

NEW ISSUE - BOOK ENTRY ONLY

RATING: Moody's: "Aa2" (Underlying)
(See "RATING" herein)

In the opinion of Stevens & Lee, P.C., Reading, Pennsylvania, Bond Counsel, assuming continuing compliance by the Authority with certain covenants to comply with provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations thereunder, interest on the Bonds is not includable in gross income under Section 103(a) of the Code and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum taxes on individuals and corporations; however interest on the Bonds may be subject to the Federal alternative minimum tax on "applicable corporations" as defined in Section 59(k) of the Code. See "TAX MATTERS" herein for a brief description of these provisions. Under the laws of the Commonwealth of Pennsylvania, the Bonds and interest on the Bonds shall be free from taxation for State and local purposes within the Commonwealth of Pennsylvania, but this exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Bonds or the interest thereon. Under the laws of the Commonwealth of Pennsylvania, profits, gains or income derived from the sale, exchange or other disposition of the Bonds shall be subject to State and local taxation within the Commonwealth of Pennsylvania. For further information concerning federal and state tax matters related to the Bonds, see "TAX MATTERS" herein.

Bond Counsel is also of the opinion that under the laws of the Commonwealth of Pennsylvania as presently enacted and construed, the interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. See "TAX MATTERS" herein.

\$2,955,000*

COUNTY OF SCHUYLKILL
(Commonwealth of Pennsylvania)
General Obligation Bonds, Series of 2026

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

Interest Payable: May 1 and November 1
First Interest Payment: May 1, 2027
Form: DTC Book-Entry Only

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

General: The General Obligation Bonds, Series of 2026 (the "Bonds" or "2026 Bonds") in the aggregate principal amount of \$2,955,000* are being issued by the County of Schuylkill (the "County"), located in the Commonwealth of Pennsylvania. The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds can be made only under the book-entry system of DTC, and purchasers will not receive certificates representing their interests in the Bonds. While DTC, or its nominee Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by Manufacturers and Traders Trust Company, as paying agent (known herein as the "Paying Agent" or the "Sinking Fund Depository"), directly to Cede & Co. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to Beneficial Owners of the Bonds is the responsibility of the DTC Participants and the Indirect Participants. See "**BOOK-ENTRY ONLY SYSTEM**" herein. Interest on the Bonds is payable initially on May 1, 2027, and thereafter, semiannually on May 1 and November 1 of each year.

Security: The Bonds are general obligations of the County, payable from the tax and other general revenues of the County. The County has covenanted that it will provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service due on the Bonds for such year and will duly and punctually pay or cause to be paid from funds deposited by the County in the respective sinking fund established under the Ordinance enacted by the Board of Commissioners (the "Commissioners") of the County on September 23, 2026, authorizing and securing the Bonds, or from any other of its legally available revenues or funds, the principal of every Bond and the interest thereon at the dates and place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the County has irrevocably pledged its full faith, credit and taxing power, which taxing power includes the power to levy *ad valorem* taxes on all taxable property in the County, within limitations provided by law (see "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**" AND **APPENDIX A - "TAXING POWERS AND LIMITS"** herein).

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

Proceeds of the Bonds: The proceeds of the Bonds will be applied for and toward (i) the current refunding of the General Obligation Bonds, Series A of 2019 (the "2019A Bonds"), the General Obligation Notes, Series B of 2020 (the "2020B Notes"); and (ii) the payment of the costs of issuing the Bonds.

MATURITIES, AMOUNTS, RATES AND PRICES/YIELDS
(As shown on the inside cover)

The Bonds are offered for delivery when, as and if issued by the County and received by the Underwriter, subject to the approving legal opinion of Stevens & Lee, P.C., Reading, Pennsylvania, as Bond Counsel to the County, to be furnished upon delivery of the Bonds. Certain legal matters will be passed upon by Paul Datte, Esquire, Pottsville, Pennsylvania, as Solicitor for the County, and for the Underwriter by its limited scope underwriters' counsel, McNees Wallace & Nurick LLC, Reading, Pennsylvania. It is expected that the Bonds will be available for delivery through the facilities of DTC, on or about October __, 2026.

RAYMOND JAMES®

*Preliminary, subject to change.

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

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BOND MATURITY SCHEDULE

(November 1)	Principal	Interest			CUSIP
<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Numbers ⁽¹⁾</u>
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					

⁽¹⁾The CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the County 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 County nor the Underwriter has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

*Preliminary, subject to change.

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

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

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

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

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SUMMARY PAGE

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

Issuer	County of Schuylkill, Commonwealth of Pennsylvania (the “County”).
Bonds	The General Obligation Bonds, Series of 2026 in the principal amount of \$2,955,000* (the “Bonds”), dated as of the date of delivery, maturing on November 1, ____ through November 1, ____. Interest on the Bonds shall be payable semiannually on May 1 and November 1. See “DESCRIPTION OF THE BONDS” herein.
Optional Redemption	The Bonds stated to mature on and after November 1, ____, are subject to redemption prior to maturity at the option of the County in whole or, from time to time, in part, in any order of maturities as the County shall select, on any date or dates on or after November 1, ____, at a price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for such optional redemption.
Form	Book-Entry Only.
Application of Proceeds	The proceeds of the Bonds will be applied for and toward (i) the current refunding of the General Obligation Bonds, Series A of 2019 (the “2019A Bonds”), the General Obligation Notes, Series B of 2020 (the “2020B Notes”); and (ii) the payment of the costs of issuing the Bonds.
Security	The Bonds are general obligations of the County, for the payment of which the County has pledged its full faith, credit and taxing power.
Rating	Moody’s Investors Services (“Moody’s”) has assigned an underlying rating of “Aa2” to the Bonds, subject to their issuance. (See “ RATING ” herein.)
Continuing Disclosure Undertaking	The County has agreed to provide, or cause to be provided, in a timely manner, certain information in accordance with the requirements of Rule 15c2-12, as promulgated under the Securities Exchange Act of 1934, as amended and interpreted (the “Rule”). (See “ CONTINUING DISCLOSURE UNDERTAKING ” and “ APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE ” herein.)

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*Preliminary, subject to change.

**COUNTY OF SCHUYLKILL
(Commonwealth of Pennsylvania)**

Court House
401 North Second Street
Pottsville, Pennsylvania 17901
(570) 622-5570
www.co.schuylkill.pa.us.gov

BOARD OF COMMISSIONERS

Larry J. Padora Jr. Chairman
Barron L. Hetherington..... Commissioner
Gary J. Hess Commissioner

COUNTY OFFICIALS

Gary R. Bender Administrator
Glenn Geissinger.....Financial Director

BOND COUNSEL

Stevens & Lee, P.C.
Reading, Pennsylvania

SOLICITOR

Paul Datte, Esquire
Pottsville, Pennsylvania

UNDERWRITERS

Raymond James & Associates, Inc.
Lancaster, Pennsylvania

LIMITED SCOPE UNDERWRITER'S COUNSEL

McNees Wallace & Nurick LLC
Lancaster, Pennsylvania

PAYING AGENT

Manufacturers and Traders Trust Company
Philadelphia, Pennsylvania

OFFICIAL STATEMENT
\$2,955,000*
COUNTY OF SCHUYLKILL
(Commonwealth of Pennsylvania)
General Obligation Bonds, Series of 2026

INTRODUCTION

This Official Statement is furnished by the County of Schuylkill (the “County”), located in the Commonwealth of Pennsylvania, in connection with the offering of its General Obligation Bonds, Series of 2026 (the “Bonds”) in the aggregate principal amount of \$2,955,000*, to be dated their date of delivery (the “Delivery Date”) when the Bonds are issued and delivered to DTC (described below) or its agent. The Bonds are general obligations of the County, which are secured by a parity pledge of its full faith, credit and taxing power to pay the principal of and interest due on the Bonds.

The Bonds are being issued pursuant to, and are secured by, an Ordinance enacted by the Commissioners (the “Commissioners”) of the County on September 23, 2026 (the “Ordinance”), in accordance with the laws of the Commonwealth of Pennsylvania (the “Commonwealth” or “State”), including the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the “Debt Act”). Copies of the Ordinance may be obtained from the County.

The Bonds shall be issued in fully registered form, without certificates or coupons, in the denomination of \$5,000 principal amount and integral multiples thereof. Interest on the Bonds is payable semiannually on May 1 and November 1 of each year, commencing May 1, 2027. Interest on any Bond is payable to the Beneficial Owner as of the applicable Record Date (defined below). The interest on and principal of the Bonds is payable by the County to Manufacturers and Traders Trust Company, serving as paying agent and sinking fund depository, for transfer to DTC. When issued, the Bonds will be registered in the name of Cede & Co., as nominee for the Depository Trust Company (“DTC”), New York, New York. Purchasers of the Bonds (the “Beneficial Owners”) will not receive any Bond certificates, and beneficial ownership of the Bonds will be evidenced only by electronic book entries. See “**BOOK-ENTRY ONLY SYSTEM**” herein.

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

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

PURPOSE OF THE ISSUE

The proceeds of the Bonds will be applied for and toward (i) the current refunding of the General Obligation Bonds, Series A of 2019 (the “2019A Bonds”), the General Obligation Notes, Series B of 2020 (the “2020B Notes”); and (ii) the payment of the costs of issuing the Bonds.

SOURCES AND USES OF FUNDS

	<u>Total</u>
<u>Sources of Funds</u>	
Proceeds of the Bonds.....	
Net Original Issue Premium [Discount].....	
Total Sources of Funds	
<u>Uses of Funds</u>	
Amount required to retire the 2019A Bonds.....	
Amount required to retire the 2020B Notes	
Costs of Issuance ⁽¹⁾	
Total Uses of Funds	

⁽¹⁾ Includes legal fees, underwriters’ discount, municipal financial advisor, paying agent fees, municipal bond insurance premium, rating fee, CUSIP, printing and miscellaneous fees.

*Preliminary, subject to change.

DESCRIPTION OF THE BONDS

The Bonds will be issued in book-entry form, in denominations of \$5,000 principal amount and integral multiples thereof. The Bonds will bear interest from the Delivery Date at the rates and mature in the amounts and on the dates set forth on the inside front cover of this Official Statement. Interest on the Bonds will be payable initially on May 1, 2027, and thereafter, semiannually on May 1 and November 1 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for.

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

Payment of Principal and Interest

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

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

Interest on any certificated Bonds will be payable to the registered owner of such a Bond from the interest payment date next preceding the date of registration and authentication of the Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding, May 1, 2027, in which event such Bond shall bear interest from the Delivery Date, or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond. Interest on a certificated Bond will be payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) of the month (whether or not a day on which the Paying Agent is open for business) next preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date, unless the County shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of such Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names such certificated Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

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

Transfer, Exchange and Registration of Certificated Bonds

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

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

REDEMPTION OF BONDS

Mandatory Sinking Fund Redemptions

In the manner and upon the terms and conditions provided in the Ordinance, the following Bond maturities are subject to mandatory redemption in direct order of maturity, pursuant to operation of the Mandatory Sinking Fund in the manner set forth in the Ordinance at a redemption price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest, on November 1st of the following years and in the following principal amounts:

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

Optional Redemption

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

Notice of Redemption

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

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

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

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

Manner of Redemption

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

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

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

If any maturity of the Bonds which is subject to mandatory sinking fund redemption shall be called for optional redemption in part, the County shall be entitled to designate whether the principal amount redeemed is to be credited against the principal amount of the Bonds of such

maturity required to be called for mandatory sinking fund redemption on any particular future date or dates, or shall be credited against the principal amount of such Bonds to be due and payable at stated maturity, in each case in a whole multiple of \$5,000 principal amount.

BOOK-ENTRY ONLY SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General Obligation Pledge

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

Actions in the Event of Default on the Bonds

If the County defaults in the payment of principal of or interest on the Bonds after the same becomes due, whether at the stated maturity date or upon call for prior redemption, and the default continues for 30 days, or if the County fails to comply with any provision of the Bonds or any provision of the Ordinance the Debt Act provides that, the holders of 25% in the aggregate principal amount of the Bonds then outstanding may, upon appropriate action, appoint a trustee to represent the Holders of such defaulted Bonds. The Trustee may, and upon written request of the owners of 25% in principal amount of the Bonds and upon being furnished with indemnity satisfactory to it, shall, in his own name, take one or more of the following actions, and the taking of such action shall preclude similar action whether previously or subsequently initiated by individual holders of the Bonds: (1) bring suit to enforce all rights of the holders of the Bonds, (2) bring suit on the Bonds, (3) petition the court to levy an assessment on real estate subject to ad valorem taxation by the County for the amount due on the Bonds, which the trustee may collect or cause the County to collect, as by a foreclosure or a mortgage or security interest on the realty if not paid on demand, (4) by suit in equity, enjoin any acts or things which may be unlawful to any limitations in the Ordinance, declare the unpaid principal of the Bonds to be immediately due and payable with interest at the rate or rates stated in the Bonds until final payment.

Sinking Fund

Under the Ordinance, the County has created a "County of Schuylkill, General Obligation Bonds, Series of 2026 Sinking Fund" (the "Sinking Fund") as required by the Debt Act and segregated from all other funds of the County. The County shall deposit in the Sinking Fund, not later than the date when principal or interest is to become due on the Bonds, an amount sufficient to provide for the payment of interest and principal becoming due on the Bonds.

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

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

BONDHOLDER CONSIDERATIONS

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

Cybersecurity

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

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

Climate Change

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

Risk of Audit by Internal Revenue Service

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

CONTINUING DISCLOSURE UNDERTAKING

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

With respect to the filing of annual financial information and operating data, the County 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 County or its operations or financial reporting, but the County will agree that any such modification will be done in a manner consistent with the Rule.

The County 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 County). The County may from time to time choose to file notice of other events in addition to those specified in the Continuing Disclosure Certificate.

The County 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 County's continuing disclosure undertaking shall be limited to a right to obtain specific enforcement, and any failure by the County to comply with the provisions of the undertaking shall not be an event of default with respect to the Bonds.

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

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

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

Year Ending	Filing Due Date	Filing dates to EMMA		
		Audit	Operating Data	Budget
12/31/2025	10/2/2026	9/30/2026	10/02/2026	10/02/2026
12/31/2024	10/2/2025	10/01/2025	10/01/2025 ⁽¹⁾	10/01/2025
12/31/2023	10/1/2024	09/30/2024	09/30/2024	⁽²⁾
12/31/2022	10/2/2023	09/29/2023	09/29/2023	⁽²⁾
12/31/2021	10/2/2022	09/29/2022	09/29/2022	⁽²⁾

⁽¹⁾Certain portions of the County's operating data were missed in the original filing consisting of the real property tax collection and the ten largest real estate taxpayers. The County subsequently filed this information to EMMA on 10/02/2026.

⁽²⁾Although not filed separately to EMMA, budgetary comparison schedules are included in the County's audits posted to EMMA.

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

NO LITIGATION

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

TAX MATTERS

Federal Tax Laws

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

Other provisions of the Code affect the purchasers and holders of certain state and local government bonds such as the Bonds. Prospective purchasers of the Bonds should be aware that: (i) Section 265 of the Code denies a deduction for interest on (a) indebtedness incurred or continued to purchase or carry certain state or local government bonds or notes, such as the Bonds, or, (b) in the case of a financial institution, that portion of a financial institution's interest expense allocated to interest on certain state or local government bonds or notes, such as the Bonds, unless the issuer of the state or local government bonds or notes designates the bonds or notes as "qualified tax-exempt obligations" for the purpose and effect contemplated by Section 265(b)(3)(B) of the Code (the Authority has designated the Bonds as "qualified tax exempt obligations" under

Section 265(b)(3)(B) of the Code, as such phrase is defined in the Code); (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(1) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest and amounts treated as such on certain state or local government bonds such as the Bonds; (iii) interest on certain state or local government bonds or notes, such as the Bonds, earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (iv) if a Subchapter S corporation has passive investment income (which passive investment income will include interest on state and local government bonds or notes such as the Bonds) exceeding 25% of such Subchapter S corporation's gross receipts and if such Subchapter S corporation has Subchapter "C" earnings and profits, then interest income derived from state and local government bonds or notes, such as the Bonds, may be subject to federal income tax under Section 1375 of the Code; and (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income receipts or accruals of interest on certain state or local government bonds or notes such as the Bonds.

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

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

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

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

Tax Exemption

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

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

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

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

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

LEGAL OPINIONS

The issuance of the Bonds is subject to the approving legal opinion of Stevens & Lee, P.C., Reading, Pennsylvania, as Bond Counsel to the County, substantially in the form of Appendix C. Certain legal matters will be passed on for the County by Paul Datte, Esquire, Pottsville, Pennsylvania, as Solicitor for the County, and for the Underwriter by its limited scope underwriters' counsel, McNees Wallace & Nurick LLC, Lancaster, Pennsylvania, will pass upon certain legal matters as limited scope undertaking counsel to the underwriters.

RATING

Moody's Investors Services ("Moody's") has assigned the County an underlying rating of "Aa2". This underlying rating may be changed, suspended or withdrawn as a result in, or unavailability of, information.

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

UNDERWRITING

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

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

PAYING AGENT

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

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

CERTAIN OTHER MATTERS

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

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

The County has authorized the distribution of this Official Statement.

**County of Schuylkill
Commonwealth of Pennsylvania**

By:
Chairman, Board of Commissioners

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APPENDIX A

SUMMARIES OF OPERATING DATA REGARDING THE COUNTY

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DESCRIPTION OF THE COUNTY

Introduction

The County of Schuylkill (the “County”) was created on March 1, 1811, from parts of Berks and Northampton counties and named after the Schuylkill River, which originates in the county. On March 3, 1818, additional territory in its northeast was added from Columbia and Luzerne counties. The County has a land area of 784 square miles and is located in eastern Pennsylvania. The City of Pottsville is both, the County seat and the largest municipality in the County.

The County is of the fourth class under Pennsylvania law. The County operates under the provisions of the County Code and other relevant acts. A three member Board of County Commissioners govern the County as the executive and legislative officers, and are elected at-large for four-year terms. Other officials of the County, which are elected at-large for four year terms of office, include the Treasurer, District Attorney, Controller, Prothonotary, Clerk of Court, Recorder of Deeds/Register of Wills, Sheriff, two Jury Commissioners and the Corner.

COUNTY FINANCES

Financial Reporting

The County keeps its books and prepares its financial reports according to a modified accrual basis. For more complete information, the individual financial statements and budgets of the County should be reviewed at the offices of the County.

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

Budgeting Process

The County prepares its budgets according to procedures mandated in the County Code of Pennsylvania. A budget is prepared by the Board of County Commissioners and adopted on a preliminary basis in November of each year. The preliminary budget is then made available for public comment throughout December and adopted in its final form before the beginning of the calendar year.

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Summary and Discussion of Financial Results

The following tables presents a summary of the County's General Fund Financial Condition for fiscal year's ending December 31, 2021 through December 31, 2025 and the 2026 Budget. For more complete information, the individual audited comprehensive financial reports (ACFR") and the 2026 Budget of the County may be reviewed at the offices of the County.

