



NEW ISSUE—BOOK-ENTRY ONLY
BOOK-ENTRY ONLY

Underlying Bond Rating: Moody's "Baa1"
Enhanced State Intercept Bond Rating: Moody's Investors Service "Aa3"
Insured Bond Rating: S&P Global Ratings "AA" (stable outlook)
(AGM insured) (See "BOND RATINGS" 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.)

\$25,000,000*
UNIONTOWN AREA SCHOOL DISTRICT
(Fayette County, Pennsylvania)
General Obligation Bonds, Series of 2025

Dated: Date of Delivery

Interest Due: April 1 and October 1

Principal Due: October 1, as shown on inside cover

First Interest Payment: October 1, 2026

The Uniontown Area School District (the "School District") will issue its General Obligation Bonds, Series of 2025 in the aggregate principal amount of \$25,000,000* (the "Bonds") as fully registered 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, the Bonds are ever issued in certificated form, the Bonds will be subject to registration of transfer, exchange and payment as described herein.

The Bonds are general obligations of the Uniontown Area School District, a public school district that includes portions of Fayette County, Pennsylvania (the "School District"), payable from local taxes, state subsidy and other general revenues. The School District has covenanted 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 adopted by the School Board on March 4, 2024 (the "Resolution") or any other of its legally available revenues or funds the principal of the Bonds 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 all 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.)

Interest of the Bonds is payable initially on October 1, 2026, and thereafter semiannually on April 1 and October 1 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for. The School District has appointed Zions Bancorporation, National Association (the "Paying Agent"), as paying agent and sinking fund depository for the Bonds. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, payments of the principal of, redemption premium, if any, and interest on the Bonds, when due for payment, will be made directly to DTC by the Paying Agent, and DTC will in turn remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds. If the use of the Book-Entry Only System for the Bonds is ever discontinued, the principal of and redemption premium, if any, on each of the Bonds will be payable, when due, upon surrender of such Bond to the Paying Agent at its corporate trust office located in Philadelphia, Pennsylvania (or any successor paying agent at its designated office(s)) and interest on such Bond will be payable by check and mailed to the person(s) in whose name(s) such Bond is registered as of the Record Date with respect to the particular interest payment date (See "THE BONDS," infra).

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

Proceeds of the Bonds will be used towards the current refunding of all or a portion of the School District's outstanding General Obligation Bonds, Series of 2014 and paying the costs and expenses of issuance of the Bonds. (See "PURPOSE OF THE ISSUE".)

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. ("AGM"). (See "MUNICIPAL BOND INSURANCE" herein.)



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

The Bonds are offered for delivery when, as and if issued by the School District and received by the Underwriter and subject to the approving legal opinion of Dinsmore & Shohl LLP, Pittsburgh, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon for the School District by Maiello Brungo & Maiello, LLP, Pittsburgh, Pennsylvania, Solicitor for the School District and by Bruce E. Dice & Associates, P.C. of Pittsburgh, Pennsylvania, Underwriter's Counsel. It is expected that the Bonds in definitive form will be available for delivery in New York, New York on or about _____, 2025.

STIFEL

Dated: _____

*Preliminary, subject to change

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 "BOND INSURANCE" and "Appendix E - Specimen Municipal Bond Insurance Policy".

\$25,000,000*
UNIONTOWN AREA SCHOOL DISTRICT
(Fayette County, Pennsylvania)
General Obligation Bonds, Series of 2025

Dated: Date of Delivery

Principal Due: October 1 (as shown below)

Interest Due: April 1 and October 1

First Interest Payment: October 1, 2026

BOND MATURITY SCHEDULE:

Maturity Date (October 1)	Principal				CUSIP
<u>Year</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Price</u>	<u>909087⁽¹⁾</u>

*Term Bond

⁽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 nor the Underwriter has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

*Estimated, subject to change.

UNIONTOWN AREA SCHOOL DISTRICT
(Fayette County, Pennsylvania)
205 Wilson Avenue
Uniontown, Pennsylvania 15401
(724) 438-4501
www.uasraiders.org

BOARD OF SCHOOL DIRECTORS

Name	Office	Term
Terry Dawson	President	2025
Susan Clay	Vice President	2027
Melissa Schell	Board Secretary	2029
Jaclyn Blackson	Assistant Secretary	2029
Adam Hull	Member	2027
William Rittenhouse	Member	2025
Kenneth Meadows	Member	2027
John Holt	Member	2027
Jerome Venick	Member	2025
Don Rugola	Member	2025
Jon Tanner	Member	2027

SUPERINTENDENT

Dr. Daniel Bosnic

BUSINESS MANAGER

Dr. Melissa Schell

SCHOOL DISTRICT SOLICITOR

MAIELLO BRUNGO & MAIELLO, LLP
Pittsburgh, Pennsylvania

BOND COUNSEL

DINSMORE & SHOHL, LLP
Pittsburgh, Pennsylvania

PAYING AGENT

ZIONS BANCORPORATION, NATIONAL ASSOCIATION
Pittsburgh, Pennsylvania

DISSEMINATION AGENT

DIGITAL ASSURANCE CERTIFICATION, LLC (DAC)
Orlando, Florida

UNDERWRITER

STIFEL, NICOLAUS & COMPANY, INCORPORATED
Pittsburgh, Pennsylvania

UNDERWRITER'S COUNSEL

BRUCE E. DICE & ASSOCIATES, P.C.
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.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE PUBLIC OFFERING PRICES STATED ON THE COVER HEREOF MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER WITHOUT PRIOR NOTICE.

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, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, WHICH HAS BEEN OBTAINED FROM EITHER THE SCHOOL DISTRICT OR FROM SOURCES OTHER THAN THE SCHOOL DISTRICT.

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.

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.

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	Uniontown Area School District, Fayette County, Pennsylvania (the "School District" or "District").
The Bonds	The General Obligation Bonds, Series of 2025 (the "Bonds"), in the aggregate principal amount of \$25,000,000* are initially dated the Date of Delivery and will mature as shown in the MATURITY SCHEDULE shown on the inside of the cover page of this Official Statement. Interest on the Bonds will begin to accrue on the Date of Delivery and is payable initially on October 1, 2026, and on each April 1 and October 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	Proceeds of the Bonds will be used towards the current refunding of all or a portion of the School District's outstanding General Obligation Bonds, Series of 2014 and paying the costs and expenses of issuance of the Bonds. (See " PURPOSE OF THE ISSUE ".)
Security for the Bonds	The Bonds are general obligations of Uniontown Area School District, a public school district located in Fayette County, Pennsylvania 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 the School District on March 4, 2024, (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 all available taxing power, which taxing power includes the power to levy ad valorem taxes on all taxable real property within the School District, subject to the provisions of the Taxpayer Relief Act, as amended. (See " SECURITY FOR THE BONDS " and " Act 1 of Special Session of 2006 (The Taxpayer Relief Act) " herein.)
Credit Enhancement	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. (See " MUNICIPAL BOND INSURANCE " herein.)
Bonds Ratings	The Bonds received a credit insured rating of "AA" (stable outlook) from S&P Global Ratings, New York, New York ("S&P") with the understanding that the above-described municipal bond insurance policy will be issued and delivered at the time of settlement of the Bonds. The Bonds have received an underlying credit rating of "Baa1" (stable outlook) from Moody's. Additionally, the Bonds have also received an enhanced credit rating (based on the School District's utilization of the Paying Agent, Sinking Fund Depositary and Intercept Agreement, as defined herein) of "Aa3" from Moody's Investors Service. (See " BOND RATINGS " herein.)
Continuing Disclosure Undertaking	The 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.

TABLE OF CONTENTS

INTRODUCTION	1
PURPOSE OF THE ISSUE	1
THE BONDS	2
SECURITY FOR THE BONDS.....	3
MUNICIPAL BOND INSURANCE	7
BOND INSURANCE RISK FACTORS.....	8
BOOK-ENTRY ONLY SYSTEM	9
REDEMPTION OF BONDS	11
THE SCHOOL DISTRICT	13
SCHOOL DISTRICT FINANCES	14
TAXING POWERS AND LIMITS	18
PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS.....	18
COMMONWEALTH AID TO SCHOOL DISTRICTS	23
DEBT AND DEBT LIMITS	23
DEBT RATIOS	23
LABOR RELATIONS.....	27
BONDHOLDER CONSIDERATIONS	29
LITIGATION.....	32
TAX EXEMPTION AND OTHER TAX MATTERS.....	32
CONTINUING DISCLOSURE UNDERTAKING	34
RATINGS	35
BOND INSURANCE RISK FACTORS.....	35
UNDERWRITING.....	36
LEGAL OPINION.....	37
MISCELLANEOUS.....	37

APPENDIX A – DEMOGRAPHIC AND ECONOMIC INFORMATION RELATING TO THE UNIONTOWN AREA SCHOOL DISTRICT

APPENDIX B – AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

APPENDIX C – FORM OF BOND COUNSEL OPINION

APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E – SPECIMEN MUNICIPAL BOND INSURANCE POLICY

PRELIMINARY OFFICIAL STATEMENT

\$25,000,000*

UNIONTOWN AREA SCHOOL DISTRICT (Fayette County, Pennsylvania) General Obligation Bonds, Series of 2025

INTRODUCTION

This Official Statement, including the cover page and inside cover pages hereof and Appendices hereto, is furnished by Uniontown Area School District (the "School District" or "District"), located in Fayette County, Pennsylvania, in connection with the offering of its General Obligation Bonds, Series of 2025 in the aggregate principal amount of \$25,000,000* (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of School Directors of the School District adopted on March 4, 2024 (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 will be issued in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable semiannually on April 1 and October 1 of each year, commencing October 1, 2026. 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 optional and mandatory redemption as stated herein.

The Bonds, as General Obligation Bonds of the School District, are secured, for the prompt payment when due of the principal of, redemption premium, if any, and the interest on the Bonds, by a pledge of the full faith, credit, and all available taxing power of the School District. (See **"SECURITY FOR THE BONDS,"** herein.) The Pennsylvania Public School Code of 1949, as amended (the "School Code"), presently provides for withholding and direct application of subsidies from the Commonwealth to a school district in the event of a failure by the school district to pay when due the principal of and the interest on its bonded indebtedness. (See **"SECURITY FOR THE BONDS – Commonwealth Aid to School Districts"** herein.) The Paying Agent, as sinking fund depository for the School District, pursuant to the Paying Agent, Sinking Fund Depository and Intercept Agreement dated _____, 2025 (the "Paying Agent Agreement") and pursuant to the provisions of Section 633 of the School Code, is directed to make demand on the Secretary of Education of the Commonwealth if there is a deficiency on a sinking fund deposit date for the Bonds in order to cause the implementation of the provisions of Section 633 of the School Code in advance of an actual debt service payment date on the Bonds. The sinking fund deposit dates for the Bonds are on the fifteenth days of March and September immediately preceding the respective April 1 and October 1 principal and interest payment dates on the Bonds. (See **"SECURITY FOR THE BONDS – Sinking Fund"** 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

Proceeds of the Bonds will be applied to: (i) refund, on a current refunding basis, all or a portion of the School District's outstanding General Obligation Bonds, Series of 2014 currently outstanding in the aggregate principal amount of \$23,710,000, together with interest accrued thereon (the "Refunded 2014 Bonds"); and (ii) pay the costs associated with issuing and insuring the Bonds.

*Preliminary, subject to change.

Sources and Uses of the Bonds

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

<u>Sources of Funds</u>	<u>Total</u>
Bond Principal Amount	\$
Net Original Issue Premium/Discount	
Total Source of Funds	\$
<u>Uses of Funds</u>	
Amount Required to call the Refunded 2014 Bonds	\$
Costs of Issuance*	
Total Use of Funds	\$

* Includes legal, underwriter's discount, printing, rating, CUSIP, paying agent, redemption agent fees, [verification agent fees] municipal bond insurance and other miscellaneous costs.

THE BONDS

Description

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 \$25,000,000* 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 October 1, 2026, and thereafter, semiannually on April 1 and October 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.)

Payment of Principal and Interest

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of, 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 on each of the Bonds will be payable initially on October 1, 2026, and thereafter, semiannually, on April 1 and October 1 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for. Interest shall be computed on the basis of a 30-day month and a 360-day year.

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 October 1, 2026, 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 (5th) 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 note 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 (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is 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

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 all 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 of 1949, as amended (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**” and “**COMMONWEALTH AID TO SCHOOL DISTRICTS**” herein.)

Sinking Fund

A sinking fund for the payment of debt service on the Bonds, which may be designated “Sinking Fund, General Obligation Bonds, Series of 2025” (the “Sinking Fund”), has been created in accordance with the Resolution and will be maintained by the Paying Agent, as sinking fund depository, The School District shall deposit in the Sinking Fund not later than the respective principal and interest payment dates, sums sufficient to pay the principal of and interest on the Bonds.

The Sinking Fund shall be held by the Paying Agent, as sinking fund depository, and invested by the Paying Agent as authorized by the Debt Act and 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.

As noted, the Paying Agent, as sinking fund depository for the School District, pursuant to the Intercept Agreement and pursuant to the provisions of Section 633 of the School Code, is directed to make demand on the Secretary of Education of the Commonwealth, if there is a deficiency on a Sinking Fund Deposit Date (defined herein) for the Bonds, to withhold a portion of the Commonwealth appropriations to the School District and make payment directly to the Paying Agent.

Security for General Obligation Bonds under Section 633 of the Public School Code of 1949 – Intercept Agreement Section 633 of the School Code, as amended, 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 at 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 are issued, the Secretary of Education shall notify such board of school directors of its obligation and shall withhold out of any Commonwealth appropriation due such school district an amount equal to the sum of the principal amount maturing or subject to mandatory redemption and interest owing by such school district, or sinking fund deposit due by such school district, and shall pay over the amount so withheld to the bank or other person acting as sinking fund depository for such Note issue (“Pennsylvania Act 150 School District Intercept Program”). These withholding provisions are not part of any contract with the holders of the Bonds, and may be amended or repealed by future legislation. The Paying Agent, as sinking fund depository for the School District, pursuant to the Intercept Agreement and pursuant to the provisions of Section 633 of the School Code, is directed to make demand on the Secretary of Education of the Commonwealth if there is a deficiency on a sinking fund deposit date for the Bonds in order to cause the implementation of the provisions of Section 633 of the School Code in advance of an actual debt service payment date on the Bonds. The sinking fund deposit dates for the Bonds are each on the fifteenth day of the month immediately preceding the principal and interest payment dates on the Bonds. There can be no assurance that any payments made pursuant to this withholding provision will be made by the date on which such payments are due to Bondholders, and the effectiveness of the withholding provisions of the Pennsylvania Act 150 School District Intercept Program may be limited by the application of other withholding provisions contained in the School Code. These provisions may apply to withholding and paying over appropriations for payment of unpaid teachers' salaries. Enforcement may also be limited by bankruptcy, insolvency, or other laws or equitable principles affecting the rights of creditors. (See “BONDHOLDER CONSIDERATIONS” below.)

Legislation has been introduced from time to time in the Pennsylvania General Assembly which would allow charter schools to be paid directly by the Commonwealth from appropriations that otherwise would be first paid to school districts and could adversely affect a school district's cash flow and reduce appropriations available for intercept under Section 633.

The School Code also requires each school district to report to the Secretary of Education of the Commonwealth within 120 days after the close of its fiscal year as part of its annual financial report, the amount of indebtedness that became due during the fiscal year together with the amounts paid on such indebtedness. Failure to include such information in the annual report permits the Secretary of Education of the Commonwealth to withhold any Commonwealth appropriation to the applicable school district until such report is filed.

All public school subsidies made by the Commonwealth are subject to appropriation by the General Assembly. Although the Constitution of the Commonwealth provides that “the General Assembly shall provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth,” the General Assembly is not legally obligated to appropriate such subsidies and there can be no assurance that it will do so in the future. The allocation formula pursuant to which the Commonwealth distributes such subsidies to the various school districts throughout the Commonwealth may be amended at any time by the General Assembly. Moreover, the

Commonwealth's ability to make such disbursements will be dependent upon its own financial condition. At various times in the past, the enactment of budget and appropriation laws by the Commonwealth has been delayed, resulting in, among other things, the inability of the State Treasurer to make direct payments of the school district subsidies pursuant to the intercept provisions described above and increased interim borrowing by school districts pending the appropriation and payment of state aid. Consequently, there can be no assurance that financial support from the Commonwealth for school districts, either for capital projects or education programs in general, will continue at present levels or that appropriations will be available for payments to bondholders if indebtedness of such school district is not paid when due. See "BONDHOLDER CONSIDERATIONS – Commonwealth Aid" herein for certain information concerning payments made by the Commonwealth to the School District.

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 bankruptcy, insolvency, or other laws or equitable principles affecting the enforcement of creditors' rights generally. (See "**Pennsylvania Budget Adoption**" hereinafter.)

Pennsylvania Budget Adoption

Budgets for each of the 2018-19 and 2019-20 fiscal years were adopted on a timely basis.

Due to the uncertainty of funding and expenditures caused by the COVID-19 pandemic, on May 29, 2020, the governor passed a five-month stopgap budget for the fiscal year 2020-21. This budget provided five months of flat funding for most state programs and a full twelve months of flat funding for public education. On November 20, 2020, the General Assembly passed Senate Bill 1350 and House Bill 2356, which included the 2020-21 Supplemental Budget to fund the Commonwealth through the remaining seven-months of fiscal year 2020-21. The legislation was sent to the Governor's desk for approval and on November 23, 2020, the Governor approved the 2020-21 Supplemental Budget. The 2020-21 Supplemental Budget included mostly flat funding for the public education, similar to the stopgap budget adopted for the first five months of the 2020-21 fiscal year.

Then Governor Tom Wolf timely signed the state's 2021-2022 fiscal year budget on June 30, 2021. That budget included an increase of \$300 million for basic education, with \$100 million that targeted to the 100 historically underfunded school districts located in both urban and rural areas of the state. Special education received a \$50 million increase, boosting that budget line to \$1.24 billion, while preschool and Head Start programs received a \$30 million increase, to \$311.5 million. All told, funding for K-12 schools reached a record high of \$13.55 billion in the 2021-2022 budget.

After a week's delay and intense negotiations, a \$42.7 billion budget for the state's 2022-2023 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 2021-2022 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 2022-2023 fiscal year appropriation. The budget also provided \$50 million in additional aid to school districts for special education services for a total of \$1.4 billion. Certain funds authorized within the 2023-24 Budget required companion implementation language amending the Fiscal Code to be fully implemented. On December 13, 2023 multiple code bills were passed finalizing the 2023-24 Budget for education.

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

The deadline for Pennsylvania's 2025-2026 budget was June 30, 2025. Negotiations regarding the 2025-2026 budget are currently in progress within the General Assembly and with the Governor's office, but no information is available as to any details of a proposed budget or as to when a budget will be adopted and signed. Governor Shapiro's proposed budget was introduced on February 4, 2025, and is available on the Pennsylvania Office of the Budget website.

During a state budget impasse, school districts in Pennsylvania cannot be certain that state subsidies and revenues owed them from the Commonwealth will become available. This includes 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 timelines or amount of payments by the Commonwealth under the withholding provisions of Section 633 of the Public School Code, however legislation included in Act 85 of 2016 has attempted to address the timeliness of the withholding provisions of Section 633 of the Public School Code during any future budget impasses. (See "**Act 85 of 2016**" 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 adds to the Fiscal Code Article XV1-E.4, entitled "School District Intercepts for the Payment of Debt Service During Budget Impasse", which provides for intercept of subsidy payments by the Pennsylvania Department of Education ("PDE") from 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" Sections 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 as may be necessary for PDE to comply with the provisions of the applicable intercept statute or intercept agreement "shall be appropriated" to PDE from the General Fund of the Commonwealth after PDE submits justification to the majority and minority chairs of the appropriations committees of the Pennsylvania Senate and House of Representatives allowing ten (10) calendar days for their review and comment, if, in any fiscal year:

(1) annual appropriations for payment of Commonwealth money to school districts have not been enacted by July 1 and continue not to be enacted when a payment is due;

(2) the conditions under which PDE is required to comply with an intercept statute or intercept agreement have occurred, thereby requiring PDE to withhold payments which would otherwise be due to school districts; and

(3) the Secretary of PDE, in consultation with the Secretary of the Budget, determines that there are no payments or allocations due to be paid to the applicable school districts from which PDE may withhold money as required by the applicable intercept statute or intercept agreement.

The necessary amounts shall be appropriated on the expiration of the tenth (10th) day following submission of the justification described above to the majority and minority chairs of the appropriations committees, who may comment on the justification but cannot prevent the effectiveness of the appropriation.

The total of all intercept payments under Article XV11-E.4 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 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 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.

Actions in the Event of Default on the Bonds

Subject to the exclusive representation of Bondholders by a trustee appointed under the Act as described in the following paragraph, if the School District fails or neglects to pay principal or interest on any of the Bonds as it becomes due and payable, and such failure continues for thirty days, the holder of such bond may bring suit in the Court of Common Pleas of the County in which the School District is located (Fayette County) and any judgment recovered shall have an appropriate priority upon the money next coming into the treasury of the School District, all as provided in the Act. The Act also provides other remedies to Bondholders to enforce the School District's covenants in respect of payment of the Bonds.

In the event the School District defaults in the payment of the principal of or the interest on any of the Bonds after the same shall become due, whether at the stated maturity or upon call for prior redemption, and such default shall continue for thirty (30) days, or if the School District fails to comply with any provision of the Bonds or the Resolution, the Act provides that the holders of 25% in aggregate principal amount of the Bonds then outstanding may, upon appropriate action, appoint a trustee to represent the Bondholders. The trustee may, and upon request of the holders of 25% in principal amount of the Bonds then outstanding and upon being provided with indemnity satisfactory to it, shall, take such action on behalf of the Bondholders as is more specifically set forth in the Act. Such representation by the trustee shall be exclusive.

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. 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.

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

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

Current Financial Strength Ratings

On August 4, 2025, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On June 30, 2025, S&P announced that it had affirmed AG's financial strength rating of "AA" (stable outlook).

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

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

Capitalization of AG

At June 30, 2025:

- The policyholders' surplus of AG was approximately \$3,514 million.
- The contingency reserve of AG was approximately \$1,453 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,437 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, 2024 (filed by AGL with the SEC on February 28, 2025);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 (filed by AGL with the SEC on May 9, 2025); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 (filed by AGL with the SEC on August 8, 2025).

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

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

Miscellaneous Matters

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

BOND INSURANCE RISK FACTORS

The School District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. The following factors should be considered by potential purchasers of the Bonds.

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the School District which is recovered by the School District from the Bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absence such prepayment by the School District unless the Bond Insurer chooses to pay such amounts at an earlier date. 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 applicable Municipal Bond Insurance Policy (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 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 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 Underwriter 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 Underwriter 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 or delay 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**" and "**TAX EXEMPTION**") 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 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; (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 October 1, _____, are subject to redemption prior to maturity, at the option of the School District, as a whole or in part, from time to time, on October 1, _____, or on any date thereafter (and if in part, in any order of maturity designated by the School District and within a maturity by lot), in either case upon payment of a redemption price of 100% of the principal amount of Bonds to be redeemed, together with accrued interest to the fixed for redemption date.

