

PRELIMINARY OFFICIAL STATEMENT DATED MAY 6, 2025

NEW ISSUE—BOOK-ENTRY ONLY

**RATINGS: S&P: “___” (Insured)
“A+” (Negative Outlook) (Underlying)
(See “RATINGS” herein)**

In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the Bonds is excludable from gross income of the owners thereof for purposes of federal income taxation. This opinion of Bond Counsel is subject to continuing compliance by the School District with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable regulations thereunder. In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that under the laws of the Commonwealth of Pennsylvania (the “Commonwealth”) as presently enacted and construed, the interest on the Bonds is exempt from the Pennsylvania personal income tax and the Pennsylvania corporate net income tax. For further information concerning federal and state tax matters relating to the Bonds, see “TAX EXEMPTION AND OTHER TAX MATTERS” herein.

The Bonds are “qualified tax-exempt obligations”, for purposes and effect contemplated by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (relating to expenses and interest relating to tax-exempt income by certain financial institutions).

\$4,720,000*

Whitehall-Coplay School District

Lehigh County, Pennsylvania

\$4,720,000* General Obligation Bonds, Series of 2025

Dated: Date of Delivery

Interest Due: May 1 and November 1

Principal Due: May 1, as shown on inside cover

First Interest Payment: November 1, 2025

The Bonds described herein are in the aggregate principal amount of \$4,720,000* General Obligation Bonds, Series of 2025 (the “Bonds”). The Bonds will be registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company (“DTC”), New York, New York. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or any integral multiple thereof only under the book-entry only system maintained by DTC through its brokers and dealers who are, or act through, DTC Participants. The purchasers of the Bonds will not receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond, that purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. (See “**BOOK-ENTRY ONLY SYSTEM**” herein.) If, under the circumstances described herein, Bonds are ever issued in certificated form, the Bonds will be subject to registration of transfer, exchange, and payment as described herein.

The Bonds are general obligations of the Whitehall-Coplay School District, Lehigh County, Pennsylvania (the “School District”), payable from its tax and other general revenues. The School District has covenanted that it will, to the fullest extent permitted under applicable law, provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Bonds for such year and will duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its revenues or funds the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District irrevocably has pledged its full faith, credit and taxing power, within the limits provided by law. (See “**Security**” and “**TAXING POWERS OF THE SCHOOL DISTRICT**” herein).

Interest on each of the Bonds is payable initially on November 1, 2025, and thereafter semiannually on May 1 and November 1 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for. The School District has appointed U.S. Bank Trust Company, 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 specified corporate trust office in Philadelphia, Pennsylvania (or any successor paying agent at its designated office(s)) and interest on such Bond will be payable by check made out 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,**” herein).

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

Proceeds of the Bonds will be used for financing: (i) the planning and construction of a new elementary school; (ii) the planning, renovation, replacement and construction of exterior windows, electrical upgrades and modifications to Steckel Elementary School and the Middle School; (iii) the planning and replacement of the District’s Transportation Fuel Dispenser; and (iv) the planning, renovation and construction of other capital improvements to school facilities and school buildings owned and operated by the School District; and (v) paying the costs and expenses related to the issuance of the Bonds.

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

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

MATURITIES, AMOUNTS, RATES, YIELDS, PRICES, AND CUSIPS

See Inside Front Cover

The Bonds are offered when, as and if issued, subject to withdrawal or modification of the offer without notice, and subject to the approving legal opinion of Fox Rothschild LLP, of Blue Bell, Pennsylvania, Bond Counsel to the School District, to be furnished upon delivery of the Bonds. Certain matters will be passed upon for the School District by Fox Rothschild LLP, School District Solicitor, of Blue Bell, Pennsylvania. PFM Financial Advisors LLC, of Harrisburg, Pennsylvania, will serve as the Financial Advisor to the School District in connection with the Bonds. It is expected that the Bonds will be available for delivery through DTC in New York, New York, on or about June __, 2025.

PFM Financial Advisors LLC

Financial Advisor to the School District

Dated:

*Estimated, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

\$4,720,000*
Whitehall-Coplay School District
 Lehigh County, Pennsylvania
\$4,720,000* General Obligation Bonds, Series of 2025

Dated: Date of Delivery
Interest Due: May 1 and November 1

Principal Due: May 1, as shown below
First Interest Payment: November 1, 2025

BOND MATURITY SCHEDULE:

Maturity Date (May 1) Year	Principal Amounts	Interest Rates	Initial Offering Yields	Initial Offering Prices	CUSIP Numbers⁽¹⁾
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
2048					

⁽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 Preliminary Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

(A portion of the Bonds may be structured as Term Bonds. See "Invitation to Bid".)

*Estimated, subject to change

Whitehall-Coplay School District
Lehigh County, Pennsylvania

BOARD OF SCHOOL DIRECTORS

William P. Fonzone, Sr.	President
George N. Makhoul.	Vice-President
George E. Williams.....	Treasurer
Patty D. Gaugler.	Member
Nichole L. Hartman	Member
Keri L. Kromer	Member
Seth Kubat.	Member
Fady Salloum.....	Member
Joseph R. Shields.....	Member

SUPERINTENDENT
CHRISTOPHER SCHIFFERT

BUSINESS MANAGER
J. MICHAEL MALAY, JR., CPA

SCHOOL DISTRICT SOLICITOR
FOX ROTHSCHILD LLP
Blue Bell, Pennsylvania

BOND COUNSEL TO THE SCHOOL DISTRICT
FOX ROTHSCHILD LLP
Blue Bell, Pennsylvania

FINANCIAL ADVISOR
PFM FINANCIAL ADVISORS LLC
Harrisburg, Pennsylvania

PAYING AGENT
U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
Philadelphia, Pennsylvania

SCHOOL DISTRICT ADDRESS
Administration Building
2932 Zephyr Blvd.
Whitehall, Pennsylvania 18052-3408

No dealer, broker, salesman or other person has been authorized by the School District to give information or to make any representations, other than those contained in this Preliminary Official Statement, and if given or made, such other information or representations must not be relied upon. This Preliminary 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 in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information set forth herein has been obtained from the School District and from other sources which are believed to be reliable but the School District does not guarantee the accuracy or completeness of information from sources other than the School District. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

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PRELIMINARY OFFICIAL STATEMENT

\$4,720,000*

Whitehall-Coplay School District Lehigh County, Pennsylvania

INTRODUCTION

This Preliminary Official Statement, including the cover and inside cover pages hereof and Appendices hereto, is furnished by Whitehall-Coplay School District, Lehigh County, Pennsylvania (the "School District"), in connection with the offering of its Bonds consisting of \$4,720,000* General Obligation Bonds, Series of 2025 (the "Bonds"), dated the date the Bonds are issued and delivered (the "Date of Delivery"). The Bonds are being issued pursuant to resolutions of the Board of School Directors of the School District adopted on April 28, 2025 (collectively, the "Resolution"), and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pa. Cons. Stat. Chs. 80-82 (the "Act").

PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used for financing: (i) the planning and construction of a new elementary school; (ii) the planning, renovation, replacement and construction of exterior windows, electrical upgrades and modifications to Steckel Elementary School and the Middle School; (iii) the planning and replacement of the District's Transportation Fuel Dispenser; and (iv) the planning, renovation and construction of other capital improvements to school facilities and school buildings owned and operated by the School District; and (v) paying the costs and expenses related to the issuance of the Bonds.

Sources and Uses of Bond Proceeds

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

Sources of Funds	Total
Par Amount.....	
Net Original Issue Premium/(Discount)	
Total Sources of Funds	
Uses of Funds	
Deposit to Construction Fund.....	
Issuance Costs ⁽¹⁾	
Total Uses of Funds	

⁽¹⁾Includes legal, financial advisor, printing, rating, total bond discount, CUSIP, paying agent, municipal bond insurance, and miscellaneous costs.

*Estimated, subject to change

THE BONDS

Description

The Bonds will be issued in fully registered form in denominations of \$5,000 and integral multiples thereof. The Bonds will be in the aggregate principal amount of \$4,720,000* General Obligation Bonds, Series of 2025 (the “Bonds”), will be dated as of the Date of Delivery, which is expected to be June __, 2025, and will bear interest at the rates and mature in the amounts and on the dates set forth on the cover of this Preliminary Official Statement. Interest on the Bonds will be payable initially on November 1, 2025, and thereafter, semiannually on May 1 and November 1 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for.

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

Payment of Principal and Interest

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of, 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, bond certificates will be issued to the Beneficial Owners of the Bonds and payment of principal, redemption premium, if any, and interest on the Bonds shall be made as described in the following paragraphs:

The principal of the Bonds, when due upon maturity or upon any earlier redemption, will be paid to the registered owners of the Bonds, or registered assigns, upon surrender of the Bonds to U.S. Bank National Association (the “Paying Agent”), acting as paying agent and sinking fund depository for the Bonds, at its specified corporate trust office in Philadelphia, Pennsylvania (or to any successor paying agent at its designated office(s)).

Interest on the Bonds will be payable to the registered owner of a Bond from the interest payment date next preceding the date of registration and authentication of the Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding November 1, 2025, 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 on which interest was last paid on such Bond. Interest on each Bond will be payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15) day (whether or not a day on which the Paying Agent is open for business) next preceding each interest payment date (the “Record Date”), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the 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 the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of such Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names such 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 or interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

The School District and the Paying Agent shall not be required (a) to issue or register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (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 any portion of any Bond selected for redemption in whole or in part until after the redemption date. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate.

*Estimated, subject to change

Security

The Bonds will be general obligations of the School District, payable from its tax and other general revenues. The School District has covenanted that it will, to the fullest extent authorized under applicable law, provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Bonds for such year, and will duly and punctually pay or cause to be paid from 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 taxing power, which taxing power includes the power to levy ad valorem taxes on all taxable property within the School District within the limits provided by law (see “**TAXING POWERS OF THE SCHOOL DISTRICT**” herein). The Act presently provides for enforcement of debt service payments as hereinafter described (see “**DEFAULTS AND REMEDIES**” herein), and the Public School Code presently provides for the withholding and application of subsidies in the event of failure to pay debt service (see “**Commonwealth Enforcement of Debt Service Payments**” herein).

Commonwealth Enforcement of Debt Service Payments

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

The effectiveness of Section 633 of the Public School Code may be limited by the application of other withholding provisions contained in the Public School Code, such as provisions for withholding and paying over of appropriations for payment of unpaid teachers’ salaries. 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

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

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

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

After over a month delay, a \$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 included \$8.097 billion for the basic education funding appropriation. The total amount was a \$225 million increase over the 2023-2024 fiscal year appropriation. The budget also provided \$100 million in additional aid to school districts for special education services for a total of \$1.487 billion and \$100 million for cyber charter school tuition reimbursement. 348 school districts (including the School District) will receive additional funding totaling \$493.8 million under a new Adequacy Supplement. 182 school districts will receive an additional \$60 million in total of Hold Harmless Relief Supplement as a component of their basic education funding.

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

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 XVII-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") to a school district subject to an intercept statute or an intercept agreement in the event of a Commonwealth budget impasse in any fiscal year.

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

Act 85 of 2016 provides that the amounts that may be necessary for PDE to comply with the provisions of the applicable intercept statute or intercept agreement "shall be appropriated" to PDE from the General Fund of the Commonwealth after PDE submits justification 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 and paid to the paying agent on the day the scheduled payment for principal and interest is due on the expiration of the tenth (10th) day following submission of the justification described above to the majority and minority chairs of the appropriations committees, who may comment on the justification but cannot prevent the effectiveness of the appropriation.

The total of all intercept payments under Article XVII-E.4 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 with bonds or notes 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 notes or the loan documents relating to the obligations, within thirty (30) days of receipt of the proceeds of the obligations. The School District intends on submitting this information with respect to the Bonds to PDE within the prescribed timeframe following the issuance of the Bonds. Act 85 of 2016 provides that any obligation for which PDE does not receive the required documents shall not be subject to the applicable intercept statute or intercept agreement.

The provisions of Act 85 of 2016 are not part of any contract with the holders of the Bonds and may be amended or repealed by future legislation.

Sinking Funds

Sinking funds for the payment of debt service on the Bonds, designated “Sinking Fund, General Obligation Bonds, Series of 2025” (the “Sinking Funds”), have been created under the Resolution and is maintained by the Paying Agent, as sinking fund depository. The School District shall deposit in the Sinking Funds a sufficient sum not later than the date when interest and/or principal is to become due on the Bonds so that on each payment date the Sinking Funds will contain an amount which, together with any other funds available therein, is sufficient to pay, in full, interest and/or principal then due on the Bonds.

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

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

BOOK-ENTRY ONLY SYSTEM

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

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

Payments of Principal, interest and redemption premium, if any, 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 the Issuer 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 is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Issuer or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of Principal, interest and redemption premium, if any, on the Bonds, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer 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 Issuer 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 issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

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

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

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

BOND INSURANCE

[TO BE DETERMINED]

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 School District has yet to determine whether an insurance policy will be purchased with the Bonds. If an insurance policy is purchased, the following are risk factors relating to bond insurance.

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 Bond Insurer at such time and in such amounts as would have been due absence such prepayment by the School District unless the Bond Insurer chooses to pay such amounts at an earlier date.

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

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

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

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

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

REDEMPTION OF BONDS

Mandatory Redemption

Bidders may elect to structure the issue to include term bonds, which term bonds, if selected by the bidder, will be subject to mandatory redemption prior to maturity, in the years and amounts as shown in the Invitation to Bid, upon payment of the principal amount of Bonds to be redeemed, together with accrued interest to the date fixed for redemption, or upon maturity, as applicable. Bonds to be redeemed from within a particular maturity shall be selected by lot by the Paying Agent.

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

Optional Redemption

The Bonds stated to mature on or after May 1, 2031, shall be subject to redemption prior to maturity, at the option of the School District, as a whole, on November 1, 2030, or on any date thereafter, or from time to time, in part (and if in part, in any order of maturity as selected 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 such Bonds, together with accrued interest to the redemption date.

Notice of Redemption

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

Notice of any redemption shall be given by depositing a copy of the redemption notice in first class mail not less than thirty (30) days nor more than forty-five (45) 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. Any notice of redemption of Bonds may state that the redemption is conditioned upon the deposit of sufficient funds prior to the redemption date. If sufficient funds are not received, such notice of redemption shall be of no effect.

If at the time of mailing of a notice of redemption the School District shall not have deposited with the Paying Agent (or, in the case of a refunding, with another bank or depository acting as refunding escrow agent) money sufficient to redeem all Bonds

called for redemption, the notice of redemption may state that it is conditional; *i.e.*, that it is subject to the deposit of sufficient redemption money with the Paying Agent not 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 of a series 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 the number of Bonds that is equal to the principal amount thereof divided by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the case of partial redemption of a 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 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 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.

THE SCHOOL DISTRICT

Introduction

The School District is comprised of the Township of Whitehall and the Borough of Coplay (collectively, the “Component Municipalities”). The School District is located in the central eastern section of Pennsylvania on the Lehigh River adjacent to the northern border to the City of Allentown in the Allentown-Bethlehem Metropolitan Area. Covering an area of approximately 13.1 square miles, the School District is within one hundred miles of the cities of Harrisburg, New York and Philadelphia. The School District is principally residential and commercial in character with approximately 63% of the land use devoted to residences and 35% devoted to commercial purposes. The 2020 U.S. Census population is 30,906. For a complete description of the economic and demographic characteristics of the School District, reference is hereby made to Appendix “A” of this Preliminary Official Statement.

Organization and Central Administration

The School District is a school district of the third class (school districts within the Commonwealth are classified as first, second, third and fourth class according to population), and operates under and pursuant to the School Code. The School District is governed by a nine member Board of School Directors, comprised of residents of the School District who are elected on a staggered basis for a four-year term of office. The daily operations and management of the School District are overseen by the Superintendent of Schools, who is the chief educational and financial officer of the School District. The Business Manager is responsible for budget and financial operations.

School Facilities

The School District presently operates three elementary schools, a middle school and a high school, all as described in the following table.