County of Schuylkill General Fund Revenues, Expenditures and Fund Balances (Fiscal Years Ending December 31st)

	ACTUAL				
	2021	2022	2023	2024	2025
<u>REVENUES</u>					
Taxes					
Real Estate	\$39,964,199	\$40,762,009	\$40,969,268	\$40,693,704	\$51,402,098
Per Capita.....	377,201	361,651	364,594	368,413	0
Hotel.....	440,959	704,816	798,291	688,514	0
Intergovernmental Revenues.....	14,302,767	3,003,370	2,667,197	3,416,666	2,729,080
Charges for Service.....	6,626,519	7,046,882	6,486,718	7,035,234	7,245,963
Interest	173,995	295,847	1,433,917	1,527,592	1,512,367
Rent.....	92,626	137,983	96,293	113,678	0
Private Contributions/Donations	46,288	54,054	56,838	57,984	0
Miscellaneous Revenue.....	<u>1,404,133</u>	<u>440,439</u>	<u>212,207</u>	<u>129,652</u>	<u>350,778</u>
TOTAL REVENUES.....	\$63,428,687	\$52,807,051	\$53,085,323	\$54,031,437	\$63,240,286
<u>EXPENDITURES</u>					
General Government.....	\$5,317,717	\$8,589,839	\$9,710,732	\$12,575,516	\$10,461,542
Judicial.....	13,692,584	13,576,396	14,236,777	15,240,647	15,138,397
Public Safety	10,835,068	10,689,824	11,472,397	10,987,890	12,734,467
Public Works.....	2,832,098	3,863,857	3,601,268	2,814,842	3,862,740
Human Services	4,242,465	4,748,408	4,793,392	5,938,936	5,692,229
Culture and Recreation.....	351,218	326,210	275,635	398,409	377,987
Conservation and Community					
Development.....	3,628,753	2,517,291	3,102,190	2,498,152	1,736,253
Capital Outlay	11,154,909	1,486,532	2,045,496	1,732,322	2,613,342
Debt Service					
Principal Retirement	0	456,155	549,308	753,039	662,529
Interest	0	27,436	57,479	48,756	67,704
Debt Issuance Costs	<u>43,750</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES.....	<u>\$52,098,562</u>	<u>\$46,281,948</u>	<u>\$49,844,674</u>	<u>\$52,988,509</u>	<u>\$53,347,190</u>
Excess of Revenue Over					
(Under) Expenditures	\$11,330,125	\$6,525,103	\$3,240,649	\$1,042,928	\$9,893,096
<u>OTHER FINANCING SOURCES (USES)</u>					
Financing Leases.....	\$221,032	\$149,036	\$270,210	\$11,652	\$234,728
Long-term Debt Issued.....	6,110,000	0	0	0	0
Issuance of Lease Notes Payable	0	143,110	288,235	325,891	132,347
Issuance of Subscription Services	0	0	277,265	0	214,930
Net Operating Transfers.....	<u>(8,981,453)</u>	<u>(1,787,617)</u>	<u>(6,744,607)</u>	<u>(197,101)</u>	<u>(9,634,851)</u>
Total other financing sources (uses) ..	<u>(2,650,421)</u>	<u>(1,495,471)</u>	<u>(5,908,897)</u>	<u>140,442</u>	<u>(9,052,846)</u>
Net change in fund balances.....	<u>\$8,679,704</u>	<u>\$5,029,632</u>	<u>(\$2,668,248)</u>	<u>\$1,183,370</u>	<u>\$840,250</u>
Fund Balances, January 1	\$22,215,197	\$34,083,609	\$39,113,241	\$36,444,993	\$41,380,753
Fund Balances, December 31	<u>\$30,894,901</u>	<u>\$39,113,241</u>	<u>\$36,444,993</u>	<u>\$37,628,363</u>	<u>\$42,221,003</u>

*Restated

Source: County ACFR's

County of Schuylkill
Budgeted General Fund Revenues and Expenditures
(Fiscal Years Ending December 31st)

	<u>2026</u>
<u>REVENUES</u>	
Taxes	\$51,128,229
Intergovernmental Revenues	0
Charges for Service	4,665,502
Interest/Investment Earnings	0
Miscellaneous Revenue	16,681,649
TOTAL REVENUES	\$72,475,380
<u>EXPENDITURES</u>	
Compensation & Benefits	\$48,830,014
Operating Expenses	29,426,674
TOTAL EXPENDITURES	\$78,256,688
Excess of Revenue Over (Under) Expenditures	<u>(\$5,781,308)</u>

Source: County Budget

TAXING POWERS AND LIMITS

In General

The County Code, as amended (the "County Code") authorizes the imposition of property taxes for general county purposes including the payment of interest and principal on indebtedness incurred under the Local Government Unit Debt Act, Act of December 19, 1996, P.L. 1158, No. 177 (the "Debt Act").

The Board of County Commissioners fixes, by resolution, the rate of taxation for each year in accordance with the provisions of the County Code. No tax for general purposes and institution district purposes in counties of the second class A may exceed the rate of 55 mills on every dollar of the assessed real estate valuation. However, the rate of taxation for payment of any indebtedness incurred pursuant to the Debt Act is unlimited. In addition, the County may impose up to five mills for the establishment, operation and maintenance of community colleges and up to two mills for parks and recreation.

The current real estate tax millage rate for Schuylkill County is 3.729 mills, which breaks down into 3.613 mills for the general fund and 0.116 mills for funded debt. This rate was set as part of the county-wide reassessment implementation of the new values that went into effect January 1, 2026.

TAX REVENUES OF THE COUNTY

Tax Collection Record

Year	Tax Levy	Current Year Collections	Current Year Collections as Percent of Total Tax	Total Current Plus Delinquent Collections⁽¹⁾	Total Collection as Percent of Total Tax
2021	\$42,400,361	\$38,173,070	90.03%	\$42,316,373	99.80%
2022	42,772,183	38,544,443	90.12%	42,354,851	99.02%
2023	42,956,115	36,950,398	86.02%	42,565,958	99.09%
2024	43,448,742	38,249,865	88.03%	43,071,369	99.13%
2025	51,685,249	45,535,667	88.10%	50,669,456	98.03%

⁽¹⁾Includes delinquent taxes.

Source: County

Trends in Market and Assessed Valuations

The trend in market and assessed valuation of real estate in the County is shown below:

<u>Tax Year</u>	<u>Market Value</u>	<u>Assessed Value</u>
2021	\$6,205,981,946	\$2,539,783,790
2022	6,851,730,781	2,560,975,086
2023	6,889,358,374	2,570,431,048
2024	7,776,651,215	2,602,586,636
2025	7,921,898,419	2,614,684,790

The Schuylkill County countywide reassessment began in 2022, with data collection and valuation work completed in 2025. The new values went into effect January 1, 2026.

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

Ten Largest Taxpayers in the County

The following table represents the ten real estate parcels having the highest assessed values in the County. These taxpayers represent approximately 14.6% of the County's total most recent assessed value.

<u>Taxpayer</u>	<u>Taxable Assessed Valuation</u>
Wal-Mart Stores East	\$59,547,000
Rausch Creek Logistics Center	48,296,700
First Security Bank N.A.	44,461,500
Hydro Extrusion USA LLC	42,694,400
60 Green Mountain LLC	41,282,900
Wegmans Food Markets Inc.	39,844,100
63 Green Mountain LLC	34,368,500
PFNONWOVENS LLC	32,260,100
Exeter 25 Keystone LLC	27,089,300
Stag Industrial Holdings LLC	26,534,000
<i>Totals</i>	<u>\$396,378,500</u>

Source: County Tax Assessment office

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DEBT STATEMENT AND DEBT LIMITS

Debt Statement

The following table shows the debt of the County after giving effect to the issuance of the Bonds.

COUNTY OF SCHUYLKILL DEBT STATEMENT

	Gross Outstanding
<u>Nonelectoral Debt⁽¹⁾</u>	
General Obligation Bonds, Series of 2026.....	\$2,955,000
General Obligation Note, Series of 2023	5,533,000
General Obligation Note, Series A of 2020 (Taxable - Key Bank).....	1,765,000
General Obligation Bonds, Series of 2020.....	9,280,000
General Obligation Bonds, Series B of 2019	<u>1,760,000</u>
Total Nonelectoral Debt	\$21,293,000
<u>Lease Rental Debt</u>	
Schuylkill County Airport	
Guaranteed General Obligation Note, Series of 2018	<u>\$121,646</u>
Subtotal Lease Rental Debt.....	\$121,646
LESS: Debt Deemed to be Self Liquidating ⁽²⁾.....	<u>\$(121,646)</u>
Total Lease Rental Debt	\$0
Total Direct Debt	\$20,937,000
<u>Overlapping Debt</u>	
Municipal Debt	\$156,499,232
School District	<u>129,916,790</u>
Total Overlapping Debt.....	\$286,416,022
Total Direct and Overlapping Debt.....	<u>\$307,353,022</u>

⁽¹⁾Excludes the 2019A Bonds and 2020B Notes being refunded herein.

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

FUTURE FINANCING

At this time, the County has no immediate needs to issue long-term debt in the near future.

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BORROWING CAPACITY
(Under Local Government Unit Debt Act)

The Act establishes three forms of debt for a local government unit: (i) electoral debt (debt incurred with the approval of the electors for which there is no limitation on the amount that may be so incurred), (ii) nonelectoral debt (debt of a local government unit not being electoral or lease rental debt for which the limitation on all such net debt which may be incurred is 300 percent of the borrowing base for the County), and (iii) lease rental debt (the principal amount of municipal authority debt or debt of another local government unit to be repaid by the local government unit pursuant to a lease, subsidy contract, guarantee or other form of agreement with the County pursuant to which such debt is or may be payable out of County tax revenues and other general revenues; the limitation on all such net debt which may be incurred, including any net nonelectoral debt incurred, is 400 percent of the borrowing base for the County). Any debt which qualifies under the Act as subsidized or self-liquidating may be deducted or excluded from the determination of any such debt incurred in determining the net debt of the local government unit to which such limitations are applicable. Certain other deductions are allowed in determining net debt.

The Act establishes debt limits for local government units. The basis for determining nonelectoral borrowing capacity is related to adjusted revenues received over the most recent three fiscal years. The following is a calculation of the current "borrowing base", which is the arithmetic average of the total revenues of the County after adjustments by the exclusion of certain subsidies, reimbursements, pledged revenues and non-recurring items:

	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total General Fund Revenues.....	\$53,085,323	\$54,031,437	\$63,240,286
Total Net Revenues for Three Years		\$170,357,046	
Borrowing Base - Average Net Revenues for Three-Year Period		\$56,785,682	
<u>Computation of Borrowing Capacity</u>			
Debt Limitation - 300% of Borrowing Base		\$170,357,046	
Less: Net Non-Electoral Debt		20,937,000	
Current Non-Electoral Borrowing Capacity		\$149,420,046	
Debt Limitation - 400% of Borrowing Base		\$227,142,728	
Less: Net Non-Electoral and Lease Rental Debt		20,937,000	
Current Non-Electoral and Lease Rental Borrowing Capacity		\$206,205,728	

Source: County Officials

In addition to the above, a county may utilize an additional debt limit of 100 percent of the borrowing base for additional nonelectoral or additional lease rental debt, or both, if the county has assumed county-wide responsibility for hospitals and other public health services, air and water pollution control, flood control, environmental protection, water distribution and supply systems, sewage and refuse collection and disposal systems, education at any level, highways, public transportation or port operations, but such additional debt limit may be so utilized only to provide funds for and towards the cost of capital facilities for any or any combination of the foregoing purposes. Debt, other than electoral debt, at any time incurred for such purposes or any of them, may be assigned by ordinance to this additional debt limit, if the remaining borrowing capacity within the regular limits is insufficient to finance other projects deemed necessary by the applicable board of county commissioners.

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LABOR RELATIONS

Employees and Labor Contracts

Approximately 640 full-time and part-time employees are funded or employed by the County. There are seven collective bargaining agreements, AFSCME Local 1512, AFSCME Local 1721, ALF-CIO Local 1512, AFL-CIO Local 668, Court Related Union Unit 1, Court Related Union Unit 2, Teamsters Local Union 429 representing over 64.9% of County employees.

Pension Program

The Retirement Board administers the Schuylkill County Employees Pension Plan – a single-employer defined benefit pension plan that covers all employees of the County. The Plan is part of the County’s financial reporting entity and is included in the County’s financial statements as a Pension Trust Fund.

The Plan is governed by the 1971 County Pension Law, Act 96, of the General Assembly of the Commonwealth of Pennsylvania, as amended (the “Act”). Benefit and contribution provisions of the plan are established and can be amended as provided by the Act.

Management of the Plan is vested in the Board, which consists of five members - three elected County Commissioners, the County Controller, and the County Treasurer.

County pension contributions are as follows:

<u>Year</u>	<u>Contribution</u>
2021	\$2,011,946
2022	1,373,724
2023	1,920,720
2024	2,345,700
2025	2,561,153

Other Post-Employment Benefits (“OPEB”)

The County sponsors a post-employment benefits plan that covers health insurance benefits for eligible retirees. The County provides health insurance coverage for its eligible retirees under the terms of agreements with the unions that represent them. Groups of retirees that are eligible for OPEB were affiliated with the following: AFSCME Local 1512, AFSCME Local 1721, ALF-CIO Local 1512, AFL-CIO Local 668, Court Related Union Unit 1, Court Related Union Unit 2, Teamsters Local Union 429, and Non-Union/Management. The Plan does not issue a publicly available financial report.

Source : County ACFR’s

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APPENDIX B

LOCAL DEMOGRAPHIC AND STATISTICAL; AND ECONOMIC INFORMATION

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DEMOGRAPHIC AND STATISTICAL INFORMATION

General

Schuylkill County, located in eastern Pennsylvania, is bounded on the north by Northumberland, Columbia and Luzerne Counties; on the east by Carbon and Lehigh Counties; on the south by Berks County; and on the west by Lebanon and Dauphin Counties. The Delaware and Susquehanna River basins extend into the County, although its largest stream is the Schuylkill River.

The County is considered part of the ridge and valley section of the Appalachian Mountains. It is approximately 70 miles from the states of New Jersey, New York, Delaware and Maryland. Pottsville is the only city in the County. Other larger communities include Shenandoah, Tamaqua, Mahanoy City, Minersville, Schuylkill Haven, Frackville, St. Clair and Ashland.

The County covers an area of 784 square miles and a labor force of approximately 74,000 civilian workers. Known primarily for its Anthracite coal reserves (estimated at 4,700,000,000 tons), the County has made the transition from mining to a service-oriented and an industrial economy as its largest source of employment and income.

Population

	<u>2010</u>	<u>2022</u>
Schuylkill County	148,288	143,201
Pennsylvania	12,612,705	12,989,208

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

Age Composition (2022)

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

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

Income (2022)

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

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

Housing Characteristics (2022)

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

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

Occupied Housing (2022)

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

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

Medical Facilities

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

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

Source: Pennsylvania Department of Health, Bureau of Health Statistics

Top 10 Employers in Schuylkill County

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

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

Trends in Schuylkill County Employment and Unemployment

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

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

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

Recreation

Within the borders of the County, recreation abounds. Residents and tourists alike find a diversity of activities. The Commonwealth maintains two parks in the County, Locust Lake Park for boating, camping, hiking, and fishing, and Tuscarora State Park for swimming, picnicking, and other family activities. Over 34 square miles of game land are open to hunters in season. Over 400,000 fish and 4,000 game animals are released annually in the County. The streams and ponds throughout the County offer bass and trout fishing.

There are recreational programs and facilities publicly and privately supported in the 30 boroughs, 37 townships and 1 city in the County. Golf courses include Hidden Valley near Friedensburg, Schuylkill Country Club at Orwigsburg, Mountain Valley at Mahanoy City, and White Birch in Barnesville. Proximity to the Pocono Mountains, plus a ski slope at Eagle Rock, provides a number of winter recreation activities within a short drive of the County.

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APPENDIX C

FORM OF OPINION OF BOND COUNSEL

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Stevens & Lee

620 Freedom Business Center
Suite 200
King of Prussia, PA 19406
www.stevenslee.com

October __, 2026

RE: \$_____ County of Schuylkill, Pennsylvania,
General Obligation Bonds, Series of 2026

TO: THE REGISTERED OWNERS OF THE ABOVE-CAPTIONED BONDS

We have served as Bond Counsel in connection with the issuance by the County of Schuylkill, Pennsylvania (the “County”), of its \$_____ aggregate principal amount General Obligation Bonds, Series of 2026 (the “Bonds”), dated as of and bearing interest from _____, 2026. The Bonds are being issued, without the assent of the electors, in registered form, without coupons, in denominations of \$5,000 or any whole multiple thereof, pursuant to the provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended, 53 Pa.C.S. Chs. 80-82 (the “Act”) and an Ordinance enacted by the Board of Commissioners of the County (the “Board”) on September 23, 2026 (the “Ordinance”).

The Bonds are being issued to provide funds for a project of the County (the “Project”) consisting of (1) the current refunding of the County’s General Obligation Bonds, Series A of 2019, (2) the current refunding of the County’s General Obligation Note, Series B of 2020 and (3) the payment of the costs of issuing the Bonds.

The County has covenanted in the Ordinance that it will make no use of the proceeds of the Bonds and it has neither done nor suffered and will neither do nor suffer any other action which, if such use or action had been reasonably expected on the date of issue of the Bonds, would cause the Bonds to be “arbitrage bonds,” or “private activity bonds” as those terms are defined in the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations thereunder. The County has further covenanted that it will comply with the requirements of Section 148 and Section 141 of the Code and with the applicable regulations thereunder throughout the term of the Bonds.

In the Ordinance, the County has covenanted that (1) it will include in its budget in each fiscal year the amount required to pay debt service on the Bonds for such year, (2) it will appropriate from its general revenues in each such fiscal year, the amount required to pay debt service on the Bonds for such year, and (3) it will duly and punctually pay or cause to be paid when due, from its sinking fund or any other of its revenues or funds, the principal of and interest on the Bonds at the dates and place and in the manner stated therein, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the County has irrevocably pledged its full faith, credit and taxing power. In addition, the County has established with Manufacturers and Traders Trust Company, Philadelphia, Pennsylvania (the “Paying Agent”), as paying agent and sinking fund depository, a sinking fund, and has

Stevens & Lee

_____, 2026

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covenanted to deposit into such sinking fund amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable.

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

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

1. The County is empowered under provisions of the Constitution and laws of the Commonwealth of Pennsylvania to issue the Bonds.

2. The Ordinance was duly enacted by the Board and continues to be in full force and effect as of the date hereof.

3. The Bonds have been duly authorized and executed and constitute valid and binding obligations of the County, enforceable in accordance with their terms, except as the legality, validity, binding nature and enforceability thereof may be limited by (a) applicable bankruptcy, insolvency or other laws or equitable principles now or hereafter affecting the enforcement of creditors’ rights generally or (b) general principles of equity.

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

5. Under the laws of the Commonwealth of Pennsylvania, the Bonds and interest on the Bonds shall be free from taxation for State and local purposes within the Commonwealth of Pennsylvania, but this exemption shall not extend to gift, estate, succession or inheritance

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_____, 2026

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taxes or other taxes not levied directly on the Bonds or the interest thereon. Under the laws of the Commonwealth of Pennsylvania, profits, gains or income derived from the sale, exchange or other disposition of the Bonds, are subject to State and local taxation within the Commonwealth of Pennsylvania.

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

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

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

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

C. In providing the opinion set forth in paragraph 4, above, we have assumed continuing compliance by the County with the requirements of the Code and applicable regulations thereunder which must be met subsequent to the issuance of the Bonds in order that the interest thereon be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the to be included in gross income retroactive to the date of issuance of the Bonds.

D. Except as specifically set forth above, we express no opinion regarding other federal income tax consequences arising with respect to the Bonds, including, without limitation,

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_____, 2026
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the treatment for federal income tax purposes of gain or loss, if any, upon the sale, redemption, or other disposition of the Bonds prior to maturity of the Bonds subject to original issue discount and the effect, if any, of certain other provisions of the Code which could result in collateral federal income tax consequences to certain investors as a result of adjustments in the computation of tax liability dependent on tax-exempt interest.

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

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

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

STEVENS & LEE, P.C.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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COUNTY OF SCHUYLKILL, PENNSYLVANIA
\$ _____ GENERAL OBLIGATION BONDS, SERIES OF 2026

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the County of Schuylkill, Pennsylvania (the “County”), in connection with the issuance of its \$ _____ aggregate principal amount General Obligation Bonds, Series of 2026 (the “Bonds”). The Bonds are being issued pursuant to an Ordinance of the County, dated September 23, 2026 (the “Ordinance”). The County covenants and agrees as follows:

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

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

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

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

“Commission” shall mean the Securities and Exchange Commission.

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

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

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

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

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

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

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

“Official Statement” shall mean the County’s Official Statement dated July 15, 2026 related to the Bonds.

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

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

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

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

SECTION 3. Provision of Annual Reports.

(a) The County shall not later than 270 days after the end of each fiscal year of the County, commencing with the fiscal year ending December 31, 2026, provide directly or through the Dissemination Agent to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. In connection therewith, not later than fifteen (15) Business Days prior to said date, the County shall provide the Annual Report to the Dissemination Agent (if one has been designated by the County under this Disclosure Certificate). The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the County may be submitted separately from the remainder of the Annual Report when such audited financial statements are available. If the audited financial statements are not submitted as part of the Annual Filing to each Repository pursuant to this Section 3(a), the

County shall provide to each Repository such audited financial statements when they are available to the County.

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

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

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

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

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

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

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

(a) 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;

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

(c) an update of the following Sections contained within Appendix A to the Official Statement:

(i) County Real Estate Tax Collection Record;

(ii) Trend in Assessed Valuations; and

(iii) Ten Highest Assessments.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the County or related public entities,

which have been submitted to each Repository or the Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so incorporated by reference. The County reserves the right to modify from time to time specific types of information provided hereunder or the format of the presentation of such information, to the extent necessary or appropriate; provided, however, that any such modification will be done in a manner consistent with the Rule.

SECTION 5. Reporting of Significant Events.

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

- (i) Principal and interest payment delinquencies;
- (ii) Nonpayment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of securities holders, if material;
- (viii) Bond calls, if material, and tender offers for the Bonds;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar events of the County;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to

undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or paying agent or the change of name of a trustee or paying agent, if material;

(xv) Incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, 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 County, any of which reflect financial difficulties.