Mandatory Redemption

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

Term Bond Maturing
October 1, 20__

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

*Term Bond 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 District may tender to the Paying Agent, all or part of the Bonds subject to 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 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 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 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 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 Uniontown Area School District is comprised of the major portion of the City of Uniontown (which is the County Seat of Fayette County), the Boroughs of Markleysburg and Ohiopyle, the Townships of Franklin, Henry Clay, Stewart, and Wharton and portions of German and Menallen Townships. The School District encompasses a combined land area of approximately 250 square miles and is located in the heart of the Laurel Highlands of Fayette County, approximately 45 miles southeast of the City of Pittsburgh. According to the Standard and Poor's School Evaluation Services, the 2020 U. S. Census population was 21,762. The School District is a third class school district (school districts within the Commonwealth of Pennsylvania are classified as first, second, third and fourth class according to population) and operates under and pursuant to the Public School Code of the Commonwealth of Pennsylvania, Act of March 10, 1949, P.L. 30, as amended and supplemented. The School District is geographically divided by the lay of the land, having "Mountain Schools" (Marclay 6-8 and Wharton K-5); "Valley Schools" (Franklin Township K-6 and Menallen K-6); and "City Schools" (Ben Franklin K-8, Lafayette K-8, and High School 9-12). There are approximately 2,495 students in the School District who are served by approximately 342 administrative, professional/instructional and classified support personnel.

Organization and Central Administration

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

School District Facilities

The School District currently operates four elementary schools, two elementary/middle schools, one middle school and one senior high school. Information regarding those school building facilities is set forth in the following table.

TABLE 1
UNIONTOWN AREA SCHOOL DISTRICT FACILITIES

	Original Building Construction	Most Recent Additional Renovations	Grades	Pupil Capacity	2025-26 Enrollment
ELEMENTARY:					
Wharton Elementary	1955	2002	K-5	490	205
Franklin Elementary	1961	2002	K-6	270	133
Menallen Elementary	1960	2002	K-6	980	304
Ben Franklin Elementary/Middle	1926	1985; 2010	K-8	560	489
Lafayette Elementary/Middle	1926	1983; 2010	K-8	840	378
SECONDARY:					
Marclay Middle	1952	2001	6-8	350	124
Senior High	1910	1929; 2020 1955; 1979;	9-12	969	674

Source: School District Officials

[REMAINDER OF PAGE INTENTIONALLY BLANK]

Enrollment Trends

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

TABLE 2
UNIONTOWN AREA SCHOOL DISTRICT ENROLLMENT TRENDS

Actual Enrollments			
School Year Ending June 30	Elementary	Secondary	Total
2019-20	1,306	1,393	2,699
2020-21	1,609	893	2,502
2021-22	1,288	1,271	2,559
2022-23	1,272	1,230	2,502
2023-24	1,267	1,238	2,505
2024-25	1,574	963	2,537
2025-26	1,434	1,061	2,495
Projected Enrollments			
2026-27	1,276	1,157	2,433
2027-28	1,212	1,176	2,388

Source of Actual & Projected Enrollments: School District Officials

SCHOOL DISTRICT FINANCES

Introduction

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

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. McClure & Wolf, LLC, Uniontown, 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.

To use any of the referendum exceptions for which court approval is required under the Taxpayer Relief Act, the school district must petition the court of common pleas no later than 75 days prior to the upcoming election, after giving one week's public notice of the intent to file such petition. The court may schedule a hearing on the petition, and the school district must prove by clear and convincing evidence that it qualifies for the exception sought. The Taxpayer Relief Act requires that the court rule on the petition and inform the school district of its decision no later than 55 days prior to the upcoming election. The Taxpayer Relief Act provides that the court in approving the petition shall determine the dollar amount for which the exception is granted, the tax rate increase required to fund the exception and the appropriate duration of the tax increase. If the court denies the school district's petition, the Taxpayer Relief Act permits the school district to submit a referendum question to the local election officials at least 50 days before the upcoming election, if it so chooses.

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

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

Summary and Discussion of Financial Results

A summary of comparative General Fund Balance Sheets and changes in fund balances is presented in Tables 3 and 4 which follow. The 2025-26 budget reflects \$57,485,961 of revenue and \$59,281,976 of expenditures as presented in Table 4.

Table 3 shows the General Fund Balance Sheets for fiscal years 2020 through 2024. Table 4 shows a summary of Revenues and Expenditures during fiscal years 2022 through 2024, and a summary of the final General Fund Budget for the year ending 2025 and 2026.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

TABLE 3

**UNIONTOWN AREA SCHOOL DISTRICT
SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEET
(Fiscal Years Ending June 30th)**

ASSETS	2020	2021	2022	2023	2024
Cash and cash equivalents	\$2,821,981	\$3,766,513	\$5,691,597	\$4,532,256	\$2,617,013
Investments	1,250,688	3,021,094	677,336	3,184,972	3,559,406
Taxes Receivable, Net	2,387,114	2,234,888	2,138,653	2,201,475	2,165,656
Due From Other Funds	-	235,860	8,881	-	58,188
Due From Other Governments	63,933	249,367	400,557	436,226	324,432
State Revenue Receivable	1,804,417	1,613,116	1,776,789	1,643,744	2,045,117
Federal Revenue Receivable	163,781	169,179	2,077,952	1,570,894	960,877
Other Receivables	19,882	23,213	51,243	107,536	187,446
Prepaid Expenses	-	-	459,567	557,426	608,375
Other Current Assets	-	-	-	-	-
TOTAL ASSETS	<u>\$8,511,796</u>	<u>\$11,313,230</u>	<u>\$13,282,575</u>	<u>\$14,234,529</u>	<u>\$12,526,510</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$290,256	\$724,268	\$345,242	\$563,253	\$305,193
Accrued salaries and benefits	4,818,311	4,890,428	5,334,723	5,272,679	5,501,546
Payroll Deductions and Withholdings	-	-	-	7,586	8,803
Due to Other Funds	-	-	725	-	-
TOTAL LIABILITIES	<u>\$5,108,567</u>	<u>\$5,614,696</u>	<u>\$5,680,690</u>	<u>\$5,843,518</u>	<u>\$5,815,542</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned Revenues	\$1,901,436	\$1,748,934	\$2,277,453	\$1,643,798	\$1,773,084
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$1,901,436</u>	<u>\$1,748,934</u>	<u>\$2,277,453</u>	<u>\$1,643,798</u>	<u>\$1,773,084</u>
FUND BALANCES (DEFICIT)					
Nonspendable Fund Balance	\$0	\$0	\$0	\$557,426	\$608,375
Restricted Fund Balance	-	-	-	-	-
Committed Fund Balance	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-
Unassigned Fund Balance	1,501,793	3,949,600	5,324,432	6,189,787	4,329,509
TOTAL FUND BALANCES	<u>\$1,501,793</u>	<u>\$3,949,600</u>	<u>\$5,324,432</u>	<u>\$6,747,213</u>	<u>\$4,937,884</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$8,511,796</u>	<u>\$11,313,230</u>	<u>\$13,282,575</u>	<u>\$14,234,529</u>	<u>\$12,526,510</u>

Source: School District Financial Statements for the years ended June 30, 2020, 2021, 2022, 2023, and 2024.

TABLE 4

UNIONTOWN AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(Years Ending June 30)

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Budget 2025</u>	<u>Budget 2026</u>
REVENUES					
Local Sources	\$ 19,318,463	\$ 19,390,482	\$ 19,458,060	\$ 18,881,326	\$ 20,631,103
State Sources	27,977,885	32,010,683	33,006,407	33,226,989	34,203,900
Federal Sources	7,959,382	8,848,443	6,622,910	2,473,700	2,650,958
Other Financing Sources	-	-	-	600,000	-
TOTAL REVENUES	<u>55,255,730</u>	<u>60,249,608</u>	<u>59,087,377</u>	<u>55,182,015</u>	<u>57,485,961</u>
EXPENDITURES					
Instruction	32,650,081	34,882,085	36,495,376	35,717,950	35,367,538
Support Services	15,683,790	18,169,851	18,606,456	18,863,853	17,821,032
Noninstructional Services	586,347	610,078	724,501	718,988	719,313
Acquisition, Construction, and Improvement	23,981	23,980	23,980	24,000	24,000
Debt Service (Principal & Interest)	-	-	-	-	-
Refund of Prior Year Receipts	-	-	-	-	-
Short Term Borrowing Interests & Costs	-	-	-	-	-
TOTAL EXPENDITURES	<u>48,944,199</u>	<u>53,685,994</u>	<u>55,850,313</u>	<u>55,324,791</u>	<u>53,931,883</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,311,531</u>	<u>6,563,614</u>	<u>3,237,064</u>	<u>(142,776)</u>	<u>3,554,078</u>
OTHER FINANCING SOURCES (USES)					
Bonds Issued (Face Value)	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Sale/Compensation for Fixed Assets	-	-	6,450	-	-
Other Financing Sources Not Listed	-	-	-	-	-
Debt Service Refunded Bond Issues	-	-	-	-	-
Bond Discounts	-	-	-	-	-
Interfund Transfers Out	(4,936,699)	(5,140,833)	(5,052,843)	(2,804,436)	(5,350,093)
TOTAL OTHER FINANCING SOURCES	<u>(4,936,699)</u>	<u>(5,140,833)</u>	<u>(5,046,393)</u>	<u>(2,804,436)</u>	<u>(5,350,093)</u>
Net Change in Fund Balances	<u>1,374,832</u>	<u>1,422,781</u>	<u>(1,809,329)</u>	<u>(2,947,212)</u>	<u>(1,796,015)</u>
Fund Balances - July 1,	<u>3,949,600</u>	<u>5,324,432</u>	<u>6,747,213</u>	<u>4,937,884</u>	<u>1,990,672</u>
Fund Balances - June 30,	<u>\$ 5,324,432</u>	<u>\$ 6,747,213</u>	<u>\$ 4,937,884</u>	<u>\$ 1,990,672</u>	<u>\$ 194,657</u>

Sources: School District Financial Statements for the years ended June 30, 2022, 2023, and 2024.

General Fund Budget for Fiscal Years Ending June 30, 2025 and 2026.

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 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 the property taxable for school purposes to provide funds:
 - a) for minimum salaries and increments for the teaching and supervisory staff;
 - b) to pay rentals due any municipal authority, or non-profit corporation, or due the State Public School Building Authority;
 - c) to pay 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) to pay for the 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 over eighteen years old of not more than \$5.00.
4. Additional taxes subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege, under Act No. 511, enacted December 31, 1965, as amended by Act 32 of 2008, enacted July 2, 2008 (53 P.S. §6924.101) the ("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 <u>(ending June 30)</u>	Applicable <u>Index</u>
2020-21	3.50%
2021-22	4.00%
2022-23	4.60%
2023-24	5.50%
2024-25	7.10%
2025-26	5.30%

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 described in this Official Statement are being issued to refund indebtedness that was incurred by the School District under the Local Government Unit Debt Act prior to June 27, 2006, the effective date of the Taxpayer Relief Act and hence such Bonds are grandfathered under the exception from the referendum requirement of the Relief Act described in paragraph 1 above. However, if the School District desires to increase taxes under this exception, Act 1 requires that the School District first apply for the approval of the Pennsylvania Department of Education.

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 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 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:

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

*Estimated ending unreserved 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.

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.

Tax Levy Trends

Table 5 shows the recent trend of tax rates levied by the School District. Table 6 shows the comparative trend of real property tax rates for the School District, Franklin Township, German Township, Henry Clay Township, Markleysburg Borough, Menallen Township, Ohiopyle Borough, Stewart Township, Uniontown City, and Fayette County.

TABLE 5

UNIONTOWN AREA SCHOOL DISTRICT TAX RATES					
	Real Estate			Wage and	Emergency
	Millage Rate	Transfer	Per Capita ⁽¹⁾	Income	and Municipal Services Tax
	(mills)	(%)	(%)	(%)	(%)
2020-21	16.64	0.5%	12.00	0.5%	5.00
2021-22	16.64	0.5%	12.00	0.5%	5.00
2022-23	16.64	0.5%	12.00	0.5%	5.00
2023-24	16.64	0.5%	12.00	0.5%	5.00
2024-25	16.64	0.5%	12.00	0.5%	5.00
2025-26	17.82	0.5%	12.00	0.5%	5.00

⁽¹⁾ Includes School Code and Act 511 taxes.

Source: School District Officials

TABLE 6
UNIONTOWN AREA SCHOOL DISTRICT
COMPARATIVE REAL PROPERTY TAX RATES
(Mills on Assessed Value)

	2020	2021	2022	2023	2024	2025
Fayette County	6.76	6.76	6.76	6.76	6.76	8.46
School District	16.80	16.64	16.64	16.64	16.64	17.82
Franklin Township	0.869	0.869	0.869	0.869	0.869	0.869
Henry Clay Township	1.00	1.00	1.00	1.00	1.00	1.00
Markleysburg Borough	3.00	3.00	3.00	3.00	3.00	3.00
Menallen Township	0.97	0.97	0.97	0.97	0.97	0.97
Ohiopyle Borough	0.41	0.41	0.41	0.41	0.41	2.00
Stewart Township	1.00	1.00	1.00	1.00	1.00	1.00
Uniontown City	12.23	12.23	12.23	13.00	13.00	13.00
Wharton Township	0.35	0.35	0.35	0.35	0.35	0.35

Source: School District Officials

Real Property Tax

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

TABLE 7
UNIONTOWN AREA SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA

Year	Market Value	Assessed Value	Ratio
2019	\$1,317,862,975	\$916,134,050	69.52%
2020	\$1,369,519,577	\$931,606,560	68.02%
2021	\$1,375,653,391	\$935,105,610	67.98%
2022	\$1,428,780,473	\$943,128,250	66.01%
2023	\$1,439,948,874	\$948,431,910	65.87%
2024	\$1,602,886,281	\$966,436,730	60.29%

Source: Pennsylvania State Tax Equalization Board (STEB)

TABLE 8

**UNIONTOWN AREA SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA BY MUNICIPALITY**

	2023	2023	2024	2024
	Market	Assessed	Market	Assessed
	Value	Value	Value	Value
Uniontown Area School District	\$1,439,948,874	\$948,431,910	\$1,602,886,281	\$966,436,730
Franklin Township	\$146,423,984	\$99,414,570	\$159,245,355	\$100,078,830
Henry Clay Township	\$172,460,627	\$108,029,040	\$192,503,578	\$109,711,650
Markleysburg Borough	\$8,543,387	\$6,108,800	\$9,451,548	\$6,148,540
Menallen Township	\$245,703,843	\$165,391,880	\$267,551,782	\$169,142,420
Ohiopyle Borough	\$11,092,764	\$4,638,030	\$11,397,541	\$4,605,430
Stewart Township	\$69,352,889	\$37,785,530	\$77,679,093	\$38,028,230
Uniontown City	\$338,213,078	\$263,066,790	\$366,080,110	\$262,613,400
Wharton Township	439,051,850	259,153,690	508,848,080	270,984,190

Source: Pennsylvania State Tax Equalization Board (STEB)

TABLE 9

**UNIONTOWN AREA SCHOOL DISTRICT
ASSESSMENT BY LAND USE**

	2020	2021	2022	2023	2024
Residential	\$ 524,096,320	\$ 527,141,080	\$ 530,363,040	\$538,478,160	\$545,206,590
Lots	15,935,890	15,817,040	15,955,600	15,680,340	15,530,610
Industrial	16,482,540	16,482,540	16,482,540	16,410,340	17,966,440
Commercial	218,227,360	217,981,530	221,199,280	217,407,440	226,756,360
Agriculture	85,209,730	86,408,330	93,148,750	94,491,760	94,903,950
Land	27,526,980	26,852,140	21,241,580	20,409,840	20,050,910
Mineral	518,800	518,800	518,800	518,800	518,800
Trailers	43,608,940	43,904,150	44,218,660	45,035,230	45,503,070
Total	\$ 931,606,560	\$ 935,105,610	\$ 943,128,250	\$ 948,431,910	\$966,436,730

Source: Pennsylvania State Tax Equalization Board.

TABLE 10

**UNIONTOWN AREA SCHOOL DISTRICT
REAL PROPERTY TAX COLLECTION DATA**

Year	Assessed Value	Levy	Current Year Collections (July - June)	Total Current Plus Delinquent Collections ⁽¹⁾
2018-19	\$ 909,901,240	\$ 13,160,941	\$ 11,912,144	\$ 13,323,533
2019-20	\$ 907,242,830	\$ 13,809,316	\$ 12,468,829	\$ 13,922,969
2020-21	\$ 927,588,940	\$ 14,435,241	\$ 13,263,376	\$ 14,413,376
2021-22	\$ 933,000,220	\$ 14,434,146	\$ 13,368,592	\$ 14,674,766
2022-23	\$ 949,372,350	\$ 14,391,513	\$ 13,214,651	\$ 14,492,359
2023-24	\$ 967,139,500	\$ 15,612,055	\$ 14,394,064	\$ 15,394,064
2024-25	\$ 971,455,760	\$ 17,310,545	\$ 14,213,706	\$ 15,550,343

⁽¹⁾ Includes delinquent real estate collections only.

Source: School District Officials.

The ten largest real property taxpayers, together with 2024 assessed values, are shown in Table 10. The aggregate assessed value of these taxpayers totals approximately 9.45% of total taxable assessed value.

**TABLE 11
UNIONTOWN AREA SCHOOL DISTRICT
LARGEST REAL PROPERTY TAXPAYERS, 2024**

Taxpayer	Product/Service	2024	
		Assessed Valuation	
NWL CORPORATION	RESORT	\$	37,932,540
NEMACOLIN WOODLANDS INC	RESORT	\$	17,386,080
NEMACOLIN WOODLANDS INC	RESORT	\$	10,539,100
NEWMAN ROBERT L TRUST ETAL	SHOPPING CENTER	\$	5,375,700
JD & D ENTERPRISES ETAL	WAREHOUSE BUILDING	\$	4,645,000
NELSON WIRE & STEEL LLC	STEEL FABRICATING	\$	4,444,060
NEMACOLIN WOODLANDS INC	RESORT	\$	3,241,730
LAUREL MOUNTAIN MIDSTREAM	OIL/GAS	\$	2,944,190
NEMACOLIN WOODLANDS INC	RESORT	\$	2,429,570
JD & D ENTERPRISES ETAL	WAREHOUSE BUILDING	\$	2,411,640
TOTAL ASSESSED VALUE		\$	91,350,440

Source: School District Officials.

Other Taxes

Under Act 511, the School District expected to collect, based on the fiscal year 2025-26 Budget, approximately \$2,486,000 in other taxes. Among the taxes authorized by Act 511 are the Real Estate Transfer Tax, Wage and Other Earned Income Tax (including net profits) and the Mercantile Tax which are levied by the School District. The Act 511 limit, equal to 12 mills on the market value of real property is \$17,279,386 for fiscal year 2025-2026.

Earned Income Tax. The School District collects a tax of 0.5% on the earned income of residents. It expected to collect, based on the fiscal year 2025-26 Budget, approximately \$1,500,000 in earned income taxes, which is approximately 2.61% of the District's revenues*.

Real Estate Transfer. The School District collects a tax of 0.5% of the value of real estate transfers. It expected to collect, based on the fiscal year 2025-26 Budget, approximately \$300,000 in transfer taxes, which is less than 1.0% of the District's revenues*.

Mercantile Taxes. The School District collects a tax of 1.0% of the gross receipts of local businesses. It expected to collect, based on the fiscal year 2025-26 Budget, approximately \$450,000 in mercantile taxes, which is less than 1.0% of the District's revenues*.

*Total fiscal year 2025-26 estimated revenues \$57,485,961 (based on fiscal year 2025-26 Budget).

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.

The largest subsidy, the basic instructional subsidy, is allocated to all school districts based on (1) the per pupil market value of assessable real property in the school district; (2) the per pupil earned income in the school district; and (3) the school district's tax effort, as compared with the tax effort of other school districts in the Commonwealth. School districts also receive subsidies for special education, pupil transportation, vocational education, health service and debt service.

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 the 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") or the wealth based Market Value Aid Ratio ("MVAR") whichever is higher. The Reimbursable Percentage is determined through a process known as the "Planning and Construction Workbook" or "PlanCon".

Based on the current PlanCon program, School District officials have estimated that the Reimbursable Percentage of the Bonds will be 31.55% (there has been no determination by the PDE). The School District's MVAR (which is higher than the CARF) is 56.44%. The product of these two factors is 17.81%, which is the estimated percentage of debt service which may be reimbursed by the Commonwealth, subject to annual appropriation. In future years, this percentage may change as the School District's MVAR changes, or as a result of future legislation regarding changes to, or even elimination of, the PlanCon program.

In May of 2016, the Commonwealth enacted appropriation legislation known as Act 25 ("Act 25"), which contained 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 new moratorium went into effect on May 15, 2016 and expired on June 30, 2017. On November 6, 2017, House Bill 178 became law without the signature of the Governor and became known as Act 55 of 2017. Contained in Act 55 of 2017 was an extension of the PlanCon moratorium through the end of the 2017-18 fiscal year. Subsequently, the Commonwealth enacted Act 42 of 2018, which permitted PlanCon reimbursements for applications submitted between July 1, 2017, and November 6, 2017 if the school district voted to proceed with construction and awarded bids on its construction contracts no later than July 1, 2021.

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.

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 12 which follows shows the debt of the School District as of the date of settlement, assuming the issuance of the Bonds.

TABLE 12

	Gross Outstanding	Net Outstanding⁽¹⁾
DIRECT DEBT⁽¹⁾		
Series of 2025 (the Bonds)	\$25,000,000	\$20,543,563
Series A of 2024	2,455,000	\$2,374,966
Series 2021 (Remaining)	2,350,000	2,217,358
Series 2020B	19,170,000	15,067,198
Series 2019	2,635,000	2,399,327
Series 2018	2,435,000	2,195,202
Series 2017	5,190,000	4,833,719
Series 2014 (Remaining)	2,815,000	2,767,763
GROSS DIRECT DEBT	<u>\$62,050,000</u>	<u>\$52,399,096</u>
LEASE RENTAL DEBT		
	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT AND LEASE RENTAL	<u>\$62,050,000</u>	<u>\$52,399,096</u>
OVERLAPPING DEBT		
Municipal Debt	6,349,346	6,349,346
Fayette County, (19.69% of Fayette County Debt)	21,238,462	21,238,462
TOTAL OVERLAPPING DEBT	<u>\$27,587,809</u>	<u>\$27,587,809</u>
TOTAL DIRECT AND OVERLAPPING DEBT⁽²⁾	<u><u>\$89,637,809</u></u>	<u><u>\$79,986,905</u></u>

Source: LGUDA, U.S. Census Bureau, and the PA State Tax Equalization Board.

(1) Includes The 2025 Bonds, excludes the Refunded 2014 Bonds

(2) On September 15, 2025 the School District issued a Tax and Revenue Anticipation Note in the amount of \$5,000,000 due June 30, 2026

DEBT RATIOS

Direct Debt to:

Market Value	3.70%	3.10%
Assessed Value	6.13%	5.14%
Per Capita	\$2,633.84	\$2,206.82

Direct and Overlapping Debt to:

Market Value	5.42%	4.82%
Assessed Value	8.98%	7.99%
Per Capita	\$3,860.51	\$3,433.49

Uniontown Area School District Assessed Value (2024)	\$966,436,730
Uniontown Area School District Market Value (2024)	\$1,602,886,281
Population (2020)	22,490

Source: School District, U.S. Census Bureau and the Pennsylvania State Tax Equalization Board.