**TABLE 1
WHITEHALL-COPLAY SCHOOL DISTRICT
SCHOOL FACILITIES**

Building	Original Construction Date	Addition/ Renovation Date	Grades	Rated Capacity	2024-25 Enrollment
<i>Elementary:</i>					
Gockley Elementary School	2024	---	K-1	700	594
Steckel Elementary School	1975	---	2-3	925	568
Zephyr Elementary School	2009	---	4-5	1,155	613
<i>Elementary/Secondary:</i>					
Whitehall-Coplay Middle School	1970	1997/2018	6-8	1,588	968
<i>Secondary:</i>					
Whitehall-Coplay High School.....	1959	1971/1996/2008/2020	9-12	1,790	1,464

Source: School District Officials

Enrollment Trends

The following table presents recent trends in school enrollment and projections of enrollment, as prepared by School District officials. The table shows relatively stable enrollments.

**TABLE 2
WHITEHALL-COPLAY SCHOOL DISTRICT
ENROLLMENT TRENDS**

Actual Enrollments				Projected Enrollments			
School Year	Elementary	Secondary	Total	School Year	Elementary	Secondary	Total
2020-21	2,049	2,183	4,232	2025-26	2,008	2,241	4,249
2021-22	1,977	2,169	4,146	2026-27	1,987	2,280	4,267
2022-23	1,990	2,126	4,116	2027-28	1,939	2,303	4,242
2023-24	2,028	2,184	4,212	2028-29	1,909	2,305	4,214
2024-25	2,087	2,120	4,207	2029-30	1,859	2,309	4,168

Source: School District Officials and the Pennsylvania Department of Education.

SCHOOL DISTRICT FINANCES

Introduction

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

Financial Reporting

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

The School District's financial statements are audited annually by a firm of independent certified public accountants, as required by Commonwealth law. The firm of Buckno, Lisicky and Company, Certified Public Accountant, Allentown, Pennsylvania, serves as School District auditor.

Changes to the Budgeting Process of Pennsylvania School Districts under the 2006 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 PDE and submitted to the board of school directors for approval prior to the beginning of each fiscal year on which commences July 1.

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

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

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

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

Simplified Procedures in Certain Cases. The above budgetary procedures will not apply to a school district if the board of school directors adopts a resolution no later than 110 days prior to the election immediately preceding the upcoming fiscal year declaring that it will not increase any tax at a rate that exceeds the Index and that a tax increase at or below the rate of the Index will be sufficient to balance its budget. In that case, the Taxpayer Relief Act requires only that the proposed annual budget be prepared and approved 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 General Fund balance sheet and changes in fund balances is presented in Tables 3 and 4. Table 5 shows revenues and expenditures for the past five years and the 2024-25 Budget. The School District budget for 2024-25 as adopted May 28, 2024 budgeted revenues of \$92,492,509 and expenditures of \$95,747,665.

**TABLE 3
WHITEHALL-COPLAY SCHOOL DISTRICT
SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEET
(Fiscal Years ending June 30)**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
ASSETS					
Cash and Cash Equivalents.....	\$14,655,833	\$17,790,609	\$18,771,372	\$14,612,418	\$12,814,329
Taxes Receivable (Net).....	2,893,894	2,303,673	2,366,627	2,145,966	2,441,217
Due From Other Funds.....	48,272	84,117	348,465	37,362	1,116,770
Intergovernmental Receivable.....	3,228,640	3,783,591	4,256,447	5,170,505	5,436,324
Other Receivables (Net).....	282,525	377,057	198,298	152,241	153,973
Prepaid Expenses/Expenditures.....	58,253	13,723	83,392	409,708	424,737
TOTAL ASSETS.....	<u>\$21,167,417</u>	<u>\$24,352,770</u>	<u>\$26,024,601</u>	<u>\$22,528,200</u>	<u>\$22,387,350</u>
LIABILITIES					
Interfund Payable.....	\$0	\$0	\$0	\$0	\$0
Accounts Payables.....	705,856	899,458	1,065,681	771,877	1,405,755
Accrued Salaries and Benefits.....	8,051,188	8,408,201	9,314,091	8,390,975	8,201,784
Payroll Deductions and Withholdings.....	116,282	117,686	409,145	919,540	430,016
Other Current Liabilities.....	6,238	1,198	1,010,416	154,539	58,452
TOTAL LIABILITIES.....	<u>\$8,879,564</u>	<u>\$9,426,543</u>	<u>\$11,799,333</u>	<u>\$10,236,931</u>	<u>\$10,096,007</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes.....	\$1,190,628	\$1,050,401	\$1,002,764	\$928,788	\$928,788
FUND EQUITIES					
Committed Fund Balance.....	\$1,781,093	\$5,590,503	\$4,055,784	\$2,014,080	\$0
Non-spendable Fund Balance.....	58,253	13,723	83,392	409,708	424,737
Assigned Fund Balance.....	3,514,579	2,000,000	2,320,000	2,000,000	3,255,156
Unassigned Fund Balance.....	5,743,301	6,271,600	6,763,328	6,938,693	7,218,812
TOTAL FUND EQUITIES.....	<u>\$11,097,225</u>	<u>\$13,875,826</u>	<u>\$13,222,504</u>	<u>\$11,362,481</u>	<u>\$10,898,705</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITIES	<u>\$21,167,417</u>	<u>\$24,352,770</u>	<u>\$26,024,601</u>	<u>\$22,528,200</u>	<u>\$22,387,350</u>

Source: School District Annual Financial Reports.

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TABLE 4
WHITEHALL-COPLAY SCHOOL DISTRICT GENERAL FUND
SUMMARY OF CHANGES IN FUND BALANCE*
(Fiscal Years ending June 30)

	Actual					Budget
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025⁽¹⁾</u>
Beginning Fund Balance	\$11,061,675	\$11,097,229	\$13,875,829	\$13,222,507	\$11,362,484	\$10,898,708
Revenues over (under) Expenditure	35,554	2,778,600	(653,322)	(1,860,023)	(463,776)	(3,255,156)
Prior Period Adjustments.....	0	0	0	0	0	0
Ending Fund Balance	<u>\$11,097,229</u>	<u>\$13,875,829</u>	<u>\$13,222,507</u>	<u>\$11,362,484</u>	<u>\$10,898,708</u>	<u>\$7,643,552</u>

*Totals may not add due to rounding.

⁽¹⁾Budget, as adopted May 28, 2024. See "Summary and Discussion of Financial Results" herein.

Source: School District Annual Financial Reports and Budget.

General Fund Revenue & Expenditures

The School District received \$92,283,982 in revenue in 2023-24 and has budgeted revenue of \$92,492,509 in 2024-25. Local sources have decreased as a share of total revenue in the past five years, from 68.94% in 2019-20 to 63.61% in 2023-24. Revenue from Commonwealth sources increased as a share of total revenue from 29.32% to 31.41% over this period. Federal and other sources increased as a share of total revenue from 1.74% to 4.985% during this period.

TABLE 5
WHITEHALL-COPLAY SCHOOL DISTRICT
SUMMARY OF SCHOOL DISTRICT GENERAL FUND
REVENUES AND EXPENDITURES*
(Fiscal Years ending June 30)

	Actual					Budget
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025⁽¹⁾</u>
REVENUE:						
Local Sources	\$50,105,244	\$52,548,276	\$54,875,092	\$57,295,258	\$58,705,716	\$59,343,407
State Sources	21,310,954	21,568,785	23,412,334	26,279,459	28,984,341	31,613,276
Federal Sources	1,252,960	2,640,133	4,840,816	6,309,296	4,492,160	1,505,826
Other Sources	9,939	42,588	1,002,509	31,960	101,765	30,000
Total Revenue	<u>\$72,679,097</u>	<u>\$76,799,782</u>	<u>\$84,130,752</u>	<u>\$89,915,974</u>	<u>\$92,283,982</u>	<u>\$92,492,509</u>
EXPENDITURES:						
Instruction.....	\$46,044,483	\$47,985,647	\$53,163,142	\$55,801,149	\$57,865,880	\$58,984,442
Support Services.....	20,202,905	19,850,685	23,365,819	26,813,364	25,999,977	26,835,035
Operation of Non-instructional Services	1,289,748	1,267,959	1,841,630	1,475,542	1,490,744	1,598,681
Facilities Acquisition, Construction & Improvement Services	6,338	0	0	392,069	42,256	0
Debt Service	5,098,086	4,912,391	5,413,482	6,693,872	7,058,069	7,529,507
Fund Transfers.....	0		1,000,000	600,000	0	0
Refund of Prior Year Revenue/Receipts	1,983	4,500	0	0	290,832	0
Budgetary Reserve.....	0	0	0	0	0	800,000
Total Expenditures	<u>\$72,643,543</u>	<u>\$74,021,182</u>	<u>\$84,784,074</u>	<u>\$91,775,997</u>	<u>\$92,747,758</u>	<u>\$95,747,665</u>
SURPLUS (DEFICIT) OF REVENUES						
OVER EXPENDITURES.....	\$35,554	\$2,778,600	(\$653,322)	(\$1,860,023)	(\$463,776)	(\$3,255,156)

*Totals may not add due to rounding.

⁽¹⁾Budget, as adopted May 28, 2024. See "Summary and Discussion of Financial Results" herein.

Source: School District Annual Financial Reports and Budget.

TAXING POWERS OF THE SCHOOL DISTRICT

Subject to certain limitations imposed by the Taxpayer Relief Act, Act No. 1 of the Special Session of 2006 (see below), the School District is empowered by the School Code and other statutes to levy the following taxes:

1. A basic annual tax on all real property taxable for school purposes, not to exceed 25 mills on each dollar of assessed valuation, to be used for general school purposes.
2. An ad valorem tax on the property taxable for school purposes to provide funds:
 - a. for salaries and increments of the teaching and supervisory staff;
 - b. to pay rentals due any municipality authority or non-profit corporation or due the State Public School Building Authority;
 - c. to pay interest and principal on any indebtedness incurred pursuant to the Local Government Unit Debt Act, or any prior or subsequent act governing the incurrence of indebtedness of the school district; and
 - d. to pay for the amortization of a bond or note issue which provided a school building prior to the first Monday of July, 1959.
3. An annual per capita tax on each resident or inhabitant over 18 years of age of not more than \$5.00.
4. Additional taxes subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege, under Act No. 511, enacted December 31, 1965, as amended ("The Local Tax Enabling Act"). These taxes, which may include, among others, an additional per capita tax, wage and other earned income taxes, real estate transfer taxes, gross receipts taxes, and occupation taxes, 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. The Local Tax Enabling Act was amended by Act 222 of 2004 to authorize all taxing authorities to exempt from per capita, occupation, emergency and municipal service or earned income taxes any person whose total income from all sources is less than \$12,000 per year.

The Taxpayer Relief Act (Act 1)

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

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

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

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

The Act 1 Index applicable to the School District is as follows:

Fiscal Year	Index %
2025-26	5.3%
2024-25	7.1%
2023-24	5.5%
2022-23	4.6%
2021-22	4.0%

Source: Pennsylvania Department of Education website.

In accordance with Act 1, the School District put a referendum question on the ballot for the May, 15, 2007, primary election seeking voter approval to levy (or increase the rate of) its 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 in any future municipal election seeking approval to levy or increase the rate of an EIT or impose PIT for the purpose of funding homestead and farmstead exclusions, but the proposed rate of the EIT or PIT shall not exceed the rate that is required to provide the maximum homestead and farmstead exclusions allowable under law.

Status of the Bonds Under Act 1

The Bonds do not qualify for an exception to the Index and referendum requirement for debt incurred prior to the effective date of Act 1 (or its predecessor statute Act 72). The School District must include any tax increases to pay debt service due on the Bonds within the Index applicable in each Fiscal Year.

SET FORTH ABOVE IS A SUMMARY OF PORTIONS OF ACT 1. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF ACT 1 NOR A LEGAL INTERPRETATION OF ANY PROVISION OF ACT 1, AND A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 1 AS A PART OF ANY DECISION TO PURCHASE THE BONDS.

Legislation Limiting Unreserved Fund Balances

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

<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 appropriate for expenditure or not legally or otherwise segregated for a specific or tentative future use, projected for the close of the school year for which a school district’s budget was adopted and held in the general fund accounts of the school district.

*Applicable to the School District.

SET FORTH ABOVE IS A SUMMARY OF PORTIONS OF ACT 48 OF 2003. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF ACT 48 OF 2003 NOR A LEGAL INTERPRETATION OF ANY PROVISION OF ACT 48. A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 48 OF 2003 AS A PART OF ANY DECISION TO PURCHASE THE BONDS.

Tax Levy Trends

Table 6 shows the recent trend of tax rates levied by the School District. Table 7 shows the comparative trend of real property tax rates for the School District, County and the Component Municipalities.

**TABLE 6
WHITEHALL-COPLAY SCHOOL DISTRICT
TAX RATES**

<u>Year</u>	<u>Lehigh County (mills)</u>	<u>Earned Income⁽¹⁾ (%)</u>	<u>Real Estate Transfer⁽¹⁾ (%)</u>	<u>Per Capita⁽²⁾ (\$)</u>	<u>Local Services⁽³⁾ (\$)</u>	<u>Business Privilege (mills)</u>
2020-21	18.8809	1.00	1.00	10.00	10.00	1.25
2021-22	19.5417	1.00	1.00	10.00	10.00	1.25
2022-23	20.1709	1.00	1.00	10.00	10.00	1.25
2023-24	20.7558	1.00	1.00	10.00	10.00	1.25
2024-25	21.6898	1.00	1.00	10.00	10.00	1.25

⁽¹⁾ Subject to sharing providing the municipality levies the tax.

⁽²⁾ \$5.00 under Section 679 and \$5.00 under Act 511.

⁽³⁾ The municipality receives \$5.00 of this share.

Source: School District Budgets and Officials.

**TABLE 7
WHITEHALL-COPLAY SCHOOL DISTRICT
COMPARATIVE REAL PROPERTY TAX RATES
(Mills on Assessed Value)
(Fiscal Years Ending)**

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<i>School District</i>	18.8809	19.5417	20.1709	20.7558	21.6898
<u>Component Municipalities</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Coplay Borough	6.1900	6.1900	6.1900	9.3400	9.3400
Whitehall Township	3.8000	3.8000	3.8000	3.8000	3.8500
<i>Lehigh County</i>	3.6400	3.6400	3.6400	3.6400	3.7800

Source: School District Budgets and Lehigh County Office of Assessment.

Real Property Tax

The real property tax (excluding delinquent collections) produced \$47,654,220 in 2023-24 approximately 51.64 percent of total revenue. Real estate tax notices are generally mailed to all owners of property located within the School District on or before July 1 of each year. Taxes are payable at a 2% discount during the months of July and August, and at face during September and October. Beginning November 1, a 10% penalty is added to the face amount outstanding. Generally, the real estate books of the Municipal Tax Collectors are closed out at the end of January for the preceding year. All information related to the uncollected taxes is then provided to Portnoff Law Associates, Ltd., which then pursues the collection of the property taxes which are considered delinquent.