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

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

(d) For purposes of the Listed Events in Section 5(a)(xii), the County and the Dissemination Agent acknowledge the following interpretive note which the Commission has set forth in the Rule: *“Note: for the purposes of the event identified in subparagraph (b)(5)(i)(C)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;”*

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

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

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

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

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

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

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

Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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

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

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

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

COUNTY OF SCHUYLKILL,
Pennsylvania

(SEAL)

By: _____
Chairman

Attest: _____
Chief Clerk

Date: _____, 2026

EXHIBIT A¹

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: County of Schuylkill, Pennsylvania

Name of Bond Issue: County of Schuylkill, Pennsylvania
\$_____ aggregate principal amount
General Obligation Bonds, Series of 2026

Date of Issuance: _____, 2026

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

Dated: _____

COUNTY OF SCHUYLKILL, PENNSYLVANIA,
[OR DISSEMINATION AGENT ON BEHALF OF
THE COUNTY OF SCHUYLKILL,
PENNSYLVANIA]

cc: Paying Agent

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

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APPENDIX E
AUDITED FINANCIAL STATEMENTS

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**COUNTY OF SCHUYLKILL
POTTSVILLE, PENNSYLVANIA**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

COUNTY OF SCHUYLKILL
YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

County Commissioners
County of Schuylkill
Pottsville, Pennsylvania
Page 1

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF SCHUYLKILL ("County"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Unmodified Opinions on Governmental Activities, Business Type Activities, Major Funds, and Aggregate Remaining Fund Information

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the discretely presented component unit financial statements of the Schuylkill County Transportation Authority and Schuylkill County Conservation District, which represents 70 and 30 percent, 23 and 77 percent, and 69 and 31 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these aggregately discretely presented component units, is based solely on the reports of the other auditors.

Qualified Opinion on the Aggregate Discretely Presented Component Units

In our opinion, except for the effects of the matter described in the "Basis for Qualified and Unmodified Opinion on the Aggregate Discretely Presented Component Units" section, the accompanying financial statements present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the County, as of December 31, 2025, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified 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* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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Matter Giving Rise to Qualified Opinion on the Aggregate Discretely Presented Component Units

The financial statements of the Schuylkill County Conservation District have been prepared on the cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. Schuylkill County Conservation District's financial activities are included in the County's basic financial statements as a discretely presented component unit and represent 30%, 77%, and 31% of the assets, net position, and revenues, respectively, of the County's aggregate discretely presented component units.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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 GAS 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 GAS, 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County'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.



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Adoption of Governmental Accounting Standards Board Pronouncements

As discussed in Note 1 to the financial statements, in 2025 the County adopted the applicable provisions of Governmental Accounting Standards Board ("GASB") Statement No. 102, "*Certain Risk Disclosures*". Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the total OPEB liability and related ratios, schedule of changes in the net pension liability and related ratios, schedule of employer contributions - last 10 years, schedule of investment returns, and budgetary comparison schedules on pages 4 through 14 and pages 77 through 84 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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 County of Schuylkill's basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Debt Service Fund and the Schedule of Revenues, Expenditures and Changes in Fund Balance – 911 Fund, on pages 86 through 87, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenues, Expenditures and Changes in Fund Balance – Debt Service Fund and the Schedule of Revenues, Expenditures and Changes in Fund Balance – 911 Fund, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Debt Service Fund and the Schedule of Revenues, Expenditures and Changes in Fund Balance – 911 Fund, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2026 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Zelenkofske Axelrod LLC

ZELENKOFSCHE AXELROD LLC

September 29, 2026
Harrisburg, Pennsylvania

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the County of Schuylkill's financial report presents a narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2025. This analysis should be read in conjunction with the accompanying basic financial statements and notes to financial statements in order to obtain a thorough understanding of the County's financial condition at December 31, 2025.

FINANCIAL HIGHLIGHTS

- For Fiscal year 2025, the County's total real estate millage rate was raised to 19.23 mills. The levy for general purposes is 18.63 mills and the levy for debt purposes was .60 mills.
- The County had \$23,352,000 of General Obligation Long Term Debt outstanding at the end of the year. This was a decrease of \$2,441,000. There was no new debt issued during the 2025 year.
- The General Fund Unassigned Fund Balance is \$25,599,941 at the end of the year. The balance was sufficient to maintain and to cover 60 days of general fund operating expenditures.
- The underlying rating from Moody's Investor Services on the General Obligation Debt remained at Aa2. This is the sixth straight year the County maintained an Aa2 rating which is the third best rating out of a possible sixteen rating categories.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) the government-wide financial statements, 2) the fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements consist of a *Statement of Net Position* and a *Statement of Activities*; they are designed to provide readers with a broad overview of the County finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the County's assets, deferred outflows of resources, liabilities, deferred inflows of resources, except fiduciary funds, with the difference between them reported as *Net Position*. Net Position is one way to measure the County's financial health or position. Over time, increases or decreases in net position may serve as a useful indicator of whether the County's financial position is improving or deteriorating. However, other non-financial factors such as changes in the County's real property tax base and general economic conditions must be considered to assess the overall position of the County.

The *Statement of Activities* presents information showing how the government's net position changed during the fiscal year. Because it separates program revenue (revenue generated by specific programs

through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it identifies to what extent each program has to rely on taxes for funding.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-Type Activities*). Schuylkill County's governmental activities include general government, judicial government, public safety, public works, human services, culture/recreation, conservation and economic development and capital outlay.

The government-wide financial statements include not only Schuylkill County itself (known as the primary government), but also include a legally separate entity which is financially accountable to the County (known as a component unit). This component units are the Schuylkill County Transportation Authority and the Schuylkill County Conservation District. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 16 thru 17 of this report.

Fund Financial Statements

A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the County can be divided into three categories: *Governmental Funds*, *Proprietary Funds*, and *Fiduciary Funds*.

Governmental Funds are used to account for essentially the same functions reported as *Government Activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *Governmental Funds* with similar information presented for *Governmental Activities* in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. A reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position can be found on page 19 of this report.

Schuylkill County maintains the following four major governmental funds: the General Fund, Children and Youth Fund, the Drug and Alcohol Fund and the Other Agency Fund. The County also maintains twenty three non-major governmental funds that are combined into a single, aggregated presentation entitled "Nonmajor Governmental Funds."

The governmental fund financial statements can be found on pages 18 thru 21 of this report.

Proprietary Funds of the County consisted of an internal service fund. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Schuylkill County uses an internal service fund to account for self-insurance activities in connection with workers' compensation claim liabilities. The internal service fund is combined into a single, aggregated presentation in the proprietary fund financial statements.

The proprietary fund financial statements can be found on pages 22 thru 24 of this report.

Fiduciary Funds of the County consist of the employee's retirement trust fund, a fiduciary component unit and certain custodial funds. The County is the trustee, or fiduciary, for the employees' retirement system. In addition, the County is also responsible for certain custodial funds which are clearing accounts for assets held by the County in its role as custodian until the funds are allocated to the private parties, organizations or government agencies to which they belong. The County is responsible for ensuring that the assets reported in the fund are used for its intended purpose. All of the County's fiduciary asset, liability, and net position balances are reported in the statement of fiduciary net position. A statement of changes in fiduciary net position is presented for the employee's retirement trust fund and custodial funds. All fiduciary activities are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

The fiduciary fund financial statements can be found on pages 25 thru 26 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 thru 75 of this report.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

This is the twenty-second year Schuylkill County is presenting its financial statements using the reporting model required by Governmental Accounting Standards Board Statement No. 34 (GASB Statement #34), "Basic Financial Statements and Management's Discussion and Analysis (MD&A) for State and Local Governments". A comparative analysis with prior year financial information is included in this report.

Net Position

Schuylkill County's net position as of December 31, 2025 and December 31, 2024 are presented below:

County's Net Position as of December 31, 2025 and 2024

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Other Assets	\$107,666,603	\$107,718,254
Capital Assets, Non-Depreciable	23,509,170	52,366,307
Capital Assets, Depreciable	41,265,465	43,409,120
Total Assets	<u>172,441,238</u>	<u>203,493,681</u>
Deferred Outflows of Resources	<u>2,331,119</u>	<u>3,665,463</u>
Other Liabilities	23,285,410	21,673,622
Long-term Liabilities	181,229,287	180,059,287
Total Liabilities	<u>204,514,697</u>	<u>201,732,909</u>
Deferred Inflows of Resources	<u>16,104,776</u>	<u>1,890,419</u>
Net Position:		
Net Investment in Capital Assets	28,861,001	61,258,234
Restricted	29,512,579	34,315,617
Unrestricted	(104,220,696)	(92,038,035)
Total Net Position	<u><u>\$(45,847,116)</u></u>	<u><u>\$3,535,816</u></u>

Net position of the County's governmental activities was \$(45,847,116). Of this amount, \$28,861,001 represents the net investment in capital assets, while \$29,512,579 was restricted for various purposes. The unrestricted net position balance as of the end of the year was \$(104,220,696). In 2018, the County adopted GASB Statement No. 75 (Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions). GASB Statement No. 75 required the County to record the ending balance of a Post-Employment Liability in the government-wide financial statements. By recording this liability, a total negative net position was created.

The following table presents the County's changes in net position for the calendar year ended December 31, 2025 and December 31, 2024.

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Revenues:		
Program Revenues:		
Charges for Services	\$9,205,399	\$8,712,853
Operating Grants & Contributions	63,803,068	74,298,735
General Revenues:		
Taxes	53,162,671	44,586,740
Interest	2,653,135	2,983,201
Rents	323,169	313,929
Gain/(Loss) on Disposal of Assets	(4,944)	13,216
Transfer to Schuylkill County Transportation Authority	(36,269,952)	-
Miscellaneous	648,167	650,328
Total Revenues	\$93,520,713	\$131,559,002
Expenses:		
General Government	\$13,415,842	\$11,743,689
Judicial Government	27,667,193	22,742,734
Public Safety	24,397,248	19,634,275
Public Works	12,387,478	11,945,522
Human Services	62,233,289	59,793,816
Culture/Recreation	650,722	678,279
Conservation/Development	4,127,133	6,802,590
Payment of Refunding Agent	-	-
Debt Service	1,008,748	1,020,318
Total Expenses	<u>145,887,653</u>	<u>134,361,223</u>
Changes in Net Position	(52,366,940)	(2,802,221)
Net Position, Beginning	3,535,816	7,700,026
Restatement	2,984,008	(1,361,989)
Net Position, As Restated	<u>6,519,824</u>	<u>6,338,037</u>
Net Position - Ending	<u>\$(45,847,116)</u>	\$3,535,816

During 2025, the total net position of the County's governmental activities decreased from \$6,519,824 (restated) to \$(45,847,116). In 2025, the ending net position decreased due to the transfer of capital assets to the Schuylkill County Transportation Authority and an increase in the OPEB liability/expense.

Governmental Activities

The following table presents the sources of revenues for the fiscal year ended December 31, 2025:

Sources of Revenues

	Governmental Activities	
Revenues		
Charges for Services	\$9,205,399	9.84%
Operating Grants & Contributions	63,803,068	68.22%
Taxes	53,162,671	56.85%
Interest	2,653,135	2.84%
Rents	323,19	0.35%
Transfer to Schuylkill County Transportation Authority	(36,269,952)	(38.78%)
Gain/(Loss) on Disposal of Assets	(4,944)	(.01%)
Miscellaneous	648,167	0.69%
Total Revenues	<u>\$93,520,713</u>	100.00%

The following table presents the functional expenses for the fiscal year ended December 31, 2025:

Functional Expenses

	Governmental Activities	
Expenses		
General Government	\$13,415,842	9.20%
Judicial Government	27,667,193	18.96%
Public Safety	24,397,248	16.72%
Public Works	12,387,478	8.49%
Human Services	62,233,289	42.66%
Culture/Recreation	650,722	.45%
Conservation/Development	4,127,133	2.83%
Debt Service	1,008,748	0.69%
Total Expenses	<u>\$145,887,653</u>	100.00%

FINANCIAL ANALYSIS OF COUNTY'S FUNDS

As noted earlier, Schuylkill County uses fund accounting to ensure and to demonstrate compliance with finance-related legal requirements.

Governmental Funds – The General Fund, Drug and Alcohol Fund, Children and Youth Fund and Other Agency Fund make up the County's major governmental funds. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. For the year ended December 31, 2025, Schuylkill County governmental funds reported a combined ending fund balance of \$69,065,830. This was a decrease of \$4,440,199 or -6.04% from the previous year restated fund balance.

General Fund – The General Fund is the primary operating fund of the County. At the end of 2025, the General Fund reported a total fund balance of \$42,221,003. The unassigned fund balance in the General Fund was \$25,599,941 as of December 31, 2025.

Drug and Alcohol Fund – The Drug and Alcohol Fund accounts for funds received from various federal, state and local sources for the purpose of providing prevention, intervention and treatment services to residents who are recovering from abuse and addiction in Schuylkill County. At the end of 2025, the total fund balance for the Drug and Alcohol was \$2,664,832 and was restricted.

Children and Youth Fund – The Children and Youth Fund accounts for funds received from various federal, state and local sources for the purpose of providing health, safety, and general welfare services to the children and families in Schuylkill County. At the end of 2025, the total fund balance for the Children and Youth Fund was zero.

Other Agency Fund – The Other Agency Fund is used to account for specific revenue resources related to human services that are restricted for those specific purposes. At the end of 2025, the total fund balance for the Other Agency Fund was zero.

GENERAL FUND BUDGETARY HIGHLIGHTS

Under Pennsylvania law, the Board of Commissioners has the authority and the responsibility for administering and for managing the County's Budget. County Administration, under the authority of the Commissioners, exercises the day-to-day oversight for assuring that departments operate within their approved budgets in accordance with County fiscal policies. During the year, the original general fund budget was modified to accommodate budgetary adjustments that were approved by the Board of County Commissioners.

The County's original revenue and other financing sources budget for FY 2025 increased from \$70,497,384 to \$70,658,591, an increase of \$161,207 or .23 percent. Actual revenues and other financing sources received were \$65,589,963 or about 92.8% of the final budget. The variance between actual revenues and other financing sources vs. final budgetary revenue and other financing sources totaled \$5,068,628.

The County's original expenditure and other financing uses budget for FY 2025 increased from \$76,622,917 to \$78,446,467, an increase of \$1,823,550 or about 2.38 percent. The increase was due to various miscellaneous adjustments. Actual expenditures and other financing uses were \$64,749,713 or about 82.5% of the final budget. The variance between actual expenditures and other financing uses vs. final budgetary expenditures and other financing uses totaled \$13,696,754.

CAPITAL ASSETS

Schuylkill County's investment in capital assets for its governmental activities as of December 31, 2025 was \$64,774,635 (net of accumulated depreciation). This was a net decrease of \$30,371,643 or 31.92% over the previous year. Capital assets consist primarily of land, construction in progress, agricultural easements, intangible assets, works of art collections, land improvements, buildings and improvements, machinery and equipment, motor vehicles, computer equipment and software, infrastructure, subscription services and leasehold assets.

Major capital asset events during the fiscal year included the following:

Governmental Activities

- Construction-In-Progress decreased by a net amount of \$29,149,636; this primarily was due to the removal of the STS building from CIP.
- Buildings and Improvements decreased by a net amount of \$619,193; decrease attributed to removal of STS assets from the County's books.
- Machinery and Equipment increased by a net amount of \$4,452,191. The majority of the increase was due to the purchase of 911 Tower equipment during the year.
- Computer Equipment decreased by a net amount of \$193,310; decrease attributed to removal of STS assets from the County's books.
- Subscription Services increased by a net amount of \$103,184; increase is attributed to various software contracts purchased throughout the County with respect to GASB 96.
- Total Accumulated Depreciation decreased from \$91,479,050 to \$85,804,633.

The following is a summary of capital assets for December 31, 2025 and 2024:

Summary of Capital Assets

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Land	\$1,000,506	\$1,000,506
Construction In Progress	12,133,003	41,282,639
Agricultural Easements	3,089,897	2,797,397
Intangible Assets	7,111,764	7,111,765
Art Collection	174,000	174,000
Land Improvements	4,509,281	4,970,166
Buildings & Improvement	38,094,063	38,713,256
Machinery & Equipment	34,828,620	30,376,429
Motor Vehicles	3,091,821	14,528,843
Computer Equipment/Software	12,640,014	12,833,324
Infrastructure	22,965,631	22,262,054
Subscription Services	476,648	373,464
Leased Assets	10,464,020	10,201,486
Accumulated Depreciation	<u>85,804,633</u>	<u>91,479,050</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$64,774,635</u>	<u>\$95,146,278</u>

More detailed information about the County's capital assets can be found in Note 5 of the notes to the financial statements.

BOND RATING

In 2019, the County underwent another Bond Rating process and this service was performed by Moody's. Moody's issued their underlying rating (SPUR) of Aa2 on Schuylkill County's general obligation debt and this represents the most recent SPUR and is an upgrade of 2 steps from the previous SPUR.

GENERAL OBLIGATION LONG-TERM DEBT

As of December 31, 2025, Schuylkill County had \$23,352,000 in general obligation debt outstanding. This was a net decrease of \$2,441,000 from the previous year. The following is a summary of general obligation debt activity during 2025:

Summary of General Obligation Debt Activity

	Governmental Activities
Beginning Balance at January 1, 2025	\$ 25,793,000
Addition:	
Debt Issuance	\$ -
Less:	
Payments/Transfers	\$ 2,441,000
Ending Balance at December 31, 2025	\$ 23,352,000

This debt is backed by the full faith and credit of the government. Schuylkill County does not have any special assessment debt or revenue bonds.

More detailed information about the County's long-term debt can be found in Note 10 of the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

ECONOMIC FACTORS

- The County's total real estate assessed valuation was \$2,718,876,060 in 2024 and due to a reassessment and a change in the computation methodology to 100% of assessed value, the real estate assessed valuation was 16,536,755,060 in 2025.
- The average unemployment rate in Schuylkill County was 4.9% without seasonal adjustments. This was slightly higher than 2024, but was consistent with the Pennsylvania trend as a whole.

NEXT YEAR'S BUDGET AND RATES

For Fiscal Year 2026, the County's total real estate millage is 3.729 mills. The General Fund will receive 3.613 and the Funded Debt millage will be 0.116 mills. These numbers are post reassessment and based on a 100% valuation, which is a change in methodology from the prior partial percentage valuation that was historically utilized to arrive at the millage. The 2026 General Fund appropriation was approved at \$78,256,688.

REQUEST FOR INFORMATION

The separately issued financial statements on the discretely presented component units - Schuylkill County Transportation Authority and Schuylkill County Conservation District, may be obtained by directly contacting their offices.