(1) Includes The Bonds, excludes the Refunded 2014 Bonds

(2) Gives effect to previous appropriations for payment of debt service and Commonwealth Reimbursement of School District sinking fund payments based on current Aid Ratio. See "Commonwealth Aid to School Districts".

Debt Limit and Remaining Borrowing Capacity

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

Total Revenues for 2022-23	\$60,249,608
Total Revenues for 2023-24	59,087,377
Total Revenues for 2024-25 (Budgeted)	55,182,015
Total Revenues, Past Three Years	<u>\$174,519,000</u>
Annual Arithmetic Average (Borrowing Base)	\$58,173,000

Under the Debt Act as presently in effect, no school district may incur 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	Net Debt	Remaining
	<u>Limit</u>	<u>Outstanding</u>	<u>Capacity</u>
Net Nonelectoral Debt and Lease Rental Debt Limit:			
225% of Borrowing Base	\$130,889,250	\$62,050,000	\$68,839,250

Debt Service Requirements

Table 13 represents the debt service requirements on the School District's outstanding general obligation and lease rental indebtedness including debt service on the Bonds.

Table 14 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.

TABLE 13

**UNIONTOWN AREA SCHOOL DISTRICT
DEBT SERVICE REQUIREMENTS**

<u>30-Jun</u>	<u>Outstanding</u>	<u>Series of 2025</u>			<u>Total</u>
	<u>Debt</u>	<u>Principal</u>	<u>Interest</u>	<u>Subtotal</u>	<u>Requirements</u>
2026	1,566,568				
2027	1,569,374				
2028	1,568,618				
2029	1,564,293				
2030	1,569,268				
2031	1,563,718				
2032	1,567,536				
2033	1,560,505				
2034	1,567,769				
2035	1,569,369				
2036	4,897,863				
2037	5,310,218				
2038	5,624,456				
2039	5,581,059				
2040	5,582,659				
2041	3,853,700				
Total	\$46,516,973	\$	\$0	\$	\$

Totals may not add due to rounding.

TABLE 14

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

2025-26 Estimated Commonwealth Aid Received	\$34,203,900
2025-26 Debt Service Requirement	\$1,566,568
Maximum Future Debt Service Requirement	\$x
Coverage of 2025-26 Debt Service Requirement	21.83x
Coverage of Maximum Future Debt Service Requirement	x

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

Future Financing

The School District does not anticipate issuing any additional non-refunding debt in the next 3 years.

LABOR RELATIONS

There are presently 344 represented employees of the School District, including 182 teachers, 20 administrators, and 142 support personnel. The support personnel include secretaries and custodial, cafeteria, maintenance, and paraprofessional employees.

The School District's teachers are represented by the Uniontown Area Education Association, an affiliate of the Pennsylvania State Education Association ("PSEA"), the contract will expire on August 2028. Teacher aides and secretaries are represented by the Service Employees International Union, Local 3, AFL-CIO, an affiliate of the PSEA, under a contract that expires June 2027. Custodial and maintenance staff is represented by Service Employees International Union, Local 3, AFL-CIO, under a contract that expires June 2027. American Federation of State, County and Municipal Employees, District Council 84, AFL-CIO(AFSME), under a contract that expires September 2028.

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 33.90% for the fiscal year 2024-25. 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 may choose to switch from the current defined benefit plan to one of three new retirement benefit plan options which will be available. Additionally, all active members newly hired on or after July 1, 2019, will be required to select one of those three new retirement benefit plan options and will not be eligible to participate in the 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:

<u>Fiscal Year</u>	<u>Contributions</u>
2018-19	\$6,453,688
2019-20	\$6,624,898
2020-21	\$6,711,275
2021-22	\$6,880,776
2022-23	\$7,205,972
2023-24	\$7,304,780
2024-25	\$7,586,180
2025-26 (1)	\$7,070,552

(1) Estimated

The School District is current in all PSERS payments.

At June 30, 2023, the School District reported a liability of \$61,258,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the PSERS total pension liability as of June 30, 2022 to June 30, 2023. The 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, 2024, the School District's proportion was 0.1377% which was an increase of 0.0004% from its proportion measured as of June 30, 2023.

As of June 30, 2024, the PSERS plan was 64.60% funded, with an unfunded actuarial accrued liability of approximately \$42 billion. PSERS' rate of return for fiscal year ended June 30, 2024 was 8.14%. The Fund had plan net assets of \$75.3 billion at June 30, 2024. For more information, visit the PSERS website at www.psers.pa.gov, which is not incorporated by specific reference into this Official Statement.

Source: School District Administrative Officials and PSERS.

Other Post-Employment Benefits

The School District is obligated under collective bargaining agreements to provide health insurance coverage for current and future retired employees, and to provide retirement severance pay for existing employees. The School District became subject to the requirements of GASB Statements No. 74 (effective after fiscal years beginning June 15, 2016) and No. 75 commencing with the School District's annual financial statements for the fiscal year ending June 30, 2018.

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, 2024, the School District's OPEB cost was \$826,165.

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 disclaims 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.

Economic Factors Affecting the Financial Condition of the School District

Changes in current economic conditions, on local, regional and national levels, could adversely affect the School District's operating revenues and expenses and, consequently, the School District's ability to pay debt service on the Bonds. Among the factors that could have such adverse effects are: changes in local demographics; closures or relocation of key industries and employers; increases in local rates of unemployment; decreases in the assessed value of real estate within the School District; decreases in real estate tax collections; future contract negotiations with organized labor and the consequent impact on wage scales and operating costs; increasing costs of special education or the costs of other physical or mental health care mandated by the Commonwealth or federal government; loss or reduction of State and federal subsidies and reimbursements for operating and capital costs; delays in adoption of, failure to budget and appropriate within or other adverse changes to, the Commonwealth's budget, as the same may effect School District revenues or the timely payment thereof. For further information regarding recent Commonwealth budget experiences. See **"COMMONWEALTH AID TO SCHOOL DISTRICTS – Current Lack of State Appropriations for Debt Service"** and **"SECURITY FOR THE BONDS" – Pennsylvania Budget Adoption**.

State Intercept Procedures and Timing

The successful operation of the Intercept Agreement depends on the performance of certain administrative actions and the availability of adequate appropriations which can be withheld for payment or the successful operation of the provisions of the Fiscal Code added by Act 85 applicable in the case of a Commonwealth budget impasse.

In addition to the Intercept Agreement, the School District is a party to intercept agreements with the Commonwealth relating to certain other of its general obligation bonds and notes. It is expected that such intercept agreements will be administered consistent with the rights of the related paying agents under such intercept agreements and any other intercept agreement which may apply to the School District's debt obligations in the future. There can be no assurance that the Commonwealth appropriations due the School District will be equal to or greater than the amounts due under the Intercept Agreement or the other intercept agreement, or that payments of the same made will be made by the date on which payments are due to the Bondholders.

Uncertainty of Tax Revenues

There is no guaranty that the School District will realize sufficient revenues through its taxing and other revenue generating powers to make full and timely payment of the debt service on the Bonds. The School District's ability to increase its rates of taxation is limited by the provisions of Act 1. (See **"TAXING POWERS AND LIMITS"** and **"PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS—The Taxpayer Relief Act, as Amended (Act 1)"** herein).

Additionally, the availability of tax and other locally generated revenue is dependent on the tax base within the School District and the ability of this base to support the tax burden imposed in any year not only by the School District, but also by such overlapping taxing authorities including Fayette County, Franklin Township, German Township, Henry Clay Township, Markleysburg Borough, Menallen Township, Ohiopyle Borough, Stewart Township, Uniontown City.

However, the School District has never defaulted on the payment of principal of or interest on any general obligation debt or any tax anticipation note issues.

Competing Commonwealth Intercept Obligations

Under current Pennsylvania law, Commonwealth subsidies to school districts can be intercepted for purposes other than to pay debt service then due and owing on school district debt. For example, Pennsylvania law authorizes the diversion of Commonwealth subsidies directly to local charter schools if the School District fails to transfer required appropriations to the charter school. Additionally, state law authorizes the diversion of state subsidies to the PSERS if a school district fails to fully fund its annual contribution to the retirement system. (See **'COMMONWEALTH AID TO SCHOOL DISTRICTS'** and **"PENSION PROGRAM"** herein.) If any such diversion occurs, it could materially adversely affect the School District's ability to pay debt service on the Bonds.

Commonwealth Funding Adjustments or Failure to Appropriate

For the fiscal year ended June 30, 2024, the School District's expected appropriation from the Commonwealth is \$30,193,285 and such appropriation represents approximately 55.4% of the anticipated revenues of the School District. For the fiscal year ending June 30, 2025, the School District's expected appropriation from the Commonwealth is \$33,226,989 representing approximately 60.2% of the anticipated revenues of the School District. The School District's annual appropriation is dependent upon the adoption by the Commonwealth of its annual budget and corresponding appropriation legislation, which by law are supposed to be enacted prior to the start of each fiscal year beginning July 1. More than one Commonwealth budget over the last several years has not been fully adopted on time, resulting in the delay of payment of such annual appropriations to school districts. See **"SECURITY FOR THE BONDS" – Pennsylvania Budget Adoption"**.

Enforcement of Remedies; Public Education Duties

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

School District officials are generally charged with the duty of providing for the education, safety, and general welfare of their students. Confronted with a choice between providing education services to its students or funding other obligations like debt service on the Bonds, there is a risk that such official might choose to provide educational services to its students from its limited funds available before it pays its other obligations. Bond purchasers should consider this risk carefully.

Actions in The Event of Default

In the event the School District defaults in the payment of the principal of or the interest on the Bonds after the same shall come due, whether at the stated maturity or upon call for prior redemption, and such default shall continue for thirty days, or if the School District fails to comply with any provision of the Bonds or the Resolution, the Debt Act provides that the holders of 25% in aggregate principal amount of such Bonds then outstanding may, upon appropriate action, appoint a trustee to represent the Bond purchasers. The trustee may, and upon request of the holders of 25% in principal amount of such Bonds then outstanding and upon being provided with indemnity satisfactory to it, shall, take such action on behalf of the Bond purchasers as is more specifically set forth in the Debt Act. Such representation by the trustee shall be exclusive.

Financial Distress/Bankruptcy

In the event of financial distress, Pennsylvania school districts are subject to State oversight under the provisions of Act 141 of 2012. Pursuant to the provisions of Act 141, if a school district is declared in "financial recovery status," a chief recovery officer is appointed, serves at the pleasure of the Secretary of Education, and is compensated by the PDE. The chief recovery officer is appointed to develop, implement, and administer a financial recovery plan for the school district, coordinate PDE's provision of technical assistance to the school district, attend regular and executive sessions of the school district's board of school directors; and meet at least monthly with an advisory committee which is also established pursuant to the provisions of Act 141. Chief recovery officers are afforded wide discretion by state courts in developing and implementing financial plans.

The chief recovery officer is required to develop a financial recovery plan for a school district in financial recovery status within 90 days of appointment, subject to extension by PDE. The school board must approve the financial recovery plan, which is subject to final approval by PDE. The financial recovery plan must provide for the payment of lawful financial obligations of the school district and may include, among other things, recommendations for balancing the budget through tax or fee changes, and for enhancing the ability of the school district to negotiate new debt.

Following PDE's approval of the financial recovery plan, the chief recovery officer is required to oversee implementation of the plan by "directly controlling the implementation process," including directing employees and elected or appointed officials of the school district to take or refrain from taking certain actions. The school board is required to comply with all directives of the chief recovery officer and may take no action that is inconsistent with the plan, not specifically identified in the recovery plan or not directed by the chief recovery officer as necessary to implement the plan. If the school board fails to comply with the foregoing, the school district shall be subject to the appointment of a receiver pursuant to the School Code.

Any receiver is required to assume the powers and duties of the chief recovery officer and the board of school directors and shall have the powers and duties to implement the financial recovery plan including the power to direct the board of school directors to levy and raise taxes. A receiver, however, may not unilaterally levy or raise taxes or unilaterally abrogate, alter, or otherwise interfere with a lien, charge, covenant, or relative priority held by a holder of a debt obligation of a school district. Section 672-(Ac)(3) of Article VI-A of the Public School Code further provides that nothing in the financial recovery provisions of such article or financial recovery plan shall be construed to authorize a receiver to "unilaterally impair or modify existing bonds, notes, school district securities or other lawful contractual or legal obligations of the school district, except as otherwise ordered by a court of competent jurisdiction or as provided in Section 642-A(a)(3)" of Article VI-A of the Public School Code which authorizes the receiver to "cancel or renegotiate any contract to which the board of school directors or the school district is a party, if the cancellation or renegotiation of contract will effect needed economies in the operation of the district's schools." Collective bargaining agreements are, however, specifically exempted from such clause.

Owing to the existence of Act 141, the Commonwealth of Pennsylvania has *not* authorized Pennsylvania school districts to utilize Chapter 9 of the Bankruptcy Code, and so the rights and remedies of Bond purchasers with respect to the School District's obligations are *not* subject to the provisions of the U.S. Bankruptcy Code under current Pennsylvania law. If Pennsylvania law were to change on this issue, and the School District were to file for bankruptcy, Bond purchasers could become subject to the provisions of Chapter 9, and the remedies provided under the Debt Act might not be available to Bond purchasers. For instance, although the Bonds represent a general obligation indebtedness of the School District, for which it has pledged its full faith, credit and all available taxing power, some judicial decisions have held that general obligation indebtedness constitutes an unsecured obligation of the debtor, with a correspondingly lower priority for payment and satisfaction, in the event of bankruptcy. In such an event, holders of the Bonds should not expect to receive any payment of debt service prior to confirmation of a plan of adjustment or dismissal of the case. Moreover, holders of the Bonds, as unsecured creditors, generally would not be entitled to a claim for interest accruing during the pendency of the proceeding.

No Assurance of Secondary Market for the Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that the Bonds can be sold for any particular price. Accordingly, purchasers of the Bonds should be prepared to have their funds committed until the Bonds mature. It is not the present practice of the Underwriter to make a secondary market in the bond issues for which it serves as Underwriter. Prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different than the original purchase price.

Risk of Audit by the Internal Revenue Service

The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Internal

Revenue Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the School District as the taxpayer and Bond purchasers may have no right to participate in such procedure. Neither the School District, the Underwriter nor Bond Counsel is obligated to defend the tax-exempt status of the Bonds on behalf of the Bond purchasers, nor to pay or reimburse the cost of any Bond purchaser with respect to any audit or litigation relating to the Bonds. See **"TAX EXEMPTION"** herein.

Public Health Emergencies Could Negatively Affect the School District's Operations

Regional, national or global public health emergencies, such as the outbreak of the novel coronavirus ("COVID-19" or the "Pandemic"), could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession. The School District cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the School District associated with operating during any public health emergencies, including, but not limited to, the amount of (1) costs to clean, sanitize and maintain its facilities, (2) costs to hire substitute employees, (3) costs to acquire supporting goods and services, or (4) costs to operate remotely and support the employees of the School District. Accordingly, the School District cannot predict the effect any public health emergencies will have on the finances or operations of the School District or whether any such effects will have a material adverse effect on the ability to support payment of debt service on the Bonds.

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 not been the subject of a cybersecurity breach that has had a material adverse impact on the operations or financial condition of the School District.

The School District has measures in place to respond to and mitigate cybersecurity incidents. 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 paying agent, and banks, as well as vendors with respect to outsourced critical digital network operations and functions. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the School District, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Undertaking.

LITIGATION

At the time of settlement of the Bonds, the President of the School Board will deliver a certificate, and the Solicitor will deliver an opinion, stating that there is no litigation pending with respect to the Bonds, the Resolution or the right of the School District to issue the Bonds.

TAX EXEMPTION AND OTHER 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 income 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 for this purpose, 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 alternative minimum taxes on individuals.

Original Issue Discount

The Bonds that mature on October 1, ____ (the "Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Discount Bond and thus, in practical effect, is treated as interest, which is excludable from gross income for federal income tax purposes.

Holders of Tax-Exempt 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 October 1, _____ (the "Tax-Exempt Premium Bonds") are being sold at an original issue premium ("OIP"). An amount equal to the excess of the issue price of a Tax-Exempt Premium Bond over its stated redemption price at maturity constitutes OIP on such Tax-Exempt Premium Bond. An initial purchaser of a Tax-Exempt Premium Bond must amortize any OIP over such Tax-Exempt Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Tax-Exempt Premium Bond 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 decreases the purchaser's basis in such Tax-Exempt Premium Bond 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Premium Bond.

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 NOT designated the Bonds as "qualified tax-exempt obligations" for the purposes and effect contemplated by Section 265 of the Code.

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.

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 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 the 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 Undertaking. See Appendix E for the proposed form of Continuing Disclosure Undertaking (the “Continuing Disclosure Undertaking”).

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 Municipal Securities Rulemaking Board (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 financial statements, the summary of the budget, contents in Official Statements of future bond or note issues as well as publicly available information. In connection with the Continuing Disclosure Undertaking associated with the Bonds, the School District will not be filing this information separately but it may be available in the other annual filings of the School District or publicly available elsewhere.

Summary of Continuing Disclosure Compliance

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.

Future Continuing Disclosure Compliance

The School District has procedures in place to facilitate the timely filing of the required annual information and event notices within all required time periods. The School District has engaged Digital Assurance Certification, LLC ("DAC") as its Dissemination Agent for the purpose of complying with Rule 15c2-12.

RATINGS

The Bonds received an insured rating of "AA" (stable outlook) by S&P Global Ratings ("S&P"), with the understanding that upon issuance and delivery of the Bonds, a municipal bond insurance policy insuring the payment when due of the principal of and interest on the Bonds will be issued by Assured Guaranty Mutual ("AGM"). Moody's Investors Service ("Moody's") has assigned an underlying rating of "Baa1" and an Enhanced Bond Rating (Based on PA School District Fiscal Agent Agreement Intercept Program) of "Aa3". Such ratings reflects only the view of such organization furnishing such rating.

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

BOND INSURANCE RISK FACTORS

The School District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. The following factors should be considered by potential purchasers of the Bonds.

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the Policy) for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as

such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the issuer which is recovered by the issuer from the Bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absence such prepayment by the Issuer unless the Insurer chooses to pay such amounts at an earlier date.

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

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received by the Paying Agent pursuant to the Resolution or default provisions of the Act. In the event the 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 Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Bonds insured by the Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See description of "RATINGS" herein.

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

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

Thus, when making an investment decision, potential investors should carefully consider the ability of the Issuer to pay principal and interest on the Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See "Bond Insurance" herein for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has agreed, subject to certain conditions, to purchase the Bonds from the School District at an aggregate price of \$_____, (which represents par, less underwriter's discount of \$_____, less original issue discount of \$_____). The Underwriter's obligations are subject to certain conditions precedent; however, the Underwriter will be obligated to purchase all such Bonds if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

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 issuance and delivery of the Bonds is subject to the unqualified approving legal opinion of Dinsmore & Shohl, Pittsburgh, Pennsylvania, Bond Counsel, and to the delivery at settlement of a certificate that there is no litigation pending affecting the validity of the Bonds. Certain legal matters of a local nature will also be passed upon by Maiello Brungo & Maiello, LLP, Pittsburgh, Pennsylvania, Solicitor to the School District and for the Underwriter by Bruce E. Dice & Associates, P.C. of Pittsburgh, Pennsylvania.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law and in reliance on the representations and covenants that it deems relevant to such opinions.

MISCELLANEOUS

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.

UNIONTOWN AREA SCHOOL DISTRICT
(Fayette County, Pennsylvania)

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

**DEMOGRAPHIC AND ECONOMIC INFORMATION
RELATING TO UNIONTOWN AREA SCHOOL DISTRICT**

[THIS PAGE INTENTIONALLY LEFT BLANK]

Introduction

The Uniontown Area School District is comprised of the major portion of the City of Uniontown (which is the County Seat of Fayette County), the Boroughs of Markleysburg and Ohiopyle, the Townships of Franklin, Henry Clay, Stewart, and Wharton and portions of German and Menallen Townships. The School District encompasses a combined land area of approximately 250 square miles is located in the heart of the Laurel Highlands of Fayette County, approximately 45 miles southeast of the City of Pittsburgh. According to the Standard and Poor's School Evaluation Services, the 2010 U. S. Census population was 25,342. The School District is a third class school district (school districts within the Commonwealth of Pennsylvania are classified as first, second, third and fourth class according to population) and operates under and pursuant to the Public School Code of the Commonwealth of Pennsylvania, Act of March 10, 1949, P.L. 30, as amended and supplemented. The School District is geographically divided by the lay of the land, having "Mountain Schools" (Marclay K-5, Wharton K-5 and AJ McMullen 6-8); "Valley Schools" (Franklin Township K-6 and Menallen K-6); and "City Schools" (Ben Franklin K-8, Lafayette K-8, and High School 9-12). There are approximately 3,430 students in the School District who are served by approximately 374 administrative, professional/instructional and classified support personnel.

Population

Table A-1 shows recent population trends for the School District, the County, and the Commonwealth of Pennsylvania. The School District's population increased from 25,342 to 27,162 between 2010 and 2020. Table A-2 shows age composition in Fayette County and for the Commonwealth.

TABLE A-1
RECENT POPULATION TRENDS

<u>Area</u>	<u>2010</u>	<u>2020</u>	<u>Annual Compound Average Percentage Change</u>
School District	25,342	27,162	7.3%
Fayette County.....	136,606	128,804	-15.4%
Commonwealth of Pennsylvania.....	12,702,379	13,002,700	5.55%

Source: U.S. Bureau of the Census

TABLE A-2
AGE COMPOSITION

<u>Area</u>	<u>18 Years +</u>	<u>21 Years+</u>	<u>65 Years+</u>
School District.....	20.3%	58.6%	21.1%
Fayette County	19.1%	58.1%	22.8%
Commonwealth of Pennsylvania	20.2%	60.2%	19.6%

Source: U.S Bureau of the Census

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

TABLE A-3
RECENT TRENDS IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025⁽¹⁾</u>
<i>Fayette County</i>						
Civilian Labor Force (000)	56.8	55.1	55.3	54.8	54.2	54.1
Employment (000)	50.2	50.4	51.9	52.3	51.6	51.2
Unemployment (000)	6.6	4.7	3.4	2.5	2.6	3.0
Unemployment Rate	11.6%	8.5%	6.1%	4.5%	4.7%	5.5%
<i>Pennsylvania</i>						
Civilian Labor Force (000)	6,515	6,445	6,479	6,518	6,588	6,541
Employment (000)	5,933	6,059	6,196	6,296	6,399	6,258
Unemployment (000)	581	386	283	223	189	284
Unemployment Rate	8.9%	6.0%	4.4%	3.4%	2.9%	4.3%

⁽¹⁾ As of June 2025

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

The largest employers located within Fayette County or near the School District include:

<u>Name</u>
State Government
Nemacolin Woodlands Inc
The Uniontown Hospital
Wal-Mart Associates Inc.
Connellsville Area School District
Fayette County
Fayette Resources Incorporated
Albert Gallatin Area School District
Laurel Highlands School District
Uniontown Area School District

Source: Center for Workforce Information & Analysis – 4th Quarter, 2024

Income

The data in Table A-4 shows recent trends in per capita income for the County, and the Commonwealth of PA over the 2000-2009 (Est.) period. Per capita income in the School District is higher than average per capita income in the County and the State.

