This Preliminary Official Statement is deemed final for purposes of SEC Rule 15c2-12. Certain information contained herein is subject to completion and amendment or other change without notice. The securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall the 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 District has deemed this Preliminary Official Statement to be final for purposes of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, except for certain information which has been omitted in accordance with such Rule and which will be provided in the final Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 8, 2026

NEW ISSUE BOOK-ENTRY ONLY

Ratings: S&P Global Ratings Rated "AA" (stable outlook)
AG Insured
Underlying Moody's Investors Service Rating "A1"
See **"RATINGS"** and **"MUNICIPAL BOND INSURANCE"** herein

*In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds (including for this purpose the difference between the initial offering price and accrued value) is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. The Bonds, and interest income therefrom, are free from taxation for purposes of personal, and corporate net, income taxes within the Commonwealth of Pennsylvania. Under the laws of the Commonwealth of Pennsylvania, as currently enacted and construed, the Bonds are exempt from personal property taxes in Pennsylvania and the interest on the Bonds is exempt from Pennsylvania personal income tax. (See section entitled "**TAX MATTERS**" herein.)*

*The School District has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Internal Revenue Code of 1986 (relating to the deductibility of interest expense by certain financial institutions). See **"TAX MATTERS"** herein.*

$6,000,000*
McGuffey School District
Washington County, Pennsylvania
General Obligation Bonds, Series of 2026

Dated: Date of Delivery
Interest Due: February 1 and August 1

Principal Due: As shown on inside cover
First Interest Payment: February 1, 2027

The McGuffey School District (the "School District") will issue its General Obligation Bonds, Series of 2026 in the aggregate principal amount of $6,000,000* (the "Bonds"). The Bonds will be registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or any integral multiple thereof only under the book-entry only system maintained by DTC through its brokers and dealers who are, or act through, DTC Participants. The purchasers of the Bonds will not receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond that purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. See "**BOOK-ENTRY ONLY SYSTEM**" herein. If, under the circumstances described herein, Bonds are ever issued in certificated form, the Bonds will be subject to registration of transfer, exchange and payment as described herein. The principal of the Bonds will be paid to the registered owners or assigns, when due, upon presentation and surrender of the Bonds to Zions Bancorporation, National Association (the "Paying Agent"), acting as paying agent and sinking fund depository, at its corporate trust office in Pittsburgh, Pennsylvania. Interest on the Bonds is payable initially on February 1, 2027, and thereafter, semiannually on February 1 and August 1 of each year, until the principal sum thereof is paid. Payment of interest on the Bonds will be made by check drawn on the Paying Agent and mailed to the registered owners of the Bonds as of the Record Date (see "**THE BONDS**" herein*)*.

The Bonds are subject to redemption prior to maturity (See "REDEMPTION OF BONDS" herein).

The Bonds are general obligations of the McGuffey School District, Washington County, Pennsylvania (the "School District"), payable from its tax and other general revenues. The School District has covenanted that it will provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Bonds for such year and will duly and punctually pay or cause to be paid from the sinking fund established under the Resolution, or any other of its revenues or funds, the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District irrevocably has pledged its full faith, credit and taxing power, which taxing power includes the power to levy ad valorem taxes on all taxable real property within the School District, within certain limitations as to rate or amount for such purpose. ***(See "SECURITY FOR THE BONDS" and "PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS", including the description of the Taxpayer Relief Act and other legislation described herein*)**.

The proceeds of the Bonds will be used to provide the School District with the funds for: (1) HVAC improvements, specifically unit ventilator replacements at the High School/Middle School, and Joe Walker and Blaine/Buffalo Elementaries, (2) fire alarm replacement at Claysville Elementary, (3) High School/Middle School library renovation, (4) security camera and water fountain installation/replacement District-wide, (5) Stadium track resurfacing and (6) asphalt repaving and curbing at the High School/Middle School and Joe Walker Elementary, and (7) paying the costs of issuing and insuring the Bonds. (See "**PURPOSE OF THE ISSUE**" herein.)

The Bonds are an authorized investment for fiduciaries in the Commonwealth of Pennsylvania pursuant to the Pennsylvania Probate, Estate and Fiduciaries Code, Act of June 30, 1972, No. 164, P.L. 508, as amended and supplemented.

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

MATURITIES, AMOUNTS, RATES AND YIELDS/PRICES
See Inside Cover

The Bonds are offered when, as and if issued, subject to withdrawal or modification of the offer without notice, and subject to the approving legal opinion of Dinsmore & Shohl LLP, of Pittsburgh, Pennsylvania, Bond Counsel, to be furnished upon delivery of the Bonds. Certain other legal matters will be passed upon for the School District by Weiss Burkardt Kramer, LLC of Pittsburgh, Pennsylvania, School District Solicitor. It is expected that the Bonds will be available for delivery through DTC in New York, New York, on or about _____, 2026.

STIFEL

Dated: _____, 2026

*Preliminary, Subject to Change

$6,000,000*
McGuffey School District
Washington County, Pennsylvania
General Obligation Bonds, Series of 2026

Dated: Date of Delivery
Principal Due: As shown below
Interest Due: February 1 and August 1
First Interest Payment: February 1, 2027

MATURITY SCHEDULE

Maturity Date (February 1) Year*	Principal Amounts	Interest Rates	Initial Offering Yields	CUSIP Numbers[(1)]
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				

[(1)] The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the School District or the Underwriter and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the School District or 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

McGuffey School District

Washington County, Pennsylvania

90 McGuffey Drive
Claysville, PA 15323
Phone (724) 948-3731
Fax (724) 948-3769
www.mcguffey.k12.pa.us

BOARD OF SCHOOL DIRECTORS

Monique Frye	President
Melissa Rebarnick	Vice President
Charlene Hobberchalk	Treasurer*
Laura Sibert	Secretary*
Seth Burgdolt	Member
Kenneth Grove	Member
Michael Hoover	Member
Zonie Jackson	Member
Kenneth Leasure.	Member
Betty Shingle	Member
Chad Thomas	Member

*Non-Member

SUPERINTENDENT
DR. ANDREW OBERG

BUSINESS MANAGER
CHARLENE HOBBERCHALK

SCHOOL DISTRICT SOLICITOR
WEISS BURKARDT KRAMER, LLC
Pittsburgh, Pennsylvania

BOND COUNSEL
DINSMORE & SHOHL LLP
Pittsburgh, Pennsylvania

PAYING AGENT
ZIONS BANCORPORATION, NATIONAL ASSOCIATION
Pittsburgh, Pennsylvania

DISSEMINATION AGENT
DIGITAL ASSURANCE CERTIFICATION, LLC
Orlando, Florida

UNDERWRITER
STIFEL, NICOLAUS & COMPANY, INCORPORATED
Pittsburgh, Pennsylvania

No dealer, broker, salesperson or other person has been authorized by the School District or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, any such other information or representations may not be relied upon as having been authorized by the School District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement has been approved by the School District and the information set forth herein has been obtained from the School District and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter or, as to information from other sources, by the School District. The information and expressions of opinion herein 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 there has been no change in any of the information set forth herein since the date hereof or the earliest date of which said information is given.

THE ORDER AND PLACEMENT OF THE MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE 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 IS MADE ONLY BY 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 IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER, THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

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

THIS OFFICIAL STATEMENT IS SUBMITTED IN CONNECTION WITH THE SALE OF THE SECURITIES REFERRED TO HEREIN, AND MAY NOT BE REPRODUCED OR BE USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE. NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES AT ANY TIME IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

Neither the School District's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the forecasted information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the forecasted information.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the revenues and obligations of the School District include, among others, changes in economic conditions, mandates from other governments and various other events, conditions and circumstances, many of which are beyond the control of the School District. Such forward-looking statements speak only as of the date of this Official Statement. The School District disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the School District's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The School District does not generally publish its business plans and strategies or make external disclosures of its anticipated financial position or results of operations. Accordingly, the School District does not intend to update or otherwise revise the forecasted financial information to reflect circumstances existing since its preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error. Furthermore, the School District does not intend to update or revise the forecasted financial information to reflect changes in general economic or industry conditions. Additional information relating to the principal assumptions used in preparing the projections is set forth herein.

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

SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained 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.

Issuer	McGuffey School District, Washington County, Pennsylvania (the "School District").
The Bonds	General Obligation Bonds, Series of 2026 (the "Bonds"), in the aggregate principal amount of $6,000,000*. The Bonds are initially dated the Date of Delivery and will mature as shown in the **MATURITY SCHEDULE** shown on the inside of the Cover Pages of this Official Statement. Interest on the Bonds will begin to accrue on the Date of Delivery and is payable initially on February 1, 2027, and on each February 1 and August 1 thereafter. (See **"THE BONDS"** herein.)
Redemption Provisions	The Bonds are subject to redemption prior to their stated dates of maturity. (See **"REDEMPTION OF BONDS"** herein.)
Form of Bonds	Book-entry form only.
Purpose of the Issue	The proceeds of the Bonds will be used to provide the School District with the funds for: (1) HVAC improvements, specifically unit ventilator replacements at the High School/Middle School, and Joe Walker and Blaine/Buffalo Elementaries, (2) fire alarm replacement at Claysville Elementary, (3) High School/Middle School library renovation, (4) security camera and water fountain installation/replacement District-wide, (5) Stadium track resurfacing and (6) asphalt repaving and curbing at the High School/Middle School and Joe Walker Elementary, and (7) paying the costs of issuing and insuring the Bonds. (See **"PURPOSE OF THE ISSUE"** and **"Sources and Uses of Bond Proceeds"** herein.)
Security for the Bonds	The Bonds are general obligations of the McGuffey School District, payable from local taxes, state subsidy and other general revenues. The School District has covenanted in the Resolution authorizing the Bonds adopted by the Board of School Directors of the School District on May 21, 2026 (the "Resolution") that it will 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 the sinking fund established under the Resolution or any other of its legally available revenues or funds the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District has irrevocably pledged its full faith, credit and available taxing power, which taxing power includes the power to levy ad valorem taxes on all taxable real property within the School District, to the extent available by law. (See **"SECURITY FOR THE BONDS"** and **"PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS")** including the description of the Taxpayer Relief Act and other legislation described herein.
Credit Enhancement................	The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Inc. ("AG"). (See **"MUNICIPAL BOND INSURANCE"** herein.)
Bond Ratings	The Bonds are expected to receive a credit rating of "AA" (stable outlook) from S&P Global Ratings, a division of S&P Global, Inc., New York, New York, ("S&P") with the understanding that the above-described municipal bond insurance policy will be issued at the time of settlement of the Bonds. The Bonds have also received an underlying credit rating of "A1" from Moody's Investors Service. (See **"RATINGS"** herein.)
Continuing Disclosure Undertaking	The School District has agreed to provide, or cause to be provided, in a timely manner, certain information in accordance with the requirements of Rule 15c2-12, as promulgated under the Securities and Exchange Act of 1934, as amended and interpreted (the "Rule"). (See **"CONTINUING DISCLOSURE UNDERTAKING"** herein.)

*Preliminary, Subject to Change

This Table of Contents is for convenience of reference only and does not list all of the subjects in this Official Statement. In all instances reference should be made to the complete Official Statement to determine the subjects discussed in it. The order and placement of material in the Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance and this Official Statement including Appendices must be considered in its entirety.

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PRELIMINARY OFFICIAL STATEMENT

$6,000,000*
McGuffey School District
Washington County, Pennsylvania
General Obligation Bonds, Series of 2026

INTRODUCTION

This Official Statement, including the cover page hereof and Appendices hereto, is furnished by McGuffey School District, (Washington County, Pennsylvania) (the "School District") in connection with the issuance of its General Obligation Bonds, Series of 2026 in the aggregate principal amount of $6,000,000* (the “Bonds”). The Bonds are being issued pursuant to a resolution of the Board of School Directors of the School District adopted on May 21, 2026 (the “Resolution”), and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the “Commonwealth”), 53 Pa. C.S.A. §8001 et seq., as amended (the “Debt Act”).

The Bonds shall be issued in fully registered form in the denominations of $5,000 or any integral multiple thereof. Interest on the Bonds is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2027. Subject to the applicable provisions for Book-Entry payment of the Bonds, interest on any Bond is payable to the registered owner which appears on the registration books of the Paying Agent on the appropriate Record Date as described below. The principal of the Bonds is payable at the designated corporate trust office of Zions Bancorporation, National Association, Pittsburgh, Pennsylvania (the "Paying Agent" or “Sinking Fund Depository”). The Bonds are only transferable on the registration books maintained by the Paying Agent upon presentation and surrender thereof (see "**THE BONDS**" herein). The Bonds are subject to redemption as stated herein.

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 physical delivery of bond certificates and beneficial ownership of the Bonds will be evidenced only by book entries. See “**BOOK-ENTRY ONLY SYSTEM**” herein.

The information which follows contains summaries of the Resolution, the Bonds, relevant provisions of state and federal laws, and the School District’s budget and financial statements, among others. Such summaries do not purport to be complete and reference is made to the Resolution, the School District’s budget and financial statements and other documents, copies of which are on file and available for examination at the offices of the School District. Reference is also made to the Bonds and to the full text of the cited laws and regulations.

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

PURPOSE OF THE ISSUE

The proceeds of the Bonds will be used to provide the School District with the funds for: (1) HVAC improvements, specifically unit ventilator replacements at the High School/Middle School, and Joe Walker and Blaine/Buffalo Elementaries, (2) fire alarm replacement at Claysville Elementary, (3) High School/Middle School library renovation, (4) security camera and water fountain installation/replacement District-wide, (5) Stadium track resurfacing and (6) asphalt repaving and curbing at the High School/Middle School and Joe Walker Elementary, and (7) paying the costs of issuing and insuring the Bonds.

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*Preliminary, Subject to Change

Sources and Uses of Bonds Proceeds

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

Sources of Funds	**Total**
Bond Par Amount	
Net Original Issue Premium [Discount]	
Total Sources of Funds	
Uses of Funds	
Construction Fund Deposit	
Costs of Issuance(1)	
Total Uses of Funds	

(1)Includes, but not limited to: legal, underwriter's discount, printing, ratings, CUSIP, paying agent, bond insurance premium and miscellaneous costs.

___

*Preliminary, Subject to Change

THE BONDS

Description: Payment of Principal and Interest

The Bonds will be issued in registered form, without coupons, in denominations of $5,000 principal amount and integral multiples thereof, will be in the aggregate principal amount of $6,000,000* and will be dated the date of delivery, when interest begins to accrue. The Bonds will bear interest 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 each of the Bonds will be payable initially on August 1, 2026, and thereafter, semiannually on February 1 and August 1 of each year until the maturity date of such Bonds 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. Interest shall be computed on the basis of a 30-day month and a 360-day year.

*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 physical delivery of Bonds certificates, and beneficial ownership of the Bonds will be evidenced only by book entries. Each Beneficial Owner of a Bond may desire to make arrangements with a DTC Participant to receive notices or communications with respect to matters described herein. See "**BOOK – ENTRY ONLY SYSTEM**" herein.*

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

The principal of certificated Bonds, when due upon maturity or upon any earlier redemption, will be paid to the registered owners of such Bonds, or registered assigns, upon surrender of such Bonds to Zions Bancorporation, National Association (the "Paying Agent"), acting as paying agent and sinking fund depository for the Bonds, at its specified corporate trust office (or to any successor paying agent or alternate designated office(s)).

Interest will be payable to the registered owner of a Bond from the interest payment date next preceding the date of registration and authentication of such 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 February 1, 2027, in which event such Bond shall bear interest from the date of delivery, 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 each 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 the fifteenth day of the month immediately preceding any interest payment date (whether or not a day on which the Paying Agent is open for business) (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date, unless the School District shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such certificated 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 Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names such Bonds are registered at the close of business on the fifth (5^{th}) day preceding the date of mailing.

If the date for payment of the principal of or interest on the 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 Bonds

*Subject to the provisions described below under "**BOOK-ENTRY ONLY SYSTEM**,"* certificated Bonds are transferable or exchangeable upon surrender of such Bond 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 a certificated Bond in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered Bond or Bond of authorized denominations of the same series, maturity date and interest rate for the aggregate principal amount which the registered owner is entitled to receive. The School District and the Paying Agent may deem and treat the registered owner of a Bond as the absolute owner thereof (whether or not a Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the School District and the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity date and interest rate.

Neither the School District nor the Paying Agent shall be required (a) to register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15^{th}) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed or (b) to register the transfer of or exchange of any portion of any Bond selected for redemption until after the redemption date or (c) to register the transfer of or to exchange any Bonds during the period beginning at the close of business on the fifteenth day preceding the date of maturity of the Bonds and ending at the close of business on the date of maturity. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity and interest rate.

SECURITY FOR THE BONDS

General Obligation Pledge Security

The Bonds are general obligations of the School District and are payable from its local taxes, state subsidies and other general revenues. The School District has covenanted in the Resolution that it will provide in its budget for 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 its Sinking Fund, as hereinafter defined, or any other of its revenues or funds, the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated on the Bonds, and for such budgeting, appropriation and payment the School District irrevocably has pledged its full faith, credit and available taxing power, which taxing power presently includes *ad valorem* taxes on all taxable property within the School District, within limitations provided by law (See **"TAXING POWERS AND LIMITS" and "PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS"** herein.) The Debt Act presently provides for enforcement of debt service payments as hereinafter described (see "**Actions in the Event of Default on the Bonds**" herein), and the Public School Code presently provides for the withholding and application of subsidies in the event of failure to pay debt service (see "**State Subsidy Intercept Under Section 633 of the Pennsylvania School Code**" herein).

Sinking Fund

A Sinking Fund for the payment of debt service on the Bonds, designated the "Sinking Fund General Obligation Bonds, Series of 2026" (the "Sinking Fund"), has been created under the Resolution, and will be maintained by the Paying Agent, as sinking fund depository. The School District shall deposit in the Sinking Fund a sufficient sum not later than the date when interest and/or principal is to become due on the Bonds so that on each payment date the Sinking Fund will contain an amount which, together with any other funds available therein, is sufficient to pay, in full, interest and/or principal then due on the Bonds.

The Sinking Fund shall be held by the Paying Agent, as sinking fund depository, and invested by the Paying Agent in such securities or shall be deposited in such funds or accounts as are authorized by the Act, upon direction of the School District. Such deposits and securities shall be in the name of the School District, but subject to withdrawal or collection only by the Paying Agent, as sinking fund depository, and such deposits and securities, together with the interest thereon, shall be a part of the Sinking Fund.

The Paying Agent, as sinking fund depository, is authorized without further order from the School District to pay from the Sinking Fund the principal of and interest on the Bonds, as and when due and payable.

Actions in the Event of Default on the Bonds

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

The Resolution defines certain other financial and operational circumstances as events of default, in addition to the above-described payment defaults, and specific remedies in such cases.

State Subsidy Intercept under Section 633 of the Pennsylvania School Code

Section 633 of the Pennsylvania Public School Code of 1949, as amended by Act 154 of 1998 (the "Public School Code"), presently provides that in all cases where the board of school directors of any school district fails to pay or to provide for the payment of any indebtedness or the date of maturity or date of mandatory redemption or on any sinking fund deposit date, or any interest due on such indebtedness on any interest payment date or on any sinking fund deposit date, in accordance with the schedule under which the bonds were issued, the Secretary of Education shall notify such board of school directors of its obligation and shall withhold out of any State appropriation due such school district an amount equal to the sum of the principal amount maturing or subject to mandatory redemption and interest owing by such school district, or sinking fund deposit due by such school district, and shall pay over the amount so withheld to the bank or other person acting as sinking fund depository for such bond issue. These withholding provisions are not part of any contract with the holders of the Bonds, and may be amended or repealed by future legislation.

There can be no assurance, however, that any payments pursuant to this withholding provision will be made by the date on which such payments are due to the Bondholders. The effectiveness of Section 633 of the Public School Code may be limited by the application of other withholding provisions contained in the Public School Code, such as provisions for withholding and paying over of appropriations for payment of unpaid teachers' salaries. Enforcement may also be limited by a failure by the Commonwealth to adopt its budget in a timely manner, or otherwise to appropriate adequate funds and by bankruptcy, insolvency, or other laws or equitable principles affecting the enforcement of creditors' rights generally. See ***"Pennsylvania Budget Adoption"*** *hereinafter.*

Pennsylvania Budget Adoption

Over the past several years the Commonwealth of Pennsylvania has, from time to time, started its fiscal year without a fully adopted state budget.