This financial report is designed to provide a general overview of Schuylkill County's finances for all those with an interest in the County's financial condition. Questions concerning any of the information provided in this report or requests for additional information should be addressed to County Administration (Finance), 401 North Second Street, Pottsville, PA 17901

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
County of Schuylkill, Pennsylvania

December 31, 2025

	Primary Government Governmental Activities	Component Units
ASSETS:		
Cash and Cash Equivalents	\$ 53,674,822	\$ 2,023,658
Cash and Cash Equivalents, Restricted	3,920,471	3,575,896
Investments	11,897,852	-
Receivables		
Taxes, Net of Allowances	7,101,244	-
Accounts	9,664,045	50,821
Notes	1,105,098	-
Due from Other Governments	14,698,631	727,948
Prepaid Expenses	-	161,485
Inventory	-	123,111
Deposits with Third Party	5,604,440	-
Capital Assets, Not Being Depreciated	23,509,170	-
Capital Assets, Net of Depreciation	41,265,465	-
Total Assets	<u>\$ 172,441,238</u>	<u>\$ 6,662,919</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	2,209,249	-
Deferred Loss on Refunding	121,870	-
Total Deferred Outflows of Resources	<u>\$ 2,331,119</u>	<u>\$ -</u>
Total Assets and Deferred Outflows	<u><u>\$ 174,772,357</u></u>	<u><u>\$ 6,662,919</u></u>
LIABILITIES		
Accounts Payable	8,149,849	152,136
Accrued Liabilities	1,655,681	267,280
Unearned Revenues	12,421,318	-
Interest Payable	169,669	-
Funds Held in Escrow	765,628	-
Due to Other Governments	123,265	-
Long Term Liabilities		
Due within One Year:		
Financing Leases	912,575	-
Lease Notes Payable	857,697	-
Subscription Services Payable	71,053	-
General Obligation Debt	2,490,000	-
Due after One Year:		
Financing Leases	4,680,481	-
Lease Notes Payable	5,063,915	-
Subscription Services Payable	87,087	-
General Obligation Debt	21,872,696	-
Compensated Absences	1,832,300	188,882
Self Insurance Liability	321,393	-
Net Pension Liability	2,427,504	-
Other Post Employment Benefits	140,612,586	-
Total Liabilities	<u>\$ 204,514,697</u>	<u>\$ 608,298</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	11,040,141	-
Deferred Transportation Revenue	-	3,446,030
Other Post Employment Benefits	5,064,635	-
Total Deferred Inflows of Resources	<u>\$ 16,104,776</u>	<u>\$ 3,446,030</u>
NET POSITION		
Net Investment in Capital Assets	28,861,001	-
Restricted		
Program Purposes	26,984,769	2,608,591
Debt Service	2,527,810	-
Unrestricted	(104,220,696)	-
Total Net Position	<u>\$ (45,847,116)</u>	<u>\$ 2,608,591</u>
Total Liabilities, Deferred Inflows, and Net Position	<u><u>\$ 174,772,357</u></u>	<u><u>\$ 6,662,919</u></u>

STATEMENT OF ACTIVITIES
County of Schuylkill, Pennsylvania

For the Year Ending December 31, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense)/Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units
					Governmental Activities	Total	
PRIMARY GOVERNMENT							
Governmental Activities:							
General/Administrative	\$ 13,415,842	\$ 4,387,533	\$ 669,926	\$ -	\$ (8,358,383)	(8,358,383)	\$ -
Judicial	27,667,193	2,686,595	5,055,247	-	(19,925,351)	(19,925,351)	-
Public Safety	24,397,248	271,977	4,757,301	-	(19,367,970)	(19,367,970)	-
Public Works	12,387,478	104,986	6,550,781	-	(5,731,711)	(5,731,711)	-
Human Services	62,233,289	1,346,233	43,336,422	-	(17,550,634)	(17,550,634)	-
Culture and Recreation	650,722	-	94,875	-	(555,847)	(555,847)	-
Conservation and Development	4,127,133	408,075	3,338,516	-	(380,542)	(380,542)	-
Interest on Long Term Debt	1,008,748	-	-	-	(1,008,748)	(1,008,748)	-
Total Governmental Activities	145,887,653	9,205,399	63,803,068	-	(72,879,186)	\$ (72,879,186)	-
Total Primary Government	\$ 145,887,653	\$ 9,205,399	\$ 63,803,068	\$ -	\$ (72,879,186)	\$ (72,879,186)	\$ -
COMPONENT UNITS							
Schuylkill Transportation Authority	\$ 6,267,950	\$ 2,483,383	\$ 3,753,099	\$ 14,970	-	-	(16,498)
Schuylkill Conservation District	3,198,882	220,044	2,517,165	-	-	-	(461,673)
Total Component Units	9,466,832	2,703,427	6,270,264	14,970	-	-	(478,171)
General Revenues:							
					53,162,671	53,162,671	-
					2,653,135	2,653,135	68,075
					323,169	323,169	-
					(4,944)	(4,944)	-
					(36,269,952)	(36,269,952)	-
					648,167	648,167	20,703
					20,512,246	20,512,246	88,778
Change in Net Position							
					(52,366,940)	(52,366,940)	(389,393)
					3,535,816	3,535,816	2,997,984
					2,984,008	2,984,008	-
					6,519,824	6,519,824	2,997,984
					\$ (45,847,116)	\$ (45,847,116)	\$ 2,608,591

**BALANCE SHEET-
GOVERNMENTAL FUNDS**

December 31, 2025

County of Schuylkill, Pennsylvania

	General Fund	Other Agency Fund	Drug & Alcohol	Children & Youth	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 18,176,215	\$ 1,822,266	\$ 4,805,647	\$ 1,271,349	\$ 27,061,267	\$ 53,136,744
Cash and Cash Equivalents, Restricted	3,126,877		-	-	294,753	3,421,630
Investments	11,897,852	-	-	-	-	11,897,852
Receivables						
Taxes, Net of Allowances	6,849,129	-	-	-	252,115	7,101,244
Accounts	470,425	-	8,668,256	-	525,364	9,664,045
Note	1,105,098	-	-	-	-	1,105,098
Due from Other Governments	356,607	2,588,635	813,674	6,860,413	3,956,692	14,576,021
Due from Other Funds	4,340,881	-	56,972	286	187,605	4,585,744
Deposit with Third Party	5,604,440	-	-	-	-	5,604,440
Total Assets	<u>\$ 51,927,524</u>	<u>\$ 4,410,901</u>	<u>\$ 14,344,549</u>	<u>\$ 8,132,048</u>	<u>\$ 32,277,796</u>	<u>\$ 111,092,818</u>
LIABILITIES						
Accounts Payable	\$ 1,780,243	\$ 403,102	\$ 613,869	\$ 3,347,674	\$ 1,965,653	\$ 8,110,541
Accrued Liabilities	1,097,267	-	29,844	266,704	261,866	1,655,681
Funds Held in Escrow	738,128	-	-	-	27,500	765,628
Unearned Revenues	471,961	3,942,272	1,964,629	2,392,603	3,649,853	12,421,318
Due to Other Funds	392,011	65,527	403,119	2,125,067	1,990,672	4,976,396
Due to Other Governmental Units	-	-	-	-	655	655
Total Liabilities	<u>\$ 4,479,610</u>	<u>\$ 4,410,901</u>	<u>\$ 3,011,461</u>	<u>\$ 8,132,048</u>	<u>\$ 7,896,199</u>	<u>\$ 27,930,219</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Opioid Settlement Revenue	-		8,668,256	-	-	8,668,256
Unavailable Tax Revenue	5,226,911		-	-	201,602	5,428,513
Total Deferred Inflows	<u>\$ 5,226,911</u>	<u>\$ -</u>	<u>\$ 8,668,256</u>	<u>\$ -</u>	<u>\$ 201,602</u>	<u>\$ 14,096,769</u>
FUND BALANCES						
Non-Spendable	5,604,440	-	-	-	-	5,604,440
Restricted						
Program Purposes	3,199,613	-	2,664,832	-	21,120,324	26,984,769
Debt Service	-	-	-	-	2,527,810	2,527,810
Assigned						-
2025 Projected Budget Deficit	5,781,308	-	-	-	-	5,781,308
Post-Employment Health Care	2,000,000	-	-	-	-	2,000,000
Capital Projects	-	-	-	-	531,861	531,861
Conservation District	3,568	-	-	-	-	3,568
Courthouse Commons	32,133	-	-	-	-	32,133
Unassigned	25,599,941	-	-	-	-	25,599,941
Total Fund Balances	<u>\$ 42,221,003</u>	<u>\$ -</u>	<u>\$ 2,664,832</u>	<u>\$ -</u>	<u>\$ 24,179,995</u>	<u>\$ 69,065,830</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 51,927,524</u>	<u>\$ 4,410,901</u>	<u>\$ 14,344,549</u>	<u>\$ 8,132,048</u>	<u>\$ 32,277,796</u>	<u>\$ 111,092,818</u>

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

December 31, 2025

County of Schuylkill, Pennsylvania

TOTAL FUND BALANCE FOR GOVERNMENTAL FUNDS \$ 69,065,830

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. Those assets consist of:

Land	\$ 1,000,506	
Construction in Progress	12,133,003	
Agricultural Easements	3,089,897	
Intangible Assets	7,111,764	
Works of Art	174,000	
Land Improvements	2,208,446	
Buildings and Improvements	9,757,959	
Machinery and Equipment	11,689,334	
Infrastructure	7,185,426	
Computer Equipment	3,019,047	
Motor Vehicles	673,825	
Leased Land	5,818,328	
Leased Buildings	583,056	
Leased Equipment	203,831	
Subscription Services	126,213	
Total Capital Assets, Net of Accumulated Depreciation		64,774,635

Certain receivables are not available to pay for current period expenditures and therefore, are reported as **Unavailable Revenue** in the funds:

Taxes Receivable	5,428,513	
Opioid Class Action Settlement	8,668,256	
Total Unavailable Revenues		14,096,769

Net Position of the **Workers Compensation Internal Service Fund** is included in governmental activities since the activity primarily benefits the County's general governmental activities:

1,066,870

Long term liabilities applicable to the County's governmental activities are not due and payable in the current period and, therefore, are not reported as fund liabilities. However, all liabilities, both current and long term are reported in the Statement of Net Position. Those long term liabilities consist of:

General Obligation Debt	(23,352,000)	
Bond (Premium)/Discount, Net	(1,010,696)	
Interest Payable	(169,669)	
Financing Leases	(5,593,056)	
Lease Notes Payable	(5,921,612)	
Subscription Services Payable	(158,140)	
Net Pension (Liability)/Asset	(2,427,504)	
Other Post Employment Benefits	(140,612,586)	
Compensated Absences	(1,832,300)	
Total Long Term Liabilities		(181,077,563)

Cumulative pension fund activity, OPEB activity, and debt refinancing have created deferred inflows and outflows of resources that are amortized over time. These are reported as **Deferred Outflows and Deferred Inflows of Resources** on the Statement of Net Position as follows:

Deferred Loss on Refunding	121,870	
Deferred Outflows - Pensions	2,209,249	
Deferred Inflows - Pensions	(11,040,141)	
Deferred Inflows - OPEB	(5,064,635)	
Total Deferred Outflows/(Inflows)		(13,773,657)

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (45,847,116)

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

For the Year Ending December 31, 2025

County of Schuylkill, Pennsylvania

	General Fund	Other Agency Fund	Drug & Alcohol	Children & Youth	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Real Estate	\$ 50,273,939	\$ -	\$ -	\$ -	\$ 1,636,569	\$ 51,910,508
Per Capita	390,908	-	-	-	-	390,908
Hotel	737,251	-	-	-	-	737,251
Intergovernmental	2,729,080	4,441,566	2,731,317	25,097,228	28,803,877	63,803,068
Charges for Service	7,245,963	3,771	1,093,030	300,763	1,303,775	9,947,302
Interest	1,512,367	45,336	142,432	70,198	882,802	2,653,135
Rent	114,321	-	-	-	208,848	323,169
Private Contributions/Donations	61,987	-	-	-	-	61,987
Miscellaneous Revenue	174,470	79,695	-	73	331,942	586,180
Total Revenues	\$ 63,240,286	\$ 4,570,368	\$ 3,966,779	\$ 25,468,262	\$ 33,167,813	\$ 130,413,508
EXPENDITURES						
Current						
General	10,461,542	-	-	-	14,412	10,475,954
Judicial	15,138,397	2,389,283	-	-	2,687,087	20,214,767
Public Safety	12,734,467	-	-	-	5,785,091	18,519,558
Public Works	3,862,740	-	-	-	6,433,444	10,296,184
Human Services	5,692,229	2,083,581	4,164,935	30,949,340	15,039,176	57,929,261
Culture and Recreation	377,987	-	-	-	85,172	463,159
Conservation and Community Development	1,736,253	-	-	-	2,066,113	3,802,366
Capital Outlay	2,613,342	-	6,543	43,495	10,867,433	13,530,813
Debt Service						
Principal	662,529	-	425	4,004	4,369,288	5,036,246
Interest	67,704	-	78	1,331	1,036,886	1,105,999
Total Expenditures	\$ 53,347,190	\$ 4,472,864	\$ 4,171,981	\$ 30,998,170	\$ 48,384,102	\$ 141,374,307
Excess of Revenues Over/(Under) Expenditures	\$ 9,893,096	\$ 97,504	\$ (205,202)	\$ (5,529,908)	\$ (15,216,289)	\$ (10,960,799)
OTHER FINANCING SOURCES/(USES)						
Financing Leases	234,728		506	-	27,300	262,534
Issuance of Lease Notes Payable	132,347		-	-	5,910,789	6,043,136
Issuance of Subscription Services	214,930		-	-	-	214,930
Net Operating Transfers	(9,634,851)	(97,504)	100,000	5,529,908	4,102,447	-
Total Other Financing Sources/(Uses)	\$ (9,052,846)	\$ (97,504)	\$ 100,506	\$ 5,529,908	\$ 10,040,536	\$ 6,520,600
Net Change in Fund Balance	\$ 840,250	\$ -	\$ (104,696)	\$ -	\$ (5,175,753)	\$ (4,440,199)
Fund Balance - Beginning of Year, Previously Stated	37,628,363	-	2,769,528	-	29,494,981	69,892,872
Error Correction (Note 21)	3,752,390	-	-	-	(139,233)	3,613,157
Fund Balance, As Restated	41,380,753	-	2,769,528	-	29,355,748	73,506,029
Fund Balance - End of Year	\$ 42,221,003	\$ -	\$ 2,664,832	\$ -	\$ 24,179,995	\$ 69,065,830

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES**

For the Year Ending 12/31/2025

County of Schuylkill, Pennsylvania

NET CHANGE IN FUND BALANCE FOR GOVERNMENTAL FUNDS \$ (4,440,199)

The change in Net Position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in **capital outlays and the related depreciation expense** was: (30,371,643)

Deferred inflows of revenue are not available and do not provide current financial resources, and therefore, not reported as revenue in the funds. However, all revenues, regardless of when they are available, are recorded in the Statement of Activities. The change in **Deferred Inflows** was:

Taxes Receivable	\$	124,004	
Opioid Class Action Settlement		(741,903)	
Total Deferred Inflows			(617,899)

The Workers Compensation Internal Service Fund is used to manage the cost of self-insured workers compensation claims, and is reported in the Statement of Activities. The **income(loss) of the internal service fund** was: (254,960)

In the governmental funds, the issuance of long term debt provides current financial resources and is included in the change in Fund Balance. However, the issuance of debt does not affect the Statement of Activities since it increases long term liabilities in the Statement of Net Position. Similarly, the repayment of principal and the proceeds of debt issuance are reported as expenditures and revenues in the governmental funds, but reduce/increase the liability in the Statement of Net Position. The change in the amounts related to these **long term debt** items was:

Principal Payments-Long Term Debt	2,441,000		
Principal Payments-Financing Leases	1,310,468		
Principal Payments-Lease Notes Payable	1,177,462		
Principal Payments- Subscription Services	107,316		
Issuance of Financing Leases	(262,534)		
Issuance of Lease Notes Payable	(6,043,136)		
Issuance of Subscription Services Payable	(214,930)		
Total Long Term Debt Items			(1,484,354)

In the governmental funds, expenditures are recognized for transactions that are paid with available financial resources and liabilities are recorded when due. However, in the Statement of Activities, expenses and liabilities are reported when accrued, regardless of when financial resources are available. The change in the amounts related to these **long term liabilities** was:

Compensated Absences	47,696		
Bond Amortization	87,913		
Other Postemployment Liability	(15,919,249)		
Interest Payable	9,335		
Pension	576,420		
			(15,197,885)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (52,366,940)

**STATEMENT OF NET POSITION-
PROPRIETARY FUNDS**

December 31, 2025

County of Schuylkill, Pennsylvania

	Governmental Activities
	Internal Service Funds
	Workers Compensation
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 538,078
Restricted Cash	498,841
Due From Other Funds	<u>390,652</u>
Total Current Assets	\$ 1,427,571
LIABILITIES	
Current Liabilities	
Accounts Payable	39,308
Self Insurance Claims Payable	<u>321,393</u>
Total Liabilities	\$ <u>360,701</u>
NET POSITION	
Net Position (Restricted)	<u><u>\$ 1,066,870</u></u>

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION-
PROPRIETARY FUNDS**

For the Year Ending December 31, 2025

County of Schuylkill, Pennsylvania

	Governmental Activities
	Internal Service Funds
	Workers Compensation
OPERATING REVENUES	
Charges for Services	\$ 272,955
Total Operating Revenues	272,955
OPERATING EXPENSES	
Personnel Services	568,085
Total Operating Expenses	568,085
Operating Gain/(Loss)	(295,130)
NON-OPERATING REVENUES/(EXPENSES)	
Interest Income	40,170
Total Non-Operating Revenues/(Expenses)	40,170
Net Increase/(Decrease) in Net Position	\$ (254,960)
Net Position (Restricted) - Beginning of Year	1,321,830
Net Position (Restricted) - End of Year	\$ 1,066,870

**STATEMENT OF CASH FLOWS-
PROPRIETARY FUNDS**

For the Year Ending December 31, 2025

County of Schuylkill, Pennsylvania

	Governmental Activities
	Internal Service Funds
	Workers Compensation
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 272,955
Payments to Employers	(519,928)
Internal Activity - Payments From/(To) Other Funds	(57,830)
Net Cash Used in Operating Activities	\$ (304,803)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	40,170
Net Cash Provided by Investing Activities	\$ 40,170
Net Decrease in Cash and Cash Equivalents	\$ (264,633)
Cash and Cash Equivalents, Beginning of Year	1,301,552
Cash and Cash Equivalents, End of Year	\$ 1,036,919
Displayed as:	
Cash and Cash Equivalents	538,078
Restricted Cash	498,841
	\$ 1,036,919
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	
Operating Gain/(Loss)	(295,130)
Adjustments to Reconcile Operating Gain/(Loss) to Net Cash Provided by/ (Used in) Operating Activities:	
Change in Assets and Liabilities	
Accounts Payable	21,030
Accrued Liabilities	27,127
Due from Other Funds	(57,830)
Net Cash Used in Operating Activities	\$ (304,803)

**STATEMENT OF NET POSITION-
FIDUCIARY FUNDS**

December 31, 2025

County of Schuylkill, Pennsylvania

	Custodial Funds	Employee Retirement Trust Fund
ASSETS		
Cash and Cash Equivalents	\$ 14,514,335	\$ 34,285,099
Investments	-	152,314,746
Receivables	394	114,817
Total Assets	\$ 14,514,729	\$ 186,714,662
LIABILITIES		
Funds Held in Fiduciary Capacity	9,618	-
Accounts Payable	300	27,063
Total Liabilities	\$ 9,918	\$ 27,063
NET POSITION		
Net Position (Restricted)	\$ 14,504,811	\$ 186,687,599

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION-
FIDUCIARY FUNDS *For the Year Ending December 31, 2025*
County of Schuylkill, Pennsylvania

	Custodial Fund	Employee Retirement Trust Fund
ADDITIONS		
Collection of Fines, Costs, Fees	\$ 26,860,936	\$ -
District Attorney Seized Assets	5,350	-
District Judge Escheats	5,094	-
Prison Inmate Account	502,407	-
Tax Claim Bids	1,240	-
Contributions:		
Employer	-	2,561,153
Employee	-	2,947,630
Total Contributions	\$ -	\$ 5,508,783
Investment Income:		
Net Increase/(Decrease) in Fair Value	-	20,369,447
Interest and dividends	541,831	4,459,388
Total Investment Income/(Loss)	\$ 541,831	\$ 24,828,835
Less: Investment Expense	-	315,580
Net Investment Income	\$ 541,831	\$ 24,513,255
Total Additions	\$ 27,916,858	\$ 30,022,038
DEDUCTIONS		
Administrative Expenses	-	12,221
Distribution of Fines, Costs, Fees	26,880,228	-
Distribution of Tax Claim Bids	2,255,759	-
Employee Benefits Paid	-	11,404,740
Payments to Other Governments	275,581	-
Prison Inmate Account	468,404	-
District Attorney Seized Assets Reimbursement	99,191	-
Total Deductions	\$ 29,979,163	\$ 11,416,961
Net Increase/(Decrease) in Net Position	\$ (2,062,305)	\$ 18,605,077
Net Position (Restricted) - Beginning of Year	16,567,116	168,082,522
Net Position (Restricted) - End of Year	\$ 14,504,811	\$ 186,687,599

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Schuylkill (the "County") is a fourth Class County that was formed on March 1, 1811. The County operates under the direction of an elected Board of Commissioners and provides the following services: general administrative services, tax assessment and collections, judicial, culture and recreation, conservation and community development, public improvements, public safety, and human services. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

A summary of the County's significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

A) Reporting Entity

The County follows the criteria promulgated by the Governmental Accounting Standards Board ("GASB") Statement No. 61, *"The Financial Reporting Entity: Omnibus- an Amendment of GASB statements No. 14 and No. 34"* for purposes of determining the scope of its reporting entity. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County of Schuylkill (the Primary Government) and its Component Units. The Component Units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Fiduciary Component Units

The County's Employee Retirement Trust Fund (the "Plan") was established to provide retirement, disability, and death benefits to eligible retirees of the County. The Plan is included in the financial reporting entity as a fiduciary fund because the Plan is (1) considered to be a separate legal entity, (2) the Retirement Board functions as the governing board of the plan, and (3) the plan imposes a financial burden on the County as it is legally obligated to make contributions to the Plan.

Discretely Presented Component Unit

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Component Unit discussed below have been included in the financial reporting entity as a discretely presented Component Unit.

Schuylkill County Transportation Authority ("SCTA") was formed on April 1, 2011 by the County of Schuylkill under the laws of the Commonwealth of Pennsylvania, in compliance with the Pennsylvania Municipality Authorities Act, for the purpose of providing public transportation services within Schuylkill County. The year-end for the Schuylkill County Transit Authority is June 30th.

SCTA is funded by a combination of passenger fares, state shared ride grants, other operating revenues, and federal, state, and local capital grants. The complete financial statements can be obtained by contacting the management of the Schuylkill County Transportation Authority.

**NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)**

A) Reporting Entity (Continued)

Schuylkill County Conservation District (“District”) was formed by the Schuylkill County Commissioners and operates under the direction of an appointed Board of Directors for the purpose of promoting conservation and sustainable use of natural resources through education, public awareness, and cooperation with local, state, and federal agencies. To meet its goals, the District has entered into agreements with various state agencies. The District receives funding from the Commonwealth of Pennsylvania, Department of Environmental Protection and the State Conservation Commission to fund its various programs. The District also receives an appropriation from Schuylkill County. The year-end for the Schuylkill County Conservation District is December 31st. Complete financial statements can be obtained by contacting the management of the Schuylkill County Conservation District.

