....	0	273,937	0	0	790	0
<b>TOTAL EXPENDITURES .....</b>	<b>\$30,053,418</b>	<b>\$21,039,083</b>	<b>\$28,657,066</b>	<b>\$24,059,985</b>	<b>\$24,713,322</b>	<b>\$24,366,865</b>
<b>SURPLUS (DEFICIT)</b>						
<b>OF REVENUES OVER</b>						
<b>EXPENDITURES.....</b>	<b>\$670,264</b>	<b>(\$1)</b>	<b>\$552,758</b>	<b>\$200,206</b>	<b>(\$709,554)</b>	<b>(\$364,601)</b>

\*Totals may not add due to rounding.

<sup>(1)</sup>Budget, as adopted June 11, 2024.

Source: School District Annual Financial Reports and Budget.

## Tax Levy Trends

Table 6 shows trend of tax rates levied by the School District. Table 7 shows the comparative trend of real property tax rates for the School District, the municipalities within the School District, and Perry County.

**TABLE 6  
NEWPORT SCHOOL DISTRICT  
TAX RATES**

	<b>Real Estate (mills)</b>	<b>Per Capita<sup>(1)</sup> (\$)</b>	<b>Real Estate Transfer (%)</b>	<b>Wage and Income (%)</b>
2020-21 .....	15.0880	10.00	0.5	1.1
2021-22 .....	15.7216	10.00	0.5	1.1
2022-23 .....	16.1146	10.00	0.5	1.1
2023-24 .....	16.5980	10.00	0.5	1.1
2024-25 .....	17.4279	10.00	0.5	1.1

<sup>(1)</sup>\$5.00 under Section 679 of the Public School Code and \$5.00 under Act 511.,  
Source: School District Budgets.

**TABLE 7  
NEWPORT SCHOOL DISTRICT  
COMPARATIVE REAL PROPERTY TAX RATES  
(Mills on Assessed Value)**

	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b><i>School District</i></b> .....	15.088	15.7216	16.1146	16.5980	17.4279
<b><u><i>Municipalities within the School District</i></u></b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Buffalo Township .....	0.2798	0.3649	0.3649	0.3649	0.3649
Howe Township .....	0.9737	0.9737	0.9737	0.9737	0.9737
Juniata Township .....	0.4964	0.4964	0.4964	0.4964	0.4964
Miller Township .....	0.6251	0.6251	0.6251	0.6251	0.6251
Newport Borough .....	4.3410	4.3410	4.3410	4.3410	4.3410
Oliver Township .....	1.0710	1.0710	1.0710	1.0710	1.0710
<b><i>Perry County</i></b> .....	4.5625	4.5625	4.5625	4.5625	4.5625

Source: School District Budgets, Pennsylvania Department of Community and Economic Development, Municipal Statistics and Perry County website.

## Real Property Tax

The following tables summarize recent trends of assessed and market valuations of real property and real property tax collection data. The last county-wide assessment in Perry County became effective in January 2011.

**TABLE 8**  
**NEWPORT SCHOOL DISTRICT**  
**REAL PROPERTY ASSESSMENT DATA**

<b>Year</b>	<b>Market Value</b>	<b>Assessed Value</b>	<b>Ratio</b>
2019-20 .....	\$422,894,360	\$447,951,800	105.93%
2020-21 .....	433,021,897	450,445,400	104.02%
2021-22 .....	434,213,697	451,590,300	104.00%
2022-23 .....	467,947,935	456,073,700	97.46%
2023-24 .....	504,839,442	459,333,500	90.99%

Source: State Tax Equalization Board (STEB)/Tax Equalization Division (TED).

**TABLE 9**  
**NEWPORT SCHOOL DISTRICT**  
**REAL PROPERTY ASSESSMENT DATA BY MUNICIPALITY**

	<b>2022 Market Value</b>	<b>2022 Assessed Value</b>	<b>2023 Market Value</b>	<b>2023 Assessed Value</b>
<b><i>School District</i></b> .....	\$467,947,935	\$456,073,700	\$504,839,442	\$459,333,500
<b><i>Municipalities within the School District</i></b>				
Buffalo Township.....	\$88,752,336	\$88,701,700	\$96,566,936	\$90,041,600
Howe Township .....	64,169,109	53,956,700	72,827,063	54,098,600
Juniata Township.....	101,573,737	101,940,500	106,549,480	102,952,300
Miller Township .....	63,170,325	58,830,600	68,049,596	58,673,200
Newport Borough.....	50,890,292	52,906,600	53,288,622	52,976,400
Oliver Township.....	99,392,136	99,737,600	107,557,745	100,591,400
<b><i>Perry County</i></b> .....	\$3,018,744,764	\$3,048,656,220	3,246,529,857	3,079,005,420

Source: State Tax Equalization Board (STEB)/Tax Equalization Division (TED).

**TABLE 10**  
**NEWPORT SCHOOL DISTRICT**  
**ASSESSMENT BY LAND USE**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Residential.....	\$264,851,500	\$265,514,800	\$266,868,600	\$269,849,300	\$271,871,000
Trailers .....	19,792,200	19,847,500	20,044,300	19,712,600	19,839,400
Seasonal.....	2,147,400	2,147,400	2,036,300	2,043,600	2,000,800
Lots.....	6,680,600	6,560,300	6,565,500	7,063,600	7,013,900
Industrial.....	1,296,800	1,296,800	1,296,800	1,296,800	1,296,800
Commercial .....	55,337,900	55,606,300	55,306,600	55,137,100	54,968,500
Agriculture .....	92,818,200	94,398,400	94,516,800	95,793,500	97,792,800
Land.....	5,027,200	5,073,900	4,955,400	5,177,200	4,550,300
<b><i>Total</i></b> .....	<u>\$447,951,800</u>	<u>\$450,445,400</u>	<u>\$451,590,300</u>	<u>\$456,073,700</u>	<u>\$459,333,500</u>

Source: State Tax Equalization Board (STEB)/Tax Equalization Division (TED).



**TABLE 11**  
**NEWPORT SCHOOL DISTRICT**  
**REAL PROPERTY TAX COLLECTION DATA**

<u>Year</u>	<u>Assessed Value</u>	<u>Mills Levied</u>	<u>Amount of Levy</u>	<u>Current Year Collections (July-June)</u>	<u>Collections as Percent of Current Collects</u>	<u>Total Current Plus Delinquent Collections<sup>(1)</sup></u>	<u>Total Collections as Percent of Total Current Collections</u>
2019-20	\$449,492,100	15.0880	\$6,334,961	\$6,023,991	95.09%	\$6,262,028	99.85%
2020-21	450,788,500	15.0880	6,359,275	6,087,522	95.73%	6,485,035	101.98%
2021-22	455,025,500	15.7216	6,663,890	6,411,688	96.22%	6,659,368	99.93%
2022-23	462,308,900	16.1146	6,799,918	6,555,862	96.38%	6,722,967	98.87%
2023-24	465,872,200	16.5980	7,097,076	6,795,174	95.75%	7,019,555	98.91%

<sup>(1)</sup>Includes delinquent real estate taxes collected.

Source: School District officials.

The ten largest real property taxpayers, together with 2024-25 assessed values, are shown on Table 12. The aggregate assessed value of these ten taxpayers totals approximately 4.8 percent of total assessed value.

**TABLE 12**  
**NEWPORT SCHOOL DISTRICT**  
**TEN LARGEST REAL PROPERTY TAXPAYERS – 2024-25**

<u>Owner</u>	<u>2024-25 Assessed Value</u>
U & ME LLC	\$4,855,000
PERRY MANOR AFFORDABLE LLC	3,000,000
NEWPORT MEDICAL ONE LP	2,992,400
HELLER, TERRY J	2,819,600
REPUBLIC DEVELOPMENT	1,907,900
WEIS MARKETS INCORPORATED	1,879,600
FINICLE VENTURE, LLC	1,252,400
WELLER, RONALD A	1,241,000
TJ'S GENERAL PARTNERSHIP	1,052,300
P P & L INCORPORATED	1,000,000
<b>Total.....</b>	<b>\$22,000,200</b>

Source: School District officials.

## DEBT AND DEBT LIMITS

### Debt Statement

Table 13 shows the debt of the Newport School District as of May 5, 2025 including the issuance of the Bonds.

**TABLE 13  
NEWPORT SCHOOL DISTRICT  
DEBT STATEMENT  
(As of May 5, 2025)\***

	<b>Gross Outstanding</b>
<b>NONELECTORAL DEBT</b>	
General Obligation Bonds, Series of 2023 .....	\$386,923
General Obligation Bonds, Series of 2022 .....	6,136,000
General Obligation Bonds, Series of 2020 .....	7,385,000
General Obligation Bonds, Series of 2019 .....	5,030,000
General Obligation Bonds, Series of 2017 .....	2,325,000
General Obligation Bonds, Series of 2013 .....	1,185,000
<b>TOTAL NONELECTORAL DEBT</b> .....	<u><u>\$22,447,923</u></u>
<b>LEASE RENTAL DEBT</b> .....	<u>\$0</u>
<b>TOTAL PRINCIPAL OF DIRECT DEBT</b> .....	<u><u>\$22,447,923</u></u>

\*Includes the estimated principal amount of the Bonds offered through this Preliminary Official Statement.

### Debt Limit and Remaining Borrowing Capacity

Electoral debt, i.e., debt approved by the voters at a general or special election, may be incurred without limit. Nonelectoral debt and lease rental debt are subject to a statutory borrowing limit.

The statutory borrowing limit of the School District under the Debt Act is computed as a percentage of the School District's "Borrowing Base". The "Borrowing Base" is defined as the annual arithmetic average of "Total Revenues" (as defined by the Debt Act), for the three full fiscal years ended next preceding the date of incurring debt. The School District calculates its present borrowing base and borrowing capacity as follows:

Total Revenues for 2021-22 .....	\$20,230,859
Total Revenues for 2022-23 .....	21,503,765
Total Revenues for 2023-24 .....	22,328,065
<b>Total</b> .....	<u><u>\$64,062,688</u></u>
Annual Arithmetic Average (Borrowing Base) .....	<u>\$21,354,229</u>

Under the Debt Act as presently in effect, no school district shall incur any nonelectoral debt or lease rental debt if the aggregate net principal amount of such new debt together, with any other net nonelectoral debt and lease rental debt then outstanding, would cause the net nonelectoral debt plus net lease rental debt to exceed 225% of the Borrowing Base. The application of the aforesaid percentage to the School District's Borrowing Base produces the following product:

	<b>Legal Limit</b>	<b>Net Debt Outstanding*</b>	<b>Remaining Borrowing Capacity</b>
<b>Net Nonelectoral and Lease Rental Debt Limit:</b>			
225% of Borrowing Base .....	\$48,047,016	\$22,447,923	\$25,599,093

\*Includes the estimated principal amount of the Bonds described herein; does not reflect credits against gross indebtedness that may be claimed for a portion of principal of debt estimated to be reimbursed by Commonwealth Aid.

### Future Financing

The School District does not anticipate issuing any additional (non-refunding) long term debt in the next 2-3 years.

## CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements 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 Certificate (the "Continuing Disclosure Certificate") substantially in the form attached hereto as Appendix G.

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 Certificate (not all of which will be relevant to the School District). The School District may from time to time choose to file notice of other events, on a voluntary basis, in addition to those specified in the Continuing Disclosure Certificate.

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

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

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

<b>Fiscal Year</b>	<b>Filing</b>	<b>Filing Date:</b>	
<b>Ending</b>	<b>Due Date</b>	<b>Audit</b>	<b>Operating Data/Budget</b>
6/30/2024	12/27/2024	2/06/2025 <sup>(1)</sup>	12/11/2024
6/30/2023	12/27/2023	5/22/2024 <sup>(1)</sup>	12/06/2023
6/30/2022	12/27/2022	3/24/2023 <sup>(1)</sup>	11/30/2022
6/30/2021	12/27/2021	1/28/2022 <sup>(1)</sup>	12/14/2021
6/30/2020	12/27/2020	12/09/2020	12/09/2020

<sup>(1)</sup> The School District filed Failure to Timely File Notice's to EMMA on 12/11/2024, 12/6/2023, 11/30/2022 and 12/14/2021.

The School District has reasonable procedures in place designed to ensure ongoing timely filings of its material continuing disclosure requirements.

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**APPENDIX C**

**SOUTH MIDDLETON SCHOOL DISTRICT  
Cumberland County, Pennsylvania**

**Descriptive, Financial and Economic Information**

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## THE SCHOOL DISTRICT

### Introduction

The School District is located in Cumberland County in Central Pennsylvania, approximately 18 miles west of Harrisburg, Pennsylvania. The School District covers 51 square miles. The 2020 census reported that the total population served by the School District was 16,135.

### Administration

The present South Middleton School District became effective July 1, 1965 by changing the jointure-type organization to a single operative unit with a nine-member board of directors. The geographical area remains the same, and is comprised of one township located in Cumberland County. The Superintendent of Schools is the chief administrative officer of the School District, with overall responsibility for all aspects of operations, including education and finance. The Assistant Superintendent is responsible for overseeing the daily curriculum and instructional process. The Director of Business and Operations is responsible for budget and financial operations. Administration officials are approved by the Board of School Directors.

### School Facilities

The School District presently operates two elementary schools, a middle school and a high school, all as described on the following table. Students in grades 10, 11 and 12 may attend the Cumberland-Perry Area Vocational Technical School for additional vocational-technical training.

**TABLE 1**  
**SOUTH MIDDLETON SCHOOL DISTRICT**  
**SCHOOL FACILITIES**

<b>Building</b>	<b>Original Construction Date</b>	<b>Addition/ Renovation Date(s)</b>	<b>Grades</b>	<b>Rated Pupil Capacity</b>	<b>2024-25 Enrollment</b>
<i>Elementary:</i>					
William G. Rice Elementary	1961	1968/1995	K-2	750	463
Iron Forge Elementary	1953	1988/1994/2017	3-5	450	481
<i>Secondary:</i>					
Yellow Breeches Middle School	2000	---	6-8	694	508
Boiling Springs High School	1975	2006	9-12	856	677

Source: School District Officials.

### Enrollment Trends

The following Table 2 presents recent trends in school enrollment and projections of enrollment for over the next 5 years, as prepared by the Pennsylvania Department of Education.

**TABLE 2**  
**SOUTH MIDDLETON SCHOOL DISTRICT**  
**ENROLLMENT TRENDS**

<b>Actual Enrollments</b>				<b>Projected Enrollments</b>			
<b>School Year</b>	<b>Elementary</b>	<b>Secondary</b>	<b>Total</b>	<b>School Year</b>	<b>Elementary</b>	<b>Secondary</b>	<b>Total</b>
2020-21	1,008	1,021	2,029	2025-26	1,133	1,110	2,243
2021-22	922	1,250	2,172	2026-27	1,160	1,066	2,226
2022-23	948	1,223	2,171	2027-28	1,131	1,293	2,424
2023-24	1,104	1,088	2,192	2028-29	1,226	1,333	2,559
2024-25	944	1,185	2,129	2029-30	1,289	1,384	2,673

Source: School District Officials and PDE projections.

## SCHOOL DISTRICT FINANCES

### Introduction

The School District budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education. An annual operating budget is prepared by the Superintendent and Director of Business and Operations and submitted to the Board of School Directors for approval prior to the beginning of the fiscal year on July 1.

### Financial Reporting

The financial statements of the School District are prepared in accordance with accounting principles generally accepted in the United States of America. The School District will be in compliance with GASB in future years. The School District's reporting entity will apply all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The School District keeps its records and prepares its financial reports according to a modified accrual basis. Major accrual items are payroll, taxes and pension fund contributions payable, taxes receivable, loans receivable from other funds, and revenues receivable from other governmental units. Its financial statements are audited annually by an independent certified public accountant, as required by Commonwealth Law. The firm of Boyer & Ritter, Certified Public Accountants, Camp Hill, Pennsylvania 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 included in the Audited Financial Statements of the School District attached as an Appendix to this Preliminary Official Statement, any procedure on the financial statements addressed in that report. Such auditor also has not performed any procedures relating to this Preliminary Official Statement.

### Budgeting Process in School Districts under the Taxpayer Relief Act

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

Procedures for Adoption of the Annual Budget. Under the Taxpayer Relief Act, all school districts of the first class, second class, third class and fourth class (except as described below) must adopt a preliminary budget proposal (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the election immediately preceding the fiscal year. The preliminary budget proposal 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' public notice of its intent to adopt the final budget.

If the adopted preliminary budget includes an increase in the rate of any tax levy, the preliminary budget must be submitted to the Pennsylvania Department of Education (PDE) no later than 85 days prior to the date of the election immediately preceding the fiscal year. PDE is to compare the proposed percentage increase in the rate of any tax with the school district's Index (*see "The Taxpayer Relief Act" or "Act 1"* herein) and within 10 days, but not later than 75 days prior to the upcoming election, inform the school district whether the proposed percentage increase is less than or equal to the Index. If PDE determines that a proposed tax increase will exceed the Index, the school district must reduce the proposed tax increase, seek voter approval for the tax increase at the upcoming election, or seek approval to utilize one 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" or "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 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 only that the proposed annual budget be prepared at least 30 days, and made available for public inspection at least 20 days, prior to its adoption, and that at least ten (10) days' public notice be given of the board's intent to adopt the annual budget. No referendum exceptions are available to a school district adopting such a resolution.



## Summary and Discussion of Financial Results

A summary of the General Fund Balance sheet and changes in fund balances is presented in Tables 3 and 4. Table 5 which follows shows revenues and expenditures for the past five years and the budget for 2024-25. The budget for 2024-25, as adopted June 17, 2024, projected revenues of \$47,943,665 and expenditures of \$47,943,665.

**TABLE 3**  
**SOUTH MIDDLETON SCHOOL DISTRICT**  
**SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEET**  
**(Years ending June 30)**

<b>ASSETS</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Cash and Cash Equivalents	\$6,348,179	\$5,237,749	\$5,120,483	\$3,036,138	\$2,298,985
Investments	3,206,506	3,428,050	4,364,970	8,070,012	11,146,558
Taxes Receivable	1,288,551	1,133,154	1,328,471	1,408,901	1,328,705
Due from other funds	90,429	13,969	9,595	877	0
Intergovernmental Receivables	0	1,508,878	1,597,832	1,332,258	1,721,843
State Revenue Receivable	1,129,817	0	0	0	0
Federal Revenue Receivable	302,595	0	0	0	0
Other Receivables	19,866	222,833	505,114	243,082	370,518
Prepaid Expenses (Expenditures)	0	0	0	8,282	8,246
Inventories	20,592	0	0	0	0
<b>TOTAL ASSETS</b>	<b>\$12,406,535</b>	<b>\$11,544,633</b>	<b>\$12,926,465</b>	<b>\$14,099,550</b>	<b>\$16,874,855</b>
<b>LIABILITIES</b>					
Due to Other Funds	\$0	\$0	\$0	\$87,812	\$0
Due to Other Governments	92,872	579,762	254,529	220,042	276,258
Accounts Payable	63,866	529,600	366,447	368,841	694,517
Accrued Salaries & Benefits	3,299,079	830,583	3,609,403	3,673,457	4,014,270
Payroll Deducts & Withholdings	206,681	2,317,708	181,372	184,265	189,454
Unearned Revenues	0	0	328,730	83,909	277,954
Other Current Liabilities	0	0	0	0	0
<b>TOTAL LIABILITIES</b>	<b>\$3,662,498</b>	<b>\$4,257,653</b>	<b>\$4,740,481</b>	<b>\$4,618,326</b>	<b>\$5,452,453</b>
<i>Deferred Inflows of Resources</i>	\$196,194	\$293,692	\$482,401	\$285,329	\$265,902
<b>FUND EQUITIES</b>					
Nonspendable Fund Balance	\$0	\$0	\$2,095	\$8,282	\$8,246
Committed Fund Balance	5,750,000	5,750,000	5,750,000	4,986,576	3,000,000
Assigned Fund Balance	0	0	0	759,924	4,741,114
Unassigned Fund Balance	2,797,843	1,243,288	1,951,488	3,441,113	3,407,140
<b>TOTAL FUND EQUITIES</b>	<b>\$8,547,843</b>	<b>\$6,993,288</b>	<b>\$7,703,583</b>	<b>\$9,195,895</b>	<b>\$11,156,500</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITIES</b>	<b>\$12,406,535</b>	<b>\$11,544,633</b>	<b>\$12,926,465</b>	<b>\$14,099,550</b>	<b>\$16,874,855</b>

Source: School District Annual Financial Reports.

**TABLE 4**  
**SOUTH MIDDLETON SCHOOL DISTRICT GENERAL FUND**  
**CHANGES IN FUND BALANCE**

	<u>Actual</u>					<b>Budgeted</b>
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025<sup>(1)</sup></u>
<b>Beginning Fund Balance</b>	\$6,926,101	\$8,547,842	\$6,993,285	\$7,703,580	\$9,195,891	\$9,195,891
Revenues over (under)						
Expenditure	1,621,741	(1,554,556)	710,294	1,492,312	1,960,603	0
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Ending Fund Balance</b>	\$8,547,842	\$6,993,285	\$7,703,580	\$9,195,891	\$11,156,495	\$11,156,495

\* Totals may not add due to rounding.

<sup>(1)</sup> Budget, as adopted June 17, 2024.

#### Revenue

The School District received \$46,791,599 in revenue in 2023-24 and has budgeted revenue of \$47,943,665 in 2024-25. Local sources increased as a share of revenue in the past five years, from 71.1 percent in 2019-20 to 71.3 percent in 2023-24. Revenue from Commonwealth sources decreased as a share of the total from 28.2 percent to 26.1 percent over this period. Federal and other sources contributed an increasing share from 0.7 percent to 2.7 percent over this period.