TABLE A-4
RECENT TRENDS IN PER CAPITA INCOME*

	<u>2010</u>	<u>2019-2023</u>	<u>Percentage Change</u> <u>2010-2023</u>
Fayette County.....	\$20,650	\$32,278	56.31%
Commonwealth of PA	\$27,774	\$43,104	55.20%

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

Source: U.S. Census Bureau 2020 Census

Medical Facilities

Health centers servicing the residents of the School District include: Uniontown Hospital; Highlands Hospital in Connellsville, approximately 10 miles northeast of Uniontown; Brownsville General Hospital, located 12 miles northwest of Uniontown; Frick Community Health Care Center, located in Mt. Pleasant 18 miles northeast of Uniontown; and Morgantown (West Virginia) Medical Center, located 25 miles south of Uniontown; with additional health facilities available through hospitals in Pittsburgh, approximately 50 miles from Uniontown.

Transportation

Local air transportation is provided by Connellsville Airport, five miles from the School District and commercially from the Pittsburgh International Airport, sixty-three miles northwest of the School District.

Greyhound Bus Lines offers interstate and national bus line service to and from Uniontown. The two major highways traveled in the area are US Routes 40 for east-west travel and 119 for north-south travel. US Route 119 North connects to Interstate 76, the Pennsylvania Turnpike, approximately 29 miles to the north and Interstate 68 in West Virginia, approximately 25 miles to the South. Interstate 70 (east-west travel) is 20 miles to the north and Interstate 79 (north-south travel) is located 30 miles west.

Utilities

Electric service supplied throughout the area covered by the School District is provided by Allegheny Power Company; natural gas is supplied by Columbia Gas of PA; telephone service is supplied by Bell Telephone Company of Pennsylvania; cable television is supplied by Charter Communications and Armstrong Cable Service; water service is supplied by Pennsylvania American Water Service; and municipal sewerage is provided through the different boroughs and townships that make up the School District.

Education Facilities

Two and four year degree programs in a wide variety of disciplines are available through seven colleges and universities located 30 – 45 minutes from Uniontown. Four year and Associates degrees are offered through the Pennsylvania State University – Fayette Campus located between Uniontown and Connellsville. In addition, California State University and a University of Pittsburgh Campus are located in neighboring counties.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

**AUDITED FINANCIAL STATEMENT
FOR YEAR ENDED JUNE 30, 2024**

[THIS PAGE INTENTIONALLY LEFT BLANK]

UNIONTOWN AREA SCHOOL DISTRICT
SINGLE AUDIT REPORT
JUNE 30, 2024



McCLURE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS

**Uniontown Area School District
Single Audit Report
Table of Contents**

	<u>PAGE</u>
I. TRANSMITTAL LETTER	1-2
II. FINANCIAL STATEMENTS:	
Independent Auditors' Report	3-5
Management's Discussion and Analysis-Required Supplementary Information	6-15
Basic Government-Wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Governmental Fund Financial Statements:	
Balance Sheet	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balance	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Proprietary Fund Financial Statements:	
Statement of Net Position	22
Statement of Revenues, Expenditures, and Changes in Fund Net Position	23
Statement of Cash Flows	24
Fiduciary Fund Financial Statements:	
Statement of Net Position	25
Statement of Changes in Net Position	26
Notes to the Financial Statements	27-67
III. REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures, and Changes in Fund Balance-General Fund-Budget to Actual	68
Schedule of School District's Proportionate Share of the Net OPEB Liability and Schedule of School District's OPEB Contributions-PSERS	69
Schedule of Changes in Total OPEB Liability and Related Ratios-- Uniontown School District OPEB Plan	70
Schedule of School District's Proportionate Share of the Net Pension Liability	71
Schedule of School District's Contributions--Pension Plan	72
IV. REPORT IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> :	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	73-74
V. REPORTS IN ACCORDANCE WITH THE UNIFORM GUIDANCE:	
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	75-77
Schedule of Expenditures of Federal Awards and Selected State Awards	78-79
Notes to Schedule of Expenditures of Federal Awards	80-81
Schedule of Findings and Questioned Costs	82-83

Uniontown Area School District

Single Audit Report

I

Transmittal Letter

[THIS PAGE INTENTIONALLY LEFT BLANK]



McCLURE & WOLF, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1926

538 MORGANTOWN STREET
UNIONTOWN, PA 15401-5412

TELEPHONE 724-437-2000
FAX 724-438-8566

www.mcclurewolffcpas.com

JEFFREY W. McCABE, CPA
ELI T. ELIAS, JR., CPA
CLAYTON E. GREGG IV, CPA
AMANDA J. SMITH, CPA
DREW D. DuPONT, CPA

Members of the Board
Uniontown Area School District
205 Wilson Avenue
Uniontown, PA 15401

We have performed the Single Audit of the Uniontown Area School District (the School District) for the fiscal year ended June 30, 2024, and have enclosed the Single Audit reporting package.

The Single Audit was done to fulfill the requirements of the Uniform Guidance. It entailed:

1. an audit of the financial statements and our opinion thereon (Section II);
2. consideration of internal control over financial reporting and testing of compliance with certain laws, regulations, contracts, and grants in accordance with *Government Auditing Standards* (Section IV);
3. consideration of internal control applicable to certain federal programs and testing of compliance with certain laws, regulations, contracts, and grant agreements in accordance with the Uniform Guidance (Section V); and
4. an audit of schedule of expenditures of federal awards (Section V).

Copies of this audit report should be distributed as follows:

Ten copies:

Uniontown Area School District
205 Wilson Avenue
Uniontown, PA 15401

One copy:

Intermediate Unit 1
One Intermediate Unit Drive
Coal Center, PA 15423

One copy:

Court of Common Pleas of Fayette County
Fayette County Courthouse
61 East Main Street
Uniontown, PA 15401

One electronic copy:

Commonwealth of Pennsylvania
Bureau of Audits
Special Audit Services Division
Forum Place—8th Floor
555 Walnut Street
Harrisburg, PA 17101

One electronic copy:

Bureau of the Census
Attn: Single Audit Clearinghouse
Data Preparation Division
1201 East 10th Street
Jeffersonville, IN 47132

You are reminded that, in accordance with the Single Audit Act and the Pennsylvania School Code, this report must be advertised for public inspection within 30 days. Under separate cover, we are submitting a notice for advertising the audit.

We would like to express our appreciation for the cooperation and assistance received from the School District personnel during the audit. We appreciate the opportunity to be of continued service to the School District.

McClure & Wolf, LLP

McClure & Wolf, LLP
Uniontown, Pennsylvania
December 16, 2024

Uniontown Area School District

Single Audit Report

II

Financial Statements



McCLURE & WOLF, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1926

538 MORGANTOWN STREET
UNIONTOWN, PA 15401-5412

TELEPHONE 724-437-2000
FAX 724-438-8566

www.mcclurewolfcpas.com

JEFFREY W. McCABE, CPA

ELI T. ELIAS, JR., CPA

CLAYTON E. GREGG IV, CPA

AMANDA J. SMITH, CPA

DREW D. DuPONT, CPA

INDEPENDENT AUDITORS' REPORT

Members of the Board
Uniontown Area School District
205 Wilson Avenue
Uniontown, PA 15401

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6-15; Schedule of School District's Proportionate Share of the Net OPEB Liability and Schedule of School District's OPEB Contributions--PSERS on page 69; Schedule of Changes in Total OPEB Liability and Related Ratios--Uniontown School District OPEB plan on page 70; Statement of Revenues, Expenditures, Changes in Fund Balance-General Fund Budget to Actual on page 68; Schedule of School District's Proportionate Share of the Net Pension Liability on page 71; and Schedule of School District's contributions for Pension Plan on page 72 be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

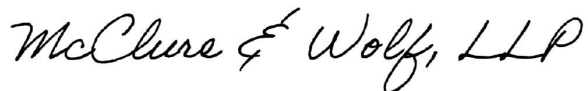
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The schedule of expenditures of federal awards and selected state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements.

Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and selected state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "McClure & Wolf, LLP". The signature is written in a cursive, flowing style.

McClure & Wolf, LLP
Uniontown, Pennsylvania
December 16, 2024

**Uniontown Area School District
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2024**

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

MISSION STATEMENT

Through the cooperative efforts of educators, parents, and community, the School District shall provide a safe, well-maintained, and challenging educational environment designed to meet the diverse needs of our school population in order to develop respectful, responsible, and knowledgeable students inspired to become successful life-long learners in an ever-changing technological society. This School District will provide sufficient resources, experiences, and opportunities to permit all students to achieve their fullest potential.

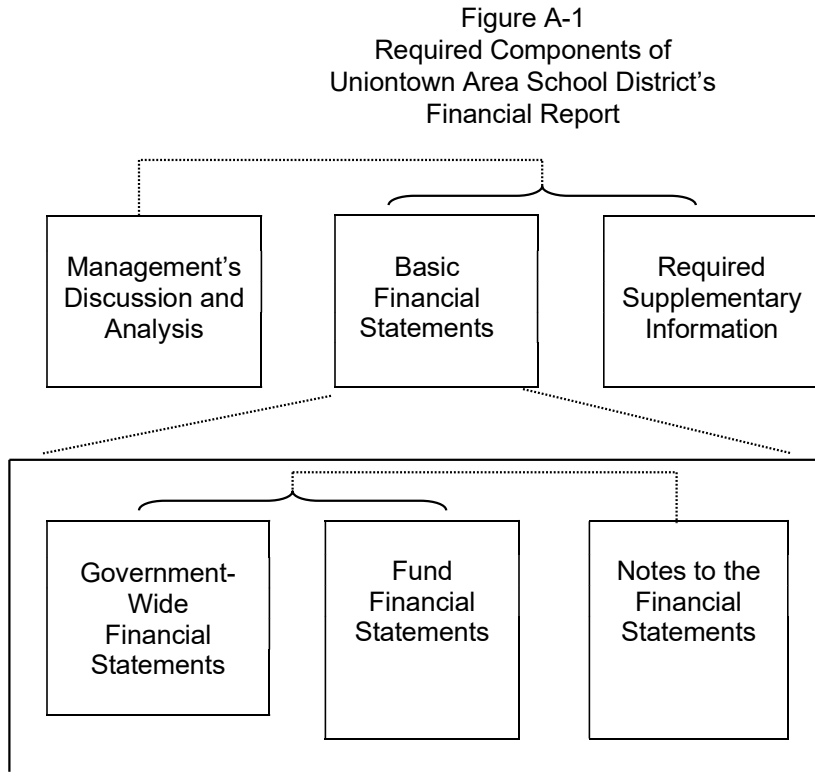
FINANCIAL REPORTS

The financial reports consist of three parts: Management's Discussion and Analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District. The first two statements are government-wide financial statements—the statement of net position and the statement of activities. These statements provide both long-term and short-term information about the School District's overall financial status.

The remaining statements are Fund Financial Statements that focus on individual parts of the School District's operations in more detail than the Government-Wide Statements. The Governmental Fund Statements tell in general how the School District's services were financed in the short-term, as well as what remains for future spending. Proprietary Fund Statements offer short-term and long-term financial information about the activities that the School District operates like a business. The School District accounts for food service as an Enterprise Fund.

**Uniontown Area School District
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2024**

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



**Uniontown Area School District
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2024**

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

Figure A-2
Major Features of Uniontown Area School District's
Government-Wide and Fund Financial Statements

		Fund Statements		
	Government-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire School District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as education, administration, and community services	Activities the School District operates similar to private business—Food Services	Instances in which the School District is the trustee or agent to someone else's resources—Student Activity and Scholarship Funds
Required financial statements	Statement of net position and statement of activities	Balance sheet and statement of revenues, expenditures, and changes in fund balance	Statement of net position; statement of revenues, expenses, and changes in net position; and statement of cash flows	Statement of fiduciary net position and statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow-outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**Uniontown Area School District
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2024**

OVERVIEW OF FINANCIAL STATEMENTS

Government-Wide Statements

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

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

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

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

1. **Governmental Activities:**

All of the School District's basic services are included here, such as instruction, administration, and community services. Property taxes and state and federal subsidies and grants finance most of these activities.

2. **Business-Type Activities:**

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

1. **Governmental Funds:**

Most of the School 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 School 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 School 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.

**Uniontown Area School District
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2024**

2. Proprietary Funds:

These funds are used to account for the School District's 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 School District charges customers for services it provides whether to outside customers or to other units in the School District, these services are generally reported in proprietary funds. The Food Service Fund is the School 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.

3. Fiduciary Funds:

The School District is the trustee, or fiduciary, for assets that belong to others, such as student activity funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The School District's total net position was (\$96,007,059) at June 30, 2024.

Table A-1
Fiscal Year Ended June 30, 2024
Net Position

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	2024 <u>Total</u>	2023 <u>Total</u>
Current and other assets	\$ 12,569,332	\$ 143,244	\$ 12,712,576	\$ 14,833,393
Capital and other noncurrent assets	<u>43,912,426</u>	<u>139,337</u>	<u>44,051,763</u>	<u>46,936,521</u>
Total Assets	<u>\$ 56,481,758</u>	<u>\$ 282,581</u>	<u>\$ 56,764,339</u>	<u>\$ 61,769,914</u>
Deferred Outflows of Resources	<u>\$ 13,570,697</u>	<u>\$ -</u>	<u>\$ 13,570,697</u>	<u>\$ 13,333,062</u>
Current and other liabilities	\$ 9,554,855	\$ 66,618	\$ 9,621,473	\$ 9,764,125
Long-term liabilities	<u>149,429,219</u>	<u>-</u>	<u>149,429,219</u>	<u>151,926,672</u>
Total Liabilities	<u>\$ 158,984,074</u>	<u>\$ 66,618</u>	<u>\$ 159,050,692</u>	<u>\$ 161,690,797</u>
Deferred Inflows of Resources	<u>\$ 7,291,403</u>	<u>\$ -</u>	<u>\$ 7,291,403</u>	<u>\$ 9,234,360</u>
Net Position:				
Restricted for:				
Net investment in capital assets	\$ (22,681,788)	\$ 139,337	\$ (22,542,451)	\$ (22,518,156)
LT debt retirement	-	-	-	-
Capital projects	101,010	-	101,010	355,394
Unrestricted	<u>(73,642,244)</u>	<u>76,626</u>	<u>(73,565,618)</u>	<u>(73,659,419)</u>
Total Net Position	<u>\$ (96,223,022)</u>	<u>\$ 215,963</u>	<u>\$ (96,007,059)</u>	<u>\$ (95,822,181)</u>

**Uniontown Area School District
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2024**

Most of the School District's net position is invested in capital assets (buildings, land, and equipment). The Capital Projects are funds invested in the continuing Construction Project. The designated balances are amounts set aside to fund future 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. 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 Commonwealth of Pennsylvania and the local taxes assessed to community taxpayers.

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
Fiscal Year Ended June 30, 2024
Changes in Net Position

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	2024 <u>Total</u>	2023 <u>Total</u>
Revenues				
Program revenues:				
Charges for services	\$ 297,911	\$ 218,028	\$ 515,939	\$ 393,948
Operating grants and contributions	20,161,158	2,381,048	22,542,206	25,215,978
Capital grants and contributions	581,608	-	581,608	752,237
General revenues:				
Property and other taxes	17,992,433	-	17,992,433	17,923,238
Grants, subsidies, and contributions, unrestricted	19,727,906	-	19,727,906	18,178,231
Investment earnings	405,608	6,832	412,440	291,039
Other	17,337	-	17,337	19,832
Transfer	-	-	-	-
Total Revenues	<u>59,183,961</u>	<u>2,605,908</u>	<u>61,789,869</u>	<u>62,774,503</u>
Expenses				
Instruction	35,694,897	-	35,694,897	33,026,178
Instructional student support	4,251,093	-	4,251,093	3,700,249
Administrative and financial support	4,305,437	-	4,305,437	3,731,576
Operation and maintenance of plant	7,472,783	-	7,472,783	7,636,467
Pupil transportation	4,700,306	-	4,700,306	4,495,284
Student activities	683,520	-	683,520	586,515
Community services	13,611	-	13,611	15,367
Scholarships and Awards	27,370	-	27,370	8,196
Interest on long-term debt	2,064,276	-	2,064,276	2,266,965
Food service-business-type activity	-	2,761,454	2,761,454	2,459,306
Total Expenses	<u>59,213,293</u>	<u>2,761,454</u>	<u>61,974,747</u>	<u>57,926,103</u>
 Increase (Decrease) in Net Position	 <u>\$ (29,332)</u>	 <u>\$ (155,546)</u>	 <u>\$ (184,878)</u>	 <u>\$ 4,848,400</u>

Uniontown Area School District
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2024

The tables 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 eight largest functions—instructional programs, instructional student support, administrative, operation and maintenance of plant, pupil transportation, student activities, community services, and food service as well as each program's net cost (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants, subsidies, and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues.

Table A-3
Fiscal Year Ended June 30, 2024
Governmental Activities

<u>Functions/Programs</u>	<u>Total Cost of Services 2024</u>	<u>Net Cost of Services 2024</u>	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>
Instruction	\$ 35,694,897	\$ 18,286,129	\$ 33,026,178	\$12,880,357
Instructional student support	4,251,093	2,314,656	3,700,249	1,805,218
Administrative	4,305,437	3,895,057	3,731,576	3,391,154
Operation and maintenance	7,472,783	6,910,311	7,636,467	7,078,526
Pupil transportation	4,700,306	4,664,832	4,495,284	4,458,972
Student activities	683,520	577,982	586,515	502,073
Community services	13,611	13,611	15,367	15,367
Scholarships and awards	27,370	27,370	8,196	8,196
Interest on long-term debt	2,064,276	1,482,668	2,266,965	1,514,728
Total Governmental Activities	<u>\$ 59,213,293</u>	<u>38,172,616</u>	<u>\$ 55,466,797</u>	<u>31,654,591</u>
Less unrestricted grants, subsidies		<u>(19,727,906)</u>		<u>(18,178,231)</u>
Total Needs from Local Taxes and Other Revenues		<u>\$ 18,444,710</u>		<u>\$ 13,476,360</u>

Table A-4 reflects the activities of the food service program which is our only enterprise fund.

Table A-4
Fiscal Year Ended June 30, 2024
Business-Type Activities

<u>Functions/Programs</u>	<u>Total Cost of Services 2024</u>	<u>Net Cost of Services 2024</u>	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>
Food services	<u>\$ 2,761,454</u>	\$ 162,378	<u>\$ 2,459,306</u>	\$ (90,651)
Less investment earnings		<u>(6,832)</u>		<u>(3,606)</u>
Total Expenses in Excess of Cost of Services		<u>\$ 155,546</u>		<u>\$ (94,257)</u>

The statement of revenues, expenses, and changes in fund net position for this proprietary fund will further detail the actual results of operations.

**Uniontown Area School District
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2024**

THE SCHOOL DISTRICT FUNDS

At June 30, 2024, the School District's governmental funds reported a combined fund balance of \$5,038,894. The combined fund balance decreased by \$2,063,713 as compared to the prior year's ending fund balance of \$7,102,607. The primary reason for this decrease is as follows:

1. General Fund:

The general fund had a decrease in fund balance of \$1,809,329 in 2023-2024. The general fund's fund balance at June 30, 2024, was \$4,937,884 which consisted of the following:

Unassigned	\$4,937,884
------------	-------------

Actual revenues surpassed the budgeted figure by \$4,598,537. The largest fraction of the increase came from basic education subsidy and State grants. Actual expenditures were over the budgeted figure by \$1,862,422 for the 2024 fiscal year.

2. Capital Projects Fund:

The capital projects fund had a decrease to fund balance of \$254,384 in 2023-2024. The Capital Projects fund balance at June 30, 2024, was \$101,010 which consisted of the following:

Restricted Fund Balance	\$101,010
-------------------------	-----------

General Fund Budget

A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the financial statements.

The approved budget for the 2023-2024 school year included no increase in real estate tax millage it remained at 16.64 and a projected fund balance of \$754,556.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2024, the School District's governmental activities had \$43,782,772, net of accumulated depreciation, invested in a broad range of capital assets, including land, site improvements, buildings, and furniture and equipment. Total capital assets at the end of 2024 decreased by \$2,876,099 from \$46,658,871 to \$43,782,772.

**Uniontown Area School District
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2024**

Table A-5
Governmental Activities
Capital Assets-Net of Depreciation

	<u>2024</u>	<u>2023</u>
Land	\$ 1,652,051	\$ 1,652,051
Site improvements	94,610	104,758
Buildings	41,489,607	44,231,162
Furniture and equipment	546,504	670,900
Construction in progress	-	-
Total	<u>\$43,782,772</u>	<u>\$46,658,871</u>

The cost of all School District assets is listed at \$116,483,757, less accumulated depreciation of \$72,700,985 for a net of \$43,782,772.

DEBT ADMINISTRATION

As of June 30, 2024, the School District had total outstanding bond principal of \$67,195,000.

Table A-6
Outstanding Debt

	<u>2024</u>	<u>2023</u>
General Obligation Bonds:		
Series of 2014	\$32,320,000	\$32,795,000
Series of 2017	5,285,000	5,330,000
Series of 2018	2,590,000	2,595,000
Series of 2019	2,660,000	2,665,000
Series of 2020B	19,525,000	19,695,000
Series of 2021	4,815,000	7,045,000
Total	<u>\$67,195,000</u>	<u>\$70,125,000</u>

Other obligations include long-term portion of compensated absences amounting to \$1,640,984 for specific employees of the School District, other post-employment benefits (OPEB) in the amount of \$22,279,320, and net pension obligation in the amount of \$61,258,000.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The School District's general obligation bond rating is "A-" by Standard & Poor's Ratings Services Group.

The School District does not expect significant growth in the near future given the residential nature of the local economy. Current infrastructure changes such as public water in our mountain area and sewage in Menallen Township have provided incentives for future commercial and residential growth in segments of our School District. School enrollments are steady. Only light industry is located in and around Uniontown with farming and recreational opportunities, such as hiking, biking, white water rafting, and skiing, confined to portions of the School District. There does not appear to be any significant growth in area industries including bituminous coal, metal working machinery, wood products, and service-related industries. The Nemacolin Woodlands Spa and Resort, situated in Wharton Township, attracts numerous visitors to our area annually for golfing, skiing, hiking, and other

**Uniontown Area School District
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2024**

sporting/recreational activities; and the four-star rated complex continues to provide significant real estate growth for our School District on an annual basis.

The revenues budgeted for the 2024-2025 school year are \$686,725 more than the final budgeted revenues for 2023-2024. This represents a 1% increase in budgeted revenues. The expenditures budgeted for the 2024-2025 school year are \$911,507 lower than the final budgeted expenditures for 2023-2024. This represents a 1% decrease in budgeted expenditures. The Board of Directors approved the 2024-2025 budget with a 7.1% millage increase over the 2023-2024 millage rate of 16.64.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the School District's finances and to show the Board of Director's accountability for the money it receives. If you have questions concerning this report or wish to request additional financial information, please contact Dr. Charles D. Machesky, Superintendent, Uniontown Area School District, 205 Wilson Avenue, Uniontown, Pennsylvania 15401.