B) Related Organizations

The Board of County Commissioners is also responsible for appointing the members of the governing boards of other organizations, but the County’s accountability for these organizations does not extend beyond making appointments. The County does not designate management, nor does it have the ability to significantly influence the operations of these entities. In addition, the County has no responsibility for fiscal matters for these entities (i.e., not responsible for deficits or entitled to surpluses, no guarantees of debt, etc.). These organizations include:

Schuylkill County Affordable Housing
Schuylkill County Airport Authority
Schuylkill County Communications Committee
Schuylkill County Council for the Arts
Schuylkill County Economic Opportunity Cabinet
Schuylkill County Housing Authority
Schuylkill County Industrial Development Authority
Schuylkill County Municipal Authority
Schuylkill County Rail Transport Authority
Schuylkill County Redevelopment Authority
Schuylkill County Regional Development Corporation
Schuylkill County Solid Waste Authority
Schuylkill County Vision
Schuylkill County Visitors Bureau
Schuylkill Economic Development Corp.
Schuylkill Highridge Improvement District
Schuylkill Hope Center (Previously SWIC)
Schuylkill Keep It Pretty

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment is affected by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items, not included among program revenues, are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

D) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

D) **Measurement Focus, Basis of Accounting, and Financial Statement
Presentation (Continued)**

Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 365 days of the end of the current fiscal period; with the exception of property taxes, which must be received within 60 days of year-end to be deemed available. All other revenue items are considered to be measurable only when the cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during the period.

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets, including entering into contracts that give the County the right to use leased assets, are recorded as expenditures in the year that resources are expended, rather than as fund assets. Issuance of long-term debt, and financing through leases, are recorded as other financing sources rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

D) Measurement Focus, Basis of Accounting, and Financial Statement
Presentation (Continued)

The County reports the following fund types:

Governmental Funds –

The *General Fund* is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues of this fund are primarily derived from real estate taxes, state and federal grants, and fees for services. Many of the basic activities of the County are accounted for in this fund, including operation of general County government, boards, commissions, and the court system. The **General Fund** is always reported as a major fund.

Special Revenue funds account for the revenues that are restricted to expenditures for specified purposes. The County reports the following funds as major special revenue funds:

The **Drug and Alcohol Fund** is used to account for specific revenue sources related to administering drug and alcohol programs and services that are restricted to expenditures for those specific purposes.

The **Children and Youth Fund** is used to account for specific revenue sources related to the provisions of children and youth services that are restricted to expenditures for those specific purposes.

The **Other Agency Fund** is used to account for specific revenue resources related to human services that are restricted for those specific purposes.

Other Governmental Funds is used to report the aggregate of non-major governmental funds not individually meeting the “financial significance” criteria established by the U.S. GAAP principals for reporting a major fund.

Debt service funds account for the accumulation of resources for the payments of governmental long-term debt.

Capital project funds account for significant governmental capital projects and capital expenditures.

Proprietary Funds -

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost reimbursement basis. The **Worker’s Compensation Internal Service Fund** accounts for the cost of workers compensation benefits provided throughout the County. The net position of this fund is included in the governmental activities in the government-wide Statement of Net Position.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

D) **Measurement Focus, Basis of Accounting, and Financial Statement
Presentation (Continued)**

Fiduciary Funds –

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governments. The **Custodial Fund** account for cash collected by other County offices which is subsequently disbursed to the County, individuals, private organizations and other governments for whom it was collected.

The Employee Retirement Trust Fund, a fiduciary component unit of the County, accounts for the revenue (i.e., member contributions, County contributions, and net investment income) and the expenses (i.e., contributions refunded, retirement allowances, and death benefits paid) of the Retirement Trust Fund.

When both restricted and unrestricted resources are available for use, it is the County's policy to use unrestricted resources first, then restricted resources, as they are needed for their intended purposes.

E) **Assets, Liabilities, and Net Position or Fund Balances**

Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Restricted Assets

Restricted Assets represent revenues set-aside for the liquidation of specific obligations, as detailed in Note 3.

Investments

Investments for the County are reported at fair value. Investments that do not have an established market value are reported at estimated values.

Receivables, Net of Allowance for Uncollectible Amounts

The County reports a receivable for tax revenue estimated to be collected within 60 days after year end. The County recorded an allowance for uncollectible taxes of \$205,296 as of December 31, 2025.

Expected program revenues, such as charges for services, interest, and grant revenue, are reported as amounts receivable.

Notes receivables are reported for amounts expected to be received from SEDCO and the Schuylkill County Airport Authority, per the respective loan agreements.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

E) Assets, Liabilities, and Net Position or Fund Balances (Continued)

Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Prepaid Expense

Prepaid items are recorded for payments, such as rents, insurance, and payments to vendors, made for costs applicable to future periods.

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (e.g. bridges), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets with initial, individual costs that equal or exceed \$1,000 and have estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical costs or estimated historical costs if purchased or constructed (except for intangible right-to-use lease assets, discussed below). Donated capital assets are recorded at estimated fair value at the date of donation (See also Note 5).

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

To preserve farmland and open space, the County purchases agricultural easements. An agricultural easement restricts the use of land from commercial development in perpetuity and encourages the continued agricultural use of land. An easement is thus considered an intangible asset of the County with an indefinite useful life and is recorded in the government-wide financial statements and accordingly not depreciated.

Major outlay of capital assets and improvements are capitalized as projects are completed. Interest incurred during the construction phase of the capital asset of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the County are depreciated using the straight-line half-year method over the following intended useful lives:

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E) Assets, Liabilities, and Net Position or Fund Balances (Continued)

<u>Asset</u>	<u>Years</u>
Land	Not Depreciated
Intangible Assets	Not Depreciated
Construction in Progress	Not Depreciated
Agricultural Easements	Not Depreciated
Works of Art	Not Depreciated
Infrastructure	20-50
Buildings and Improvements	10-50
Machinery and Equipment	8-20
Land Improvements	10-15
Computer Equipment	3-5
Motor Vehicles	3-5

Deferred Inflows/Outflows

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred inflows and outflows of resources. This separate financial statement element represents a consumption/acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow/outflow of resources (revenue or expense/expenditure) until then.

The County reports the following deferred inflows of resources:

Under the modified accrual basis of accounting, the governmental funds report unavailable revenue from property taxes and proceeds from a class-action opioid lawsuit settlement as deferred inflows of resources. Under the accrual basis of accounting, the government wide statement of net position reports a deferred inflow of resources related to pensions and post-employment benefits. Deferred inflows of resources related to pensions and post-employment benefits are described further in Note 6 and 16, respectively.

The County reports the following deferred outflows of resources in the government-wide statement of net position:

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred outflows for pension benefits reported in the government-wide statement of net position. These items are further discussed in Note 6, respectively. The components of deferred inflows/outflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension and OPEB expense over a closed period, which reflects the weighted average remaining service life of all members of the plan beginning in the year in which the deferred amount occurs (current year).

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

E) Assets, Liabilities, and Net Position or Fund Balances (Continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premiums or discounts.

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

Financing Lease/Subscription Services Liability

The County is a lessee for non-cancellable leases of land, buildings, and equipment and a user of third-party software services.

A lease/subscription liability and an intangible right-to-use asset is recognized in the government-wide financial statements. At the commencement of a lease/subscription agreement, the County initially measures the liability at the present value of payments expected to be made during the term. Subsequently, the lease/subscription liability is reduced by the principal portion of the lease payments made. The County recognizes lease/subscription assets/liabilities with an initial value of \$1,000 or more.

The right-to-use lease/subscription asset is initially measured as the initial amount of the liability, adjusted for payments made, at or before, the commencement of the lease/subscription term. Subsequently, the lease/subscription asset is amortized on a straight-line basis over the underlying assets useful life, or lease/subscription term, whichever is shorter.

Key estimates and judgments related to leases/subscriptions include: 1) calculating the discount rate to discount the expected lease/subscription payments to present value; 2) the lease/subscription agreement term; and 3) lease/subscription payments.

- 1) The interest rate charged by the lessor is used as the discount rate. When the interest rate is not expressly stated, the County utilized the United States Treasury Long-Term rate at the inception of the lease for its incremental borrowing rate. This rate was 4.79% at 12/31/2025.
- 2) The lease/subscription term includes the non-cancellable period of the lease/subscription agreement.
- 3) The lease/subscription payments included in the measurement of the liability include options that the County is reasonably certain to exercise.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

E) Assets, Liabilities, and Net Position or Fund Balances (Continued)

The County monitors changes in lease/subscription circumstances that would require a remeasurement of the related assets and liabilities. Lease/subscription assets are reported as capital assets and lease/subscription liabilities are reported as long-term debt on the Statement of Net Position.

Unearned Revenues

Revenues that are received but not earned are recorded as unearned revenues in the County's financial statements. In the County's governmental funds, unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the governmental funds' balance sheet and revenue is recognized.

Interfund Transactions

Quasi and external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions except quasi-external transactions and reimbursements are reported as transfers.

Compensated Absences

The County permits employees to accumulate a limited amount of earned, but unused vacation leave. These benefits are payable upon separation of services. All vacation pay is accrued when incurred in the government-wide. The computed liability is in compliance with GASB 16, *Accounting for Compensated Absences*.

Fund Balances

The governmental fund financial statements present fund balances based on classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Non-spendable fund balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

E) Assets, Liabilities, and Net Position or Fund Balances (Continued)

Restricted fund balance – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners. These amounts cannot be used for any other purpose unless the Members of the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

Assigned fund balance – This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. The Board of Commissioners delegated this responsibility to the County Administrator.

Unassigned fund balance – This classification represents amounts that are available for any purpose.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Net Position

The government-wide, proprietary fund and fiduciary fund financial statements utilize a net position presentation. Net Position is categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the County, not restricted for any project or other purpose.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E) Assets, Liabilities, and Net Position or Fund Balances (Continued)

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

Accounting 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 certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

F) Budgets and Budgetary Accounting

Legal Requirements

Commonwealth of Pennsylvania statutes require that County Governments establish budgetary systems and adopt annual operating budgets. The County's annual budget includes the General Fund and certain Special Revenue Funds and is based on estimates of revenues and expenditures approved by the Commissioners.

The County adopts the budget on the same basis of accounting as reported in the fund financial statements. The County of Schuylkill follows these procedures in establishing the budgetary data reflected in the financial statements:

County Budget Process

- Prior to October 1st, the department heads submit to the County Commissioners proposed operating budgets for the fiscal year, which commences on January 1st.
- The Commissioners then interview all department heads to discuss their budgets as submitted and allow them to substantiate projected expenditures.
- Subsequently, the County administrator's office assembles the preliminary projections of revenues and expenditures into a formal budget incorporating any revisions or adjustments resulting for the Commissioner's review.
- Public meetings are conducted on the proposed budget. The proposed budget is available for public inspection for 20 days prior to final adoption.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F) **Budgets and Budgetary Accounting (Continued)**

- After the 20-day inspection period, but prior to December 31, the County Commissioners adopt the final budget by enacting an appropriate resolution.
- Formal budgetary process is employed as a planning device. The adopted budget is on a basis consistent with GAAP. Budget amounts are as originally adopted, or as amended by the County Commissioners.

Level of Control

The County maintains budgeting control at the individual fund level.

Lapsing of Appropriations

Unexpended appropriations lapse at year-end.

Management Authority

During the year, departmental needs may change, emergencies may occur, or additional revenue may arise. As a result, funds are transferred between line items of a department's budget or additional revenue may need to be budgeted for a specific project or grant. Adjustments to the budget are made on a line-item basis during the year and approved by the County Commissioners.

G) **Adoption of Governmental Accounting Standards Board Statements**

The County adopted the required provisions of GASB Statement No. 102, "*Certain Risk Disclosures*." The adoption of this statement had no effect on previously reported amounts.

H) **Pending Changes in Accounting Principles**

In April 2024, the GASB issued Statement No. 103, "Financial Reporting Model Improvements". The County is required to adopt the provisions of Statement No. 103 for its fiscal year 2026 financial statements.

In September 2024, the GASB issued Statement No. 104, "Disclosure of Certain Capital Assets". The County is required to adopt the provisions of Statement No. 104 for its fiscal year 2026 financial statements.

In December 2025, the GASB issued Statement No. 105, "Subsequent Events" The County is required to adopt the provisions of Statement No. 105 for its fiscal year 2026 financial statements.

The County has not yet completed the various analysis required to estimate the financial statement impact on these new pronouncements.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I) Component Units - Summary of Significant Accounting Policies

Schuylkill County Transportation Authority (“the System”)

Basis of Accounting

The books and records of the Schuylkill County Transportation Authority D/B/A Schuylkill Transportation System are maintained on the accrual basis for reporting purposes. The Authority’s financial statements are reported in accordance with Generally Accepted Accounting Principles. The Authority is a separate legal entity and was established under the Municipal Authorities Act by Schuylkill County, Pennsylvania on June 29, 2010. It was activated and began operations on April 1, 2011. The year-end for the Schuylkill County Transit Authority is June 30th.

Inventories

Inventories (\$123,111) consist of replacement parts and fuel stated at lower of cost (average cost) or market value.

Prepaid Expenses

Prepaid Expenses (\$161,485) consists of insurance premiums and other costs paid during the current period for future periods. They are amortized over the policy or coverage period.

Schuylkill County Conservation District (“the District”)

Basis of Accounting

The District prepares its financial statements in conformity with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the cash basis of accounting, revenues and related assets are recognized when received rather than when earned and expenditures are recognized when paid rather than when the obligation is incurred.

NOTE 2: DEPOSIT AND INVESTMENT RISK

As of December 31, 2025, the County had the following debt investments and maturities within its **Retirement Fund** accounts:

Investment Type	Fair Value	Maturities:			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. Government Treasuries	\$4,494,068	-	\$3,333,682	\$1,160,386	\$-
U.S. Government Agencies	5,029,654	-	14,980	81,391	4,933,283
Non-Agency ABS/MBS	417,329	-	342,982	9,947	64,400
Corporate Bonds	<u>1,950,305</u>	-	<u>943,326</u>	<u>598,869</u>	<u>408,110</u>
Total	\$11,891,356	-	\$4,634,970	\$1,850,593	\$5,405,793

At December 31, 2025, the General Fund had debt investments of \$11,897,852 invested in various T-Bills and fixed income bonds. The T-Bills with a value of \$5,907,242 had maturities of less than one year, fixed income bonds of \$1,990,403 had maturities of 6-10 years, and fixed income bonds of \$4,000,208 had maturities of more than 10 years.

All corporate bonds are investment quality. Some are fixed and some are floating rates over a wide variety of maturity dates.

Interest Rate Risk – Interest rate is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County’s investment policy is to invest funds to meet the projected cash flow requirements.

The County’s Retirement Plan Investment Policy (Retirement Investment Policy) states that emphasis shall be placed on providing adequate and timely investment cash flow to permit benefit payments from Retirement Plan when due. Fixed income investment allocation is targeted to 32% of S&P 500; 8% Russell 2000, 10% MSCI, 30% Barclays Capital Aggregate, 5% Govt./Credit, 10% CPI, 5% T-Bills (with an allowable range of +/- 5%) of the portfolio. The investments may be adjusted to meet economic and/or investment market conditions.

Credit Risk - The County’s investment policy limits operating and self-insurance investments in federal agency securities that carry direct or implied guarantees of the U.S. Government. The County’s Retirement Investment Policy limits fixed income securities to a minimum of “BBB” or better at the time of purchase. At no time should the securities’ rates less than “A” exceed 20% of the portfolio. No issuer, other than the U.S. Government or other federal agencies, may represent more than 15% of the total market value of the fixed income portfolio.

NOTE 2: DEPOSIT AND INVESTMENT RISK (CONTINUED)

As of December 31, 2025, the County's **Retirement Fund** investments had a credit rating as follows:

<u>Investment Type</u>	<u>Credit Quality Rating</u>	<u>Percent of Investment Type</u>
U.S. Government Treasuries	AAA	100.00%
U.S. Government Agencies	Not Rated	100.00%
Non-Agency MBS	AAA	100.00%
Corporate Bonds	AAA	-
Corporate Bonds	AA+	-
Corporate Bonds	AA	-
Corporate Bonds	AA-	-
Corporate Bonds	A+	6.19%
Corporate Bonds	A	18.67%
Corporate Bonds	A-	44.53%
Corporate Bonds	BBB+	10.65%
Corporate Bonds	BBB	7.84%
Corporate Bonds	BBB-	9.42%
Corporate Bonds	BB+	2.70%
Corporate Bonds	NR	-

The T-Bills and fixed income bonds in General Funds are rated Aa1.

Custodial Credit Risk - For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

As of December 31, 2025, the County's cash balances for its governmental activities and agency funds were \$72,109,628 and its bank balances were \$73,958,559. Of these bank balances, \$73,076,237 of the County's deposits were exposed to custodial credit risk, as they were collateralized with securities held by the pledging financial institution and uninsured.

The entire cash and cash equivalent balance in the Retirement Fund was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the County's name. The County does not have a written policy to limit its exposure to custodial credit risk.

Concentration of Credit Risk - The County's investment policy for pooled and self-insurance funds is to invest in U.S. Government or Federal agency securities for which there is no limit to the investment amount. The County's Retirement Investment Policy limits investments, other than those in U.S. Government or other federal agencies, to no more than 5% of the total market value of the fixed income portfolio. There were no investments in a single issuer that exceeded 5% of the total investments in the County's Retirement Trust Fund.

NOTE 2: DEPOSIT AND INVESTMENT RISK (CONTINUED)

Fair Value Measurement

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy sets out a fair value hierarchy with the highest priority being quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3). Accordingly, the degree of judgement exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy.

In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurements are classified and disclosed in one of the following three categories:

Level 1 – inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2 – inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets or in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTE 2: DEPOSIT AND INVESTMENT RISK (CONTINUED)

The County had the following recurring fair value measurements for its **Retirement Fund** investments as of December 31, 2025:

Fair Value Measurements:				
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by Fair Value Level:	12/31/2025	(Level 1)	(Level 2)	(Level 3)
Cash and Currency				
Money Market Funds	\$34,285,098	\$ -	\$34,285,098	\$ -
Equity				
Common Equity Securities	16,429,340	16,429,340	-	-
Equity Mutual Funds	77,001,237	77,001,237	-	-
Fixed Income				
Corporate and Foreign Bonds	2,367,634	-	2,367,634	-
Fixed Income Mutual Funds	39,442,701	39,442,701	-	-
US Government Agencies	5,029,655	-	5,029,655	-
US Treasury Obligations	4,494,068	-	4,494,068	-
Inflation Hedges				
Equity Mutual Funds	7,418,371	7,418,371	-	-
Other Assets				
Common Equity Securities	<u>131,741</u>	<u>131,741</u>		
Total Equity Securities	<u>\$186,599,845</u>	<u>\$140,423,390</u>	<u>\$46,176,455</u>	<u>\$ -</u>

The investments of \$11,897,852 in General Fund had fair value measurements of Level 1.

NOTE 2: DEPOSIT AND INVESTMENT RISK (CONTINUED)

All corporate bonds are investment quality. Some are fixed and some are floating rates over a wide variety of maturity dates.

Component Units - Summary of Significant Accounting Policies

Schuylkill County Transportation Authority (“the System”)

Concentrations of Credit Risk

As of June 30, 2025, the carrying amounts of the System’s bank deposits were \$3,330,182 and the corresponding bank balances were \$3,394,365 of which \$0 was exposed to custodial risk because they were uninsured, rather are secured by a letter of credit or are collateralized with securities held by the pledging financial institution’s trust department or agent but not in the System’s name. For the year ended June 30, 2025, the System’s deposits were insured by the National Credit Union Administration and private insurance from Excess Share insurance Corporation up to \$5,250,000.

A portion of the Authority’s deposits are in the Pennsylvania Local Government Investment Trust (PLGIT) (\$265,349). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, the trust acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization, and is subject to an independent audit.

Schuylkill County Conservation District (“the District”)

Concentrations of Credit Risk

Custodial credit risk is the risk that in the event of a bank failure the government’s deposits may not be returned to it. The District does not have a policy for custodial credit risk. At December 31, 2025, the bank balance of the District’s deposits with financial institutions was \$958,324 compared to the carrying amount of \$942,639. The difference is caused by outstanding checks. \$708,324 of the District’s deposits were exposed to custodial credit risk. This entire amount was uninsured and collateralized by securities pledged by the financial institution for such funds but not in the District’s name in accordance with the collateralization provisions of Act 72, as amended.

The Pennsylvania Treasurer’s INVEST Program for Local Governments and Nonprofits (INVEST), is a program of two investment pools specifically for local government and nonprofit groups. INVEST functions similarly to a money market fund, seeking to maintain a net asset value of \$1 per share. Participants purchase shares in INVEST, which invests the proceeds in: obligations of the United States Government; repurchase agreements with bank and nonbank financial institutions and other debt

NOTE 2: DEPOSIT AND INVESTMENT RISK (CONTINUED)

Component Units - Summary of Significant Accounting Policies (Continued)

Schuylkill County Conservation District ("the District") (Continued)

Concentrations of Credit Risk (Continued)

instruments of banks, financial institutions, and nonfinancial institutions authorized for the shareholder by Commonwealth of Pennsylvania statute.