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**TABLE 5**  
**SOUTH MIDDLETON SCHOOL DISTRICT**  
**SUMMARY OF SCHOOL DISTRICT GENERAL FUND**  
**REVENUES AND EXPENDITURES\***  
**(For years ending June 30)**

<b>REVENUE:</b>	<b>Actual</b>					<b>Budgeted</b>
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025<sup>(1)</sup></b>
<b>Local Sources:</b>						
Real Estate Taxes (Current)	\$19,746,540	\$20,682,332	\$21,529,275	\$22,677,653	\$24,031,675	\$25,482,588
Interim Real Estate Taxes	189,447	95,774	78,510	118,956	98,533	100,000
Payments in Lieu of Taxes	401,914	226,914	226,914	226,109	226,109	226,109
Total Act 511 Taxes	5,667,810	5,589,736	6,411,191	6,735,411	6,906,917	6,835,519
Public Utility Realty Tax	23,013	24,360	26,024	25,943	25,363	25,000
Delinquent Taxes	477,893	320,357	334,851	482,462	273,425	445,708
Earnings on Investments	184,870	51,701	47,770	531,365	940,299	967,779
Revenue From Student Activities	64,728	359	63,567	61,715	67,075	65,000
Federal IDEA Pass Through Revenue	345,701	351,394	427,886	373,676	396,451	416,274
Other Revenue from Intermediate Sources	0	0	0	0	0	0
Rentals	52,863	7,288	12,926	11,916	15,750	10,000
Contributions & Donations from Private Sources	24,500	12,500	5,000	0	0	0
Receipts from other LEAS in PA - Education	157,498	140,451	217,739	156,497	237,445	0
Refund of Prior Years' Expenditures	0	8,480	69,105	31,666	62,394	20,000
Tuition from Patrons	20,490	29,800	23,493	26,556	23,223	288,500
Other	22,102	27,515	25,042	33,179	41,180	0
<b>Total Local Sources</b>	<b>\$27,379,367</b>	<b>\$27,568,959</b>	<b>\$29,499,294</b>	<b>\$31,493,103</b>	<b>\$33,345,841</b>	<b>\$34,882,477</b>
<b>State Sources:</b>						
Instructional Subsidy	\$4,565,315	\$4,565,310	\$4,752,119	\$5,055,049	\$5,590,881	\$5,758,811
Tuition for Orphans and Children	20,877	75,902	0	0	45,233	0
Vocational Education	45,369	51,613	50,381	60,014	84,025	59,000
Special Education	1,192,886	1,043,660	1,215,438	1,144,422	1,190,996	1,226,703
Transportation	679,812	601,989	419,455	611,250	508,598	477,438
Rentals and Sinking Fund Payments	764,680	743,387	617,289	231,607	229,761	229,806
Health Services	47,055	47,122	35,547	48,168	48,078	48,000
State Property Tax Reduction Allocation	539,019	540,123	538,507	678,640	683,058	816,065
Ready to Learn Block Grant	208,431	208,431	208,431	208,431	208,431	208,431
Revenue for Social Security Payments	485,999	560,502	544,549	567,359	583,580	674,718
Revenue for Retirement Contributions	2,304,920	2,460,740	2,571,339	2,695,277	2,717,582	2,986,179
Safe Schools	0	0	0	0	242,630	166,868
Mental Health and Safety Grants	0	0	0	22,094	0	0
Other Sources	16,097	30,464	0	0	67,018	0
<b>Total State Sources</b>	<b>\$10,870,461</b>	<b>\$10,929,243</b>	<b>\$10,953,055</b>	<b>\$11,322,310</b>	<b>\$12,199,871</b>	<b>\$12,652,019</b>
<b>Federal Sources:</b>						
<b>Total Federal Sources</b>	<b>\$275,327</b>	<b>\$797,081</b>	<b>\$674,754</b>	<b>\$1,491,954</b>	<b>\$1,236,071</b>	<b>\$409,169</b>
<b>Other Sources:</b>						
<b>Total Other Sources</b>	<b>\$0</b>	<b>\$0</b>	<b>\$251,503</b>	<b>\$0</b>	<b>\$9,817</b>	<b>\$0</b>
<b>TOTAL REVENUE</b>	<b>\$38,525,155</b>	<b>\$39,295,283</b>	<b>\$41,378,606</b>	<b>\$44,307,367</b>	<b>\$46,791,599</b>	<b>\$47,943,665</b>
<b>EXPENDITURES:</b>						
Instruction	\$20,068,467	\$24,338,306	\$23,848,053	\$25,128,779	\$26,628,065	\$28,823,510
Pupil Personnel	1,537,365	1,392,659	1,396,486	1,553,154	1,579,392	1,726,553
Instructional Staff	2,099,000	2,199,289	2,070,348	1,743,896	1,719,755	2,240,048
Administration	2,499,253	2,659,110	2,862,763	2,680,873	2,572,368	2,816,981
Pupil Health	520,828	633,293	695,690	748,426	500,576	644,635
Business	659,160	679,460	702,934	709,618	765,622	824,942
Operation and Maintenance	2,743,246	2,865,799	3,038,905	3,369,321	3,630,632	3,947,462
Student Transportation	1,679,290	1,729,952	1,699,082	1,827,387	2,068,018	1,919,188
Central	31,319	18,847	23,812	204,744	209,663	240,561
Other Support Services	31,824	30,756	30,981	30,693	30,660	31,700
Operation of Noninstructional Services	841,262	750,006	882,857	965,499	1,038,053	1,091,310
Facilities, Acquisition, Construction & Improv.	0	0	0	0	415,944	40,000
Debt Service	3,325,011	3,302,362	2,816,400	2,277,404	2,652,212	2,640,808
Fund Transfers	867,389	250,000	600,000	1,575,261	1,020,036	955,967
Budgetary Reserve	0	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$36,903,414</b>	<b>\$40,849,839</b>	<b>\$40,668,311</b>	<b>\$42,815,055</b>	<b>\$44,830,995</b>	<b>\$47,943,665</b>
<b>SURPLUS (DEFICIT) OF REVENUES</b>						
<b>OVER EXPENDITURES</b>	<b>\$1,621,741</b>	<b>(\$1,554,556)</b>	<b>\$710,295</b>	<b>\$1,492,312</b>	<b>\$1,960,603</b>	<b>\$0</b>

\* Totals may not add due to rounding.

<sup>(1)</sup> Budget, as adopted June 17, 2024.

Source: School District Annual Financial Reports and Budget.

## Tax Levy Trends

Table 6 shows trend of tax rates levied by the School District. Table 7 shows the comparative trend of real property tax rates for the School District, Cumberland County and the municipalities within the School District.

**TABLE 6**  
**SOUTH MIDDLETON SCHOOL DISTRICT**  
**TAX RATES**

	<b>Real Estate</b>	<b>Wage &amp;</b>	<b>Real Estate</b>	<b>Local</b>
	<b>(mills)</b>	<b>Income</b>	<b>Transfer</b>	<b>Services</b>
		<b>(%)</b>	<b>(%)</b>	<b>Tax</b>
				<b>(\$)</b>
2020-21	11.0966	1.1	0.5	5.00
2021-22	11.4292	1.1	0.5	5.00
2022-23	11.8177	1.1	0.5	5.00
2023-24	12.3022	1.1	0.5	5.00
2024-25	12.9542	1.1	0.5	5.00

Source: Department of Community and Economic Development- Municipal Statistics

**TABLE 7**  
**SOUTH MIDDLETON SCHOOL DISTRICT**  
**COMPARATIVE REAL PROPERTY TAX RATES**  
**(Mills on Assessed Value)**

	<b><u>2020-21</u></b>	<b><u>2021-22</u></b>	<b><u>2022-23</u></b>	<b><u>2023-24</u></b>	<b><u>2024-25</u></b>
<b><i>School District</i></b>	11.0966	11.4292	11.8177	12.3022	12.9542
	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
South Middleton Township	0.6000	0.6000	0.9000	1.2000	1.2000
<b><i>Cumberland County</i></b>	2.3610	2.3610	2.3610	2.524*	2.625

\* Changed from 2.195 on February 14, 2024

Source: Department of Community and Economic Development- Municipal Statistics

## Real Property Tax

The real property tax (excluding delinquent collections) produced \$24,913,168 in 2024-25, approximately 53.2 percent of revenues. The real property tax is levied on July 1 of each year. The tax bills are dated July 1 and taxpayers who remit within 60 days receive a 2 percent discount, and those who remit subsequent to 120 days after July 1 are assessed a 10 percent penalty. Beginning in 2007-08 fiscal year, eligible taxpayers could opt into the installment method of payment for their school taxes. Installment payments are based upon three (3) one-third payments of the base tax amount. The due date for installment payments is August 31, September 30, and October 31.

The last countywide reassessment in Cumberland County was in 2010 which became effective in fiscal year 2011-12.

TABLE 8

**SOUTH MIDDLETON SCHOOL DISTRICT  
REAL PROPERTY ASSESSMENT DATA**

<b>Year</b>	<b>Market Value</b>	<b>Assessed Value</b>	<b>Ratio</b>
2019-20	\$1,674,116,853	\$1,926,419,500	115.07%
2020-21	1,734,719,082	1,952,380,300	112.55%
2021-22	1,754,143,807	1,973,297,700	112.49%
2022-23	1,844,582,420	2,005,369,200	108.72%
2023-24	1,959,920,710	2,036,155,400	103.89%

Source: Pennsylvania State Tax Equalization Board.

TABLE 9

**SOUTH MIDDLETON SCHOOL DISTRICT  
REAL PROPERTY ASSESSMENT DATA BY MUNICIPALITY**

	<b>2022</b>	<b>2022</b>	<b>2023</b>	<b>2023</b>
	<b>Market Value</b>	<b>Assessed Value</b>	<b>Market Value</b>	<b>Assessed Value</b>
South Middleton School District	\$1,844,582,420	\$2,005,369,200	\$1,959,920,710	\$2,036,155,400
<b>Cumberland County</b>	<b>\$24,473,043,093</b>	<b>\$25,900,669,200</b>	<b>\$25,836,988,017</b>	<b>\$26,299,945,000</b>

Source: Pennsylvania State Tax Equalization Board.

TABLE 10

**SOUTH MIDDLETON SCHOOL DISTRICT  
ASSESSMENT BY LAND USE**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Residential	\$1,185,030,800	\$1,200,554,800	\$1,219,704,300	\$1,250,698,800	\$1,284,727,800
Trailers	18,132,100	18,186,800	18,306,600	18,162,900	18,359,800
Seasonal	301,200	301,200	301,200	301,200	301,200
Lots	16,516,300	20,360,900	17,308,200	16,058,600	13,385,100
Industrial	29,720,600	29,720,600	29,720,600	29,740,700	29,740,700
Commercial	586,853,100	592,367,800	594,332,200	596,350,000	596,041,500
Agriculture	83,452,500	83,730,400	86,630,300	87,082,600	86,029,300
Land	6,412,900	7,157,800	6,994,300	6,974,400	7,570,000
<b>Total</b>	<b>\$1,926,419,500</b>	<b>\$1,952,380,300</b>	<b>\$1,973,297,700</b>	<b>\$2,005,369,200</b>	<b>\$2,036,155,400</b>

Source: Pennsylvania State Tax Equalization Board.

TABLE 11

**SOUTH MIDDLETON SCHOOL DISTRICT  
REAL PROPERTY TAX COLLECTION DATA**

<b>Year</b>	<b>Total Flat Billing</b>	<b>Current Year Collections (July-June)</b>	<b>Current Year Collections as Percent of Total Adjusted Flat Billing</b>	<b>Total Current Plus Delinquent Collections</b>	<b>Total Collections as Percent of Total Adjusted Flat Billing</b>
2021-22	\$22,145,743	\$21,529,275	97.22%	\$21,529,275	97.22%
2022-23	22,148,210	21,020,050	95.67%	23,160,115	97.70%
2023-24	23,947,920	23,570,073	98.42%	23,628,642	98.67%
2023-24	23,947,920	23,570,073	98.42%	23,628,642	98.67%
2024-25	26,066,040	24,913,168	95.58%	24,922,567	95.61%

Source: School District Officials.

The ten largest real property taxpayers, together with 2024-25 assessed values, are shown on Table 12. The aggregate assessed value of these ten taxpayers totals approximately 13.5 percent of total assessed value.

TABLE 12

**SOUTH MIDDLETON SCHOOL DISTRICT  
TEN LARGEST REAL PROPERTY TAXPAYERS**

<b>Owner</b>	<b>2024-25 Assessed Value</b>
Allen Distribution	\$53,968,100
Prologis-Macquarie Penn Trust	39,200,400
Liberty Property LP	38,654,400
US Industrial Reit II	33,075,300
Summerbridge At Rockledge II LP	24,560,000
LIT Industrial LP	21,667,000
Harvest B Carlisle LLC	21,300,000
ARG CCCARPA001 LLC	16,197,300
Goodman Carlisle LLC	14,250,000
Vitro Flat Glass LLC	12,000,000
<b>Total</b>	<b>\$274,872,500</b>

Source: School District officials.

## DEBT AND DEBT LIMITS

### Debt Statement

Table 13 shows the debt of the South Middleton School District as of May 5, 2025 including the issuance of the Bonds.

**TABLE 13**  
**SOUTH MIDDLETON SCHOOL DISTRICT**  
**DEBT STATEMENT\***  
**(As of May 5, 2025)**

	<b>Gross Outstanding</b>
<b>NONELECTORAL DEBT</b>	
General Obligation Bonds, Series of 2023 (last maturity 2043)	\$9,990,000
General Obligation Bonds, Series of 2021 (last maturity 2039)	9,175,000
General Obligation Bonds, Series of 2020 (last maturity 2034)	8,110,000
General Obligation Bonds, Series of 2019 (last maturity 2034)	8,240,000
<b><i>TOTAL NONELECTORAL DEBT</i></b>	<b><i>\$35,515,000</i></b>
 <b>LEASE RENTAL DEBT</b>	 \$0
 <b><i>TOTAL PRINCIPAL OF DIRECT DEBT</i></b>	 <b><i>\$35,515,000</i></b>

\*Includes the estimated Bonds offered through this Preliminary Official Statement.

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## Debt Limit and Remaining Borrowing Capacity

The statutory borrowing limit of the School District under the Act is computed as a percentage of the School District's "Borrowing Base". The "Borrowing Base" is defined as the annual arithmetic average of a "Total Revenues" (as defined by the Act), for the three full fiscal years ended next preceding the date of incurring debt. The School District calculates its present borrowing base and borrowing capacity as follows:

Total Revenues for 2021-22.....	\$40,084,701
Total Revenues for 2022-23.....	42,967,239
Total Revenues for 2023-24.....	<u>45,702,230</u>
Total Revenues, Past Three Years.....	<u>\$128,754,171</u>
Annual Arithmetic Average (Borrowing Base).....	<u>\$42,918,057</u>

Under the Act as presently in effect, no school district shall incur any nonelectoral debt or lease rental debt, if the aggregate net principal amount of such new debt together with any other net nonelectoral debt and lease rental debt then outstanding, would cause the net nonelectoral debt plus net lease rental debt to exceed 225% of the Borrowing Base. The application of the aforesaid percentage to the School District's Borrowing Base produces the following product:

	<b><u>Legal Limit</u></b>	<b><u>Net Debt Outstanding*</u></b>	<b><u>Remaining Borrowing Capacity</u></b>
Net Nonelectoral Debt and Lease Rental Debt Limit: 225% of Borrowing Base.....	\$96,565,628	\$35,515,000	\$61,050,628

\*Includes the estimated Bonds described herein, includes the School District Obligation; does not reflect credits against gross indebtedness that may be claimed for a portion of principal of debt estimated to be reimbursed by Commonwealth Aid.

## Future Financing

The School District is contemplating issuing additional long term (non-refunding) debt of approximately \$10 million within the next 2-3 years.

## CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements 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 Certificate (the "Continuing Disclosure Certificate") substantially in the form attached hereto as Appendix G.

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 Certificate (not all of which will be relevant to the School District). The School District may from time to time choose to file notice of other events, on a voluntary basis, in addition to those specified in the Continuing Disclosure Certificate.

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

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



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

<b>Fiscal</b>	<b>Filing</b>	<b>Filing Date:</b>	
<b>Year</b>	<b>Due Date</b>	<b>Audit</b>	<b>Operating Data/Budget</b>
<b><u>Ending</u></b>			
6/30/2024	3/27/2025	12/11/2024	12/11/2024
6/30/2023	3/26/2024	12/05/2023	12/05/2023
6/30/2022	3/27/2023	12/01/2022	12/01/2022
6/30/2021	12/27/2021	12/20/2021	12/21/2021 & 12/20/2021
6/30/2020	12/27/2020	12/21/2020	12/21/2020

The School District has reasonable procedures in place designed to ensure ongoing timely filings of its material continuing disclosure requirements.

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**APPENDIX D**

**WEST PERRY SCHOOL DISTRICT  
Perry County, Pennsylvania**

**Descriptive, Financial and Economic Information**

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## THE SCHOOL DISTRICT

### Introduction

The School District is in Perry County, in Central Pennsylvania, approximately 30 miles northwest of Harrisburg, the Capital of Pennsylvania. The School District covers 326 square miles and includes the boroughs of Blain, Bloomfield and Landisburg and the Townships of Carroll, Centre, Jackson, Northeast Madison, Southwest Madison, Spring, Saville, Toboyne and Tyrone. The School District is largely agrarian, however, the School District's proximity to the Harrisburg metropolitan area provides employment for many people living in the School District.

### Administration

The present West Perry School District became effective July 1, 1964 by changing the jointure type organization to a single operative unit with a nine-member board of school directors (the "School Board"). The Superintendent is the chief administrative officer of the School District, with overall responsibility for all aspects of operations, including education and finance. The Business Manager is responsible for budget and financial operations. The School Board appoints both officials.

### School Facilities

The School District presently operates three elementary schools, a middle school, a senior high school and a secondary school, all as described on the following table. Students in 10, 11 and 12 may attend the Cumberland-Perry Area Vocational Technical School for additional Vo-tech training.

**TABLE 1**  
**WEST PERRY SCHOOL DISTRICT FACILITIES**

<b>Building</b>	<b>Original Construction Date</b>	<b>Addition/ Renovation Date(s)</b>	<b>Grades</b>	<b>Rated Pupil Capacity</b>	<b>2024-25 Enrollment</b>
<b><i>Elementary School</i></b>					
New Bloomfield Elementary .....	1967	2002	K-5	600	374
Blain Elementary .....	1938	1958/1992	K-5	525	241
Carroll Elementary.....	1958	1986/1990	K-5	675	330
<b><i>Secondary School</i></b>					
West Perry Middle .....	1953	1986/2002	6-8	720	499
West Perry High .....	1953	1991	9-12	1,150	645

Source: School District Officials

### Enrollment Trends

Table 2 presents recent trends in school enrollment and projections of enrollment for the next 5 years, as prepared by School District officials.

**TABLE 2**  
**WEST PERRY SCHOOL DISTRICT ENROLLMENT TRENDS**

<b>Actual Enrollments</b>				<b>Projected Enrollments</b>			
<b>School Year</b>	<b>Elementary K-5</b>	<b>Secondary 6-12</b>	<b>Total</b>	<b>School Year</b>	<b>Elementary K-5</b>	<b>Secondary 6-12</b>	<b>Total</b>
2020-21	925	1,241	2,166	2025-26	924	1,111	2,035
2021-22	947	1,213	2,160	2026-27	931	1,106	2,037
2022-23	932	1,198	2,130	2027-28	914	1,109	2,023
2023-24	944	1,164	2,108	2028-29	905	1,105	2,010
2024-25	905	1,144	2,049	2029-30	894	1,040	1,934

Source: School District Officials.

## **SCHOOL DISTRICT FINANCES**

### **Introduction**

The School District budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education. An annual operating budget is prepared by the Superintendent and Business Manager and submitted to the School Board for approval prior to the beginning of the fiscal year which begins on July 1.

### **Financial Reporting**

The School District keeps its books and prepares its financial reports according to a modified accrual basis of accounting. Major accrual items are payroll, taxes and pension fund contributions payable, receivables 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 Greenawalt & Company, P.C. of Carlisle, Pennsylvania serves as 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 included as an appendix to this Preliminary Official Statement, any procedure on the financial statement addressed in the report. Such auditor also has not performed any procedures relating to this Preliminary Official Statement.

### **Budgeting Process as modified by 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. An annual operating budget is prepared by school district administrative officials on a uniform form furnished by such Department and submitted to the board of school directors for approval prior to the beginning of the fiscal year on July 1.

Procedures for Adoption of the Annual Budget. Under Pennsylvania Act No. 1 of the Special Session of 2006, as amended by Act 25 of 2011 (the "Taxpayer Relief Act" or "Act 1"), all school districts of the first class A, second class, third class and fourth class (except as described below) must adopt a preliminary budget proposal (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the election immediately preceding the fiscal year. The preliminary budget proposal 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 public notice of its intent to adopt the final budget.

If the adopted preliminary budget includes an increase in the rate of any tax levy, the preliminary budget must be submitted to the Pennsylvania Department of Education (PDE) no later than 85 days prior to the date of the election immediately preceding the fiscal year. PDE is to compare the proposed percentage increase in the rate of any tax with the school district's Index (see "The Taxpayer Relief Act" herein) and within 10 days, but not later than 75 days prior to the upcoming election, inform the school district whether the proposed percentage increase is less than or equal to the Index. If PDE determines that a proposed tax increase will exceed the Index, the school district must reduce the proposed tax increase, seek voter approval for the tax increase at the upcoming election, or seek approval to utilize one 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" 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 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 only that the proposed annual budget be prepared at least 30 days, and made available for public inspection at least 20 days, prior to its adoption, and that at least ten (10) days' public notice be given of the board's intent to adopt the annual budget. No referendum exceptions are available to a school district adopting such a resolution.

## Summary and Discussion of Financial Results

A summary of the General Fund Balance sheet and changes in fund balances is presented in Tables 3 and 4. Table 5 shows revenues and expenditures for the past five years and the 2024-25 budget. The budget for 2024-25 as adopted June 10, 2024 projected revenues of \$49,730,821 and expenditures of \$51,698,454.

**TABLE 3**  
**WEST PERRY SCHOOL DISTRICT**  
**SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEET**  
**(Years ending June 30)**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>ASSETS</b>					
Cash and Cash Equivalents.....	\$6,727,466	\$11,397,671	\$11,434,735	\$15,205,011	\$9,360,225
Investments.....	4,499,735	685,128	736,457	0	2,729,985
Taxes Receivable.....	3,130,822	2,933,195	1,807,980	1,969,881	2,075,500
Interfund Receivable.....	0	0	0	0	0
Intergovernmental Receivable .....	2,439,512	3,870,472	2,106,864	2,057,700	3,283,215
Prepaid Expenses.....	2,883,289	3,527,140	3,133,729	0	5,429,068
Other.....	6,340	21,671	0	4,222,732	66,900
<b>TOTAL ASSETS</b> .....	<u>\$19,687,164</u>	<u>\$22,435,277</u>	<u>\$19,219,765</u>	<u>\$23,455,324</u>	<u>\$22,944,893</u>
<b>LIABILITIES</b>					
Accounts Payable.....	\$768,576	\$1,219,125	\$1,058,959	\$476,709	\$84,976
Accrued Salaries and Benefits .....	1,774,201	2,401,179	2,537,466	5,392,849	2,629,983
Unearned Revenues.....	0	0	0	33,648	54,948
Deferred Revenues.....	1,842,025	1,788,483	724,100	787,464	834,173
Due to Other Funds.....	650,850	1,580,925	121,071	156,477	1,340
Other Current Liabilities.....	0	0	0	0	0
<b>TOTAL LIABILITIES</b> .....	<u>\$5,035,652</u>	<u>\$6,989,712</u>	<u>\$4,441,596</u>	<u>\$6,847,147</u>	<u>\$3,605,420</u>
<b>FUND EQUITIES</b>					
Nonspendable Fund Balance.....	\$2,883,289	\$3,527,140	\$3,133,729	\$4,222,732	\$5,429,068
Committed Fund Balance .....	6,545,027	6,545,027	6,545,027	6,545,027	5,545,027
Unassigned Fund Balance.....	5,223,196	5,373,398	2,769,413	3,510,418	5,500,000
Assigned Fund Balance .....	0	0	2,330,000	2,330,000	2,865,378
<b>TOTAL FUND EQUITIES</b> .....	<u>\$14,651,512</u>	<u>\$15,445,565</u>	<u>\$14,778,169</u>	<u>\$16,608,177</u>	<u>\$19,339,473</u>
<b>TOTAL LIABILITIES AND FUND EQUITIES</b> .....	<u>\$19,687,164</u>	<u>\$22,435,277</u>	<u>\$19,219,765</u>	<u>\$23,455,324</u>	<u>\$22,944,893</u>

Source: School District Annual Financial Reports.