Uniontown Area School District
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 2,718,023	\$ 22,170	\$ 2,740,193
Investments	3,559,406	-	3,559,406
Taxes Receivable, Net	2,165,656	-	2,165,656
Due from Other Governments	324,432	-	324,432
State Revenue Receivable	2,045,117	645	2,045,762
Federal Revenue Receivable	960,877	35,746	996,623
Other Receivables	187,446	23,889	211,335
Inventories	-	60,794	60,794
Other Current Assets	608,375	-	608,375
Total Current Assets	<u>12,569,332</u>	<u>143,244</u>	<u>12,712,576</u>
Noncurrent Assets			
Land	1,652,051	-	1,652,051
Site Improvements, Net of Accumulated Depreciation	94,610	-	94,610
Building and Building Improvements, Net of Accumulated Depreciation	41,489,607	-	41,489,607
Fixtures and Equipment, Net of Accumulated Depreciation	546,504	139,337	685,841
Construction in Progress	-	-	-
Long-Term Prepayments, Net of Accumulated Amortization	129,654	-	129,654
Total Noncurrent Assets	<u>43,912,426</u>	<u>139,337</u>	<u>44,051,763</u>
TOTAL ASSETS	<u>56,481,758</u>	<u>282,581</u>	<u>56,764,339</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources for Pension	10,739,619	-	10,739,619
Deferred Outflows of Resources for OPEB Uniontown School District OPEB Plan	1,339,782	-	1,339,782
Deferred Outflows of Resources for OPEB Public School Employees' Retirement System	649,081	-	649,081
Deferred Charge on Bond Refunding	842,215	-	842,215
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>13,570,697</u>	<u>-</u>	<u>13,570,697</u>
LIABILITIES			
Current Liabilities			
Interfund Payables	(58,188)	58,188	-
Accounts Payable	305,193	2,059	307,252
Current Portion of Long-Term Obligations—Bonds	3,015,000	-	3,015,000
Current Portion of Long-Term Obligations—Notes Payable	19,099	-	19,099
Bond Premium, Net of Amortization	241,429	-	241,429
Short-Term Payables	521,973	-	521,973
Accrued Salaries and Benefits	5,501,546	6,371	5,507,917
Payroll Deductions and Withholdings	8,803	-	8,803
Other Current Liabilities	-	-	-
Total Current Liabilities	<u>9,554,855</u>	<u>66,618</u>	<u>9,621,473</u>
Noncurrent Liabilities			
Bonds Payable	64,180,000	-	64,180,000
Net Pension Liability	61,258,000	-	61,258,000
Net Other Post-Employment Benefits (OPEB) Uniontown School District OPEB Plan	19,788,320	-	19,788,320
Net Other Post-Employment Benefits (OPEB) Public School Employees' Retirement System	2,491,000	-	2,491,000
Long-Term Portion of Compensated Absences	1,640,984	-	1,640,984
Notes Payable	70,915	-	70,915
Total Noncurrent Liabilities	<u>149,429,219</u>	<u>-</u>	<u>149,429,219</u>
TOTAL LIABILITIES	<u>158,984,074</u>	<u>66,618</u>	<u>159,050,692</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources for Pension	1,077,299	-	1,077,299
Deferred Inflows of Resources for OPEB-Uniontown School District OPEB Plan	5,406,672	-	5,406,672
Deferred Inflows of Resources for OPEB-Public School Employees' Retirement System	581,000	-	581,000
Unearned Revenues	226,432	-	226,432
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,291,403</u>	<u>-</u>	<u>7,291,403</u>
NET POSITION			
Restricted for:			
Investment in Capital Assets	(22,681,788)	139,337	(22,542,451)
Retirement of Long-Term Debt	-	-	-
Capital Projects	101,010	-	101,010
Unrestricted (Deficit)	<u>(73,642,244)</u>	<u>76,626</u>	<u>(73,565,618)</u>
TOTAL NET POSITION	<u>\$ (96,223,022)</u>	<u>\$ 215,963</u>	<u>\$ (96,007,059)</u>

See accompanying auditors' report.

Uniontown Area School District
Statement of Activities
For the Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-Type	Total
	<u>Expenses</u>	<u>Services</u>	<u>Grants and</u> <u>Contributions</u>	<u>Grants and</u> <u>Contributions</u>	<u>Activities</u>	<u>Activities</u>	
Governmental Activities:							
Instruction	\$ 35,694,897	\$ 200,703	\$ 17,208,065	\$ -	\$ (18,286,129)	\$ -	\$ (18,286,129)
Instructional Student Support	4,251,093	-	1,936,437	-	(2,314,656)	-	(2,314,656)
Administrative and Financial Support Services	4,305,437	-	410,380	-	(3,895,057)	-	(3,895,057)
Operation of Plant and Maintenance Services	7,472,783	56,251	506,221	-	(6,910,311)	-	(6,910,311)
Pupil Transportation	4,700,306	-	35,474	-	(4,664,832)	-	(4,664,832)
Student Activities	683,520	40,957	64,581	-	(577,982)	-	(577,982)
Community Services	13,611	-	-	-	(13,611)	-	(13,611)
Scholarships and Awards	27,370	-	-	-	(27,370)	-	(27,370)
Interest on Long-Term Debt	2,064,276	-	-	581,608	(1,482,668)	-	(1,482,668)
Total Governmental Activities	<u>59,213,293</u>	<u>297,911</u>	<u>20,161,158</u>	<u>581,608</u>	<u>(38,172,616)</u>	<u>-</u>	<u>(38,172,616)</u>
Business-Type Activities:							
Food Service (Business-Type Activity)	2,761,454	218,028	2,381,048	-	-	(162,378)	(162,378)
Total Primary Government	<u>\$ 61,974,747</u>	<u>\$ 515,939</u>	<u>\$ 22,542,206</u>	<u>\$ 581,608</u>	<u>\$ (38,172,616)</u>	<u>\$ (162,378)</u>	<u>\$ (38,334,994)</u>
General Revenues, Special and Extraordinary Items, and Transfers:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 14,473,996	\$ -	\$ 14,473,996
Other Taxes Levied					3,518,437	-	3,518,437
Grants, Subsidies, and Contributions not Restricted					19,727,906	-	19,727,906
Investment Earnings					405,608	6,832	412,440
Miscellaneous Income (Expense)					17,337	-	17,337
Transfers					-	-	-
Total General Revenues, Special and Extraordinary Items, and Transfers					<u>38,143,284</u>	<u>6,832</u>	<u>38,150,116</u>
Change in Net Position					(29,332)	(155,546)	(184,878)
Net Position					<u>(96,193,690)</u>	<u>371,509</u>	<u>(95,822,181)</u>
Net Position—Ending					<u>\$ (96,223,022)</u>	<u>\$ 215,963</u>	<u>\$ (96,007,059)</u>

See accompanying auditors' report.

Uniontown Area School District
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 2,617,013	\$ 101,010	\$ -	\$ 2,718,023
Investments	3,559,406	-	-	3,559,406
Taxes Receivable, Net	2,165,656	-	-	2,165,656
Due from Other Funds	58,188	-	-	58,188
Due from Other Governments	324,432	-	-	324,432
State Revenue Receivable	2,045,117	-	-	2,045,117
Federal Revenue Receivable	960,877	-	-	960,877
Other Receivables	187,446	-	-	187,446
Prepaid Expenses	608,375	-	-	608,375
Other Current Assets	-	-	-	-
TOTAL ASSETS	<u>\$ 12,526,510</u>	<u>\$ 101,010</u>	<u>\$ -</u>	<u>\$ 12,627,520</u>
Liabilities				
Accounts Payable	\$ 305,193	\$ -	\$ -	\$ 305,193
Accrued Salaries and Benefits	5,501,546	-	-	5,501,546
Payroll Deductions and Withholdings	8,803	-	-	8,803
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES	<u>5,815,542</u>	<u>-</u>	<u>-</u>	<u>5,815,542</u>
Deferred Inflows of Resources				
Unearned Revenues	1,773,084	-	-	1,773,084
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,773,084</u>	<u>-</u>	<u>-</u>	<u>1,773,084</u>
Fund Balances				
Nonspendable Fund Balance	608,375	-	-	608,375
Restricted Fund Balance	-	101,010	-	101,010
Committed Fund Balance	-	-	-	-
Assigned Fund Balance	-	-	-	-
Unassigned Fund Balance	4,329,509	-	-	4,329,509
TOTAL FUND BALANCES	<u>4,937,884</u>	<u>101,010</u>	<u>-</u>	<u>5,038,894</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 12,526,510</u>	<u>\$ 101,010</u>	<u>\$ -</u>	<u>\$ 12,627,520</u>

See accompanying auditors' report.

Uniontown Area School District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Total Fund Balance—Governmental Funds	\$ 5,038,894
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental Funds.	
Cost of Capital Assets	\$116,483,757
Accumulated Depreciation	<u>(72,700,985)</u>
	43,782,772
Property taxes receivable that will be collected this year, but are not available soon enough to pay for the current period's expenditures, are deferred in the Governmental Funds.	1,546,652
Deferred outflows and inflows of resources for pensions and other postemployment benefits are recorded and amortized in the Statement of Net Position.	5,663,511
Bond interest is accrued through the end of the year on the Statement of Net Position, whereas only the amounts paid are recorded in the Governmental Funds.	(521,973)
Bond premiums, bond discounts, and issuance costs relating to insurance are deferred and amortized in the Statement of Activities. These costs are reported in full in the Governmental Funds when debt is first issued.	(111,775)
Long-term liabilities (e.g., bonds payable, compensated absences, net pension obligation, and net post-employment benefit obligations) are not required to be reported in the Governmental Funds, however, are required to be included in the Statement of Net Position.	<u>(151,621,103)</u>
Total Net Position—Governmental Activities	\$ <u>(96,223,022)</u>

See accompanying auditors' report.

Uniontown Area School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

	General <u>Fund</u>	Capital Projects <u>Fund</u>	Debt Service <u>Fund</u>	Total Governmental <u>Funds</u>
REVENUES				
Local Sources	\$ 19,458,060	\$ 5,616	\$ -	\$ 19,463,676
State Sources	33,006,407	-	-	33,006,407
Federal Sources	6,622,910	-	-	6,622,910
TOTAL REVENUES	<u>59,087,377</u>	<u>5,616</u>	<u>-</u>	<u>59,092,993</u>
EXPENDITURES				
Instruction	36,495,376	-	-	36,495,376
Support Services	18,606,456	260,000	-	18,866,456
Noninstructional Services	724,501	-	-	724,501
Facility Acquisition, Construction, and Improvement	23,980	-	-	23,980
Debt Service (Principal and Interest)	-	-	5,052,843	5,052,843
Refund of Prior-Year Receipts	-	-	-	-
Short-Term Borrowing-Interests and Costs	-	-	-	-
TOTAL EXPENDITURES	<u>55,850,313</u>	<u>260,000</u>	<u>5,052,843</u>	<u>61,163,156</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,237,064</u>	<u>(254,384)</u>	<u>(5,052,843)</u>	<u>(2,070,163)</u>
OTHER FINANCING SOURCES (USES)				
Bonds Issued (Face Value)	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Bond Premiums	-	-	-	-
Interfund Transfers (From Other Funds)	-	-	5,052,843	5,052,843
Sale/Compensation for Fixed Assets	6,450	-	-	6,450
Other Financing Sources Not Listed	-	-	-	-
Debt Service-Refunded Bond Issues	-	-	-	-
Bond Discounts	-	-	-	-
Interfund Transfers Out	(5,052,843)	-	-	(5,052,843)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,046,393)</u>	<u>-</u>	<u>5,052,843</u>	<u>6,450</u>
 NET CHANGE IN FUND BALANCES	 (1,809,329)	 (254,384)	 -	 (2,063,713)
FUND BALANCE—BEGINNING	<u>6,747,213</u>	<u>355,394</u>	<u>-</u>	<u>7,102,607</u>
 FUND BALANCE—END OF YEAR	 <u>\$ 4,937,884</u>	 <u>\$ 101,010</u>	 <u>\$ -</u>	 <u>\$ 5,038,894</u>

See accompanying auditors' report.

Uniontown Area School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Total Net Change in Fund Balances—Governmental Funds: \$ (2,063,713)

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

Capital outlays are reported in the Governmental Funds as expenditures. In the Statement of Activities, the capital outlay is allocated over the asset's estimated useful life as depreciation expense for the period. This is the amount by which depreciation expense in the Governmental Funds exceeds capital outlay in the Statement of Activities. (2,852,119)

Because some property taxes will not be collected for several months after the School District's fiscal year ends, they are not considered as "available" revenue in the Governmental Funds. Unearned tax revenues decreased by this amount this year. 84,520

Repayment of long-term debt and certain expenditures of debt issuance are expensed when paid in the Governmental Funds but are amortized or recorded as a reduction of long-term liabilities in the Statement of Net Position. 2,985,794

In the Statement of Activities, certain expenses (compensated absences) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amount of financial resources used. (83,605)

The other postemployment benefit obligations and related deferred outflows and inflows of resources for other postemployment benefits are not reflected on the fund financial statements. (348,119)

Increase in net pension liability and related deferred outflows and inflows of resources are reflected as an adjustment to expense on the statement of activities but not included in the fund statements. 2,247,910

Change in Net Position—Governmental Activities **\$ (29,332)**

Uniontown Area School District
Statement of Net Position
Proprietary Fund
June 30, 2024

Food Service

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 22,170
Due from Other Governments	36,391
Other Receivables	23,889
Inventories	<u>60,794</u>
Total Current Assets	<u>143,244</u>

Noncurrent Assets

Fixtures and Equipment, Net of Depreciation	<u>139,337</u>
Total Noncurrent Assets	<u>139,337</u>

TOTAL ASSETS	<u>\$ 282,581</u>
---------------------	-------------------

LIABILITIES

Current Liabilities

Accounts Payable	\$ 2,059
Due to Other Funds	58,188
Accrued Salaries and Benefits	<u>6,371</u>
Total Current Liabilities	<u>66,618</u>

TOTAL LIABILITIES	<u>66,618</u>
--------------------------	---------------

NET POSITION

Net Investment in Capital Assets	139,337
Restricted	-
Unrestricted (Deficit)	<u>76,626</u>
TOTAL NET POSITION	<u>215,963</u>

TOTAL LIABILITIES AND NET POSITION	<u>\$ 282,581</u>
---	-------------------

See accompanying auditors' report.

Uniontown Area School District
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2024

	<u>Food Service</u>
OPERATING REVENUES	
Food Service Revenue	\$ 88,696
Other Operating Revenues	<u>129,332</u>
TOTAL OPERATING REVENUES	<u>218,028</u>
OPERATING EXPENSES	
Salaries	764,242
Employee Benefits	803,225
Purchased Professional and Technical Service	7,095
Other Purchased Service	961,250
Supplies	202,688
Depreciation	21,866
Other Operating Expenditures	<u>1,088</u>
TOTAL OPERATING EXPENSES	<u>2,761,454</u>
OPERATING INCOME (LOSS)	(2,543,426)
NONOPERATING REVENUES (EXPENSES)	
Earnings on Investments	6,832
State Sources	231,355
Federal Sources	<u>2,149,693</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>2,387,880</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(155,546)
CONTRIBUTIONS AND TRANSFERS	
Capital Contributions	-
Transfers In (Out)	<u>-</u>
CHANGE IN NET POSITION	(155,546)
NET POSITION—BEGINNING OF YEAR	<u>371,509</u>
NET POSITION—END OF YEAR	<u>\$ 215,963</u>

See accompanying auditors' report.

Uniontown Area School District
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2024

Food Service

Cash Flows From Operating Activities

Cash Received From Users	\$ 71,863
Cash Received From Other Operating Revenue	129,332
Cash Payments to Employees for Services	(1,508,065)
Cash Payments to Suppliers for Goods and Services	(976,855)
Cash Payments For Other Operating Expenses	<u>(1,087)</u>
Net Cash Provided (Used) By Operating Activities	<u>(2,284,812)</u>

Cash Flows From Noncapital Financing Activities

Local Sources	-
State Sources	230,711
Federal Sources	<u>1,925,259</u>
Net Cash Provided (Used) By Noncapital Financing Activities	<u>2,155,970</u>

Cash Flows From Capital and Related Financing Activities

Facility Acquisition, Construction, and Improvement	<u>(25,654)</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(25,654)</u>

Cash Flows From Investing Activities

Earnings on Investments	<u>6,832</u>
Net Cash Provided (Used) By Investing Activities	<u>6,832</u>

Increase (Decrease) in Cash and Cash Equivalents

	(147,664)
Cash and Cash Equivalents at Beginning of Year	<u>169,834</u>
Cash and Cash Equivalents at Year End	<u>\$ 22,170</u>

Operating Income (Loss)

\$ (2,543,426)

Adjustments to Reconcile Operating Income (Loss)
to Net Cash Provided (Used) by:

Depreciation and Net Amortization	21,866
Other Adjustments (Donated Commodities)	201,672
(Increase) Decrease in Accounts Receivable	(16,833)
(Increase) Decrease in Inventories	(7,199)
Increase (Decrease) in Accounts Payable	(805)
Increase (Decrease) in Accrued Salaries/Benefits	1,725
Increase (Decrease) in Advances from Other Funds	<u>58,188</u>
Total Adjustments	<u>258,614</u>

Cash Provided (Used) By Operating Activities

\$ (2,284,812)

See accompanying auditors' report.

**Uniontown Area School District
Statement of Net Position
Fiduciary Funds
June 30, 2024**

Activity Fund

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 185,774
Investments	<u>5,000</u>
Total Current Assets	<u>190,774</u>

TOTAL ASSETS	<u><u>\$ 190,774</u></u>
---------------------	--------------------------

LIABILITIES

Current Liabilities

Other Current Liabilities	<u>\$ -</u>
Total Current Liabilities	<u>-</u>

TOTAL LIABILITIES	<u><u>\$ -</u></u>
--------------------------	--------------------

NET POSITION

Restricted for Students	<u>\$ 190,774</u>
TOTAL NET POSITION	<u>190,774</u>

TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 190,774</u></u>
---	--------------------------

See accompanying auditors' report.

**Uniontown Area School District
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2024**

	<u>Activity Fund</u>
REVENUES	
Activity Revenue	\$ 342,109
Earnings on Investments	<u>7,640</u>
TOTAL REVENUES	<u>349,749</u>
EXPENSES	
Student Incentive	156,557
Fundraising	66,845
Field Trips	25,578
Supplies and Other Miscellaneous Expenses	<u>95,658</u>
TOTAL EXPENSES	<u>344,638</u>
CHANGE IN NET POSITION	5,111
NET POSITION—BEGINNING OF YEAR	<u>185,663</u>
NET POSITION—END OF YEAR	<u>\$ 190,774</u>

See accompanying auditors' report.

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

NOTE 1: GENERAL INFORMATION:

The Uniontown Area School District (the School District) is a third class school district located in Fayette County, Pennsylvania. It encompasses an area of approximately 250 square miles and includes Franklin Township, Henry Clay Township, Markleysburg Borough, Menallen Township, Ohiopyle Borough, Stewart Township, Wharton Township, and the City of Uniontown.

The School District provides basic educational services to approximately 2,500 students in four elementary schools, three elementary/middle schools, and a senior high school. Its administrative offices are located in the senior high school building. All buildings are publicly owned.

A. REPORTING ENTITY:

The Board of School Directors has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the School District. The School District receives funding from local, state, and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the School District is not included in any other governmental "reporting entity" since board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

B. JOINTLY GOVERNED ORGANIZATIONS:

Intermediate Unit I:

The School District is a participating member of the Intermediate Unit I (IU I). The IU I is managed by a joint committee consisting of members from each participating district. No participating district appoints a majority of the joint committee. The Board of Directors of each participating district must approve the IU I's annual operating budget. The IU I is a self-sustaining organization that provides services for fees to participating districts. As such, the School District has no on-going financial interest or financial responsibility in the IU I. The IU I contracts with participating districts to supply special education services and acts as a conduit for certain federal programs.

Fayette County Career & Technical Institute:

The School District is one of four member school districts of Fayette County Career & Technical Institute (FCCTI). The FCCTI's Joint Operating Committee is made up of three school board members from each of the four member districts. These board members are appointed to this position by their Board of Directors. This committee makes business-related decisions pertaining to the FCCTI. No member of this committee exercises specific control over the fiscal policies or operations of FCCTI. The FCCTI provides vocational-technical training and education to participating students of the member districts. The School District's share of annual operating costs for FCCTI fluctuates based on the number of participating students from the School District each year.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the School District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District follows accounting practices prescribed by the Manual of Accounting and Financial Reporting for Pennsylvania Public Schools, issued by the Pennsylvania Department of Education, which are in conformity with the above-mentioned GAAP. Following are the more significant of the School District's accounting policies:

A. BASIS OF PRESENTATION:

The School District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements:

The government-wide financial statements include the statement of net position and the statement of activities and display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The statements distinguish governmental activities that are supported by taxes and other intergovernmental revenues from business-type activities that are financed in whole or in part with fees charged for services.

The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year end. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Intergovernmental payments and other items not properly included among program revenues are reported as general revenues.

2. Fund Financial Statements:

Fund financial statements, which include governmental, proprietary, and fiduciary funds, are designed to present financial information of the School District at a more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

B. FUND ACCOUNTING:

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts used to keep track of specific sources of funding and spending for particular programs. There are three categories of funds: governmental, proprietary, and fiduciary. The School District maintains the following funds:

1. Governmental Fund Types:

Governmental funds are those through which most governmental functions of the School District are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources minus liabilities and deferred inflows of resources is reported as fund balance. The School District maintains the following governmental type funds:

a. General Fund:

The general fund is used to account for all financial resources, not accounted for and reported in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Pennsylvania.

b. Special Revenue Funds:

Special revenue funds are used to account for financial resources that are legally restricted to expenditures for specified purposes. These revenue sources must provide a "substantial" amount of the funding accounted for in a special revenue fund.

c. Capital Project Funds:

A capital project fund accounts for resources that are limited to expenditures for capital outlays. Types of expenditures made from this fund include the acquisition of capital facilities and capital assets.

d. Debt Service Funds:

Debt service funds are used to account for resources that are restricted, committed, or assigned to expenditure for principal and interest. This fund may also be used to accumulate the resources to make future debt service payments.

e. Permanent Funds:

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the School District's programs.

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

2. Proprietary Fund Types:

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The following is the School District's proprietary type fund:

a. Enterprise Fund:

The enterprise fund may be used to account for any activity for which a fee is charged to external users for goods or services. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the Board of School Directors has decided that the revenues earned, costs incurred, and net income are necessary to management accountability. The School District accounts for food service as an enterprise fund.

3. Fiduciary Fund Types:

Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used. The School District maintains one custodial fund, which is used to account for assets that belong to various student groups.

The total assets of the School District's custodial fund at June 30, 2024, totaled \$190,774.