Deposits held by INVEST are not insured by the Federal Depository Insurance Corporation; however, deposits are collateralized with securities held by the pledging institution, but not in the District's name. Shares may be withdrawn at any time, with no liquidity fees or redemption gates. INVEST has received a AAAm rating from Standard & Poor's, an independent credit rating agency. The District considers its deposits with INVEST to be cash equivalents for financial reporting purposes. At December 31, 2025, the carrying amount and bank balance of the District's deposits with INVEST was \$1,061,384.

NOTE 3: RESTRICTED ASSETS

Assets whose use is limited to a specific purpose have been classified as restricted in the governmental funds balance sheet and proprietary statement of net position. Restricted assets are composed of the following:

	Balance at 12/31/25
General Fund	
<i>Funds held for various escrow liabilities and ROW office escrow accounts</i>	\$ 3,126,877
Other Governmental Funds	
<i>Cash restricted for the District Attorney and Drug Task Force accounts</i>	<u>294,753</u>
Subtotal Governmental Funds	<u>\$3,421,630</u>
Internal Service Fund	
<i>Investments/Cash for claims incurred but not yet paid</i>	<u>498,841</u>
Subtotal Proprietary Funds	<u>\$498,841</u>
Total Restricted Assets	<u>\$3,920,471</u>

NOTE 3: RESTRICTED ASSETS (CONTINUED)

Component Unit - Restricted Assets

Schuylkill County Transportation Authority (“the System”)

Restricted Cash

Cash whose use is limited to a specific purpose has been classified as restricted in the financial statements. Restricted cash at June 30, 2025 was \$3,361,135.

Schuylkill County Conservation District (“the District”)

Restricted Cash

Cash whose use is limited to a specific purpose has been classified as restricted in the financial statements. Restricted cash at December 31, 2024 was \$214,761.

NOTE 4: REAL ESTATE TAXES AND TAX ABATEMENTS

Real estate taxes attach an enforceable lien on property on January 1. Taxes are billed on or about March 1, payable under the following terms: 2% discount, March 1 through April 30; face amount, May 1 through June 30, and 10% penalty after June 30.

The County bills these taxes, which are collected by elected local tax collectors. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities. Real estate taxes levied for 2025 are recorded as receivables, net of estimated uncollectible. The net receivables collected during 2025 and expected to be collected within the first sixty (60) days of 2026 are recognized as revenue in 2025. Net receivables estimated to be collectible subsequent to March 1 are reflected as a deferred inflow of resources – unavailable tax revenue. Prior years’ levies are recorded using these same principles, and remaining receivables are annually reevaluated as to collectability. The rate of taxation in 2025 was 18.63 mills for general purposes and .60 mills for debt purposes.

The County provided tax abatements to promote community revitalization and economic development under the following programs: Local Economic Revitalization Tax Abatement Program (LERTA) and Keystone Opportunity Zones (KOZ).

Local Economic Revitalization Tax Abatement Program (LERTA)

The LERTA Program is a tax abatement incentive to encourage improvements, rehabilitation and new construction to qualified commercial properties throughout the entire County. The LERTA tax exemptions are authorized under Act 76 of 1977 (72 P.S. section 4722 et seq.) which was passed by the General Assembly of Pennsylvania. A local taxing authority, by ordinance or resolution, may exempt from real property taxation the assessed value of improvements made to deteriorated properties and the assessed value of new construction within designated deteriorated areas. Application to be exempt under a LERTA ordinance are made to each local taxing authority at the time a building permit is secured or other official notification is made. The County’s policy is to support any LERTA approved by a municipality within the boundaries of the County; and thus agree to forego

NOTE 4: REAL ESTATE TAXES AND TAX ABATEMENTS (CONTINUED)

tax revenue of the real estate taxes on the additional assessed value of the rehabilitation or new construction.

Generally, major improvements to a property will trigger a property reassessment by the County's Assessment Bureau. At this time, the Assessment Bureau will assess separately the new construction or improvement and calculate the amount of the assessment eligible for tax exemption in accordance with the limits set forth by the local taxing authority. As set forth by the local taxing authorities, approved LERTA properties are eligible for tax abatements for up to 10 years of a standard percentage of the property taxes on the additional assessed value as follows:

- 100% of the assessed value of the eligible improvement in the first year, reduced by 10% in each subsequent year until the exemption terminates after 10 years; or
- 50% of the assessed value of the eligible improvement every year up to 10 years

The exempt portion of the assessable improvement is not included on the property owner's tax bill, and thus, does not terminate if the property is sold or exchanged.

The following local taxing authorities within the County have enacted LERTA ordinances or resolutions:

Municipalities

Butler Towns
Cass Township
Foster Township
Frailey Township
New Castle Township
Pine Grove Township
Ryan Township
Cressona Borough
St. Clair Borough
City of Pottsville

School Districts

Blue Mountain
Minersville Area
Mahanoy Area
Pine Grove Area
Pottsville Area
St. Clair Area
North Schuylkill

The exemption is forfeited if the owner fails to pay non-exempt real estate taxes by the last day of the penalty period.

No other commitments were made by the County as part of those agreements.

Keystone Opportunity Zone Program (KOZ)

The KOZ Program is designed to stimulate economic growth by attracting industries to areas that are designated as a subzone within the Commonwealth. The Program provides 100% tax abatement of all state and local taxes. These abatements are authorized under Act 92 of 1998, P.L. 705, as amended, which was passed by the General Assembly of Pennsylvania.

The KOZ Program develops a community's abandoned, unused, underutilized land and buildings into business districts and residential areas that present a well-balanced approach to community revitalization. Keystone Opportunity Zones are designated by local

NOTE 4: REAL ESTATE TAXES AND TAX ABATEMENTS (CONTINUED)

communities and approved by the Commonwealth's Department of Community and Economic Development.

For a business to qualify for the KOZ Program, the business must own or lease property in an approved subzone in which the business actively conducts a trade, profession, or business. Eligibility for benefits is based upon annual certification. In order to receive benefits, any entity applying must be compliant with all local and state taxes and building and zoning codes and reside in the zone 184 consecutive days each year. Any qualified business that received KOZ benefits and moves out of the zone within the first 5 years may be subject to repayment and penalties.

To qualify for tax abatement, Pennsylvania businesses relocating to a Keystone Opportunity Zone must either:

- Increase their full-time employment by 20% within the first full year of operation, or;
- Make a capital investment in the property at least 10% of the previous year's gross revenues, or;
- Enter into a lease agreement for a term at least equivalent to the duration of the subzone and with aggregate payments at least equal to 5% of the previous year's gross revenues.

There were 22 properties approved for the KOZ program and/or granted term extensions through December 31, 2027 in the following:

<u>Municipality</u>	<u>School District</u>
Butler Township	North Schuylkill
Foster Township	Minersville Area
Mahanoy Township	Mahanoy Area
Ryan Township	Pine Grove Area
Tremont Township	

No other commitments were made by the County as part of these agreements.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated During the Year Ending 12/31/25</u>
Local Economic Revitalization Tax Abatement (LERTA)	\$763,987
Keystone Opportunity Zone (KOZ)	288,726
Total Taxes Abated During the Year Ending 12/31/25	<u>\$1,052,713</u>

NOTES TO THE FINANCIAL STATEMENTS
COUNTY OF SCHUYLKILL, PENNSYLVANIA

DECEMBER 31, 2025

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	<u>Beginning Balance, As Restated (Note 21)</u>	<u>Additions</u>	<u>Decreases</u>	<u>Reclasses</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:					
Construction in Progress	\$ 41,282,639	\$ 5,481,724	\$ (33,706,248)	\$ (925,112)	\$ 12,133,003
Works of Art	174,000	-	-	-	174,000
Intangible	7,111,764	-	-	-	7,111,764
Easements	2,797,397	292,500	-	-	3,089,897
Land	1,000,506	-	-	-	1,000,506
Total Capital Assets, Not Being Depreciated	52,366,306	5,774,224	(33,706,248)	(925,112)	23,509,170
Capital Assets, Being Depreciated:					
Land Improvements	4,970,166	-	(460,885)	-	4,509,281
Buildings and Improvements	38,713,256	731,808	(1,572,536)	221,535	38,094,063
Machinery and Equipment	30,376,429	6,268,137	(1,815,946)	-	34,828,620
Infrastructure	22,262,054	-	-	703,577	22,965,631
Computer Equipment	12,833,324	181,718	(375,028)	-	12,640,014
Motor Vehicles	14,528,843	209,208	(11,646,230)	-	3,091,821
SBITA	373,464	103,184	-	-	476,648
Lease Land	8,610,638	-	-	-	8,610,638
Lease Building	1,293,354	143,199	-	-	1,436,553
Lease Equipment	297,494	119,335	-	-	416,829
Total Capital Assets Being Depreciated	134,259,022	7,756,589	(15,870,625)	925,112	127,070,098
Less Accumulated Depreciation for:					
Land Improvements	(2,629,633)	(132,087)	460,885	-	(2,300,835)
Buildings	(28,335,375)	(1,228,632)	1,227,903	-	(28,336,104)
Machinery and Equipment	(23,041,515)	(1,535,958)	1,438,187	-	(23,139,286)
Infrastructure	(14,730,458)	(1,049,747)	-	-	(15,780,205)
Computer Equipment	(8,377,993)	(1,562,290)	319,316	-	(9,620,967)
Motor Vehicles	(11,402,293)	(871,389)	9,855,686	-	(2,417,996)
SBITA	(204,853)	(145,582)	-	-	(350,435)
Lease Land	(2,057,971)	(734,339)	-	-	(2,792,310)
Lease Building	(563,896)	(289,601)	-	-	(853,497)
Lease Equipment	(135,063)	(77,935)	-	-	(212,998)
Total Accumulated Depreciation	(91,479,050)	(7,627,560)	13,301,977	-	(85,804,633)
Capital Assets Being Depreciated, Net	42,779,972	129,029	(2,568,648)	925,112	41,265,465
Capital Assets, Net	\$ 95,146,278	\$ 5,903,253	\$ (36,274,896)	\$ -	\$ 64,774,635

NOTE 5: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>GOVERNMENTAL ACTIVITIES:</u>	
General Government-Admin.	\$606,389
Culture/Recreation	149,325
Conservation/Development	142,755
Judicial	855,564
Human Services	854,975
Public Safety	3,208,689
Public Works	<u>1,809,863</u>
Total Depreciation Expense – Governmental Activities	7,627,560

The County financed the purchase of various assets including equipment, vehicles, building upgrades and computer equipment. These purchases do not meet the definition of a financing lease under GASB Statement No. 87-*Leases*, but rather are considered financed purchases and reported as debt. Total depreciation expense charged for financed purchases was \$593,472 during 2025.

Pursuant to an agreement with the SCTA, the County transferred all capital assets to the Authority effective July 1, 2025. The net transfer to the Authority at December 31, 2025 was \$36,269,952.

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND

Plan Description

Plan Administration. The Retirement Board administers the Schuylkill County Employees Pension Plan – a single-employer defined benefit pension plan that covers all employees of the County. The Plan is part of the County’s financial reporting entity and is included in the County’s financial statements as a Pension Trust Fund.

The Plan is governed by the 1971 County Pension Law, Act 96, of the General Assembly of the Commonwealth of Pennsylvania, as amended (the “Act”). Benefit and contribution provisions of the plan are established and can be amended as provided by the Act.

Management of the Plan is vested in the Board, which consists of five members- three elected County Commissioners, the County Controller, and the County Treasurer.

Plan membership. For the 2025 measurement period, pension plan membership consisted of the following:

Retirees and Beneficiaries Receiving Benefits	641
Inactive plan members entitled to, but not yet receiving benefits	121
Active Plan Members	<u>539</u>
	1,301

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Benefits Provided. Schuylkill County Employees Pension Plan provided retirement, disability, and death benefits.

Retirement benefits for plan members are calculated as a percent of the member's final 3-year average salary times the member's years of service depending on class basis. Plan members with 20 years of service are eligible to retire at age 55. Plan members that have attained the age of 60 are eligible to retire.

All plan members are eligible for disability benefits after 5 years of service if disabled while in service and unable to continue as a county employee. Disability retirement benefits are equal to 25% of final average salary at time of retirement.

Death benefits for a member who dies with 10 years of service prior to retirement is the total present value of member's retirement paid in a lump sum. A plan member who leaves County service with less than 5 years of service may withdraw his or her contributions, plus any accumulated interest.

On an ad hoc basis, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once in every three years subsequent to the member's retirement date. The adjustment, should the County elect to give one, is the Consumer Price Index for All Urban Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware, and Maryland area for the 12-month period ending August 31.

Contributions. An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For the 2025 measurement period, the active member contribution rate was 8.0 percent of annual pay, and the County average contribution rate was 8.68% percent of annual payroll. Administrative and investment costs of the Plan are paid by the investment earnings of the Plan. The Act makes no provisions for termination of the Plan. The County does not issue a separate financial report for the Plan.

Legally Required Reserves

Members' Annuity Reserve Account - The County had a balance of \$40,570,871 in the Members' Annuity Reserve Account at December 31, 2025. This account is the total of the contributions deducted from the salaries of the active and terminated vested members of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of December 31, 2025. Since those accumulations represent the present value of future benefits, the reserve balance and liability are equal and thus this reserve is fully funded.

County Annuity Reserve Account - The County had a balance of \$(502,791) in the County Annuity Reserve Account as of December 31, 2025. This balance and the amounts expected to be credited in the future, plus investment earnings, represent the reserves set aside for the payment of the County's share of the retirement allowances.

This is the account out of which regular interest is credited to the member's annuity and retired members' reserve account, administrative expense may be paid and the pension obligations of the County are funded.

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

When a County annuity is scheduled to commence for a particular member, sufficient monies are transferred from the County Annuity Reserve Account to the retired members' reserve account to provide for such County annuities actually entered upon. Thus, this reserve is fully funded.

Retired Members' Reserve Account – This account is used to pay monthly retirement allowances, including cost-of-living increases and death benefits. The balance in this account was \$102,094,258 as of December 31, 2025.

Unrealized appreciation of assets in the amount of \$44,525,261, has been excluded from the balances listed in the reserve accounts above.

Plan Reporting

Net Pension Liability of the County

The total pension liability was based on an actuarial valuation dated January 1, 2025 and update procedures were used to roll-forward the total pension liability to the December 31, 2025 measurement date. The components of the net pension liability of the County at December 31, 2025, were as follows:

Total Pension Liability	\$189,115,103
Plan Fiduciary Net Position	<u>186,687,599</u>
County's Net Pension Liability/(Asset)	\$2,427,504
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.72%

The schedule of changes in the net pension liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about the plan.

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Changes in the County's net pension liability for the plan for the year ended December 31, 2025 were as follows:

	Increase (Decrease)		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/ (Assets) (a)-(b)</u>
Balances at 12/31/24	\$183,396,441	\$168,082,522	\$15,313,919
Service Cost	3,024,645	-	3,024,645
Interest	13,176,224	-	13,176,224
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual	922,533	-	922,533
Changes at Assumptions	-	-	-
Contributions- Employer	-	2,561,153	(2,561,153)
Contributions- Member	-	2,947,630	(2,947,630)
Net Investment Income	-	24,513,255	(24,513,255)
Benefit Payments, Including Refunds of Member Contributions	(11,404,740)	(11,404,740)	-
Administrative Expense (excludes advisory fees)	-	(12,221)	12,221
Other Changes	=	=	=
Net Changes	<u>\$5,718,662</u>	<u>\$18,605,077</u>	<u>\$(12,886,415)</u>
Balances at 12/31/25	<u>\$189,115,103</u>	<u>\$186,687,599</u>	<u>\$2,427,504</u>

Deferred Outflows/Inflows of Resources

The total pension expense recognized in 2025 for the plan was \$1,984,736.

At December 31, 2025, the County reported deferred outflows and inflows of resources related to the pension plan as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$2,209,249	\$(-)
Difference Between Projected and Actual Earnings	-	(11,040,141)
Changes in Assumption	=	=
Total	<u>\$2,209,249</u>	<u>\$(11,040,141)</u>

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

The deferred outflows/inflows of resources will be recognized in pension expense as follows:

Net Deferred Outflows/(Inflows) of Resources	
<u>Year Ended</u> <u>December 31</u>	<u>Governmental</u> <u>Activities</u>
2026	\$2,413,915
2027	(5,045,252)
2028	(3,692,015)
2029	(2,507,540)
2030	-
Thereafter	-
	<u>\$(8,830,892)</u>

Plan Actuarial Methods and Assumptions

Actuarial assumptions. The total pension liability at December 31, 2025 was determined by rolling forward the liability from the actuarial valuation as of January 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.5 percent, average, including inflation
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PubG-2010 Mortality Tables for males and females with generational mortality improvement using MP-2019.

The actuarial assumptions used in the valuation for the 2025 measurement period were based on past experience under the plan and reasonable future expectations, which represent our best estimate of anticipated experience under the Plan. An actuarial experience study was performed during 2016; however, no modifications to assumptions were made as a result.

No ad hoc postemployment benefit changes were included in future liability.

Investment policy. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

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.

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

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.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation and the Retirement Board's asset allocation policy as of December 31, 2025 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	40%	5.13%
International Equity	10%	5.93%
Fixed Income	35%	2.74%
Real Estate/Alternative	10%	5.68%
Cash	5%	0.94%
Total	100%	

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates in accordance with the County's recently adopted funding policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.25 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
County's Net Pension Liability/(Asset)	\$22,395,160	\$2,427,504	\$(14,354,892)

Rate of return. For the year ended December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.05%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Component Unit-Employee Retirement Trust Fund

Schuylkill County Transportation Authority (“the System”)

Pension Costs

Effective May 25, 2011 the System adopted the provisions of the STS Money Purchase Pension Plan and the STS 457 (b) Plan. The plan shall be effective beginning on July 3, 2011. For the STS Money Purchase Pension Plan the System’s contribution is 5.00% of eligible wages. All employees will enter the STS Money Purchase Pension Plan on the January 1 or July 1 after they have attained age 21 and completed at least 1 year of service (1,000 Hours of Service during the 12-month period beginning on the employee’s date of hire). All employees will enter the STS 457(b) Plan on the January 1 or July 1 after they have attained age 21 and completed 1 year of continuous service. All employees who participated in the The ReDCo Group 401(k) Retirement Savings Plan prior to April 1, 2011 will continue participating in both STS plans as of July 3, 2011.

Participants can contribute through salary deferrals on a pre-tax basis to the STS 457(b) Plan. The maximum salary deferrals are limited to the current limitations as defined under the Internal Revenue Code. The System expects to make a matching contribution to the 457(b) plan of \$.25 for \$1.00 on the first 4.00% of compensation deferred into the 457(b) Plan 100.00% vesting in System contributions in both plans is accomplished after 6 years of service. Pension expense for the year ended June 30, 2025 was \$139,370.

Schuylkill County Conservation District (“the District”)

Pension Plan

The District sponsors a defined benefit cash balance pension plan (the “Plan”). The Plan participates in the Pennsylvania Municipal Retirement System (“PMRS”), covering all full-time employees. PMRS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans.

NOTE 7: LEASE OBLIGATIONS

The County leases land, buildings, and equipment for County operations. The lease agreements qualify as financing leases for accounting purposes and have been recorded at the present value of future minimum lease payments as of the inception date of the lease. Terms of each lease vary with monthly, quarterly, and yearly payments ranging from \$251 to \$961,141 and lease periods ranging from 1 year to 29 years. The interest rate charged by the lessor is used as the discount rate. When the interest rate is not expressly stated, the County utilized the United States Treasury Long-Term rate at the inception of the lease for its incremental borrowing rate. This rate was 4.79% at 12/31/2025.

<u>Date of Issue</u>	<u>Initial Liability</u>	<u>Outstanding Liability at 12/31/25</u>	<u>Asset Value at 12/31/25</u>	<u>Asset Amortization for 12/31/25</u>
Various	\$6,640,991	\$5,593,056	\$ 6,605,215	\$1,101,875

The following is a schedule of future minimum lease payments for leases with initial or remaining terms on excess of one year as of December 31, 2025:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities:			
2026	\$912,575	\$309,221	\$1,221,796
2027	730,917	324,003	1,054,920
2028	716,718	288,061	1,004,779
2029	724,240	283,575	1,007,815
2030	726,544	279,240	1,005,815
2031-2035	1,549,305	575,433	2,124,738
2036-2040	87,198	42,269	129,467
2041-2045	73,575	19,832	93,407
2045-2049	59,285	982	60,267
2050	12,699	87	12,786
Total	\$5,593,056	\$2,122,703	\$7,715,759

The County has entered into various agreements with external parties that do not meet the criteria of a lease under GASB 87 as the terms and conditions specify (i.e. either party can terminate at any time, short term, ownership transfers etc.). These agreements are not reportable under GASB 87 and; therefore, not reported as a liability in the financial statements.