**TABLE 4**  
**WEST PERRY SCHOOL DISTRICT GENERAL FUND**  
**SUMMARY OF CHANGES IN FUND BALANCE\***  
**Years Ending June 30**

	<u>2020</u>	<u>2021</u>	<u>Actual</u> <u>2022<sup>(2)</sup></u>	<u>2023</u>	<u>2024</u>	<u>Budget</u> <u>2025<sup>(1)</sup></u>
<b>Beginning Fund Balance</b>	\$15,563,090	\$14,651,513	\$15,493,796	\$14,778,169	\$16,608,177	\$19,339,473
Revenues over (under) Expenditure	(911,576)	794,054	(715,627)	1,830,008	2,731,296	(1,967,633)
<b>Ending Fund Balance</b>	<u>\$14,651,513</u>	<u>\$15,445,567</u>	<u>\$14,778,169</u>	<u>\$16,608,177</u>	<u>\$19,339,473</u>	<u>\$17,371,840</u>

\*Totals may not add due to rounding.

<sup>(1)</sup>Budget as adopted June 10, 2024.

<sup>(2)</sup> Restatement

Source: School District Annual Financial Reports and Budget.

## Revenue

The School District collected \$51,941,734 in revenue in 2023-24 and has budgeted for \$49,730,821 in 2024-25. Local sources increased as a share of revenue in the past five years, from 53.7 percent in 2019-20 to 54.0 percent in 2023-24. Revenue from State sources decreased as a share of the total from 44.7 percent to 39.4 percent over this period. Federal and other sources increased as a share of revenue in the past five years, from 1.7 percent in 2019-20 to 6.5 percent in 2023-24.

**TABLE 5**  
**WEST PERRY SCHOOL DISTRICT**  
**SUMMARY OF SCHOOL DISTRICT GENERAL FUND**  
**REVENUES\***  
**(For years ending June 30)**

REVENUE:	Actual					Budget
	2020	2021	2022	2023	2024	2025 <sup>(1)</sup>
<b>Local Sources:</b>						
Real Estate Taxes .....	\$14,832,129	\$15,501,345	\$16,413,662	\$17,115,161	\$17,692,698	\$18,074,725
Interim Real Estate Taxes.....	91,156	23,402	103,216	47,610	49,564	50,000
Public Utility Realty Tax .....	18,284	20,010	21,236	21,553	20,970	20,500
Payments in Lieu of Current Taxes/State & Local...	86,471	86,471	86,471	86,471	86,500	86,000
Per Capita (Sec. 679) Taxes.....	54,094	53,710	53,047	53,153	52,177	53,505
Total Act 511 Taxes .....	5,289,206	5,467,972	5,928,865	6,377,805	6,561,824	5,353,505
Delinquency on Taxes Levied .....	1,106,850	1,148,967	1,060,426	1,019,214	979,832	1,039,000
Earnings from Investments .....	243,470	69,178	62,079	494,542	798,046	600,075
Revenue from Student Activities .....	30,341	13,695	40,955	54,392	59,497	54,000
State Rev. Rec'd from Other PA Public Schools .....	108,378	181,122	140,709	0	203,291	0
Federal IDEA Pass through Revenue.....	393,461	372,358	456,228	376,838	401,115	512,000
Rentals .....	13,056	7,000	9,900	12,100	7,663	10,000
Contributions & Donations from Private Sources....	0	0	0	4,085	3,059	3,000
Tuition.....	2,860	0	20,409	17,521	0	400,000
Receipts from Other LEAS in PA-Education.....	11,905	0	621	162,266	595,661	0
Refunds of Prior Years' Expenditures .....	51,745	82,532	30,490	554	198,308	330,200
Other Sources .....	16,768	9,945	91,207	50,737	359,509	0
<b>Total Local Sources.....</b>	<b>\$22,350,172</b>	<b>\$23,037,708</b>	<b>\$24,519,521</b>	<b>\$25,894,002</b>	<b>\$28,069,716</b>	<b>\$26,586,510</b>
<b>State Sources:</b>						
Basic Instructional Subsidy .....	\$8,926,142	\$8,926,136	\$9,179,180	\$9,553,988	\$10,202,056	\$10,547,794
Tuition for Orphans & Children in Private Homes ..	54,866	61,355	47,809	37,192	33,672	40,000
Vocational Education .....	83,135	112,829	85,560	289,399	159,614	85,600
Special Education .....	1,872,608	1,872,557	1,963,725	2,081,558	2,166,549	2,227,243
Pre-K Counts .....	385,000	385,000	320,833	504,167	382,160	440,000
Transportation .....	1,978,456	2,715,513	2,163,777	2,181,809	2,054,238	2,181,000
Rentals and Sinking Fund Payments.....	712,656	554,252	0	0	0	0
Health Services.....	43,336	40,582	42,262	37,700	37,300	41,000
State Property Tax Reduction Allocation.....	739,927	738,792	739,878	930,868	929,765	1,119,796
Ready to Learn Block Grants .....	394,553	394,553	394,553	394,553	394,553	394,553
Extra Grants .....	18,500	13,335	10,031	12,934	280,065	237,000
Revenue for Social Security .....	508,253	648,569	617,475	634,350	661,438	617,000
Revenue for Retirement.....	2,890,802	2,604,529	3,375,736	3,149,394	3,166,270	3,263,000
Other Sources .....	0	0	0	0	12,615	0
<b>Total State Sources.....</b>	<b>\$18,608,235</b>	<b>\$19,068,003</b>	<b>\$18,940,819</b>	<b>\$19,807,913</b>	<b>\$20,480,294</b>	<b>\$21,193,986</b>
<b>Federal Sources:</b>						
<b>Total Federal Sources .....</b>	<b>\$700,788</b>	<b>\$1,683,021</b>	<b>\$2,290,306</b>	<b>\$1,481,939</b>	<b>\$3,114,695</b>	<b>\$1,950,325</b>
<b>Other Sources:</b>						
<b>Total Other Sources.....</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$277,029</b>	<b>\$0</b>
<b>TOTAL REVENUE.....</b>	<b>\$41,659,195</b>	<b>\$43,788,733</b>	<b>\$45,750,647</b>	<b>\$47,183,854</b>	<b>\$51,941,734</b>	<b>\$49,730,821</b>

\*Totals may not add due to rounding.

<sup>(1)</sup>Budget, as adopted June 10, 2024.

Source: School District Annual Financial Reports and Budget.



**TABLE 5**  
**(cont.)**  
**WEST PERRY SCHOOL DISTRICT**  
**SUMMARY OF SCHOOL DISTRICT GENERAL FUND**  
**EXPENDITURES\***  
**(For years ending June 30)**

	<b>Actual</b>					<b>Budget</b>
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025<sup>(1)</sup></b>
<b>EXPENDITURES:</b>						
Instruction .....	\$24,037,188	\$26,516,308	\$29,428,407	\$28,903,087	\$29,207,355	\$32,027,950
Pupil Personnel.....	1,422,630	1,488,710	1,911,645	1,522,363	1,634,809	1,933,010
Instructional Staff.....	830,079	806,558	793,935	812,328	745,576	720,832
Administration.....	2,625,139	2,691,808	2,975,576	2,987,554	3,235,823	2,901,131
Pupil Health.....	447,093	517,206	571,700	517,087	536,521	618,228
Business .....	717,395	688,178	758,396	756,828	795,322	836,704
Operation and Maintenance.....	3,363,659	3,258,430	3,644,386	3,634,540	3,365,248	4,305,321
Student Transportation .....	2,944,010	2,853,006	3,066,553	3,043,629	3,146,952	2,967,477
Central .....	437,049	487,260	622,066	625,231	766,164	769,518
Other Support Services.....	21,957	21,649	21,498	21,220	21,154	22,000
Operation of Noninstructional Services.....	381,787	364,658	442,869	504,823	523,526	584,057
Facilities, Acquisition, Construction.....	0	0	0	0	3,173,427	2,002,343
Debt Service .....	7,742	7,608	2,008,174	2,025,157	2,058,560	2,009,883
Refund of Prior Year Receipts.....	0	0	221,068	0	0	0
Fund Transfers.....	5,335,044	3,293,299		0	0	0
<b>TOTAL EXPENDITURES.....</b>	<b>\$42,570,771</b>	<b>\$42,994,678</b>	<b>\$46,466,273</b>	<b>\$45,353,847</b>	<b>\$49,210,438</b>	<b>\$51,698,454</b>
<b>SURPLUS (DEFICIT) OF</b>						
<b>REVENUES OVER EXPENDITURES.....</b>	<b>(\$911,576)</b>	<b>\$794,054</b>	<b>(\$715,627)</b>	<b>\$1,830,008</b>	<b>\$2,731,296</b>	<b>(\$1,967,633)</b>

\*Totals may not add due to rounding.

<sup>(1)</sup>Budget, as adopted June 10, 2024.

Source: School District Annual Financial Reports and Budget.

### Tax Levy Trends

Table 6 which follows shows the recent trend of tax rates levied by the School District. Table 7 shows the comparative trend of real property tax rates for the School District, the boroughs, the townships, and the County.

**TABLE 6**  
**WEST PERRY SCHOOL DISTRICT**  
**TAX RATES**

	<b>Real Estate</b>	<b>Real Estate</b>	<b>Per</b>	<b>Earned</b>
	<b>(mills)</b>	<b>Transfer</b>	<b>Capita(1)</b>	<b>Income Tax</b>
	<b>(mills)</b>	<b>(%)</b>	<b>(\$)</b>	<b>(%)</b>
2020-21 .....	13.2200	0.5	10.00	1.2
2021-22 .....	13.7400	0.5	10.00	1.2
2022-23 .....	14.3500	0.5	10.00	1.2
2023-24 .....	14.5653	0.5	10.00	1.2
2024-25 .....	14.7474	0.5	10.00	1.2

<sup>(1)</sup>\$5.00 under Act 511 and \$5.00 under the School Code.

Source: Department of Community and Economic Development- Municipal Statistics

**TABLE 7**  
**WEST PERRY SCHOOL DISTRICT**  
**COMPARATIVE REAL PROPERTY TAX RATES**  
**(Mills on Assessed Value)**

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<i>School District.....</i>	13.2200	13.7400	14.3500	14.5653	14.7474
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Blain Borough.....	0.5000	0.5000	0.5000	0.5000	0.5000
Bloomfield Borough.....	2.8622	2.8622	2.8622	2.8622	4.3622
Carroll Township.....	0.0349	0.0349	0.0349	0.0349	0.0349
Centre Township.....	1.0200	1.0200	1.0200	1.0200	1.0200
Jackson Township.....	0.2740	0.2740	0.2740	0.2740	0.2740
Landisburg Borough.....	0.0000	0.0000	0.0000	0.0000	0.0000
Northeast Madison Township.....	0.2075	0.2075	0.2075	0.2075	0.2075
Saville Township.....	0.1595	0.1595	0.1595	0.1595	0.1595
Southwest Madison Township.....	0.2717	0.2717	0.2717	0.2717	0.2717
Spring Township.....	0.7319	0.7319	0.7319	0.7319	0.7319
Toboyne Township (portion).....	0.1724	0.1724	0.1724	0.1724	0.1724
Tyrone Township.....	0.9300	0.9300	0.9300	0.9300	0.9300
Perry County.....	4.5625	4.5625	4.5625	4.5625	5.000

Source: Department of Community and Economic Development- Municipal Statistics

### Real Property Tax

The real property tax (excluding delinquent collections) produced \$17,849,733 in 2023-24, approximately 37.8 percent of revenues. The School District fiscal year is from July 1 through June 30 and tax bills are issued on July 1 of each year. Taxpayers who remit within 60 days receive a 2 percent discount, and those who remit subsequent to 120 days after July 1 are assessed a 10 percent penalty.

The following tables summarize recent trends of assessed and market valuations of real property and real property tax collection data. The last county-wide assessment in Perry County became effective in January 2011.

**TABLE 8**  
**WEST PERRY SCHOOL DISTRICT**  
**REAL PROPERTY ASSESSMENT DATA**

<u>Year</u>	<u>Market</u> <u>Value</u>	<u>Assessed</u> <u>Value</u>	<u>Ratio</u>
2019-20 .....	\$1,161,732,870	\$1,293,836,920	111.37%
2020-21 .....	1,199,285,187	1,305,102,920	108.82%
2021-22 .....	1,210,176,483	1,315,291,620	108.69%
2022-23 .....	1,295,491,206	1,333,016,720	102.90%
2023-24 .....	1,380,573,912	1,344,239,720	97.37%
Compound Average Annual Percentage Change	3.51%	0.77%	

Source: PA State Tax Equalization Board (STEB) / Tax Equalization Board (TED).

**TABLE 9**  
**WEST PERRY SCHOOL DISTRICT**  
**REAL PROPERTY ASSESSMENT DATA BY MUNICIPALITY**

	<b>2022</b>	<b>2022</b>	<b>2023</b>	<b>2023</b>
	<b>Market</b>	<b>Assessed</b>	<b>Market</b>	<b>Assessed</b>
	<b><u>Value</u></b>	<b><u>Value</u></b>	<b><u>Value</u></b>	<b><u>Value</u></b>
<i>School District</i> .....	\$1,295,491,206	\$1,333,016,720	\$1,380,573,912	\$1,344,239,720
Blain Borough.....	10,526,462	11,085,800	11,280,147	10,898,100
Bloomfield Borough .....	60,188,055	62,947,000	64,535,325	62,966,400
Carroll Township.....	344,397,669	373,360,300	365,515,560	376,534,200
Centre Township.....	174,064,741	181,161,700	186,477,150	184,345,200
Jackson Township.....	46,108,418	46,624,620	49,237,601	47,126,020
Landisbug Borough .....	8,101,871	9,898,000	8,533,643	9,958,500
Northeast Madison Township....	63,211,146	65,594,100	68,738,122	66,608,100
Saville Township .....	180,111,581	184,259,600	192,096,318	184,996,200
Southwest Madison Township....	76,087,236	72,178,300	81,335,363	73,554,900
Spring Township.....	174,413,383	166,285,200	185,178,946	167,418,200
Toboyne Township (portion) .....	34,103,473	37,859,400	36,176,535	38,017,800
Tyrone Township.....	124,177,171	121,762,700	131,469,202	121,816,100
Perry County .....	3,018,744,764	3,048,656,220	3,246,529,857	3,079,005,420

Source: PA State Tax Equalization Board (STEB) / Tax Equalization Board (TED).

**TABLE 10**  
**WEST PERRY SCHOOL DISTRICT**  
**ASSESSMENT BY LAND USE**

	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Residential .....	\$699,728,500	\$705,586,500	\$709,772,100	\$722,033,500	\$726,972,900
Trailers.....	66,400,300	66,145,300	65,913,000	67,040,600	67,487,800
Seasonal.....	28,740,800	28,663,500	28,427,600	28,397,200	27,976,400
Lots .....	22,318,320	21,322,820	20,492,220	18,454,120	18,101,520
Industrial.....	4,163,100	4,163,100	4,163,100	4,163,100	4,633,500
Commercial .....	68,894,500	69,125,200	69,722,700	70,879,200	72,165,200
Agriculture.....	387,206,900	394,545,900	401,894,400	407,193,500	412,003,600
Land.....	16,384,500	15,550,600	14,906,500	14,855,500	14,898,800
<b>Total</b> .....	<b><u>\$1,293,836,920</u></b>	<b><u>\$1,305,102,920</u></b>	<b><u>\$1,315,291,620</u></b>	<b><u>\$1,333,016,720</u></b>	<b><u>\$1,344,239,720</u></b>

Source: PA State Tax Equalization Board (STEB) / Tax Equalization Board (TED).

**TABLE 11**  
**WEST PERRY SCHOOL DISTRICT**  
**REAL PROPERTY TAX COLLECTION DATA**

<b>Year</b>	<b>Adjusted Levy<sup>(1)</sup></b>	<b>Current Collections (July-June)</b>	<b>Current Year Collections as Percent of Levy</b>	<b>Total Current Plus Delinquent Collections<sup>(2)</sup></b>	<b>Total Collections as Percent of Total Adjusted Taxes Levied</b>
2019-20.....	\$16,581,837	\$14,956,510	90.20%	\$16,003,267	96.51%
2020-21.....	17,421,564	15,491,251	88.92%	16,714,870	95.94%
2021-22.....	18,292,155	16,413,662	89.73%	16,413,662	89.73%
2022-23.....	19,223,118	17,115,161	89.30%	18,171,929	94.50%
2023-24.....	19,579,255	17,849,733	91.17%	18,823,565	96.14%

<sup>(1)</sup>Includes penalties, less discounts and exonerations.

<sup>(2)</sup>Includes delinquent realty taxes only.

Source: School District officials.

The ten largest real property taxpayers, together with 2024-25 assessed values, are shown on Table 12. The aggregate assessed value of these ten taxpayers totals approximately 1.5 percent of the total assessed value of the School District.

**TABLE 12**  
**WEST PERRY SCHOOL DISTRICT**  
**TEN LARGEST REAL PROPERTY TAXPAYERS, 2024-25**

<b>Owner</b>	<b>2024-25 Assessed Value</b>
213 E MAIN STREET PROPCO LLC	\$3,587,000
BRUNNER, BRETT L & BRIAN L TRU	2,490,600
D & C REALTY	2,149,800
KARNS, D SCOTT & RUTH I RUDDER	2,045,400
TUSCARORA REAL ESTATE LLC	1,883,700
ORCHARD HILL MANAGEMENT LLC	1,730,900
PARADISE STREAM ENTERPRISES, L	1,679,200
HICKORY LANE FARM, LLC	1,411,400
BRUNNER, BRETT L & BRIAN L TRU	1,380,700
BOLZE, JEFFREY L & AMY P	1,300,000
<b>Total</b>	<b>\$19,690,700</b>

Source: School District officials.

## DEBT AND DEBT LIMITS

### Debt Statement

Table 13 which follows shows the debt of the School District as of May 5, 2025 including the issuance of the Bonds.

**TABLE 13**  
**WEST PERRY SCHOOL DISTRICT**  
**DEBT STATEMENT\***  
**(As of May 5, 2025)**

	<b>Gross Outstanding</b>
<b>NONELECTORAL DEBT</b>	
General Obligation Bonds, Series of 2019 (last maturity 2032) .....	\$6,835,000
General Obligation Bonds, Series of 2018 (last maturity 2032) .....	7,165,000
<b>TOTAL NONELECTORAL DEBT</b> .....	<b>\$14,000,000</b>
<b>LEASE RENTAL DEBT</b>	
<b>TOTAL LEASE RENTAL DEBT</b> .....	<b>\$0</b>
<b>TOTAL PRINCIPAL OF DIRECT DEBT</b> .....	<b>\$14,000,000</b>

### Debt Limit and Remaining Borrowing Capacity

The statutory borrowing limit of the School District under the Act is computed as a percentage of the School District's "Borrowing Base". The "Borrowing Base" is defined as the annual arithmetic average of "Total Revenues" (as defined by the Act), for the three full fiscal years ended next preceding the date of incurring debt. The School District calculates its present borrowing base and borrowing capacity as follows:

Total Revenues for 2021-22.....	\$ 44,121,748
Total Revenues for 2022-23.....	46,412,463
Total Revenues for 2023-24.....	49,198,333
Total Revenues, Past Three Years.....	<u>\$139,732,545</u>
Annual Arithmetic Average (Borrowing Base) .....	<u>\$104,799,409</u>

Under the Act as presently in effect, no school district shall incur any nonelectoral debt or lease rental debt, if the aggregate net principal amount of such new debt together with any other net nonelectoral debt and lease rental debt then outstanding, would cause the net nonelectoral debt plus net lease rental debt to exceed 225% of the Borrowing Base. The application of the aforesaid percentage to the School District's Borrowing Base produces the following product:

	<b><u>Legal Limit</u></b>	<b><u>Net Debt Outstanding*</u></b>	<b><u>Remaining Borrowing Capacity</u></b>
Net Nonelectoral Debt and Lease Rental Debt Limit:			
225% of Borrowing Base.....	\$104,799,409	\$14,000,000	\$90,799,409

\*Includes the estimated Bonds described herein. Does not reflect credits against gross indebtedness that may be claimed for a portion of principal of debt estimated to be reimbursed by Commonwealth Aid.

### Future Financing

The School District does not anticipate issuing additional long-term debt within the next 1-3 years.

## CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements 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 Certificate (the "Continuing Disclosure Certificate") substantially in the form attached hereto as Appendix G.

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 Certificate (not all of which will be relevant to the School District). The School District may from time to time choose to file notice of other events, on a voluntary basis, in addition to those specified in the Continuing Disclosure Certificate.

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

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

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

<b>Fiscal Year</b>	<b>Filing</b>	<b>Filing Date:</b>	
<b><u>Ending</u></b>	<b><u>Due Date</u></b>	<b><u>Audit</u></b>	<b><u>Operating Data/Budget</u></b>
6/30/2024	3/27/2025	3/05/2025	12/16/2024 & 12/13/2024
6/30/2023	3/26/2024	3/07/2024	3/07/2024
6/30/2022	3/27/2023	8/21/2023 <sup>(1)</sup>	8/23/2023 & 5/30/2024 <sup>(2)</sup>
6/30/2021	12/27/2021	12/21/2021	11/30/2021
6/30/2020	12/27/2020	1/14/2021 <sup>(3)</sup>	12/17/2020

<sup>(1)</sup>The School District filed a Failure to Timely File Notice to EMMA on 12/20/2022.

<sup>(2)</sup>The School District failed to timely file its budget, but subsequently filed to EMMA, along with a Failure to Timely File Notice.

<sup>(3)</sup>The School District filed its unaudited audit, as an interim filing, along with a Failure to Timely File Notice to EMMA on 12/22/2020.

The School District has reasonable procedures in place designed to ensure ongoing timely filings of its material continuing disclosure requirements.

**APPENDIX E**

**CUMBERLAND, PERRY, ADAMS AND YORK COUNTIES, PENNSYLVANIA**

**Descriptive, Financial and Economic Information**

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## Population

Table A-1 which follows shows recent population trends for Cumberland, Perry, Adams, and York Counties and the Commonwealth of Pennsylvania. The School District's population increased between 2010-2020. Table A-2 shows 2020 age composition in Cumberland, Perry and York Counties and for the State.