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

**TABLE 8
WHITEHALL-COPLAY SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA**

Year	Market Value	Assessed Value	Ratio
2019-20	\$2,208,309,540	\$2,464,356,600	112%
2020-21	2,301,542,883	2,451,303,700	107%
2021-22	2,311,298,668	2,459,535,900	106%
2022-23	2,511,157,668	2,478,011,000	99%
2023-24	2,515,509,873	2,481,514,900	99%

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

**TABLE 9
WHITEHALL-COPLAY SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA**

	2022 Market Value	2022 Assessed Value	2023 Market Value	2023 Assessed Value
School District	\$2,511,157,668	\$2,478,011,000	\$2,515,509,873	\$2,481,514,900
Coplay Borough	198,277,459	199,736,400	200,531,337	201,679,200
Whitehall Township	2,312,880,209	2,278,274,600	2,314,978,536	2,279,835,700
Lehigh County	\$34,955,501,148	\$31,132,133,500	\$35,647,173,944	\$31,548,407,700

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

**TABLE 10
WHITEHALL-COPLAY SCHOOL DISTRICT
ASSESSMENT BY LAND USE**

	2019	2020	2021	2022	2023
Residential	\$1,580,713,600	\$1,587,128,000	\$1,599,758,000	\$1,602,947,800	\$1,606,517,700
Trailers	2,495,900	2,510,200	2,494,700	2,461,700	2,478,800
Lots	8,147,500	8,906,100	8,031,200	7,955,200	7,860,600
Industrial	66,838,800	66,845,500	57,268,900	83,352,700	82,879,800
Commercial	798,555,800	778,693,900	784,379,500	774,021,500	774,488,600
Agriculture	921,300	921,300	779,600	779,600	804,000
Land	6,683,700	6,298,700	6,824,000	6,492,500	6,485,400
Oil/Gas/Min.	0	0	0	0	0
Total	<u>\$2,464,356,600</u>	<u>\$2,451,303,700</u>	<u>\$2,459,535,900</u>	<u>\$2,478,011,000</u>	<u>\$2,481,514,900</u>

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

**TABLE 11
WHITEHALL-COPLAY SCHOOL DISTRICT
REAL PROPERTY TAX COLLECTION DATA**

Year	Assessed Valuation	Mills	Gross Adjusted Levy⁽¹⁾	Current Collections Amount	Current Year Collections as Percent	Total Collections Amount⁽²⁾	Total Collections as Percent
2019-20	\$2,464,356,600	18.0679	\$43,018,637	\$41,589,747	96.68%	\$42,547,580	98.90%
2020-21	2,451,303,700	18.8809	45,118,798	43,528,211	96.47%	44,552,093	98.74%
2021-22	2,459,535,900	19.5417	46,881,401	45,160,333	96.33%	46,115,349	98.37%
2022-23	2,478,011,000	20.1709	48,530,471	46,780,450	96.39%	47,615,353	98.11
2023-24	2,481,514,900	20.7558	49,950,500	47,654,220	95.40%	48,247,897	96.59%

⁽¹⁾ The Adjusted Levy shown excludes the amount payable from the Property Tax and Rent Rebate program funded pursuant to Act 1 of the Commonwealth.

⁽²⁾ Includes delinquent real estate collection.

Source: School District Officials, as of July 1 of the respective fiscal years.

The ten largest real property taxpayers, together with their assessed values, are shown on Table 12. The aggregate assessed value of these ten taxpayers totals approximately 11.0 percent of total assessed value.

**TABLE 12
WHITEHALL-COPLAY SCHOOL DISTRICT
TEN LARGEST REAL PROPERTY TAXPAYERS**

Owner	2024-25 Assessed Value
Lehigh Valley Associates - LV Mall ⁽¹⁾	\$87,785,300
BT (PA) QRS 12-25 Inc. - Warehouse	27,773,900
ARD MAC Commons LLC	26,894,100
Olympic Gardens Partnership - Apartments	23,520,000
Bible Fellowship Church Homes Inc.	21,561,500
KRT Property Holdings Inc. - Whitehall Square Mall	21,555,600
Spring Ridge - Apartments	19,484,200
Village at St Stevens Assoc LP	15,013,700
Orchard Hills Apartments LLC	14,841,900
Whitemak Associates ET AL - Whitehall Mall	14,732,600
Totals	\$273,162,800

⁽¹⁾Taxpayer initiated assessment appeals pending.

Source: School District Officials.

Other Taxes

Under Act 511, the School District collected \$6,617,751 in other taxes in 2023-24. Among the taxes authorized by Act 511, the Real Estate Transfer Tax, Earned Income Tax, Per Capita Tax, Local Services Tax, and the Business Privilege Tax are levied by the School District. The Act 511 limit, equal to 12 mills on the market value of real property, was approximately \$52,352,345.

Real Estate Transfer Tax. The School District levies a tax of 1.0% (of which 50% is subject to sharing with the municipality that levies the same tax) of the value of real estate transfers. In 2023-24 the collected portion of this tax was an unaudited \$586,341 or 2.3% of total revenue.

Earned Income Tax. The School District levies a tax of 1.0% on earned income of residents (of which 50% is subject to sharing with the municipality that levies the same tax). In 2023-24 the collected portion of this tax yielded an unaudited \$4,546,096 or 4.9% of total revenue.

Per Capita Tax. A tax of \$10.00 (\$5.00 under Act 511 and \$5.00 under the Public School Code) on each resident over 18 years old yielded an unaudited \$66,487 in 2023-24 or less than one percent of total revenue.

Local Services Tax. A tax of \$5.00 is levied on each resident. In 2023-24 the collected portion of this tax yielded an unaudited \$63,560 or less than one percent of total revenue.

Business Privilege. A tax at a rate of 0.75 mills is imposed on gross volume of business transactions within the School District and .50 mills of wholesale business transactions within the School District. The total Business Privilege tax imposed is 1.25 mills. In 2023-24 the collected portion of this tax yielded an unaudited \$1,355,264 or 5.2% of total revenue.

COMMONWEALTH AID TO SCHOOL DISTRICTS

General

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

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

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

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

Current Lack of State Appropriations for Debt Service Subsidies

Commonwealth law presently provides that the School District will receive, subject to state legislative appropriation, reimbursement from the Commonwealth for a portion of debt service paid on the Bonds following final approval by PDE. Commonwealth reimbursement is calculated based on the "Reimbursable Percentage" assigned to the Bonds by the PDE and the School District's permanent Capital Account Reimbursement Fraction ("CARF") (24.13%) or the wealth based Market Value Aid Ratio ("MVAR") currently (55.33%), whichever is higher. The Reimbursable Percentage is determined through a process known as the "Planning and Construction Workbook" or "PlanCon".

The School District estimates the Bonds will not be subject to reimbursement by the Commonwealth.

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

To date, the CFA has issued \$1,903,065,000, to provide for PlanCon reimbursements owed to school districts, including the issuance of its Revenue Bonds, Series A of 2016 (Federally Taxable) in the principal amount of \$758,185,000 issued on October 31, 2016, its Revenue Bonds, Series A of 2018 (Federally Taxable) in the total amount of \$412,520,000 issued on January 18, 2018, its Revenues 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 13 shows the debt of the School District as of May 1, 2025, including the issuance of the Bonds.

**TABLE 13
WHITEHALL-COPLAY SCHOOL DISTRICT
DEBT STATEMENT*
(As of May 1, 2025)**

NONELECTORAL DEBT	Gross Outstanding
General Obligation Bonds, Series of 2025	\$4,720,000
General Obligation Bonds, Series of 2024	9,765,000
General Obligation Bonds, Series of 2023	9,985,000
General Obligation Bonds, Series of 2022	26,985,000
General Obligation Bonds, Series B of 2021	17,785,000
General Obligation Bonds, Series A of 2021	24,565,000
General Obligation Bonds, Series A of 2019	5,545,000
General Obligation Bonds, Series of 2019	3,845,000
General Obligation Bonds, Series of 2018	4,945,000
General Obligation Bonds, Series of 2017	8,885,000
TOTAL NONELECTORAL DEBT	\$117,025,000
LEASE RENTAL DEBT	
TOTAL LEASE RENTAL DEBT.....	\$0
TOTAL PRINCIPAL OF DIRECT DEBT	\$117,025,000

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

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Table 14 presents the overlapping indebtedness and debt ratios of the School District. After issuance of the Bonds, the principal of direct debt of the School District will total \$117,025,000. After adjustment for available funds and estimated Commonwealth aid, the local effort of direct debt will total \$113,106,492.

TABLE 14
WHITEHALL-COPLAY SCHOOL DISTRICT
BONDED INDEBTEDNESS AND DEBT RATIOS*
(As of May 1, 2025)

DIRECT DEBT	Gross Outstanding	Local Effort or Net of Available Funds and Estimated State Aid⁽¹⁾
Non-Electoral Obligation Debt.....	\$117,025,000	\$113,106,492
Lease Rental Debt	0	0
TOTAL DIRECT DEBT	\$117,025,000	\$113,106,492
OVERLAPPING DEBT		
Lehigh County, General Obligation Debt ⁽²⁾	\$11,673,296	\$11,673,296
Municipal, General Obligation Debt	21,463,850	21,463,850
TOTAL OVERLAPPING DEBT	\$33,137,147	\$33,137,147
TOTAL DIRECT AND OVERLAPPING DEBT	\$150,162,147	\$146,243,639
DEBT RATIOS		
Per Capita	\$4,858.67	\$4,731.89
Percent 2023-24 Assessed Value.....	6.05%	5.89%
Percent 2023-24 Market Value.....	5.97%	5.81%

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

⁽¹⁾Gives effect to current appropriations for payment of debt service and expected future Commonwealth Reimbursement of School District sinking fund payments based on current Aid Ratio. See “COMMONWEALTH AID TO SCHOOL DISTRICTS”.

⁽²⁾Pro rata 7.06 percent share of \$165,421,744 principal outstanding.

Debt Limit and Remaining Borrowing Capacity

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

Total Revenues for 2021-22	\$78,945,056
Total Revenues for 2022-23	84,498,259
Total Revenues for 2023-24	88,523,072
Total	\$251,966,388
 Annual Arithmetic Average (Borrowing Base)	 \$83,988,796

Under the Act as presently in effect, no school district shall incur any nonelectoral debt or lease rental debt, if the aggregate net principal amount of such new debt, together with any other net nonelectoral debt and net 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:

Net Nonelectoral Debt and Lease Rental Debt Limit:	Legal Limit	Gross Debt Outstanding*	Remaining Borrowing Capacity
225% of Borrowing Base.....	\$188,974,790	\$117,025,000	\$71,949,790

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

Debt Service Requirements

Table 15 presents the debt service requirements on the School District’s outstanding general obligation and lease rental indebtedness including debt service on the Bonds.

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

**TABLE 15
WHITEHALL-COPLAY SCHOOL DISTRICT
DEBT SERVICE REQUIREMENTS***

<u>Year</u>	<u>Other General Obligation Debt⁽¹⁾</u>	<u>Series of 2025</u>			<u>Total Requirements</u>
		<u>Principal</u>	<u>Interest</u>	<u>Subtotal</u>	
2024-25	\$7,519,507				
2025-26	7,809,671				
2026-27	7,811,253				
2027-28	7,814,590				
2028-29	7,813,655				
2029-30	7,827,746				
2030-31	7,822,949				
2031-32	7,819,188				
2032-33	7,695,629				
2033-34	7,645,692				
2034-35	7,643,909				
2035-36	7,288,693				
2036-37	7,291,298				
2037-38	7,291,083				
2038-39	7,293,964				
2039-40	7,289,205				
2040-41	7,291,875				
2041-42	7,291,650				
2042-43	7,287,931				
2043-44	7,290,792				
2044-45	7,291,288				
2045-46	7,287,765				
2046-47	7,287,265				
Total	<u>\$172,706,597</u>				

*Totals may not add up due to rounding.

Table 16 presents data on the extent to which Commonwealth Aid provides coverage for debt service and lease rental requirements.

**TABLE 16
WHITEHALL-COPLAY SCHOOL DISTRICT
COVERAGE OF DEBT SERVICE AND LEASE RENTAL
REQUIREMENTS BY COMMONWEALTH AID***

2023-24 Commonwealth Aid Received.....	\$28,984,341
2023-24 Debt Service Requirements	\$7,058,069
Maximum Future Debt Service Requirements after Issuance of Bonds	
Coverage of 2023-24 Debt Service Requirements.....	4.11 times
Coverage of Maximum Future Debt Service Requirements after Issuance of Bonds.....	times

*Assumes current Commonwealth Aid Ratio. See “COMMONWEALTH AID TO SCHOOL DISTRICTS.”

Future Financing

The School District is currently evaluating feasibility studies for its various capital projects. The district may issue long term debt in an amount that has yet to be determined.

LABOR RELATIONS

School District Employees

There are presently 707 employees of the School District, including 307 teachers, 30 administrators/supervisors, and 370 Support Staff of maintenance, transportation, clerical, cafeteria and other support staff.

The professional/instructional employees of the School District are represented for purposes of collective bargaining by the Whitehall-Coplay Educational Association, an affiliate of the Pennsylvania State Education Association (the "PSEA"). The current contract between the School District and the PSEA will expire on June 30, 2028.

Classified Staff - Custodial, Clerical, Aides, Maintenance and Mechanics is represented for purposes of collective bargaining by the Whitehall-Coplay Education Support Association, which is also affiliated with the PSEA. The expiration date of this collective bargaining agreement is June 30, 2026.

Pension Plan

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 of Pennsylvania as established by the Public School Employees' Retirement Code. Members who enrolled prior to January 1, 2002 range from 5.28% to 7.5% of compensation, depending upon the date of commencement of employment and elections made by each employee member. Members who enrolled in the pension plan on or after January 1, 2002 and before July 1, 2011 is 7.5% of compensation. The contribution rate for PSERS members who enrolled on or after July 1, 2011 is 7.5% or 10.3%, depending upon elections made by each employee member. The PSERS Board of Trustees certified an annual employer contribution rate of 34.0% for the fiscal year 2025-26.

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 will transition from a traditional defined benefit system and begin to offer defined contribution plans as well. Beginning July 1, 2019, in addition to other transaction rules and options based on members' classifications, certain classes of active members may choose to switch from the current defined benefit plan to one of three new retirement benefit plan options which will be available. Additionally, all active members newly hired on or after July 1, 2019 will be required to select one of those three new retirement benefit plan options and will not be eligible to participate in the current defined benefit plan. The three new plans consist of two hybrid plans, with defined benefit and defined contribution components, along with a stand-alone defined contribution plan.

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

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

Annual School District contributions have been as follows:

2020-21	\$10,643,603
2021-22	11,792,862
2022-23	12,497,993
2023-24	12,249,585
2024-25(Budgeted)	12,707,914

As of June 30, 2024, the School District reported a liability of \$104,321,000 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 0.2345% which was an increase of 0.0053% from its proportion measured as of June 30, 2023.

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

Source: School District Administrative Officials and PSERS.

Other Post-Employment Benefits

The School District is obligated under collective bargaining agreements to provide future 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. 43 and 45 commencing with the School District's annual financial statements for the fiscal year ending June 30, 2009.

For a full description of the plan, please refer to Appendix "D" – Audited Financial Statements – Fiscal Year Ended June 30, 2024.

BONDHOLDER CONSIDERATIONS

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

Cybersecurity

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

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

Climate Change

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

Risk of Audit by Internal Revenue Service

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

LITIGATION

At the time of settlement, the School District will deliver a certificate stating to the knowledge of the School District there is no litigation pending with respect to the Bonds, the Resolution or the right of the School District to issue the Bonds and there is no litigation which would materially affect the School District’s financial condition.

DEFAULTS AND REMEDIES

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

TAX EXEMPTION AND OTHER TAX MATTERS

Certain Federal Income Tax Matters

On the date of delivery of the Bonds, Fox Rothschild LLP (“Bond Counsel”) will issue an opinion to the effect that under existing statutes and court decisions as of the date of initial delivery of the Bonds, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion of Bond Counsel will assume the accuracy of certifications made by the School District and will be subject to the condition that the School District complies with all requirements of the Code. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income prospectively and/or retroactively to the date of issuance of the Bonds.

Notwithstanding the general exclusion of interest on the Bonds from gross income and the exemption of the Bonds and the interest thereon from certain taxes, ownership of the Bonds may result in certain other federal income tax consequences to certain taxpayers, including, without limitation, certain foreign corporations doing business in the United States that are subject to the branch profits tax imposed by the Code, financial institutions, property and casualty insurance companies, certain subchapter S corporations with substantial passive income and Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion as to such other tax consequences, and prospective purchasers of the Bonds should consult their tax advisors as to all matters relating to the acquisition, ownership and disposition of the Bonds.

The initial public offering price of the Bonds of certain maturities may be greater than the amount payable on such Bonds at maturity. Bond Counsel expresses no opinion herein with respect to the treatment of such excess of offering price over amounts payable at maturity (“original issue premium”). Investors should seek advice thereon from their own tax advisor.

The initial public offering price of the Bonds of certain maturities may be less than the amount payable at maturity. The difference between the initial public offering price and the amount payable at maturity constitutes “original issue discount.” Bond Counsel is of the opinion that the appropriate portion of such original issue discount allocable to the original and each subsequent holder will, upon sale, exchange, redemption, or payment at maturity, be treated as interest and excluded from gross income for federal income tax purposes to the same extent as the stated interest on the Bonds.