C. FUND BALANCE REPORTING:

The School District has adopted Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement, which became effective July 1, 2010, defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. *Nonspendable*, such as fund balance associated with amounts that cannot be spent because funds are either 1) not in spendable form, such as inventories or prepaids, or 2) legally or contractually required to remain intact, such as the principal of a permanent fund.
2. *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by external resource providers, or through enabling legislation.
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District's Board of Directors (the School District's highest level of decision-making authority).
4. *Assigned* fund balance classification is intended to be used by the government for specific purposes but does not meet the criteria to be classified as restricted or committed.
5. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

Fund Balance Allocations:

Restricted Fund Balance: The School District's Restricted Fund Balance consists of the remaining construction funds which are in the Capital Project Fund.

Unassigned Fund Balance: The School District's Unassigned Fund Balance represents the residual classification for the general fund after segregating resources used in the other categories listed above. Unassigned fund balance will only be shown in other governmental funds if those governmental funds have a negative net fund balance.

Order of Use of Restricted and Unrestricted Funds:

The School District does not have a policy on fund balance that dictates which category of unrestricted fund balance is spent first, when resources are available to be spent in various categories. As such, committed amounts will be reduced first, followed by assigned amounts, and then unassigned amounts.

The School District also does not dictate whether restricted (nonspendable or restricted) or unrestricted (committed, assigned, or unassigned) is spent first when resources are available in both categories. As such, in these circumstances, restricted will be assumed to have been spent first followed by the unrestricted categories.

D. MEASUREMENT FOCUS:

Measurement focus is commonly used to describe the types of transactions and events that are reported in the operating statement.

1. Government-Wide Financial Statements:

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets, liabilities, deferred inflows of resources, and deferred outflows of resources associated with the operation of the School District are included on the statement of net position. As a general rule, the effect of interfund activity has been eliminated from government-wide financial statements.

2. Fund Financial Statements:

The governmental funds are accounted for using a flow of *current* financial resources measurement focus. Accordingly, only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on the governmental fund balance sheets; and the fund balances reflect spendable or appropriable resources. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for government funds.

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

The proprietary funds are accounted for using a flow of economic resources measurement focus, as in the government-wide financial statements. All assets and liabilities (current and noncurrent) associated with the operation of the funds are included on the statement of net position. The statement of changes in revenues, expenses, and changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows reflects how the School District finances and meets the cash flow needs of its proprietary funds. Depreciation of proprietary fund equipment is charged as expense against current operations using the straight-line method. Accumulated depreciation is reported on the proprietary fund statement of net position.

The fiduciary fund is also accounted for using a flow of economic resources measurement focus, as in the government-wide financial statements.

E. BASIS OF ACCOUNTING:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

1. Government-Wide Financial Statements:

Government-wide financial statements are reported using the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the cash flows.

2. Fund Financial Statements:

In the fund financial statements, governmental funds are reported using the modified accrual basis of accounting; and the proprietary funds are reported using the accrual basis of accounting. With the modified accrual basis, revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the School District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt are reported as other financing sources.

Major revenue sources susceptible to accrual include property taxes, income taxes, intergovernmental revenues, investment income, rent, and certain miscellaneous revenues. In general, other revenues are recognized when cash is received. In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be earned by the School District; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

F. BUDGETS AND BUDGETARY ACCOUNTING:

An operating budget is adopted each year for the general fund on a modified accrual basis of accounting.

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

The School District is required to prepare an operating budget for the succeeding fiscal year.

The Board of School Directors may make transfers of funds appropriated to any particular item of expenditure by legislative action. The budget data reflected in the combined financial statements includes the original budgeted amounts filed with the Pennsylvania Department of Education and the final appropriation amounts passed by the Board of School Directors during the fiscal year.

Fund balances in budgetary funds may be appropriated based on resolutions passed by the Board of Education, which authorizes the School District to make expenditures. Appropriations lapse at the end of the fiscal period.

Included with the general fund budget are program budgets as prescribed by the state and federal agencies funding the program. These budgets are approved on a program-by-program basis by the state or federal funding agency.

Budgets for enterprise and agency funds are not adopted.

G. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE:

1. Cash and Equivalents:

For purposes of the statement of cash flows, the School District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents are carried at cost plus accrued interest, if any, which approximates fair value.

2. Investments:

Investments are stated at fair value based on quoted market prices.

3. Real Estate Taxes:

Real estate taxes are collected from property owners within the eight municipalities comprising the School District. The tax on real estate for public school purposes for calendar year 2023 was 16.08 mills (\$16.08 per \$1,000.00 of assessed valuation) as levied by the Board of School Directors. Assessed valuations of property are determined by Fayette County and the elected tax collectors are responsible for collection.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

August 1	-	Levy date
August–September	-	2% discount period
October–November	-	Face payment period
December	-	5% penalty period
December 31	-	Returned to County

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

4. Inventory:

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.

Food service inventories consist of government donated commodities which are valued at estimated fair market value. An annual physical inventory of donated commodities is taken by food service and reported in the enterprise fund.

5. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and expenditure/expense is reported in the year which services are consumed.

6. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements. Capital assets used by the proprietary funds are reported in both the business-type activities column on the government-wide statement of net position and in the proprietary fund column of the fund financial statements of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Assets constructed by the School District are included as being effectively owned by the School District. Donated fixed assets are recorded at their fair market value on the date donated. The School District maintains a capitalization threshold of \$1,500. The School District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Amounts expended for such items prior to June 30, 2002, were considered part of the cost of buildings or other immovable property. In the future, if such items are built or constructed and appear to be material in cost compared to all capital assets, they will be capitalized and depreciated over their estimated useful lives as with all other capital assets.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

All capital assets, except land, are depreciated. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the Board of School Directors, no salvage value is taken into consideration for depreciation purposes. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	15–20 years
Buildings and building improvements	15–45 years
Furniture and fixtures	5–10 years
Vehicles	7–10 years
Equipment	5–10 years

7. Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the proprietary funds are reported on the proprietary fund financial statements. Contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year.

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental statement of net position or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, related to prepaid bond insurance, are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as all 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 financing uses. Issuance costs are reported as debt service expenditures.

8. Unearned Revenues:

Governmental funds report unearned revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period (i.e., receivables for delinquent taxes which were levied in the current and prior years but will not be available to pay liabilities of the current period). They will be recognized as revenues in the year collected. Governmental funds also report unearned revenue in connection with resources that have been received but not yet earned (i.e., advance payments received by the School District under grants for specific programs). These advance payments will be recognized as revenues when the related expenditures are incurred.

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

9. Compensated Absences:

It is the School District's policy to permit employees to accumulate unused sick leave and, upon termination, pay employees based upon an amount per unused sick day. Liabilities for accumulated leaves and termination compensation are recognized in the year that the rights to such benefits are earned. The liability to present employees is based upon current contract arrangements. The entire compensated absence liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are recognized as expenditures to the extent payments come due each period as a result of employee resignations and retirements. Following is a summary of the School District's compensated absence policies:

a. Vacation:

School District employees who are required to work on a twelve-month schedule are credited with vacation rates which vary with length of service or job classification. Unused vacation days for administrators and secretaries are added to sick days. Vacation days of other twelve-month employees are noncumulative.

b. Sick Leave:

Teachers and twelve-month employees are credited with ten to twelve days of sick leave annually, as set forth in their contracts, to an unlimited maximum. Administrators (Act 93 employees) are paid \$60 for each accumulated unused day up to a maximum of 300 days for normal or early retirement. Upon normal retirement, teachers are paid as a benefit \$90 for each accumulated unused day, up to a maximum of 200 days. Custodians are paid \$40 per day for each accumulated unused day, up to a maximum of 300 days. Secretaries are paid \$35 for each accumulated unused day up to a maximum of 180 days. Cafeteria personnel are paid for each accumulated unused day up to a maximum of 100 days, as set forth in the contract.

10. Interfund Transactions:

Interfund balances between governmental and business-type activities on the government-wide statements are reported as "internal balances." On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables/Payables." Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position.

Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in the enterprise fund. Interfund transfers within governmental activities and within business-type activities are eliminated on the government-wide statement of activities.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

11. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and, therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion which is available for appropriation in future periods.

12. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

13. Deferred Outflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has three items that qualify for reporting in this category, which are a deferred charge on bond refunding, deferred outflows of resources for pension, and deferred outflows of resources for other post-employment benefit (OPEB) which are reported in the government-wide statement of net position.

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

Deferred outflows of resources for pension results from contributions made to the pension plan subsequent to the measurement date and prior to the School District's year end. The contributions will be recognized as a reduction in net pension liability in the following year. Additionally, deferred outflows of resources for pension relates to the School District's net pension liability and pension expense and arises from changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, differences between employer contributions, and the proportionate share of total contributions reported by the pension plan. These amounts are deferred and amortized over either a closed five-year period or the average remaining service life of all employees depending on what gave rise to the deferred outflow.

Deferred outflows of resources for OPEB results from contributions made to the plan subsequent to the measurement date and prior to the School District's year-end. The contributions will be recognized as a reduction in net OPEB liability in the following year. Additionally, deferred outflows of resources for OPEB relates to the School District's net OPEB liability and OPEB expense and arises from changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, differences between employer contributions, and the proportionate share of total contributions reported by the plan. These amounts are deferred and amortized over either a closed seven-year period or the average remaining service life of all employees depending on what gave rise to the deferred outflow.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

14. Deferred Inflows of Resources:

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three types of items that qualify for reporting in this category. The first item, deferred inflows of resources for pension, relates to the School District's net pension liability and pension expense and arises from changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, or differences between employer contributions and the proportionate share of total contributions reported by the pension plan. These amounts are deferred and amortized over either a closed five-year period or the average remaining service life of all employees depending on what gave rise to the deferred inflow.

The second item, deferred inflows of resources for OPEB, relates to the School District's net OPEB liability and OPEB expense and arises from changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, or differences between employer contributions and the proportionate share of total contributions reported by the plan. These amounts are deferred and amortized over either a closed seven-year period or the average remaining service life of all employees depending on what gave rise to the deferred inflow.

The third item is unearned revenue. The governmental funds report unearned revenues from two sources, property taxes and federal revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

15. Net Position:

Net position consists of assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position invested in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

H. USE OF ESTIMATES:

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

I. COMPARATIVE DATA:

Comparative data is not included in the School District's financial statements.

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

J. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS:

GASB has issued Statement No. 101, "Compensated Absences". Statement 101 aligns recognition and measurement guidance for all types of compensated absences under a unified model which will result in governments recognizing a liability that more appropriately reflects when they incur an obligation for compensated absences. The model also will lead to greater consistency in application and improved comparability across governments. Generally, a liability for leave that has not been used would be recognized if the leave is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid or settled. The provisions of this statement are effective for the School District's June 30, 2025, financial statements.

NOTE 3: DETAILED NOTES ON ALL FUNDS:

A. CASH AND INVESTMENTS:

Under Section 440.1 of the Public School Code of 1949, as amended, the School District is permitted to invest in funds in the following types of investments:

1. U.S. Treasury Bills; short-term securities (having a maturity of less than 13 months) of the U.S. Government, its agencies, or its instrumentalities; and obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
2. Shares of investment companies, provided they meet certain stringent requirements and that the underlying investments held by the companies are limited to the categories of securities listed above.
3. Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law is pledged by the depository.

The deposit and investment policy of the School District adheres to state statutes. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the School District.

1. Deposits:

a. Custodial Credit Risk:

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of June 30, 2024, \$2,943,616 of the School District's bank balance of \$3,210,639 was exposed to custodial credit risk as follows:

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

Reconciliation:

Uninsured and collateral not in the School District's name, see above	\$ 2,943,616
Plus FDIC insured amount	<u>267,023</u>
Total Cash on Deposit	3,210,639
Plus deposits in transit	-
Less outstanding checks	(284,857)
 Plus petty cash	 <u>185</u>
Total Cash per Financial Statements	<u><u>\$ 2,925,967</u></u>
 Fiduciary funds	 \$ 185,774
Food service fund	22,170
Governmental funds	<u>2,718,023</u>
Total Cash	<u><u>\$ 2,925,967</u></u>

2. Investments:

As of June 30, 2024, the School District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>Less Than 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>
PSDLAF/PSDMAX	\$ 3,274,279	\$ 3,274,279	\$ -	\$ -
Equities	285,127	285,127	-	-
Certificates of deposit	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Total Investment Balance	<u><u>\$ 3,564,406</u></u>	<u><u>\$ 3,564,406</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The School District's \$3,564,406 investment balance consists of \$3,559,406 held within the governmental fund and \$5,000 held within fiduciary funds.

a. Interest Rate Risk:

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

Investments in PSDLAF/PSDMAX are not subject to interest rate risk as the funds are accessible on a daily basis and the interest rates change daily based on market conditions.

b. Credit Risk:

The School District is invested in PSDLAF Max series, which uses a principle investment strategy of investing in short term money market instruments and maintaining a constant net asset value of \$1.00 per share. Investments (other than direct deposits of state aid payments) are to be deposited for a minimum of fourteen days. At June 30, 2024, PSDLAF carried an AAAm rating.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

c. Concentration of Credit Risk:

The School District places no limit on the amount that may be invested in any one issuer.

d. Fair Value on Financial Instruments:

In accordance with GASB 72, *Fair Value Measurement and Application*, the School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School District has the following recurring fair value measurements as of June 30, 2024:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity funds	\$ -	\$ 285,127	\$ -	\$ 285,127
PSDLAF/PSDMAX				\$ 3,274,279
Certificates of deposit				5,000
Total Investments				<u>\$ 3,564,406</u>

B. TAXES RECEIVABLE AND UNEARNED REVENUES:

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

	Taxes <u>Receivable</u>	Allowance for Uncollectible <u>Taxes</u>	Estimated to be <u>Collectible</u>	Net Tax Revenues <u>Recognized</u>	Unearned <u>Tax</u>
Real estate	\$ 1,648,811	\$ -	\$ 1,648,811	\$ 102,160	\$ 1,546,651
Earned income taxes	428,974	-	428,974	428,974	-
Real estate transfer taxes	30,634	-	30,634	30,634	-
Other taxes	<u>57,237</u>	<u>-</u>	<u>57,237</u>	<u>57,237</u>	<u>-</u>
Total	<u>\$ 2,165,656</u>	<u>\$ -</u>	<u>\$ 2,165,656</u>	<u>\$ 619,005</u>	<u>\$ 1,546,651</u>

The Other Taxes category includes local services tax, amusement, mercantile, and per capita taxes.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

The unearned revenue balance in the general fund consisted of:

Federal revenue	\$ 194,971
State revenue	31,462
Unearned tax revenue	<u>1,546,651</u>
Total	<u>\$ 1,773,084</u>

C. DUE FROM OTHER GOVERNMENTS:

Amounts due from other governments represent receivables for revenues earned by the School District or collections made by other governmental units on behalf of the School District. At June 30, 2024, the following amounts are due from other governmental units:

<u>Due From</u>	<u>General Fund</u>	<u>Enterprise Fund</u>
Federal	\$ 960,877	\$ 35,746
State	2,045,117	645
Local	<u>324,432</u>	<u>-</u>
Total	<u>\$ 3,330,426</u>	<u>\$ 36,391</u>

D. INTERFUND TRANSACTIONS:

The composition of interfund balances is as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 58,188	\$ -
Enterprise fund	<u>-</u>	<u>58,188</u>
Total	<u>\$ 58,188</u>	<u>\$ 58,188</u>

<u>Fund</u>	<u>Transfer Out</u>	<u>Transfer In</u>
General fund	\$ 5,052,843	\$ -
Debt service fund	<u>-</u>	<u>5,052,843</u>
Total	<u>\$ 5,052,843</u>	<u>\$ 5,052,843</u>

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

E. CAPITAL ASSETS:

Capital asset activity of the School District for the fiscal year ended June 30, 2024, was as follows:

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings and Building Improvements</u>	<u>Furniture, Fixtures, Vehicles, and Equipment</u>	<u>Total</u>
Governmental Activities:					
June 30, 2023	\$ 1,652,051	\$ 1,745,858	\$ 108,323,986	\$ 4,753,862	\$ 116,475,757
Additions	-	-	-	8,000	8,000
Deletions	-	-	-	-	-
Cost at June 30, 2024	<u>1,652,051</u>	<u>1,745,858</u>	<u>108,323,986</u>	<u>4,761,862</u>	<u>116,483,757</u>
Accumulated depreciation at June 30, 2023	-	1,641,100	64,092,824	4,082,962	69,816,886
Additions	-	10,148	2,741,555	132,396	2,884,099
Deletions	-	-	-	-	-
Accumulated Depreciation at June 30, 2024	<u>-</u>	<u>1,651,248</u>	<u>66,834,379</u>	<u>4,215,358</u>	<u>72,700,985</u>
Governmental Activities Capital Assets, Net at June 30, 2024	<u>\$ 1,652,051</u>	<u>\$ 94,610</u>	<u>\$ 41,489,607</u>	<u>\$ 546,504</u>	<u>\$ 43,782,772</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 259,311
Instructional student support	964,059
Maintenance and operation	<u>1,660,729</u>
Total	<u>\$ 2,884,099</u>

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

	<u>Buildings and Building Improvements</u>	<u>Furniture, Fixtures, Vehicles, and Equipment</u>	<u>Total</u>
Business-Type Activities:			
June 30, 2023	\$ -	\$ 349,693	\$ 349,693
Additions	-	25,654	25,654
Deletions	-	-	-
Cost at June 30, 2024	<u>-</u>	<u>375,347</u>	<u>375,347</u>
Accumulated depreciation			
at June 30, 2023	-	214,144	214,144
Additions	-	21,866	21,866
Deletions	-	-	-
Accumulated Depreciation			
at June 30, 2024	<u>-</u>	<u>236,010</u>	<u>236,010</u>
Business-Type Activities			
Capital Assets, Net at June 30, 2024	<u>\$ -</u>	<u>\$ 139,337</u>	<u>\$ 139,337</u>
Food Service-Total Depreciation Expense			<u>\$ 21,866</u>

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

F. LONG TERM LIABILITIES:

Following is a summary of long term debt transactions of the School District for the year ended June 30, 2024:

	<u>Beginning</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
General Obligation Bonds:					
Series 2014	\$ 32,795,000	\$ -	\$ 475,000	\$ 32,320,000	\$ 495,000
Series 2017	5,330,000	-	45,000	5,285,000	45,000
Series 2018	2,595,000	-	5,000	2,590,000	5,000
Series 2019	2,665,000	-	5,000	2,660,000	5,000
Series 2020B	19,695,000	-	170,000	19,525,000	175,000
Series 2021	<u>7,045,000</u>	<u>-</u>	<u>2,230,000</u>	<u>4,815,000</u>	<u>2,290,000</u>
Total General Obligation Bonds	<u>70,125,000</u>	<u>-</u>	<u>2,930,000</u>	<u>67,195,000</u>	<u>3,015,000</u>
Notes from direct borrowing					
and direct replacements	108,003	-	17,989	90,014	19,099
Compensated Absences	1,557,379	89,432	5,827	1,640,984	-
Net Unfunded Pension Liability	61,042,000	216,000	-	61,258,000	-
Net Unfunded OPEB Liability	<u>22,042,280</u>	<u>237,040</u>	<u>-</u>	<u>22,279,320</u>	<u>-</u>
Total Long Term Liabilities	<u>\$ 154,874,662</u>	<u>\$ 542,472</u>	<u>\$ 2,953,816</u>	<u>\$ 152,463,318</u>	<u>\$ 3,034,099</u>

The School District's outstanding direct borrowings and direct replacements of \$90,014 contains a provision upon thirty days default of any of its terms and conditions, including the failure to make payment of any amount due the Seller, may declare this agreement null and void by written notice. The amounts paid by the School District will be forfeited to the Seller at the Seller's option as liquidated damages for the failure to fulfill the agreement completely.

The School District would be in default for late payments on three occasions during any consecutive twelve month period or if the monthly payment due is not paid by the fifteenth day of the month.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

A summary of bond interest and principal maturities is as follows:

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2025	\$ 2,039,436	\$ 3,015,000	\$ 5,054,436
2026	1,941,718	3,305,000	5,246,718
2027	1,841,599	3,410,000	5,251,599
2028	1,738,530	3,510,000	5,248,530
2029	1,630,343	3,620,000	5,250,343
2030-2034	6,235,595	20,010,000	26,245,595
2035-2039	2,702,122	23,560,000	26,262,122
2040-2044	138,159	6,765,000	6,903,159
Total	<u>\$ 18,267,502</u>	<u>\$ 67,195,000</u>	<u>\$ 85,462,502</u>

A summary of direct borrowing and replacement interest and principal maturities are as follows:

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2025	\$ 4,882	\$ 19,099	\$ 23,981
2026	3,703	20,278	23,981
2027	2,453	21,528	23,981
2028	1,125	22,856	23,981
2029	52	6,254	6,306
Total	<u>\$ 12,215</u>	<u>\$ 90,015</u>	<u>\$ 102,230</u>

1. GENERAL OBLIGATION BONDS, SERIES OF 2017:

In 2017, the School District authorized the issuance of General Obligation Bonds, Series of 2017 in the amount of \$5,530,000. The Bonds and Notes are dated November 28, 2017, with a final maturity date of October 1, 2036. Proceeds of the Series 2017 Bonds will be used to (1) refund, on a current basis, the March 21, 2012, principal and interest payments due on the School District's General Obligation Bonds, Series of 2012; (2) pay the costs associated with issuing the Series 2017 Bonds.

The Bonds were issued as fully registered Bonds and Notes in the denomination of \$5,000 or any integral multiple thereof. Interest shall be payable semiannually on April 1 and October 1 commencing on April 1, 2018. Accrued interest relative to these bonds is \$40,699.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

The Bonds and their maturity schedules are described below:

SERIES B OF 2017

<u>Due</u> <u>October 1,</u>	<u>Interest</u> <u>Rate</u>	<u>Outstanding</u> <u>Principal</u>
2024	2.500	\$ 45,000
2025	2.500	50,000
2026	2.500	50,000
2027	2.500	50,000
2028	2.500	50,000
2029	3.000	60,000
2030	3.000	60,000
2031	3.000	60,000
2032	3.000	60,000
2033	3.100	60,000
2034	3.100	65,000
2035	3.100	3,335,000
2036	3.150	<u>1,340,000</u>
		<u>\$ 5,285,000</u>

2. GENERAL OBLIGATION BONDS, SERIES OF 2014:

In 2014, General Obligation Bonds, Series of 2014, in the amount of \$41,970,000 were issued. The Bonds are dated July 3, 2014, with a final maturity date of October 1, 2034. The Series of 2014 Bonds were issued to be used to (1) refund, on a current basis, a portion of the School District's General Obligation Bonds, Series of 2005; (2) pay all costs and expenses incident to the issuance of the Bonds.