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

After over a month delay, a $44.9 billion budget for the state's 2023-24 fiscal year was signed by Governor Josh Shapiro on August 3, 2023, which included $7.87 billion for the basic education funding appropriation. The total amount was a $567 million increase over the 2022-23 fiscal year appropriation. The budget also provided $50 million in additional aid to school districts for special education services for a total of $1.4 billion. Certain funds authorized within the 2023-24 Budget required companion implementation language amending the Fiscal Code to be fully implemented. On December 13, 2023, multiple code bills were passed finalizing the 2023-24 Budget for education.

Governor Josh Shapiro signed the state's budget for the 2024-25 fiscal year 11 days late on July 11, 2024. The $47.6 billion budget included $8.097 billion for the basic education funding appropriation. The total amount was a $225 million increase over the 2023-24 fiscal year appropriation. The budget also provided $100 million in additional aid to school districts for special education services for a total of $1.487 billion and $100 million for cyber charter school tuition reimbursement. 348

school districts (including the School District) will received additional funding totaling $493.8 million under a new Adequacy Supplement. 182 school districts received an additional $60 million in total of Hold Harmless Relief Supplement as a component of their basic education funding.

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

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

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

Act 85 of 2016

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

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

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

(1) annual appropriations for payment of Commonwealth money to school districts have not been enacted by July 1 and continue not to be enacted when a payment is due;
(2) the conditions under which PDE is required to comply with an intercept statute or intercept agreement have occurred, thereby requiring PDE to withhold payments which would otherwise be due to school district; and
(3) the Secretary of PDE, in consultation with the Secretary of the Budget, determines that there are no payments or allocations due to be paid to the applicable school districts from which PDE may withhold money as required by the applicable intercept statute or intercept agreement.

The necessary amounts shall be appropriated and paid to the paying agent on the day the scheduled payment for principal and interest is due, but not earlier than the expiration of the tenth (10th) day following submission of the justification described above to the majority and minority chairs of the appropriations committees, who may comment on the justification but cannot prevent the effectiveness of the appropriation.

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

Act 85 of 2016 requires that each school district subject to an intercept statute or intercept agreement must deliver to PDE, in such format as PDE may direct, a copy of the final Official Statement for the relevant bonds or the loan documents relating to the obligations, within thirty (30) days of receipt of the proceeds of the obligations. The School District intends on submitting this information with respect to the Bonds to PDE within the prescribed timeframe following the issuance of the Bonds. Act 85 of 2016 provides that any obligation for which PDE does not receive the required documents shall not be subject to the applicable intercept statute or intercept agreement.

The provisions of Act 85 of 2016 are not part of any contract with the holders of the Bonds and may be amended or repealed by future legislation. Act 85 is relatively recent legislation and has been tested infrequently. No assurances can be provided regarding the timeliness and manner of PDE application and enforcement of the provisions of Act 85 of 2016 in the event of a budget impasse. Given Act 85's requirements for the presentation of a justification to leadership chairs in the General Assembly, and their generation of comment, no assurances can be given regarding the timeliness of payments, even if funds are available for the same.

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

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

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

Assured Guaranty Inc.

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

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

Current Financial Strength Ratings

On August 3, 2026, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 27, 2026, Moody's announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On July 17, 2026, S&P announced that it had affirmed AG's insurance financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Capitalization of AG

At June 30, 2026:

- The policyholders' surplus of AG was approximately $3,088 million.

- The contingency reserve of AG was approximately $1,569 million.

- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,411 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

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

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (filed by AGL with the SEC on February 27, 2026); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026).

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 (filed by AGL with the SEC on August 7, 2026).

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

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

Miscellaneous Matters

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

BOND INSURANCE RISK FACTORS

In the event of a default in the payment of principal or interest with respect to the Bonds when any such payment becomes due, any owner of the Bonds shall have a claim under the Policy for such payment. However, in the event of any acceleration of the due date of such principal resulting from any default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, any payments to be made pursuant to the Policy will be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. In addition, the Policy does not insure the payment of any redemption premium.

Under most circumstances, any default in the payment of principal and interest does not accelerate the obligations of the insurer (AG, with respect to the Bonds) (the “Bond Insurer”) without its consent. The Bond Insurer may direct, and must consent to, any remedies that a trustee might exercise following such a default and the Bond Insurer’s consent may be required in connection with amendments to the Resolution in those circumstances.

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

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

The obligations of the Bond Insurer under the Policy are general obligations of the Bond Insurer and, upon an event of default by the Bond Insurer, the remedies available to a trustee may be limited by applicable bankruptcy law or other similar laws related to the insolvency of entities like the Bond Insurer.

NEITHER THE SCHOOL DISTRICT, NOR THE UNDERWRITER, HAS MADE AN INDEPENDENT INVESTIGATION INTO THE CLAIMS PAYING ABILITY OF THE BOND INSURER AND NO ASSURANCE OR REPRESENTATION REGARDING THE FINANCIAL STRENGTH OR PROJECTED FINANCIAL STRENGTH OF THE BOND INSURER IS GIVEN. THUS, WHEN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS SHOULD CAREFULLY CONSIDER THE ABILITY OF THE SCHOOL DISTRICT TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS AND THE CLAIMS PAYING ABILITY OF THE BOND INSURER, PARTICULARLY OVER THE LIFE OF THE INVESTMENT. SEE “MUNICIPAL BOND INSURANCE” HEREIN FOR FURTHER INFORMATION PROVIDED BY THE BOND INSURER WITH RESPECT TO ITSELF AND THE POLICY, WHICH INCLUDES FURTHER INSTRUCTIONS FOR OBTAINING CURRENT FINANCIAL INFORMATION CONCERNING THE BOND INSURER.

BOOK-ENTRY ONLY SYSTEM

The information in this section has been provided by The Depository Trust Company, New York, New York ("DTC") and is not deemed to be a representation of the School District or the Underwriter.

DTC, New York, New York, 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 certificate will be issued for each maturity of the Bonds, respectively, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 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 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 and www.dtc.org.

Purchases of the 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 the 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 the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District 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).

Redemption proceeds, distributions, and dividend 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 School District or the Paying 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 if 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, the Paying Agent, or School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of School District or the Paying 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 the School District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

Disclaimer of Liability for Failures of DTC

The School District and the Underwriters cannot and do not give any assurances that DTC, the Direct and Indirect Participants or others will distribute payments of principal, interest or premium with respect to the Bonds paid to DTC or its nominee as the owner of Bonds, or will distribute any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The School District and the Underwriters are not responsible or liable for the failure of DTC or any Participant to make any payment or give any notice to a Beneficial Owner with respect to the Bonds, or any error relating thereto.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondholders or registered owners of the Bonds (other than under the caption "**TAX MATTERS**") shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds. Payments made by the paying agent to DTC or its nominee shall satisfy the School District's obligations with respect to the Bonds to the extent of such payments.

Discontinuance of Book-Entry-Only System

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the School District and the Paying Agent. In addition, the School District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository). Under either of such circumstances, in the event that a successor Securities Depository is not obtained, Bond certificates are required to be printed and delivered, and the following provisions of the Paying Agent Agreement will apply: (i) principal or redemption price of the Bonds will be payable upon surrender of the Bonds at the designated corporate trust office of the Paying Agent located in Pittsburgh, Pennsylvania; (ii) Bonds may be transferred or exchanged for other Bonds of authorized denominations at the designated office of the Paying Agent of the Bonds, without cost to the owner thereof except for any tax or other governmental charge; and (iii) Bonds will be issued in denominations as described above under "**THE BONDS**."

REDEMPTION OF BONDS

Optional Redemption

The Bonds stated to mature on or after February 1, 20__ are subject to redemption prior to maturity at the option of the School District, in whole or in part, from time to time, on any date on and after _______ upon not less than 30 days' notice, to be given in the manner required by the Resolution, at 100% of principal, together with accrued interest to the redemption date.

Mandatory Redemption

The Bonds maturing on February 1 of the years 20__ and 20__ are subject to mandatory redemption by the School District, in part, by lot, at a redemption price at 100% at the principal amount thereof plus accrued interest to the date fixed for redemption, on February 1, in the years and in amounts set forth below:

Bonds stated to mature February 1, _______:

Year	Amount

____
*Term Maturity

Such mandatory redemption shall be made upon payment of the principal amount of the Bonds being redeemed, plus accrued interest to the date fixed for redemption.

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

Notice of Redemption

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

Notice of any redemption shall be given by depositing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption addressed to each of the registered owners of Bonds to be redeemed, in whole or in part, at the addresses shown on the registration books; 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 accrued interest being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Resolution, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

If at the time of mailing the notices of redemption the School District shall not have deposited with the Paying Agent money sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is subject to the deposit of the redemption money with the Paying Agent no later than the opening of business on the redemption date, and such notice shall be of no effect unless such money is so deposited.

Manner of Redemption

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payment of the redemption price shall be made to Cede & Co. in accordance with the existing arrangements by and among the School District, the Paying Agent and DTC and, if less than all Bonds of any particular maturity are to be redeemed, the amount of the interest of each DTC Participant, Indirect Participant and Beneficial Owner in 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 that number of Bonds that is equal to the principal amount thereof divided by $5,000, each $5,000 portion of such Bond being subject to redemption. In the case of partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

If the redemption date for any Bond 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 the principal, premium, if any, and interest upon such redemption shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized 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.

In the case of any prior, optional redemption in part of a Bond that is subject to future mandatory redemption, the School District shall be entitled to designate whether the principal amount of such Bonds redeemed upon optional redemption shall be credited against the principal amount of such Bonds to be paid by the School District at the stated maturity of such Bonds or credited against the principal amount of such Bonds scheduled to be called for mandatory sinking fund redemption on any particular date or dates, in each case in an integral multiple of $5,000 principal amount.

THE SCHOOL DISTRICT

Introduction

The School District is comprised of the Boroughs of Claysville and Green Hills and the Townships of Blaine, Buffalo, Donegal, East Finley, Morris, South Franklin and West Finley (collectively the "Component Municipalities"). The School District is located in the southwestern corner of Washington County, Pennsylvania (the "County"), approximately six miles southwest of the City of Washington, Pennsylvania, which is the county seat of the County. The School District is also located approximately 40 miles southwest of the City of Pittsburgh and 15 miles east of the City of Wheeling, West Virginia. The School District is bounded to the south by the Greene County border and to the west by the West Virginia border. The School District encompasses a land area of approximately 201 square miles, serving a U.S. Census population (2019 Census) of approximately 11,444.

Organization and Central Administration

The McGuffey School District is a Local Education Agency and is a school district of the third class (school districts within the Commonwealth are classified as first, second, third and fourth class according to population), and operates under and pursuant to the School Code. The School District is governed by a nine member Board of School Directors, comprised of residents of the School District who are elected by region on a staggered basis for a four-year term of office. The daily operations and management of the School District are overseen by the Superintendent of Schools. Budget preparation and control are overseen by the Business Manager, who is the Financial Officer for the District.

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School Building Facilities

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

TABLE 1

MCGUFFEY SCHOOL DISTRICT FACILITIES

	Original Building Construction	Most Recent Additional Renovations	Grades	Pupil Capacity	2026-27 Enrollment
ELEMENTARY:					
Claysville	1992	---	K-5	875	456
Joe Walker	1929	1980	K-4	425	241
SECONDARY:					
McGuffey Middle School	1977	2001	6 - 8	642	365
McGuffey High School	1960	2001	9 -12	755	457

Source: School District Officials

Enrollment Trends

The following table presents recent trends in school enrollment and projections of enrollments.

TABLE 2
MCGUFFEY SCHOOL DISTRICT ENROLLMENT TRENDS

School Year Ending June 30	Elementary	Secondary	Total
Actual Enrollments			
2021-22	699	836	1,535
2022-23	700	834	1,534
2023-24	707	824	1,531
2024-25	692	826	1,518
2025-26	715	810	1,525
2026-27	697	822	1,519
Projected Enrollments			
2027-28	705	810	1,515
2028-29	703	815	1,518

Source: School District Officials.

SCHOOL DISTRICT FINANCES

Introduction

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

Financial Reporting

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

The School District keeps its books and prepares its financial reports according to a modified accrual basis of accounting. Major accrual items are payroll taxes and pension fund contributions payable, loans receivable from other funds, and revenues receivable from other governmental units. The School District's financial statements are audited annually by a firm of independent certified public accountants, as required by State law. The firm of Zelenkofske Axelrod LLC, Certified Public Accountants, Pittsburgh, Pennsylvania, currently serves as auditor for the School District.

Budgeting Process in School Districts under the Taxpayer Relief Act

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

Procedures for Adoption of the Annual Budget. Under the Taxpayer Relief Act (as defined hereinafter), all school districts of the first class A, second class, third class and fourth class (except as described below) must adopt a preliminary budget proposal (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the election immediately preceding the fiscal year. The preliminary budget proposal must be printed and made available for public inspection at least 20 days prior to its adoption; the board of school directors may hold a public hearing on the budget; and the board must give at least 10 days' public notice of its intent to adopt the final budget.

If the adopted preliminary budget includes an increase in the rate of any tax levy, the preliminary budget must be submitted to the PDE no later than 85 days prior to the date of the election immediately preceding the fiscal year. PDE is to compare the proposed percentage increase in the rate of any tax with the school district's Index (as defined hereinafter) (See **Act 1 of Special Session of 2006 (the "Taxpayer Relief Act")** herein) and within 10 days, but not later than 75 days prior to the upcoming election, inform the school district whether the proposed percentage increase is less than or equal to the Index. If PDE determines that a proposed tax increase will exceed the Index, the school district must reduce the proposed tax increase, seek voter approval for the tax increase at the upcoming election, or seek approval to utilize one of the referendum exceptions authorized under the Taxpayer Relief Act. The current referendum exceptions relate to increases in pension, special education and debt service expenses.

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

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

Simplified Procedures in Certain Cases. The above budgetary procedures will not apply to a school district if the board of school directors adopts a resolution no later than 110 days prior to the election immediately preceding the upcoming fiscal year declaring that it will not increase any tax at a rate that exceeds the Index and that a tax increase at or below the rate of the Index will be sufficient to balance its budget. In that case, the Taxpayer Relief Act requires only that the proposed annual budget be prepared at least 30 days, and made available for public inspection at least 20 days, prior to its adoption, and that at least ten (10) days' public notice be given of the board's intent to adopt the annual budget. No referendum exceptions are available to a school district adopting such a resolution.

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Summary and Discussion of Financial Results

Table 3 shows the General Fund Balance Sheets for the past five (5) years. Table 4 shows a summary of Revenues and Expenditures during the past five (5) years.

TABLE 3
MCGUFFEY SCHOOL DISTRICT
GENERAL FUND BALANCE SHEET
YEAR ENDED JUNE 30,

ASSETS	2021	2022	2023	2024	2025
Cash and Cash Equivalents	$ 8,202,852	$ 7,427,193	$ 8,378,339	$ 6,635,706	$ 8,436,445
Investments	-	-	-	1,721,896	1,801,693
Taxes Receivable (Net)	568,735	865,105	699,733	695,209	728,536
Due from Other Funds	61,190	-	-	673,261	1,576,420
Due from Other Governments	1,124,733	1,815,499	1,351,975	1,169,392	1,149,383
Other Receivables	138,025	39,763	64,802	951,716	99,957
Inventories	35,000	35,000	35,000	35,000	35,000
Prepaid Expense	10,047	264,759	317,419	335,578	363,373
TOTAL ASSETS	10,140,582	10,447,319	10,847,268	12,217,758	14,190,807
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
LIABILITIES					
Due to Other Funds	453,894	505,996	928,448	1,297,090	2,283,344
Accounts Payable	905,590	408,876	559,044	1,632,500	1,448,506
Accrued Salaries and Benefits	3,365,133	3,436,816	3,214,881	1,886,359	1,849,929
Payroll Deductions and Withholdings	118,354	96,366	121,179	68,409	92,837
Unearned Revenue - Other	42,203	31,694	31,160	479,803	482,756
Other Current Liabilities	19,905	-	-	1,812	1,812
TOTAL LIABILITIES	4,905,079	4,479,748	4,854,712	5,365,973	6,159,184
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Property Tax	308,998	513,993	495,668	580,733	481,707
TOTAL DEFERRED INFLOWS OF RESOURCES	308,998	513,993	495,668	580,733	481,707
FUND BALANCES (DEFICIT)					
Nonspendable	45,047	299,759	352,419	370,578	398,373
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	2,424,272	2,424,272	2,424,272	2,650,991	2,650,991
Unassigned	2,457,186	2,729,547	2,720,197	3,249,483	4,500,552
TOTAL FUND BALANCES	4,926,505	5,453,578	5,496,888	6,271,052	7,549,916
TOTAL LIABILITIES AND FUND BALANCES	$ 10,140,582	$ 10,447,319	$ 10,847,268	$ 12,217,758	$ 14,190,807

Source: School District Financial Statements for the years ended June 30, 2021 through and including 2025.

TABLE 4
MCGUFFEY SCHOOL DISTRICT
STATE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND
YEAR ENDED JUNE 30,

	2021	2022	2023	2024	2025
REVENUES					
Local Sources	$13,982,519	$ 15,242,531	$ 14,648,088	$ 14,896,597	$ 15,980,492
State Sources	17,046,959	17,081,163	18,226,970	18,573,088	20,223,315
Federal Sources	1,203,189	1,303,275	1,262,825	1,257,612	892,734
Other Sources	-	-	-	-	-
TOTAL REVENUES	32,232,667	33,626,969	34,137,883	34,727,297	37,096,541
EXPENDITURES					
Instruction	17,336,047	17,947,922	18,622,245	19,059,587	19,782,246
Support Services	10,992,529	11,059,988	11,515,205	11,347,311	11,972,153
Non-Instructional Services	859,121	991,390	1,002,425	1,020,118	1,048,750
Capital Outlay	-	-	-	-	-
Debt Service	3,079,940	3,084,454	3,199,013	2,980,011	3,009,149
Refunds of Prior Year's Receipts	1,580	16,142	12,616	-	-
TOTAL EXPENDITURES	32,269,217	33,099,896	34,351,504	34,407,027	35,812,298
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(36,550)	527,073	(213,621)	320,270	1,284,243
OTHER FINANCING SOURCES (USES)					
Proceeds from Bonds Issued	-	-	-	-	-
Lease and Other Right-to-Use-Arrangements			256,931		
Proceeds from Capital Lease	-	-	-	-	-
Refund of Prior Year Receipts	-	-	-	-	(5,379)
Insurance Recoveries	-	-	-	-	-
Interfund Transfer In	-	-	-	453,894	-
Interfund Transfer Out	(68,770)	-	-	-	-
Bond Discounts	-	-	-	-	-
Bond Premium	-	-	-	-	-
Extraordinary Items - Restitution	-	-	-	-	-
Gains/Losses on Sale of Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES	(68,770)	-	256,931	453,894	(5,379)
Net Change in Fund Balances	(105,320)	527,073	43,310	774,164	1,278,864
Fund Balances - July 1,	5,031,825	4,926,505	5,453,578	5,496,888	6,271,052
Prior Year Adjustments	-	-	-	-	-
Fund Balances - June 30,	$ 4,926,505	$ 5,453,578	$ 5,496,888	$ 6,271,052	$ 7,549,916

Source: School District Financial Statements for the years ended June 30, 2021 through and including 2025.