The School District has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. Financial institutions intending to purchase Bonds should consult with their professional tax advisors to determine the effect of the interest expense disallowance in their federal income tax liability.

Certain Pennsylvania Tax Matters

On the date of delivery of the Bonds, Bond Counsel will issue an opinion to the effect that, under the laws of the Commonwealth as enacted and construed as of the date of initial delivery of the Bonds, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. The Bonds and the interest thereon may be subject to state or local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws. Bond Counsel will express no other opinion regarding other tax consequences with respect to the Bonds, including whether or not interest on the Bonds is subject to taxation under the laws of any jurisdiction other than the Commonwealth.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

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

CONTINUING DISCLOSURE UNDERTAKING

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

Under the terms of the Certificate, the School District will undertake to file with the MSRB financial and other information concerning the School District (annual audited financial statements and annual budget (as and when available) and notice of certain events affecting the School District). The School District's obligations with respect to continuing disclosure shall terminate upon the prior redemption or payment in full of all of the Bonds.

The MSRB has been designated by the SEC to be the central and sole repository for continuing disclosure information filed by issuers of municipal securities since July 1, 2009. Information and notices filed by municipal issuers (and other "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 Preliminary Official Statements of future bond issues as well as publicly available information. In connection with the Continuing Disclosure Agreement 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.

Continuing Disclosure Filing History

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

Fiscal Year Ending	Filing Deadline ^[1]	Financial Statements		Budget		Operating Data	
		Filing Date	EMMA ID ^[2]	Filing Date	EMMA ID ^[2]	Filing Date	EMMA ID ^[2]
6/30/2020	12/27/2020	12/19/2020	P11105983	6/24/2020	SS1064160	12/21/2020	P11106337
6/30/2021	03/27/2022	2/08/2022	P21177427	6/18/2021	P21122428		N/R
6/30/2022	03/27/2023	3/02/2023	P21268259	7/01/2022	P11224990		N/R
6/30/2023	03/26/2024	2/29/2024	P21352016	6/13/2023	P2129947	3/22/2024	P11316486
6/30/2024	03/27/2025	2/21/2025	P21433972	2/21/2025	P21433928	3/18/2025	P21445223

Notes

^[1] For these purposes, assumes the shortest filing deadline of the School District's previous Continuing Disclosure Agreements

^[2] Submission ID is the EMMA Submission ID for each filing. To access a filing, insert the Submission ID to the end of the web address below: <http://emma.msrb.org/ContinuingDisclosureView/ContinuingDisclosureDetails.aspx?submissionId=>

Based on the information above, the School District's annual financial and operating filing history over the past five (5) years can be summarized as follows:

For fiscal year ending June 30, 2020, the School District filed its audited financial statements timely to EMMA on December 19, 2020, its budget was filed timely to EMMA on June 24, 2020, and the operating data was filed timely to EMMA on December 21, 2020.

For fiscal year ending June 30, 2021, the School District filed its audited financial statements timely to EMMA on February 8, 2022 and its budget was filed timely to EMMA on June 18, 2021.

For fiscal year ending June 30, 2022, the School District filed its audited financial statements timely to EMMA on March 2, 2023 and its budget was filed timely to EMMA on July 1, 2022.

For fiscal year ending June 30, 2023, the School District filed its audited financial statements timely to EMMA on February 29, 2024, the operating data was filed timely to EMMA on March 22, 2024 and its budget was filed timely to EMMA on June 13, 2023.

For fiscal year ending June 30, 2024, the School District filed its audited financial statements timely to EMMA on February 21, 2025, the operating data was filed timely to EMMA on March 18, 2025 and its budget was filed timely to EMMA on February 21, 2025.

Future Continuing Disclosure Compliance

In an effort to augment the School District's procedures and policies to maintain future compliance, the School District has taken additional steps intended to assure future compliance with its Continuing Disclosure Agreements. These steps include implementing the MSRB's EMMA's internal notification system whereby the School District has set-up through the MSRB's EMMA portal to receive timely email reminders a month in advance for all of the School District's annual disclosure filings and coordinating with the School District's financial advisor to ensure all disclosure obligations have been made on a timely basis and in all material respects.

A member of the School District's business office will be responsible for ensuring ongoing continuing disclosure compliance. Members of the School District's business office will make an effort to participate in any ongoing continuing education regarding continuing disclosure undertaking if offered by local groups or affiliated organizations such as MSRB, PASBO or GFOA. The School District may communicate with its financial advisor, underwriter(s), bond counsel, or solicitor regarding any questions or concerns regarding ongoing continuing disclosure compliance. The School District may also communicate with its local auditor and advise of the School District's need for financial statements in a timely manner. In the event audited financial statements are not available by the filing deadline, the School District will file to EMMA, if available, its State Form PDE-2057 Annual Financial Report as an interim filing until such audited financial statements are available. Some of the operating data requirements may be found contained within the School District's financial statements or budget filing and may not be filed explicitly by themselves.

RATINGS

S&P Global Ratings is expected to assign its rating of “__” to this issue of Bonds with the understanding that upon delivery of the Bonds, a policy insuring the payment when due of principal of and interest on the Bonds will be issued by _____. S&P Global Ratings has assigned its underlying rating of “A+” (Negative Outlook) to this issue of Bonds. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency

furnishing the same, at the following address: 55 Water Street, New York, New York 10041-0003. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Underwriter (the "Underwriter") has agreed, subject to certain conditions, to purchase the Bonds from the School District, subject to certain conditions precedent, and will purchase all of the Bonds if any of such Bonds are purchased.

The Bonds will be purchased by the underwriter for a purchase price of \$_____ equal to the par value of the Bonds less an underwriters' discount of \$_____, plus a net original issue premium of \$_____.

LEGAL OPINION

The Bonds are offered subject to the receipt of the legal opinions of Fox Rothschild LLP, Bond Counsel to the School District, of Blue Bell, Pennsylvania. Certain legal matters will be passed upon for the School District by Fox Rothschild LLP of Blue Bell, Pennsylvania, School District Solicitor.

FINANCIAL ADVISOR

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

MISCELLANEOUS

This Preliminary Official Statement has been prepared under the direction of the School District by PFM Financial Advisors LLC, Harrisburg, Pennsylvania, in its capacity as Financial Advisor to the School District. The information set forth in this Preliminary 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 Financial Advisor upon request. The information assembled in this Preliminary Official Statement is not to be construed as a contract with holders of the Bonds. The School District has authorized the distribution of this Preliminary Official Statement.

WHITEHALL-COPLAY SCHOOL DISTRICT
Lehigh County, Pennsylvania

By: _____
President, Board of School Directors

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APPENDIX A
Demographic and Economic Information
Relating to the Whitehall-Coplay School District

Introduction

The School District is comprised of the Township of Whitehall and the Borough of Coplay, (collectively, the “Component Municipalities”). The School District is located in the central eastern section of Pennsylvania on the Lehigh River adjacent to the northern border to the City of Allentown in the Allentown-Bethlehem Metropolitan area. Covering an area of approximately 13.1 square miles, the School District is within one hundred miles of the cities of Harrisburg, New York and Philadelphia. The School District is principally residential and commercial in character with approximately 63% of the land use devoted to residences and 35% devoted to commercial purposes. There are a number of retail shopping areas in the School District, principal of which are the Lehigh Valley Mall and the Whitehall Mall containing nationally known department stores such as Macy’s and JC Penney, as well as standalone nationally known stores such as Walmart, Lowe’s and Home Depot.

Population

Table A-1 shows population trends for the School District, Lehigh County, and the Commonwealth. Table A-2 shows 2020 age composition and average number of persons per household in Lehigh County and for the Commonwealth.

**TABLE A-1
RECENT POPULATION TRENDS**

<u>Area</u>	<u>2010</u>	<u>2020</u>	Compound Average Annual
			Percentage Change
			<u>2010-2020</u>
School District.....	\$29,930	\$30,906	1.03%
Lehigh County.....	349,497	374,557	0.69%
Pennsylvania.....	12,702,379	13,002,700	0.23%

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

**TABLE A-2
AGE COMPOSITION**

	<u>0-17</u>	<u>18-64</u>	<u>65+</u>
	<u>Years</u>	<u>Years</u>	<u>Years</u>
Lehigh County	22.7%	60.8%	16.5%
Pennsylvania	20.8%	61.4%	17.8%

Source: U.S. Census Bureau, 2015-2020 American Community Survey 5-Year Estimates

Employment

Overall Nonfarm Jobs, Industry Employment data for the Allentown-Bethlehem-Easton Labor Metropolitan Statistical Area (“MSA”) an area which includes the School District.

TABLE A-3
DISTRIBUTION OF EMPLOYMENT BY INDUSTRY
Allentown-Bethlehem-Easton Metropolitan Statistical Area
NONFARM JOBS
(November 2024)

<i>ESTABLISHMENT DATA</i>	Industry Employment				Net Change From:	
	Nov-24	Oct-24	Sep-24	Nov-24	Oct-24	Nov-23
Total Nonfarm	407,500	405,200	402,900	400,300	2300	7200
Total Private	366,900	364,800	362,900	360,900	2100	6000
Goods Producing	55,500	55,400	55,600	55,000	100	500
Mining, Logging, & Construction	13,900	14,000	14,000	13,700	-100	200
Manufacturing	41,600	41,400	41,600	41,300	200	300
Durable Goods	24,100	24,000	24,100	23,900	100	200
Non Durable Goods	17,500	17,400	17,500	17,400	100	100
SERVICE-PROVIDING	352,000	349,800	347,300	345,300	2200	6700
PRIVATE SERVICE-PROVIDING	311,400	309,400	307,300	305,900	2000	5500
Trade, Transportation, and Utilities	95,300	92,700	91,800	95,700	2600	-400
Wholesale trade	15,200	15,300	15,200	15,400	-100	-200
Retail trade	39,800	38,900	38,500	39,900	900	-100
Food and beverage stores	10,600	10,500	10,400	10,500	100	100
General merchandise stores	7,700	7,400	7,200	7,700	300	0
Department stores	3,900	3,700	3,600	4,000	200	-100
Transportation, Warehousing and Utilities	40,300	38,500	38,100	40,400	1800	-100
Transportation and Warehousing	39,200	37,400	37,000	39,300	1800	-100
Information	6,100	6,100	6,200	6,200	0	-100
Financial Activities	13,200	13,100	13,000	12,900	100	300
Finance and Insurance	9,700	9,700	9,600	9,400	0	300
Insurance carriers and related activities	4,700	4,700	4,700	4,600	0	100
Professional and Business Services	51,400	51,300	51,400	52,600	100	-1200
Professional and technical services	17,600	17,600	17,600	17,400	0	200
Management of companies and enterprises	10,000	10,000	10,000	9,900	0	100
Administrative and waste services	23,800	23,700	23,800	25,300	100	-1500
Employment services	8,700	8,600	8,600	9,700	100	-1000
Educational and Health Services	93,500	93,000	91,400	88,500	500	5000
Educational services	13,900	13,700	13,000	14,200	200	-300
Health care and social assistance	79,600	79,300	78,400	74,300	300	5300
Hospitals	25,000	25,000	24,800	24,000	0	1000
Leisure and Hospitality	37,100	38,400	38,900	35,500	-1300	1600
Accommodation and food service	29,700	30,000	30,100	28,800	-300	900
Food services and drinking places	25,700	25,900	26,100	24,900	-200	800
Other Services	14,800	14,800	14,600	14,500	0	300
Government	40,600	40,400	40,000	39,400	200	1200
Federal Government	2,600	2,600	2,500	2,500	0	100
State Government	2,500	2,500	2,500	2,500	0	0
Local Government	35,500	35,300	35,000	34,400	200	1100
Local government educational services	23,700	23,500	23,000	22,600	200	1100
Other Local Government	11,800	11,800	12,000	11,800	0	0

Data benchmarked to March 2023

Data changes of 100 may be due to rounding

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

Table A-4 shows recent trends in labor force, employment and unemployment for Lehigh County and the Commonwealth.

**TABLE A-4
TRENDS IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
NOT SEASONALLY ADJUSTED**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024(1)</u>	Compound Average Annual % Rate
Lehigh County						
Civilian Labor Force (000)	191.4	193.4	199.8	199.7	198.5	0.73%
Employment (000)	173.1	184.7	192.8	193.5	191.7	2.06%
Unemployment (000)	18.3	8.7	7.0	6.3	6.7	-18.21%
Unemployment Rate	9.6%	4.5%	3.5%	3.1%	3.4%	
Pennsylvania						
Civilian Labor Force (000)	6,338.0	6,492.0	6,452.0	6,518.0	6,426.0	-0.25%
Employment (000)	5,808.0	6,208.0	6,204.0	6,296.0	6,215.0	0.94%
Unemployment (000)	580.0	284.0	248.0	223.0	211.0	-18.22%
Unemployment Rate	9.1%	4.4%	3.80%	3.40%	3.30%	

⁽¹⁾As of November 2024.

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

Following are Lehigh Valley's ten largest employers (some of which are located near or within the School District).

Name
Lehigh Valley Hospital Center
St. Luke's Hospital
Lehigh Valley Physician Group
Amazon.com Services LLC
Mack Trucks Inc
Saint Luke's Physician Group Inc
Allentown School District
Lehigh County
Air Products and Chemicals Inc
Parkland School District

Source: Pennsylvania Department of Labor & Industry, Center for Workforce Information & Analysis- 3rd quarter 2024

Income

The data on Table A-5 shows recent trends in per capita income for the School District, the County and Pennsylvania over the 2010-2020 period.

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

Geographic Area	2010 Number	2020 Number	Percent
School District.....	\$26,242	\$32,196	4.17%
Lehigh County.....	27,075	34,629	2.49%
Pennsylvania.....	27,004	35,518	2.78%

*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, Census 2010 & 2020

Industry

The great diversity of industrial activity can be seen in even a partial list of products manufactured in this area: steel products, trucks, industrial equipment, food products, pet foods, electrical and mechanical equipment, electronic components, modular storage cabinets, storage systems, musical instruments, clothing and textiles, and chemical and mineral processing equipment. Also, an increasingly important service sector has been characterized by the rapid growth in computer service, software companies, and other firms which deal in information processing.

The stable industrial base, combined with the area's existing educational, research, and development facilities, has created an ideal environment for the development of advanced technology in all sectors of the local economy.

Table A-6 shows retail sales over a five year period for the County, the Metropolitan Statistical Area (the "MSA") and the Commonwealth.

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

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Lehigh County	\$ 7,655,721	\$ 7,924,216	\$ 9,772,593	\$ 10,486,442	\$ 11,393,511
Allentown-Bethlehem-Easton MSA	15,397,360	15,840,523	17,378,462	18,613,723	20,359,980
Pennsylvania	244,709,540	251,185,116	274,685,600	297,770,326	310,912,244

Source: The Nielsen Company.

Higher Education

Area residents are provided with higher education facilities in addition to many business and technical schools which complement the colleges and universities in the area. The colleges and universities are listed below:

Cedar Crest College	Allentown
DeSales University	Center Valley
Lafayette College	Easton
Lehigh Carbon Community College	Schnecksville
Lehigh University	Bethlehem
Moravian College	Bethlehem
Muhlenberg College	Allentown
Northampton Community College	Bethlehem
Penn State University (Lehigh Valley Campus)	Center Valley
Kutztown University (Berks County)	Kutztown

Source: Eastern Pennsylvania Business Journal.

Transportation

The School District is served by an excellent interlocking highway system. U.S. Route 22, Interstate 78, U.S. 309, the Northeast Extension of the Pennsylvania Turnpike in addition to State Routes 100, 145, 222, 329 and 873.

The Lehigh Valley International Airport has jet facilities, airfreight and air express service. Air transportation services are provided by United, Allegiant, American and Delta. As a railroad center, the area is serviced by Norfolk Southern Railroad and the Lehigh Valley Railroad. These railroads with links to the national railroad systems provide easy access to major source of raw materials and sales markets.

Utilities

The Lehigh Valley (Northampton and Lehigh Counties) region is served by Pennsylvania Power & Light Co., United Gas Improvement Company and Verizon.