The Bonds were issued as fully registered Bonds in the denomination of \$5,000, or any integral multiple thereof. Interest on the Bonds shall be payable semiannually on April 1 and October 1 which began on October 1, 2014. Accrued interest relative to these bonds is \$278,569.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

The Bonds and their maturity schedules are described below:

SERIES OF 2014

<u>Due October 1,</u>	<u>Interest Rate</u>	<u>Outstanding Principal</u>
2024	4.000	\$ 495,000
2025	3.000	2,730,000
2026	3.000	2,815,000
2027	3.125	2,900,000
2028	3.250	3,000,000
2029	3.500	3,100,000
2030	3.500	3,210,000
2031	3.625	3,325,000
2032	3.625	3,455,000
2033	3.750	3,575,000
2034	3.750	<u>3,715,000</u>
		<u>\$ 32,320,000</u>

3. GENERAL OBLIGATION BONDS, SERIES OF 2018:

In 2018, the School District authorized the issuance of General Obligation Bonds, Series of 2018 in the amount of \$2,615,000. The Bonds and Notes are dated August 18, 2018, with a final maturity date of October 1, 2037. Proceeds of the Series 2018 Bonds will be used to (1) refund, on a current basis, the October 1 principal and accrued interest payments due for the School District's General Obligation Bonds, Series of 2014, 2015, 2016A; (2) pay the costs associated with issuing the Series 2018 Bonds.

The Bonds were issued as fully registered Bonds and Notes in the denomination of \$5,000 or any integral multiple thereof. Interest shall be payable semiannually on April 1 and October 1 commencing on April 1, 2018. Accrued interest relative to these bonds is \$20,356.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

The Bonds and their maturity schedules are described below:

SERIES OF 2018

<u>Due October 1,</u>	<u>Interest Rate</u>	<u>Outstanding Principal</u>
2024	2.750	\$ 5,000
2025	2.750	150,000
2026	2.750	155,000
2027	2.750	160,000
2028	3.000	165,000
2029	3.000	165,000
2030	3.000	175,000
2031	3.000	175,000
2032	3.250	185,000
2033	3.250	190,000
2034	3.250	200,000
2035	3.400	215,000
2036	3.400	210,000
2037	3.400	440,000
		\$ 2,590,000

4. GENERAL OBLIGATION BONDS, SERIES OF 2019:

In 2019, the School District authorized the issuance of General Obligation Bonds, Series of 2019 in the amount of \$2,680,000. The Bonds and Notes are dated July 24, 2019, with a final maturity date of October 1, 2040. Proceeds of the Series 2019 Bonds will be used to (1) refund, on a current basis, the October 1 principal and accrued interest payments due for the School District's General Obligation Bonds, Series of 2014, 2015, 2016A; (2) pay the costs associated with issuing the Series 2019 Bonds.

The Bonds were issued as fully registered Bonds and Notes in the denomination of \$5,000 or any integral multiple thereof. Interest shall be payable semiannually on April 1 and October 1 commencing on October 1, 2019. Accrued interest relative to these bonds is \$19,831.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

The Bonds and their maturity schedules are described below:

SERIES OF 2019

<u>Due</u> <u>October 1,</u>	<u>Interest</u> <u>Rate</u>	<u>Outstanding</u> <u>Principal</u>
2024	3.000	\$ 5,000
2025	2.750	20,000
2026	2.750	20,000
2027	2.750	20,000
2028	2.750	20,000
2029	2.750	20,000
2030	2.750	20,000
2031	2.750	25,000
2032	2.750	20,000
2033	2.750	25,000
2034	3.000	25,000
2035	3.000	40,000
2036	3.000	25,000
2037	3.000	40,000
2038	3.000	455,000
2039	3.000	480,000
2040	3.000	<u>1,400,000</u>
		<u>\$ 2,660,000</u>

5. GENERAL OBLIGATION BONDS, SERIES A OF 2020 AND SERIES B OF 2020:

In 2020, the School District authorized the issuance of General Obligation Bonds, Series A of 2020 in the amount of \$2,810,000 and General Obligation Notes, Series B of 2020 in the amount of \$19,830,000. The Bonds and Notes are dated July 6, 2020, with a final maturity date of October 1, 2039. Accrued interest relative to these bonds is \$132,719.

Proceeds of the Series A Bonds will be used to (1) refund, on a current basis, the School District's General Obligation Bonds, Series of 2015 and (2) pay all costs and expenses incident to the issuance of the Bonds.

Proceeds of the Series B Notes will be used to (1) refund, on a current basis, the School District's General Obligation Bonds, Series of 2010 and (2) pay all costs and expenses incident to the issuance of the Bonds.

The Bonds were issued as fully registered Bonds and Notes in the denomination of \$5,000 or any integral multiple thereof. Interest shall be payable semiannually on April 1 and October 1 commencing on October 1, 2020.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

The Bonds and their maturity schedules are described below:

SERIES B of 2020

<u>Due October 1,</u>	<u>Interest Rate</u>	<u>Outstanding Principal</u>
2024	4.000	\$ 175,000
2025	4.000	180,000
2026	4.000	190,000
2027	2.000	195,000
2028	2.000	200,000
2029	2.000	205,000
2030	2.000	205,000
2031	2.250	210,000
2032	2.250	215,000
2033	2.250	220,000
2034	2.250	225,000
2035	3.000	230,000
2036	3.000	2,795,000
2037	3.000	4,635,000
2038	3.000	4,760,000
2039	3.000	4,885,000
		<u>\$ 19,525,000</u>

6. GENERAL OBLIGATION BONDS, SERIES OF 2021:

In 2021, the School District authorized the issuance of General Obligation Bonds, Series of 2021 in the amount of \$7,865,000. Bonds and Notes are dated July 8, 2021, with a final maturity date of October 1, 2036. Proceeds of the Series 2021 Bonds will be used to (1) refund, on a current basis, the School District's General Obligation Bonds, Series of 2016A and 2016B; (2) pay all costs and expenses incident to the issuance of the Bonds.

The Bonds were issued as fully registered Bonds and Notes in the denomination of \$5,000 or any integral multiple thereof. Interest shall be payable semiannually on April 1 and October 1 commencing on October 1, 2021. Accrued interest relative to these bonds is \$29,800.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

The Bonds and their maturity schedules are described below:

SERIES OF 2021

<u>Due</u> <u>October 1,</u>	<u>Interest</u> <u>Rate</u>	<u>Outstanding</u> <u>Principal</u>
2024	2.000	\$ 2,290,000
2025	2.000	175,000
2026	2.000	180,000
2027	2.000	185,000
2028	2.000	185,000
2029	2.000	190,000
2030	2.000	190,000
2031	2.000	200,000
2032	2.000	200,000
2033	2.000	210,000
2034	2.000	210,000
2035	2.000	305,000
2036	2.000	295,000
		<u>\$ 4,815,000</u>

G. DEFERRED OUTFLOWS OF RESOURCES-ADVANCE REFUNDING:

As a result of advance refundings in prior years, the difference between the reacquisition price of the old debt and the net carrying amount of the old debt is required to be deferred and amortized as an element of interest expense over the shorter of the life of the refunded or refunding debt. This amount is reported as a deferred outflow of resources on the statement of net position.

	<u>Series 2014</u>	<u>Series 2021</u>	<u>Series 2017</u>	<u>Totals</u>
Refunded issues:				
Total deferred interest on refunding	\$ 1,850,458	\$ 157,956	\$ 120,053	\$ 2,128,467
Interest expense recognized in prior years	(1,082,607)	(39,488)	(36,683)	(1,158,778)
Current year interest expense	<u>(101,061)</u>	<u>(19,744)</u>	<u>(6,669)</u>	<u>(127,474)</u>
	<u>\$ 666,790</u>	<u>\$ 98,724</u>	<u>\$ 76,701</u>	<u>\$ 842,215</u>

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB):

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of Public School Employees' Retirement System (PSERS) and the Uniontown School District Postemployment Benefits Plan (the Uniontown School District OPEB Plan) and additions

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

to/deductions from PSERS and the Uniontown School District OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by PSERS and the Uniontown School District OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1. Uniontown School District OPEB Plan:

A. General Information:

The School District maintains a single employer defined benefit OPEB Plan to provide postemployment health care benefits. The Board provides health insurance coverage for eligible employees who retire from employment with the Uniontown Area School District. These benefits are subject to collective bargaining and ratification by the School District's Board of Directors.

The plan is unfunded and does not issue stand-alone financial statements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

Act 93 Administrators and Teacher Eligibility Requirements:

Future retired Act 93 administrators are entitled to receive full post-retirement medical coverage for themselves and their spouses to age 65. If the retiree dies prior to age 65, this benefit shall continue to the surviving spouse until Medicare eligibility.

Future retired teachers are entitled to receive full post-retirement medical coverage for themselves and their spouses to age 65, or for a total of seven (7) years, if less. If the retiree dies prior to age 65, this benefit shall continue to the surviving spouse until Medicare eligibility. The retired teachers shall also be responsible for reimbursing the School District the PSERS benefit of \$100 per month.

Secretarial, Custodial, and Other Employees Eligibility Requirements:

Future retired secretaries (with at least 10 years with the School District) are entitled to receive full post-retirement medical coverage for themselves and their spouses to age 65, or for a total of five (5) years. If they elect employee only coverage, the School District would cap the benefit at seven years.

Future retired custodial workers (upon completion of 25 years of service with the School District) are entitled to receive full post-retirement medical coverage for themselves and their spouses to age 65 or for a period no more than seven years. The retired custodians shall also be responsible for reimbursing the School District the PSERS benefit of \$100 per month and pay any future health care cost increases. If a retired custodial worker has 15 years with the School District at retirement, their benefit would be capped at three years.

Future retired food service employees who attain age 60 with 20 years of service may receive single medical coverage until age 65 provided that they pay all future health care cost increases.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

Employees Covered by Benefit Terms:

At July 1, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	22
Inactive Employees Entitled to but not yet Receiving Benefits	-
Active Employees	<u>261</u>
Total	<u>283</u>

The School District's Total OPEB liability of \$19,788,320 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs:

The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial cost method—Entry Age Normal Percentage of Pay;
- Medical inflation rate—6.50% increase in the first year, 6% in the 2nd year, decreasing by 0.5% per year to an ultimate rate of 5%;
- Discount Rate 3.93%, based on Bond Buyer AA Index;
- Salary increases—3.00%, average, including inflation; and
- Mortality—RP-2000 Combined Healthy with Scale BB.

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2022.

Changes in the Total OPEB Liability:

Net OPEB Obligation Balance—July 1, 2023	\$ 19,518,280
Changes for the year	
Service cost	639,124
Interest	731,189
Differences	(850,641)
Benefit payments	<u>(249,632)</u>
Net Changes	<u>270,040</u>
Net OPEB Obligation Balance—June 30, 2024	<u>\$ 19,788,320</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

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

The following presents the total OPEB liability of the School District for the single employer plan, as well as what the School District's total OPEB liability for the single employer plan would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	2.93% <u>1% Decrease</u>	3.93% <u>Current Rate</u>	4.93% <u>1% Increase</u>
Net OPEB Liability	\$21,562,806	\$19,788,320	\$18,174,052

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

The following presents the total OPEB liability of the School District's single employer plan, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$17,584,691	\$19,788,320	\$22,330,177

B. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB:

For the year ended June 30, 2024, the School District recognized OPEB expense of \$724,420. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,339,782	\$ 5,406,672
Total	<u>\$ 1,339,782</u>	<u>\$ 5,406,672</u>

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

Year End June 30,

2025	\$ (645,893)
2026	\$ (645,893)
2027	\$ (593,868)
2028	\$ (560,923)
2029	\$ (816,826)
Thereafter	\$ (803,487)

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

2. Health Insurance Premium Assistance Program—(PSERS):

A. General Information about the Health Insurance Premium Assistance Program:

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program (HOP). As of June 30, 2023, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria:

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

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

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

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

Pension Plan Description:

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

Benefits Provided:

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

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

Employer Contributions:

The School Districts' contractually required contribution rate for the fiscal year ended June 30, 2024, was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were \$226,413 for the year ended June 30, 2024.

B. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB:

At June 30, 2024, the School District reported a liability of \$2,491,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll.

At June 30, 2024, the School District's proportion was 0.1377 percent, which was an increase of 0.0006% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized OPEB expense of \$101,745. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 6,000	\$ -
Difference between expected and actual experience	16,000	25,000
Changes in proportions	40,000	85,000
Changes in assumptions	215,000	471,000
Difference between employer contributions and proportionate share of total contribution	145,668	-
Contributions subsequent to the measurement date	226,413	-
	<u>\$ 649,081</u>	<u>\$ 581,000</u>

The amount of \$226,413 is reported as deferred outflows of resources related to OPEB resulting from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the measurement date June 30, 2024.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

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

Year End June 30,

2025	\$	(30,468)
2026	\$	(41,598)
2027	\$	(56,326)
2028	\$	(53,303)
2029	\$	13,973
Thereafter	\$	9,390

C. Actuarial Assumptions:

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

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

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021, determined the employer contribution rate for fiscal year 2023.

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

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

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

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

<u>OPEB-Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	<u>100%</u> <u>100%</u>	1.2%

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 4.13%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.13% which represents the S&P 20 year Municipal Bond Rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

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

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

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

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
PSERS net OPEB liability	\$ 2,491,000	\$ 2,491,000	\$ 2,492,000

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

The following presents the net OPEB liability, calculated using the discount rate of 4.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (3.13%) or 1% point higher (5.13%) than the current rate:

	<u>3.13%</u> <u>1% Decrease</u>	<u>4.13%</u> <u>Current</u>	<u>5.13%</u> <u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 2,817,000	\$ 2,491,000	\$ 2,219,000

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.

NOTE 4: DEFINED BENEFIT PENSION PLAN:

A. Summary of Significant Accounting Policies:

Pensions:

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

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

B. General Information about the Pension Plan:

Plan Description:

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

Benefits Provided:

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

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

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

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

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 (10 years for Class

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Contributions

Member Contributions:

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	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: 10.80%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

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

Employer Contributions:

The School District's contractually required contribution rate for fiscal year ended June 30, 2024, was 33.09% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School District were \$7,320,690 for the year ended June 30, 2024.

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions:

At June 30, 2024, the School District reported a liability of \$61,258,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. The School 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, 2024, the School District's proportion was 0.1377 percent, which was an increase of 0.0004% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of \$5,087,193.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 1,733,000	\$ -
Difference between expected and actual experience	14,000	839,000
Changes in proportions	732,000	217,000
Changes in assumptions	914,000	-
Difference between employer contributions and proportionate share of total contribution	25,929	21,299
Contributions subsequent to the measurement date	7,320,690	-
	<u>\$ 10,739,619</u>	<u>\$ 1,077,299</u>

The amount of \$7,320,690, is reported as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement date June 30, 2024.

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 End June 30.

2025	\$ 734,422
2026	\$ (859,676)
2027	\$ 1,891,764
2028	\$ 575,120

Actuarial assumptions related to June 30, 2023, measurement date:

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

- Valuation Date—June 30, 2022.
- Actuarial cost method—Entry Age Normal—level % of pay.
- Investment return—7.00%, includes inflation at 2.50%.
- Salary growth—effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2022 and as of June 30, 2023.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021, actuarial valuation:
 - Salary growth rate—decreased from 5.00% to 4.50%;
 - Real wage growth and merit or seniority increases (components for salary growth)—decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively; and
 - Mortality rates—Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021, actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

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

The long-term expected rate of return on 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 a long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Investment Policy:

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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	-10.5%	1.2%
	<u>100.0%</u>	

**Uniontown Area School District
Notes to the Financial Statements
June 30, 2024**

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

Discount Rate:

The discount rate used to measure the total 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 project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1%-point lower (6.00%) or 1%-point higher (8.00%) than the current rate:

	6.00% <u>1% Decrease</u>	7.00% <u>Current</u>	8.00% <u>1% Increase</u>
District's proportionate share of the net pension liability	\$ 79,407,000	\$ 61,258,000	\$ 45,945,000

Pension Plan Fiduciary Net Position:

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

NOTE 5: OTHER INFORMATION:

A. CONTINGENT LIABILITIES:

1. Grant Programs:

The School District participates in both state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The School District is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

2. Litigation:

In the normal course of operations, the School District is involved in various civil disputes. Management is of the opinion that any unfavorable outcome resulting from such actions would not have a material effect on the School District's financial position.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

B. ON-BEHALF OF PAYMENTS FOR FRINGE BENEFITS:

In accordance with GASB Statement Number 24, the School District recognizes as revenues and expenditures funds received from the Commonwealth of Pennsylvania for the payment of fringe benefits.

During the year ended June 30, 2024, the School District recognized as revenues and expenditures \$876,596 of Social Security/Medicare expense and \$4,480,794 of pension contributions received from the Commonwealth of Pennsylvania.

C. RISK MANAGEMENT:

The School District is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School District carries commercial insurance. Settled claims have not exceeded coverage in any of the past three years, and there has been no significant reduction in coverage from the prior fiscal year.

D. FAYETTE COUNTY VOCATIONAL SCHOOL DEBT:

Uniontown Area School District is one of four districts that participate in the Fayette County Career and Technical Institute (VOTECH) (an area vocational technical school). The VOTECH operates under Articles of Agreement that each of the participating districts have entered into. Under the Articles of Agreement, the annual operating expenses are allocated to and paid by the participating districts under a formula based on each district's average daily membership of the VOTECH and the capital expenses, including lease rentals are allocated to and paid by the participating districts under a formula based on the School District's market value of its taxable real estate, adjusted annually. These provisions are more fully described in the Articles of Agreement. The VOTECH issued school lease revenue bonds, series 2012, in the aggregate principal amount of \$4,900,000 dated February 15, 2012. The obligations of the participating districts to make payments under the lease are statutory lease obligations of the participating districts and the full faith, credit and taxing powers of the participating districts are specifically pledged pursuant to the local government unit debt act.

The Articles of Agreement and the lease shall remain in effect until all obligations for financing or refinancing of the capital projects and all obligations created in connection therewith or in the financing of any subsequent capital expenditures have been paid in full. No participating district may withdraw from participation in the VOTECH unless all of the other districts approve the withdrawal and the withdrawing district pays to the trustee an amount equal to the withdrawing district's proportional share of the total outstanding principal balance of the bonds and an amount equal to the interest on the bonds until the first call date at par. Each district has agreed not to approve any amendment to the Articles as long as financing remains outstanding. The following is a summary of the VOTECH bond principal maturities as of June 30, 2024.

Uniontown Area School District
Notes to the Financial Statements
June 30, 2024

<u>Due September</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 265,000	4.0%
2026	275,000	4.0%
2027	280,000	2.0%
2028	290,000	2.0%
2029	295,000	2.0%
Thereafter	<u>910,000</u>	
	<u>\$ 2,315,000</u>	

NOTE 6: HEALTH INSURANCE CONSORTIUM:

In an effort to reduce the cost of providing health insurance benefits for its employees, the School District joined in the Allegheny County Schools Health Insurance Consortium Trust (the Trust) (a public entity risk pool). The Trust's general objectives are (a) to formulate, develop, and administer, on behalf of its subscribers, a program of insurance; (b) to obtain lower costs for the coverage; (c) to reward subscribers for lower usage of the coverage; (d) to establish a continuing voice with Blue Cross/Blue Shield; and (e) to manage the Trust's healthcare dollar most effectively.

During the year ended June 30, 2024, the School District paid \$6,308,343 into the health consortium for health insurance benefits for its employees, which included administration fees.

NOTE 7: SUBSEQUENT EVENTS:

Subsequent events were evaluated through December 16, 2024, which is the date the financial statements were available to be issued. Based upon this evaluation, no events subsequent to June 30, 2024, were required to be recorded or disclosed in the financial statements.

Uniontown Area School District

Single Audit Report

III

Required Supplementary Information

Uniontown Area School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund—Budget to Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u> <u>Positive (Negative)</u>
REVENUES				
Local Sources	\$ 17,532,005	\$ 17,532,005	\$ 19,458,060	\$ 1,926,055
State Sources	30,193,285	30,193,285	33,006,407	2,813,122
Federal Sources	6,770,000	6,770,000	6,622,910	(147,090)
TOTAL REVENUES	<u>54,495,290</u>	<u>54,495,290</u>	<u>59,087,377</u>	<u>4,592,087</u>
EXPENDITURES				
Regular Programs	24,278,814	24,278,814	23,470,110	808,704
Special Programs	8,575,103	8,575,103	9,717,505	(1,142,402)
Vocational Programs	1,892,119	1,892,119	1,907,772	(15,653)
Other Instructional Programs	504,064	504,064	859,008	(354,944)
Nonpublic School Program	-	-	92,443	(92,443)
Pre-K Counts	-	-	448,538	(448,538)
Pupil Personnel Services	1,505,709	1,505,709	2,066,393	(560,684)
Instructional Staff Services	825,864	825,864	845,356	(19,492)
Administrative Services	2,915,192	2,915,192	3,303,157	(387,965)
Pupil Health	1,034,194	1,034,194	913,451	120,743
Business Services	370,058	370,058	384,330	(14,272)
Operation and Maintenance of Plant Services	5,960,675	5,960,675	5,505,339	455,336
Student Transportation Services	4,442,298	4,442,298	4,700,306	(258,008)
Central and Other Support Services	938,920	938,920	856,822	82,098
Other Support Services	33,000	33,000	31,302	1,698
Student Activities	654,848	654,848	710,890	(56,042)
Community Services	33,033	33,033	13,611	19,422
Facility Acquisition, Construction, and Improvement	24,000	24,000	23,980	20
Debt Service (Principal and Interest)	-	-	-	-
TOTAL EXPENDITURES	<u>53,987,891</u>	<u>53,987,891</u>	<u>55,850,313</u>	<u>(1,862,422)</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>507,399</u>	<u>507,399</u>	<u>3,237,064</u>	<u>2,729,665</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers (From Other Funds)	-	-	-	-
Sale/Compensation for Fixed Assets	-	-	6,450	6,450
Interfund Transfers Out	(5,052,843)	(5,052,843)	(5,052,843)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,052,843)</u>	<u>(5,052,843)</u>	<u>(5,046,393)</u>	<u>6,450</u>
NET CHANGE IN FUND BALANCES	<u>(4,545,444)</u>	<u>(4,545,444)</u>	<u>(1,809,329)</u>	<u>2,736,115</u>
FUND BALANCE—BEGINNING OF YEAR	<u>5,300,000</u>	<u>5,300,000</u>	<u>6,747,213</u>	<u>1,447,213</u>
FUND BALANCE—END OF YEAR	<u>\$ 754,556</u>	<u>\$ 754,556</u>	<u>\$ 4,937,884</u>	<u>\$ 4,183,328</u>

See accompanying auditors' report.