**TABLE A-1**

### RECENT POPULATION TRENDS

	<b>2010</b>	<b>2020</b>	<b>Compound Average Annual Percentage Change 2010-2020</b>
Cumberland County .....	235,406	259,469	2.46%
Perry County .....	45,969	45,842	-0.07%
York County .....	434,972	456,438	1.21%
Adams County .....	101,407	103,852	0.48%
Pennsylvania .....	12,702,379	13,002,700	0.59%

Source: U.S. Census Bureau, 2010 Census and U.S. Census Bureau, 2020

**TABLE A-2**

### AGE COMPOSITION

	<b>0-17 Years</b>	<b>18-64 Years</b>	<b>65+ Years</b>
Cumberland County .....	20.3%	61.3%	18.5%
Perry County .....	21.0%	59.7%	19.3%
York County .....	22.1%	60.5%	17.4%
Adams County .....	24.8%	56.0%	19.2%
Pennsylvania .....	20.7%	60.9%	18.3%

Source: U.S. Census Bureau, 2020

The larger employers located within Cumberland County for Quarter 3, 2024 are as follows:

<b>Employer</b>
Federal Government
Amazon.com Services Inc.
Giant Food Stores LLC
State Government
Select Employment Services Inc.
Excel Inc
Wal-Mart Associates Inc.
Holy Spirit Hospital
Cumberland Valley School District
UPMC Pinnacle Hospitals

Source: Quarterly Census of Employment and Wages

The larger employers located within Perry County for Quarter 3, 2024 are as follows:

<b>Employer</b>
H E Rohrer Inc
State Government
West Perry School District
Perry County Commissioners
Karns Prime and Fancy Food Ltd
Newport School District
Harrisburg Home Health Holdings LLC
Susquenita School District
Greenwood School District
Giant Food Stores LLC
Source: Quarterly Census of Employment and Wages

The larger employers located within Adams County for Quarter 3, 2024 are as follows:

<b>Employer</b>
Gettysburg College
The Gettysburg Hospital
Federal Government
Knouse Foods Cooperative Inc
Packaging Corporation of America
WellSpan Medical Group
Farm Fresh Turkey Products LLC
Utz Quality Foods LLC
Pella Corporation
Adams County
Source: Quarterly Census of Employment and Wages

The larger employers located within York County for Quarter 3, 2024 are as follows:

<b>Employer</b>
York Hospital
Federal Government
WellSpan Health
Amazon.com Services LLC
WellSpan Medical Group
Wal-Mart Associates Inc
York County
Giant Food Stores LLC
BAE Systems Land & Armaments LP
Kinsley Construction LLC
Source: Quarterly Census of Employment and Wages

## Employment

Overall employment data are not compiled for the School District or municipalities, but such data are compiled for the Harrisburg-Cumberland-Perry Metropolitan Statistical Area (“MSA”) . Table A-3 shows the Nonfarm Jobs for the MSA for March 2023.

**TABLE A-3**  
**HARRISBURG-CARLISLE METROPOLITAN STATISTICAL AREA**  
**(Cumberland, Dauphin, and Perry counties)**  
**NONFARM JOBS**

<i>ESTABLISHMENT DATA</i>	Industry Employment				Net Change From:	
	Nov 2024	Oct 2024	Sep 2024	Nov 2023	Oct 2024	Nov 2023
<b>Total Nonfarm</b>	372,500	370,100	369,200	365,600	2,400	6,900
<b>Total Private</b>	312,900	310,800	310,000	307,000	2,100	5,900
<b>Goods Producing</b>	35,300	35,500	35,600	34,800	-200	500
<b>Mining, Logging, and Construction</b>	13,200	13,400	13,400	12,600	-200	600
<b>Manufacturing</b>	22,100	22,100	22,200	22,200	0	-100
Durable Goods	10,300	10,300	10,400	10,300	0	0
Non-Durable Goods	11,800	11,800	11,800	11,900	0	-100
Food mfg.	6,600	6,500	6,600	6,600	100	0
<b>Service-Producing</b>	337,200	334,600	333,600	330,800	2,600	6,400
<b>Private Service-Providing</b>	277,600	275,300	274,400	272,200	2,300	5,400
<b>Trade, Transportation, and Utilities</b>	82,600	79,800	78,900	81,300	2,800	1,300
Wholesale Trade	13,000	13,000	12,900	12,900	0	100
Retail Trade	32,000	31,100	30,700	31,900	900	100
General merchandise stores	5,800	5,600	5,400	5,800	200	0
Transportation, Warehousing, and Utilities	37,600	35,700	35,300	36,500	1,900	1,100
Transportation and Warehousing	37,100	35,200	34,900	36,100	1,900	1,000
Truck Transportation	7,800	7,800	7,700	7,800	0	0
Warehousing and Storage	17,500	16,900	16,700	17,300	600	200
<b>Information</b>	3,300	3,300	3,400	3,500	0	-200
<b>Financial Activities</b>	21,100	21,100	21,000	20,700	0	400
Finance and Insurance	17,500	17,400	17,400	17,300	100	200
<b>Professional and Business Services</b>	50,900	51,200	51,100	50,400	-300	500
Professional and Technical Services	21,300	21,400	21,300	20,300	-100	1,000
Management of Companies and Enterprises	10,400	10,400	10,500	10,200	0	200
Administrative and Waste Services	19,200	19,400	19,300	19,900	-200	-700
<b>Education and Health Services</b>	72,800	72,500	72,100	70,100	300	2,700
Educational Services	9,900	10,000	9,700	9,500	-100	400
Health Care and Social Assistance	62,900	62,500	62,400	60,600	400	2,300
Hospitals	20,400	20,300	20,200	19,600	100	800
<b>Leisure and Hospitality</b>	31,400	31,900	32,600	30,500	-500	900
Accommodation and Food Services	24,300	24,500	24,800	23,800	-200	500
Food Services and Drinking Places	20,100	20,300	20,500	19,900	-200	200
<b>Other Services</b>	15,500	15,500	15,300	15,700	0	-200
<b>Government</b>	59,600	59,300	59,200	58,600	300	1,000
Federal Government	7,500	7,600	7,600	7,500	-100	0
State Government	30,700	30,400	30,300	30,300	300	400
Local Government	21,400	21,300	21,300	20,800	100	600
Local Government Educational Services	14,600	14,500	14,400	14,200	100	400
Local Government Excluding Educational Services	6,800	6,800	6,900	6,600	0	200
Data benchmarked to March 2023	***Data changes of 100 may be due to rounding***					

Source: Pennsylvania State Employment Service.

## Employment

Overall employment data are not compiled for the School District or municipalities, but such data are compiled for the York-Hanover Metropolitan Statistical Area ("MSA") . Table A-3 shows the Nonfarm Jobs for the MSA for March 2023.

**TABLE A-3**  
**YORK-HANOVER METROPOLITAN STATISTICAL AREA**  
(York County)  
**NONFARM JOBS**

	Industry Employment				Net Change From:	
<u>ESTABLISHMENT DATA</u>	<u>Nov 2024</u>	<u>Oct 2024</u>	<u>Sep 2024</u>	<u>Nov 2023</u>	<u>Oct 2024</u>	<u>Nov 2023</u>
<b>TOTAL NONFARM</b>	196,300	195,900	195,300	196,100	400	200
<b>TOTAL PRIVATE</b>	176,900	176,500	176,000	176,500	400	400
<b>GOODS-PRODUCING</b>	45,800	46,100	46,100	45,400	-300	400
Mining, Logging, and Construction	12,400	12,800	12,800	12,300	-400	100
Manufacturing	33,400	33,300	33,300	33,100	100	300
<b>SERVICE-PROVIDING</b>	150,500	149,800	149,200	150,700	700	-200
<b>PRIVATE SERVICE-PROVIDING</b>	131,100	130,400	129,900	131,100	700	0
Trade, Transportation, and Utilities	44,800	43,800	43,200	43,900	1,000	900
Wholesale Trade	7,000	7,000	6,900	7,100	0	-100
Retail Trade	21,000	20,600	20,300	20,600	400	400
Grocery and convenience retailers	4,100	4,000	4,000	4,100	100	0
General merchandise retailers	4,900	4,700	4,500	4,700	200	200
Transportation, Warehousing, and Utilities	16,800	16,200	16,000	16,200	600	600
Information	1,000	1,000	1,000	1,000	0	0
Financial Activities	6,200	6,200	6,200	6,100	0	100
Professional and Business Services	22,700	22,800	22,700	24,100	-100	-1,400
Education and Health Services	30,700	30,600	30,600	30,500	100	200
Health care and social assistance	28,800	28,600	28,500	27,800	200	1,000
Leisure and Hospitality	15,900	16,100	16,400	15,500	-200	400
Other Services	9,800	9,900	9,800	10,000	-100	-200
<b>Government</b>	19,400	19,400	19,300	19,600	0	-200
Federal Government	4,300	4,300	4,300	4,300	0	0
State Government	1,100	1,100	1,100	1,100	0	0
Local Government	14,000	14,000	13,900	14,200	0	-200
Data benchmarked to March 2023	***Data changes of 100 may be due to rounding***					

Source: Pennsylvania Department of Labor & Industry - Center for Workforce & Information Analysis website.

Table A-4 shows recent trends in labor force, employment, and unemployment for Cumberland, Perry, Adams and York County and the Commonwealth.

**TABLE A-4**  
**RECENT TRENDS IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024<sup>(1)</sup></u>	<b>Compound Average Annual % Rate</b>
<b><u>Cumberland County</u></b>						
Civilian Labor Force (000)	130.7	131.6	139.6	137.5	138.2	0.83%
Employment (000)	121.9	124.8	133.6	134.6	134.3	0.93%
Unemployment (000)	8.7	6.8	3.3	3.0	3.9	-2.82%
Unemployment Rate	6.70%	5.20%	2.40%	2.20%	2.80%	
<b><u>Perry County</u></b>						
Civilian Labor Force (000)	24.4	24	24.9	25.2	25	0.40%
Employment (000)	22.8	22.9	24.1	24.5	24.3	0.59%
Unemployment (000)	1.6	1.1	0.8	0.6	0.8	-2.33%
Unemployment Rate	6.70%	4.50%	3.20%	2.40%	3.00%	
<b><u>Adams County</u></b>						
Civilian Labor Force (000)	54.8	54.7	54.7	55.0	53.8	-0.37%
Employment (000)	51.1	52.4	53.0	53.6	52.4	0.50%
Unemployment (000)	3.7	2.3	1.7	1.4	1.4	-17.66%
Unemployment Rate	6.70%	4.10%	3.10%	2.60%	2.50%	
<b><u>York County</u></b>						
Civilian Labor Force (000)	242.30	230.90	237.90	240.50	236.3	-0.07%
Employment (000)	205.00	215.00	231.20	234.60	229.1	0.77%
Unemployment (000)	37.00	16.00	6.70	6.00	7.2	-14.55%
Unemployment Rate	15.00%	6.70%	2.80%	2.50%	3.1%	
<b><u>Pennsylvania</u></b>						
Civilian Labor Force (000)	6,388.0	6,319.0	6,452.0	6,485.0	6,426.0	-0.21%
Employment (000)	5,808.0	5,902.0	6,204.0	6,296.0	6,215.0	0.79%
Unemployment (000)	580.0	417.0	248.0	189.0	211.0	-15.44%
Unemployment Rate	9.10%	6.60%	3.80%	2.90%	3.30%	

<sup>(1)</sup>As of November 2024

Source: Pennsylvania Department of Labor and Industry, Center for Workforce Information and Analysis website.

## Income

The data on Table A-5 shows trends in per capita income for the Cumberland, Perry, Adams and York, and the Commonwealth over the 2010-2020 period.

**TABLE A-5  
TRENDS IN PER CAPITA INCOME\***

	<u>2010</u>	<u>2020</u>	<u>Percentage Change 2010-2020</u>
Cumberland County .....	30,119	38,153	2.39%
Perry County .....	23,701	33,473	3.51%
Adams .....	25,606	32,312	4.76%
York County .....	25,525	33,587	2.78%
Pennsylvania .....	26,678	35,518	2.90%

\*Income is defined by the Bureau of the Census as the sum of wage and salary income, non-farm self-employment income, net self-employment income, Social Security and Railroad retirement income, public assistance income, interest, dividends, pensions, etc. before deductions for personal income taxes, Social Security, etc. School District income is the population-weighted average for political subdivisions.

Source: U.S. Census Bureau, 2010 Census and 2020

## Commercial Activity

Table A-6 shows retail sales over a recent five-year period for the County and the State.

**TABLE A-6  
TOTAL RETAIL SALES  
(000)**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Cumberland County	\$6,834,413	\$7,706,265	\$7,430,486	\$7,847,375	\$8,512,426
Perry County	429,165	434,446	378,757	418,329	463,323
Adams County	1,109,693	1,153,612	1,203,580	1,271,950	1,404,259
York County	7,069,853	7,264,790	7,129,007	7,725,289	8,452,628
Pennsylvania	244,709,540	251,185,116	274,685,600	297,770,326	310,912,244

Source: The Nielson Company.

**APPENDIX F**

**FORM OF CO-BOND COUNSEL OPINION**

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\_\_\_\_\_, 2025

Re: \$[\_\_\_\_\_] School Lease Revenue Bonds (Cumberland Perry Area Career and Technical Center Project), Series of 2025

To The Purchasers of the Within-Described Bonds:

We have served as co-bond counsel in connection with the issuance by the State Public School Building Authority (the “Authority”), a body corporate and politic created by and existing under the State Public School Building Authority Act, approved by the General Assembly of the Commonwealth of Pennsylvania (the “Commonwealth”) on July 5, 1947, P.L. 1217, as amended (the “Act”), in connection with the issuance and sale of its School Lease Revenue Bonds (Cumberland Perry Area Career and Technical Center Project), Series of 2025 (the “Bonds”), in the aggregate principal amount of \$[\_\_\_\_\_] , being issued under the provisions of the Act, and pursuant to a Trust Indenture, dated as of May \_\_\_, 2025 (the “Indenture”) from the Authority to Manufacturers and Traders Trust Company, as trustee (the “Trustee”).

The Bonds are being issued to (i) undertake a project consisting of the financing of additions, improvements, and renovations to the existing educational facilities of Cumberland-Perry Area Vocational-Technical School d/b/a Cumberland Perry Area Career and Technical Center (“CPCTC”), as more particularly described in the Indenture; and (ii) pay related costs and expenses, including the costs of issuance of the Bonds.

The proceeds of the Bonds are being provided by the Authority to CPCTC and Big Spring School District, Camp Hill School District, Cumberland Valley School District, East Pennsboro Area School District, Greenwood School District, Mechanicsburg Area School District, Newport School District, Northern York County School District, South Middleton School District, Susquenita School District, Upper Adams School District, West Perry School District and West Shore School District, which are located in Adams, Cumberland, Perry and York Counties, Pennsylvania (collectively, the “Participating School Districts”), pursuant to a (i) Lease Agreement, dated as of May \_\_\_, 2025, between the Authority and the Area Vocational-Technical Board of CPCTC (the “Joint Board”) and the Participating School Districts (the “Lease Agreement”), and (ii) Sublease Agreement, dated as of May \_\_\_, 2025, between the Authority and the Area Vocational-Technical Board of CPCTC (the “Joint Board”) and the Participating School Districts (the “Sublease Agreement”), pursuant to which Greenwood School District, Newport School District, South Middleton School District, and West Perry School District covenant to make sublease rental payments to the Authority in the amounts and on the dates required for the payment of principal of and interest on the Bonds. Big Spring School District, Camp Hill School District, Cumberland Valley School District, East Pennsboro Area School District, Mechanicsburg Area School District, Northern York County School District, Susquenita School District, West Shore School District, and Upper Adams School District are each providing a cash contribution to the Trustee of the Bonds for the benefit of the CPCTC to finance their respective portion of the Capital Project. Under the Indenture, the Authority has pledged and assigned to the Trustee as security for the payment of the Bonds all revenues of the Authority derived from, and all right, title and interest of the Authority in and to, the Sublease Agreement and the Bonds (except certain rights to indemnification and to the payment of the Authority’s fees and expenses thereunder).

As the basis for this opinion we have examined such matters of law and such documents, certifications, instruments, and records as we deemed necessary to enable us to render the opinion set forth below, including the Act, applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder or made applicable with respect thereto (collectively, the “Code”), and original counterparts or certified copies of the resolution of the Authority adopted on March 28, 2024 (the “Resolution”) authorizing issuance of the Bonds, the Indenture, the Lease Agreement, the Sublease Agreement, the certificates of certain Authority officials having responsibility for issuing the Bonds given pursuant to the Code, certifications by CPCTC as to certain matters under the Code, opinions as to various matters delivered by the Authority’s counsel and counsel to CPCTC, and the other documents, certifications, instruments, and records listed in a closing document index with respect to the Bonds. We have also examined the fully executed and authenticated Bonds or a true copy thereof. In rendering this opinion, we have relied on the opinions and certifications referred to above as to all matters of fact and law set forth therein, and on the genuineness, truthfulness, and completeness of all documentation examined as referred to above.

Based on the foregoing and the other qualifications and limitations set forth herein, we are of the opinion that:

1. The Authority is validly existing under the Act, and at all relevant times had and has full power and authority thereunder to adopt the Resolution, to execute the Indenture, the Lease Agreement, and the Sublease Agreement, to perform its obligations thereunder, and to issue the Bonds.

2. The Indenture, the Lease Agreement, and the Sublease Agreement have been duly authorized, executed, and delivered by the Authority, and the obligations of the Authority thereunder are valid and binding and enforceable in accordance with the respective terms thereof, except as enforcement may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws or legal or equitable principles affecting the enforcement of creditors’ rights (“Creditors’ Rights Limitations”).

3. The Bonds have been duly authorized, executed, and issued by the Authority, and are valid and binding special, limited obligations of the Authority, payable solely from the sources described in the Indenture, and enforceable in accordance with their terms, except as enforcement may be affected by Creditors’ Rights Limitations, and the Bonds are entitled to the benefit and security of the Indenture and the Sublease Agreement to the extent provided therein.

4. Under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax; however, under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof, any profits, gains or income derived from the sale, exchange or other disposition of the Bonds will be subject to Commonwealth of Pennsylvania taxes and local taxes within the Commonwealth of Pennsylvania.

5. Under existing statutes, regulations, rulings, and court decisions, interest on the Bonds will not be includible in the gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the Authority and CPCTC, respectively, with the requirements of the Code. Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals.

In rendering this opinion, we have assumed compliance by the Authority and CPCTC, respectively, with the covenants and representations contained in the Tax Certificate, dated as of the date hereof, between the Authority and CPCTC, the Indenture, the Lease Agreement, and the Sublease Agreement, respectively, relating to actions to be taken by the Authority and CPCTC, respectively, after the issuance of the Bonds necessary to effect or maintain the exclusion from gross income of the interest on the Bonds for federal income tax purposes. These covenants and representations relate to, inter alia, the use of and investment of proceeds of the Bonds and rebate to the United States Department of Treasury of specified arbitrage earnings, if required. Failure to comply with such covenants could result in the interest on the Bonds becoming includible in gross income for federal income tax purposes from the date of issuance of the Bonds.

We call your attention to the fact that the Bonds are special, limited obligations of the Authority, and neither the faith nor credit of the Commonwealth of Pennsylvania or of any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Authority has no taxing power.

We express no opinion as to any matter not set forth in the numbered paragraphs herein. This opinion is rendered on the basis of federal law and the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof. This opinion is given as of the date hereof and we assume no obligation to supplement this opinion to reflect changes in the law that may hereafter occur or changes in facts or circumstances that may hereafter come to our attention.

Very truly yours,

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**APPENDIX G**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

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## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the CUMBERLAND-PERRY AREA VOCATIONAL TECHNICAL SCHOOL d/b/a CUMBERLAND PERRY AREA CAREER AND TECHICAL CENTER (“CPCTC”) and GREENWOOD SCHOOL DISTRICT, NEWPORT SCHOOL DISTRICT, SOUTH MIDDLETON SCHOOL DISTRICT, and WEST PERRY SCHOOL DISTRICT (collectively, the “Participating School Districts”), in connection with the issuance of the School Lease Revenue Bonds (Cumberland Perry Area Career and Technical Center Project), Series of 2025, dated May \_\_, 2025 (the “Bonds”) of the State Public School Building Authority (the “Authority”). The Bonds are being issued pursuant to a Resolution duly adopted by CPCTC and Participating School Districts (collectively, the “Resolution”). CPCTC and Participating School Districts make the following certifications and representations as an inducement to the Participating Underwriter and others to purchase the Bonds:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by CPCTC and Participating School Districts for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

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 CPCTC pursuant to, and as described in, Section 3 of this Disclosure Certificate.

“Bondholder” shall mean any registered owner of the Bonds or any person who (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Bonds (including persons holding through any nominee, securities depository or other intermediary) or (ii) is treated as the holder of any Bonds for federal income tax purposes.

“Business Day” shall mean a day other than a Saturday, a Sunday, or a day on which the New York Stock Exchange is closed or a day on which banks located in the Commonwealth are authorized or required by law or executive order to be closed.

“Commonwealth” shall mean the Commonwealth of Pennsylvania.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access System at <http://emma.msrb.org>.

“Financial Obligation” shall mean (i) a debt obligation; (ii) a 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 either (i) or (ii) above. 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.

“JOC” shall mean the Joint Operating Committee of the Joint Board.

“Joint Board” shall mean the Area Vocational-Technical Board of CPCTC.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board. *As of the date of this Disclosure Certificate, the rules of the MSRB require all filings described herein shall be made using EMMA.*

“Obligated Person” shall mean, for purposes of this Disclosure Certificate, collectively, CPCTC and the Participating School Districts.

“Official Statement” shall mean the final official statement relating to the Bonds prepared by or on behalf of the Authority and distributed in connection with the offering and sale of the Bonds by the Participating Underwriters.

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

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

“SEC” shall mean the United States Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports. CPCTC and each of the Participating School Districts will file with the MSRB, respectively:

(a) *Financial Information of CPCTC.* Annually, within 270 days following the close of each of CPCTC’s fiscal years, beginning with its fiscal year ending June 30, 2025, the following financial information and operating information for CPCTC:

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

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

(b) *Financial Information of the Participating School Districts.*

Annually, within 270 days following the close of each of the Participating School District’s fiscal years, beginning with the fiscal year ending June 30, 2025, the following financial information and operating information for each of the Participating School Districts:

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



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

(c) *Audited Financial Statements.* If not submitted as part of the annual financial information of CPCTC or each of the Participating School Districts in accordance with subparagraphs (a) and (b) above, then when and if available, financial statements of CPCTC or each of the Participating School Districts for the most recent fiscal year audited in accordance with generally accepted auditing standards.

Each Annual Report may be submitted as a single document or as separate documents comprising a package. Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of CPCTC or the Participating School Districts which have been filed with MSRB or with the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. CPCTC or the Participating Districts, as applicable, shall clearly identify each other document so incorporated by reference.

SECTION 4. Notices of Late Filing of Annual Information. If CPCTC or Participating School Districts have failed to file, or are unable to file, an Annual Report with the MSRB within the time set forth in Section 3 above, CPCTC and the Participating School Districts, as applicable, will file, in a timely manner, a notice with the MSRB stating such fact and, if appropriate, the date by which the Joint Board or the Participating School District expects to file the applicable Annual Report.

SECTION 5. Reporting of Significant Events. In a timely manner not in excess of ten (10) Business Days after the occurrence of the event, CPCTC or the Participating School Districts will file with the MSRB notice of the occurrence of any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment 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-exempt status of the Bonds;
- (vii) modifications to rights of holders of the Bonds, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of CPCTC or the Participating School Districts;

- (xiii) the consummation of a merger, consolidation, or acquisition involving CPCTC or the Participating School Districts or the sale of all or substantially all of the assets of CPCTC or the Participating School Districts, 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 the change of name of a trustee, if material;
- (xv) incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

(Note: The events listed above are those specified in the Rule, not all of which may be relevant to the Bonds.)

CPCTC or the Participating School Districts may from time to time choose to provide notice of the occurrence of certain other events affecting the Bonds, CPCTC or the Participating School Districts, in addition to those listed above, if, in the judgment of CPCTC or the Participating School Districts, such other event is material with respect to the Bonds, but CPCTC or the Participating School Districts do not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

SECTION 6. Dissemination Agent. CPCTC and Participating School Districts may, at any time and from time to time, appoint or engage another person (the “Dissemination Agent”) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge such Dissemination Agent, with or without appointing a successor, and without notice to Bondholders.