Medical Facilities

In the Lehigh Valley and immediate surrounding areas, there are multiple medical facilities available to the population. Many of the facilities are top rated and nationally recognized for high quality services.

Good Shepherd Rehabilitation

Good Shepherd, based in Allentown, Pennsylvania, is a nationally recognized rehabilitation leader, offering a continuum of care for people with injuries, complex medical needs and physical and/or cognitive disabilities.

More than 60,000 adults and children come to Good Shepherd each year for specialized programs in stroke, orthopedics and sports injuries, brain injury, spinal cord injury, amputation and more.

Good Shepherd provides rehabilitation services at more than 30 locations throughout 8 eastern Pennsylvania counties. In addition, Good Shepherd is the majority owner of Good Shepherd Penn Partners, a joint venture with the University of Pennsylvania Health System in Philadelphia.

Source: <http://www.goodshepherdrehab.org/>

Lehigh Valley Health Network

Lehigh Valley Health Network continues to add new facilities, services and programs to a regional campus that now includes:

- Hospitals on eight campuses: Lehigh Valley Hospital – Cedar Crest in Salisbury Township, Lehigh Valley Hospital – 17th Street in Allentown, Lehigh Valley Health Network – Tighman in Allentown, Lehigh Valley Hospital- Muhlenberg in Bethlehem, Lehigh Valley Hospital – Hazleton in Luzerne County, Lehigh Valley Hospital – Pocono in Monroe County and Lehigh Valley Hospital – Schuylkill E. Norwegian Street, Lehigh Valley Hospital – Schuylkill S. Jackson Street, in Schuylkill County and Lehigh Valley Children's Hospital, the only Children's Hospital in the Lehigh Valley, including inpatient and ambulatory care, a Children's ER, more than 25 pediatric specialists and numerous child-specific services such as rehab and burn care
- Community health centers offering doctors' offices and lab and imaging services at convenient locations in Bangor, Bath, Bethlehem Township, Blakeslee, Easton, Emmaus, Fogelsville, Frackville, Hamburg, Kutztown, Macungie, Moselem Springs, Quakertown (in partnership with Grand View Hospital) and Trexlertown, as well as health & wellness centers which also include fitness facilities at Cedar Crest, Hazleton, and Muhlenberg.

Source: <https://www.lvhn.org/>

St. Luke's University Health Network

St. Luke's University Health Network (SLUHN) is a non-profit, regional, fully integrated, nationally recognized network providing services at nine hospitals and more than 300 sites, primarily in Lehigh, Northampton, Carbon, Schuylkill, Bucks, Montgomery, Berks and Monroe counties in Pennsylvania and in Warren and Hunterdon counties in New Jersey.

Source: <http://www.slnh.org/>

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APPENDIX B
Form of Bond Counsel Opinion



980 Jolly Road, Suite 110
PO Box 3001
Blue Bell, PA 19422
☎ 610.397.6500 📠 610.397.0450

www.foxrothschild.com

_____, 2025

Re: Whitehall-Coplay School District
Lehigh County, Pennsylvania
\$ _____ General Obligation Bonds, Series of 2025

Ladies and Gentlemen:

We have acted as Bond Counsel to Whitehall-Coplay School District, Lehigh County, Pennsylvania (the “School District”), a school district located in the Commonwealth of Pennsylvania (the “Commonwealth”), in connection with the authorization, issuance and sale by the School District of its General Obligation Bonds, Series of 2025, dated _____, 2025, in the aggregate principal amount of _____ Dollars (\$ _____ .00) (the “Bonds”).

The Board of Directors of the School District, by a Resolution dated April 28, 2025 (the “Resolution”), has authorized and directed the issuance of the Bonds. The Resolution provides, *inter alia*, that the proceeds of the Bonds will be used for purposes of providing funds for: (i) the planning and construction of a new elementary school; (ii) the planning, renovation, replacement and construction of exterior windows, electrical upgrades and modifications to Steckel Elementary School and the Middle School; (iii) the planning and replacement of the District’s Transportation Fuel Dispenser; and (iv) the planning, renovation and construction of other capital improvements to school facilities and school buildings owned and operated by the School District; and (v) paying the costs and expenses related to the issuance of the Bonds, all in accordance with applicable and appropriate provisions of the Local Government Unit Debt Act of the Commonwealth, as codified

A Pennsylvania Limited Liability Partnership

California Nevada Colorado New Jersey Delaware New York District of Columbia North Carolina Florida Oklahoma Georgia Pennsylvania Illinois South Carolina Massachusetts Texas Minnesota Missouri Washington

by the Act of December 19, 1996 (P.L. 1158, No. 177) (the “LGUDA”). Proceedings for authorization, issuance and sale of the Bonds have been conducted in accordance with the provisions of the LGUDA.

The Department of Community and Economic Development (the “Department”) of the Commonwealth has approved the proceedings for the incurring of this debt of the School District as authorized in the Resolution, as required by the LGUDA.

As to questions of fact material to our opinion, without undertaking to verify such facts by independent investigation, we have relied upon the certified proceedings and other certifications of the School District and other public officials, including without limitation, the matters listed in the following paragraph, which have been furnished to us.

As Bond Counsel to the School District, we have examined and relied upon, among other things: (1) the proceedings related to the issuance and delivery of the Bonds as filed with and approved by the Department; (2) an executed counterpart of the Resolution; (3) the form of Bond; (4) a General Certificate of the School District; (5) a Tax Compliance Agreement, (6) Due Diligence Questionnaire; and (7) the usual closing affidavits, certificates and documents. In our examination, we have assumed the genuineness of all signatures, including electronic signatures.

We have assumed that the School District, pursuant to the Resolution, has established a sinking fund with the Paying Agent named in the Resolution, as the sinking fund depository, into which funds for the payment of the principal of and interest on the Bonds will be deposited no later than the date fixed for the disbursement thereof. The School District has set forth in the Resolution to make payments out of such sinking fund or out of any other of its revenue or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations under the Bonds.

The School District in the Resolution has covenanted to include in each year’s budget, to the fullest extent authorized under law, sums sufficient to meet the requirements of all interest and principal payment due under the Bonds, to appropriate such amounts from its general revenues necessary for the payment of such debt service and to pay the principal and interest due upon the Bonds to the extent of its obligation as and when due and it has pledged its full faith, credit and taxing power to such payment, budgeting and appropriation.

The School District has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of Internal Revenue Code of 1986 (the “Code”).

We have further assumed that the principal of and interest on the Bonds are payable without deduction of any tax or taxes now levied or assessed thereon under any present law of the Commonwealth, which tax or taxes the School District assumes and agrees to pay; provided, however, that the foregoing shall not be applicable to gift, succession or inheritance taxes or to other taxes not levied or assessed directly on the Bonds or the interest paid thereon.

Based upon the foregoing, and subject to the further qualifications stated herein, and assuming investment and application of the proceeds of the Bonds as set forth in the Tax Compliance Agreement and the continuing compliance by the School District therewith and with the applicable provisions of the Code and the Regulations thereunder, we are of the opinion that:

1. The School District is authorized, under applicable laws of the Commonwealth, to issue the Bonds to provide funds as enumerated in the Resolution.

2. Based upon a debt certificate executed by the School District, the amount of non-electoral debt of the School District issued and outstanding or authorized by vote of the Board of Directors of the School District, including the Bonds, computed in accordance with the LGUDA, is not in excess of legal limitations; and the incurring of non-electoral debt of the School District, which is evidenced by the Bonds, is permitted by the LGUDA and the Constitution of the Commonwealth to be made by vote of the Board of Directors of the School District without assent of electors of the School District.

3. The proceedings pursuant to which the Bonds have been authorized and thus the incurring of the non-electoral debt of the School District, which is evidenced by the Bonds, are in accordance with applicable law. The Bonds are a full faith and credit obligation of the School District, the payment for which the School District is obligated, if necessary, to exercise its ad valorem taxing power, subject to the limits of Act 1, discussed below, upon all taxable property within the School District.

4. The Bonds are not presently “arbitrage bonds” as that term is contemplated by, and defined in, Section 103(b)(2) and Section 148, respectively, of the Code and applicable Regulations promulgated thereunder.

5. Interest on the Bonds is excludable from gross income for Federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

6. The Bonds are exempt from personal property taxes in the Commonwealth and interest on the Bonds is exempt from the personal income tax and the corporate net income tax imposed by the Commonwealth.

7. The Bonds, when issued and approved by the Pennsylvania Department of Community and Economic Development, will constitute indebtedness of the Local Government Unit for purposes of Section 6-633 of the Pennsylvania Public School Code of 1949, as amended.

Notwithstanding the general excludability of interest on the Bonds from gross income and the exemption of the Bonds and the interest thereon from certain taxes, ownership of the Bonds may result in other Federal, state, local and/or foreign tax consequences to certain taxpayers, including, without limitation, corporations required to include such interest in the calculation and payment of the alternative minimum tax under Section 55 of the Code (as noted in Paragraph 5 above); certain foreign corporations doing business in the United States that are subject to the Branch Profits Tax imposed by Section 884 of the Code; individuals or entities required to take such interest into account as market discount; financial institutions; insurance companies required to include such interest in amounts required to reduce the deductions for loss reserves pursuant to Section 832 of the Code; certain "S" Corporations (as defined in Section 1361 of the Code) with accumulated earnings and profits; individual recipients of Social Security, or Railroad Retirement benefits; and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. We offer no opinion as to any of such other tax consequences.

With respect to the foregoing opinion, we advise you that the rights of the holders of the Bonds and the enforceability of the Bonds will be subject to and may be limited by (i) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws of general application or equitable principles relating to or affecting creditors' rights and remedies or debtors' obligations generally, (ii) general principles of equity, whether considered and applied in a court of law or equity, and (iii) the exercise of judicial discretion in appropriate cases.

The opinions set forth in paragraphs 4 and 5 above are subject to the condition that the School District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Code establishes certain requirements relating to the use and expenditures of the Bonds proceeds, restrictions on investments prior to expenditure and the requirement that certain earnings be rebated to the Federal government. Non-compliance with any of these or other applicable requirements of the Code might cause interest on the Bonds to be subject to Federal income taxation either prospectively or retroactively to the date of issuance. The School District has covenanted to comply with such requirements.

We call to your attention to the Taxpayer Relief Act, Pennsylvania Special Session Act No. 1 of 2006, as amended by Act 25 of 2011 (“Act 1”). Act 1 generally provides that a school district may not, in fiscal year 2007-2008 or in any subsequent fiscal year, increase the rate of any tax for school purposes by more than an index based on factors described in Act 1 without voter approval by referendum. The Bonds were not authorized before the effective date of Act 1 and, as a result, are not “grandfathered” and the School District cannot be granted an exception to the Act 1 referendum requirement on the basis of the debt service due and payable on the Bonds if a tax increase greater than the applicable index is needed.

We express no opinion herein as to any matter not expressly set forth herein, including Federal, state, local and/or foreign tax consequences arising with respect to the Bonds other than as expressly set forth in paragraphs 4, 5 and 6 above. Further, we express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the time of closing on the date hereof, and is based on existing law as enacted and construed as of that time. We assume no obligation to update or supplement this opinion to reflect any facts or circumstances which may hereafter come to our attention or any changes in such laws, regulations, or judicial or administrative decisions, any of which could adversely affect a holder of the Bonds.

Very truly yours,

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APPENDIX C
Continuing Disclosure Agreement

**WHITEHALL-COPLAY SCHOOL DISTRICT
LEHIGH COUNTY, PENNSYLVANIA
GENERAL OBLIGATION BONDS, SERIES OF 2025**

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Whitehall-Coplay School District, Lehigh County, Pennsylvania (the “School District”), in connection with the issuance of its \$ _____ aggregate principal amount General Obligation Bonds, Series of 2025 (the “Bonds”). The Bonds are being issued pursuant to a Resolution of the School District, dated April 28, 2025 (the “Resolution”). The School District covenants and agrees as follows:

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

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

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

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

“Commission” shall mean the Securities and Exchange Commission.

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

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

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

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

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

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto for purposes of the Rule. Currently, MSRB’s address, phone number and fax number for purposes of the Rule are:

MSRB
1300 I Street, NW #1000
Washington, DC 20005
Phone: 202-838-1500
Fax: 202-898-1500

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

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

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

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

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

SECTION 3. Provision of Annual Reports.

(a) The School District shall not later than 270 days after the end of each fiscal year of the School District, commencing with the fiscal year ending June 30, 2025, provide directly or through the Dissemination Agent to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. In connection therewith, not later than fifteen (15) Business Days prior to said date, the School District shall provide the Annual Report to the Dissemination Agent (if one has been designated by the School District under this Disclosure Certificate). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the School District may be

submitted separately from the remainder of the Annual Report when such audited financial statements are available. If the audited financial statements are not submitted as part of the Annual Filing to each Repository pursuant to this Section 3(a), the School District shall provide to each Repository such audited financial statements when they are available to the School District.

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

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

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

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

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

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

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

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

(ii) a summary of the budget for the current fiscal year (i.e. the fiscal year following the fiscal year of the financial statements being provided).

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

SECTION 5. Reporting of Significant Events.

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

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

(xv) Failure to provide annual financial information as required;

(xvi) Incurrence of a Financial Obligation of the School District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the School District, any of which affect security holders, if material; and

(xvii) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the School District, any of which reflect financial difficulties.

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

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

(d) For purposes of the Listed Events in Section 5(a)(xii), the School District and the Dissemination Agent acknowledge the following interpretive note which the Commission has set forth in the Rule: *“Note: for the purposes of the event identified in subparagraph (b)(5)(1)(C)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.”*

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

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

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

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

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

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

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

SECTION 12. Undertaking with Respect to Certain Procedures and Policies. The School District agrees to begin the process of establishing internal policies and procedures for the purpose of continuing disclosure compliance. Without intending to preclude the adoption of other necessary

or useful policies and procedures, a single School District official will be designated with ultimate responsibility for continuing disclosure compliance and will oversee the process of informing and training appropriate deputies and other School District employees with respect to the School District's continuing disclosure undertakings.

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

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

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

[signature page follows]

[signature page to Continuing Disclosure Certificate
General Obligation Bonds, Series of 2025]

Attest:

**WHITEHALL-COPLAY SCHOOL
DISTRICT**
Lehigh County, PA

By: _____
J. Michael Malay, Jr., Secretary
Board of School Directors

By: _____
William P. Fonzone, Sr., President
Board of School Directors

Date: _____, 2025

EXHIBIT A¹

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Whitehall-Coplay School District
Lehigh County, Pennsylvania

Name of Bond Issue: Whitehall-Coplay School District, Lehigh County, Pennsylvania
\$ _____ aggregate principal amount General Obligation
Bonds, Series of 2025 (the “Bonds”)

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN that the Whitehall-Coplay School District, Lehigh County, Pennsylvania (the “School District”), has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated _____, 2025, executed by the School District. The School District anticipates that the Annual Report will be filed by _____.

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

WHITEHALL COPLAY SCHOOL
DISTRICT, LEHIGH COUNTY,
PENNSYLVANIA [OR DISSEMINATION
AGENT ON BEHALF OF THE
WHITEHALL COPLAY SCHOOL
DISTRICT, LEHIGH COUNTY,
PENNSYLVANIA]

Dated: _____

cc: Paying Agent

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APPENDIX D
Audited Financial Statements
Fiscal Year Ended June 30, 2024

WHITEHALL-COPLAY SCHOOL DISTRICT

FINANCIAL REPORT

June 30, 2024

**BUCKNO
LISICKY** 
& COMPANY

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WHITEHALL-COPLAY SCHOOL DISTRICT

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WHITEHALL-COPLAY SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the Board of School Directors
Whitehall-Coplay School District
Whitehall, Pennsylvania

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Whitehall-Coplay School District, Whitehall, Pennsylvania 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Whitehall-Coplay School District, Whitehall, Pennsylvania as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *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 Whitehall-Coplay 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 Whitehall-Coplay 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Whitehall-Coploy 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 Whitehall-Coploy 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, the postemployment benefit plan information, pension plan information and the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Whitehall-Coplay School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2024 on our consideration of the Whitehall-Coplay 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 Whitehall-Coplay 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 Whitehall-Coplay School District's internal control over financial reporting and compliance.