MCGUFFEY SCHOOL DISTRICT
GENERAL FUND BUDGET SUMMARY FOR THE
FISCAL YEARS ENDING 6/30/2026 AND 6/30/2027

	2025-26	2026-27
Estimated Beginning Fund Balance – Nonspendable	$370,578	$398,373
Estimated Beginning Fund Balance - Committed	-	-
Estimated Beginning Fund Balance – Assigned	2,650,991	2,650,991
Estimated Beginning Fund Balance – Unassigned	2,193,288	4,500,552
Total Estimated Beginning Unreserved Fund Balance Available For Appropriation and Reserves Scheduled for Liquidation During The Fiscal Year	$4,844,279	$7,151,543
ESTIMATED REVENES AND OTHER FINANCING SOURCES		
Revenues from Local Sources	$15,467,423	$16,409,249
Revenues from State Sources	19,595,738	19,947,962
Revenues from Federal Sources	463,390	394,399
Total Estimated Revenues and Other Financing Sources	$35,526,551	$36,751,610
Total Estimated Fund Balance, Revenues & Other Financing Sources Available for Appropriation	$40,370,830	$43,903,153
ESTIMATED EXPENDITURES AND OTHER FINANCING USES		
Instruction	$20,760,387	$20,528,503
Support Services	12,401,688	12,892,556
Operation of Noninstructional Services	1,114,232	1,127,807
Total Estimated Expenditures	$34,276,307	$34,548,866
Other Expenditures and Financing Uses		
Debt Service / Other Expenditures and Financing Uses	$3,012,257	$3,215,916
Total Estimated Expenditures and Other Financing Uses	$37,288,564	$37,764,782
Total Estimated Ending Fund Balance	$3,082,266	$6,138,371

TAXING POWERS AND LIMITS

Subject to certain limitations imposed by the Taxpayer Relief Act, as amended, ("Act 1") *(*see **"PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS – The Taxpayer Relief Act, as Amended (Act 1)"** herein)***,*** the School District is empowered by the School Code and other statutes to levy the following taxes:

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

2. An *ad valorem* tax on all real property taxable for school purposes unlimited in rate, to provide funds for:

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

   b) rentals due any municipal authority, or non-profit corporation, or due the State Public School Building Authority;

   c) interest and principal on any indebtedness incurred under the Debt Act or any prior or subsequent act governing the incurrence of indebtedness of the School District; and

   d) amortization of Bonds to finance construction of school facilities, if issued prior to the first Monday in July, 1959.

3. An annual per capita tax on each resident or inhabitant over 18 years of age of not less than $1.00 and not more than $10.00

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

PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS

The Taxpayer Relief Act, as Amended (Act 1)

Pennsylvania Act No. 1 of the Special Session of 2006, as amended ("Act 1" or the "Taxpayer Relief Act"), which became effective June 27, 2006 provides, *inter alia*, that a school district may not levy any tax for the support of the public schools which was not levied in the 2006-2007 fiscal year, raise the rate of any earned income and net profits tax, if already imposed under the authority of the Local Tax Enabling Act (Act 511), or increase the rate of any tax for school purposes by more than the Index (defined below), unless in each case either (a) such increase is approved by the voters in the school district at a public referendum or (b) one of the exceptions provided below applies.

The Index exceptions in Act 1 are:

1. to pay interest and principal on indebtedness incurred (i) prior to September 4, 2004, in the case of a school district which had elected to become subject to the provisions of the prior Homeowner Tax Relief Act, Act 72 of 2004, or (ii) prior to June 27, 2006, in the case of a school district which had not elected to become subject to Act 72 of 2004; to pay interest and principal on any indebtedness approved by the voters at referendum (electoral debt); and to pay interest and principal on debt refunding or refinancing debt for which one of the above exceptions is permitted, as long as the refunding or refinancing incurs no additional debt other than for costs and expenses related to the refunding or refinancing and the funding of appropriate debt service reserves;

2. to pay costs incurred in providing special education programs and services to students with disabilities, under specified circumstances; and

3. to make payments into the Public School Employees' Retirement System when the increase in the estimated payments between the current year and the upcoming year is greater than the Index, as determined by PDE in accordance with the provisions of Act 1.

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

The Index (to be determined and reported by PDE by September of each year for application to the following fiscal year) is the average of the percentage increase in the statewide average weekly wage, as determined by the State Department of Labor and Industry for the preceding calendar year, and the employment cost index for elementary and secondary schools, as reported by the federal Bureau of Labor Statistics for the preceding 12-month period beginning July 1 and ending June 30. If and when a school district has a Market Value/Income Aid Ratio greater than 0.40 for the prior school year, however, the Index is adjusted upward by multiplying the unadjusted Index by the sum of 0.75 and such Aid Ratio.

The Indexes applicable to the School District in the current and previous fiscal years (not including exemptions) are as follows:

Fiscal Year (ending June 30)	**Applicable Index**
2020-21	3.20%
2021-22	3.70%
2022-23	4.20%
2023-24	5.30%
2024-25	6.80%
2025-26	5.00%
2026-27	4.60%

In accordance with Act 1, the School District put a referendum question on the ballot at the May 15, 2007, primary election seeking voter approval to levy (or increase the rate of) an earned income and net profits tax ("EIT") or a personal income tax ("PIT") and use the proceeds to reduce local real estate taxes by a homestead and farmstead exclusion. The referendum was **NOT** approved by the voters.

A board of school directors may submit, but is not required to submit, a referendum question to the voters at the municipal election seeking approval to levy or increase the rate of an EIT or impose a PIT for the purpose of funding homestead and farmstead exclusions, but the proposed rate of the EIT or PIT may not exceed the rate that is required to provide the maximum homestead and farmstead exclusions allowable under law.

Status of the Bonds under Act 1

The Bonds represent new money for construction. Therefore, any increase in the tax levy necessary to pay debt service on the Bonds is **NOT** eligible for an exception from the provisions of Act 1.

Act 1 does not affect the School District's covenant under the Debt Act to budget, appropriate and pay debt service on the Bonds and all other outstanding debt of the School District.

THE SUMMARY OF ACT 1, IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OR A LEGAL REPRESENTATION THEREOF, AND A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 1, AS PART OF ANY DECISION TO PURCHASE THE BONDS.

Act 130 of 2008

Act 130 of 2008 of the Commonwealth amended the Local Tax Enabling Act so as to authorize school districts levying an occupation tax to replace that occupation tax with an increased earned income tax or, if the school district has implemented a personal income tax in accordance with the Taxpayer Relief Act, an increased personal income tax, in a revenue neutral manner. To so replace an occupation tax, by increasing the rate of income tax the board of school directors must first give public notice of its intent to adopt a resolution to place a referendum question on the ballot at the general or municipal election preceding the fiscal year when the maximum rate of the income tax will be increased, hold at least one public hearing on the matter and then place a binding referendum question on the ballot at a general or municipal election preceding the fiscal year when the maximum rate of the income tax will be increased for approval by the voters.

The School District has not placed, and does not expect to place, a referendum question on the ballot that would authorize a change in the occupation tax.

Act 48 of 2003

Pennsylvania Act No. 2003-48 (enacted December 23, 2003) prohibits a school district from increasing real property taxes for the school year 2005-2006 or any subsequent school year, unless the school district has adopted a budget for such school year that includes an estimated ending unreserved undesignated fund balance which is not more than a specified percentage of the total budgeted expenditures, as set forth below:

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

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

The total budgeted expenditures in the School District's budget for the 2026-27 fiscal year are $37,764,782, and the School District's estimated ending unassigned fund balance is $3,487,380 which as a percentage of total budgeted expenditures for the 2026-27 fiscal year is 9.23%.

SET FORTH IN THE TWO IMMEDIATELY PRECEDING SUBSECTIONS ARE SUMMARIES OF PORTIONS OF ACT 130 OF 2008 AND ACT 48 OF 2003. THESE SUMMARIES ARE NOT INTENDED TO BE EXHAUSTIVE DISCUSSIONS OF THE PROVISIONS OF ACT 130 OF 2008 OR ACT 48 OF 2003 NOR A LEGAL INTERPRETATION OF ANY PROVISIONS THEREOF. A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 130 OF 2008 AND ACT 48 OF 2003 AND CONSULT WITH HIS OR HER ATTORNEY AND/OR TAX ADVISOR AS PART OF ANY DECISION TO PURCHASE THE BONDS.

TABLE 5

TAX LEVY TRENDS

The following table shows the recent trend of tax rates (in mills on assessed value) levied by the School District:

	2021	2022	2023	2024	2025	2026
Washington County	2.430	2.430	2.430	2.430	2.430	2.430
School District (June 30 ending)	12.760	13.230	13.230	13.930	13.930	14.620

Source: School District Officials

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Real Property Tax

The following tables summarize recent trends of assessed and market valuations of real property and real property tax collection data.

TABLE 6

MCGUFFEY SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA

Year	Market Value	Assessed Value	Ratio
2021	892,391,843	970,303,606	108.73%
2022	888,069,587	935,039,201	105.29%
2023	892,545,912	938,902,961	105.19%
2024	957,925,009	954,882,261	99.68%
2025	939,343,938	936,565,541	99.70%

Source: Pennsylvania State Tax Equalization Board.

Table 7 shows the comparative trend of real property tax values for the School District and the boroughs and municipalities that comprise the School District.

TABLE 7

MCGUFFEY SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA BY MUNICIPALITY

	2024 Market Value	2024 Assessed Value	2025 Market Value	2025 Assessed Value
School District	**$957,925,009**	**$954,882,261**	**$957,925,009**	**$954,882,261**
Blaine Township	38,854,256	44,368,080	38,902,215	44,425,180
Buffalo Township	157,967,677	154,115,910	159,866,879	155,545,010
Claysville Borough	30,586,670	33,000,500	29,798,660	32,154,300
Donegal Township	177,467,485	177,897,975	175,249,064	175,466,425
East Finley Township	101,910,304	90,640,905	101,571,846	90,224,305
Green Hills Borough	5,065,422	5,745,440	5,100,755	5,779,910
Morris Township	113,921,098	124,506,736	103,958,509	115,404,221
South Franklin Township	260,167,299	253,709,315	252,307,182	246,207,890
West Finley Township	71,984,798	70,897,400	72,588,828	71,358,300

Source: Pennsylvania State Tax Equalization Board.

TABLE 8

MCGUFFEY SCHOOL DISTRICT
ASSESSMENT BY LAND USE

	2020	2021	2022	2023	2024
Residential	$ 643,271,926	$648,764,761	$ 653,709,656	$ 655,049,696	$ 658,946,096
Trailers	57,289,400	53,872,300	53,839,600	53,860,000	53,889,900
Lot	16,881,500	15,769,200	15,623,100	15,666,200	17,850,100
Industrial	2,404,900	3,716,400	3,716,400	4,065,000	4,032,300
Commercial	70,031,830	76,472,170	78,445,470	79,210,390	84,538,190
Agriculture	20,474,675	22,075,575	23,044,175	24,588,375	26,246,075
Oil/Gas/Mineral	140,167,000	140,183,000	97,486,500	97,486,200	100,575,100
Land	9,955,170	9,450,200	9,174,300	8,977,100	8,804,500
Total	**$ 960,476,401**	**$ 970,303,606**	**$ 935,039,201**	**$ 938,902,961**	**$ 954,882,261**

Source: Pennsylvania State Tax Equalization Board.

TABLE 9

MCGUFFEY SCHOOL DISTRICT
REAL PROPERTY TAX COLLECTION DATA

School Year	Total Adjusted Flat Billing	Current Year Collections (July – June)[1]	Delinquent Collections Amount (2)	Total Current Plus Delinquent Collections Amount[1]	Total Collections As a Percent
2021-22	$11,401,507	$ 10,906,127	$622,800	$11,528,927	105.71%
2022-23	12,022,038	11,395,246	700,438	12,095,684	106.15%
2023-24	11,285,868	10,754,149	561,146	11,315,295	105.22%
2024-25	11,996,527	11,438,732	493,807	11,932,539	104.32%
2025-26 (est.)	11,941,727	11,434,057	696,809	12,130,866	106.09%

(1) Includes current and interim taxes collected during the fiscal year
School District records current until 60 days past year end. Current year refunds are deducted from current taxes.
(2) Includes delinquent real estate collections only

Source: School District officials.

TABLE 10

MCGUFFEY SCHOOL DISTRICT
TEN LARGEST REAL PROPERTY TAXPAYERS

Owner	2025-26 Assessed Values
CNRN Consol Energy Inc	$ 21,688,000
CNRN Consol Energy Inc	$ 21,294,500
WPP LLC	$ 7,132,400
Kathleen S. Craft Foundation	$ 6,085,300
Consol PA Coal Co LLC	$ 3,585,000
Brownlee Land Vent LP	$ 2,499,400
CNX Gas LLC	$ 2,387,100
Lone Pine Land Holdings LLC	$ 2,367,410
CNRN Consol Energy Inc	$ 2,256,500
Bellator Vent LLC, David S	$ 2,194,100
	$71,489,710

Source: School District Officials

Other Taxes

Under Act 511, the School District expects to collect $1,887,833 in other taxes in 2026-27. Among the taxes authorized by Act 511, the Real Estate Transfer Tax, Wage and Other Earned Income Tax (including net profits), Per Capita Tax and Flat Occupation Tax are levied by the School District. The Act 511 limit, equal to 12 mills on the market value of real property, was $11,495,100.

Real Estate Transfer. The School District collects a tax of 0.5% of the value of real estate transfers. For 2026-27, the School District expects to collect $300,000.

Earned Income Tax. The School District levies a tax of 0.5% of the earned income and net profits of residents. For 2026-27 the School District expects to collect $1,500,000.

Per Capita Taxes. A tax of $10.00 ($5.00 under Act 511 and $5.00 under the Public School Code) on each resident over 18 years old. The School District expects to collect $87,833 during FY2026-27.

COMMONWEALTH AID TO SCHOOL DISTRICTS

General

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

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

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

School Districts may also receive state aid for special education, pupil transportation, vocational education, and health services, among other things.

Current Lack of State Appropriations for Debt Service Subsidies

Commonwealth law presently provides that the School District will receive, subject to state legislative appropriation, reimbursement from the Commonwealth for a portion of debt service paid on the Bonds following final approval by PDE. Commonwealth reimbursement is calculated based on the "Reimbursable Percentage" assigned to the Bonds by the PDE and the School District's permanent Capital Account Reimbursement Fraction ("CARF") (59.07%) or the wealth based Market Value Aid Ratio ("MVAR") currently (55.91%), whichever is higher. The Reimbursable Percentage is determined through a process known as the "Planning and Construction Workbook" or "PlanCon".

The School District expects the Bonds will not be eligible for reimbursement by the Commonwealth.

In May of 2016, the Commonwealth enacted appropriation legislation known as Act 25 ("Act 25"), which contains authorization for the Commonwealth Finance Authority ("CFA") to issue up to $2.5 billion of debt to fund PlanCon reimbursements to school districts. Act 25 also instituted a moratorium on new projects entering the PlanCon process while an advisory committee established under Act 25 considers amendments to the PlanCon reimbursement program. This moratorium went into effect on May 15, 2016 and most recently became indefinite with the adoption of Act No. 33 of 2023 on December 13, 2023.

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

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

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

Legislation has been introduced from time to time in the Pennsylvania legislature containing language that would revise or even abolish the debt service reimbursement program for Pennsylvania school districts. As of the date hereof, and except as described above, none of these proposals have been signed into law. To the extent that any future legislation contains material changes to the PlanCon program as it is structured currently, the amount of PlanCon reimbursement to the School District may be positively or negatively affected, which could materially impact the amount of local funds needed to be raised by the School District to pay debt service on its debt obligations.

DEBT AND DEBT LIMITS

Debt Statement

Table 11 which follows shows the debt of the School District as of Date of Delivery, assuming the issuance of the Bonds.

TABLE 11
MCGUFFEY SCHOOL DISTRICT
DEBT STATEMENT
(As of September 1, 2026)

DIRECT DEBT	Gross Outstanding	Local Effort or Net of Available Funds and Estimated State Aid[(1)]
Series of 2026*	$6,000,000	$6,000,000
Series A of 2021	$6,900,000	$6,375,441
Series B of 2021	$4,405,000	$4,405,000
Series A of 2019	$235,000	$235,000
Series B of 2019	4,755,000	$4,755,000
Series A of 2017	7,395,000	$7,395,000
Series of 2017	2,975,000	$2,975,000
GROSS DIRECT DEBT	$32,665,000	$32,140,441
OVERLAPPING DEBT		
Municipal Debt	1,973,948	1,973,948
Washington County[(2)]	1,492,644	1,492,644
TOTAL OVERLAPPING DEBT	$3,466,592	$3,466,592
TOTAL DIRECT AND OVERLAPPING DEBT	$36,131,592	$35,607,033

DEBT RATIOS		
Direct Debt to:		
Market Value	3.48%	3.42%
Assessed Value	3.49%	3.43%
Per Capita	$2,854.33	$2,808.50
Direct and Overlapping Debt to:		
Market Value	3.85%	3.79%
Assessed Value	3.86%	3.80%
Per Capita	$3,157.25	$3,111.41
Assessed Value (2025)	936,565,541	
Market Value (2025)	939,343,938	
Population (2020 Estimate)	11,444	

*Includes the Bonds offered through this Preliminary Official Statement. Preliminary and subject to change.
(1) Gives effect to current appropriations for payment of debt service and expected future Commonwealth Reimbursement of School District sinking fund payments based on current Income Aid Ratio. See “COMMONWEALTH AID TO SCHOOL DISTRICTS”.
(2) Pro rata 4.98 percent share of $29,980,219 non-electoral principal amount outstanding as of September 1, 2026, based on the total 2025 assessed value of the municipalities within Washington County.

Debt Limit and Remaining Borrowing Capacity

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

Total Revenues for 2022-23	$34,137,883
Total Revenues for 2023-24	$34,727,297
Total Revenues for 2024-25	$37,096,541
Total Revenues, Past Three Years	$105,961,721
Annual Arithmetic Average (Borrowing Base)	$35,320,574

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

	Legal Limit	Net Debt Outstanding*	Remaining Borrowing Capacity
Net Nonelectoral Debt and Lease Rental Debt Limit: 225% of Borrowing Base	$79,471,291	$32,665,000	$46,806,291

*Includes the Bonds offered through this Preliminary Official Statement.

Debt Service Requirements

Table 12 represents the debt service requirements on the School District's outstanding general obligation and lease rental indebtedness including debt service on the Bonds.

Table 13 represents data on the extent to which Commonwealth Aid provides coverage for debt service and lease rental requirements.

The School District has never defaulted on the payment of debt service.

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TABLE 12

MCGUFFEY SCHOOL DISTRICT
DEBT SERVICE REQUIREMENTS

Year	General Obligation Debt	Series of 2026 Principal	Series of 2026 Interest	Series of 2026 Subtotal	Total Requirements
2026-27	$2,969,526				
2027-28	2,969,042				
2028-29	2,968,568				
2029-30	2,818,915				
2030-31	2,825,066				
2031-32	2,822,641				
2032-33	2,556,941				
2033-34	2,557,291				
2034-35	2,555,031				
2035-36	2,554,993				
2036-37	2,558,345				
2037-38	2,558,888				
2038-39	1,442,000				
2039-40					
2040-41					
2041-42					
2042-43					
2043-44					
2044-45					
2045-46					
2046-47					
2047-48					
2053-54					
Total	$34,157,248				

*Totals may not add due to rounding.

TABLE 13

MCGUFFEY SCHOOL DISTRICT
COVERAGE OF DEBT SERVICE AND LEASE RENTAL
REQUIREMENTS BY STATE AID*

2026-27 Estimated Commonwealth Aid to be Received	$19,947,962
2026-27 Debt Service Requirements	$2,969,526
Maximum Future Debt Service Requirements after Issuance of Bonds	$________
Coverage of 2026-27 Debt Service Requirements	6.72 times
Coverage of Maximum Future Debt Service Requirements after Issuance of Bonds	_____ times

*Assumes current State Aid Ratio. See "Commonwealth Aid to School Districts."

Future Financing

At this time, the School District has no plans to issue additional non-refunding debt over the next three years.

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LABOR RELATIONS

School District Employees

There are presently approximately 236 permanent employees of the School District, including teachers, administrators and support personnel, including secretaries, maintenance staff, teacher aides, cafeteria staff and security personnel.