SECTION 7. Manner of Filing. All filings to be made with the MSRB in accordance with this Disclosure Certificate are to be filed in such electronic format as is prescribed by the MSRB and accompanied by such identifying information as is prescribed by the MSRB. As of the date of this Disclosure Certificate, the rules of the MSRB require all such filings to be made using EMMA.

SECTION 8. Termination of Disclosure Obligation. CPCTC and Participating School Districts’ obligations under this Disclosure Certificate shall terminate upon the prior redemption, defeasance or payment in full of all of the Bonds or if and when CPCTC and Participating School Districts no longer remain an “obligated person” with respect to the Bonds, within the meaning of the Rule.

SECTION 9. Amendment. CPCTC and Participating School Districts reserve the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate as the result of a change in legal requirements or change in the nature of CPCTC and Participating School Districts; provided that

CPCTC and Participating School Districts agrees that any such modification will be done in a manner consistent with the Rule.

SECTION 10. Default. In the event of a failure of CPCTC and Participating School Districts 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 CPCTC and Participating School Districts to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of CPCTC and Participating School Districts to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of CPCTC and Participating School Districts, the Participating Underwriters and Bondholders, and shall create no rights in any other person or entity.

SECTION 12. No Liability of Authority. The Authority is not a signatory to and has no responsibility, liability or obligation under this Disclosure Certificate. The CPCTC and the Participating School Districts shall hold harmless the Authority and its members, officials, employees and agents with respect to any claim, costs or expenses, including attorneys' fees and expenses, arising or asserted under this Disclosure Certificate.

IN WITNESS WHEREOF, CPCTC causes this Continuing Disclosure Certificate to be executed in its name and in its behalf by an authorized officer of the JOC on behalf of its Area Vocational-Technical Board, all as of the day and year first above written.

CUMBERLAND PERRY AREA CAREER AND  
TECHNICAL CENTER

By: \_\_\_\_\_  
(Vice) President

IN WITNESS WHEREOF, the undersigned causes this Continuing Disclosure Certificate to be executed on its behalf by the President or Vice President, all as of the date first above written.

GREENWOOD SCHOOL DISTRICT,  
Dauphin County, Pennsylvania

By: \_\_\_\_\_  
(Vice) President of the Board of School Directors

IN WITNESS WHEREOF, the undersigned causes this Continuing Disclosure Certificate to be executed on its behalf by the President or Vice President, all as of the date first above written.

NEWPORT SCHOOL DISTRICT,  
Dauphin County, Pennsylvania

By: \_\_\_\_\_  
(Vice) President of the Board of School Directors

IN WITNESS WHEREOF, the undersigned causes this Continuing Disclosure Certificate to be executed on its behalf by the President or Vice President, all as of the date first above written.

SOUTH MIDDLETON SCHOOL DISTRICT,  
Dauphin County, Pennsylvania

By: \_\_\_\_\_  
(Vice) President of the Board of School Directors

IN WITNESS WHEREOF, the undersigned causes this Continuing Disclosure Certificate to be executed on its behalf by the President or Vice President, all as of the date first above written.

WEST PERRY SCHOOL DISTRICT,  
Dauphin County, Pennsylvania

By: \_\_\_\_\_  
(Vice) President of the Board of School Directors



**APPENDIX H**

**AUDITED FINANCIAL STATEMENTS OF CUMBERLAND PERRY AREA CAREER AND TECHNICAL CENTER  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

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Joint Operating Committee  
Cumberland Perry Area Career & Technical Center  
Mechanicsburg, Pennsylvania

This letter is to inform the Joint Operating Committee of Cumberland Perry Area Career & Technical Center (CPACTC) about significant matters related to the conduct of our audit as of and for the year ended June 30, 2024, so that it can appropriately discharge its oversight responsibility, and we comply with our professional responsibilities.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

#### **Our Responsibilities With Regard to the Financial Statement Audit**

Our responsibility under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States have been described to you in our engagement letter dated June 20, 2024. The audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

#### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication regarding the planned scope and timing of our audit and identified significant risks.

#### **Significant Accounting Practices, Including Policies, Estimates and Disclosures**

The following identifies the qualitative aspects of significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures which you may wish to monitor as part of your oversight responsibilities of the financial reporting process:

##### *Preferability of Accounting Policies and Practices*

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

## **Significant Accounting Practices, Including Policies, Estimates and Disclosures (Continued)**

### *Adoption of, or Change in, Accounting Policies*

The Joint Operating Committee and management have the ultimate responsibility for the appropriateness of the accounting policies used by the CPACTC. The significant accounting policies used by the CPACTC are described in Note 1 to the financial statements.

The application of existing policies has not changed during the year. We did not discuss with management any alternative treatments within accounting principles generally accepted in the United States of America for accounting policies and practices related to material items during the current audit period.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgments. The process used by management encompasses its knowledge and experience about past and current events and certain assumptions about future events. Management has informed us that it used all relevant facts available to it at the time to make the best judgments about accounting estimates, and we considered this information in the scope of our audit.

Estimates significant to the financial statements include:

- Net pension liability and related deferred outflows and inflows of resources
- Other post-employment benefit liabilities and related deferred outflows and inflows of resources
- Accrued health insurance costs

Management's estimate of these items is based on current and historical information available to management and, in some instances, involved actuarial calculations. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the CPACTC's financial statements relate to:

- Cash and cash equivalents and investments
- Capital and right-to-use assets
- Long-term liabilities
- Risk management
- Defined benefit pension plan
- Other post-employment benefits
- Support from member districts

The financial statement disclosures are objective, consistent and clear.

## **Significant Accounting Practices, Including Policies, Estimates and Disclosures (Continued)**

### *Required Supplementary Information*

With respect to required supplementary information accompanying the financial statements we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the required supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### *Significant or Unusual Transactions*

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### **Audit Adjustments**

There were audit adjustments made to the original trial balances that were presented to us to begin our audit. Additionally, adjustments were made for the conversion to full accrual financial reporting. None of these adjustments, in our judgment, either individually or in the aggregate, had significant effects on the CPACTC's monthly financial reporting process.

### **Uncorrected Misstatements**

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

### **Disagreements with Management**

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

### **Consultations with Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

### **Significant Issues Discussed with Management**

No significant issues arising from the audit were discussed with or were the subject of correspondence with management.

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

We did not encounter any difficulties in dealing with management during the audit.

### **Shared Responsibilities: Shared Responsibilities for Independence**

Independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with American Institute of Certified Public Accountants (AICPA) and *Government Accountability Office* (GAO) independence rules. For Boyer & Ritter LLC to fulfill its professional responsibility to maintain and monitor independence, it is essential that management, those charged with governance, and B&R each play an important role.

#### **Our Responsibilities**

- AICPA and GAO Rules require independence both of mind and in appearance when providing audit and other attestation services. Boyer & Ritter LLC is to ensure that the AICPA and GAO's General Requirements for performing non-attest services are adhered to and included in all letters of the engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

#### **The CPACTC's Responsibilities**

- Timely inform Boyer & Ritter LLC, before the effective date of transactions or other business changes, of the following:
  - New affiliates, directors, or officers.
  - Changes in the organizational structure or the reporting entity impacting affiliates such as partnerships, related entities, investments, joint ventures, component units, jointly governed organizations.
- Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the CPACTC and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with Boyer & Ritter LLC.
- Not entering into arrangements of nonaudit services resulting in Boyer & Ritter LLC being involved in making management decisions on behalf of the CPACTC.
- Not entering into relationships resulting in close family members of Boyer & Ritter LLC covered persons, temporarily or permanently acting as an officer, director, or person in an accounting, financial reporting, or compliance oversight role at the CPACTC.

### **Significant Written Communication Between Management and Our Firm**

We have requested certain representations from management that are included in the management representation letter dated October 28, 2024. Additionally, we have provided a letter that includes accounting, auditing, or operational comments and suggestions for management's consideration.

**Closing**

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to Cumberland Perry Area Career & Technical Center.

This report is intended solely for the information and use of the Joint Operating Committee and management of Cumberland Perry Area Career & Technical Center and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script, reading "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania  
October 28, 2024

To Management and the Joint Operating Committee  
Cumberland Perry Area Career & Technical Center  
Mechanicsburg, Pennsylvania

This letter includes comments and suggestions with respect to matters that came to our attention in connection with our audit of the financial statements of the Cumberland Perry Area Career & Technical Center (the CPACTC) as of and for the year ended June 30, 2024. These items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the CPACTC's practices and procedures.

### **Compensated Absences**

GASB Statement No. 101, *Compensated Absences*, replaces GASB Statement No. 16, *Accounting for Compensated Absences* and, is effective for the year ending June 30, 2025. The new guidance introduces three criteria for recording a liability in financial statements prepared under the full accrual basis of accounting: (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means (likelihood of more than 50 percent). GASB 101 identifies that certain compensated absences would not be recognized as a liability - examples include parental leave, military leave, jury duty, unlimited leave, and holiday leave. The new standard removes the current requirement to disclose both the gross additions and deductions to the liability and requires only the net change. The requirement to disclose which funds are typically used to liquidate compensated absence liabilities is removed. Governments should evaluate whether leave is more likely than not to be used or paid by assessing employment policies; historical information about use, payment or forfeiture of compensated absences; information about current and expected trends or patterns; and information about whether leave is or will become eligible for use or payment.

### **Financial Reporting Model Improvements**

GASB Statement No. 103, *Financial Reporting Model Improvements*, is effective for the year ending June 30, 2026. This new Statement addresses the following areas:

- **Management's Discussion and Analysis (MD&A)**: Modifications are identified to improve the analysis included in the MD&A and provide details about the items that should be described in the section. Detailed analysis should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. The Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information.



- Unusual or Infrequent Items: Unusual or infrequent items are transactions and other events that are either unusual in nature or infrequent in occurrence. Governments are to display inflows and outflows related to these items separately as the last presented flows of resources in the financial statements. Separate presentation of extraordinary and special items has been eliminated.
- Budgetary Comparison Information: Budgetary comparison information should be presented only in RSI and not as part of the basic financial statements. Variances between the original and final budgeted amounts and variances between the final budgeted and actual amounts should be displayed with explanations of significant variances to be presented in the notes to RSI.

This letter is intended solely for the information and use of management, the Joint Operating Committee and others within the CPACTC, and is not intended to be, and should not be, used by anyone other than these specified parties. We appreciate serving the Cumberland Perry Area Career & Technical Center and would be happy to assist you in addressing and implementing any of the suggestions in this letter.

A handwritten signature in cursive script, reading "Boyer & Ritter". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania  
October 28, 2024

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**CUMBERLAND PERRY AREA  
CAREER & TECHNICAL CENTER**

**FINANCIAL REPORT**

**JUNE 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

Joint Operating Committee  
Cumberland Perry Area Career & Technical Center  
Mechanicsburg, Pennsylvania

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities and each major fund of Cumberland Perry Area Career & Technical Center (CPACTC), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the CPACTC's basic financial statements as listed in the Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the CPACTC as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CPACTC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe 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, which raise substantial doubt about the CPACTC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CPACTC'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, which raise substantial doubt about the CPACTC'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 Management's Discussion and Analysis and the required supplementary information as listed in the Contents, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024, on our consideration of the CPACTC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CPACTC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering CPACTC's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Boyer & Ritten". The signature is written in a cursive, flowing style with a large, sweeping loop at the end.

Camp Hill, Pennsylvania  
October 28, 2024

## **CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Year Ended June 30, 2024**

The discussion and analysis of Cumberland Perry Area Career & Technical Center's (the CPACTC's) financial performance provides an overall review of the CPACTC's financial activities for the fiscal years ended June 30, 2024 and 2023. The intent of this discussion and analysis is to look at the CPACTC's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the CPACTC's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the 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. The comparative data shows the changes in net assets, total assets of the CPACTC and the expense functions of the governmental activities.

#### **Overview of the CPACTC**

Cumberland Perry Area CTC is a joint venture of thirteen public school districts in Cumberland, Perry, Adams and York Counties, Pennsylvania organized under the Public School Code of Pennsylvania. The CPACTC provides Career and Technical Education programs for high school students who are residents of the participating school districts and adults. Each school district is responsible for a share of the operating budget based on student enrollment using a formula described within the Articles of Agreement. The participating school districts include: Big Spring School District, Camp Hill School District, Cumberland Valley School District, East Pennsboro Area School District, Greenwood School District, Mechanicsburg Area School District, Newport School District, Northern York County School District, South Middleton School District, Susquenita School District, Upper Adams School District, West Perry School District and West Shore School District.

The Joint Operating Committee and each of the member districts voted to change the name of the school from Cumberland Perry Area Vocational Technical School to Cumberland Perry Area Career & Technical Center. This name change was approved by the Pennsylvania Department of Education in July 2021.

#### **Overview of the Financial Statements**

The financial statements consist of three required parts: Management's Discussion and Analysis, the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present the financial information of the CPACTC in different ways:

- The first two statements 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 CPACTC's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the CPACTC's operations in more detail than the government-wide statements. The governmental fund statements tell how the CPACTC's general services were financed in the short-term as well as what remains for future spending.

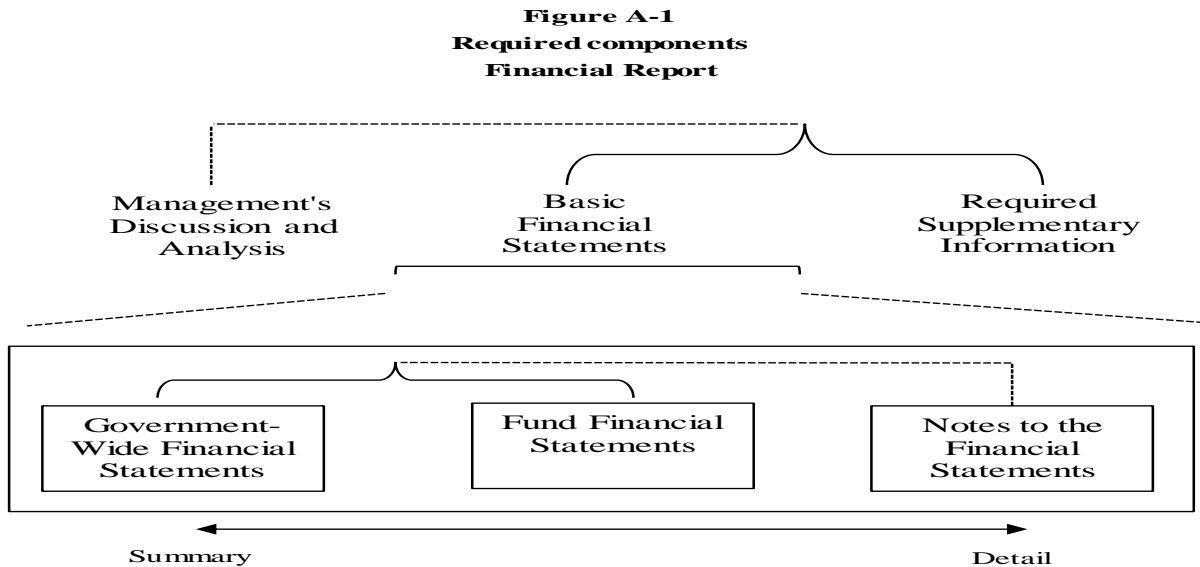
**CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended June 30, 2024**

**Overview of the Financial Statements (Continued)**

The basic financial statements also include notes that explain significant accounting policies and financial matters. The basic financial statements are followed by a section of required supplementary information that presents the CPACTC's general fund budget comparison information, required information on other post-employment benefit plans (OPEBs) and two schedules on the required net pension liability information.

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



# CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

## MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended June 30, 2024

### Overview of the Financial Statements (Continued)

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

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

	<b>Government-Wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire School (except fiduciary funds).	The activities of the School that are not proprietary or fiduciary, such as education, administration and community services.	Activities the School operates similar to private business.	Instances in which the School is the trustee or custodian to someone else's resources.
<b>Required financial statements</b>	Statement of Net Position and Statement of Activities.	Balance sheet Statement of Revenues, Expenditures and Changes in fund balances.	Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; Statement of Cash Flows.	Statement of Net Position.
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources measurement focus.	Modified accrual accounting and current financial resources measurement focus.	Accrual accounting and economic resources measurement focus.	Accrual accounting and economic resources measurement focus.
<b>Type of asset/liability information</b>	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.
<b>Type of inflow-outflow information</b>	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.

# **CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Year Ended June 30, 2024**

### **Overview of the Financial Statements (Continued)**

#### **Government-Wide Statements**

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

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

To assess the overall health of the CPACTC, you need to consider additional factors, such as changes in the member school district contributions and the projected enrollment of the students.

The government-wide financial statements of the CPACTC consist of only governmental activities:

- Governmental activities - Includes all of the CPACTC's basic services, such as instruction, administration and community services. In addition, participating school district support, state and federal subsidies and grants finance most of these activities.

#### **Fund Statements**

##### **Governmental Funds**

Most of the CPACTC's activities are reported in governmental funds, which focus on the fund balances, 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 CPACTC 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 CPACTC'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.

# CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

### Overview of the Financial Statements (Continued)

#### Financial Analysis of the CPACTC as a Whole

The perspective of the Statement of Net Position is of the CPACTC as a whole. The CPACTC's total net position reflects aggregated total liabilities and deferred inflow balances which are less than the combined total asset and deferred outflow balances by more than \$1.92 million on June 30, 2024. Since the net pension liability and the net OPEB liability as required by GASB No. 68 and GASB No. 75, respectively, are included in the long-term liabilities, the result is a positive net position for both 2024 and 2023. Recognizing the CPACTC's proportionate share of these liabilities and the related deferred inflows and outflows adds a net liability to the government wide financial statements in the amount of \$10.60 million for 2024.

Current assets increased \$653,504 primarily due to increases in investments and governmental receivables as a result of revenue exceeding general expenditures during the 2023-2024 fiscal year. The majority of the CPACTC's assets are invested in capital assets (buildings, land and equipment).

Table 1 below provides a summary of the CPACTC's net position as of June 30, 2024 and 2023:

<b>Net Position</b>			
<b>Governmental Activities</b>			
		2024	2023
<b>Assets</b>			
Current assets	\$	4,510,205	\$ 3,856,701
Capital and right-to-use assets, net		9,528,854	8,688,019
<b>Total assets</b>	<b>\$</b>	<b>14,039,059</b>	<b>\$ 12,544,720</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows for pensions and OPEB	<b>\$</b>	<b>2,166,495</b>	<b>\$ 2,115,524</b>
<b>Liabilities</b>			
Current and other liabilities	\$	1,271,624	\$ 1,055,652
Long-term liabilities		12,398,673	12,475,261
<b>Total liabilities</b>	<b>\$</b>	<b>13,670,297</b>	<b>\$ 13,530,913</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows for pensions and OPEB	<b>\$</b>	<b>614,515</b>	<b>\$ 739,078</b>
<b>Net Position (Deficit)</b>			
Net investment in capital assets	\$	9,420,602	\$ 8,534,059
Restricted		1,904,239	1,122,704
Unrestricted (deficit)		(9,404,099)	(9,266,510)
<b>Total net position</b>	<b>\$</b>	<b>1,920,742</b>	<b>\$ 390,253</b>

## **CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Year Ended June 30, 2024**

#### **Financial Analysis of the CPACTC as a Whole (Continued)**

##### **Changes in Government-Wide Net Position**

The changes in net position compares the revenues, expenses and net position of the CPACTC for the past two years. Total expenses for governmental activities have increased by \$2,626,834 from 2023 to 2024.

The charges for services includes tuition received for non-residents students and adult education students enrolled in evening and summer courses. The largest source of program revenues for the CPACTC's governmental activities consists of operating grants in the amount of \$3,962,411. Operating grants and contributions include state subsidies for employee benefits as well as state funded equipment grants and federal funding from the Carl D. Perkins Vocational grant, ARP/ESSER grants and CARES Act grants.

The largest source of general revenues of the CPACTC consists of support from member school districts of \$10,131,626. This amount accounts for 98% of total general revenues and 70% of total revenues. These percentages demonstrate the reliance that the CPACTC places on the support received from its member school districts.

**CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2024**

Table 2 reflects the changes in net position for the fiscal years ended June 30, 2024 and 2023:

**Table 2  
Changes in Net Position  
Governmental Activities**

	2024	2023
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 293,031	\$ 176,082
Operating grants and contributions	3,962,411	3,243,968
<b>Total program revenues</b>	<b>4,255,442</b>	<b>3,420,050</b>
<b>General revenues</b>		
Support from member school districts	10,131,626	7,407,855
Investment earnings	129,294	77,477
Gain (loss) on disposition of capital assets	4,972	(415)
Miscellaneous income	25,000	-
<b>Total general revenues</b>	<b>10,290,892</b>	<b>7,484,917</b>
<b>Total revenues</b>	<b>14,546,334</b>	<b>10,904,967</b>
<b>Expenses</b>		
Instruction	5,634,013	5,194,107
Instructional student support	1,715,240	1,400,769
Administrative and financial services	2,783,808	2,266,688
Operation and maintenance of plant services	2,765,618	1,403,531
Student activities	113,639	123,695
Interest on long-term debt	3,527	221
<b>Total expenses</b>	<b>13,015,845</b>	<b>10,389,011</b>
<b>Change in net position</b>	<b>1,530,489</b>	<b>515,956</b>
<b>Net Position (Deficit)</b>		
Beginning	390,253	(125,703)
Ending	<b>\$ 1,920,742</b>	<b>\$ 390,253</b>



# CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

### Financial Analysis of the CPACTC as a Whole (Continued)

#### Net Cost and Funding of Governmental Activities

The results of this year's operations as a whole are reported in the CPACTC's Statement of Activities. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the CPACTC's activities that are supported by other general revenues. The largest general revenue category is the contributions from the 13 participating school districts.

Table 3 presents the CPACTC's expense functions of the governmental activities as well as each function's net cost (total cost less revenues directly generated by the activities). This table also shows the net costs offset by unrestricted investment earnings to show the remaining financial needs supported by member school districts and other revenues.

**Table 3**  
**Governmental Activities**

Functions/Programs	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Governmental Activities				
Instruction	\$ 5,634,013	\$ 3,987,868	\$ 5,194,107	\$ 3,954,863
Instructional student support	1,715,240	1,121,173	1,400,769	1,027,119
Administrative and financial services	2,783,808	1,048,635	2,266,688	878,844
Operation and maintenance of plant services	2,765,618	2,571,196	1,403,531	1,083,107
Student activities	113,639	28,004	123,695	24,807
Interest on long-term debt	3,527	3,527	221	221
<b>Total governmental activities</b>	<b>\$ 13,015,845</b>	<b>8,760,403</b>	<b>\$ 10,389,011</b>	<b>6,968,961</b>
Less: unrestricted investment earnings and sale of fixed assets		129,294		77,477
<b>Total needs from member school districts and other revenues</b>		<b>\$ 8,631,109</b>		<b>\$ 6,891,484</b>

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

#### Financial Analysis of the CPACTC's Funds

The governmental funds are accounted for using the modified accrual basis of accounting. At June 30, 2024, the CPACTC's governmental funds reported a combined fund balance of \$3,305,348 which represents an increase of \$438,591 from June 30, 2023. Due to implementing GASB No. 84, *Fiduciary Activities*, as of July 1, 2020, the CPACTC's student activities fund is now reported as a special revenue fund and included in the total governmental funds. In previous years the student activity fund was reported as a fiduciary fund. Total governmental funds had total revenues and other financing sources of \$14,546,333 and expenses of \$14,107,742.