Buckno Lisicky + Company

Allentown, Pennsylvania
December 29, 2024



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**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**

To the Board of School Directors
Whitehall-Coplay School District
Whitehall, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Whitehall-Coplay School District, Whitehall, Pennsylvania, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Whitehall-Coplay School District's basic financial statements, and have issued our report thereon dated December 29, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Whitehall-Coplay 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 Whitehall-Coplay School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Whitehall-Coplay 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Whitehall-Coplay School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Buckno Lisicky + Company

Allentown, Pennsylvania
December 29, 2024

WHITEHALL-COPLAY SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2024

The management's discussion and analysis of the Whitehall-Coplay School District's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

- As of June 30, 2024, the Whitehall-Coplay School District's current assets equal \$34,791,542 and non-current assets equal \$128,918,257. Total deferred outflows of resources equal \$25,285,291 (deferred charge on refunding, pension and other post-employment benefits). Total liabilities equal \$251,357,156. Total deferred inflows of resources equal \$5,297,907 (pension and other post-employment benefits). The net position (total assets and deferred outflows of resources less liabilities and deferred inflows of resources) equals \$(67,659,973).
- As of June 30, 2024, the total fund balance, in all governmental funds was \$21,810,869. The General Operating Fund comprised \$10,898,705 of that total; Student Activity \$35,033; Scholarship \$190,663; Capital Projects \$10,017,221; Capital Reserve \$669,247.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of Government-Wide Financial Statements, Fund Financial Statements and the Notes to Financial Statements. In addition, other required information supplementary to the basic financial statements is provided.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Student Activity Fund, Scholarship Fund, Capital Reserve Fund and Capital Projects Fund. Business-type activities reflect the Food Service Fund.

WHITEHALL-COPLAY SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2024

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds, proprietary funds and fiduciary funds.*

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains five individual governmental funds. The major funds are the General Fund, Student Activity Fund, Scholarship Fund, Capital Projects Fund and Capital Reserve Fund.

The School District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

WHITEHALL-COPLAY SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's primary government (governmental and business-type activities) net position for fiscal year 2024 compared to fiscal year 2023.

Table 1
Summary of Net Position - Primary Government

	June 30, <u>2024</u>	June 30, <u>2023</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Assets				
Current Assets	\$ 34,791,542	\$ 31,477,085	\$ 3,314,457	10.5%
Non-Current Assets	128,918,257	118,728,731	10,189,526	8.6%
Total Assets	<u>163,709,799</u>	<u>150,205,816</u>	<u>13,503,983</u>	9.0%
Deferred Outflows of Resources	<u>25,285,291</u>	<u>23,430,453</u>	<u>1,854,838</u>	7.9%
Liabilities				
Current Liabilities	15,737,741	17,176,314	(1,438,573)	-8.4%
Long-term Liabilities	235,619,415	215,577,990	20,041,425	9.3%
Total Liabilities	<u>251,357,156</u>	<u>232,754,304</u>	<u>18,602,852</u>	8.0%
Deferred Inflows of Resources	<u>5,297,907</u>	<u>7,560,485</u>	<u>(2,262,578)</u>	-29.9%
Net Position				
Net Investment in Capital Assets	6,736,206	12,976,345	(6,240,139)	-48.1%
Restricted	10,912,164	6,611,819	4,300,345	65.0%
Unrestricted	(85,308,343)	(86,266,684)	958,341	-1.1%
Total Net Position	<u>\$ (67,659,973)</u>	<u>\$ (66,678,520)</u>	<u>\$ (981,453)</u>	1.5%

WHITEHALL-COPLAY SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2024

Table 2 shows the changes in the School District's primary government (governmental and business-type activities) net position for fiscal year 2024 compared to fiscal year 2023.

Table 2
Summary of Changes in Net Position - Primary Government

	June 30, <u>2024</u>	June 30, <u>2023</u>	Increase/ (Decrease)	Percentage Change
Revenues:				
Program Revenues:				
Charges for Services	\$ 420,820	\$ 332,339	\$ 88,481	26.6%
Operating Grants and Contributions	22,197,916	22,951,241	(753,325)	-3.3%
General Revenues:				
Taxes	55,875,547	55,007,253	868,294	1.6%
State Subsidies	15,589,829	13,425,205	2,164,624	16.1%
Investment Earnings	2,118,358	1,598,158	520,200	32.5%
Other Income	171,719	71,390	100,329	140.5%
Total Revenues	96,374,189	93,385,586	2,988,603	3.2%
Function/Program Expenditures:				
Instruction	57,823,586	53,875,905	3,947,681	7.3%
Support services	26,934,445	24,534,038	2,400,407	9.8%
Operation of noninstructional services	1,668,121	1,597,901	70,220	4.4%
Facilities	557,195	63,962	493,233	771.1%
Unallocable depreciation	3,205,522	3,232,685	(27,163)	-0.8%
Interest on long-term debt	3,637,719	3,321,552	316,167	9.5%
Other	290,832	78,717	212,115	269.5%
Food Service	3,238,222	2,859,104	379,118	13.3%
Total Expenses	97,355,642	89,563,864	7,791,778	8.7%
Change in net position	(981,453)	3,821,722	(4,803,175)	125.7%
Net Position - Beginning	(66,678,520)	(70,500,242)	3,821,722	5.4%
Net Position - Ending	\$ (67,659,973)	\$ (66,678,520)	\$ (981,453)	-1.5%

Governmental Activities

During the fiscal year 2024, the net position of governmental activities decreased by \$801,635 or 1.19%, to \$(68,374,400) compared to an increase of \$3,884,158 or 5.44% in fiscal year 2023.

At June 30, 2024, the District's governmental activities had an unrestricted deficit net position in the amount of \$85,802,361, an increase of \$958,341 from the prior year. The deficit in unrestricted net position is primarily due to accounting treatment for GASB 68 net pension liability and GASB 75 other post-employment benefits. Table 3 shows the School District's governmental activities unrestricted net position had GASB 68 and 75 not been implemented:

WHITEHALL-COPLAY SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited) June 30, 2024

Table 3
Unrestricted Net Position (without GASB 68 and 75)

Unrestricted Net Position - Governmental Activities	\$ (85,802,361)
PSERS Pension:	
Add back: Pension Liability	104,321,000
Less: Deferred Outflows related to pensions	(21,754,000)
Add back: Deferred Inflows related to pensions	2,042,000
OPEB:	
Add back: OPEB Liability	10,927,829
Less: Deferred Outflows related to OPEB	(3,286,819)
Add back: Deferred Inflows related to OPEB	<u>3,255,907</u>
Unrestricted Net Position (Without GASB 68 & 75)	<u>\$ 9,703,556</u>

Business-type Activities

During the fiscal year 2024, the net position of business-type activities decreased by \$179,818 or 20.11%.

The assets of the business-type activities exceeded liabilities by \$714,427.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$21,810,869, an increase of \$3,836,569 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund decreased by \$463,776 or 4.08% to \$10,898,705 at June 30, 2024. The primary factor(s) affecting the decrease in fund balance of the general fund is as follows:

- *Total general fund revenues increased by \$2,298,204 from the prior year. Local revenues, mostly from taxes, increased \$1,410,458 or 2.5%. State revenues increased \$2,704,882 or 10.3%. Federal revenues decreased \$1,817,136 or 28.8%.*
- *Total expenditures increased \$1,571,762 or 1.7% from \$91,175,996, in the prior year to \$92,747,758 in the current year.*

Student Activity Fund - The fund balance of the School District's student activity fund decreased by \$3,265 or 8.53% to \$35,033 at June 30, 2024. The primary factor(s) affecting the change in fund balance of the student activity fund is as follows:

- *The School District had \$20,593 in student activity fees during the fiscal year.*
- *The School District had \$23,858 in school student expenses during the fiscal year.*

WHITEHALL-COPLAY SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2024

Scholarship Fund – The fund balance of the School District's scholarship fund increased by \$5,397 or 2.91% to \$190,663 at June 30, 2024. The primary factor(s) affecting the change in fund balance of the scholarship fund is as follows:

- *The School District had \$63,946 in scholarship fees during the fiscal year.*
- *The School District had \$58,549 in scholarships rewarded during the fiscal year.*

Capital Projects fund - During the current fiscal year, the fund balance of the School District's capital projects fund increased by \$5,175,027 or 106.87% to \$10,017,221 at June 30, 2024. The primary factor(s) affecting the change in fund balance of the capital projects fund is as follows:

- *The School District had \$19,765,000 in proceeds from sale of bonds.*
- *The School District had \$15,236,707 in capital expenditures during the fiscal year.*

Capital Reserve fund – During the current fiscal year, the fund balance of the School District's capital reserve fund decreased by \$876,814 or 56.71% to \$669,247 at June 30, 2024. The primary factor(s) affecting the change in fund balance of the capital reserve fund is as follows:

- *There were \$939,948 in capital reserve expenditures in fiscal year 2024.*
- *Interest earnings were \$63,134 in fiscal year 2024.*

Proprietary Funds

Food Service Fund

During the current fiscal year, the net position of the School District's food service fund decreased by \$179,818 or 20.11% to \$714,427 at June 30, 2024. The primary factor(s) affecting the change in net position of the food service fund is as follows:

- *Operating revenues increased by \$115,977 from the prior year. Operating expenses increased \$379,118 from the prior year.*
- *Nonoperating revenues increased by \$145,759.*

General Fund Budgetary Highlights

Pennsylvania Department of Education regulations require the Board of Education to authorize revisions to the original budget throughout the course of the fiscal year to accommodate differences from the original budget to the actual expenditures.

Final budgeted revenues including budgeted other financing sources was \$90,515,919 which was equal to the original budget. The School District's actual revenues and other financing sources of \$92,283,982 exceeded budgeted revenues by \$1,768,063.

Final budgeted appropriations including other financing uses was \$92,515,919 which was equal to the original budget. The School District's actual expenditures and other financing uses of \$92,747,758 were \$231,839 more than budgeted appropriations.

A detailed schedule of the School District's budgetary vs. actual revenues and expenses, as listed in the table of contents can be found in this report.

WHITEHALL-COPLAY SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2024, totaled \$128,566,335 (net of accumulated depreciation). Capital assets includes land, land improvements, buildings and improvements, vehicles and equipment. The School District's "Net Investment in Capital Assets" component of net position represents capital assets and leases net of accumulated depreciation and amortization less any outstanding debt associated with the capital assets and leases. There was a net increase in the School District's net investment in capital assets for the current fiscal year in the amount of \$10,447,963. Table 4 shows fiscal 2024 balances compared to 2023.

Table 4
Summary of Capital Assets

<u>Capital Assets (Net of Depreciation):</u>	<u>June 30,</u> <u>2024</u>	<u>June 30,</u> <u>2023</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 380,516	\$ 380,516	\$ -	0.0%
Construction in Progress	38,930,725	25,404,616	13,526,109	53.2%
Land Improvements	519,908	114,218	405,690	355.2%
Building and Improvements	79,256,636	81,923,609	(2,666,973)	-3.3%
Vehicles	2,110,790	2,403,965	(293,175)	-12.2%
Machinery and Equipment	7,367,760	7,891,448	(523,688)	-6.6%
	<u>\$ 128,566,335</u>	<u>\$ 118,118,372</u>	<u>\$ 10,447,963</u>	<u>8.8%</u>

Depreciation expense for governmental and business-type activities for the year was \$4,008,180. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 6) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$115,440,000, which is an increase of \$16,815,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

ECONOMIC FACTORS AND FUTURE OUTLOOK

The overall financial condition for the Whitehall-Coplay School District is strong and continues to maintain a stable outlook. The following demographic and financial characteristics of the School District are:

- Stable residential community with a significant commercial presence;
- Good wealth and income levels and strong market value per capita;
- Conservative financial approach to budgeting and financial operations.

WHITEHALL-COPLAY SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2024

The WCSD, with a population estimate of 31,000, is principally residential and commercial in character with approximately 63% residential and 35% commercial and covers a 13 square-mile radius. WCSD has a diverse student population with enrollment at the district's three elementary schools, one middle, and one high school totaled 4,215 for the 2023-2024 school year.

The District continues to comply with the provisions of Act 1 of 2006 regarding the limitation on tax increases beyond the established annual Index limits in order to avoid possible voter referendum to exceed limits. Exceptions to exceed the Index have been reduced and may be eliminated by the State.

There are several factors that will influence the future financial outlook of the Whitehall-Coplay School District. A summary of factors having probable future financial significance are as follows:

- Level or decreasing educational funding from the State / Federal Government.
- Pension Rate increases as projected by PSERS retirement fund.
- Medical Plan increases due to Trend and PPACA Federal compliance.
- Spiraling increases in the cost of Special Education and related services.
- Cyber and Charter school tuition costs.
- Tax Appeals due to substantial commercial tax base.
- Technology improvements to networks and instructional programs
- Continued replacement of Transportation Vehicles (Buses)
- Maintaining Capital and Infrastructure
- Compliance to unfunded State & Federal Mandates
- Remediation and tutoring programs to assure adequate yearly progress of PSSA compliance provisions

Overall, the Whitehall-Coplay School District offers excellent educational programs K to Grade 12 and envisions a bright educational future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact Christopher Schiffert, District Superintendent or Mr. J. Michael Malay, Jr., Business Manager, Whitehall-Coplay School District, 2932 Zephyr Boulevard Road Whitehall, PA 18052.

BASIC FINANCIAL STATEMENTS

WHITEHALL-COPLAY SCHOOL DISTRICT**Statement of Net Position**

June 30, 2024

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,786,365	\$ 104,095	\$ 1,890,460
Investments	23,650,117	481,781	24,131,898
Interest receivable	104,671	-	104,671
Taxes receivable	2,441,217	-	2,441,217
Due from other governments	5,435,773	3,252	5,439,025
Internal balances	(3,662)	3,662	-
Other receivables	153,973	-	153,973
Inventories	-	16,688	16,688
Prepaid expenses	613,610	-	613,610
Right to use leased assets, net of amortization	351,922	-	351,922
Capital assets not being depreciated	39,311,241	-	39,311,241
Capital assets, net of accumulated depreciation	89,034,685	220,409	89,255,094
TOTAL ASSETS	<u>162,879,912</u>	<u>829,887</u>	<u>163,709,799</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	244,472	-	244,472
Deferred outflows, Pension	21,754,000	-	21,754,000
Deferred outflows, OPEB - PSERS	1,046,000	-	1,046,000
Deferred outflows, OPEB - Other	2,240,819	-	2,240,819
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>25,285,291</u>	<u>-</u>	<u>25,285,291</u>
LIABILITIES			
Accounts payable	2,130,897	25,831	2,156,728
Accrued salaries and benefits	8,201,784	2,661	8,204,445
Payroll deductions and withholdings	430,016	-	430,016
Accrued interest payable	703,697	-	703,697
Unearned revenues	-	16,688	16,688
Other current liabilities	26,987	21,398	48,385
Long-term liabilities:			
Due within one year	4,177,782	-	4,177,782
Due in more than one year	235,570,533	48,882	235,619,415
TOTAL LIABILITIES	<u>251,241,696</u>	<u>115,460</u>	<u>251,357,156</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows, Pension	2,042,000	-	2,042,000
Deferred inflows, OPEB - PSERS	909,000	-	909,000
Deferred inflows, OPEB - Other	2,346,907	-	2,346,907
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>5,297,907</u>	<u>-</u>	<u>5,297,907</u>
NET POSITION			
Net investment in capital assets	6,515,797	220,409	6,736,206
Restricted for capital projects	10,686,468	-	10,686,468
Restricted for student activities and scholarships	225,696	-	225,696
Unrestricted	(85,802,361)	494,018	(85,308,343)
TOTAL NET POSITION	<u>\$ (68,374,400)</u>	<u>\$ 714,427</u>	<u>\$ (67,659,973)</u>