The professional/instructional employees of the School District are represented for purposes of collective bargaining by the McGuffey Educational Association, an affiliate of the Pennsylvania State Education Association (the "PSEA"). The current contract between the School District and MEA expires on June 30, 2027.

Custodial, food service and transportation employees, along with teacher aides, are represented for purposes of collective bargaining by the McGuffey Education Support Personnel Association, which is also affiliated with the PSEA. The expiration date of this collective bargaining agreement is June 30, 2030.

Secretarial and clerical employees are represented by the McGuffey Educational Support Personnel Association (MESPA). The expiration date of the current Employment Agreement is June 30, 2031.

Pension Program

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

Contributions are required by active members, School Districts, and the Commonwealth as established by the Public School Employees' Retirement Code. Member contributions for those who enrolled prior to January 1, 2002 range from 5.28% to 7.5% of compensation, depending upon the date of commencement of employment and elections made by each employee member. The contribution rate for members who enrolled in the pension plan on or after January 1, 2002 and before July 1, 2011 is 7.5%. The contribution rate for PSERS members who enrolled on or after July 1, 2011 is 7.5% or 10.3%, depending upon elections made by each employee member. The PSERS Board of Trustees certified an annual employer contribution rate of 33.43% for the fiscal year 2018-19. Current financial projections indicate the possibility of increases in the contribution rate in the next five years.

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

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

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

According to the Independent Fiscal Office, Act 5 is not expected to reduce school district and state contributions to PSERS over the first fifteen years. However, beginning in fiscal 2034-35 through 2049-50, employer contribution rates are expected to begin to decline due to the lower long-term employer costs of the new benefit plans and, are projected to be lower, in the aggregate, over the study period.

Both the School District and the Commonwealth are responsible for paying a portion of the employer's share. School entities are responsible for paying 100% of the employer share of contributions to PSERS. The Commonwealth reimburses the employer for one-half the payment for employees. The School District contributions are made on a quarterly basis and employee contributions are deducted monthly from each paycheck and remitted quarterly. Recent School District payments have been as follows:

Fiscal Year	Contributions
2017-18	$3,964,841
2018-19	$4,096,742
2019-20	$4,251,104
2020-21	$4,151,469
2021-22	$4,425,705
2022-23	$4,568,504
2023-24	$4,460,562
2024-25	$4,485,969
2025-26 (budgeted)	$4,781,466

At June 30, 2025, the School District reported a liability of $34,567,548 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the PSERS total pension liability as of June 30, 2023 to June 30, 2024. The School District's proportion of the net pension liability was calculated utilizing its one-year reported covered payroll as it relates to the total one-year reported covered payroll of all school districts. At June 30, 2025, the School District's proportion was 0.0849% which was a decrease of 0.000045% from its proportion measured as of June 30, 2024.

As of June 30, 2025, the PSERS plan was 64.8% funded, with an unfunded actuarial accrued liability of approximately $42.0 billion. PSERS' rate of return for fiscal year ended June 30, 2025 was 9.67%. The Fund had plan net assets of $83.7 billion at June 30, 2025. For more information, visit the PSERS website at www.psers.pa.gov, which is not incorporated by specific reference into this Preliminary Official Statement.

Source: School District Administrative Officials and PSERS.

Other Post-Employment Benefits

The School District is obligated under collective bargaining agreements to provide in the future health insurance coverage for current and future retired employees, and to provide retirement severance pay for existing employees. The School District is subject to the requirements of GASB Statements No. 43 and 45 commencing with the School District's annual financial statements for the fiscal year ending June 30, 2009.

The School District annually appropriates funds to meet its obligation to pay such benefits on a "pay-as-you-go" basis, and has not established any fund or irrevocable trust for the accumulation of assets with which to pay such benefits in future years. In the fiscal year ended June 30, 2025, the School District's OPEB cost was approximately $309,356.

BONDHOLDER CONSIDERATIONS

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

State Appropriation Risk

While the Commonwealth's appropriations to the School District were not interrupted during previous budget impasses, there is no assurance future budget impasses will not prevent the Commonwealth from appropriating subsidies to the School District, Act 85 notwithstanding (see "Act 85 of 2016" herein).

Cybersecurity

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

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

Risk of Audit by Internal Revenue Service

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

LITIGATION

The School District is subject to a variety of suits and proceedings arising out of its ordinary course of affairs, some of which may be adjudicated adversely to the School District. Any such litigation is of a routine nature which does not affect the right of the School District to conduct its affairs or the validity of its obligations. At closing, the President or Vice-President of the Board of the School Directors will certify that there is no presently pending or threatened litigation which would materially and adversely affect the validity of the Bonds or the proceedings for issuance of same and there is no litigation which would materially affect the issuer's financial condition.

DEFAULTS AND REMEDIES

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

TAX MATTERS

State Tax Matters

In the opinion of Bond Counsel, the Bonds, and the interest income therefrom, are free from taxation for purposes of personal and corporate net, income taxes within the Commonwealth of Pennsylvania.

The residence of a holder of a Bond in a state other than Pennsylvania, or being subject to tax in a state other than Pennsylvania, may result in income or other tax liabilities being imposed by such other state or its political subdivisions based on the interest or other income from the Bonds.

Federal Income Tax Matters

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds (including in the case of Bonds sold at an original issue discount, the difference between the initial offering price and accrued value) is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds is not a specific item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of Federal individual alternative minimum tax.

Original Issue Discount

The Bonds that mature on February 1, 20__ and on February 1, 20__ (the "Discount Bonds") are being offered and sold to the public at an original issue discount ("OID") from the amounts payable at their maturity. OID is the excess of the stated redemption price of a bond at maturity (par) over the price to the public at which a substantial amount of bonds of the same maturity are sold pursuant to the initial offering. Under the Code, OID on each Discount Bond will accrue over its term and the amount of accretion will be based on the yield to maturity, compounded semi-annually. The amount of OID that accrues during each semi-annual period will do so ratably within that period on a daily basis. With respect to an initial purchaser of a Discount Bond at its initial offering price, the portion of OID that accrues during the period that such purchaser owns such Bond is added to the purchaser's tax basis for purposes of determining gain or loss at the maturity, redemption, sale, or other disposition of that Discount Bond and thus, in practical effect, is treated as interest, which is excludable from gross income for federal income tax purposes.

Holders of Discount Bonds should consult their own tax advisors as to the effect of OID with respect to their federal tax liability.

Original Issue Premium

The Bonds that mature on February 1, 20__ through and including February 1, 20__ (the “Premium Bonds”) are being offered and sold at an original issue premium (“OIP”). An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes OIP on such Premium Bond. An initial purchaser of a Premium Bond must amortize any OIP over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the OIP to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As OIP is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult with their tax advisors with respect to the determination and treatment of OIP for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Holders of Premium Bonds should consult their own tax advisors as to the effect of OIP with respect to their federal tax liability.

Interest Expense Deductions for Financial Institutions

Under Section 265 of the Code, financial institutions are denied any deduction for interest expenses that are allocable, by a formula, to tax-exempt obligations acquired after August 7, 1986. An exception, which permits a deduction for 80% of such interest expenses, is provided in respect of certain tax-exempt obligations issued by a qualified issuer that specifically designates such obligations as “qualified tax-exempt obligations” under Section 265 of the Code.

The School District has designated the Bonds as “qualified tax-exempt obligations” within the meaning of paragraph (b)(3)(B) of Section 265 of the Code and has made certain representations and covenants necessary to cause the Bonds to continue to be obligations described in such paragraph during the period in which the Bonds are outstanding. In the opinion of Bond Counsel, assuming the accuracy of such representations and compliance with such covenants, banks, thrift institutions and other financial institutions which purchase the Bonds, may take into account as a deductible expense in calculating their federal income tax liability, 80 percent of their expense allocable to the Bonds.

Continuing Compliance

The Code imposes various terms, restrictions, conditions and requirements relating to the exclusion from gross income for Federal income tax purposes of interest on obligations such as the Bonds. The School District has covenanted to comply with all such requirements, including non-arbitrage requirements under Section 148 of the Code, that are necessary to ensure that interest on the Bonds will not be includable in gross income for Federal income tax purposes. Failure to comply with these covenants could result in interest on the Bonds being includable in gross income for Federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with the aforesaid covenants. Moreover, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax-exempt status of the interest on the Bonds.

Certain requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Such changes or actions could constitute an exchange or other tax event with respect to the Bonds, which could result in gain or loss to the holder of a Bond, and a consequent tax liability.

Pursuant to its continuing disclosure obligations made pursuant to SEC Rule 15c2-12 (see “Continuing Disclosure Undertaking” herein), the School District may be required to provide notice of such changes or actions, as Material Events under said Rule. However, holders of the Bonds should consult their own tax advisors as to the effect of such changes or actions with respect to their federal tax liability.

Collateral Tax Liabilities

Although Bond Counsel has rendered an opinion that interest on the Bonds is excludable from gross income for Federal and Pennsylvania income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may result in other collateral effects on a Bondholder's Federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion; each Bondholder or potential Bondholder is urged to consult with its own tax advisors with respect to the effects of purchasing, holding or disposing of the Bonds on its tax liabilities.

Examples of other tax consequences for certain taxpayers include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies under Section 832 of the Code, increasing the federal tax liability of certain S corporations subject to Sections 1362 and 1375 of the Code, increasing the federal tax liability of certain individual recipients of social security or railroad retirement benefits under Section 86 of the Code, limiting the use of the Earned Income Credit under Section 32 of the Code, limiting the use of the refundable credit for coverage under a qualified health plan under Section 36B of the Code, and denying an interest expense deduction to certain financial institutions under Section 265 of the Code (unless, and in the circumstance when, the Bonds have been designated by the issuer as "qualified tax-exempt obligations").

Change in Law; Adverse Determinations

From time to time, certain legislative proposals may be introduced, or are pending, in the Congress of the United States or the various state legislatures, including some that carry retroactive effective dates, that, if, enacted, could alter or amend the federal and state tax matters described above or affect the market value of the Bonds. No prediction can be made whether or in what form any such proposal or proposals might be enacted into law or whether, if enacted, the same would apply to Bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") regularly audits tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No prediction can be made whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures, the Service may treat the School District as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until such time as the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, such as the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bondholder who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or to any Bondholder who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns.

THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE LIST OF THE PROVISIONS OF FEDERAL, STATE AND LOCAL TAX LAWS WHICH MAY HAVE AN EFFECT ON INDIVIDUALS AND CORPORATIONS HOLDING THE BONDS OR RECEIVING INTEREST THEREON. PROSPECTIVE PURCHASERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE EFFECT ON THEIR FEDERAL, STATE OR LOCAL TAX LIABILITY AND GENERAL FINANCIAL AFFAIRS OF HOLDING THE BONDS OR RECEIVING INTEREST THEREON.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), the School District (being an "obligated person" with respect to the Bonds, within the meaning of the Rule), will execute a Continuing Disclosure Certificate. See Appendix C for the proposed form of Continuing Disclosure Certificate (the "Continuing Disclosure Certificate").

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

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

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

The MSRB has been designated by the SEC to be the central and sole repository for continuing disclosure information filed by issuers of municipal securities since July 1, 2009. Information and notices filed by municipal issuers (and other "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.

Some operating data of the School District may be inherently included in the annual filings of audited financial statements, the summary of the budget, contents of Preliminary Official Statements prepared by the School District for bond issues as well as other publicly available information. In connection with the Continuing Disclosure Certificate associated with the Bonds, the School District may not be filing this information separately, but it may be available in the other annual filings of the School District or publicly available elsewhere.

The School District has procedures in place to ensure that future filings of the required annual information and event notices will be accomplished within all required time periods. The School District has engaged Digital Assurance Certification, LLC as its Dissemination Agent for the purpose of complying with Rule 15c2-12.

COMPLIANCE WITH PREVIOUS CONTINUING DISCLOSURE UNDERTAKINGS

The School District has entered into prior undertakings to provide certain annual financial information as described in the continuing disclosure agreements or certificates associated with prior bond issues, including audited financial statements, certain operating data and notices of certain events under the Rule. The School District has conducted a thorough review of its continuing disclosure obligations and submissions. Upon discovering any inadvertent omissions with respect to these filings, the School District, to the best of its knowledge, has attempted to bring its continuing disclosure filings up to date. In summary, the School District has failed to comply in the past five years in that it: (1) filed audited financial statements late for fiscal years 2022, 2023, and 2024 without notice of late filing which have been remediated and include notice of failure to file; (2) failed to timely file its general fund budget for fiscal years 2023, 2024, and 2025 which has been remediated and include notices of failure to file.

RATINGS

S&P Global Ratings ("S&P") is expected to assign an insured bond rating of "AA" (Stable outlook) to the Bonds with the understanding that, upon delivery of the Bonds, a Municipal Bond Insurance Policy guaranteeing when due the scheduled payment of the principal of and the interest on the Bonds will be issued concurrently with the delivery of the Bonds by Assured Guaranty Inc. ("AG"). Moody's Investors Service ("Moody's") has assigned an underlying rating of "A1" to the Bonds.

Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following address: S&P Global Ratings, 55 Water Street, New York, New York, 10041 or Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There is no assurance that this credit rating will be maintained for any given period of time, or that it may not be lowered or withdrawn entirely by the rating agency if, in its judgement, circumstances so warrant. Any such downward change in or withdrawl of such credit rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

Stifel Nicolaus & Company, Incorporated, as underwriter (the "Underwriter") has agreed to purchase the Bonds from the School District, subject to certain conditions precedent, and will purchase all of the Bonds, if any of such Bonds are purchased. The aggregate purchase price of the Bonds, exclusive of accrued interest, is $------------- which is equal to the par amount of the Bonds less Underwriters' discount of $____________ , and plus/less net original issue premium/discount of $_______________.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the School District and to persons and entities with relationships with the School District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the School District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the School District.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the School District.

LEGAL OPINION

The Bonds are offered subject to the receipt of the unqualified approving legal opinion of Dinsmore & Shohl LLP, Bond Counsel, of Pittsburgh, Pennsylvania. Certain legal matters will be passed upon for the School District by Weiss Burkardt Kramer, LLC of Pittsburgh, Pennsylvania, School District Solicitor.

MISCELLANEOUS

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

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

MCGUFFEY SCHOOL DISTRICT
Washington County, Pennsylvania

By: /s/____________________________
President, Board of School Directors

APPENDIX A

DEMOGRAPHIC AND ECONOMIC INFORMATION

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Introduction

The School District is comprised of the Boroughs of Claysville and Green Hills and the Townships of Blaine, Buffalo, Donegal, East Finley, Morris, South Franklin and West Finley (collectively, the "Component Municipalities"). The School District is located in the southwestern corner of Washington County, Pennsylvania (the "County"), approximately six miles southwest of the City of Washington, Pennsylvania, which is the county seat of the County. The School District is also located some 40 miles southwest of the City of Pittsburgh and 15 miles east of the City of Wheeling, West Virginia. The School District is bounded to the south by the Greene County border and to the west by the West Virginia border. The School District encompasses a land area of approximately 198 square miles, serving a U.S. Census population (2020 Census) of approximately 11,444.

Population

Table A-1 shows recent population trends for the School District, the County, and the Commonwealth of Pennsylvania. The School District's population decreased from 12,757 to 11,701 between 2010 and 2020. Table A-2 shows age composition and average number of persons per household in Washington County and for the State.

TABLE A-1

RECENT POPULATION TRENDS

Geographic Area	2010	2020	Percentage Change
School District	**12,757**	**11,701**	**-8.28%**
Washington County	207,820	209,349	7.36%
Pennsylvania	12,702,379	13,002,700	2.36%

Source: U.S. Bureau of the Census

TABLE A-2

AGE COMPOSITION

Geographic Area	Under 5 Years Old	Under 18 Years Old	Over 65 Years Old
Washington County	4.70%	19.30%	23.20%
Pennsylvania	5.10%	20.10%	20.40%

Source: U.S Bureau of the Census 2020

Table A-3 shows recent trends in labor force, employment, and unemployment for the County and the State.

TABLE A-3

RECENT TRENDS IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT

	2021	2022	2023	2024	2025
Washington County					
Civilian Labor Force	103.4	103.6	105.2	105.5	104.7
Employment	97.0	99.1	101.3	101.7	101.0
Unemployment	6.4	4.5	3.9	3.8	3.7
Unemployment Rate	6.20%	4.40%	3.7%	3.60%	3.60%
Pennsylvania					
Civilian Labor Force (000)	6,439	6,479	6,559	6,572	6,542
Employment (000)	6,059	6,209	6,318	6,321	6,262
Unemployment (000)	380	270	241	251	280
Unemployment Rate	5.90%	4.2%	3.70%	3.80%	4.30%

Source: Pennsylvania State Employment Service: www.paworkstats.state.pa.us

Leading Employers

Major employers located within Washington County are listed below:

Company	Product/Service
Washington Hospital	Hospital
Giant Eagle, Inc.	Retail/Grocery
Wal-Mart Associates Inc.	Retail/Grocery
Canon-McMillan School District	Public Education
Washington County Government	County Government
Crown Castle USA, Inc.	Telecommunications
ANSYS, Inc.	Software
Monongahela Valley Hospital	Hospital
84 Lumber Company	Building Materials
Pennsylvania State System of Higher Education (PASSHE)	Higher Education

Source: Center for Workforce Information & Analysis (2024)

Income

The data in Table A-4 shows recent trends in per capita income for the County, and the State over the 2010-2020.

TABLE A-4

RECENT TRENDS IN PER CAPITA INCOME*

Geographic Area	2010	2020	Percentage Change 2010-2022
Washington County	45,934	58,439	27.22%
Pennsylvania	42,098	56,951	35.28%

*Income is defined by the Bureau of the Census as the sum of wage and salary income, non-farm self-employment income, net self-employment income, Social Security and Railroad retirement income, public assistance income, interest,

dividends, pensions, etc. before deductions for personal income taxes, Social Security, etc. School District income is the population-weighted average for political subdivisions.
Source: U.S. Bureau of Economic Analysis.

Transportation

The School District is accessible by U.S. Route 40 and Interstate Routes 70 and 79. Railroad transportation is provided by Conrail. Motor and air freight is available through UPS and Federal Express. Pittsburgh International Airport is approximately 30 miles northeast of the School District by automobile.

Higher Education

California University of Pennsylvania, founded in 1852, is operated by the Commonwealth of Pennsylvania and enrolls an average of 5,000 undergraduate and graduate students. The University is located in the County, approximately 30 miles east of the School District. The University offers more than 100 majors in science and technology, liberal arts and education. Undergraduates may receive either a two-year associate degree or a four year bachelor degree. Graduate students can earn the Master of Arts, Master of Education and Master of Science degrees in more than 30 areas of study.

Washington and Jefferson College is a private liberal arts college located approximately six miles northeast of the School District in the City of Washington, Pennsylvania. Waynesburg University is located to the south of the School District in the Borough of Waynesburg, the county seat of Greene County and Wheeling, West Liberty and Bethany Colleges are located in the neighboring state of West Virginia. Numerous institutions of higher education which are located in the City of Pittsburgh include the University of Pittsburgh, Carnegie-Mellon University, Duquesne University, Robert Morris University, Point Park University, Chatham University and Carlow University.

Health Care

Monongahela Valley Hospital, located in the County in Carroll Township, is a full-service medical facility. Some of its resources include same-day surgery, oncology, maternity and emergency care. Brownsville General Hospital is located in Redstone Township, Fayette County.