#### General Fund

The general fund balance decreased by \$373,660 to a total of \$1,267,830. Commitments have been made by the Joint Operating Committee under GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to identify and protect contingent resources to address needs in some critical areas, \$1,014,517 has been committed to manage future increases in retirement contributions to PSERS and other liabilities as allowable under the JOC Resolution 2009-2. The majority of the non-spendable fund balance of \$253,313 represents prepaid health insurance costs which are held in the South Central Trust Risk Sharing Pool. There are no funds in the unassigned fund balance, as required by the JOC Articles of Agreement. The assigned and committed fund balance amounts provide some contingency, if needed, to deal with increasing costs and future liabilities. Maintaining fund balance, as allowable for the CPACTC, is important for potential resources to deal with unanticipated financial challenges as they may occur.

The Articles of Agreement were amended effective for the 2008-2009 fiscal year to allow any excess fund balance to be transferred to the capital reserve fund or reserved for the committed fund for future costs such as retirement or other future liabilities, or returned to the member school districts. The capital reserve fund is limited to 10% of next year's (2024-2025) operating budget of the CPACTC and the committed reserve fund for future costs is limited to 20% of next year's budget.

#### Capital Reserve Fund

The capital reserve fund balance decreased by \$566,134 to \$508,206 as a result of the general fund transfer of \$983,707 for the year ended June 30, 2024. In prior years, the CPACTC had utilized capital reserve funds for spending needs related to major repair and small construction projects identified in a 3 year building improvement plan and large equipment purchases for the vocational programs. Capital expenditures in 2023-2024 were \$1,606,868.

#### Capital Projects Fund

The capital projects fund was established in 2023-2024 for the new building renovation and expansion project that is expected to start construction in the spring of 2025. As of June 30, 2024, CPACTC has incurred expenses of \$1,020,884 for architect, permit and clerk of the work fees. The member districts have begun contributing funds towards this renovation project and CPACTC received \$2,362,167 in revenue. The ending fund balance is \$1,341,283. CPACTC will continue to incur project costs, and the districts will continue to fund the project with an expected completion in late fall of 2026. This new building will increase the student enrollment at the CTC by approximately 280 students.

## **CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Year Ended June 30, 2024**

#### **Financial Analysis of the CPACTC's Funds (Continued)**

##### **Production Fund**

The production fund balance increased by \$30,716 from \$102,563 in 2023, to \$133,279 as of June 30, 2024. These assigned funds are utilized to purchase material for the various vocational programs to perform live work for the CPACTC and the public. One example of live work is the student run Café that serves breakfast and lunch to the public. The Cosmetology program also performs services for clients. The Horticulture program provides many of our member school districts with flower arrangements for extra-curricular activities and banquets. The programs can charge nominal fees for their services to cover the costs of supplies. The main focus of the production fund is to give the students hands-on experience for their future career paths rather than on making profits.

##### **Student Sponsored Activity Fund**

The Student Sponsored Activity Fund encompasses the monies held for student run organizations within the CPACTC. These organizations have elected student officers who make the financial decisions with assistance from an adult advisor(s). The balance in this fund at June 30, 2024, was \$54,750. This represents an increase of \$6,386 from June 30, 2023.

##### **General Fund Budgetary Highlights**

During the fiscal year, the Joint Operating Committee (JOC) authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the CPACTC. In addition, the state revenue budget was increased due to receiving additional vocational subsidy pass-through funds and both a competitive equipment grant and supplemental equipment grant after the budget was approved. The federal revenue budget was also increased due to receiving CARES Act funding and additional Perkins funds. A schedule showing the CPACTC's original and final budget amounts compared with actual amounts is provided as other required supplementary information. This shows that there were no significant differences between budgeted amounts and actual amounts. The budgetary reserve includes amounts that may be transferred into expenditure accounts for unplanned expenditures, upon approval of the JOC. These amounts will only be appropriated into expenditure categories when the expenditure is necessary for the operation of the CPACTC. Any budget reserve amounts not appropriated during the year may be transferred to the capital reserve fund up to the maximum amount allowed by the JOC.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

#### Capital and Right-to-use Assets

At the end of fiscal year 2024, the CPACTC had \$9,528,854 invested in capital and right-to-use assets, including land, buildings, machinery and equipment.

**Table 4**  
**Capital and Right-to-use Assets (net of accumulated depreciation or amortization)**

	2024	2023	Change
Land	\$ 100,000	\$ 100,000	\$ -
Construction-in-progress	1,045,435	1,338,386	(292,951)
Buildings and building improvements	6,631,602	5,588,966	1,042,636
Machinery and equipment	1,643,906	1,505,548	138,358
Right-to-use leased equipment	32,791	42,439	(9,648)
Right-to-use subscription assets	75,120	112,680	(37,560)
<b>Total</b>	<b>\$ 9,528,854</b>	<b>\$ 8,688,019</b>	<b>\$ 840,835</b>

For more detailed information on capital assets activity, see the capital assets note to the financial statements.

#### Long-Term Liabilities

Prior to 2009-2010 the only long-term liability reportable by the CPACTC was the liability for compensated absences. GASB standards require the CPACTC to accrue the employees' right to receive compensation for vacation leave or payments in lieu of accrued vacation or sick leave, as such benefits are earned and payment is probable. Effective July 1, 2014, the CPACTC is now required to report the net pension liability, pension expense, and deferred outflows and deferred inflows of resources related to pensions. GASB No. 68 significantly and negatively affected the net position of the CPACTC's financial statements beginning with the 2014-2015 school year. Effective July 1, 2017, the CPACTC is required to report the entire other post-employment benefits (OPEB) liability, OPEB expense and deferred outflows and deferred inflows of resources related to other post-employment benefits. GASB No. 75 had additional negative effect of the net position of the CPACTC's financial statements beginning in the 2018-2019 school year.

## **CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended June 30, 2024**

#### **Economic Factors and the 2024-2025 Budget**

The CPACTC has prepared the general fund budget for the fiscal year ending June 30, 2025. The total 2024-2025 budget of \$11,285,684 represents an overall increase of \$542,283 or 5.05% from the 2023-2024 original budget of \$10,743,401. The member school districts' contribution has increased \$573,857 from \$7,771,765 in 2023-2024, to \$8,345,622 for 2024-2025. This represents a 7.38% increase for our member school districts. The 2024-2025 budget highlights include the following:

1. This budget includes an addition of the Instructional Coach. This position increased the member school districts' contributions by approximately \$127,000 to cover salary and employer provided benefits. This position was funded with federal grants for 2022-2023 and 2023-2024.
2. The employer's contribution rate to the Pennsylvania Public School Employees' Retirement System (PSERS) was estimated to be 35.5% during the preparation of the 2024-2025 budget. This represents a decrease of 0.75% from the budgeted rate of 36.25% in 2023-2024. After the budget was prepared, the actual 2024-2024 PSERS rate was approved at 33.9%. This rate will apply to wages paid July 1, 2024 through June 30, 2025. The 2024-2025 budget includes transferring \$220,000 from the committed general fund reserve account to reduce retirement expenses recorded in the general fund. With the adoption of Resolution 2009-2, the CPACTC is able to set aside excess year end funds to help pay for future retirement and eligible costs to reduce the financial impact to the member school district contributions in future year(s).
3. Perkins funds are based upon the 2023-2024 allocation. The actual 2024-2025 Perkins expenditures may increase or decrease based upon the actual allocation identified by PDE in June 2024. The 2024-2025 budget includes a \$133,611 decrease for supplies, equipment and professional development costs covered by the Perkins grant. Perkins funds provide the primary capital to purchase new and/or updated equipment in our vocational programs.
4. CPACTC is a member of the South Central Trust's risk sharing pool. This consortium helps to reduce costs and minimize risk to any one school by "pooling" claims and deposits. The cost of premiums is based 75% on the experience of the entire consortium and 25% on our experience. Premiums for 2024-2025 are approved by the Trustees after the budget has been prepared. The 2024-2025 budget includes an increase of 10% for health care premiums. The final approved premiums increased 10% over 2023-2024 premiums. CPACTC has experienced more claims than anticipated, which has decreased the reserve balance within the Trust. The 10% increase in premiums will help to replenish that balance as long as claims do not exceed the SCT projections.
5. The 2024-2025 General Fund Budget includes an increase of \$30,582 for instructional supplies, equipment and furniture due to inflation related price increases and current year program revisions.

# **CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Year Ended June 30, 2024**

### **Economic Factors and the 2024-2025 Budget (Continued)**

6. The current compensation plan for Classified Staff will expire June 30, 2025. Annual increases for Classified Personnel are based upon this plan and include a \$.60 per hour increase for employees. Classified employees are enrolled in the Qualified High Deductible Health Plan with Health Savings Account and will contribute 62.5% of the deductible. Only full-time classified personnel are able to receive health care benefits.

A new Act 93 Compensation Plan was approved for July 2, 2024 through June 30, 2027. It includes increases for administrative personnel which are based upon performance which range from a low of 0% for a rating of Unsatisfactory or Needs Improvement to a high of 4% for Satisfactory for each of the three years of the plan. Administrators will continue to contribute 70% of the QHDHP deductible with HSA Plan. This new plan also includes longevity contributions after four years of CPACTC administrative service. The contributions range from \$1,000 to \$3,000 per year, depending on the years of administrative service at CPACTC. The payments will be deposited into each eligible administrator's HSA account.

The Cumberland Perry Teachers' Education Association collective bargaining agreement will also expire June 30, 2025. The total teacher salaries are budgeted to increase about 4%, but actual increases will depend upon the salary schedules of our 13 member school districts. All teachers continuing in the QHDHP with HSA will be responsible for 70% of the deductible while newly enrolled teachers will only contribute 50% towards the deductible during the first year in this health plan.

7. In October 2023, the school was notified of fuel leaking from the underground storage tank. CPACTC took immediate action to locate and remove all fuel on school property and in the nearby creek. The CTC has incurred about \$1,571,000 in costs to contain and extract the fuel as well as remove the contaminated soil from the school's property. This situation has the potential for future additional costs including additional remediation and legal fees. CPACTC is communicating and complying with the requests from local and state agencies to remediate the contaminated area. The land remediation consultant has estimated an additional \$145,000 will be required to monitor the wells on the property and file all required paperwork with the state of Pennsylvania.
8. Budget increases/(decreases) for member school districts for past years are as follows:

2024-2025	7.38%
2023-2024	4.91%
2022-2023	0.42%
2021-2022	3.12%
2020-2021	8.45%

### **Contacting the CPACTC's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the CPACTC's finances and to show the Joint Operating Committee's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office at Cumberland Perry Area Career & Technical Center, 110 Old Willow Mill Road, Mechanicsburg, PA 17050.

**CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

**STATEMENT OF NET POSITION**

**June 30, 2024**

	Governmental Activities
<b>Assets</b>	
Current Assets	
Cash and cash equivalents	\$ 2,961,127
Investments	717,638
Due from other governments	468,184
Other receivables	109,943
Prepaid expenses	253,313
<b>Total current assets</b>	<u>4,510,205</u>
Capital and Right-to use Assets	
Land and construction-in-progress	1,145,435
Other capital and right-to-use assets, net of depreciation/amortization	8,383,419
<b>Total capital and right-to-use assets</b>	<u>9,528,854</u>
<b>Total assets</b>	<u><u>\$ 14,039,059</u></u>
<b>Deferred Outflows of Resources</b>	
Deferred amounts on pension liability	\$ 2,015,000
Deferred amounts on OPEB liabilities	151,495
<b>Total deferred outflows of resources</b>	<u><u>\$ 2,166,495</u></u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 173,723
Due to other governments	17,362
Accrued salaries and benefits	969,880
Current portion of leases payable	9,611
Current portion of subscription liabilities	37,156
Current portion of compensated absences	20,000
Unearned revenues	43,892
<b>Total current liabilities</b>	<u>1,271,624</u>
Long-Term Liabilities	
Net pension liability	11,344,000
Other post-employment benefits (OPEB) liabilities	810,907
Long-term portion of leases payable	23,538
Long-term portion of subscription liabilities	37,947
Long-term portion of compensated absences	182,281
<b>Total long-term liabilities</b>	<u>12,398,673</u>
<b>Total liabilities</b>	<u><u>\$ 13,670,297</u></u>
<b>Deferred Inflows of Resources</b>	
Deferred amounts on pension liability	\$ 224,000
Deferred amounts on OPEB liabilities	390,515
<b>Total deferred inflows of resources</b>	<u><u>\$ 614,515</u></u>
<b>Net Position (Deficit)</b>	
Net investment in capital assets	\$ 9,420,602
Restricted	1,904,239
Unrestricted (deficit)	(9,404,099)
<b>Total net position</b>	<u><u>\$ 1,920,742</u></u>

See Notes to Financial Statements.

# CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

## STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 5,634,013	\$ 210,120	\$ 1,436,025	\$ -	\$ (3,987,868)
Instructional student support	1,715,240	-	594,067	-	(1,121,173)
Administrative and financial services	2,783,808	-	1,735,173	-	(1,048,635)
Operation and maintenance of plant services	2,765,618	-	194,422	-	(2,571,196)
Student activities	113,639	82,911	2,724	-	(28,004)
Interest on long-term debt	3,527	-	-	-	(3,527)
<b>Total governmental activities</b>	<b>\$ 13,015,845</b>	<b>\$ 293,031</b>	<b>\$ 3,962,411</b>	<b>\$ -</b>	<b>\$ (8,760,403)</b>
<b>General Revenues (Expenses)</b>					
Support from member school districts					\$ 10,131,626
Investment earnings					129,294
Proceeds from sale of fixed assets					4,972
Miscellaneous income					25,000
<b>Total general revenues (expenses)</b>					<b>10,290,892</b>
<b>Change in net position</b>					<b>1,530,489</b>
<b>Net Position - July 1, 2023</b>					<b>390,253</b>
<b>Net Position - June 30, 2024</b>					<b>\$ 1,920,742</b>

See Notes to Financial Statements.



CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

BALANCESHEET - GOVERNMENTAL FUNDS

June 30, 2024

	Major Funds					
	General	Capital		Student	Capital	Total
	Fund	Reserve	Production	Sponsored	Projects	Governmental
	Fund	Fund	Fund	Activity	Fund	Funds
	Fund	Fund	Fund	Fund	Fund	Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 408,893	\$ 314	\$ 134,859	\$ 54,893	\$ 2,362,168	\$ 2,961,127
Investments	716,958	680	-	-	-	717,638
Due from other funds	1,020,884	511,707	-	-	-	1,532,591
Due from other governments	468,184	-	-	-	-	468,184
Other receivables	109,943	-	-	-	-	109,943
Prepaid expenses	253,313	-	-	-	-	253,313
<b>Total assets</b>	<b>\$ 2,978,175</b>	<b>\$ 512,701</b>	<b>\$ 134,859</b>	<b>\$ 54,893</b>	<b>\$ 2,362,168</b>	<b>\$ 6,042,796</b>
<b>Liabilities</b>						
Accounts payable	\$ 168,144	\$ 4,495	\$ 941	\$ 143	\$ -	\$ 173,723
Due to other funds	511,707	-	-	-	1,020,885	1,532,592
Due to other governments	17,362	-	-	-	-	17,362
Accrued salaries and benefits	922,921	-	-	-	-	922,921
Payroll deductions and withholdings	46,958	-	-	-	-	46,958
Unearned revenues	43,253	-	639	-	-	43,892
<b>Total liabilities</b>	<b>1,710,345</b>	<b>4,495</b>	<b>1,580</b>	<b>143</b>	<b>1,020,885</b>	<b>2,737,448</b>
<b>Fund Balances</b>						
Nonspendable	253,313	-	-	-	-	253,313
Restricted	-	508,206	-	54,750	1,341,283	1,904,239
Committed	1,014,517	-	-	-	-	1,014,517
Assigned	-	-	133,279	-	-	133,279
<b>Total fund balances</b>	<b>1,267,830</b>	<b>508,206</b>	<b>133,279</b>	<b>54,750</b>	<b>1,341,283</b>	<b>3,305,348</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,978,175</b>	<b>\$ 512,701</b>	<b>\$ 134,859</b>	<b>\$ 54,893</b>	<b>\$ 2,362,168</b>	<b>\$ 6,042,796</b>

See Notes to Financial Statements.

**CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**June 30, 2024**

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<b>Total fund balances - governmental funds</b>	<b>\$ 3,305,348</b>
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital and right-to-use assets used in governmental activities are not financial resources and, therefore, they are not reported as assets in governmental funds. The cost of assets is \$21,884,657, and the accumulated depreciation/amortization is \$12,355,803.

	9,528,854
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Deferred inflows and outflows of resources related to pensions are applicable to future periods and, therefore, are not reported within the funds. Deferred inflows and outflows related to pensions are as follows (see footnote for detail):

Deferred outflows	2,015,000
Deferred inflows	(224,000)

Deferred inflows and outflows of resources related to OPEB are applicable to future periods and, therefore, are not reported within the funds. Deferred inflows and outflows related to OPEB are as follows (see footnote for detail):

Deferred outflows	151,495
Deferred inflows	(390,515)

Long-term liabilities, including compensated absences, leases payable, subscription liabilities, net pension liability and other post-employment benefits liabilities are not due and payable in the current period and, therefore, they are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Net pension liability	(11,344,000)	
Other post-employment benefits (OPEB) liabilities	(810,907)	
Leases payable	(33,149)	
Subscription liabilities	(75,103)	
Compensated absences	(202,281)	(12,465,440)

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<b>Total net position - governmental activities</b>	<b>\$ 1,920,742</b>
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See Notes to Financial Statements.

CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended June 30, 2024

	Major Funds					
	General Fund	Capital Reserve Fund	Production Fund	Student Sponsored Activity Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues</b>						
Local sources						
Support from member school districts	\$ 7,771,765	\$ -	\$ -	\$ -	\$ 2,359,861	\$ 10,131,626
Investment earnings	94,011	32,027	703	246	2,306	129,293
Other revenue	121,932	-	88,188	82,911	-	293,031
Total local sources	7,987,708	32,027	88,891	83,157	2,362,167	10,553,950
State sources	2,981,537	-	-	-	-	2,981,537
Federal sources	980,874	-	-	-	-	980,874
<b>Total revenues</b>	11,950,119	32,027	88,891	83,157	2,362,167	14,516,361
<b>Expenditures</b>						
Instruction	5,852,448	-	58,175	-	-	5,910,623
Support services	5,380,495	1,606,868	-	-	-	6,987,363
Operation of non-instructional services	37,866	-	-	76,771	-	114,637
Capital outlay	25,000	-	-	-	1,020,884	1,045,884
Debt service	49,235	-	-	-	-	49,235
<b>Total expenditures</b>	11,345,044	1,606,868	58,175	76,771	1,020,884	14,107,742
<b>Excess (deficiency) of revenues over expenditures</b>	605,075	(1,574,841)	30,716	6,386	1,341,283	408,619
<b>Other Financing Sources (Uses)</b>						
Interfund transfers in (out)	(983,707)	983,707	-	-	-	-
Proceeds from sale of fixed assets	4,972	-	-	-	-	4,972
Insurance recoveries	-	25,000	-	-	-	25,000
<b>Total other financing sources (uses)</b>	(978,735)	1,008,707	-	-	-	29,972
<b>Net change in fund balances</b>	(373,660)	(566,134)	30,716	6,386	1,341,283	438,591
Fund Balances - July 1, 2023	1,641,490	1,074,340	102,563	48,364	-	2,866,757
Fund Balances - June 30, 2024	\$ 1,267,830	\$ 508,206	\$ 133,279	\$ 54,750	\$ 1,341,283	\$ 3,305,348

See Notes to Financial Statements.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

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Net changes in fund balances - governmental funds	\$ 438,591
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation/amortization expense. The amount by which the capital outlays exceed depreciation/amortization expense in the period is as follows:

Capital outlays	1,569,025	
Less depreciation/amortization expense	<u>(728,190)</u>	840,835

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Increase in compensated absences	(593)	
Decrease in other post-employment benefits liabilities, net of amortization of deferred items	8,948	
Decrease in net pension liability, net of amortization of deferred items	<u>197,000</u>	205,355

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Repayment of leases payable	9,327	
Repayment of subscription liabilities	<u>36,381</u>	45,708

Change in net position - governmental activities	<u><u>\$1,530,489</u></u>
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See Notes to Financial Statements.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Summary of Significant Accounting Policies

Cumberland Perry Area Career & Technical Center (the CPACTC) is a jointly-governed organization operated by 13 member school districts in accordance with the established articles of agreement. The CPACTC is located in Mechanicsburg, Pennsylvania and provides vocational education and technical training to secondary level students of the member school districts. Each member school district appoints one member to serve on the Joint Operating Committee (JOC). The CPACTC receives its funding primarily from state and Federal government sources and through revenues from the member school districts.

The accounting policies of Cumberland Perry Area Career & Technical Center conform with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

##### A. Reporting Entity

Consistent with guidance contained in Statement No. 14 of the GASB, *The Financial Reporting Entity*, as amended, the criteria used by the CPACTC to evaluate the possible inclusion of related entities (authorities, boards, councils and so forth) within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the CPACTC reviews the applicability of the following criteria:

The CPACTC is financially accountable for:

1. Organizations that make up its legal entity.
2. Legally separate organizations if the CPACTC officials appoint a voting majority of the organization's governing body and the CPACTC is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the CPACTC as defined below.

Impose its Will - If the CPACTC can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.

Financial Benefit or Burden - If the CPACTC (1) is entitled to the organization's resources or (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization, or (3) is obligated in some manner for the debt of the organization.

3. Organizations which are fiscally dependent on the CPACTC, and have a financial benefit or burden, as defined above. Fiscal dependency is established if the organization is unable to adopt its own budget, levy taxes or set rates or charges, or issue bonded debt without the approval of the CPACTC.

Based on the foregoing criteria, no additional entities are included in the accompanying general purpose financial statement.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### B. Joint Venture

The CPACTC participates with five other Cumberland and Perry County School Districts in the claims servicing pool of the South Central Trust. The CPACTC appoints one Trustee to the Board of Trustees. The South Central Trust provides claims administration services, purchases excess loss insurance, and offers other employee benefit related services to the CPACTC. In addition, there is a level of cross-sharing of risk between the trust members that participate in the claims servicing pool.

##### C. Basis of Presentation - Fund Accounting

The accounts of the CPACTC are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprising each fund's assets, liabilities, deferred outflows and inflows of resources, fund equity, revenues and expenditures/expenses. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

##### D. Basis of Presentation - Financial Statements

Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the CPACTC as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the CPACTC that are governmental activities and those that are considered business-type activities. The CPACTC has no business-type activities. The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The Government-Wide Statement of Activities presents direct expenses and program revenues for each function or program of the CPACTC's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the CPACTC, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the CPACTC.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### D. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements: Fund financial statements are provided for governmental and fiduciary funds. Major individual governmental funds are reported in separate columns. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a Balance Sheet, which generally includes only current assets and current liabilities, and a Statement of Revenues, Expenditures and Changes in Fund Balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The CPACTC reports on the following major governmental funds:

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

Capital Reserve Fund - The capital reserve fund, a capital project fund, is used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, and any surplus monies in the general fund of the CPACTC at the end of the fiscal year.