WHITEHALL-COPLAY SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
GOVERNMENTAL ACTIVITIES						
Instruction:						
Regular programs	\$ 38,498,243	\$ 158,772	\$ 8,914,048	\$ (29,425,423)	\$ -	\$ (29,425,423)
Special programs	15,979,590	-	5,231,986	(10,747,604)	-	(10,747,604)
Vocational programs	2,619,455	-	-	(2,619,455)	-	(2,619,455)
Other instructional programs	112,442	-	141,585	29,143	-	29,143
Nonpublic school programs	58,060	-	60,955	2,895	-	2,895
Adult education programs	555,796	-	-	(555,796)	-	(555,796)
Support services:						
Pupil personnel services	3,599,977	-	666,607	(2,933,370)	-	(2,933,370)
Instructional staff services	3,223,284	-	483,406	(2,739,878)	-	(2,739,878)
Administrative services	5,656,692	-	614,480	(5,042,212)	-	(5,042,212)
Pupil health	1,254,163	-	244,344	(1,009,819)	-	(1,009,819)
Business services	1,283,908	-	157,199	(1,126,709)	-	(1,126,709)
Operation and maintenance of plant	6,882,806	-	589,730	(6,293,076)	-	(6,293,076)
Student transportation services	4,779,838	-	1,402,270	(3,377,568)	-	(3,377,568)
Central	197,791	-	12,862	(184,929)	-	(184,929)
Other support services	55,986	-	-	(55,986)	-	(55,986)
Operation of noninstructional services:						
Student activities	1,595,403	-	300,313	(1,295,090)	-	(1,295,090)
Community services	14,169	-	13,749	(420)	-	(420)
Scholarships and Awards	58,549	-	-	(58,549)	-	(58,549)
Facilities acquisition, construction and improvement services	557,195	-	-	(557,195)	-	(557,195)
Unallocable depreciation (1)	3,205,522	-	-	(3,205,522)	-	(3,205,522)
Interest on long-term debt	3,637,719	-	584,538	(3,053,181)	-	(3,053,181)
Refund of prior year revenue	290,832	-	-	(290,832)	-	(290,832)
TOTAL GOVERNMENTAL ACTIVITIES	94,117,420	158,772	19,418,072	(74,540,576)	-	(74,540,576)
BUSINESS-TYPE ACTIVITIES						
Food service	3,238,222	262,048	2,779,844	-	(196,330)	(196,330)
TOTAL	\$ 97,355,642	\$ 420,820	\$ 22,197,916	(74,540,576)	(196,330)	(74,736,906)

WHITEHALL-COPLAY SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
GENERAL REVENUES						
Taxes:						
	Real estate			48,821,127	-	48,821,127
	Income			4,732,189	-	4,732,189
	Other			2,322,231	-	2,322,231
	Grants and contributions not restricted to specific programs			14,103,405	-	14,103,405
	State property tax reduction allocation			1,486,424	-	1,486,424
	Investment earnings			2,102,210	16,148	2,118,358
	Other income			140,894	364	141,258
	Gain on sale of capital assets			30,461	-	30,461
	TOTAL GENERAL REVENUES			<u>73,738,941</u>	<u>16,512</u>	<u>73,755,453</u>
	CHANGE IN NET POSITION			(801,635)	(179,818)	(981,453)
	NET POSITION, JULY 1, 2023			<u>(67,572,765)</u>	<u>894,245</u>	<u>(66,678,520)</u>
	NET POSITION, JUNE 30, 2024			<u>\$ (68,374,400)</u>	<u>\$ 714,427</u>	<u>\$ (67,659,973)</u>

(1) Excludes direct depreciation expenses of the various programs.

WHITEHALL-COPLAY SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2024

	General	Student Activity Fund	Scholarship Fund	Capital Project Fund	Capital Reserve Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,751,112	\$ 34,930	\$ 323	\$ -	\$ -	\$ 1,786,365
Investments	10,958,546	-	190,539	11,768,290	732,742	23,650,117
Interest receivable	104,671	-	-	-	-	104,671
Taxes receivable	2,441,217	-	-	-	-	2,441,217
Due from other funds	1,116,770	740	-	-	-	1,117,510
Due from other governments	5,436,324	-	-	-	-	5,436,324
Other receivables	153,973	-	-	-	-	153,973
Prepaid expenditures	424,737	-	-	-	-	424,737
TOTAL ASSETS	\$ 22,387,350	\$ 35,670	\$ 190,862	\$ 11,768,290	\$ 732,742	\$ 35,114,914
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 1,405,755	\$ 86	\$ 199	\$ 724,857	\$ -	\$ 2,130,897
Accrued salaries and benefits	8,201,784	-	-	-	-	8,201,784
Payroll deductions and withholdings	430,016	-	-	-	-	430,016
Due to other funds	31,465	551	-	1,026,212	63,495	1,121,723
Other liabilities	26,987	-	-	-	-	26,987
TOTAL LIABILITIES	10,096,007	637	199	1,751,069	63,495	11,911,407
DEFERRED INFLOWS OF RESOURCES						
Unearned/unavailable property taxes	1,392,638	-	-	-	-	1,392,638
TOTAL DEFERRED INFLOWS OF RESOURCES	1,392,638	-	-	-	-	1,392,638
FUND BALANCES						
Restricted	-	35,033	190,663	10,017,221	669,247	10,912,164
Nonspendable	424,737	-	-	-	-	424,737
Assigned	3,255,156	-	-	-	-	3,255,156
Unassigned	7,218,812	-	-	-	-	7,218,812
TOTAL FUND BALANCES	10,898,705	35,033	190,663	10,017,221	669,247	21,810,869
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 22,387,350	\$ 35,670	\$ 190,862	\$ 11,768,290	\$ 732,742	\$ 35,114,914

WHITEHALL-COPLAY SCHOOL DISTRICT**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 21,810,869**

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 as assets in governmental funds. The cost of assets and the accumulated depreciation are as follows:

Cost of assets	\$ 202,226,511	
Accumulated depreciation	<u>(73,880,585)</u>	
		128,345,926

Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Right to use assets at historical cost	897,561	
Accumulated amortization	<u>(545,639)</u>	
		351,922

Prepaid bond insurance in governmental activities is not a financial resource and therefore is not reported as an asset in governmental funds.

188,873

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

1,392,638

Deferred inflows and outflows of resources related to pensions, other post employment benefits and deferred charges on debt refundings are not reported in governmental funds

Deferred Outflows Related to Pensions	21,754,000
Deferred Inflows Related to Pensions	(2,042,000)
Deferred Outflows Related to OPEB - PSERS	1,046,000
Deferred Inflows Related to OPEB - PSERS	(909,000)
Deferred Outflows Related to OPEB - Other	2,240,819
Deferred Inflows Related to OPEB - Other	(2,346,907)
Deferred Outflow Related to Deferred Charge on Refunding	244,472

Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.

(703,697)

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. This also includes construction retainage payable.

WHITEHALL-COPLAY SCHOOL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2024

Bonds payable	115,440,000	
Deferred bond issue premium	6,633,125	
OPEB - PSERS	4,239,000	
OPEB - Other	6,688,829	
Compensated absences	1,592,746	
Net pension liability	104,321,000	
Lease liabilities	353,398	
Retainage payable	<u>480,217</u>	
		<u>(239,748,315)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ (68,374,400)**

WHITEHALL-COPLAY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2024

	General Fund	Student Activity Fund	Scholarship Fund	Capital Project Fund	Capital Reserve Fund	Total Governmental Funds
REVENUES						
Local sources	\$ 58,705,716	\$ 20,593	\$ 63,946	\$ 420,280	\$ 63,134	\$ 59,273,669
State sources	28,984,341	-	-	-	-	28,984,341
Federal sources	4,492,160	-	-	-	-	4,492,160
TOTAL REVENUES	92,182,217	20,593	63,946	420,280	63,134	92,750,170
EXPENDITURES						
Instruction:						
Regular programs	38,481,147	-	-	-	-	38,481,147
Special programs	16,038,377	-	-	-	-	16,038,377
Vocational programs	2,619,455	-	-	-	-	2,619,455
Other instructional programs	113,045	-	-	-	-	113,045
Nonpublic school programs	58,060	-	-	-	-	58,060
Adult education programs	555,796	-	-	-	-	555,796
Support services:						
Pupil personnel services	3,617,976	-	-	-	-	3,617,976
Instructional staff services	3,235,869	-	-	-	-	3,235,869
Administrative services	5,191,557	-	-	517,936	-	5,709,493
Pupil health	1,260,534	-	-	-	-	1,260,534
Business services	1,289,588	-	-	-	-	1,289,588
Operation and maintenance of plant	6,819,872	-	-	-	-	6,819,872
Student transportation services	4,352,191	-	-	-	-	4,352,191
Central	176,404	-	-	-	-	176,404
Other support services	55,986	-	-	-	-	55,986
Operation of noninstructional services:						
Student activities	1,476,556	23,858	-	-	-	1,500,414
Community services	14,188	-	-	-	-	14,188
Scholarships and awards	-	-	58,549	-	-	58,549
Facilities acquisition, construction and improvement services						
	42,256	-	-	14,718,771	939,948	15,700,975
Debt service:						
Principal	3,216,080	-	-	-	-	3,216,080
Interest and other charges	3,841,989	-	-	-	-	3,841,989
Refund of prior year revenue	290,832	-	-	-	-	290,832
TOTAL EXPENDITURES	92,747,758	23,858	58,549	15,236,707	939,948	109,006,820
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	(565,541)	(3,265)	5,397	(14,816,427)	(876,814)	(16,256,650)
OTHER FINANCING SOURCES (USES)						
Insurance recoveries	71,304	-	-	-	-	71,304
Proceeds from sale of fixed assets	30,461	-	-	-	-	30,461
Proceeds from sale of bonds	-	-	-	19,765,000	-	19,765,000
Bond premiums	-	-	-	226,454	-	226,454
TOTAL OTHER FINANCING SOURCES (USES)	101,765	-	-	19,991,454	-	20,093,219
NET CHANGE IN FUND BALANCES	(463,776)	(3,265)	5,397	5,175,027	(876,814)	3,836,569
FUND BALANCE, July 1, 2023	11,362,481	38,298	185,266	4,842,194	1,546,061	17,974,300
FUND BALANCE, June 30, 2024	\$ 10,898,705	\$ 35,033	\$ 190,663	\$ 10,017,221	\$ 669,247	\$ 21,810,869

WHITEHALL-COPLAY SCHOOL DISTRICT**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to
Statement of Activities
Year Ended June 30, 2024**

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ 3,836,569**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the period.

Depreciation expense	\$ (3,967,347)	
Capital outlays	<u>15,255,941</u>	11,288,594

Right to use leased assets are reported in governmental funds as expenditures. However in the statement of activities, the cost of those assets is amortized over term of the lease.

Amortization expense	<u>(258,437)</u>	(258,437)
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Prepaid bond insurance is reported in governmental funds as an expenditure. However, in the statement of activities, those costs are amortized over the life of the related bond issue.

Amortization of prepaid bond insurance	(8,023)	
Bond insurance payments	<u>57,500</u>	49,477

Because some taxes and subsidies will not be collected for several months after after the District's fiscal year end, they are not considered as "available" revenues in the governmental funds. These taxes and subsidies increased by this amount this year. 463,850

Amortization of the deferred charge on refunding is only recorded in the statement of activities and is not recorded in the statement of revenues expenditures and changes in fund balances. (31,968)

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bonds payable	2,950,000	
Lease liabilities	<u>266,080</u>	3,216,080

WHITEHALL-COPLAY SCHOOL DISTRICT

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to
Statement of Activities
Year Ended June 30, 2024**

Proceeds of long-term liabilities are revenues in the governmental funds, but the receipt increases long-term liabilities in the statement of net position.

Proceeds of long-term debt (19,765,000)

In the statement of activities, 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 (essentially, the amounts actually paid).

34,241

Bond discounts and premiums are amortized over the lives of the bonds in the statement of activities but are recorded as an addition or reduction from the proceeds from sales of bonds in the governmental funds.

Net amortization bond discounts and premiums 377,677
Bond issue premiums (226,454)

151,223

Other post-employment benefits are reported in the statement of activities but does not require the use of current financial resources; therefore the benefits are not reported as expenditures in governmental funds

PSERS 71,000
Other 18,152

89,152

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

(133,416)

The difference between current year pension expense reported on the government activities column of the government-wide financial statements and the pension contributions made this past year reported as expenditures in the governmental funds.

258,000

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ (801,635)

WHITEHALL-COPLAY SCHOOL DISTRICT**Statement of Net Position****Proprietary Fund****June 30, 2024**

	<u>Food Service</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 104,095
Investments	481,781
Due from other governments	3,252
Due from other funds	30,725
Inventories	16,688
TOTAL CURRENT ASSETS	<u>636,541</u>
NONCURRENT ASSETS	
Capital assets, net	<u>220,409</u>
TOTAL NONCURRENT ASSETS	<u>220,409</u>
TOTAL ASSETS	<u>\$ 856,950</u>
LIABILITIES	
CURRENT LIABILITIES	
Due to other funds	\$ 27,063
Accounts payable	25,831
Accrued salaries and benefits	2,661
Unearned revenues	16,688
Other current liabilities	21,398
TOTAL CURRENT LIABILITIES	<u>93,641</u>
LONG-TERM LIABILITIES	
Compensated absences	<u>48,882</u>
TOTAL LONG-TERM LIABILITIES	<u>48,882</u>
TOTAL LIABILITIES	<u>142,523</u>
NET POSITION	
Net investment in capital assets	220,409
Unrestricted	494,018
TOTAL NET POSITION	<u>\$ 714,427</u>

WHITEHALL-COPLAY SCHOOL DISTRICT**Statement of Revenues, Expenses, and Changes in Net Position****Proprietary Fund****Year Ended June 30, 2024**

	Food Service
OPERATING REVENUES	
Daily sales - non reimbursable programs	\$ 228,720
Special functions	33,328
Miscellaneous	364
TOTAL OPERATING REVENUES	262,412
OPERATING EXPENSES	
Salaries	833,616
Employee benefits	426,069
Cost of sales	168,270
Supplies	23,067
Repairs and maintenance	16,378
Other operating expenses	2,291
Purchased professional and technical services	1,726,405
Purchased property services	1,280
Other purchased services	13
Depreciation	40,833
TOTAL OPERATING EXPENSES	3,238,222
OPERATING LOSS	(2,975,810)
NONOPERATING REVENUES	
Earnings on investments	16,148
State sources	353,842
Federal sources	2,257,732
Federal donated commodities	168,270
TOTAL NONOPERATING REVENUES	2,795,992
CHANGE IN NET POSITION	(179,818)
NET POSITION, July 1, 2023	894,245
NET POSITION, June 30, 2024	\$ 714,427

WHITEHALL-COPLAY SCHOOL DISTRICT**Statement of Cash Flows****Proprietary Fund****Year Ended June 30, 2024**

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from sales	\$ 258,039
Cash payments to employees for services	(1,147,758)
Cash payments to suppliers for goods and services	<u>(1,699,843)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(2,589,562)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State sources	353,741
Federal sources	<u>2,257,837</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>2,611,578</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital outlays	<u>(10,511)</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(10,511)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(481,781)
Earnings on investments	<u>16,148</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(465,633)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(454,128)
CASH AND CASH EQUIVALENTS, July 1, 2023	<u>558,223</u>
CASH AND CASH EQUIVALENTS, June 30, 2024	<u>\$ 104,095</u>

WHITEHALL-COPLAY SCHOOL DISTRICT

Statement of Cash Flows

Proprietary Fund

Year Ended June 30, 2024

	<u>Food Service</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (2,975,810)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	40,833
Donated commodities used	168,270
(Increase) decrease in assets:	
Other receivables	3,172
Inventory	52,544
Due from other funds	116,465
Increase (decrease) in liabilities:	
Due to other funds	21,781
Accounts payable	17,047
Accrued salaries and benefits	(20,167)
Compensated absences	(6,152)
Other current liabilities	(7,545)
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (2,589,562)</u>
SUPPLEMENTAL SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES:	
Donated commodities received	<u>\$ 178,919</u>

WHITEHALL-COPLAY SCHOOL DISTRICT

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2024

	<u>Custodial Fund</u>
	<u>Student Activity</u>
ASSETS	
Cash and cash equivalents	\$ 164,721
Interfund receivable	551
TOTAL ASSETS	<u>\$ 165,272</u>
LIABILITIES	
Accounts payable	\$ 153
TOTAL LIABILITIES	<u>\$ 153</u>
NET POSITION	
Restricted - students	\$ 165,119
TOTAL NET POSITION	<u>\$ 165,119</u>

WHITEHALL-COPLAY SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2024

	<u>Custodial Fund</u>
	<u>Student Activity</u>
ADDITIONS	
Acitivity fees	\$ 181,268
Interest income	716
TOTAL ADDITIONS	<u>181,984</u>
DEDUCTIONS	
Purchased services	1,358
Supplies	69,174
Scholarships	1,700
Student fees	20,823
Dues and fees	2,535
Travel	76,473
Other	1,235
TOTAL DEDUCTIONS	<u>173,298</u>
 CHANGE IN NET POSITION	 8,686
NET POSITION, July 1, 2023	<u>156,433</u>
NET POSITION, June 30, 2024	<u>\$ 165,119</u>

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Whitehall-Coplay School District is a primary governmental entity whose operational procedures are defined by the Pennsylvania Public School Code of 1949. The School District operates under the direction of a board of school directors chosen in a general election. The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania.