The Washington Hospital, located in the City of Washington, is an acute-care general hospital. Along with its patient care services. Washington Hospital operates schools of nursing, anesthesiology and x-ray and medical technology, along with a family practice residency program. Canonsburg General Hospital, which is also a general acute-care facility, is located in nearby North Strabane Township. The West Virginia University Medical Center is located approximately 20 miles from the School District in Morgantown, West Virginia.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE FISCAL YEAR ENDING JUNE 30, 2025

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MCGUFFEY SCHOOL DISTRICT

CLAYSVILLE, PENNSYLVANIA

FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

MCGUFFEY SCHOOL DISTRICT
YEAR ENDED JUNE 30, 2025

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Zelenkofske Axelrod LLC
CERTIFIED PUBLIC ACCOUNTANTS
EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Independent Auditor's Report

Members of the Board
McGuffey School District
Claysville, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position the governmental activities, the business type activities, and each major fund and the aggregate remaining fund information, of the District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Controller 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District'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 District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – General Fund, schedule of changes in the total OPEB liability and related ratios- supplemental health plan, schedule of the district's proportionate share of the net OPEB liability – PSERS plan, schedule of the district's OPEB contributions – PSERS plan, schedule of the district's proportionate share of the net pension liability – last 10 years, schedule of the district's pension contributions – last 10 years on pages 4 through 13 and 56 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026, on our consideration of the MCGUFFEY SCHOOL DISTRICT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Zelenkofske Axelrod LLC

ZELENKOFSKE AXELROD LLC

March 27, 2026
Pittsburgh, Pennsylvania

This discussion and analysis of McGuffey School District's financial performance provides an overall narrative review of the School District's financial activities for the year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the basic financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in the School District's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the School District's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

This discussion and analysis is part of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999. GASB Statement No. 34 requires certain comparative information to be presented between the current year and the prior year and is detailed herein accordingly.

INDEPENDENT AUDIT

As required by Pennsylvania state law, the McGuffey School District submits its financial data to independent certified public accountants at year-end for a comprehensive annual audit of the District's financial affairs. The Board of Education has retained Zelenkofske Axelrod LLC, Certified Public Accountants, to complete an independent audit of the financial position and results of its operations in accordance with auditing standards generally accepted in the United States and with government auditing standards. The District also submits its federal program financial and operational data in compliance with the provisions of the Federal Government's Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-profit Organizations".

FINANCIAL HIGHLIGHTS

The School District's general fund received 43.1% of its funding from local sources, 54.5% from state sources, and 2.4% from federal sources. Real estate tax receipts continue to be the primary source of revenue for the general fund. Earned income tax is the second most significant local revenue source funding general operations. The School District still relies on revenue from coal assessments. We continually monitor the coal assessments in an attempt to minimize any negative effect of the loss of coal revenue on the School District. Changes in coal assessment have been challenging for the School District. We anticipate the challenge to continue for the next several years.

The School District completed the 2024/2025 fiscal year with a $7,549,916 general fund balance. This is a $1,278,864 increase from the previous year's ending balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements.

The basic financial statements include two kinds of statements, which present different views of the District. The first two statements are ***Government-wide Financial Statements*** that provide both *short-term* and *long-term* information about the District's overall financial status. The remaining statements are ***Fund Financial Statements*** that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the Government-wide Statements. The *governmental funds statements* indicate how the District financed its basic services such as regular and special education. *Proprietary fund* statements offer financial information about the one activity the District operates *like a business,* its Food Service Fund. Fiduciary fund statements provide information about financial relationships where the School District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the statements, as well as provide data that are more detailed.

Figure A-1 shows how the various parts of this annual report are arranged and are related to one another.

Figure A-1
Organization of McGuffey School District Annual Financial Report

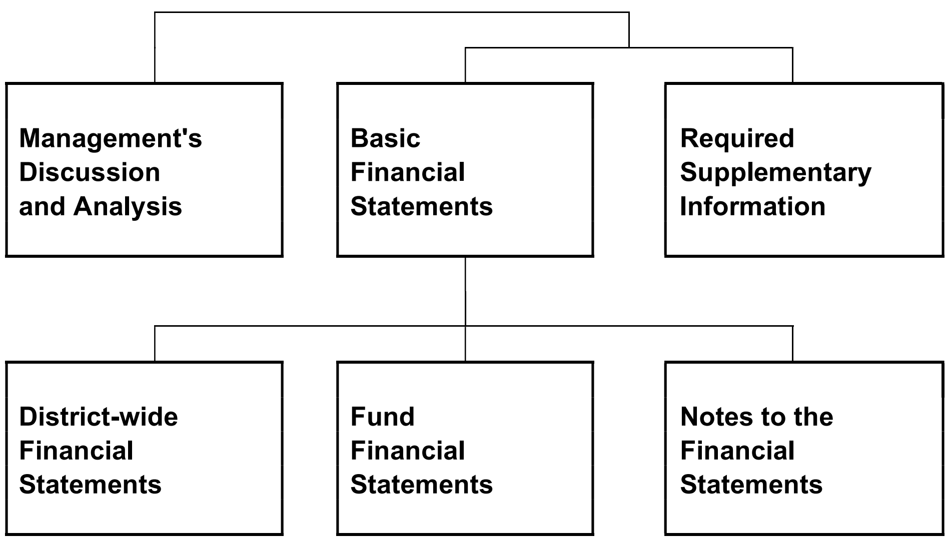

Figure A-2 summarizes the major features of the District's financial statements. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds).	Activities of the District that are not proprietary or fiduciary, such as general operating and capital projects.	An activity the District operates similar to private businesses (Food Service Fund).	Instances in which the School District is the trustee or agent to someone else's resources
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Generally assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets and liabilities, both financial and capital, short-term and long-term.	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements

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

The two Government-wide statements report the District's *net position* and how it has changed. Net position - the difference between the District's assets and deferred outflows and liabilities and deferred inflows - is one way of measuring the District's financial health or position.

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

To assess the District's overall health one must also consider additional factors such as increases (decreases) to the District's long-term debt, changes in the District's property tax base and the condition of or need for improvements or expansion to existing school facilities.

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

- ***Governmental Activities:*** All of the District's basic services are included here, such as regular and special education, maintenance and operation of plant services, transportation services and administrative services. Property taxes, along with state formula aid, finance most of these activities. Fixed assets and related debt are supported by taxes and intergovernmental activities.

- ***Business-type Activities:*** The District operates a food service operation and charges fees to staff, students and visitors to help it cover the costs of the food service operation.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds. These statements focus on the District's most significant or "major" funds - not the District as a whole. Some funds are required by state law and by bond covenants.

The District has three types of funds as follows:

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

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

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025 (CONTINUED)

Fiduciary Funds: The District is the trustee, or fiduciary, for some student activity funds. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and statement of changes in net position. We exclude these activities from the District's other financial statement because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's total net position was a deficit $(29,159,860) at June 30, 2025 and a deficit $(31,612,489) at June 30, 2024.

Table A - 1
Years Ended June 30, 2025 and 2024
Statement of Net Position

	2025			2024		
	Governmental Activities	Buisness-Type Activities	Total	Governmental Activities	Buisness-Type Activities	Totals
Current and Other Assets	$ 12,748,142	$ 45,086	$ 12,793,228	$ 12,726,791	$ 66,357	$ 12,793,148
Capital Assets	31,783,482	159,550	31,943,032	33,339,438	166,138	33,505,576
Total Assets	44,531,624	204,636	44,736,260	46,066,229	232,495	46,298,724
Deferred outflows of Resources	6,700,637	160,383	6,861,020	8,335,837	204,285	8,540,122
Current and Other Liabilities	5,021,950	(678,059)	4,343,891	5,224,028	(532,658)	4,691,370
Noncurrent Liabilities						
Due Within One Year	2,161,874	-	2,161,874	2,095,646	-	2,095,646
Due Within More Than One Year	69,686,890	1,020,494	70,707,384	76,049,310	1,144,082	77,193,392
Total Liabilities	76,870,714	342,435	77,213,149	83,368,984	611,424	83,980,408
Deferred Inflows of Resources	3,478,700	65,234	3,543,934	2,439,784	31,143	2,470,927
Net Postion						
Net Investment in Capital Assets	903,245	159,550	1,062,795	345,634	166,138	511,772
Unrestricted	(30,020,398)	(202,200)	(30,222,598)	(31,752,336)	(371,925)	(32,124,261)
Total Net Position	$ (29,117,153)	$ (42,650)	$ (29,159,803)	$ (31,406,702)	$ (205,787)	$ (31,612,489)

Most of the School District's net position is invested in capital assets (buildings, land, and equipment). The remaining unrestricted net position is combined of designated and undesignated amounts. The designated balances are amounts set aside to fund purchases or capital projects as planned by the School District.

The results of this year's operations as a whole are reported in the statement of activities on page 15. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the School District's activities that are supported by other general revenues. The two largest general revenues are the Basic Education Subsidy provided by the state of Pennsylvania and the local taxes (property and earned income) assessed to community taxpayers.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025 (CONTINUED)

Table A-2 takes the information from that statement, rearranges it slightly, so you can see our total revenues for the year.

Table A - 2
Years Ended June 30, 2025 and 2024
Statement of Activites

	2025 Governmental Activities	2025 Buisness-Type Activities	2025 Total	2024 Governmental Activities	2024 Buisness-Type Activities	2024 Totals
Revenues						
Program Revenues						
Charge for Services	$ 20,851	$ 293,931	$ 314,782	$ 26,977	$ 389,154	$ 416,131
Operating Grants and Contribs.	10,298,818	1,052,347	11,351,165	7,983,268	888,627	8,871,895
Capital Grants and Contribs.	430,253	-	430,253	542,144	-	542,144
General Revenue						
Property Taxes	11,954,292	-	11,954,292	11,867,604	-	11,867,604
Other Taxes	2,379,830	-	2,379,830	2,255,031	-	2,255,031
Grants, Subsidies and Contribs Unrestricted	11,254,272	-	11,254,272	11,638,704	-	11,638,704
Investment Earnings	491,064	2,392	493,456	536,364	3,110	539,474
Miscellaneous	201,861	-	201,861	51,120	-	51,120
Total Revenue and Transfers	37,031,241	1,348,670	38,379,911	34,901,212	1,280,891	36,182,103
Expenses						
Instruction	19,894,947	-	19,894,947	19,505,818	-	19,505,818
Instructional Student Support	2,622,896	-	2,622,896	2,504,805	-	2,504,805
Admin and Fin. Support Svcs.	2,894,095	-	2,894,095	2,947,486	-	2,947,486
Operation and Maintenance of Plant Services	3,601,446	-	3,601,446	3,469,802	-	3,469,802
Pupil Transportation	2,811,260	-	2,811,260	2,601,338	-	2,601,338
Student Activities	2,047,180	-	2,047,180	1,844,106	-	1,844,106
Community Services	347	-	347	621	-	621
Interest on Long-Term Debt	869,521	-	869,521	931,919	-	931,919
Food Service	-	1,232,969	1,232,969	-	1,114,340	1,114,340
Total Expenses	34,741,692	1,232,969	35,974,661	33,805,895	1,114,340	34,920,235
Increase (Decrease in Net Position)	2,289,549	115,701	2,405,250	1,095,317	166,551	1,261,868
Beginning Net Position	(31,406,702)	(205,787)	(31,612,489)	(32,725,500)	(431,384)	(33,156,884)
Net Effect of Restatement	-	47,436	47,436	223,481	59,046	282,527
Net Position, Beginning of Year - Restated	(31,406,702)	(158,351)	(31,565,053)	(32,502,019)	(372,338)	(32,874,357)
Ending Net Position	$ (29,117,153)	$ (42,650)	$ (29,159,803)	$ (31,406,702)	$ (205,787)	$ (31,612,489)

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025 (CONTINUED)

The table below present the expenses of both the governmental activities and the business-type activities of the School District.

Table A-3 shows the School District's largest functions - instructional programs, instructional student support, administrative, operation and maintenance of plant, pupil transportation, student activities, community services, interest on debt, food service, as well as each program's net cost (total cost less revenues generated by the activities).

Table A - 3
Years Ended June 30, 2025 and 2024
Governmental Activities and Business-Type Activities

Functions/Programs	2025 Total Cost of Service	2024 Total Cost of Service	2025 Net Cost of Service	2024 Net Cost of Service
Instruction	$ 19,894,947	$ 19,505,818	$ (12,816,437)	$ (13,503,153)
Instructional Student Support	2,622,896	2,504,805	(1,986,059)	(1,926,552)
Admin and Fin. Support Svcs.	2,894,095	2,947,486	(2,639,783)	(2,729,980)
Operation and Maintenance of Plant Services	3,601,446	3,469,802	(3,319,714)	(3,213,752)
Pupil Transportation	2,811,260	2,601,338	(942,514)	(1,808,674)
Student Activities	2,047,180	1,844,106	(1,417,427)	(1,138,901)
Community Services	347	621	(315)	(575)
Interest on Long-Term Debt	869,521	931,919	(869,521)	(931,919)
Food Services	1,232,969	1,114,340	113,309	163,441
Total	$ 35,974,661	$ 34,920,235	$ (23,878,461)	$ (25,090,065)

In 2025, taxes brought in $14,334,122.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Expenditures: Total general fund spending for 2024/2025 was $35,812,298 for the year. Instructional programs expended $19,782,246, or 55.2% of all general fund spending.

Actual spending by category was as follows:

	2024/2025 Expenses	2024/2025 Percentage	2023/2024 Expenses	2023/2024 Percentage
Instructional				
Regular Programs	$ 12,003,357	33.5%	$ 12,103,111	35.2%
Special Programs	6,449,550	18.0%	5,672,664	16.5%
Vocational Programs	1,325,595	3.7%	1,278,345	3.7%
Other Instructional Programs	395	0.0%	2,644	0.0%
Non Public Programs	3,349	0.0%	2,823	0.0%
Total Instructional	19,782,246		19,059,587	
Support Service				
Pupil Personnel	2,039,711	5.7%	1,957,694	5.7%
Instructional Staff	299,444	0.8%	265,105	0.8%
Administration	2,119,005	5.9%	2,169,092	6.3%
Pupil Heatlh	334,124	0.9%	331,123	1.0%
Business	478,354	1.3%	466,975	1.4%
Oper. and Maint. of Plant Services	3,299,093	9.2%	3,119,777	9.1%
Student Transportation Services	2,934,042	8.2%	2,680,387	7.8%
Central	449,312	1.3%	357,158	1.0%
Other	19,068	0.1%	-	0.0%
Total Support Services	11,972,153		11,347,311	
Noninstructional Services				
Student Activities	1,048,387	2.9%	1,019,475	3.0%
Community Services	363	0.0%	643	0.0%
Total Noninstructional Services	1,048,750		1,020,118	
Debt Services	3,009,149	8.4%	2,980,011	8.7%
	$ 35,812,298	100%	$ 34,407,027	100%

Assets, Liabilities and Fund Balances

As of June 30, 2025, the general fund of the School District had total assets of $14,190,807 with 59.5% in cash and cash equivalents, 12.7% in investments and 27.9% as receivables, inventories, and prepaid items. Liabilities as of June 30, 2025, totaled $6,159,184 and include $1,448,506 accounts payable; $1,849,929 salaries and benefits payable, payroll deduction withholdings of $92,837; and unearned revenue of $482,756. Deferred inflows of resources as of June 30, 2025, totaled $481,707 and were comprised of unavailable revenues relating to property taxes. Accounts payable balances are primarily the result of expenditures, incurred prior to June 30, 2025, and paid subsequent to June 30, 2025. Accrued salaries and benefits are primarily the result of salaries earned by teachers as of June 30, 2025 and paid in July 2025.

The resulting $7,549,916 in fund balance includes $398,373 of non spendable funds, $2,650,991 of assigned funds and $4,500,552 of unassigned funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: As of June 30, 2025, the District's had $31,783,482 invested in a broad range of capital assets, including land, buildings, furniture and equipment and right of use assets.

Table A - 4
Governmental Activities
Capital Assets - Net Depreciation and Amortization

	2025	2024
Land	$ 233,844	$ 233,844
Land Improvements	328,402	359,289
Buildings and Building Improvements	29,974,609	31,379,457
Furniture and Equipment	885,443	948,218
Infrastrusture Assets	223,956	229,941
Construction in Progress	137,228	188,689
Total Capital Assets	$ 31,783,482	$ 33,339,438

Debt Administration:

As of July 1, 2024, the District included $32,585,000 in its long-term liabilities for general obligation bonds. During the year, the District made principal payments of $2,045,000 resulting in an ending balance of $30,540,000 at June 30, 2025.

Table A - 5
Outstanding Debt

General Obligation Bonds	**As of 06/30/25**	**As of 06/30/24**
Series of 2019A	$ 380,000	$ 450,000
Series of 2019B	4,960,000	4,965,000
Series of 2017A	7,525,000	7,590,000
Series of 2017B	5,780,000	7,105,000
Series of 2021A	7,485,000	8,060,000
Series of 2021B	4,410,000	4,415,000
	$ 30,540,000	$ 32,585,000

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District was able to maintain the real estate tax collection rate for the 25-26 budget year based on the higher collection rate for the 24-25 school year. This enabled the District to minimize the tax increase for residents for the current school year. However, the District is still challenged to adopt budgets with limited fund balance usage. We continually review programs and staffing. During the budget process, the District will need to review and adjust programs and staffing to ensure student success while being mindful of the taxing and revenue impacts.

	Budgeted Revenue 2025/2026	Actual Revenue 2024/2025
Local	43.5%	43.1%
State	55.2%	54.5%
Federal	1.3%	2.4%

	Budgeted Expenditures 2025/2026	Actual Expenditures 2024/2025
Instruction	55.7%	53.7%
Support Services	33.3%	32.5%
Noninstructional Services	3.0%	5.6%
Fund Transfers/Debt/Other	8.1%	8.2%

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information should be addressed to Charlene Hobberchalk, Business Administrator, McGuffey School District, 90 McGuffey Drive, Claysville, PA 15323, telephone number: 724-948-3731.