Production Fund - The production fund, a special revenue fund, is used to account for specific governmental revenues (other than major capital projects) that are restricted to expenditures for specific purposes. This fund is used to account for revenues generated by production activities of the various classes within the CPACTC. These revenues are used to support these hands-on teaching activities.

Student Sponsored Activity Fund - This fund is set up in accordance with Section 511 of the PA School Code for student sponsored school organizations and publications which do not meet the criteria to be reported as custodial funds per GASB Statement No. 84 *Fiduciary Activities*.

Capital Projects Fund - The capital projects fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays that are not specifically associated with the capital reserve fund.

##### E. Measurement Focus and Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the Financial Statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

Government-wide and fiduciary fund financial statements measure and report all assets, liabilities, deferred outflows and inflows of resources, revenues, expenses, gains and losses using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

##### **E. Measurement Focus and Basis of Accounting (Continued)**

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the CPACTC is considered to be 60 days after fiscal year-end. Expenditures are recognized in the accounting period in which fund liability is incurred, if measurable, except other postemployment benefits, pensions and compensated absence payments which are recognized when due.

Under the modified accrual basis, the following revenue sources are considered susceptible to accrual at year-end: support from member CPACTCs, grants and entitlements, student fees and interest on investments.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements and the fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the CPACTC receives value without directly giving equal value in return, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the CPACTC must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the CPACTC on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

When amounts are available in multiple fund balance classifications, it is the CPACTC’s policy to use restricted funds first. The order of use of committed, assigned and unassigned funds is determined based on needs to cover any deficits. In the case of a deficit, committed and assigned funds would be used before unassigned funds. If there is no deficit, the CPACTC typically uses unassigned funds before committed or assigned funds.



## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Summary of Significant Accounting Policies (Continued)

F. Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources and Net Position or Fund Balance

Cash and Cash Equivalents: Cash and cash equivalents include all cash on hand, demand deposits (including pooled investments), and short-term investments with original maturities of three months or less from the date of acquisition.

Investments: CPACTC categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. The securities of 2a7-like investment pools are valued at amortized cost, which approximates fair value of the pool.

Receivables and Payables: Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from/to other funds." Balances between funds are considered to be short-term items pending periodic repayments.

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

Capital Assets and Depreciation: The CPACTC's property, plant and equipment with useful lives of more than one year are stated at historical cost (or estimated historical cost) and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The CPACTC generally capitalizes assets with a cost of \$1,500 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations. Estimated historical costs of capital assets were derived, when information supporting historical costs was not obtainable, by adjusting current replacement cost back to the estimated year of acquisition. Estimated useful lives, in years, for depreciable assets are generally as follows:

Building and Building Improvements	20 to 50 Years
Machinery and Equipment	5 to 20 Years

Deferred Outflows of Resources - Pension and Other Post-Employment Benefits: The CPACTC recognizes deferred outflows of resources, which represent a consumption of net assets that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The School has identified these items in subsequent notes to the financial statements.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Summary of Significant Accounting Policies (Continued)

F. Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Compensated Absences: CPACTC accrues unused sick and personal leave as a liability as the benefits are earned by the employees if it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Lease and Subscription Based Information Technology Arrangement (SBITA) Liabilities: The CPACTC enters into non-cancellable arrangements for the leasing of buildings and equipment and for subscription based information technology. Leases and SBITAs that are significant, either individually or in the aggregate, are recognized as a liability and an intangible right-to-use asset in the government-wide financial statements.

At the commencement of a lease or SBITA, the CPACTC initially measures the liability at the present value of payments expected to be made during the agreement term. Subsequently, the liability is reduced by the principal portion of payments made. The right-to-use asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the contract commencement date. Subsequently, the right-to-use asset is amortized on a straight-line basis over its useful life and the useful life is consistent with the term of the agreement.

Key estimates and judgments include how the CPACTC determines (1) the discount rate it uses to discount the expected payments to present value, (2) contract term, and (3) contract payments. The CPACTC uses the interest rate charged by the lessor as the discount rate for lease and SBITA liabilities, if provided. When the interest rate charged is not provided, the CPACTC generally uses its estimated incremental borrowing rate as the discount rate for lease and SBITA liabilities.

The term includes the non-cancellable period of the lease or SBITA. Payments included in the measurement of the liability are composed of fixed payments and the purchase option price that the CPACTC is reasonably certain to exercise. The CPACTC monitors changes in circumstances that would require a remeasurement of its arrangements and will remeasure the related asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

Right-to-use assets are reported with other capital assets and lease and SBITA liabilities are reported with long-term debt on the Statement of Net Position.

Pension: Substantially all full-time and qualifying part-time employees of the CPACTC participate in a cost-sharing multiple employer defined benefit pension plan. 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.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Summary of Significant Accounting Policies (Continued)

F. Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

##### Other Post-employment Benefits (OPEB):

###### *Single-Employer Defined Benefit OPEB Plan*

The CPACTC sponsors a single-employer defined benefit OPEB plan. For purposes of measuring the total 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 OPEB plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. The single-employer OPEB plan is unfunded.

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

The CPACTC also participates in a governmental cost-sharing multiple employer other post-employment benefit plan (OPEB) with the Public School Employees' Retirement System (PSERS) for all eligible retirees who qualify and elect to participate. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of PSERS and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The balance of the CPACTC's OPEB liabilities and related deferred outflows/inflows of resources at June 30, 2024, are as follows:

	Governmental Activities
OPEB Liabilities	
School's Single Employer Plan	\$ 347,907
PSERS Cost Sharing Plan	463,000
Total	<u>\$ 810,907</u>
Deferred Outflows of Resources	
School's Single Employer Plan	\$ 64,495
PSERS Cost Sharing Plan	87,000
Total	<u>\$ 151,495</u>
Deferred Inflows of Resources	
School's Single Employer Plan	\$ 294,515
PSERS Cost Sharing Plan	96,000
Total	<u>\$ 390,515</u>

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Summary of Significant Accounting Policies (Continued)

F. Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Additional disclosures related to other post-employment benefits of the CPACTC's Single Employer Plan and PSERS Cost Sharing Plan can be found in subsequent notes to the financial statements.

Deferred Inflows of Resources - Pension and Other Post-Employment Benefits: The CPACTC recognizes deferred inflows of resources, which represent an acquisition of net assets that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The School has identified these items in subsequent notes to the financial statements.

Interfund Activity: Exchange transactions between governmental funds are eliminated on the government-wide statements. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Classification: Fund balance for the governmental funds is classified as follows:

Nonspendable: Amounts that cannot be spent, either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts that can be spent only for a specific purpose because of constitutional provisions, enabling legislation, or because of constraints that are imposed by external parties, such as creditors, grantors, or other governments. The CPACTC considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

Committed: Amounts that can be spent only for specific purposes determined by a formal action of the board of the CPACTC. The Joint Operating Committee is the highest level of decision-making authority for the CPACTC. Commitments of fund balance may be established, modified, or rescinded only by formal action of the Joint Operating Committee.

Assigned: Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for a specific purpose. The Joint Operating Committee has granted the Business Administrator the authority to assign funds for the CPACTC. Any assignment by the Business Administrator must be affirmed by the Joint Operating Committee at its next meeting.

Unassigned: All other spendable amounts (the residual) of the general fund.

The CPACTC considers committed and assigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in committed, assigned and unassigned fund balance classifications could be used. In the case of a deficit, committed and assigned funds would be used before unassigned funds. If there is no deficit, the CPACTC typically uses unassigned funds before committed or assigned funds.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### G. New Accounting Pronouncements

The following list reflects only those pronouncements initially effective in the current or upcoming reporting periods which based on our review, may be applicable to the CPACTC's reporting requirements.

The following are descriptions of significant pronouncements that were considered or initially selected during the year ended June 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 6*, defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements.

The following are descriptions of accounting pronouncements which will be considered for implementation during subsequent fiscal years:

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

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the CPACTC beginning with its year ending June 30, 2025 (fiscal year beginning after June 15, 2024). This Statement establishes financial reporting requirements to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for the CPACTC beginning with its year ending June 30, 2026 (fiscal years beginning after June 15, 2025). This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement addresses requirements relating to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information and budgetary comparison information.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for the CPACTC beginning with its year ending June 30, 2026 (fiscal years beginning after June 15, 2025). This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Lease assets, subscription assets, intangible right-to-use assets and intangible assets should be disclosed separately by major class of underlying asset within the note disclosures. This Statement also requires additional disclosures for capital assets held for sale.

The effects of implementation of these standards have not yet been determined.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### H. Other

Encumbrances: Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration and project control in the general fund. As of June 30, 2024, the CPACTC had no encumbrances.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates used in preparation of these financial statements include depreciation, compensated absences, pension related items and other postemployment benefits. Actual results could differ from those estimates.

Subsequent Events: In preparing these financial statements, the CPACTC has evaluated events and transactions for potential recognition or disclosure through October 28, 2024, the date the financial statements were available to be issued.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 2. Cash and Cash Equivalents and Investments

Under Section 440.1 of the Public School Code of 1949, as amended, the CPACTC is permitted to invest its monies as follows:

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

Certain other high-quality bank and corporate instruments.

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

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

#### Cash and Cash Equivalents - Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the CPACTC's deposits may not be returned to it. The CPACTC does not have a policy for custodial credit risk although the public school code requires that all deposits of the CPACTC, which are not insured, are collateralized by the depository institution. As of June 30, 2024, \$374,477 of the CPACTC's bank balance of \$624,482 was exposed to custodial credit risk as it was uninsured with collateral held by the pledging bank's trust department not in the CPACTC's name.

	Amount
Uninsured amount	\$ 374,477
Insured amount	250,005
Bank balance	624,482
Outstanding checks	(230,791)
Carrying amount - bank balances	393,691
Petty cash	200
Total cash and cash equivalents per the financial statements	\$ 393,891

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 2. Cash and Cash Equivalents and Investments (Continued)

##### Investments

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The CPACTC currently does not hold any investments that are measured at fair value.

At June 30, 2024, the CPACTC holds the following investments recorded at cost or amortized cost:

	Amount
PA INVEST Daily Pool	\$ 316,858
PLGIT - Class	2,567,236
PLGIT - Prime	400,780
	<u>\$ 3,284,874</u>

The PA INVEST Daily Pool is a 2a7-like pool. The amortized cost, which approximates the fair value of the pool, is determined by the pool's share price. The CPACTC has no regulatory oversight for the pool, which is governed by the Commonwealth of Pennsylvania Treasury Department's Chief Executive Officer with the assistance of the department's staff and contracted service providers based on principles of prudent investment and applicable Pennsylvania law. The pool is audited, as part of the audit of the Commonwealth of Pennsylvania, annually by CliftonLarsonAllen, LLP, an independently elected public official.

The Pennsylvania Local Government Investment Trust (PLGIT) is a 2a7-like pool. The amortized cost, which approximates fair value of the pool, is determined by the pool's share price. The PLGIT Class investment is a flexible option which requires no minimum balance, no minimum initial investment, and pays dividends monthly. The PLGIT Prime investment option is a variable rate investment portfolio rated AAAM by Standard & Poor's. This option requires no minimum balance and no minimum initial investment. This option limits redemptions or exchanges to two per calendar month. The CPACTC has no regulatory oversight for the pool, which is governed by the Board of Trustees and is administered by PFM Asset Management, LLC. The pool is audited annually by Ernst & Young, LLP, an independently elected public official.

##### Interest Rate Risk

The CPACTC has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

##### Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the CPACTC will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The CPACTC has no investments which are subject to custodial credit risk at June 30, 2024.



## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 2. Cash and Cash Equivalents and Investments (Continued)

##### Credit Risk

The CPACTC has no investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2024, the CPACTC investments were rated as:

	Credit Rating
PA Treasury Invest	AAAm
PLGIT - Class	AAAm
PLGIT - Prime	AAAm

##### Concentration of Credit Risk

The CPACTC places no limit on the amount they may invest in any one issuer. At June 30, 2024, the CPACTC does not have any concentration of credit risk in its investments.

#### Note 3. Due from Other Governments

Amounts due from other governments primarily represent receivables for revenues from nonexchange transactions for which all eligibility requirements have been satisfied by the CPACTC. At June 30, 2024, the following amounts are due from other governmental units:

	Amount
State sources	
Safety and security subsidy	\$ 47,703
Retirement subsidy	245,127
Social security subsidy	51,976
Vocational subsidy	123,378
	<u>\$ 468,184</u>

# CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Capital and Right-to-use Assets

Capital and right-to-use asset activity for the year ended June 30, 2024, is as follows:

	July 1, 2023	Increases	Decreases	June 30, 2024
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Construction-in-progress	1,338,386	1,045,884	(1,338,835)	1,045,435
Total capital assets not being depreciated	1,438,386	1,045,884	(1,338,835)	1,145,435
Capital and right-to-use assets being depreciated/amortized				
Buildings and building improvements	12,182,329	1,422,120	-	13,604,449
Machinery and equipment	6,594,098	439,856	(96,374)	6,937,580
Right-to-use leased equipment	46,953	-	-	46,953
Right-to-use subscription assets	150,240	-	-	150,240
Total capital and right-to-use assets being depreciated/amortized	18,973,620	1,861,976	(96,374)	20,739,222
Accumulated depreciation/amortization				
Buildings and building improvements	(6,593,363)	(379,484)	-	(6,972,847)
Machinery and equipment	(5,088,550)	(301,498)	96,374	(5,293,674)
Right-to-use leased equipment	(4,514)	(9,648)	-	(14,162)
Right-to-use subscription assets	(37,560)	(37,560)	-	(75,120)
Total accumulated depreciation/amortization	(11,723,987)	(728,190)	96,374	(12,355,803)
Total capital and right-to-use assets being depreciated/amortized, net	7,249,633	2,590,166	(192,748)	8,383,419
Total Governmental Activities, capital and right-to-use assets - net	\$ 8,688,019	\$ 3,636,050	\$ (1,531,583)	\$ 9,528,854

Depreciation and amortization expenses were charged to governmental functions as follows:

	Amount
Governmental Activities	
Instruction	\$ 268,869
Instructional student support	51,868
Administrative and financial support	4,982
Operation and maintenance of plant	402,471
	<u>\$ 728,190</u>

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 5. Interfund Activity

Individual fund receivable and payable balances at June 30, 2024, are as follows:

Fund	Due from Other Funds	Due to Other Funds
Governmental Funds		
General Fund	\$ 1,020,884	\$ 511,707
Capital Reserve Fund	511,707	-
Capital Projects Fund	-	1,020,884
	<u>\$ 1,532,591</u>	<u>\$ 1,532,591</u>

A transfer of \$511,707 is pending from the general fund to the capital reserve fund for future capital outlays. Other amounts due between funds are for miscellaneous expenditures to be reimbursed.

Interfund transfers for the year ended June 30, 2024, are as follows:

Fund	Transfers In	Transfers Out
Governmental Funds		
General Fund	\$ -	\$ 983,707
Capital Reserve Fund	983,707	-
	<u>\$ 983,707</u>	<u>\$ 983,707</u>

Transfers are made from the general fund to the capital reserve fund to provide for future capital outlays.

#### Note 6. Accrued Salaries and Benefits

At June 30, 2024, the CPACTC was liable for \$456,303 of payroll, which is payable during July and August 2024, to those employees who have a ten-month contract but are paid over a twelve-month period, to non-salaried employees who performed services through June 30, 2024, and to retiring professional employees who are receiving a payout of their accumulated compensated absences and bonuses. The CPACTC was also liable for the benefits on payroll paid prior to or accrued as of June 30, 2024.

Accrued salaries and benefits as of June 30, 2024, are as follows:

	Amount
Accrued salaries	\$ 456,303
Accrued benefits	
Retirement	483,089
Social Security	30,488
	<u>\$ 969,880</u>

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

#### Note 7. Long-Term Liabilities

Long-term liabilities activity can be summarized as follows:

	July 1, 2023	Additions	Reductions	June 30, 2024	Due within one year
Governmental Activities					
Compensated absences	\$ 201,688	\$ 56,608	\$ (56,015)	\$ 202,281	\$ 20,000
Leases payable	42,476	-	(9,327)	33,149	9,611
Subscription liabilities	111,484	-	(36,381)	75,103	37,156
Total governmental activities long-term liabilities	\$ 355,648	\$ 56,608	\$ (101,723)	\$ 310,533	\$ 66,767

#### Compensated absences

Sick and personal leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive severance benefits and those the CPACTC has identified as probable of receiving payment in the future. The amount is based on accumulated sick and personal leave and employee's wage rates at year end, taking into consideration any limits specified in the CPACTC's severance policy. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected.

#### Leases payable

The CPACTC leases equipment for certain CPACTC offices and buildings. These terms range from two to five years. The CPACTC's equipment leases contain scheduled monthly or quarterly payments with expiration dates extending through 2028. Leases payable are fully funded by the general fund.

The following is a schedule of future minimum lease payments for leases with initial or remaining terms in excess of one year as of June 30, 2024:

Year ending June 30:	Principal	Interest	Total
2025	\$ 9,611	\$ 868	\$ 10,479
2026	7,840	599	8,439
2027	8,078	361	8,439
2028	7,620	115	7,735
	\$ 33,149	\$ 1,943	\$ 35,092

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 7. Long-Term Liabilities (Continued)

##### Subscription Based Information Technology Arrangements (SBITA) Liabilities

The CPACTC enters into various arrangements for administrative and educational software and other information technology. Many of the software and information technology arrangements are for a term of one year or less. However, the CPACTC also enters into arrangements that are for greater than one year which require accounting for and reporting of a right-to-use subscription asset and liability. These terms range from two to four years in length.

The CPACTC's subscription based information technology arrangements contain scheduled annual payments with expiration dates extending through 2026. Payments of the subscription liability are primarily funded by the general fund.

The following is a schedule of future minimum subscription liability payments for agreements with initial or remaining terms in excess of one year as of June 30, 2024:

Year ending June 30:	Principal	Interest	Total Payments
2025	\$ 37,156	\$ 1,600	\$ 38,756
2026	37,947	808	38,755
	<u>\$ 75,103</u>	<u>\$ 2,408</u>	<u>\$ 77,511</u>

#### Note 8. Risk Management

##### Health Insurance

The CPACTC is a member of South Central Trust for processing claims and obtaining reinsurance through commercial insurance carriers. The Trust is a claims servicing pool which pay claims for hospital benefits, medical coverage for physicians' services, certain dental coverage, major medical coverage and certain other benefits submitted by employees of the participating school districts. Each participating employer contributes to the trust amounts determined by actuarial principles which will be adequate to cover annual claim costs, and reserves sufficient to provide stated benefits.

The CPACTC has joined four school districts and one other educational institution in a risk sharing pool. The premium rates charged to the school are based 25% on the prior actual claims of the school and 75% in the prior actual claims experienced of the entire risk sharing pool. The school has reinsurance for claims in excess of \$150,000 specific (per person) with the allocation for the pool stop loss between \$150,000 - \$300,000 due to an overall stop loss deductible of \$300,000.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 8. Risk Management (Continued)

##### Health Insurance (Continued)

Financial statements of the trust are provided to the member schools. CPACTC transactions within the trust were as follows:

	Amount
<b>Cash balance in the Trust - beginning</b>	\$ 388,767
Payments from the school and its retirees	1,384,292
Benefit claims and related expenses paid by the Trust	(1,381,909)
<b>Cash balance in the Trust - ending</b>	391,150
Accrual for benefit claims	(62,200)
Accrual for health insurance coverage on payroll payable	(105,333)
Accrual for health insurance coverage on payroll receivable	47,056
Unrecoverable amount deposited into the Trust	(27,068)
<b>Prepaid for health insurance benefits</b>	<u>\$ 243,605</u>

There are various methodologies for estimating a reasonable level for claims that have been incurred but not reported (IBNR). CPACTC management has selected the methodology of '60 days of paid claims. The CPACTC is not aware of any additional assessments by the South Central Trust.

Resolution 2009-2, approved by the Joint Operating Committee and all member school districts, amended the CPACTC's Articles of Agreement to authorize the establishment of a nonspendable fund balance in accordance with GASB requirements to account for CPACTC funds prepaid and held at the South Central Trust in excess of reasonable accrued claims.

##### Other Insurance

The CPACTC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The CPACTC maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the CPACTC. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

##### Other Risks

The CPACTC is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions and natural disasters. The CPACTC has purchased various insurance policies to safeguard its assets from risk of loss. During the year ended June 30, 2024, and the two previous fiscal years, no settlements exceeded insurance coverage.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 9. Defined Benefit Pension Plan**

##### Plan Description

PSERS (Pennsylvania Public School Employee's Retirement System or the System) 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](http://www.psers.pa.gov).

##### Benefits Provided

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

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

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

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

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

# CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

## NOTES TO FINANCIAL STATEMENTS

### Note 9. Defined Benefit Pension Plan (Continued)

#### Contributions

##### Member Contributions:

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

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
				6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
				7.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50%
				After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30%
				After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25%
				After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50%
				After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

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

##### Employer Contributions:

The CPACTC's contractually required contribution rate for the fiscal year ended June 30, 2024, was 33.36% 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. Included in the CPACTC's contractually required contribution rate is the Act 5 contribution rate totaling an estimated 0.27%.

The CPACTC is required to pay the entire contribution and will be reimbursed by the Commonwealth in an amount equal to the Commonwealth's share as determined by the income aid ratio (as defined in Act 29 of 1994), which is at least one-half of the total CPACTC's rate. The CPACTC's contributions to the Plan, relating to pension benefits, for the year ended June 30, 2024, was \$1,405,409 and is equal to the required contribution for the year. For the year ended June 30, 2024, the CPACTC recognized gross retirement subsidy revenue from the Commonwealth in the amount of \$734,536.



## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 9. Defined Benefit Pension Plan (Continued)

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

At June 30, 2024, the CPACTC reported a liability of \$11,344,000 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 CPACTC's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2024, the CPACTC's reported proportion was 0.0255%, which was an increase of 0.0001% from its proportion reported as of June 30, 2023.

For the year ended June 30, 2024, the CPACTC recognized pension expense of \$1,208,000. At June 30, 2024, the CPACTC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,000	\$ 155,000
Changes in assumptions	169,000	-
Net difference between projected and actual investment earnings	321,000	-
Changes in proportion	117,000	69,000
Contributions subsequent to the measurement date	1,405,000	-
	<u>\$ 2,015,000</u>	<u>\$ 224,000</u>

\$1,405,000 is reported as deferred outflows of resources related to pensions resulting from CPACTC contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Amount
2025	\$ 173,000
2026	(247,000)
2027	352,000
2028	108,000
	<u>\$ 386,000</u>

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 9. Defined Benefit Pension Plan (Continued)

##### Actuarial Assumptions

The total pension liability as of June 30, 2023, was determined by rolling forward the System's total pension liability as of 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 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 ended June 30, 2020.

##### Investments

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.