Uniontown Area School District
Schedule of School District's Proportionate Share of the Net OPEB Liability
and Schedule of School District's OPEB Contributions-PSERS
June 30, 2024

SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

Last 10 Fiscal Years*

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
School District's proportion of the net OPEB liability	0.1377%	0.1371%	0.1350%	0.1372%	0.1429%	0.1433%	0.1448%	0.1413%
School District's proportionate share of the net OPEB liability	\$ 2,491,000	\$ 2,524,000	\$ 3,200,000	\$ 2,964,000	\$ 3,039,000	\$ 2,988,000	\$ 2,950,000	\$ 3,044,000
School District's covered-employee payroll	\$ 21,098,576	\$ 20,165,678	\$ 19,142,847	\$ 19,251,425	\$ 19,707,557	\$ 19,298,670	\$ 19,282,245	\$ 18,296,511
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	11.81%	12.52%	16.72%	15.40%	15.42%	15.48%	15.30%	16.64%
Plan fiduciary net position as a percentage of the total OPEB liability	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%	5.47%

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

SCHEDULE OF SCHOOL DISTRICT'S CONTRIBUTIONS—OPEB

Last 10 Fiscal Years

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 226,413	\$ 222,748	\$ 213,066	\$ 197,067	\$ 196,832	\$ 197,098	\$ 168,494	\$ 160,044	\$ 153,691	\$ 158,487
Contributions in relation to contractually required contribution	(226,413)	(222,748)	(213,066)	(197,067)	(196,832)	(197,098)	(168,494)	(160,044)	(153,691)	(158,487)
Contributions Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered-employee payroll	\$ 22,123,572	\$ 21,098,576	\$ 20,165,678	\$ 19,142,847	\$ 19,251,425	\$ 19,707,557	\$ 19,298,670	\$ 19,282,425	\$ 18,296,511	\$ 17,609,699
Contributions as a percentage of covered-employee payroll	1.02%	1.06%	1.06%	1.03%	1.02%	1.00%	0.87%	0.83%	0.84%	0.90%

Amounts are based on actual contributions during the fiscal year.

*Schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

See accompanying auditors' report.

Uniontown Area School District
Schedule of Changes in Total OPEB Liability and Related Ratios—Uniontown School District
OPEB Plan
June 30, 2024

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS—UNIONTOWN
SCHOOL DISTRICT OPEB PLAN

Last 10 Fiscal Years*

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Total OPEB Liability:							
Service cost	\$ 639,124	\$ 670,639	\$ 942,308	\$ 1,019,764	\$ 787,220	\$ 754,404	\$ 845,098
Interest	731,189	722,731	487,485	521,115	681,304	764,641	703,727
Changes of benefit terms	-	(124,374)	-	-	-	-	-
Differences	(850,641)	(1,316,640)	(2,959,439)	(2,038,662)	3,031,853	(1,098,180)	(478,853)
Benefit payments	(249,632)	(359,154)	(343,408)	(528,361)	(709,421)	(782,593)	(973,996)
Net Change in total OPEB Liability	<u>\$ 270,040</u>	<u>\$ (406,798)</u>	<u>\$ (1,873,054)</u>	<u>\$ (1,026,144)</u>	<u>\$ 3,790,956</u>	<u>\$ (361,728)</u>	<u>\$ 95,976</u>
Total OPEB Liability Beginning	<u>\$ 19,518,280</u>	<u>\$ 19,925,078</u>	<u>\$ 21,798,132</u>	<u>\$ 22,824,276</u>	<u>\$ 19,033,320</u>	<u>\$ 19,395,048</u>	<u>\$ 19,299,072</u>
Total OPEB Liability Ending	<u>\$ 19,788,320</u>	<u>\$ 19,518,280</u>	<u>\$ 19,925,078</u>	<u>\$ 21,798,132</u>	<u>\$ 22,824,276</u>	<u>\$ 19,033,320</u>	<u>\$ 19,395,048</u>
Covered-employee Payroll	<u>\$ 18,216,391</u>	<u>\$ 16,928,184</u>	<u>\$ 17,589,606</u>	<u>\$ 16,144,601</u>	<u>\$ 15,137,105</u>	<u>\$ 15,421,008</u>	<u>\$ 15,646,934</u>
Total OPEB Liability as a percentage of coverage-employee payroll	109%	115%	113%	135%	151%	123%	124%

NOTES TO SCHEDULE:

Changes of Benefit Terms:

None

Changes of Assumptions:

Long-term investment rate of return 3.87% (2018) decreased to 3.50% (2019)
Long-term investment rate of return 3.50% (2019) decreased to 2.21% (2020)
Long-term investment rate of return 2.21% (2020) decreased to 2.16% (2021)
Long-term investment rate of return 2.16% (2021) increased to 3.54% (2022)
Long-term investment rate of return 3.54% (2022) increased to 3.65% (2023)
Long-term investment rate of return 3.65% (2023) increased to 3.93% (2024)

Medical inflation rate decreased from 10% (2018) to 6.5% (2019) to 5.5% (2021) and increased (2023) to 6.5%

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

See accompanying auditors' report.

Uniontown Area School District
Schedule of School District's Proportionate Share of the Net Pension Liability
June 30, 2024

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

	Last 10 Fiscal Years					
	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
School District's proportion of the net pension liability	0.1377%	0.1373%	0.1347%	0.1365%	0.1429%	0.1433%
School District's proportionate share of the net pension liability	\$ 61,258,000	\$ 61,042,000	\$ 55,303,000	\$ 67,211,000	\$ 66,852,000	\$ 68,791,000
School District's covered-employee payroll	\$ 21,098,576	\$ 20,165,678	\$ 19,142,847	\$ 19,251,425	\$ 19,707,557	\$ 19,298,670
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	290.34%	302.70%	288.90%	349.12%	339.22%	356.45%
Plan fiduciary net position as a percentage of the total pension liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%
		<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	
School District's proportion of the net pension liability		0.1448%	0.1413%	0.1369%	0.1266%	
School District's proportionate share of the net pension liability		\$ 71,514,000	\$ 70,024,000	\$ 59,298,000	\$ 50,109,000	
School District's covered-employee payroll		\$ 19,282,425	\$ 18,296,511	\$ 17,609,699	\$ 16,155,619	
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		370.88%	382.72%	336.73%	310.16%	
Plan fiduciary net position as a percentage of the total pension liability		51.84%	50.14%	54.36%	57.24%	

The School District's covered employee payroll noted above is as of the measurement date of the net pension liability (June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014).

See accompanying auditors' report.

Uniontown Area School District
Schedule of School District's Contributions—Pension Plan
June 30, 2024

SCHEDULE OF SCHOOL DISTRICT'S CONTRIBUTIONS—PENSION PLAN

Last 10 Fiscal Years

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 7,320,690	\$ 7,202,191	\$ 6,889,150	\$ 6,371,841	\$ 6,364,253	\$ 6,372,849	\$ 6,108,195	\$ 5,447,956	\$ 4,589,312	\$ 3,679,488
Contributions in relation to contractually required contribution	<u>(7,320,690)</u>	<u>(7,202,191)</u>	<u>(6,889,150)</u>	<u>(6,371,841)</u>	<u>(6,364,253)</u>	<u>(6,372,849)</u>	<u>(6,108,195)</u>	<u>(5,447,956)</u>	<u>(4,589,312)</u>	<u>(3,679,488)</u>
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered-employee payroll	\$ 22,123,572	\$ 21,098,576	\$ 20,165,678	\$ 19,142,847	\$ 19,251,425	\$ 19,707,557	\$ 19,298,670	\$ 19,282,425	\$ 18,296,511	\$ 17,609,699
Contributions as a percentage of covered-employee payroll	33.09%	34.14%	34.16%	33.29%	33.06%	32.34%	31.65%	28.25%	25.08%	20.89%

Amounts are based on actual contributions during the fiscal year.

See accompanying auditors' report.

Uniontown Area School District

Single Audit Report

IV

Report in Accordance with

Government Auditing Standards



McCLURE & WOLF, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1926

538 MORGANTOWN STREET
UNIONTOWN, PA 15401-5412

TELEPHONE 724-437-2000
FAX 724-438-8566

www.mcclurewolfcpas.com

JEFFREY W. McCABE, CPA
ELI T. ELIAS, JR., CPA
CLAYTON E. GREGG IV, CPA
AMANDA J. SMITH, CPA
DREW D. DuPONT, CPA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Members of the Board
Uniontown Area School District
205 Wilson Avenue
Uniontown, PA 15401

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Uniontown Area School District (the School District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 16, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

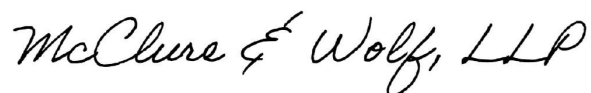
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit; and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "McClure & Wolf, LLP". The script is cursive and fluid, with the letters "M", "W", and "L" being particularly prominent.

McClure & Wolf, LLP
Uniontown, Pennsylvania
December 16, 2024

[THIS PAGE INTENTIONALLY LEFT BLANK]

Uniontown Area School District

Single Audit Report

V

Reports in Accordance with

The Uniform Guidance



McCLURE & WOLF, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1926

538 MORGANTOWN STREET
UNIONTOWN, PA 15401-5412

TELEPHONE 724-437-2000
FAX 724-438-8566

www.mcclurewolfcpas.com

JEFFREY W. McCABE, CPA

ELI T. ELIAS, JR., CPA

CLAYTON E. GREGG IV, CPA

AMANDA J. SMITH, CPA

DREW D. DuPONT, CPA

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

Members of the Board
Uniontown Area School District
205 Wilson Avenue
Uniontown, PA 15401

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Uniontown Area School District's (the School District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2024. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

McClure & Wolf, LLP

McClure & Wolf, LLP
Uniontown, Pennsylvania
December 16, 2024

Uniontown Area School District
Schedule of Expenditures of Federal Awards and Selected State Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Source Assistance		Pass-Through Grantor's Project/Award Number	Grant Period		Program or Award Amount	Accrued or (Deferred) Revenues 7/1/2023	Total Received For Year	Expenditures	Accrued or (Deferred) Revenues 6/30/2024
	Code	Listing		Beginning	Ending					
U.S. DEPARTMENT OF AGRICULTURE										
Passed through Pennsylvania Department of Education:										
School Breakfast Program	S	N/A	N/A	7/1/23	6/30/24	N/A	\$ -	\$ 33,141	\$ 33,437	\$ 296
National School Lunch Program	S	N/A	N/A	7/1/23	6/30/24	N/A	-	40,694	41,043	349
Total State Funding							-	73,835	74,480	645
P-EBT Administrative Costs Grant	I	10.649	N/A	7/1/23	6/30/24	N/A	-	3,256	3,256	-
Child Nutrition Cluster:										
School Breakfast Program	I	10.553	N/A	7/1/23	6/30/24	N/A	-	543,367	548,307	4,940
Summer Food Service Program for Children	I	10.559	N/A	7/1/23	6/30/24	N/A	12,984	37,041	44,095	20,038
National School Lunch Program	I	10.555	N/A	7/1/23	6/30/24	N/A	-	1,341,596	1,352,364	10,768
Passed through PA Department of Agriculture, Bureau of Food Distribution:							-			
National School Lunch Program-Commodities	I	10.555	N/A	7/1/23	6/30/24	N/A	-	201,671	201,671	-
Total Assistance Listing 10.555							-	1,543,267	1,554,035	10,768
Total Child Nutrition Cluster							12,984	2,123,675	2,146,437	35,746
Total U.S. Department of Agriculture							12,984	2,200,766	2,224,173	36,391
U.S. DEPARTMENT OF EDUCATION										
Passed through Pennsylvania Department of Education:										
Title I, Part A Cluster:										
Title I-Improving Basic Programs Operated by LEA's	I	84.010	013-24-0444	7/1/23	9/30/24	1,576,192	-	1,368,582	1,551,417	182,835
Title I-Improving Basic Programs Operated by LEA's	I	84.010	013-22-0444	7/1/21	9/30/22	1,616,494	24,681	24,681	-	-
Title I-Improving Basic Programs Operated by LEA's	I	84.010	013-23-0444	7/1/22	9/30/23	1,594,560	167,746	212,576	44,830	-
Total Assistance Listing 84.010							192,427	1,605,839	1,596,247	182,835
Total Title I, Part A Cluster							192,427	1,605,839	1,596,247	182,835
Special Education Cluster:										
Passed through the Intermediate Unit 1:										
Special Education Grants to State/IDEA-B	I	84.027	062-24-0001	7/1/23	9/30/24	555,902	-	555,902	555,902	-
Total Assistance Listing 84.027							-	555,902	555,902	-
Total Special Education Cluster (IDEA)							-	555,902	555,902	-
Other Programs:										
Passed through Pennsylvania Department of Education:										
Title II-Improving Teacher Quality-Part A	I	84.367	020-23-0444	7/1/22	9/30/23	169,098	2,223	13,147	10,924	-
Title II-Improving Teacher Quality-Part A	I	84.367	020-24-0444	7/1/23	9/30/24	145,345	-	115,387	135,389	20,002
Total Assistance Listing 84.367							2,223	128,534	146,313	20,002

Uniontown Area School District
Schedule of Expenditures of Federal Awards and Selected State Awards
For the Year Ended June 30, 2024

Student Support and Academic Enrichment Program	I	84.424	144-23-0444	7/1/22	9/30/23	126,837	(13,005)	46,286	59,291	-
Student Support and Academic Enrichment Program	I	84.424	144-24-0444	7/1/23	9/30/24	124,832	-	83,222	13,461	(69,761)
Total Assistance Listing 84.424							<u>(13,005)</u>	<u>129,508</u>	<u>72,752</u>	<u>(69,761)</u>
American Rescue Plan - Elementary and Secondary School Emergency Relief A-TSI 2.5%	I	84.425C	224-21-0444	3/13/20	9/30/24	127,279	(23,545)	34,712	63,951	5,694
American Rescue Plan-Elementary and Secondary School Emergency Relief Fund	I	84.425U	223-21-0444	3/13/20	9/30/24	10,923,568	1,349,248	4,568,038	3,971,136	752,346
American Rescue Plan-Elementary and Secondary School Emergency Relief Fund 7%-Learning Loss	I	84.425U	225-21-0444	3/13/20	9/30/24	606,433	(118,297)	407,964	435,391	(90,870)
American Rescue Plan-Elementary and Secondary School Emergency Relief Fund 7%-Summer School	I	84.425U	225-21-0444	3/13/20	9/30/24	121,287	1,470	81,593	48,008	(32,115)
American Rescue Plan-Elementary and Secondary School Emergency Relief Fund 7%-After School	I	84.425U	225-21-0444	3/13/20	9/30/24	121,287	25,525	81,593	53,842	(2,226)
American Rescue Plan-Elementary and Secondary School Emergency Relief Fund Homeless Children	I	84.425W	181-21-2444	7/1/21	9/30/24	34,963	(4,220)	2,689	6,909	-
Total Assistance Listing 84.425							<u>1,230,181</u>	<u>5,176,589</u>	<u>4,579,237</u>	<u>632,829</u>
Total U.S. Department of Education							<u>1,411,826</u>	<u>7,596,372</u>	<u>6,950,451</u>	<u>765,905</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>										
Passed through Pennsylvania Department of Public Welfare:										
Title 19-School-Based Medicaid ACCESS Program	I	93.778	N/A	7/1/23	6/30/24	N/A	-	19,775	19,775	-
Total U.S. Department of Health and Human Services							<u>-</u>	<u>19,775</u>	<u>19,775</u>	<u>-</u>
Total Expenditures of Federal Awards							<u>1,424,810</u>	<u>9,743,078</u>	<u>9,119,919</u>	<u>801,651</u>
Total of Expenditures of Federal Awards and Selected State Awards							<u>\$ 1,424,810</u>	<u>\$ 9,816,913</u>	<u>\$ 9,194,399</u>	<u>\$ 802,296</u>

Source codes:
D = Direct Funding
I = Indirect Funding
S = State Share

Uniontown Area School District
Notes to Schedule of Expenditures of Federal Awards
June 30, 2024

NOTE 1: BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to the reimbursement. Negative amounts shown on the Schedule represent adjustment or credits made in the normal course of business amounts reported as expenditures in prior years.

NOTE 3: DE MINIMIS RATE FOR INDIRECT COSTS:

The School District did not elect to use the De Minimis rate for indirect costs.

NOTE 4: FOOD COMMODITIES:

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

NOTE 5: PASS-THROUGH ENTITIES:

No funds were passed through to subrecipients in year ended June 30, 2024.

Uniontown Area School District
Notes to Schedule of Expenditures of Federal Awards
June 30, 2024

NOTE 6: RECONCILIATION OF FEDERAL REVENUES TO FUND BASIS FINANCIAL STATEMENTS:

Total federal revenues per financial statements:		
General fund	\$ 6,622,910	
Cafeteria fund	<u>2,149,693</u>	
		\$ 8,772,603
Add federal revenue passed-through		
Intermediate Unit I:		
IDEA-Part B	<u>555,902</u>	
		555,902
Less: Medical Assistance Program-ACCESS	<u>(208,586)</u>	
		<u>(208,586)</u>
		<u>\$ 9,119,919</u>
 Total expenditures per SEFA	 \$ 9,194,399	
Less: National School Lunch Program State Share	<u>(74,480)</u>	
		<u>\$ 9,119,919</u>

**Uniontown Area School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

SECTION I—SUMMARY OF AUDITORS' RESULTS:

A. Financial Statements:

- | | |
|--|--------------------------------|
| 1. Type of auditors' report issued: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | Yes____ No <u>X</u> |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | Yes____ None Reported <u>X</u> |
| 3. Noncompliance material to financial statements noted? | Yes____ No <u>X</u> |

B. Federal Awards:

- | | |
|---|---|
| 1. Internal control over major programs: | |
| a. Material weakness(es) identified? | Yes____ No <u>X</u> |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses(es)? | Yes____ None Reported <u>X</u> |
| 2. Type of auditors' report issued on compliance for major programs: | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | Yes____ None Reported <u>X</u> |
| 4. Identification of major program(s): | |
| <u>Assistance Listing Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
| 10.553, 10.559, 10.555 | Child Nutrition Cluster |
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | Yes <u>X</u> No____ |

**Uniontown Area School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

SECTION II—FINANCIAL STATEMENT FINDINGS:

A. MATERIAL WEAKNESS(ES):

None identified

B. SIGNIFICANT DEFICIENCY(IES):

None identified

C. NONCOMPLIANCE:

None identified

SECTION III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

A. MATERIAL WEAKNESS(ES):

None identified

B. SIGNIFICANT DEFICIENCY(IES):

None identified

C. NONCOMPLIANCE:

None identified



McCLURE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

Form of Bond Counsel Opinion

[THIS PAGE INTENTIONALLY LEFT BLANK]

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 Uniontown Area School District (Fayette County, Pennsylvania) (the "Local Government Unit") and do hereby undertake to advise you in connection with the issuance, sale and delivery of its \$_____, aggregate principal amount, General Obligation Bonds, Series of 2025 (the "Bonds"), issued in fully registered form, dated and bearing interest from _____, 2025, maturing on various annual dates ending _____, _____, and subject to redemption at the option of the Local Government Unit prior to maturity beginning _____, _____.

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 Maiello Brungo & Maiello, LLP, 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; Zions Bancorporation, National Association has additionally been appointed Registrar and Sinking Fund Depository for the Bonds.

These proceedings demonstrate that, in the absence of any meritoriously-based action in a governmental or judicial forum affecting the validity of the Bonds, the same have been delivered upon full payment.

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 53 Pa. C.S. §§6926.101 et seq., as amended.

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 the 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. 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 D

Form of Continuing Disclosure Undertaking

[THIS PAGE INTENTIONALLY LEFT BLANK]

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is executed and delivered by Uniontown Area School District (Fayette County, Pennsylvania) (the “Issuer”), in connection with the issuance of its \$ _____, aggregate principal amount, General Obligation Bonds, Series of 2025 (the “Obligations”). The Obligations are being issued pursuant to a resolution adopted by the Board of School Directors of the Issuer (the “Governing Body”) on March 4, 2024 (the “Resolution”). The Issuer covenants and agrees as follows:

Section 1. ***Purpose of the Disclosure Undertaking.*** This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the holders of the Obligations and in order to comply with, and constitutes the written undertaking for the benefit of the holders of the Obligations 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 Undertaking unless otherwise defined herein, 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 Undertaking.

“*Disclosure Representative*” means the Business Manager of the Issuer or his or her designee, or such other officer or employee of the Issuer as the Governing Body may designate from time to time.

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

“*EMMA*” means 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*” means (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.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Undertaking with respect to the Obligations.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Official Statement*” means the Preliminary Official Statement relating to the Obligations, dated _____, 2025, and the Official Statement relating to the Obligations, dated _____, 2025.

“*Operating Data*” shall mean updates to certain tabular information contained in the Official Statement including the information under the headings: (A) TABLE 2 – “UNIONTOWN AREA SCHOOL DISTRICT ENROLLMENT TRENDS”, (B) TABLE 5 – “UNIONTOWN AREA SCHOOL DISTRICT TAX RATES”, (C) TABLE 7 – “UNIONTOWN AREA SCHOOL DISTRICT REAL PROPERTY ASSESSMENT DATA”, (D) TABLE 10 – “UNIONTOWN AREA SCHOOL DISTRICT REAL PROPERTY TAX COLLECTION DATA”, AND (E) TABLE 11 – “LARGEST REAL PROPERTY TAXPAYERS”.

“*Purchaser*” means Stifel, Nicolaus & Company, Incorporated, in its role as original purchaser and underwriter of the Obligations.

“*Tax-exempt*” means that interest on the Obligations 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 within 270 days following the end of each fiscal year (the “Report Date”), beginning with the fiscal year ending June 30, 2025 to EMMA which is consistent with the requirements of Section 4 of this Disclosure Undertaking. 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 Undertaking, provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report. The Annual Report must be submitted in the manner prescribed by the Municipal Securities Rulemaking Board, currently by uploading a machine word-searchable .pdf file to the EMMA Dataport web site.

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) audited financial statements for the Issuer for the most recent fiscal year, prepared in accordance with generally accepted accounting principles for local government units¹;
- (b) a summary of the budget for the current fiscal year (the fiscal year following the fiscal year of the financial statements being provided); and
- (c) 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) Pursuant to the provisions of this Section 5, the Issuer shall file, in a timely manner not in excess of ten (10) business days after the occurrence of such event, with the MSRB, notice of the occurrence of any of the following events with respect to the Obligations:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;

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

- (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 Holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the securities, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of 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) The Issuer shall file in a timely manner with the MSRB and accompanied by such identifying information as prescribed by the MSRB, notice of a failure to provide the required annual financial information specified above, on or before the date specified above.

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

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 Undertaking shall terminate upon (i) the legal defeasance, prior redemption or payment in full of all of the Obligations or (ii) if the Issuer is no longer an "obligated person" with respect to the Bonds within the meaning of the Rule. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination by filing a notice with the MSRB through EMMA.

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 Undertaking, and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the holders of the Obligations or any other party. 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 Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking 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 Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking 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 Undertaking. 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 Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking 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 Undertaking, any holder of Obligations 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 Undertaking. A default under this Disclosure Undertaking shall not be deemed a default under the Resolution or the Obligations and the rights and remedies provided by the Resolution and the Obligations upon the occurrence of a default shall not apply to any such failure. The sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Undertaking 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, director, 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 Undertaking shall inure solely to the benefit of the Issuer, the Purchaser, and holders from time to time of the Obligations, 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:

Uniontown Area School District
205 Wilson Avenue
Uniontown, PA 15401
Attention: Business Manager

IN WITNESS WHEREOF, the Issuer has caused its duly authorized officer to execute this Continuing Disclosure Undertaking as of this ____ day of _____, 2025.

UNIONTOWN AREA SCHOOL DISTRICT

By: _____
President, Board of School Directors

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

Specimen Municipal Bond Insurance Policy

[THIS PAGE INTENTIONALLY LEFT BLANK]



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

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

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

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

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

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

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

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

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)