MCGUFFEY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets			
Current assets:			
Cash and cash equivalents	$ 8,599,346	$ 7,340	$ 8,606,686
Investments	1,801,693	-	1,801,693
Taxes receivable (net)	728,536	-	728,536
Due from other governments	1,149,383	1,196	1,150,579
Other receivables	99,957	27,541	127,498
Inventories	35,000	9,009	44,009
Prepaid expenses	334,227	-	334,227
Total current assets	12,748,142	45,086	12,793,228
Noncurrent assets:			
Land	233,844	-	233,844
Land improvements	328,402	-	328,402
Buildings and Building Improvements	29,974,609	-	29,974,609
Furniture and Equipment	885,443	159,550	1,044,993
Infrastructure	223,956	-	223,956
Right-of-use Asset	137,228	-	137,228
Total noncurrent assets	31,783,482	159,550	31,943,032
Total Assets	44,531,624	204,636	44,736,260
Deferred outflows of resources related to refunding	801,156	-	801,156
Deferred outflows of resources related to pensions	5,424,901	154,027	5,578,928
Deferred outflows of resources related to OPEB	474,580	6,356	480,936
Total Deferred Outflows of Resources	6,700,637	160,383	6,861,020
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 51,232,261	$ 365,019	$ 51,597,280
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities			
Current liabilities:			
Internal balances	$ 706,924	$ (706,924)	$ -
Accounts payable	1,502,003	17,780	1,519,783
Accrued salaries, benefits, payroll liabilities	1,849,929	-	1,849,929
Payroll Deductions and Withholdings	92,837	-	92,837
Unearned revenues	482,756	11,085	493,841
Accrued interest payable	387,501	-	387,501
Current portion of long-term debt	2,110,000	-	2,110,000
Current portion of lease liabilities	51,874	-	51,874
Total current liabilities	7,183,824	(678,059)	6,505,765
Noncurrent liabilities:			
Bonds payable	29,430,401	-	29,430,401
Lease liabilities	89,118	-	89,118
Compensated absences	401,938	12,229	414,167
Net pension liability	34,567,548	967,299	35,534,847
Other postemployment benefits	5,197,885	40,966	5,238,851
Total noncurrent liabilities	69,686,890	1,020,494	70,707,384
Total Liabilities	76,870,714	342,435	77,213,149
Deferred inflows of resources related to pensions	1,961,190	55,511	2,016,701
Deferred inflows of resources related to OPEB	1,517,510	9,723	1,527,233
Total Deferred Inflows of Resources	3,478,700	65,234	3,543,934
Net Position			
Net Investment in Capital Assets and Debt	903,245	159,550	1,062,795
Unrestricted	(30,020,398)	(202,200)	(30,222,598)
Total Net Position	(29,117,153)	(42,650)	(29,159,803)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 51,232,261	$ 365,019	$ 51,597,280

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

MCGUFFEY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction	$ 19,894,947	$ -	$ 7,078,510	$ -	$ (12,816,437)	$ -	$ (12,816,437)
Instructional Student Support	2,622,896	-	636,837	-	(1,986,059)	-	(1,986,059)
Administrative and Financial Support Services	2,894,095	-	254,312	-	(2,639,783)	-	(2,639,783)
Operation and Maintenance of Plant Services	3,601,446	-	281,732	-	(3,319,714)	-	(3,319,714)
Pupil Transportation	2,811,260	-	1,868,746	-	(942,514)	-	(942,514)
Student Activities	2,047,180	20,851	178,649	430,253	(1,417,427)	-	(1,417,427)
Community Services	347	-	32	-	(315)	-	(315)
Interest on Long-Term Debt	869,521	-	-	-	(869,521)	-	(869,521)
Total Governmental Activities	34,741,692	20,851	10,298,818	430,253	(23,991,770)	-	(23,991,770)
Business-Type Activities							
Food Service	1,232,969	293,931	1,052,347	-	-	113,309	113,309
TOTAL	$ 35,974,661	$ 314,782	$ 11,351,165	$ 430,253	(23,991,770)	113,309	(23,878,461)
General Revenues							
Taxes:							
Property Levied for General Purposes, Net					11,954,292	-	11,954,292
Earned Income Taxes					1,716,623	-	1,716,623
Real Estate Transfer Taxes					401,105	-	401,105
Other Taxes Levied for General Purposes, Net					262,102	-	262,102
Grants, Subsidies, and Contributions, Not Restricted					11,254,272	-	11,254,272
Investment Earnings					491,064	2,392	493,456
Miscellaneous Income					201,861	-	201,861
Total General Revenues					26,281,319	2,392	26,283,711
Change in Net Position Before Special Item					2,289,549	115,701	2,405,250
Net Position, Beginning of Year - As Previously Stated					(31,406,702)	(205,787)	(31,612,489)
Net of Restatement - Note 12					-	47,436	47,436
Net Position, Beginning of Year - Restated					(31,406,702)	(158,351)	(31,565,053)
Net Position, End of Year					$ (29,117,153)	$ (42,650)	$ (29,159,803)

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

MCGUFFEY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Capital Reserve	Total Governmental Funds
ASSETS			
Assets			
Cash and Cash Equivalents	$ 8,436,445	$ 162,901	$ 8,599,346
Investments	1,801,693	-	1,801,693
Taxes Receivable, Net	728,536	-	728,536
Due from Other Funds	1,576,420	-	1,576,420
Due From Other Governments	1,149,383	-	1,149,383
Other Receivables	99,957	-	99,957
Inventories	35,000	-	35,000
Prepaid Expense	363,373	-	363,373
Total Assets	14,190,807	162,901	14,353,708
Total Assets	$ 14,190,807	$ 162,901	$ 14,353,708
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Due to Other Funds	$ 2,283,344	$ -	$ 2,283,344
Accounts Payable	1,448,506	80,831	1,529,337
Accrued Salaries and Benefits	1,849,929	-	1,849,929
Payroll Deductions and Withholdings	92,837	-	92,837
Other Liabilities	1,812	-	1,812
Unearned Revenues	482,756	-	482,756
Total Liabilities	6,159,184	80,831	6,240,015
Deferred Inflows of Resources - Unavailable Revenue - Property Taxes	481,707	-	481,707
Fund Balances			
Nonspendable	398,373	-	398,373
Assigned	2,650,991	82,070	2,733,061
Unassigned	4,500,552	-	4,500,552
Total Fund Balances	7,549,916	82,070	7,631,986
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 14,190,807	$ 162,901	$ 14,353,708

MCGUFFEY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds		$ 7,631,986
Amounts reported for governmental activities in the district-wide statement of net position are different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is $65,454,621 and the accumulated depreciation and amortization is $33,671,139.		31,783,482
Propert taxes receivable will be collected in the future, but are not available soon enough to pay for the current period's expenditures and, therefore, are not reported as assets in governmental funds		481,707
Deferred charges on refunding bonds issued are amortized over the life of the bonds as deferred outflows of resources in the statement of net postion.		801,156
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds Payable	(30,540,000)	
Bonds Premium and Discounts	(1,000,401)	
Leases Payable	(140,992)	
Accrued Interest Payable	(387,501)	
Net Pension Liability	(34,567,548)	
Other Postemployment Benefits	(5,197,885)	
Compensated Absences	(401,938)	
		(72,236,265)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred Outflows of Resources Related to Pension and OPEB	5,899,481	
Deferred Inflows of Resources Related to Pension and OPEB	(3,478,700)	
		2,420,781
Total Net Position - Governmental Activities		$ (29,117,153)

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

	General Fund	Capital Reserve	Total Governmental Funds
REVENUES			
Local sources	$ 15,980,492	$ 39,105	$ 16,019,597
State sources	20,223,315	-	20,223,315
Federal sources	892,734	-	892,734
Total revenues	37,096,541	39,105	37,135,646
EXPENDITURES			
Instruction	19,782,246	-	19,782,246
Support services	11,972,153	-	11,972,153
Noninstructional services	1,048,750	1,021,575	2,070,325
Debt service	3,009,149	-	3,009,149
Total expenditures	35,812,298	1,021,575	36,833,873
Excess (deficiency) of revenues over expenditures	1,284,243	(982,470)	301,773
OTHER FINANCING SOURCES (USES)			
Refund of Prior Year Revenue	(5,379)	-	(5,379)
Total other financing sources (uses)	(5,379)	-	(5,379)
NET CHANGE IN FUND BALANCES	1,278,864	(982,470)	296,394
FUND BALANCES, BEGINNING OF YEAR	6,271,052	1,064,540	7,335,592
FUND BALANCES, END OF YEAR	$ 7,549,916	$ 82,070	$ 7,631,986

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

Total Net Change In Fund Balance - Governmental Funds		$ 296,394
Amounts reported for governmental activities in the district-wide statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current year:		
Difference between acquistions and disposals	49,745	
Less: Depreciation and Amortization Expense	(1,605,701)	
		(1,555,956)
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, but deferred inflows of resources. This decreased by this amount this year		(99,026)
Issuance of long-term debt (e.g. bonds or leases) provides current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces liabilities in the statement of net position. The effect of these transactions in the statement of activities is shown below:		
Repayment of Principal	2,095,646	
Amortization of Deferred Loss on Refunding	(77,605)	
Amortization of Bond Premiums and Discount	95,526	
		2,113,567
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Change in Pension and related items	1,450,379	
Change in Accrued Interest Expense	26,061	
Change in Long-Term Compensated Absences	14,937	
Change in Other Postemployment Benefits and related items	43,193	
		1,534,570
Change in Net Position - Governmental Activities		$ 2,289,549

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

	Food Service
ASSETS	
Assets	
Current Assets	
Cash and Cash Equivalents	$ 7,340
Due From Other Funds	706,924
Due From Other Governments	1,196
Other Receivables	27,541
Inventories	9,009
Total Current Assets	752,010
Noncurrent Assets	
Furniture and Equipment, Net of Accumulated Depreciation	159,550
Total Assets	$ 911,560
DEFERRED OUTFLOWS OF RESOURCES	
Amounts Related to OPEB - PSERS	$ 6,356
Amounts Related to Pensions	154,027
Total Deferred Outflows of Resources	$ 160,383
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	$ 17,780
Unearned Revenue	11,085
Total Current Liabilities	28,865
Non-Current Liabilities	
Long-Term Portion of Compensated Absenses	12,229
Other Post-Employment Benefits - PSERS	40,966
Net Pension Liability	967,299
Total Non-Current Liabilities	1,020,494
Total Liabilities	1,049,359
Deferred Inflows of Resources	
Amounts Related to OPEB - PSERS	9,723
Amounts Related to Pensions	55,511
Total Deferred Inflows of Resources	65,234
Net Position	
Investment in Capital Assets	159,550
Unrestricted	(202,200)
Total Net Position	(42,650)
Total Liabilities, Deferred Inflows and Net Position	$ 1,071,943

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

	Food Service
OPERATING REVENUES	
Food Service Revenues	$ 293,931
Total Operating Revenues	293,931
OPERATING EXPENSES	
Salaries	350,834
Employee Benefits	117,132
Purchased Property Services	5,913
Other Purchased Services	678,522
Supplies	67,067
Depreciation	13,501
Total Operating Expenses	1,232,969
OPERATING LOSS	(939,038)
NONOPERATING REVENUES	
Interest Earned	2,392
State Sources	111,831
Federal Sources	873,673
Federal Sources - Dontated Commodities	66,843
Total Nonoperating Revenues	1,054,739
Change in Net Position	115,701
NET POSITION, BEGINNING OF YEAR - AS PREVIOUSLY STATED	$ (205,787)
Net effect of restatement	47,436
NET POSITION, BEGINNING OF YEAR - RESTATED	(158,351)
NET POSITION, END OF YEAR	$ (42,650)

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

MCGUFFEY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Users	$ 213,509
Cash Payments to Employees for Services	(513,561)
Cash Payments to Suppliers for Goods and Services	(692,330)
Net Cash Used In Operating Activities	(992,382)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Sources	111,831
Federal Sources	875,130
Net Cash Provided By Non-Capital Financing Activities	986,961
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Outlay	(6,913)
Net Cash Used In Capital and Related Financing Activities	(6,913)
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on Investments	2,392
Net Cash Provided By Investing Activities	2,392
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,942)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	$ 17,282
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 7,340
Operating Loss	$ (939,038)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:	
Depreciation	13,501
Donated commodities	66,843
(Increase) decrease in assets	
Due From Other Funds	(83,095)
Inventories	9,872
Increase (decrease) in liabilities	
Accounts Payable	(17,543)
Net Pension Liability and related items	(38,659)
Net OPEB Liability and related items	(1,759)
Unearned Revenue	2,673
Compenstated Balances	(5,177)
Total Adjustments	(53,344)
Net Cash Used In Operating Activities	$ (992,382)

MCGUFFEY SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Student Activity Fund
ASSETS	
Cash and Cash Equivalents	$ 66,194
NET POSITION	
Restricted for Student Groups	$ 66,194

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

MCGUFFEY SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Student Activity Fund
Additions	
Revenue from Student Activities	$ 122,903
Interest Earnings	3,609
Total Additions	126,512
Deductions	
Student Activites Program Expenses	131,096
Change in Net Postion	(4,584)
Net Postion - July 1, 2024	$ 70,778
Net Postion - June 30, 2025	$ 66,194

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

McGuffey School District (the “District”) located in Washington County, Pennsylvania, provides public education, kindergarten through twelfth grade, to the residents of the Boroughs of Claysville and Green Hills and the Townships of Blaine, Buffalo, Donegal, East Finley, Morris, South Franklin and West Finley.

The District is governed by a board of nine school board members who are residents of the District and who are elected every two years, on a staggered basis, for a four-year term.

The Board of Directors (the “Board”) has the power and duty to establish, equip, furnish and maintain a sufficient number of elementary, secondary and other schools necessary to educate every person residing in such district between the ages of six and twenty-one years, who may attend.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles.

A.) Use of Estimates:

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

B.) Reporting Entity:

The District is the basic level of government, which has financial accountability and control over all activities related to the public school education in the District. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District, is not included in any other governmental “reporting entity” as defined by the GASB pronouncements, since Board members are elected from the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in GASB Statement No. 61, which are included in the District’s reporting entity.

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

C.) Joint Venture:

The District is one of nine member school districts of the Western Area Career and Technology Center ("Western"). Western provides vocational-technical training and education to participating students of the member districts. Western is controlled and governed by the Joint Board, which is composed of all the school board members of all the member districts. Direct oversight of Western's operations is the responsibility of the Joint Committee, which consists of one representative from each participating school district. No member of the Jointure exercises specific control over the fiscal policies or operation of Western. The District's share of annual operating and capital costs for Western fluctuates, based on the percentage of enrollment of each member district in the school. The District's financial obligation to Western for the year ended June 30, 2025 was $489,528 which has been reported in the District's general fund. The District has no equity interest in Western as of June 30, 2025. Complete financial statements for Western can be obtained from the administrative offices at 688 Western Avenue, Canonsburg, Pennsylvania 15317.

D.) Fund Accounting:

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, which are comprised of each fund's assets, liabilities, fund balance, revenues and expenditures or expenses as appropriate. Resources are allocated to and accounted for in the individual funds based on the purpose for which they are to be spent.

The District uses the following funds:

GOVERNMENTAL FUNDS – These funds are used to account for most of the District's finances. The measurement focus is on determination of the financial position and changes in financial position (current financial resources) rather than on income determination.

The District reports the following major funds:

1. General Fund – This is the general operating fund of the District. All activities of the District are accounted for through this major fund except for those required to be accounted for in another fund. General Fund activities are funded primarily by subsidies and taxes. Major functions financed from the General Fund include school instruction, support services and operation and maintenance of equipment and facilities.

2. Capital Reserve Fund – This major fund is used to account for financial resources that are used for the acquisition or construction of major assets at the Board's discretion. This fund was created pursuant to Section 2932 of the Pennsylvania Municipal Code, 53 P.S. 1432 as a Special Revenue Fund for capital outlays

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

D.) Fund Accounting (Continued):

Proprietary Fund – This fund accounts for District activities that are similar to business operations in the private sector or where the reporting focus is on determining net income, financial position and changes in financial position (economic resources measurement focus).

1. Food Service Fund – This major fund is used to account for the District's food service operations that are financed and operated in a manner similar to private business enterprises. The Fund accounts for all revenues, food purchases, costs and expenses for the Food Service Program.

Fiduciary Fund – This fund accounts for assets held in a trustee or custodial capacity for others and are therefore no available to support the District programs. The reporting focus is on determining net income and changes in financial position (economic resources measurement focus).

2. Student Activity Fund – These funds account for student activities in the high school and middle school.

E.) Basis of Presentation:

Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. As a general rule, the effect of interfund activity has been eliminated 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 the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds and fiduciary funds of the District. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Proprietary Fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund are food service charges. Operating expenses for the District's Enterprise Fund include food production costs, supplies, administrative costs and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses.

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

F.) Measurement Focus and Basis of Accounting:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as is the Proprietary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net Position (total assets and deferred outflows less total liabilities and deferred inflows) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased Net Position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the Statement of Net Position.

The governmental fund financial statements 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within sixty days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as unearned revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

G.) Budgets

The School Board approves, prior to the beginning of each year, an annual budget on the modified accrual basis of accounting for the general fund. This is the only fund for which a budget is required and for which taxes may be levied. The general fund is the only fund that has an annual budget that has been legally adopted by the School Board. The Public School Code allows the School Board to authorize budget transfer amendments during the year, but only during the last nine months of the fiscal year. The School Board approved various budget transfers throughout the school year.

The final budget data reflected in the financial statements includes the effect of approved budget transfer amendments and, for comparative purposes, the actual amounts have also been presented. The School District expenditures may not legally exceed the revised budget amounts by function. Function is defined as a program area such as instructional services.

Management may amend the budget without seeking prior approval of the Board within a function. Amendments between functions require prior Board approval. Excess of expenditures over appropriations in the general fund is presented in the required supplementary information section.

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

H.) Cash and Cash Equivalents:

Cash and cash equivalents in the basic financial statements include all highly liquid investments with an original maturity of three months or less.

I.) Investments:

Investments are carried at market value based on quoted market prices.

J.) Due to/from Other Funds:

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.”

K.) Accounts Receivable:

Accounts receivable are recorded at the invoiced amount. The District determines the allowance for doubtful accounts based on historical write-off experience. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

L.) Inventories and Prepaid Items:

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis, and are expensed when used.

Inventories in governmental funds are stated at cost by the first-in, first-out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, an estimated value of inventories is reported as an asset in the general fund, if considered material.

The inventory of the food service fund consists of food supplies and government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies, both valued at cost using the first-in, first-out (FIFO) method. Any unused commodities donated by the federal government at June 30, 2025 are reported as unearned revenue.

M.) Capital Assets:

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

M.) Capital Assets (Continued):

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

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

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40 years
Building Improvements	20 years
Land Improvements	20 years
Furniture	12 years
Vehicles	8 years
Equipment	10 years
Computer Software	5 years
Food Services Equipment	12 years

N.) Right-of-Use Assets

The District has recorded right-to-use assets as a result of implementing Governmental Accounting Standards Board (GASB) Statements No. 87 and No.96. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease/subscription liability plus any payment made prior to the term, less any incentives, and plus any ancillary charges necessary to place the asset into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease/subscriptions. Per review of the information technology arrangements identified by the District as potential SBITAs, the arrangements were determined to either not meet the definition of a SBITA or were immaterial to the financial statements.

O.) Long-Term Obligations:

In the government-wide financial long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of Net Position. Bond premiums, discount and issuance costs are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium.

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, while discounts on debt issuances are reported as other financial uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

P.) Compensated absences

The School District's policies regarding vacation and sick time are provided through various contracts. Employees can accumulate sick and/or vacation days which they are paid for upon retirement or termination of service. The amount the employee is compensated, and the number of days varies based on their contract and their years of service. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the amount of reimbursable unused vacation or sick leave to employees who have terminated their employment as of the end of the fiscal year, while the proprietary funds report the liability as it is incurred

Q.) PSERS Net OPEB Liability:

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

R.) Fund Balance:

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School District 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:* 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. The School District has $398,373 in non-spendable fund balance in the General Fund as of June 30, 2025.

- *Restricted*: 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. The School District had no restricted fund balance as of June 30, 2025.

- *Committed*: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors 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. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School District had no committed resources as of June 30, 2025.

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

R.) Fund Balance (Continued):

- *Assigned*: This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to the School District's management. The School District had $82,070 of assigned resources for Capital Projects and $2,650,991 of assigned resources for future post-employment benefits as of June 30, 2025.

- *Unassigned*: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. The School District had $4,500,552 of unassigned fund balance as of June 30, 2025.

The School District uses Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

S.) Deferred Outflows /Inflows of Resources:

The Statement of Net Position report separate sections for deferred outflows and deferred inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources (expense/revenue) until then. The District has four items that qualify for reporting in these categories: deferred outflows and inflows related to pensions, deferred outflows and inflows related to OPEB, deferred charge on refunding and unavailable tax revenue.

Deferred outflows and inflows of resources related to OPEB are described further in Note 7. Annual changes to the net OPEB liability resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographic factors or other inputs are deferred and amortized over a closed period equal to the average of the expected service lives of all employees that are provided with OPEB benefits determined for the period during which the changes occurred. Differences between projected and actual earnings on pension plan investments are amortized over a closed five-year period.

Deferred outflows and inflows of resources related to pensions are described further in Note 8. Annual changes to the net pension liability resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographic factors or other inputs are deferred and amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits determined for the period during which the changes occurred. Differences between projected and actual earnings on pension plan investments are amortized over a closed five-year period.

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

S.) Deferred Outflows /Inflows of Resources (Continued):

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.

In the governmental funds balance sheet, the District only has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue - property taxes*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

T.) Adoption of Governmental Accounting Standards Board Statements:

The District adopted the requirements of GASB Statement No. 101, “Compensated Absences”. The adoption of this statement had no effect on the District’s financial statements.

The District adopted the requirements of GASB issued Statement No. 102 “Certain Risk Disclosures. The adoption of this statement had no effect on the District’s financial statements.

U.) Pending Changes in Accounting Principles:

In April 2024, the GASB issued Statement No. 103, “Financial Reporting Model Improvements”. The District is required to adopt Statement No. 103 for its 2026 financial statements.

In September 2024, the GASB issued Statement No. 104 “Disclosure of Certain Capital Assets”. The District is required to adopt Statement No. 104 for its 2026 financial statements.

In December 2025, the GASB issued Statement No. 105 “Subsequent Events”. The District is required to adopt Statement No. 105 for its 2026 financial statements.

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The deposit and investment policy of the District adheres to State statutes and prudent business practice. There were no deposits or investment transactions during the year that were in violation of either the State statutes or the policy of the District.