For the year ended June 30, 2023, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.54%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 9. Defined Benefit Pension Plan (Continued)

##### Investments (Continued)

Asset Class	Target Allocation	Expected Real Rate of Return
Global public equity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed income	33.0%	6.2%
Commodities	7.5%	2.7%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	(10.5)%	1.2%
	<u>100.0%</u>	

The above table 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 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.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 9. Defined Benefit Pension Plan (Continued)

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
CPACTC's proportionate share of the net pension liability	\$ 14,705,000	\$ 11,344,000	\$ 8,508,000

##### 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.pa.gov](http://www.psers.pa.gov).

##### Plan Payables

At June 30, 2024, the CPACTC reported a payable to PSERS of \$501,152, which represents the employer contributions owed to the pension plan.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 10. Other Post-Employment Benefits - CPACTC's Single Employer Plan

##### Plan Description

The CPACTC maintains a single-employer defined benefit OPEB plan to provide postemployment health care benefits. The Joint Operating Committee is authorized to establish and amend the financing requirements and benefits, subject to collective bargaining for certain classes of employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue stand-alone financial statements.

##### Benefits Provided

The plan provides medical and prescription drug coverage to employees who retire from active service and qualify for pension benefits, and their spouse. Retirees are eligible for benefits until age 65 upon paying 102% of the premium; spouse are eligible for benefits until age 65, with some limitations.

##### Employees Covered by Benefit Terms

As of the July 1, 2023 actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitle to but not yet receiving benefits	-
Active employees	61
	<u>65</u>

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

At June 30, 2024, the CPACTC reported a liability of \$347,907 for the total OPEB liability. The total liability was measured as of July 1, 2023, and was determined by an actuarial valuation as of July 1, 2023. The OPEB liability is composed of the following:

	Amount
Total OPEB Liability, beginning	<u>\$ 423,321</u>
Changes for the year	
Service cost	33,796
Interest	18,063
Differences between expected and actual experience	(48,563)
Changes in assumptions	(56,159)
Benefit payments	<u>(22,551)</u>
Net Changes	<u>(75,414)</u>
Total OPEB Liability, ending	<u><u>\$ 347,907</u></u>

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 10. Other Post-Employment Benefits - CPACTC's Single Employer Plan (Continued)

##### OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2024, the CPACTC recognized OPEB expense of \$21,481. At June 30, 2024, the CPACTC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 181,127
Changes in assumptions	43,366	113,388
Benefit payments subsequent to the measurement date	21,129	-
	<u>\$ 64,495</u>	<u>\$ 294,515</u>

Of the total amounts reported as deferred outflows of resources related to OPEB, \$21,129 resulting from CPACTC benefit payments subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2025. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the CPACTC's OPEB expense as follows:

Year ending June 30:	Amount
2025	\$ (30,378)
2026	(30,378)
2027	(30,378)
2028	(30,378)
2029	(30,378)
Thereafter	(99,259)
	<u>\$ (251,149)</u>

##### Actuarial Assumptions and Other Inputs

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

- Inflation: 2.5%
- Salary Increases: 2.5% cost of living adjustment, 1.5% real wage growth, and for teacher and administrators a merit increase which varies by age from 2.75% to 0%
- Discount Rate: 4.13%, Based on S&P Municipal Bond 20 Year High Grade Rate Index at July 1, 2023
- Actuarial Cost Method: Entry Age Normal, Level Percent of Pay

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 10. Other Post-Employment Benefits - CPACTC's Single Employer Plan (Continued)

##### Actuarial Assumptions and Other Inputs (Continued)

- Healthcare Cost Trend Rate: 7.0% in 2023 with 0.5% decrease per year until 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 to 4.1% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
- Retirees' Share of Benefit-Related Costs: Retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate
- Mortality rates are based on PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees. Incorporated into the tables are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

##### Sensitivity of the CPACTC's Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the CPACTC calculated using the discount rate of 4.13%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13%) or one percentage higher (5.13%) than the current discount rate:

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Total OPEB liability	\$ 374,796	\$ 347,907	\$ 322,622

##### Changes in Actuarial Assumptions

The discount rate used to measure the total OPEB liability increased from 4.06% as of July 1, 2022, to 4.13% as of July 1, 2023.

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

The following presents the total OPEB liability of the CPACTC's single employer plan calculated using the health care cost trend rates of (7.0% decreasing to 4.1%), as well as what the total OPEB liability would be if it were calculated using a health care cost trend rates that are 1% point lower or 1% point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 311,629	\$ 347,907	\$ 390,351

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 11. Other Post-Employment Benefits - PSERS Cost Sharing Plan**

##### Plan Description

PSERS administers a defined benefit pension plan, and two post-employment healthcare programs, the Health Insurance Premium Assistance Program (Premium Assistance) and the Health Options Program (HOP) for its retirees. The HOP is a PSERS sponsored voluntary health insurance program for the sole benefit of PSERS retirees, spouses of retirees, and survivor annuitants and their dependents who participate in HOP. The HOP is funded exclusively by the premiums paid by its participants for the benefit coverage they elect.

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

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

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

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

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

##### Benefits Provided

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

##### Employer Contributions

The CPACTC's contractually required contribution rate for the fiscal year ended June 30, 2024, was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the CPACTC were \$26,962 for the year ended June 30, 2024.



## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 11. Other Post-Employment Benefits - PSERS Cost Sharing Plan (Continued)

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

At June 30, 2024, the CPACTC reported a liability of \$463,000 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 CPACTC's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the CPACTC's reported proportion was 0.0256%, which was an increase of 0.0001% from its proportion reported as of June 30, 2023.

For the year ended June 30, 2024, the CPACTC recognized OPEB expense of \$17,700. At June 30, 2024, the CPACTC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,000	\$ 5,000
Changes in assumptions	40,000	88,000
Net difference between projected and actual investment earnings	1,000	-
Changes in proportion	16,000	3,000
Contributions subsequent to the measurement date	27,000	-
	<u>\$ 87,000</u>	<u>\$ 96,000</u>

\$27,000 reported as deferred outflows of resources related to OPEB resulting from CPACTC contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Amount
2025	\$ (4,000)
2026	(7,000)
2027	(10,000)
2028	(13,000)
2029	(2,000)
	<u>\$ (36,000)</u>

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 11. Other Post-Employment Benefits - PSERS Cost Sharing Plan (Continued)

##### 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:

- Valuation Date - June 30, 2022
- 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 4.5%, 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 discount rate used to measure the total OPEB liability increased from 4.09% as of June 30, 2022 to 4.13%, as of June 30, 2023.

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: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 11. Other Post-Employment Benefits - PSERS Cost Sharing Plan (Continued)

##### Investments

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

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

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

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 11. Other Post-Employment Benefits - PSERS Cost Sharing Plan (Continued)

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

The following presents the CPACTC's proportionate share of the net OPEB liability, calculated using the discount rate of 4.13%, as well as what the CPACTC's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13%) or one percentage point higher (5.13%) than the current discount rate:

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
CPACTC's proportionate share of the net OPEB liability	\$ 524,000	\$ 463,000	\$ 413,000

##### Sensitivity of the CPACTC's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the CPACTC's proportionate share of the net OPEB liability, as well as what the CPACTC's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates (between 5% to 7%) that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
CPACTC's proportionate share of the net OPEB liability	\$ 463,000	\$ 463,000	\$ 463,000

##### 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](http://www.psers.pa.gov).

##### Plan Payables

At June 30, 2024, the CPACTC reported a payable to PSERS of \$9,614, which represents the employer contributions owed to the OPEB plan.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### Note 12. Support from Member Districts

Member districts are responsible for supporting the CPACTC's operating budget. Member district support for 2023-2024 fiscal year was allocated based on average daily membership for the five year period ended June 30, 2022.

The CPACTC is authorized to transfer into the capital reserve fund any general fund excess of revenues and other financing sources over expenditures and other financing issues. In any fiscal year, the capital reserve fund balance shall not exceed 10% of the CPACTC's subsequent year's annual general fund budget. For the year ended June 30, 2024, the CPACTC elected to transfer funds in the amount of \$511,706 from the general fund to the capital reserve fund.

Support by member districts for general operations, net of year-end refunded amounts, consisted of the following:

	Amount
Big Spring	\$ 3,244,811
Camp Hill	150,786
Cumberland Valley	930,980
East Pennsboro	401,682
Greenwood	232,635
Mechanicsburg	507,753
Newport	306,308
Northern York	561,510
South Middleton	466,959
Susquenita	588,617
Upper Adams	278,773
West Perry	838,650
West Shore	1,745,539
	<u>\$ 10,255,003</u>

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 13. Commitments and Contingencies**

##### General

The CPACTC is involved in various claims and legal actions arising in the ordinary course of business. The CPACTC expects the outcome of these matters, not covered by insurance, to be immaterial to the financial statements.

##### Grant Programs

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the CPACTC expects such amounts, if any, to be immaterial.

##### Other

The CPACTC's contract with its teaching staff expires June 30, 2025.

In the normal course of preparing for the subsequent school year, the CPACTC has awarded bids for various supplies, fuel contracts, etc. No major commitments in excess of routine requirements have been made by the CPACTC.

In October 2023, CPACTC learned of a ruptured underground fuel line outside of its building. The CPACTC has incurred approximately \$1,615,800 in costs to contain and extract the fuel leakage on the CPACTC's property. The situation has the potential for future additional costs including remediation and legal fees.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**BUDGET AND ACTUAL - GENERAL FUND**

**Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Local sources				
Support from member districts	\$ 7,771,765	\$ 7,771,765	\$ 7,771,765	\$ -
Investment earnings	7,500	7,500	94,011	86,511
Other revenue	28,699	113,699	121,932	8,233
<b>Total local sources</b>	<b>7,807,964</b>	<b>7,892,964</b>	<b>7,987,708</b>	<b>94,744</b>
State sources	2,052,935	2,938,816	2,981,537	42,721
Federal sources	662,502	982,462	980,874	(1,588)
<b>Total revenues</b>	<b>10,523,401</b>	<b>11,814,242</b>	<b>11,950,119</b>	<b>135,877</b>
<b>Expenditures</b>				
Instruction				
Regular programs	687,385	687,385	645,451	41,934
Special programs	267,930	267,930	256,507	11,423
Vocational programs	4,937,100	5,345,198	4,945,451	399,747
Other instructional programs	28,699	28,699	5,039	23,660
Support services				
Pupil personnel	793,187	934,187	945,167	(10,980)
Instructional staff	547,465	720,336	708,130	12,206
Administration	751,671	751,671	698,692	52,979
Pupil health	71,691	84,691	79,741	4,950
Business	478,470	478,470	438,618	39,852
Operation and maintenance of plant	994,180	1,138,700	894,460	244,240
Central services	12,500	12,500	5,958	6,542
Other support services	1,100,000	1,486,352	1,609,729	(123,377)
Operation of non-instructional services				
Student activities	33,123	33,123	37,866	(4,743)
Capital outlay	-	25,000	25,000	-
Debt service	-	-	49,235	(49,235)
<b>Total expenditures</b>	<b>10,703,401</b>	<b>11,994,242</b>	<b>11,345,044</b>	<b>649,198</b>
<b>Excess (deficiency) of revenues     over expenditures</b>	<b>(180,000)</b>	<b>(180,000)</b>	<b>605,075</b>	<b>785,075</b>
<b>Other Financing Sources (Uses)</b>				
Interfund transfers in (out)	220,000	220,000	(983,707)	(1,203,707)
Proceeds from sale of fixed assets	-	-	4,972	4,972
Budgetary reserve	(40,000)	(40,000)	-	40,000
<b>Total other financing sources (uses)</b>	<b>180,000</b>	<b>180,000</b>	<b>(978,735)</b>	<b>(1,158,735)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(373,660)</b>	<b>\$ (373,660)</b>
Fund Balance - July 1, 2023			1,641,490	
Fund Balance - June 30, 2024			<u>\$ 1,267,830</u>	

See Note to Required Supplementary Information.



## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

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#### **Note 1. Budgets and Budgetary Accounting**

##### General Fund

An operating budget is adopted by the Joint Operating Committee 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.

Legal budgetary control is maintained at the sub-function/major object level. The Joint Operating Committee 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 committee 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 Joint Operating Committee made several supplemental budgetary appropriations throughout the year which resulted in an increase in the general fund budget in the amount of \$1,290,841. The 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 are considered lapsed.

Included in the general fund budget are program budgets as prescribed by the Federal and state agencies funding the program. These budgets are approved on a program-by-program basis by the Federal and state funding agencies.

**CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

**REQUIRED SUPPLEMENTARY INFORMATION -  
SCHEDULES OF CPACTC'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

<b>For the Fiscal Year Ended June 30</b>	<b>CPACTC's Proportion of the Net Pension Liability</b>	<b>CPACTC's Proportionate Share of the Net Pension Liability</b>	<b>CPACTC's Covered Payroll</b>	<b>CPACTC's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.0255%	\$ 11,344,000	\$ 3,928,883	288.73%	61.85%
2023	0.0254%	\$ 11,293,000	\$ 3,752,964	300.91%	61.34%
2022	0.0257%	\$ 10,552,000	\$ 3,649,333	289.15%	63.67%
2021	0.0250%	\$ 12,310,000	\$ 3,513,913	350.32%	54.32%
2020	0.0247%	\$ 11,555,000	\$ 3,404,644	339.39%	55.66%
2019	0.0244%	\$ 11,713,000	\$ 3,291,886	355.81%	54.00%
2018	0.0241%	\$ 11,903,000	\$ 3,208,426	370.99%	51.84%
2017	0.0246%	\$ 12,191,000	\$ 3,181,667	383.16%	50.14%
2016	0.0234%	\$ 10,136,000	\$ 3,005,088	337.29%	54.36%
2015	0.0234%	\$ 9,262,000	\$ 2,991,604	309.60%	57.24%

The amounts presented for each fiscal year were determined as of the measurement date, which is one year prior to the fiscal year end.

The schedule is presented to illustrate the requirement to show information for 10 years.

**CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

**REQUIRED SUPPLEMENTARY INFORMATION -  
SCHEDULES OF CPACTC'S PENSION CONTRIBUTIONS -  
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

<b>For the Fiscal Year Ended June 30</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to the Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>CPACTC's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 1,405,409	\$ (1,405,409)	\$ -	\$ 4,211,104	33.37%
2023	\$ 1,370,559	\$ (1,370,559)	\$ -	\$ 3,876,713	35.35%
2022	\$ 1,278,179	\$ (1,278,179)	\$ -	\$ 3,752,964	34.06%
2021	\$ 1,235,829	\$ (1,235,829)	\$ -	\$ 3,649,333	33.86%
2020	\$ 1,176,000	\$ (1,176,000)	\$ -	\$ 3,513,913	33.47%
2019	\$ 1,108,008	\$ (1,108,008)	\$ -	\$ 3,404,644	32.54%
2018	\$ 1,051,519	\$ (1,051,519)	\$ -	\$ 3,291,886	31.94%
2017	\$ 919,953	\$ (919,953)	\$ -	\$ 3,208,426	28.67%
2016	\$ 791,128	\$ (791,128)	\$ -	\$ 3,181,667	24.87%
2015	\$ 629,999	\$ (629,999)	\$ -	\$ 3,005,088	20.96%

The schedule is presented to illustrate the requirement to show information for 10 years.

CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

REQUIRED SUPPLEMENTARY INFORMATION -

SCHEDULES OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS -

CPACTC'S SINGLE EMPLOYER PLAN

For the Fiscal Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>							
Service cost	\$ 33,796	\$ 40,868	\$ 40,745	\$ 31,024	\$ 38,171	\$ 36,166	\$ 42,362
Interest	18,063	10,907	8,819	13,296	14,404	14,077	13,735
Differences between expected and actual experience	(48,563)	-	(9,318)	-	(99,725)	-	(154,812)
Changes in assumptions	(56,159)	(55,045)	(13,317)	47,332	(10,376)	493	25,020
Benefit payments	(22,551)	(23,798)	(21,669)	(24,469)	(21,229)	(16,631)	(28,287)
<b>Net change in total OPEB liability</b>	<b>(75,414)</b>	<b>(27,068)</b>	<b>5,260</b>	<b>67,183</b>	<b>(78,755)</b>	<b>34,105</b>	<b>(101,982)</b>
<b>Total OPEB Liability - beginning</b>	<b>423,321</b>	<b>450,389</b>	<b>445,129</b>	<b>377,946</b>	<b>456,701</b>	<b>422,596</b>	<b>524,578</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 347,907</b>	<b>\$ 423,321</b>	<b>\$ 450,389</b>	<b>\$ 445,129</b>	<b>\$ 377,946</b>	<b>\$ 456,701</b>	<b>\$ 422,596</b>
<b>Covered payroll</b>	<b>\$ 3,859,014</b>	<b>\$ 3,379,266</b>	<b>\$ 3,379,266</b>	<b>\$ 3,259,319</b>	<b>\$ 3,259,319</b>	<b>\$ 3,060,239</b>	<b>\$ 3,060,239</b>
<b>Net OPEB liability as a percentage of covered payroll</b>	<b>9.02%</b>	<b>12.53%</b>	<b>13.33%</b>	<b>13.66%</b>	<b>11.60%</b>	<b>14.92%</b>	<b>13.81%</b>

Notes to Schedule:

For the fiscal year ended June 30, 2024:

Changes in assumptions: The discount rate changed from 4.06% to 4.13%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

# CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

## REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULES OF CPACTC'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

For the Fiscal Year Ended June 30	CPACTC's Proportion of the Net OPEB Liability	CPACTC's Proportionate Share of the Net OPEB Liability	CPACTC's Covered Payroll	CPACTC's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.0256%	\$ 463,000	\$ 3,928,883	11.78%	7.22%
2023	0.0255%	\$ 469,000	\$ 3,752,964	12.50%	6.86%
2022	0.0257%	\$ 610,000	\$ 3,649,333	16.72%	5.30%
2021	0.0250%	\$ 540,000	\$ 3,513,913	15.37%	5.69%
2020	0.0247%	\$ 525,000	\$ 3,404,644	15.42%	5.56%
2019	0.0244%	\$ 509,000	\$ 3,291,886	15.46%	5.56%
2018	0.0241%	\$ 491,000	\$ 3,208,426	15.30%	5.73%

The amounts presented for each fiscal year were determined as of the measurement date, which is one year prior to the fiscal year end.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

# CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

## REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULES OF CPACTC'S OPEB CONTRIBUTIONS - PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	CPACTC's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 26,962	\$ (26,962)	\$ -	\$ 4,211,104	0.64%
2023	\$ 29,786	\$ (29,786)	\$ -	\$ 3,876,713	0.77%
2022	\$ 29,951	\$ (29,951)	\$ -	\$ 3,752,964	0.80%
2021	\$ 30,080	\$ (30,080)	\$ -	\$ 3,649,333	0.86%
2020	\$ 30,000	\$ (30,000)	\$ -	\$ 3,513,913	0.84%
2019	\$ 28,000	\$ (28,000)	\$ -	\$ 3,404,644	0.83%
2018	\$ 27,000	\$ (27,000)	\$ -	\$ 3,291,886	0.83%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

## **SUPPLEMENTARY INFORMATION**

**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***

Joint Operating Committee  
Cumberland Perry Area Career & Technical Center  
Mechanicsburg, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of Cumberland Perry Area Career & Technical Center (CPACTC), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the CPACTC's basic financial statements and have issued our report thereon dated October 28, 2024.

**Report on Internal Control Over Financial Reporting**

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

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



## **Report on Compliance and Other Matters**

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

## **Purpose of this Report**

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

A handwritten signature in black ink, reading "Boyer & Fitter". The signature is written in a cursive, flowing style with a large loop at the end.

Camp Hill, Pennsylvania  
October 28, 2024

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

Joint Operating Committee  
Cumberland Perry Area Career & Technical Center  
Mechanicsburg, Pennsylvania

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

***Opinion on Each Major Federal Program***

We have audited Cumberland Perry Area Career & Technical Center (CPACTC) 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 District's major federal programs for the year ended June 30, 2024. The CPACTC'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 CPACTC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and 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 CPACTC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe 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 CPACTC'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 CPACTC'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 CPACTC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the CPACTC's compliance with the requirements of each major federal program as a whole.

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

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

A handwritten signature in black ink, reading "Boyer & Ritten". The signature is written in a cursive, flowing style with a large loop at the end.

Camp Hill, Pennsylvania  
October 28, 2024

**CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2024**

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**Section I -- Summary of Auditor's Results**

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**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? \_\_Yes XNo
- Significant deficiency(ies) identified that are not considered to be a material weakness (es)? \_\_Yes XNone Reported

Noncompliance material to financial statements noted? \_\_Yes XNo

**Federal Awards**

Internal control over major programs:

- Material weakness (es) identified? \_\_Yes XNo
- Significant deficiency(ies) identified that are not considered to be a material weakness (es)? \_\_Yes XNone Reported

Type of auditor's report issued on compliance for the major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? \_\_Yes XNo

Identification of the major programs:

Assistance Listing	
<u>Number</u>	<u>Name of Federal Programs/Cluster</u>
84.048	Career and Technical Education - Basic Grants to States (Perkins)

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? \_\_Yes XNo

**CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2024**

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**Section II -- Financial Statement Findings**

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A. Significant Deficiency(ies) in Internal Control

There were no findings relating to the financial statement audit required to be reported.

B. Compliance Findings

There were no compliance findings relating to the financial statement audit required to be reported.

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**Section III -- Federal Award Findings and Questioned Costs**

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A. Compliance Findings

There were no findings relating to the Federal awards as required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance.

B. Significant Deficiency(ies) in Internal Control

There were no significant deficiencies in internal controls relating to the Federal awards as required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance.

**CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2024**

Grantor Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Grant Period	Program or Annual Award	Total Received for the Year	Accrued or (Deferred) Revenue at July 1, 2023	Revenue Recognized	Expenditures Recognized	Accrued or (Deferred) Revenue at June 30, 2024	Provided to Subrecipients
<b>U.S. Department of Education</b>										
Passed through the Pennsylvania Department of Education										
Career and Technical Education - Basic Grants to States (Perkins)	84.048	380-24-0037	23-24	\$ 546,161	\$ 546,161	\$ -	\$ 546,161	\$ 546,161	\$ -	\$ -
COVID-19 - American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	FA-224-21-1197	20-25	\$ 631,676	516,826	288,385	228,441	228,441	-	-
<b>U.S. Department of Health and Human Services (HHS)</b>										
Passed through the Pennsylvania Department of Education										
COVID-19 - Public Health Crisis Response	93.354	160-23-0041	22-24	\$ 277,113	155,876	(51,985)	206,273	206,273	(1,588)	-
Total passed through the Pennsylvania Department of Education					1,218,863	236,400	980,875	980,875	(1,588)	-
<b>Total U.S. Department of Education</b>					1,218,863	236,400	980,875	980,875	(1,588)	-
<b>Total Expenditures of Federal Awards</b>					\$ 1,218,863	\$ 236,400	\$ 980,875	\$ 980,875	\$ (1,588)	\$ -

See Notes to Schedule of Expenditures of Federal Awards.

## CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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#### **Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the CPACTC under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the CPACTC's operations, it is not intended to and does not present the financial position, changes in net position, or cash flows of the CPACTC.

#### **Note 2. Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue is recognized when earned, and expenses are recognized when incurred. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The CPACTC has not elected to use the 10-percent de Minimis indirect cost rate as allowed under the Uniform Guidance.



**CUMBERLAND PERRY AREA CAREER & TECHNICAL CENTER**

**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS**  
**Year Ended June 30, 2024**

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There were no prior year's audit findings.

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**APPENDIX I**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

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## MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$        in aggregate principal amount of

Effective Date:

Premium: \$

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

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

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

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

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

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

ASSURED GUARANTY INC.

By \_\_\_\_\_  
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)