NOTE 8: SUBSCRIPTION BASED INFO TECHNOLOGY ARRANGEMENTS (SBITA's)

The County has entered into various software contracts that meet the criteria of a subscription based IT arrangement under the definitions of GASB Statement No. 96. The subscription service agreements have been recorded at the present value of the future minimum payments at the inception date of the agreement. The current agreements require monthly payments ranging from \$1,936 to \$4,633 with a 3 year term. Interest rates were not expressly stated, so the County utilized the United States Treasury Long-Term rate at the inception of the lease for its incremental borrowing rate. This rate was 4.79% at 12/31/2025.

NOTES TO THE FINANCIAL STATEMENTS
COUNTY OF SCHUYLKILL, PENNSYLVANIA

DECEMBER 31, 2025

**NOTE 8: SUBSCRIPTION BASED INFO TECHNOLOGY ARRANGEMENTS (SBITA's)
(CONTINUED)**

The subscription assets were depreciated over the lesser of the estimated useful life or the agreement term. Depreciation expense relating to these assets was \$145,582 for 2025.

<u>Date of Issue</u>	<u>Initial Liability</u>	<u>Outstanding Liability at 12/31/25</u>	<u>Asset Value at 12/31/25</u>	<u>Asset Amortization for 12/31/25</u>
Various	\$165,478	\$158,140	\$126,213	\$145,582

The following is a schedule of future minimum lease payments for leases with initial or remaining terms on excess of one year as of December 31, 2025:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities:			
2026	71,053	5,125	76,178
2027	74,361	4,098	78,459
2028	12,726	414	13,140
Total	\$158,140	\$9,637	\$167,777

NOTE 9: RISK MANAGEMENT

The County is exposed to various risks of loss occurring from normal county government operations, for which it carries commercial insurance. During 2024, the County did not have any significant reductions in insurance coverage; and for the past five years, settlements have not exceeded the insurance coverage.

The County self-insures its workers' compensation liabilities and accounts for these claims in an internal service fund. The County retains the risk of the first \$600,000 for each worker's compensation accident/disease claim for all classes except Police & Salaried Firemen Class 985. For Police & Salaried Firemen Class 985; the County retains the risk for the first \$750,000. For amounts of individual worker's compensation accident/disease claims exceeding \$600,000 and \$750,000, up to a limit of \$25,000,000, the County has transferred the risk of loss to commercial insurers. Cash Flow Protection Endorsement is applicable. The County is liable for any accident/disease claim amount exceeding \$25,000,000. The County would retain the risk for any Employers Liability Claims exceeding \$1,000,000.

	<u>2024</u>	<u>2025</u>
Beginning Liability 1/1/XX	\$246,787	\$294,266
Current Year Claims and Changes in Estimates	448,460	547,055
Claims Payments	(400,981)	(519,928)
Ending Liability 12/31/XX	\$294,266	\$321,393

**NOTES TO THE FINANCIAL STATEMENTS
COUNTY OF SCHUYLKILL, PENNSYLVANIA**

DECEMBER 31, 2025

NOTE 9: RISK MANAGEMENT (CONTINUED)

The County has elected not to purchase commercial health insurance for the risks of losses to which it is exposed. Instead, the County's management believes it is more economical to manage its risk internally through a consortium. The County pays all claims for risk of loss which the County is exposed including health claims, which are administered by third parties. The County has purchased stop loss insurance from commercial insurers that will reimburse the County. The County pays the first \$110,000 of a members claim. Any amount after that is paid by stop-loss. During the 2025 year there were 26 claimants that exceeded the stop-loss amount in which the County was reimbursed \$1,178,724. Since the contract with the consortium is a "paid contract" the County is not responsible for any liability relating to IBNR. At the end of 2025, the County's balance in a deposit with 3rd party for excess deposits over claims was \$5,604,440, which the County can use to reduce future claims.

NOTE 10: LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term liabilities for the year ended December 31, 2025:

	<u>Balance at 12/31/24</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 12/31/25</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Debt	\$25,793,000	-	\$(2,441,000)	\$23,352,000	\$2,490,000
Unamortized Bond (Premium)/Discount	(1,110,796)	-	100,100	(1,010,696)	-
Deferred Loss on Refunding	134,057	-	(12,187)	121,870	-
Financing Leases	6,640,990	262,534	(1,310,468)	5,593,056	912,575
Lease Notes Payable	1,055,938	6,043,136	(1,177,462)	5,921,612	857,697
Subscription Services Payable*	50,526	214,930	(107,316)	158,140	71,053
Compensated Absences	1,879,996	-	(47,696)	1,832,300	-
Self-Insurance Claims Liability	294,266	27,127	-	321,393	-
Net Pension Liability/(Asset)	15,313,919	-	(12,886,415)	2,427,504	-
OPEB Liability	<u>127,919,856</u>	<u>12,692,730</u>	<u>-</u>	<u>140,612,586</u>	<u>-</u>
Total for Governmental Activities	\$177,971,752	\$19,240,457	\$(17,882,444)	\$179,329,765	\$4,331,325

Compensated absences, worker's compensation self-insurance, and the liabilities for pension and other postemployment benefits are liquidated by the General Fund and other applicable funds.

**NOTES TO THE FINANCIAL STATEMENTS
COUNTY OF SCHUYLKILL, PENNSYLVANIA**

DECEMBER 31, 2025

NOTE 10: LONG-TERM OBLIGATIONS (CONTINUED)

The County finances various vehicles and equipment. The balance of the lease notes payable at December 31, 2025 was \$5,921,612. Future debt services obligations are listed below:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$857,697	\$107,859	\$965,556
2027	856,113	87,714	943,827
2028	765,817	68,849	834,666
2029	764,967	53,636	818,603
2030	684,104	38,663	722,767
2031- 2033	1,992,914	56,136	2,049,050
Total	\$5,921,612	\$412,857	\$6,334,469

General Obligation Debt - Governmental Activities:

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Purpose</u>	<u>Balance Outstanding at 12/31/25</u>
2019	\$6,815,000	General Obligation Bonds, Series A 2019, issued for the purpose of refunding the 2008 Bonds, refund the 2018 Bonds, fund the acquisition of new voting machines and related equipment. The bonds bear an interest rate ranging between 1.20% and 4.00% (final maturity occurs in 2038).	\$3,585,000
2019	\$5,430,000	General Obligation Bonds, Series B 2019, issued for the purpose of refunding the 2012 B Bonds. The bonds bear an interest rate ranging between 1.85% and 2.30% (final maturity occurs in 2027).	1,760,000
2020	\$10,310,000	General Obligation Bonds, Series of 2020, issued for the purpose of advance refunding the 2012 Series A Bonds. The bonds bear an interest rate ranging between 0.27% and 4.0% (final maturity occurs in 2036).	9,305,000
2020	\$6,110,000	General Obligation Note, Series A & B 2020, issued together for the purpose of funding a 911/Communications broadband project to enhance public safety and make upgrades to various County buildings. General Obligation Note, Series A 2020 (federally taxable), bears an interest rate of 1.858% (final maturity occurs in 2030) and General Obligation Note, Series B 2020, bears an interest rate of 1.311% (final maturity occurs in 2030).	2,169,000
2023	\$7,341,000	General Obligation Note, Series 2023, issued for the purpose of funding the county-wide reassessment project. General Obligation Note, Series of 2023, bears an interest rate of 3.470% (final maturity occurs in 2033).	5,533,000
		Total for Governmental Activities	<u>\$23,352,000</u>

NOTE 10: LONG-TERM OBLIGATIONS (CONTINUED)

Future General Obligation Debt Requirements:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Years Ended December 31:			
2026	2,490,000	687,119	3,177,119
2027	2,542,000	629,259	3,171,259
2028	2,604,000	569,005	3,173,005
2029	2,662,000	509,734	3,171,734
2030	2,720,000	449,000	3,169,000
2031-2035	9,754,000	1,081,299	10,835,299
2036	580,000	21,013	601,013
Total Debt Service Requirements:	<u>\$23,352,000</u>	<u>\$3,946,429</u>	<u>\$27,298,429</u>

NOTE 11: GUARANTEED DEBT

In May 2009 the County guaranteed part of a loan to Boscov's Department Stores LLC, in the amount of \$5,833,000. The County is part of a joint loan agreement with the Department of Community and Economic Development and Pennsylvania Economic Development Financing Authority, six other Pennsylvania counties, and one city in New Jersey. The County received \$5,833,000 in Federal Section 108 Loan Guarantee funds in which the County used their Loan funds to make the Boscov Loan. The loan matures in August 2028. The County has not been called on to make payments.

In September 2018 the County guaranteed the principal amount of a Municipality Authority's Tax-Exempt Note, Series of 2018, issued to the Schuylkill County Airport Authority, in the amount of \$350,000. The note was issued for the purpose of refunding the extension of the main runway at the Schuylkill County Airport. The extension project has an expected useful life of 20 years and the Note matures in July 2029. The County has not been called on to make payments.

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances of each individual funds as of December 31, 2025, are as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
<u>Governmental Fund Types:</u>		
General Fund	\$4,340,881	\$(392,011)
Drug and Alcohol	56,972	(403,119)
Children and Youth Fund	286	(2,125,067)
Other Agency Fund	-	(65,527)
Other Governmental Funds	<u>187,605</u>	<u>(1,990,672)</u>
Total Government Fund Types	\$ 4,585,744	\$(4,976,396)
<u>Proprietary Fund Type:</u>		
Workers Comp-Internal Service Fund	<u>390,652</u>	-
Total Proprietary Fund Type	<u>\$390,652</u>	\$ -
Total Interfund Payables and Receivables	<u>\$4,976,396</u>	<u>\$(4,976,396)</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided, (2) reimbursable expenditures occur and (3) payments between funds are made.

NOTE 13: INTERFUND OPERATING TRANSFERS

Certain funds are required to fund a portion of expenses of other funds to cover deficits in those funds. The County records operating transfers to account for these transactions. The County recognized the following transfers for Year End 12/31/25:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers In/(Out)</u>
<u>Governmental Fund Types:</u>			
General Fund	\$1,767,672	\$(11,402,523)	\$ (9,634,851)
Drug and Alcohol	100,000	-	100,000
Children and Youth Fund	5,529,908	-	5,529,908
Other Agency Fund		<u>(97,504)</u>	<u>(97,504)</u>
Other Governmental Funds	<u>5,502,538</u>	<u>(1,400,091)</u>	<u>4,102,447</u>
Total Government Fund Types	\$ 12,900,118	\$(12,900,118)	\$ -
<u>Proprietary Fund Type:</u>			
Workers Comp-Internal Service Fund	-	-	-
Total Proprietary Fund Type	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Total Net Transfers	<u>\$12,900,118</u>	<u>\$(12,900,118)</u>	<u>\$ -</u>

NOTE 14: COMPENSATED ABSENCES

County employees are entitled to certain compensated absences, consisting of vacation and sick leave. Compensated absences are accrued according to the County's various policies and union contracts. At year-end, employees may carry over up to a maximum of 15 unused vacation days and up to a maximum of 100 unused sick days, depending on the applicable policy or union contract. The County's compensated absences liability at year-end is calculated based on the maximum possible days allowed.

Applicable GASB pronouncements require accrual of compensated absences that meets certain specific conditions. The County has determined that such conditions apply to compensated absences pay of Governmental Funds. To the extent compensated absence liabilities for governmental funds are liquidated with available resources they are accounted for as fund liabilities in the fund financial statements; the remainder of the obligation is accounted for in the government-wide financial statements.

Proprietary funds account for the entire amount of these liabilities in both the government-wide and fund financial statements.

Component Unit-Compensated Absences

Schuylkill County Transportation Authority (the "System")

Compensated Absences

Under the terms of the Authority's employment policies, employees are reimbursed for accrued vacation and sick days upon termination from employment. The total liability for compensated absences reflected in the financial statements for the year ending June 30, 2025 was \$188,882.

NOTE 15: FUND BALANCES/NET POSITION

Fund Balance

The constraints on fund balance included in the governmental fund financial statements represent portions of fund balances that are non-spendable, restricted, committed, or assigned for various purposes and are not available for the payment of other subsequent expenditures. The following restriction on fund balance are included in the governmental fund-financial statements.

GOVERNMENTAL FUNDS:	<u>Balance at 12/31/25</u>
<u>ASSIGNED FUND BALANCE</u>	
General Fund <i>Represents amounts assigned to pass the 2025 budget, pay post-employment benefits, and assign funds for specific purposes at the County's discretion.</i>	\$ 7,817,009
Other Governmental Funds <i>Represents Capital Reserves and Capital Projects fund balances that are assigned for future capital projects.</i>	\$531,861
<u>NONSPENDABLE – GENERAL FUND</u> Represents excess deposits over claims to be used to offset future insurance expenses.	\$5,604,440
<u>RESTRICTED FUND BALANCE</u>	
General Fund <i>Represents amounts restricted for program purposes.</i>	\$3,199,613
Drug and Alcohol <i>Represents amounts restricted for program purposes.</i>	\$2,664,832
Other Governmental Funds <i>Represents amounts restricted for program purposes and payments of debt service.</i>	\$ 23,648,134

Net Position

The restrictions on net position included in the government-wide statements represent portions of net position that are restricted for various purposes and are not available for the payment of other subsequent expenditures. The following restrictions on net position are included in the fund-financial statements and the government-wide financial statements.

All applicable restricted governmental fund balance amounts disclosed above are also recorded as restricted net position in the Governmental Activities Statement of Net Position.

NOTE 15: FUND BALANCES/NET POSITION (CONTINUED)

PROPRIETARY FUNDS:	<u>Balance at</u> <u>12/31/25</u>
Workers Comp-Internal Service Fund <i>This line item represents amounts restricted for workers' compensation claims.</i>	\$1,066,870
FIDUCIARY FUNDS:	
Custodial Fund <i>This line item represents net position restricted for custodial funds.</i>	\$14,504,811
Employee Retirement Trust Fund <i>This line item represents net position restricted for employee pensions.</i>	\$186,687,599

Component Unit – Restricted Net Position

Schuylkill County Transportation Authority (“the System”)

Fund Balance-Restricted

The Shared Ride Program System has \$6,317 in fund balance restricted for future contingencies.

NOTE 16: POST-EMPLOYMENT BENEFIT PLAN

Plan Description. The County sponsors a post-employment benefits plan that covers health insurance benefits for eligible retirees. The County provides health insurance coverage for its eligible retirees under the terms of agreements with the unions that represent them. Groups of retirees that are eligible for OPEB were affiliated with the following: AFSCME Local 1512, AFSCME Local 1721, ALF-CIO Local 1512, AFL-CIO Local 668, Court Related Union Unit 1, Court Related Union Unit 2, Teamsters Local Union 429, and Non-Union/Management. The Plan does not issue a publicly available financial report.

NOTE 16: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Eligibility requirements for each union contract are as follows:

<u>Union Contract</u>	<u>Eligibility Requirements</u>
Non-Union/Management	• Employees hired on or after November 24, 2004 will not be eligible for County-paid health insurance upon and during retirement • Employees hired prior to November 24, 2004, but on or after January 1, 1988 are eligible for their current coverage or comparable health insurance coverage upon retirement. Benefit does not include dependents and applies to full time employees in an active employment status at age 60 or above who have at least 12 years of service or age 55 with 20 years of service. Elected officials within the time frame are eligible for benefits after eight years of service • Employees hired prior to January 1, 1988 and retirees meeting this criterion are eligible for their current coverage or comparable health insurance coverage. Benefits apply to employees who are full time, in active status with at least 8 years of continuous service, and includes spouse and eligible dependents
AFSCME Local 1512 (Senior Services)	• Employees hired on or after July 1, 2005 will not be eligible for County-paid health insurance upon and during retirement • Employees, and dependents, who retired prior to January 1, 1986 • Employees, and their dependents, who were employed prior to January 1, 1986, have at least 8 years of service and retires pursuant to the County Pension Plan • Employees employed between January 1, 1986 and July 1, 2005, have 20 years of service with the Pension Plan, are between the age of 60 and 65

NOTE 16: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

AFL-CIO, DC 89, Local 1512, Courthouse and 911	• Employees hired on or after July 1, 2005 will not be eligible for County-paid health insurance upon and during retirement • Employees, and dependents, who retired prior to January 1, 1986 • Employees, and dependents, who were employed prior to January 1, 1986, have at least 8 years of service and retires pursuant to the County Pension Plan • Employees employed between January 1, 1986 and July 1, 2005, have 20 years of service with the Pension Plan, are between the age of 60 and 65
Teamsters Local Union 429 (Prison)	• Employees, and spouses, employed on or before December 31, 2007 and retires pursuant to the County Pension plan • Employees hired after December 31, 2007 shall not be entitled to any health care coverage at the expense of the Employer
Court Related Union Unit 2	• Employees hired after February 1, 2007 are ineligible for County-paid health insurance upon and during retirement. • Employees and dependents, retired prior to January 1, 1988 • Employees and dependents, employed prior to January 1, 1988, have at least 8 years of service and retired in accordance with the County Pension Plan • Employees employed on January 1, 1988, or after, have at least 12 years of service, and retires from active employment between the ages of 60 and 65 • As of January 1, 1994, bargaining unit members who were dismissed for just cause are ineligible.

NOTE 16: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

AFSCME Local 1721	• Employees hired on or after April 1, 2006 will not be eligible for County-paid health insurance upon and during retirement • Employees, and dependents, retired prior to January 1, 1990. • Employees and dependents employed prior to January 1, 1990 who has 8 years of service. • Employees employed on January 1, 1990 or thereafter, have 12 years of service, and are between the ages of 60-65
Court Related Union Unit 1	• Employees hired after September 29, 2006 will not be eligible for County-paid health insurance upon and during retirement • Employees, and dependents, employed prior to January 1, 1988 and have at least 8 years of service • Employees employed on January 1, 1988, or thereafter, have 12 years of service, and retire between the ages of 60 and 65 • As of January 1, 1994, employees dismissed for just cause will be ineligible.
AFL-CIO, Local 668, and Children and Youth	• Employees hired after January 1, 2005 will not be eligible for County-paid health insurance upon and during retirement • Employees, and dependents, employed prior to January 1, 1988, have at least 8 years of service • Employees employed on or after January 1, 1988, have 12 years of continuous service, and retire at 60 or above • Employees as of January 1, 2000, or thereafter, and have 20 years of service • As of January 1, 2000, employees dismissed for just cause will be ineligible.

Employees covered by benefit terms. At December 31, 2025, the following employees were covered by the benefit terms:

Active Employees	121
Retirees	428
Terminated/Vested	38
	587

NOTE 16: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Funding Policy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75. The benefits are expensed when incurred and are financed on a pay-as-you-go basis. The contribution requirements of the County are established and may be amended through future union negotiations. The Plan does require contributions from some retirees. The retiree contributions are based on their related contributions while they were employed by the County. During 2025, the County contributed \$7,330,488 to the plan.

Total OPEB Liability. The County's total OPEB liability of \$140,612,586 was measured as of January 1, 2025 and projected to December 31, 2025 by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Percentage of Pay
Medical Inflation Rate	6.5% increase in the first year, 6% in the second year, decreasing by 0.5% per year to an ultimate rate of 5%. Post 65 rate is 5%.
Asset Valuation Method	Market Value
Inflation	3%
Wage Inflation	3.5%
Salary Inflation	4% average, including inflation
Long-term investment rate of return	4.08% (12/31/24) Bond Buyer Municipal Bond Index AA) 4.83% (12/31/25) Bond Buyer Municipal Bond Index AA)
Retirement Age	Rates vary from .07 at age 55 to 1.0 at age 80
Mortality	RP-2000 Mortality Table (Blue Collar) with Scale AA projected to 2026

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

NOTE 16: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

The County's change in its total OPEB liability for the year ended December 31, 2025 was as follows:

	Governmental Activities
Service Cost	\$490,046
Interest	5,089,582
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	14,443,590
Changes in Assumptions	-
Benefit Payments	(7,330,488)
Net Change in OPEB Liability	\$12,692,730
Total OPEB Liability-12/31/2024	<u>127,919,856</u>
Total OPEB Liability-12/31/2025	<u>\$140,612,586</u>

For the year ended December 31, 2025, the County recognized OPEB expense of \$13,120,464. The amount reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$-	\$-
Difference Between Expected and Actual Experience	-	5,064,635
Benefit Paid Subsequent to the Measurement Date	-	-
Total	<u>\$-</u>	<u>\$5,064,635</u>

Year Ended December 31:	
2026	\$5,064,635
2027	-
2028	-
2029	-
2030	-
Thereafter	-
	<u>\$5,064,635</u>

Sensitivity of the Net OPEB liability to changes in the discount rate. The following presents the total OPEB liability, using a discount rate of 4.83% as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.83 percent) or 1 percentage point higher (5.83 percent) than the current discount rate:

	<u>1% Decrease (3.83%)</u>	<u>Discount Rate (4.83%)</u>	<u>1% Increase (5.83%)</u>
Net OPEB Liability	\$159,720,180	\$140,612,586	\$124,925,088

NOTE 16: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Sensitivity of the net OPEB Liability to Changes in the Medical Inflation Rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point higher or 1 percentage point lower than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Medical Inflation Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$123,568,346	\$140,612,586	\$161,368,624

The discount rate used changed from 4.08% to 4.83% from 12/31/24 to 12/31/25.