A portion of the District’s cash and investments are in the Pennsylvania School District Liquid Asset Fund (“PSDLAF”), which is a fund very similar to mutual funds. PSDLAF operates in accordance with appropriate State laws and regulations and under State oversight. The reported value of the pool is the same as the fair value of the pool shares.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

In accordance with the Government Accounting Standards Board, investments in PSDLAF are valued at amortized cost, which approximates market value. The amortized cost method involves valuing a security at its cost on the date of purchase and recording a constant amortization or accretion to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investment. The net asset value per share for the purpose of calculating the price at which shares are issued and redeemed is determined by the Administrator each banking day. Such determination is made by subtracting the liabilities from the value of the assets and dividing the remainder by the number of shares outstanding.

Interest Rate Risk − The School District does not have a formal investment policy for the that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk − The School District has no formal investment policy for its operating funds that addresses credit risk. As of June 30, 2025, the School District’s investments in Pennsylvania School District Liquid Asset Fund (PSDLAF) and Pennsylvania Local Government Investment Trust (PLGIT) were rated AAA by Standard & Poor’s.

Custodial Credit Risk − For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of June 30, 2025, the School District’s cash balances for its governmental activities, business-type activities, and fiduciary activities were 8,672,880 and its bank balances were $9,342,498. Of these bank balances, $250,000 was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the School District’s name, and therefore was subject to custodial credit risk. The total uninsured securities of these bank balances were $9,092,498.

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

Investments:	Fair Value
PLGIT	$ 1,105,187
PSDLAF	696,506
	$ 1,801,693

Concentration of Credit Risk − The School District has no formal investment policy for operating investments pertaining to the concentration of credit risk. All of the School District’s investments were in the PLGIT.

NOTE 3: REAL ESTATE TAXES RECEIVABLE

The District has independently elected tax collectors who are responsible for the collection of taxes. Assessed values are established by the County. The District tax rate for the year ended June 30, 2025 was 13.93 mills ($13,930 per $1,000 of assessed valuation) as levied by the Board of School Directors.

NOTE 3: REAL ESTATE TAXES RECEIVABLE (CONTINUED)

The schedule for real estate taxes levied for each fiscal year is as follows:

August 1	Levy Date
August 1 – September 30	2% Discount period
October 1 – November 30	Face payment period
December 1 – January 15	10% Penalty period
January 15	Turnover to delinquent collector

The District, in accordance with U.S. generally accepted accounting principles, recognizes the delinquent and unpaid taxes receivable, reduced by an allowance for uncollectible taxes, as determined by management. A portion of the net amount estimated to be collectible, which was measurable and available within sixty days, was recognized as revenue and the balance deferred in the fund financial statements.

The amounts shown as delinquent real estate taxes receivable have not been recorded as revenue on the fund statements. These taxes are, however, recorded as deferred revenue on the balance sheet until they are received. The amounts reported for this receivable are reported on the balance sheet in the amount of $563,278, net of estimated uncollectible of $19,715, along with other taxes receivable of $165,258.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	$ 233,844	$ -	$ -	$ 233,844
Total Capital Assets, Not Being Depreciated	233,844	-	-	233,844
Capital Assets, Being Depreciated:				
Land Improvements	1,515,244	-	-	1,515,244
Buildings and Building Improveme	57,663,629	-	-	57,663,629
Furniture and Equipment	5,389,421	49,745	-	5,439,166
Infrastructure	345,434	-	-	345,434
Right-of-use asset	257,304	-	-	257,304
Total Capital Assets, Being Depreciated	65,171,032	49,745	-	65,220,777
Less Accumulated Depreciation For:				
Land Improvements	(1,155,955)	(30,887)	-	(1,186,842)
Buildings and Building Improveme	(26,284,172)	(1,404,848)	-	(27,689,020)
Furniture and Equipment	(4,441,203)	(112,520)	-	(4,553,723)
Infrastructure	(115,493)	(5,985)	-	(121,478)
Right-of-use asset	(68,615)	(51,461)	-	(120,076)
Total Accumulated Depreciation	(32,065,438)	(1,605,701)	-	(33,671,139)
Total Capital Assets, Being Depreciated, Net	33,105,594	(1,555,956)	-	31,549,638
Governmental Activities Capital Assets, Net	$ 33,339,438	$ (1,555,956)	$ -	$ 31,783,482

MCGUFFEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 4: CAPITAL ASSETS

BUSINESS TYPE ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated:				
Food Service Equipment	$ 595,050	$ 6,913	$ -	$ 601,963
Total Capital Assets, Being Depreciated	595,050	6,913	-	601,963
Less Accumulated Depreciation	(428,912)	(13,501)	-	(442,413)
Total Capital Assets, Being Depreciated, Net	166,138	(6,588)	-	159,550
Business Type Activities Capital Assets, Net	$ 166,138	$ (6,588)	$ -	$ 159,550

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

Governmental Activities:	
Instruction	$ 994,540
Instuctional Student Support	8,611
Administrative and Financial Support Services	75,212
Operation and Maintenace of Plant Services	449,607
Pupil Transportation	8,145
Student Activities	69,586
Total Depreciation Expense - Governmental Activities	$1,605,701
Business Type Activities:	
Food services	$ 13,501

MCGUFFEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5: LONG-TERM LIABILITIES OBLIGATIONS

Long-term liabilities for the year ended June 30, 2024 was as follow:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	$ 32,585,000	$ -	$ (2,045,000)	$ 30,540,000	$ 2,110,000
Deferred Loss on Refunding	(878,761)	77,605	-	(801,156)	-
Bond Premiums	1,230,650	-	(107,973)	1,122,677	-
Bond Discount	(134,723)	12,447	-	(122,276)	-
Total bonds payable	32,802,166	90,052	(2,152,973)	30,739,245	2,110,000
Other Liabilities:					
Compensated absences	416,875	-	(14,937)	401,938	-
Accrued Interest Payable	413,562	-	(26,061)	387,501	-
Lease Liabilities	191,638	-	(50,646)	140,992	51,874
Other Postemployment Benefits	5,167,299	30,586	-	5,197,885	-
Net pension liability	38,688,217	-	(4,120,669)	34,567,548	-
Total Other Liabilities	44,877,591	30,586	(4,212,313)	40,695,864	51,874
Governmental Activities Long-Term Liabilities	$ 77,679,757	$ 120,638	$ (6,365,286)	$ 71,435,109	$ 2,161,874
Business-Type Activities:					
Other Liabilities:					
Compensated absences	$ 17,406	$ -	$ (5,177)	$ 12,229	$ -
Other Postemployment Benefits	44,069	-	(3,103)	40,966	-
Net pension liability	1,082,607	-	(115,308)	967,299	-
Total Other Liabilities	1,144,082	-	(123,588)	1,020,494	-
Business-Type Activities Long-Term Liabilities	$ 1,144,082	$ -	$ (123,588)	$ 1,020,494	$ -
District Wide Long-Term Liabilities	$ 78,823,839	$ 120,638	$ (6,488,874)	$ 72,455,603	$ 2,161,874

MCGUFFEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5: LONG-TERM LIABILITIES OBLIGATIONS (CONTINUED)

Bonds Payable:

General Obligation Bonds	Balance as of June 30, 2025
The purpose of Series of 2017 A is to refinance and consolidate existing outstanding debt. The bond is due in various amounts through August 1, 2037; interest at 1.15% to 3.4%	$ 7,525,000
The purpose of Series of 2017 B is to fund various capital projects throughout the District. The bond due in various amounts through August 15, 2028; interest at 1.15% to 4.00%	5,780,000
The purpose of Series of 2019 A is to fund a portion of the District's unfunded actuarial accrued pension liability. The bond is due in various amounts through February 1, 2036; interest at 2.82% to 3.62%	380,000
The purpose of Series of 2019 B is to fund an Energy Savings project and various district wide improvements. The bond is due in various amounts through February 1, 2036; interest at 1.80% to 3.12%	4,960,000
The purpose of Series of 2021 A is to refinance and consolidate existing outstanding debt. The bond is due in various amounts through February 1, 2032; interest at 0.35% to 1.6%	7,485,000
The purpose of Series of 2021 B is to finance various capital improvements and pay the costs associated with issuring and insuring the bond. The bond is due in various amounts through February 1, 2039; interest at 0.35% to 1.98%	4,410,000
	$ 30,540,000

MCGUFFEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5: LONG-TERM LIABILITIES OBLIGATIONS (CONTINUED)

Bonds Payable (Continued):

An analysis of debt service requirements to maturity for the governmental activities on these obligations follows (with the exception of the compensated absences and postemployment benefit liability):

	General Obligation Bonds		
Year Ended June 30,	Principal	Interest	Total
2026	$ 2,110,000	$ 900,455	$ 3,010,455
2027	2,140,000	829,523	2,969,523
2028	2,200,000	767,512	2,967,512
2029	2,265,000	703,568	2,968,568
2030	2,160,000	658,915	2,818,915
2031-2035	11,095,000	2,161,032	13,256,032
2036-2039	8,570,000	544,226	9,114,226
	$ 30,540,000	$ 6,565,231	$ 37,105,231

Payments on bonds are made by the General Fund. Total interest paid during the year ended June 30, 2025 was $964,200.

Compensated Absences

Pursuant to various employment agreements and contracts, unused accumulated sick leave (personal leave for administrators) will be paid to employees meeting certain criteria upon retirement at a fixed, per day amount. In accordance with GASB Statement No. 16, the liability for compensated absences as of June 30, 2025, in the amount of $401,938 has been recorded as a governmental activities long-term liability in the district-wide financial statements. The June 30, 2025, Food Service Fund liability for compensated absences in the amount of $12,229 has been included in long-term portion of compensated absences in the Food Service Fund financial statements and in the business-type activities column of the district-wide financial statements.

The compensated absence liabilities will be liquidated by the General Fund.

NOTE 6: LEASE LIABILITIES

The District has entered into an agreement to lease copiers. The term of the lease is for five years requiring monthly payments of $4,548. The lease agreement qualifies as other than short-term lease under GASB 87 and, therefore, has been recorded at present value of the future minimum lease payments as of the date of its inception. For purposes of discounting future payments, the District determined an interest rate of 2.4% to be an appropriate discount rate.

NOTE 6: LEASE LIABILITIES (CONTINUED)

As of June 30, 2025, the value of the lease liability recorded for the above lease was $140,992. As a result, the School District has recorded an Intangible Right-to-Use asset with a net book value of $137,228 as of June 30, 2025. Future minimum lease payments under this lease are as follows:

	Lease Liabilities		
Year Ended June 30,	Principal	Interest	Total
2026	$ 51,874	$ 2,707	$ 54,581
2027	53,133	1,448	54,581
2028	35,985	251	36,236
	$ 140,992	$ 4,406	$ 145,398

NOTE 7: RISK MANAGEMENT

The School District is a member of the Allegheny County Schools Health Insurance Consortium (Consortium) which purchases health benefits on behalf of participating public school districts. The School District is billed monthly based on employee count and coverage information at rates established by the Consortium at the beginning of each fiscal year. As the Consortium is self-insured, rates are established with the objective of satisfying estimated claims and other costs, as well as maintaining working capital requirements. Contributions to the Consortium totaled $3,376,093 for the year ended June 30, 2025.

Participating school districts are permitted to withdraw from the Consortium under terms specified in the agreement. Withdrawing participants are entitled to or responsible for a proportionate share of the Consortium net position or deficiency in net position, respectively, as determined on the fiscal year-end date after withdrawal. As of June 30, 2025, the net position of the Consortium was $84,042,714 of which $576,342 is attributable to the School District.

The School District is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS

Plan Description:

The District administers a single-employer defined benefit healthcare plan (the "Supplemental Health Plan"). The plan provides medical benefits for teachers and administrators/supervisors. The benefits provided are for the eligible retirees and their spouses through the School District group health insurance plan which covers both active and retired member. Benefit provisions are mostly established through negotiations between the School District and union or group representing the employees. The plan does not issue a publicly available financial report.

Employees covered by benefit terms. At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	10
Active employees	167
Total	177

Eligibility for Benefit:

Teachers	Age 55 with 20 years of service
Administrators/Supervisors	Age 55 with 20 years of service

Benefits at Retirement:

Teachers	School District pays the premium for husband/wife coverage for the medical insurance plan at time of retirement for 10 years or until Medicare age, whichever comes first. Retirees are permitted to purchase dental and vision insurance at group rates
Administrators/Supervisors	School District pays the premium for husband/wife coverage for medical insurance plan (including dental and vision) at time of retirement for 10 years.

Total OPEB Liability. The District's total OPEB liability of $3,733,851 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2025.

MCGUFFEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary Increases	3.00%
Discount Rate	3.93%
Healthcare cost trend rates	6.5% (actual premium) in the first year, 6% in the 2nd year, decreasing by 0.5% per year to an ultimate rate of 5%
	3.93% (6/30/2024 Bond Buyer Index AA)
Long-Term Trend Rate	5.20% (6/30/2025 Bond Buyer Index AA)
Mortality	Based on RP-2000 Combined Healthy with Scale BB

The discount rate was based on the 20 Year Municipal Bond Buyer Index rated at least AA.

Changes in the total OPEB Liability.

The District's total OPEB liability has been measured as of June 30, 2025. The total OPEB liability was determined by an actuarial valuation as of June 30, 2025, and by rolling forward the liabilities from the June 30, 2024 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net OPEB liability is $3,733,851, all of which is unfunded. As of June 30, 2025, the total OPEB liability of $3,733,851 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position.

The District's change in its total OPEB liability for the year ended June 30, 2025 was as follows:

	Governmental Activities
Service cost	$ 163,998
Interest	145,358
Changes of benefit terms	-
Differences between expected and actual experience	(52,513)
Changes of assumptions or other inputs	-
Benefit payments	(115,360)
Net change in total OPEB liability	141,483
Total OPEB liability - June 30, 2024	3,592,368
Total OPEB liability - June 30, 2025	$ 3,733,851

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2025, the District recognized OPEB expense of $135,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 247,423	$ 1,170,036
	$ 247,423	$ 1,170,036

The amount reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	$ (174,319)
2027	(174,319)
2028	(156,594)
2029	(94,597)
2030	(94,689)
Thereafter	(228,095)
Total	$ (922,613)

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.20 percent) or 1 percentage point higher (6.20 percent) than the current discount rate:

	1% Decrease 4.20%	**Current Discount Rate 5.20%**	**1% Increase 6.20%**
School's total OPEB liability	$ 4,082,990	$ 3,733,581	$ 3,418,363

Sensitivity of the total OPEB Liability to Changes in the Medical Inflation Rate: The following shows presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using the medical inflation rates that are 1 percentage point higher or 1 percentage point lower than the current rate:

	1% Decrease	**Current Trend Rate**	**1% Increase**
School's total OPEB liability	$ 3,345,734	$ 3,733,851	$ 4,188,237

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Health Insurance Premium Assistance Plan

In addition, the Pennsylvania Public School Employees' Retirement System ("PSERS") provides a Health Insurance Premium Assistance Plan ("PSERS Plan"). The PSERS Plan is a governmental cost-sharing multi-employer postretirement benefits plan that provides premium assistance to eligible public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. Under the PSERS Plan, employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of premium assistance benefits for each succeeding year.

The administrative staff of PSERS administers the PSERS Plan. The control and management of PSERS, including the investment of its assets, is vested in the 15 member Board of Trustees (Board). The Commonwealth General Assembly has the authority to amend the benefit terms of the PSERS Plan by passing a bill in the Senate and House of Representatives and sending the bills to the Governor for approval. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the PSERS Plan if they satisfy the following criteria:

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

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

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

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lessor of $100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2024, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions. The School Districts' contractually required contribution rate for fiscal year ended June 30, 2025 was 0.64% of covered payroll, an actuarially determined amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PSERS Plan from the District were $86,292 for the year ended June 30, 2025.

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

At June 30, 2025, the District reported a liability of $1,505,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll of all School Districts in the PSERS Plan. At June 30, 2025, the District's proportion was 0.0847 percent, which was an decrease of 0.0048 from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized OPEB expense of $52,871. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 5,558	$ 21,971	$ 156	$ 615
Changes of assumptions	1,539	-	43	-
Net difference between projected and actual investment earnings	89,220	223,500	2,497	6,254
Changes in proportion	46,611	102,003	1,303	2,854
Contributions subsequent to the measurement date	84,229	-	2,357	-
Total	$ 227,157	$ 347,474	$ 6,356	$ 9,723

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

Year ended June 30:	Governmental Activities	Business-Type Activities	Total
2024	$ (52,729)	$ (1,475)	$ (54,204)
2025	(53,221)	(1,489)	(54,710)
2026	(60,685)	(1,700)	(62,385)
2027	(10,837)	(303)	(11,140)
2028	(13,734)	(384)	(14,118)
2029	(13,340)	(373)	(13,713)
Total	$ (204,546)	$ (5,724)	$ (210,270)

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale

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

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

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the Program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. The Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024 were:

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

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

<u>Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates</u>

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

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The following presents the District's Proportionate Share of the net OPEB liability as well as what the District's Proportionate Share of the net OPEB liability would be if it was calculated using health cost trends that are 1-percentage point lower or 1-percentage higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,505,000	$ 1,505,000	$ 1,505,000

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

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

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
District's proportionate share of the net OPEB liability	$ 1,700,000	$ 1,505,000	$ 1,341,000

OPEB plan fiduciary net position.

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

MCGUFFEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9: EMPLOYEE RETIREMENT PLAN

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

General Information about the Pension Plan:

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

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

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

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

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

NOTE 9: EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

Contributions.

Member Contribution Rates				
Membership Class	**Continuous Employment Since**	**Defined Benefit (DB) Contribution Rate**	**DC Contribution Rate**	**Total Contribution Rate**
T-C	Prior to July 22, 1983	5.25%	N/A	5.25% 6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

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

Employer Contributions. For fiscal year ended June 30, 2025, the rate of employer's contribution was 32.92% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were $4,437,579 for the year ended June 30, 2025.

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows or Resources Related to Pensions:</u>

At June 30, 2025, the District reported a liability of $34,567,548 for governmental activities and $967,299 for business-type activities for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District's proportion was 0.0849 percent, which was an decrease of 0.000045 from its proportion measured as of June 30, 2024.

MCGUFFEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9: EMPLOYEE RETIREMENT PLAN (CONTINUED)

For the year ended June 30, 2025, the District recognized pension expense of $3,328,135. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:	$ -	$ 543,322	$ -	$ 15,379
Changes of assumptions:	-	-	-	-
Net difference between projected and actual investment earnings:	571,661	-	16,587	-
Changes in proportion:	483,251	1,417,868	13,749	40,132
District contributions subsequent to the measurement date:	4,369,989	-	123,691	-
Total	$ 5,424,901	$ 1,961,190	$ 154,027	$ 55,511

$4,493,680 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Governmental Activities	Business-Activity Activities	Total
2025	$ (1,035,339)	$ (29,305)	$ (1,064,644)
2026	565,716	16,012	581,728
2027	(320,281)	(9,065)	(329,346)
2028	(116,374)	(2,817)	(119,191)
	$ (906,278)	$ (25,175)	$ (931,453)

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

Actuarial cost method	Entry Age Normal – level % of pay
Salary increases	4.50 percent, average, including inflation of 2.50 percent, and real wage growth and merit or seniority increases of 2.00 percent
Investment rate of return	7.00 percent, net of pension plan investment expense, includes inflation of 2.50 percent

Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

NOTE 9: EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	4.8%
Private equity	12.0%	6.7%
Fixed income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure/MLPs	10.0%	6.4%
Real estate	9.5%	5.9%
	100.0%	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

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

NOTE 9: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00 percent) or 1-perecentage point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	**Current Discount Rate 7.00%**	**1% Increase 8.00%**
School's proportionate share of the net pension liability	$ 46,810	$ 35,535	$ 26,014

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

NOTE 10: INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of Interfund Receivables and Payables at June 30, 2025:

	Due from	Due to
Governmental Fund Types		
General Fund	$ 1,576,420	$ 2,283,344
Total Governmental Fund Type	1,576,420	2,283,344
Enterprise Fund		
Food Service Fund	706,924	-
Total Enterprise Fund	706,924	-
Total Internal Balances	$ 2,283,344	$ 2,283,344

Interfund balances between the General Fund and the Enterprise Fund represent subsidy payments deposited in the General Fund during 2025 which have not been remitted to the Enterprise Fund by June 30, 2025.

NOTE 11: COMMITMENTS AND CONTINGENCIES

The District receives a number of state and federal grants. The grants may be subject to audit by the granting agency to determine if activities undertaken by the District comply with the conditions of the grant. Management believes no material liability would arise from any such audit.

NOTE 12: RESTATEMENT

The following restatement was necessary to reflect the prior period adjustment in the deferred revenue accounts.

	Business-Type Activities/Food Service Fund
Net Position/Fund Balance at July 1, 2024 as previously stated	$ (205,787)
Correction of Deferred Revenue	47,436
Net Position/Fund Balance at July 1, 2024 as restated	$ (158,351)

NOTE 13: SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 27, 2026 which is the date the financial statements were available to be issued.

<u>REQUIRED SUPPLEMENTARY INFORMATION</u>

MCGUFFEY SCHOOL DISTRICT
BUDGETARY COMPARISION SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget Positive (Negative)
REVENUES				
Local Sources	$ 14,861,307	$ 14,861,307	$ 15,980,492	$ 1,119,185
State Sources	19,565,321	19,565,321	20,223,315	657,994
Federal Sources	485,118	485,118	892,734	407,616
Total Revenues	34,911,746	34,911,746	37,096,541	2,184,795
EXPENDITURES				
Instruction				
Regular Programs	12,376,509	12,376,509	12,003,357	373,152
Special Programs	6,259,552	6,259,552	6,449,550	(189,998)
Vocational Programs	1,340,422	1,340,422	1,325,595	14,827
Other Instructional Programs	22,388	22,388	395	21,993
Nonpublic School Programs	988	988	3,349	(2,361)
Total Instruction	19,999,859	19,999,859	19,782,246	217,613
Support Services				
Pupil Personnel Services	2,040,772	2,040,772	2,039,711	1,061
Instructional Staff Services	277,608	277,608	299,444	(21,836)
Administrative Services	2,244,853	2,244,853	2,119,005	125,848
Pupil Health	328,188	328,188	334,124	(5,936)
Business Services	540,361	540,361	478,354	62,007
Operation & Maintenance of Plant Services	3,473,893	3,473,893	3,299,093	174,800
Student Transportation Services	2,601,103	2,601,103	2,934,042	(332,939)
Central Support Services	397,671	397,671	449,312	(51,641)
Other Support Services	20,500	20,500	19,068	1,432
Total Support Services	11,924,949	11,924,949	11,972,153	(47,204)
Noninstructional Services				
Student Activities	1,050,632	1,050,632	1,048,387	2,245
Community Services	1,500	1,500	363	1,137
Total Noninstructional Services	1,052,132	1,052,132	1,048,750	3,382
Debt Service	3,011,001	3,011,001	3,009,149	1,852
Total Expenditures	35,987,941	35,987,941	35,812,298	175,643
Excess (Deficiency) of Revenues Over Expenditures	(1,076,195)	(1,076,195)	1,284,243	2,360,438
OTHER FINANCING SOURCES (USES)				
Interfund Transfers Out	-	-	-	-
Refund of Prior Year Revenue	-	-	(5,379)	(5,379)
Total Other Financing Sources (Uses)	-	-	(5,379)	(5,379)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (1,076,195)	$ (1,076,195)	$ 1,278,864	$ 2,355,059

MCGUFFEY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS – SUPPLEMENTAL HEALTH PLAN
JUNE 30, 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB liability								
Service cost	$ 209,086	$ 128,821	$ 129,661	$ 178,987	$ 178,079	$ 146,847	$ 150,273	$ 163,998
Interest	185,249	186,717	136,877	92,886	81,827	121,702	137,555	145,358
Changes of benefit terms	(260,797)	(855,463)	-	-	-	-	-	-
Differences between expected and actual experience	-	-	283,717	(495,310)	(465,317)	180,488	(250,695)	(52,513)
Changes of assumptions or other inputs	-	-	-	-	-	-	-	-
Benefit payments	(400,720)	(405,480)	(344,240)	(270,480)	(110,240)	(117,240)	(126,240)	(115,360)
Net change in total OPEB liability	(267,182)	(945,405)	206,015	(493,917)	(315,651)	331,797	(89,107)	141,483
Total OPEB liability - beginning	5,165,818	4,898,636	3,953,231	4,159,246	3,665,329	3,349,678	3,681,475	3,592,368
Total OPEB liability - ending	$ 4,898,636	$ 3,953,231	$ 4,159,246	$ 3,665,329	$ 3,349,678	$ 3,681,475	$ 3,592,368	$ 3,733,851
Covered payroll	$10,310,398	$ 8,962,423	$ 9,866,166	$ 9,003,939	$10,032,928	$ 9,987,608	$10,148,722	$10,177,302
School's total OPEB liability as a percentage of covered payroll	47.51%	44.11%	42.16%	40.71%	33.39%	36.86%	35.40%	36.69%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively.
This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

MCGUFFEY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – PSERS PLAN
JUNE 30, 2025

	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net OPEB liability	0.0952%	0.0895%	0.0874%	0.0879%	0.0861%	0.0881%	0.0895%	0.0847%
District's proportionate share of the net OPEB liability	$ 1,940,000	$ 1,866,000	$ 1,859,000	$ 1,899,000	$ 2,040,000	$ 1,622,000	$ 1,619,000	$ 1,505,000
District's covered-employee payroll	$ 12,679,000	$ 12,049,000	$ 12,058,000	$ 12,344,000	$ 12,202,000	$ 12,955,000	$ 13,715,546	$ 13,443,776
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	15.30%	15.49%	15.42%	15.38%	16.72%	12.52%	11.80%	11.19%
Plan fiduciary net position as a percentage of the total OPEB	5.73%	5.56%	5.56%	5.69%	5.30%	6.86%	7.22%	7.13%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively.
This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

MCGUFFEY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS – PSERS PLAN
JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Contractually determined contribution	$ 86,586	$ 85,983	$ 97,715	$ 103,959	$ 98,644	$ 101,176	$ 101,710	$ 98,795
Contributions in relation to the contractually determined contribution	86,586	85,983	97,715	103,959	98,644	101,176	101,710	98,795
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 13,443,776	$ 13,715,546	$ 13,449,822	$ 12,955,100	$ 12,201,919	$ 12,344,275	$ 12,058,156	$ 12,049,077
Contributions as a percentage of covered payroll	0.64%	0.63%	0.73%	0.80%	0.81%	0.82%	0.84%	0.82%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively.
This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

MCGUFFEY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – LAST 10 YEARS
JUNE 30, 2025

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School's proportion of the net Pension liability	0.0992%	0.0984%	0.0952%	0.0895%	0.0874%	0.0880%	0.0862%	0.0882%	0.0894%	0.0849%
School's proportionate share of the net Pension liability	$72,969,000	$48,764,000	$47,018,000	$42,964,000	$40,888,000	$43,330,000	$35,391,000	$39,213,000	$39,771,000	$35,535,000
School's covered payroll	$12,766,000	$12,747,000	$12,679,000	$12,049,000	$12,058,000	$12,344,000	$12,202,000	$12,955,000	$13,145,684	$13,477,363
School's proportionate share of the net Pension liability as a percentage of its covered payroll	571.59%	382.55%	370.83%	356.58%	339.09%	351.02%	290.04%	302.69%	302.54%	263.66%
Plan fiduciary net position as a percentage of the total Pension liability	54.36%	50.14%	51.84%	54.00%	55.66%	54.32%	63.67%	61.34%	61.85%	64.63%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively.

MCGUFFEY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – LAST 10 YEARS
JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 4,493,680	$ 4,481,877	$ 4,687,255	$ 4,377,700	$ 4,083,708	$ 4,071,296	$ 3,917,296	$ 3,778,012	$ 3,763,950	$ 3,133,287
Contributions in relation to the contractually required contribution	4,493,680	4,481,877	4,687,255	4,377,700	4,083,708	4,071,296	3,917,296	3,778,012	3,763,950	3,133,287
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's covered-employee payroll	$ 13,477,363	$ 13,145,684	$13,449,822	$12,955,100	$12,201,919	$12,344,275	$12,058,159	$12,049,077	$12,679,397	$12,746,760
Contributions as a percentage of covered-employee payroll	33.34%	34.09%	34.85%	33.79%	33.47%	32.98%	32.49%	31.36%	29.69%	24.58%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively.

APPENDIX C

Specimen Municipal Bond Insurance Policy

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ASSURED GUARANTY®

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

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

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

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

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

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

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

ASSURED GUARANTY INC.

By ______________________________

Authorized Officer

APPENDIX D

Form of Bond Counsel Opinion

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FORM OF OPINION OF BOND COUNSEL

The form of the approving legal opinion of Dinsmore & Shohl LLP, Bond Counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the Bonds and may vary from the form set forth to reflect circumstances both factual and legal at the time of such delivery. Bond Counsel has no duty, and has assumed no obligation, to revise, update or supplement its opinion to address or reflect a change or changes in such circumstances subsequent to the date of delivery of the Bonds, whether or not it has notice or obtains knowledge of the same, and whether or not this Official Statement shall be recirculated. The approving legal opinion of Bond Counsel represents its considered professional judgment, following a comparison of relevant factual certifications to applicable law. Such opinion is not a guarantee of a particular result, nor is such opinion binding on any administrative or judicial tribunal.

We have served as Bond Counsel to McGuffey School District (Washington County, Pennsylvania) (the "Local Government Unit") and do hereby undertake to advise you in connection with the issuance, sale and delivery of its $______,000, aggregate principal amount, General Obligation Bonds, Series of 2026 (the "Bonds"), issued in fully registered form, dated and bearing interest from _____________, 2026, maturing on various annual dates ending February 1, 2047 and subject to redemption prior to maturity at the option of the Local Government Unit beginning February 1, 20__.

In that capacity, we have examined the Constitution of the Commonwealth of Pennsylvania; the Public School Code of 1949, Act of March 10, 1949, P.L. 30, No. 14, as amended (the "School Code"); the Local Government Unit Debt Act, 53 Pa.C.S.A. §8001 *et seq.*, as amended (the "Debt Act"); the formal action of the Governing Body of the Local Government Unit authorizing the incurrence of nonelectoral debt evidenced by the Bonds (the "Debt Ordinance"); the corresponding Certificate of Approval of the Department of Community and Economic Development; the Internal Revenue Code of 1986, as amended (the "Tax Code"); the opinion of Weiss Burkardt & Kramer LLC, solicitor for the Local Government Unit, upon which we have relied; and such other proceedings and law as we deemed necessary in order to render this opinion. We have reviewed the Federal Tax Certificate of an authorized officer of the Local Government Unit, along with other closing certificates of the Local Government Unit and other parties to the issuance and sale of the Bonds. Unless separately noted, we have relied upon, but have not independently verified, factual certifications made to us by the Local Government Unit, its officers and agents, and by said other parties, both in such certificates and otherwise during the course of our engagement.

Both principal of and interest on the Bonds are payable at the designated corporate trust office of Zions Bancorporation, National Association, Pittsburgh, Pennsylvania, as Paying Agent for the Local Government Unit, which institution has additionally been appointed Registrar and Sinking Fund Depository for the Bonds.

We have not been engaged nor undertaken to review the adequacy of disclosure in the Official Statement nor in any other securities offering material produced in respect of the Bonds and, except as to matters set forth in this opinion and described as such in said Official Statement, we express no opinion or belief with respect thereto.

Based on the foregoing, we are of the opinion on this date as follows:

1. The Bonds are valid and binding general obligations of the Local Government Unit.

   (a) The Bonds are issued for a valid purpose under the School Code.

   (b) The Bonds, and all other outstanding debt of the Local Government Unit, are within constitutional and statutory limitations.

(c) The Debt Ordinance authorizing the Bonds was duly and properly enacted and is in full force and effect.

(d) The Bonds conform, in all substantial respects, to the form provided in the Debt Ordinance.

2. The Bonds are secured by a pledge of the full faith, credit and taxing power of the Local Government Unit. The Local Government Unit has effectively covenanted in the Debt Ordinance to include the amount of debt service on this issue, in each fiscal year for which such sums are due, in its budget for that year; to appropriate such amounts to the payment of such debt service; and to pay or cause to be paid, from time to time as and when due, the principal of the Bonds and the interest thereon on the dates, at the place and in the manner stated in the Bonds.

3. Presently included among the general revenues of the Local Government Unit available for the payment of the Bonds are ad valorem real estate taxes, whose levy upon all taxable real property situate within the corporate limits of the Local Government Unit is subject to the limitations of Pennsylvania Act No. 1 of Special Session 2006 ("Act 1"), which became effective June 27, 2006.

4. The Bonds are payable and enforceable according to their own terms, those of the Debt Ordinance and all provisions of the Debt Act; however, any such payment and enforcement could be restrained by a court of proper jurisdiction operating under the authority of bankruptcy, receivership and other similar laws of accommodation and adjustment of creditors' rights, as then applicable.

5. The Bonds, having all the qualities and incidents of securities under Article 8 of the Uniform Commercial Code, are negotiable instruments.

6. The Bonds are an authorized investment, under the Probate, Estates and Fiduciaries Code, as amended, for fiduciaries and personal representatives (as such terms are therein defined) within the Commonwealth of Pennsylvania.

7. Under the laws, regulations, rulings and judicial decisions in effect as of the date hereof, interest on the Bonds (including for this purpose, in the case of Bonds sold at an original issue discount, the difference between initial offering price and accrued value) is excludable from gross income for Federal income tax purposes, pursuant to the Tax Code. Furthermore, interest on the Bonds will not be treated as a specific item of tax preference, under Section 57(a)(5) of the Tax Code, in computing the alternative minimum tax on individuals. However, interest on the Bonds is included in calculations of both (a) average annual "adjusted financial statement income" for the purpose of determining whether a corporation is an "applicable corporation" subject to the federal alternative minimum tax on corporations and (b) the amount of current "adjusted financial statement income" which is subject to such alternative minimum tax. Due to the designation of the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Tax Code, certain financial institutions may be able to deduct 80% of the interest expense incurred in purchasing or carrying the Bonds. In rendering the opinions in this paragraph, we have assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Tax Code. We express no opinion as to any other Federal income tax consequence arising from ownership of the Bonds.

8. The Bonds, and interest income therefrom, are free from taxation for purposes of personal income and corporate net income taxes within the Commonwealth of Pennsylvania.

This opinion is rendered as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter be brought to our attention, or any changes in law that may hereafter arise.

APPENDIX E

Form of Continuing Disclosure Undertaking

$___________
MCGUFFEY SCHOOL DISTRICT
(Washington County, Pennsylvania)
Dated _________, 2026 -- Final Maturity February 1, 2047
GENERAL OBLIGATION BONDS, SERIES OF 2026

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the McGuffey School District (Washington County, Pennsylvania) (the "Issuer"), in connection with the issuance of its $____________ General Obligation Bonds, Series of 2026 (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Board of School Directors of the Issuer on May 21, 2026 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. ***Purpose of the Disclosure Certificate***. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to comply with, and constitutes the written undertaking for the benefit of the holders of the Bonds required by, Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12) (the "Rule").

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

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

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

"*Disclosure Representative*" means the Business Manager of the Issuer or her or his designee, or such other officer or employee as the Issuer shall designate from time to time.

"*Dissemination Agent*" means any person or entity designated by the Issuer.

"*EMMA*" means the continuing disclosure service of the MSRB's Electronic Municipal Market Access system, as established by SEC Release No. 34-58256, as amended, and approved by SEC Release No. 34-59061.

"Financial Obligation" shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either (a) or (b). 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.

"Holder" means the registered owner of a Bond.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate, if such event is material with respect to the Bonds.

"MSRB" means the Municipal Securities Rulemaking Board.

"Official Statement" means the Preliminary Official Statement relating to the Bonds, dated ____, 2026 and the Official Statement relating to the Bonds, dated _______, 2026.

"Operating Data" means updates to tabular information contained in the Official Statement under the headings: (a) TABLE 2--"ENROLLMENT TRENDS", (b) TABLE 5—"TAX LEVY TRENDS", (c) TABLE 6--"REAL PROPERTY ASSESSMENT DATA", (d) TABLE 9--"REAL PROPERTY TAX COLLECTION DATA", and (e) TABLE 10--"TEN LARGEST REAL PROPERTY TAXPAYERS".

"Purchaser" means Stifel, Nicolaus & Company, Incorporated, in its role as original purchaser and underwriter of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*Tax-exempt*" means that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax.

Section 3. ***Provision of Annual Reports***. The Issuer shall provide the Annual Report no later than 270 days after each fiscal year ending the previous June 30 (the "Report Date"), beginning with the fiscal year ended June 30, 2026 to EMMA which is consistent with the requirements of Section 4 of 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 Issuer may be submitted separately from the balance of the Annual Report.

Section 4. ***Content of Annual Reports***. The Issuer's Annual Report shall contain or incorporate by reference the following financial information and operating information for the Issuer:

(a) financial statements for the Issuer for the most recent fiscal year, prepared in accordance with generally accepted accounting principles for local government units[1]; and

(b) the Operating Data.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to EMMA. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board or EMMA. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. ***Reporting of Significant Events***. (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

(i) principal and interest payment delinquencies;

[1] If not submitted as part of the annual financial information, then when and if available, audited financial statements for the Issuer.

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

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

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

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

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701-TEB) or other similar events affecting the tax-exempt status of the security;

(vii) modifications to the rights of security holders, if material;

(viii) bond calls, except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event;

(ix) tender offers and defeasances;

(x) release, substitution or sale of property securing repayment of the securities, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event, such as determination of distressed status, affecting the Issuer;

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

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

(xv) the incurrence of a Financial Obligation of the Issuer, if material, or the agreement, in connection with a Financial Obligation, to new, or additional, covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event the Issuer shall as soon as practicable determine if such event is material information for holders of Bonds, provided, that any event under subsection (a)(xi) will always be deemed to be material.

(c) If the Issuer has determined that knowledge of the occurrence of a Listed Event is material, the Issuer shall promptly notify the Paying Agent in writing and report the event pursuant to subsection (d).

(d) If the Issuer determines to report the occurrence of Listed Events pursuant to subsection (c) above, then the Issuer shall file a notice of such occurrence with EMMA. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.

Section 6. ***Filing of Annual Reports and Listed Events***. All filings with the MSRB pursuant to this Disclosure Undertaking: (a) shall be made in an electronic format as prescribed by the MSRB; and (b) shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. ***Termination of Reporting Obligation***. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 8. ***Dissemination Agent***. The Issuer 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. If no replacement Dissemination Agent is appointed, the Issuer shall undertake all obligations thereof hereunder.

Section 9. ***Amendment; Waiver***. Notwithstanding any other provision of this Disclosure Certificate, the Issuer 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, acceptable to the Issuer, 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.

Section 10. ***Additional Information***. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer 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 Issuer 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 Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. ***Default***. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Certificate any holder of Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed a default under the Resolution or the Bonds and the rights and remedies provided by the Resolution, the Bonds upon the occurrence of a default shall not apply to any such failure. The sole remedy under this Disclosure Certificate in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. ***Immunities of Individuals***. No recourse shall be had for any claim based hereon against any member, officer or employee, past, present or future, of the Issuer or the officers of the Issuer or of any successor body, as such.

Section 13. ***Beneficiaries.*** This Disclosure Certificate shall inure solely to the benefit of the Issuer, Stifel Nicholaus & Company, Inc. (the initial purchaser of the Bonds) and the holders from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. ***Notices***.

Any notices or communications to or with the Issuer may be given as follows:

McGuffey School District
90 McGuffey Drive
Claysville, Pennsylvania 15323
Attention: Business Administrator

[Signature page follows]

IN WITNESS WHEREOF, the Issuer has caused its duly authorized officer to execute this Continuing Disclosure Certificate as of this day, __________, 2026.

MCGUFFEY SCHOOL DISTRICT

By:___________________________________
President, Board of School Directors