NOTE 17: RECEIVABLES

The County has loaned funds to Schuylkill County Airport Authority and Schuylkill Economic Development Corporation. The total notes receivable balance at December 31, 2025 was \$1,105,098.

In addition, the County is part of a class action opioid settlement with the Commonwealth of Pennsylvania where the County will receive a projected total settlement of \$7,979,434 to be used for various opioid remediation activities. The County received the first payment in 2022 and will receive annual payments throughout the next 17 years.

The County received \$741,903 in 2025 and the accounts receivable balance at December 31, 2025 was \$8,668,256.

NOTE 18: COMMITMENTS AND CONTINGENCIES

The County participates in a variety of federal and state assisted grant programs, which are subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the County's financial position.

NOTE 19: LITIGATION

Component Unit

Schuylkill County Transportation Authority

In connection with the construction of the new operations facility, the general contractor (GC) Miller Bros. Construction Inc. filed suit against the authority on May 17, 2023. The suit primarily relates to contaminated soil and its related remediation, includes various counts including (I) Breach of Contract - Contaminated soils, (II) Unjust Enrichment, (III) Breach of Contract - Delay Claim, (IV) Breach of Contract - Subcontractor Delay Claims, and (V) Violation of Pennsylvania's Public Works Procurement Code. The total damages claimed in the suit are in excess of \$3,600,000 to "deal with the contaminated soil issue". This litigation is not covered by policy of insurance. At this time, SCTA denies all material allegations and has filed a counterclaim. The Authority intends to contest this suit vigorously. As this litigation is in the preliminary phases, no accrual for liability has been made.

NOTE 20: CHANGE IN CORPORATE STRUCTURE

Component Unit

Schuylkill County Transportation Authority

SCTA, thereafter, accepts liability and responsibility for Pennsylvania Department of Transportation, Bureau of Public Transportation grant Administration as of July 1, 2025. That the Agreement between the County and STS is terminated as of June 30, 2025 concerning grant administration, except for any provisions, thereof, relating to financial matters occurring prior to the date of termination. Consequently, effective July 1, 2025, the Authority is a completely separate entity from Schuylkill County.

NOTE 21: RESTATEMENT OF NET POSITION/FUND BALANCES

The following restatements were made to correct beginning net position/fund balance during the year:

	Governmental <u>Activities</u>	<u>General</u> <u>Fund</u>	Other Governmental <u>Funds</u>
12/31/2024, as Previously Reported	\$ 3,535,816	\$ 37,628,363	\$ 29,494,981
Overstatement of Capital Asset Balances	(629,149)	-	-
Overstatement of Accounts Receivable and Revenue	(139,233)	-	(139,233)
Inclusion of Deposit with Third Party	<u>3,752,390</u>	<u>3,752,390</u>	<u>-</u>
12/31/2024, As Restated	<u>\$ 6,519,824</u>	<u>\$ 41,380,753</u>	<u>\$ 29,355,748</u>

NOTE 22: SUBSEQUENT EVENTS

In September 2026, the County entered into an ordinance authorizing the issuance of general obligations refunding bonds not to exceed \$4,000,000 for the purpose of currently refunding a portion of the County's General Obligation Bonds, Series A of 2019 and the County's General Obligation Note Series B of 2020 and paying costs and expenses of issuing the bonds. Final settlement will occur later in 2026.

The County has evaluated subsequent events through September 29, 2026. This date is the date the financial statements were available to be issued. All material subsequent events to December 31, 2025 have been disclosed.

REQUIRED SUPPLEMENTAL INFORMATION

County of Schuylkill, Pennsylvania

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability								
Service Cost	\$ 490,046	\$ 564,832	\$ 537,291	\$ 981,037	\$ 1,087,720	\$ 975,470	\$ 715,474	\$ 977,903
Interest	5,089,582	4,285,663	4,246,361	2,899,254	3,075,111	3,609,907	4,371,345	4,055,900
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	14,443,590	(4,464,003)	18,920,314	(24,186,406)	(2,972,614)	13,883,838	25,118,745	(10,698,259)
Changes of Assumptions or Other Inputs	-	-	-	-	-	-	-	-
Benefit Payments	(7,330,488)	(6,727,738)	(6,110,148)	(5,572,125)	(5,218,746)	(5,336,238)	(5,334,381)	(5,383,639)
Net Change in Total OPEB Liability	\$ 12,692,730	\$ (6,341,246)	\$ 17,593,818	\$ (25,878,240)	\$ (4,028,529)	\$ 13,132,977	\$ 24,871,183	\$ (11,048,095)
Total OPEB Liability - Beginning	<u>127,919,856</u>	<u>134,261,102</u>	<u>116,667,284</u>	<u>142,545,524</u>	<u>146,574,053</u>	<u>133,441,076</u>	<u>108,569,893</u>	<u>119,617,988</u>
Total OPEB Liability - Ending	<u>\$ 140,612,586</u>	<u>\$ 127,919,856</u>	<u>\$ 134,261,102</u>	<u>\$ 116,667,284</u>	<u>\$ 142,545,524</u>	<u>\$ 146,574,053</u>	<u>\$ 133,441,076</u>	<u>\$108,569,893</u>
Covered Payroll	\$ 7,810,917	\$ 8,229,577	\$ 8,708,973	\$ 9,399,293	\$ 9,990,998	\$ 10,638,620	\$ 10,733,863	\$ 12,164,735
County's Total OPEB Liability as a Percentage of Covered Payroll	1800.21%	1554.39%	1541.64%	1241.23%	1426.74%	1377.75%	1243.18%	892.50%

Notes to Schedule:

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

- No assets are accumulated in a trust to pay the related benefits.

- The discount rate changed from 4.08% at 12/31/24 to 4.83% at 12/31/25.

County of Schuylkill, Pennsylvania

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 3,024,645	\$ 3,000,842	\$ 2,871,530	\$ 2,817,119	\$ 3,004,191	\$ 3,003,384	\$ 2,996,675	\$ 2,913,207	\$ 3,444,819	\$ 3,425,662
Interest	13,176,224	12,769,437	12,211,658	11,868,893	11,509,614	11,349,994	10,555,852	10,195,854	9,779,957	9,550,124
Changes of Benefit Terms	-	-	-	-	-	-	-	922,446	-	-
Differences Between Expected and Actual Experience	922,533	3,136,901	483,059	1,067,110	(2,144,292)	743,617	628,959	(408,607)	(1,442,966)	(1,382,753)
Changes of Assumptions	-	-	-	-	-	10,874,875	-	-	-	-
Benefit Payments, including refunds of employee contributions	(11,404,740)	(10,817,077)	(10,500,255)	(10,491,281)	(10,387,079)	(9,642,434)	(9,103,253)	(8,942,678)	(8,794,113)	(8,098,776)
Net Change in Total Pension Liability	<u>5,718,662</u>	<u>8,090,103</u>	<u>5,065,992</u>	<u>5,261,841</u>	<u>1,982,434</u>	<u>16,329,436</u>	<u>5,078,233</u>	<u>4,680,222</u>	<u>2,987,697</u>	<u>3,494,257</u>
Total Pension Liability - Beginning	<u>183,396,441</u>	<u>175,306,338</u>	<u>170,240,346</u>	<u>164,978,505</u>	<u>162,996,071</u>	<u>146,666,635</u>	<u>141,588,402</u>	<u>136,908,180</u>	<u>133,920,483</u>	<u>130,426,226</u>
Total Pension Liability - Ending (a)	<u><u>\$ 189,115,103</u></u>	<u><u>\$ 183,396,441</u></u>	<u><u>\$ 175,306,338</u></u>	<u><u>\$ 170,240,346</u></u>	<u><u>\$ 164,978,505</u></u>	<u><u>\$ 162,996,071</u></u>	<u><u>\$ 146,666,635</u></u>	<u><u>\$ 141,588,402</u></u>	<u><u>\$ 136,908,180</u></u>	<u><u>\$ 133,920,483</u></u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 2,561,153	\$ 2,345,700	\$ 1,920,720	\$ 1,373,724	\$ 2,011,946	\$ 2,501,126	\$ 2,178,493	\$ 1,766,151	\$ 1,704,652	\$ 2,193,692
Contributions - Employee	2,947,630	2,878,933	2,767,444	2,695,385	2,646,389	2,549,587	2,524,565	2,391,796	2,367,868	2,274,820
Net Investment Income/(Loss)	24,513,255	17,793,797	20,291,949	(23,333,354)	20,806,997	13,958,495	24,310,917	(8,131,198)	18,478,539	7,643,978
Benefit Payments, including refunds of employee contributions	(11,404,740)	(10,817,077)	(10,500,255)	(10,491,281)	(10,387,079)	(9,642,434)	(9,103,253)	(8,942,678)	(8,794,113)	(8,098,776)
Administrative Expense	(12,221)	(11,911)	(11,768)	(11,788)	(12,403)	(11,421)	(13,988)	(12,106)	(14,206)	(10,904)
Other	-	-	-	(7)	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>18,605,077</u>	<u>12,189,442</u>	<u>14,468,090</u>	<u>(29,767,321)</u>	<u>15,065,850</u>	<u>9,355,353</u>	<u>19,896,734</u>	<u>(12,928,035)</u>	<u>13,742,740</u>	<u>4,002,810</u>
Plan Fiduciary Net Position - Beginning	<u>168,082,522</u>	<u>155,893,080</u>	<u>141,424,990</u>	<u>171,192,311</u>	<u>156,126,461</u>	<u>146,771,108</u>	<u>126,874,374</u>	<u>139,802,409</u>	<u>126,059,669</u>	<u>122,056,859</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 186,687,599</u></u>	<u><u>\$ 168,082,522</u></u>	<u><u>\$ 155,893,080</u></u>	<u><u>\$ 141,424,990</u></u>	<u><u>\$ 171,192,311</u></u>	<u><u>\$ 156,126,461</u></u>	<u><u>\$ 146,771,108</u></u>	<u><u>\$ 126,874,374</u></u>	<u><u>\$ 139,802,409</u></u>	<u><u>\$ 126,059,669</u></u>
County's Net Pension Liability/(Asset) - Ending (a) - (b)	<u><u>\$ 2,427,504</u></u>	<u><u>\$ 15,313,919</u></u>	<u><u>\$ 19,413,258</u></u>	<u><u>\$ 28,815,356</u></u>	<u><u>\$ (6,213,806)</u></u>	<u><u>\$ 6,869,610</u></u>	<u><u>\$ (104,473)</u></u>	<u><u>\$ 14,714,028</u></u>	<u><u>\$ (2,894,229)</u></u>	<u><u>\$ 7,860,814</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.72%	91.65%	88.93%	83.07%	103.77%	95.79%	100.07%	89.61%	102.11%	94.13%
Covered payroll	\$ 29,492,316	\$ 29,125,326	\$ 28,190,534	\$ 28,343,541	\$ 27,967,624	\$ 28,095,429	\$ 27,049,556	\$ 26,928,959	\$ 25,777,096	\$ 26,949,878
County Net Pension Liability as a Percentage of Covered Payroll	8.23%	52.58%	68.86%	101.66%	-22.22%	24.45%	-0.39%	54.64%	-11.23%	29.17%

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

County of Schuylkill, Pennsylvania
SCHEDULE OF COUNTY CONTRIBUTIONS - LAST 10 YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution (ADC)	\$ 2,561,153	\$ 2,643,122	\$ 1,920,720	\$ 1,373,724	\$ 2,011,946	\$ 2,501,126	\$ 2,178,493	\$ 1,766,151	\$ 1,704,650	\$ 2,193,692
Contributions in Relation to the ADC	2,561,153	2,345,700	1,920,720	1,373,724	2,011,946	2,501,126	2,178,493	1,766,151	1,704,652	2,193,692
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ 297,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ -</u>
Covered Payroll	\$ 29,492,316	\$ 29,125,326	\$ 28,190,534	\$ 28,343,541	\$ 27,967,624	\$ 28,095,429	\$ 27,049,556	\$ 26,928,959	\$ 25,777,096	\$ 26,949,878
Employer Contributions as a Percentage of Covered Payroll	8.68%	8.05%	6.81%	4.85%	7.19%	8.90%	8.05%	6.56%	6.61%	8.14%

Notes to Schedule:

- Valuation dates: Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

- Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry age
Amortization method:	Level dollar
Remaining amortization period:	15 years
Asset valuation method:	Market value adjusted for unrecognized gains and losses from prior years
Inflation:	3.0%
Salary increases:	4.5% average, including inflation
Investment rate of return:	7.25%, net of pension plan investment expense, including inflation
Retirement age:	Age 60 or 55 with 20 years' service
Mortality:	PubG-2010 Mortality Table for males and females with generational mortality improvement using MP2019

County of Schuylkill, Pennsylvania**SCHEDULE OF INVESTMENT RETURNS - LAST 10 YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	15.05%	11.84%	14.80%	-13.68%	13.78%	9.83%	19.56%	-5.94%	14.99%	6.37%

REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2025
County of Schuylkill, Pennsylvania
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

	Budgeted			Variance with Final Budget Positive/(Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 52,846,423	\$ 52,846,423	\$ 51,402,098	(1,444,325)
Intergovernmental	7,540,623	7,635,170	2,729,080	(4,906,090)
Charges for Service	7,158,054	7,164,854	7,245,963	81,109
Interest/Investment Earnings	929,856	929,856	1,512,367	582,511
Miscellaneous	375,503	375,503	350,778	(24,725)
Total Revenues	\$ 68,850,459	\$ 68,951,806	\$ 63,240,286	\$ (5,711,520)
	-			
EXPENDITURES				
General Government - Administrative	16,508,878	16,811,694	10,461,542	6,350,152
Conservation/Economic Development	2,523,169	2,598,034	1,736,253	861,781
Culture/Recreation	395,693	407,830	377,987	29,843
Human Services	6,095,437	6,109,918	5,692,229	417,689
Judicial	16,354,448	16,490,272	15,138,397	1,351,875
Public Safety	11,978,040	12,478,773	12,734,467	(255,694)
Public Works	3,941,172	4,028,728	3,862,740	165,988
Capital Outlay - Government Type	7,735,711	7,767,515	2,613,342	5,154,173
Debt Service				
Principal	-	-	662,529	(662,529)
Interest	-	-	67,704	(67,704)
Total Expenditures	\$ 65,532,548	\$ 66,692,764	\$ 53,347,190	\$ 13,345,574
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	\$ 3,317,911	\$ 2,259,042	\$ 9,893,096	\$ 7,634,054
OTHER FINANCING SOURCES/(USES)				
Issuance of Financing Leases	-	-	234,728	234,728
Issuance of Lease Notes Payable	-	-	132,347	132,347
Issuance of Subscription Services	-	-	214,930	214,930
Operating Transfers In	1,646,925	1,706,785	1,767,672	60,887
Operating Transfers Out	(11,090,369)	(11,753,703)	(11,402,523)	351,180
Total Other Financing Sources/(Uses)	\$ (9,443,444)	\$ (10,046,918)	\$ (9,052,846)	\$ 994,072
NET CHANGE IN FUND BALANCE	\$ (6,125,533)	\$ (7,787,876)	\$ 840,250	\$ 8,628,126

REQUIRED SUPPLEMENTARY INFORMATION*For the Year Ended December 31, 2025***County of Schuylkill, Pennsylvania****BUDGETARY COMPARISON SCHEDULE - DRUG AND ALCOHOL**

	Budgeted			Variance with Final Budget Positive/(Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 3,033,721	\$ 3,352,587	\$ 2,731,317	\$ (621,270)
Charges for Service	803,248	803,248	1,093,030	289,782
Interest	67,620	67,620	142,432	74,812
Total Revenues	\$ 3,904,589	\$ 4,223,455	\$ 3,966,779	\$ (256,676)
EXPENDITURES				
Human Services	4,406,879	4,737,165	4,164,935	572,230
Capital Outlay	10,202	9,733	6,543	3,190
Debt Service	-	-	-	-
Principal	-	-	425	(425)
Interest	-	-	78	(78)
Total Expenditures	4,417,081	4,746,898	4,171,981	574,917
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	\$ (512,492)	\$ (523,443)	\$ (205,202)	\$ 318,241
OTHER FINANCING SOURCES/(USES)				
Financing Leases	-	-	506	506
Operating Transfers In	50,200	50,200	100,000	49,800
Total Other Financing Sources/(Uses)	\$ 50,200	\$ 50,200	\$ 100,506	\$ 50,306
NET CHANGE IN FUND BALANCE	\$ (462,292)	\$ (473,243)	\$ (104,696)	\$ 368,547

REQUIRED SUPPLEMENTARY INFORMATION*For the Year Ended December 31, 2025***County of Schuylkill, Pennsylvania****BUDGETARY COMPARISON SCHEDULE - CHILDREN AND YOUTH**

	Budgeted			Variance with Final Budget Positive/(Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 25,021,087	\$ 25,021,087	\$ 25,097,228	\$ 76,141
Charges for Service	355,948	355,948	300,763	(55,185)
Interest	48,401	48,401	70,198	21,797
Miscellaneous	4,000	4,000	73	(3,927)
Total Revenues	\$ 25,429,436	\$ 25,429,436	\$ 25,468,262	\$ 38,826
EXPENDITURES				
Human Services	30,377,344	30,989,351	30,949,340	40,011
Capital Outlay	82,000	49,499	43,495	6,004
Debt Service				
Principal	-	-	4,004	(4,004)
Interest	-	-	1,331	(1,331)
Total Expenditures	30,459,344	31,038,850	30,998,170	40,680
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	\$ (5,029,908)	\$ (5,609,414)	\$ (5,529,908)	\$ 79,506
OTHER FINANCING SOURCES/(USES)				
Operating Transfers In	5,029,908	5,609,414	5,529,908	(79,506)
Operating Transfers Out	-	(79,506)	-	79,506
Total Other Financing Sources/(Uses)	\$ 5,029,908	\$ 5,529,908	\$ 5,529,908	\$ -
NET CHANGE IN FUND BALANCE	\$ -	\$ (79,506)	\$ -	\$ 79,506

REQUIRED SUPPLEMENTARY INFORMATION*For the Year Ended December 31, 2025***County of Schuylkill, Pennsylvania****BUDGETARY COMPARISON SCHEDULE - OTHER AGENCY FUND**

	Budgeted			Variance with Final Budget Positive/(Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 3,926,037	\$ 3,977,711	\$ 4,441,566	\$ 463,855
Charges for Service	6,600	6,600	3,771	(2,829)
Interest	34,900	34,900	45,336	10,436
Miscellaneous	40,900	40,900	79,695	38,795
Total Revenues	\$ 4,008,437	\$ 4,060,111	\$ 4,570,368	\$ 510,257
EXPENDITURES				
Human Services	2,163,266	2,229,926	2,083,581	146,345
Judicial	1,647,921	2,447,921	2,389,283	58,638
Total Expenditures	3,811,187	4,677,847	4,472,864	204,983
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	\$ 197,250	\$ (617,736)	\$ 97,504	\$ 715,240
OTHER FINANCING SOURCES/(USES)				
Operating Transfers Out	(156,350)	(156,350)	(97,504)	58,846
Total Other Financing Sources/(Uses)	\$ (156,350)	\$ (156,350)	\$ (97,504)	\$ 58,846
NET CHANGE IN FUND BALANCE	\$ 40,900	\$ (774,086)	\$ -	\$ 774,086

OTHER SUPPLEMENTAL INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - DEBT SERVICE FUND**

	<u>FUNDED DEBT</u>
REVENUES	
Taxes	\$ 1,636,539
Interest	138,923
Miscellaneous	<u>117,619</u>
Total Revenues	\$ 1,893,081
 EXPENDITURES	
General Government	\$ 11,752
Debt Service:	
Principal	1,526,000
Interest	<u>483,832</u>
Total Expenditures	\$ 2,021,584
 EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	 \$ (128,503)
 NET CHANGE IN FUND BALANCE	 \$ <u>(128,503)</u>
 Fund Balance - Beginning of Year	 <u>2,656,282</u>
Fund Balance - End of Year	<u><u>2,527,779</u></u>

County of Schuylkill, Pennsylvania

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - 911 FUND

	<u>911 Fund</u>
REVENUES	
Intergovernmental	\$ 4,662,496
Interest	16,831
Reimbursed Expense	<u>46,680</u>
Total Revenues	\$ 4,726,007
 EXPENDITURES	
Public Safety	\$ 6,703,960
Capital Outlay	111,271
Debt Service:	
Principal	1,637,767
Interest	<u>259,225</u>
Total Expenditures	<u>\$ 8,712,223</u>
 EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	 \$ <u>(3,986,216)</u>
 OTHER FINANCING SOURCES/(USES)	
Operating Transfers In	<u>3,850,000</u>
Total Other Financing Sources/(Uses)	\$ 3,850,000
 NET CHANGE IN FUND BALANCE	 \$ <u>(136,216)</u>
 Fund Balance - Beginning of Year	 <u>1,826,753</u>
Fund Balance - End of Year	<u><u>\$ 1,690,537</u></u>

APPENDIX F
BOND AMORTIZATION SCHEDULE