The School District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District is discussed below.

Reporting Entity

Governmental accounting standards establish the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A primary government is financially accountable for those organizations that make up the legal entity as well as legally separate organizations if the primary government appoints a voting majority of an organization's governing body, and either it can impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burden on the primary government.

In evaluating the School District as a reporting entity, management has evaluated all potential component units, which may or may not fall within the School District's accountability. This report includes all of the funds of Whitehall-Coplay School District based upon the above criteria.

Related Organizations

Lehigh Career and Technical Institute

The School District is a participating member in the Lehigh Career and Technical Institute (LCTI). The LCTI is a school organized under an operating agreement with other local participating school districts for the purpose of providing career or technical training and education for those individuals residing within the participating districts. LCTI is governed by a committee consisting of members from each participating district.

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

The School District's contribution to LCTI's operating, debt service and capital costs totaled \$2,619,455 for the year ended June 30, 2024. Complete financial statements for the LCTI may be obtained from the LCTI's administration office at 4500 Education Park Drive, Schnecksville, Pennsylvania.

Lehigh Carbon Community College

The School District is a participating member in the Lehigh Carbon Community College (LCCC). LCCC is organized under an operating agreement with other local participating school districts. The Organization is governed by a Board of Trustees, consisting of individuals representing each member district. Each member district is responsible for lease rental debt in the amount of its pro-rata share of the LCCC's outstanding bonds.

The School District's contribution to LCCC's operating and capital costs totaled \$555,796 for the year ended June 30, 2024.

Complete financial statements for LCCC may be obtained at the College's administrative office at 4525 Education Park Drive, Schnecksville, Pennsylvania.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. Government-wide financial statements report information on all of the nonfiduciary activities of the School District. The statement of net position includes all of the government's assets, deferred outflows of resources, deferred inflows of resources, and liabilities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support. As a general rule the effect of interfund activity has been eliminated from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The financial transactions of the School District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

set of self-balancing accounts that comprises its assets, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses.

Fund financial statements are provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the School District. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Fiduciary funds are reported by fund type. The School District has elected to report all funds as major funds in its fund financial statements.

The following represent the three categories of funds used by the School District.

Governmental Funds

These are funds through which most functions of the School District are typically financed. The following is a description of the governmental funds of the School District:

General Fund - The principal operating fund of the School District used to account for all financial resources except those required to be in another fund.

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes provided these revenue sources provide a “substantial” amount (defined as 50% or more) of the funding accounted for in the special revenue fund. The School District’s special revenue fund includes the following:

- *Student Sponsored Activity Fund* – is used to account for activities related to the School District’s elementary and middle schools. Expenditures may only be spent for specific purposes related to elementary and middle school activities.
- *Scholarship Fund* – is used to account for activities related to the School District’s scholarships awarded to students.

Capital Projects Fund - This fund is used to account for financial resources held for future capital improvements, for acquisition, construction or improvements of major capital facilities, other than those financed by proprietary funds, if applicable.

Capital Reserve Fund – This fund is used to account for reserves held for future capital improvements.

Proprietary Fund

These funds are accounted for similar to businesses in the private sector. These funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the School District's enterprise fund are food service charges. Operating expenses for the School District's enterprise fund include food service management costs, employee salaries and benefits, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following is a description of the proprietary fund of the School District:

Food Service Fund - This fund is used to account for the operation of the School's Food Service Division. The Food Service Fund has established fees and charges and state and federal subsidies designed to recover the cost of its operation.

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the School District's programs.

The funds included in this category are:

Custodial Funds

Student Activity Fund - This fund is used to account for assets held by the School District as trustee for high school student organizations and activities.

Measurement Focus and Basis of Accounting

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

The fund financial statements, with the exception of the proprietary fund and the fiduciary fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

end of the fiscal period. Taxes receivable not deemed available under accounting principles generally accepted in the United States of America are included on the Fund Financial Statements as deferred inflows of resources. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred. Accordingly, when such funds are received, they are recorded as unearned revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Use of Estimates

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

Budgets and Budgetary Accounting

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

Under Act 1 of 2006 (The Taxpayer Relief Act), the School District must adopt a preliminary budget proposal (including proposed tax rates) no later than 90 days prior to the date of the election immediately preceding the next fiscal year. The preliminary budget proposal must be 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; if they do not the board must give at least 10 days public notice of its intent to adopt such 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 next fiscal year. The PDE is to compare the proposed percentage increase in the rate of any tax with the school district's "Index" 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 the 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 election immediately preceding the next fiscal year or seek approval to utilize one of the referendum exceptions authorized under Act 1. If the 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 Act 1, and the referendum question is

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

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.

The Board of Directors may make transfers of funds appropriated to any particular item of expenditure by legislative action. An affirmative vote of two-thirds of all members of the Board is required. There were no supplemental budget amendments for the year ended June 30, 2024.

Fund balances in budgetary funds may be appropriated based on resolutions passed by the Board of Directors, which authorize the School District to make expenditures. Appropriations lapse at the end of the fiscal period. The level of control or the level on which expenditures may not legally exceed appropriations is the fund. Encumbrance accounting is not employed by the School District; therefore, there are no reservations of fund balance as of June 30, 2024 for the General Fund.

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

A Proprietary Fund budget is not adopted; however, an informal budget is prepared and expenditures are controlled on the basis of this budget.

Interfund Transactions

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

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers are used to move unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Cash and Cash Equivalents

For purpose of the Statement of Cash Flows, the Proprietary Fund type considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

Investments

Investments are stated at fair value in accordance with Governmental Accounting Standards Board Statement No. 72, Fair Value Measurement and Application, except for investments in external investment pools, which are valued at amortized costs if required criteria are met as outlined in Governmental Accounting Standards Board Statement No. 79, Certain External Investment Pools and Pool Participants.

The 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 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 asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values.

Furthermore, while the School District believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

All of the District's investments as of June 30, 2024 are considered Level 1 investments within the fair value hierarchy.

Inventory

Inventory consists of the Food Service Fund's food and supplies. All inventories are valued at the lower of cost (first-in, first-out method) or market. The inventory includes government donated commodities, which are valued at estimated fair market value at the date of donation as determined by the U.S. Department of Agriculture.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets acquired by donation or purchase that have a useful life of longer than one year or extends the life of another capitalized asset or increase its value and meets a specific dollar threshold established by class of asset. Capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Capital assets are recorded at historical cost at acquisition date or estimated historical cost

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

Assets	Useful Life in Years	Capitalization Threshold
Vehicles	3 to 15	\$ 5,000
Buildings	50	25,000
Land Improvements	20	25,000
Building Improvements	15 to 30	25,000
Technology Group	5	5,000
Audio Visual Equipment	5	5,000
Athletic Equipment	5	5,000
Musical Equipment	5	5,000
Library Books	10	5,000
Maintenance and Grounds Equipment	10	5,000
Furniture and Fixtures	10	5,000

Proprietary fund equipment purchases are capitalized in fund financial statements at cost and depreciated on a straight-line basis over the above estimated useful lives.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the Statement of Net Position and the Balance Sheet in the Governmental Funds report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Obligations

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 activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized using a

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

systematic and rational method over the life of the bonds. Bond issuance costs are expensed as incurred, however, bond insurance payments are recorded as prepaid expenses and amortized over the life of the related debt.

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

Compensated Absences

The School District's policies regarding vacation and sick leave are governed primarily by the collective bargaining or employment contracts of each employee class.

Certain employees' accumulated sick leave is payable to each employee upon retirement or death on a per diem basis, depending upon the employee's collective bargaining or employment contract, provided that certain length of service requirements are met.

Compensated absences, including vacation and certain accumulated sick leave are accrued in the government-wide financial statements as it is earned.

In the fund financial statements, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability in governmental funds. Compensated absences related to proprietary funds are accrued as earned.

Unearned Revenues

Unearned revenues in the government-wide financial statements represent the value of USDA donated commodities that have been received but not yet consumed.

Governmental Fund Balances

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable fund balance - amounts that are not in spendable form (such as prepaid expenditures) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

Committed fund balance - amounts constrained to specific purposes by the School District itself, using its highest level of decision-making authority (School Board). To be reported as committed, amounts cannot be used for any other purpose unless the School District takes the same highest level action to remove or change the constraint.

Assigned fund balance - amounts the School District intends to use for a specific purpose. The Board has authorized the School District's Superintendent and the Director of Business Administration as the officials authorized to assign fund balance to a specific purpose.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School Board has provided otherwise in its commitment or assignment actions.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS'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.

Other Postemployment 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 the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Right to Use Leased Assets

The School District has recorded right to use leased assets as a result of implementing GASB 87. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

The School District has implemented a \$25,000 materiality threshold to all leases under GASB 87. The School District will use the total lease contract as the basis for determining if the lease right to use asset exceeds the materiality threshold.

Subscription-Based Information Technology Arrangements

GASB 96, Subscription-Based Information Technology Arrangements, established a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, the School District is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The School District has implemented a \$25,000 materiality threshold to all subscriptions under GASB 96. The School District will use the total subscription contract as the basis for determining if the subscription right to use asset exceeds the materiality threshold. There were no subscription leases over the threshold as of June 30, 2024.

Date of Management's Review

The School District has evaluated subsequent events through December 29, 2024, the date which the financial statements were available to be issued.

NOTE 2. CASH AND INVESTMENTS

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

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.

Deposits in savings accounts, 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, therefore, shall be pledged by the depository.

Pennsylvania Act 10 of 2016 became effective May 25, 2016, and expanded the permitted investment types to include commercial paper, bankers' acceptances, negotiable certificates of deposit, and insured bank deposit reciprocals as long as certain safeguards related to credit quality and maturity are met.

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

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

The breakdown of total cash and investments at June 30, 2024, is as follows:

Demand deposit accounts	\$ 2,055,181
Pooled investments	24,089,809
Non-pooled investments	42,089
	<u>\$ 26,187,079</u>

Demand Deposits

The deposit policy of the School District adheres to state statutes and prudent business practices. School District deposits must be held in insured, federally regulated banks or financial institutions which have appropriate collateral in accordance with Pennsylvania law.

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, the School District's bank balances of \$8,080,089 was exposed to custodial credit risk as follows:

Insured under FDIC	\$ 250,000
Certificate of deposits at PSDLAF insured under FDIC	1,854,000
Uninsured and collateralized by securities held by the pledging institution's trust department but not in the District's name	5,976,089
	<u>\$ 8,080,089</u>

Investments

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

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 years
Mutual Funds	\$ 42,089	N/A	N/A	N/A	N/A
<u>Pooled Investments</u>					
PA Local Government Investment Trust (PLGIT):					
Class	28,115	28,115	-	-	-
PA School District Liquid Asset Fund (PSDLAF):					
Max	6,536,234	6,536,234	-	-	-
Flex	13,671,460	13,671,460	-	-	-
Term Series	2,000,000	2,000,000	-	-	-
Certificates of Deposit	1,854,000	1,404,000	450,000	-	-
	<u>\$ 24,131,898</u>	<u>\$ 23,639,809</u>	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ -</u>

Certain external investments held by the District, based on portfolio maturity, quality, diversification, and liquidity measures, qualify for measurement at amortized cost at both the pool and participating government level consistent with GASB Statement No. 79. The District measures those investments, which include \$24,089,809 (PLGIT and PSDLAF) at

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

amortized cost. All investments in external investment pools that are not registered with the Securities and Exchange Commission are subject to oversight by the Commonwealth of Pennsylvania.

Pennsylvania School District Liquid Asset Fund (PSDLAF)

A portion of the District's deposits are in the Pennsylvania Local Government Investment Trust and the Pennsylvania School District Liquid Asset Fund. PSDLAF is a common law trust organized and existing under the laws of the Commonwealth of Pennsylvania, in accordance with the provisions of the Pennsylvania Intergovernmental Cooperation Act and Section 521 of the Pennsylvania Public School Code of 1949, as amended. PSDLAF provides various types of investment programs offered from time to time through a number of Series: a single Liquid Series, a single MAX Series, multiple Cash Flow Optimization Series, multiple Fixed Term Series, multiple Total Return Management Program Series and multiple Choice Program Series. The District invests in the following PSDLAF funds:

Max Series – Invests in short term money market instruments and seeks to maintain a constant net asset value of \$1.00 per share. All participants in the Fund are required to have an account in the MAX series.

Flex Series – Invests in short term money market instruments and provided weekly liquidity.

Fixed Income Investments

Term Series – Invests in fixed term instruments with maturities of up to one year, depending on the maturity date of each particular Fixed Term Series

Certificates of deposit – principal and interest are FDIC insured up to \$250,000 per institution.

Pennsylvania Local Government Investment Trust (PLGIT)

The School District invests in the Pennsylvania Local Government Investment Trust (PLGIT), which is an external governmental investment pool. The purpose of the pool is to allow local governmental units to maximize investment potential through cash pooling while providing security and liquidity. PLGIT is governed by a Board of Trustees who is responsible for the overall management of the Trust, including the formulation and implementation of investment policies and the oversight of the Trust's investment advisor and its custodians. Pool participants are allocated a pro-rata share of each investment purchased by the pool. PLGIT's investment policies are consistent with the investment policies of its participants. The investments of the pool serve as collateral and are held in safekeeping by the pool's investment custodian.

PLGIT invests primarily in U.S. Treasury and federal agency securities and repurchase agreements secured by such obligations, as well as certain municipal obligations and collateralized or insured certificates of deposit. The fund manager intends to comply with

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

guidelines similar to those mandated for money-market funds as contained in Rule 2a-7 of the Investment Company Act of 1940. The District invests in the following PLGIT funds:

PLGIT Class - Account requires no minimum balance, no minimum initial investment and a one day minimum investment period. Dividends are paid monthly.

Investment Policies

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. The School District has contracted with an investment advisor to limit interest rate risk on capital project monies while providing cash for the projects as needed.

Credit Risk – The District has no investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2024, the District’s investment in PLGIT and PSDLAF were rated AAAM by Standard & Poor’s.

Concentration of Credit Risk – The District places no limit on the amount the District may invest in any one issuer. District investments in authorized instruments not backed by the federal or state government shall be limited to the two highest applicable credit ratings. All other investments require board notification.

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The School District does not have custodial credit risk policies for investments.

NOTE 3. REAL ESTATE TAXES

Real estate taxes for the School District are collected for property located in the Townships of Whitehall and Borough of Coplay, which comprise the area served by the School District. The tax on real estate in the area served by the School District for public school purposes for the year ended June 30, 2024 is 20.75580 mills (\$20.75580 per \$1,000 of taxable valuation) as levied by the School Board. Assessed valuations of property are determined by the County of Lehigh and the elected tax collectors are responsible for collection.

July 1	- Levy Date
July 1 - August 31	- 2% Discount Period
September 1 - October 31	- Face Payment Period
November 1 - December 31	- 10% Penalty Period
January 1	- Lien Date

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

NOTE 4. INTERFUND TRANSACTIONS

The due to and due from other funds as of June 30, 2024 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ 1,116,770	\$ 31,465
Student activity fund	740	551
Capital projects fund	-	1,026,212
Capital reserve fund	-	63,495
Food service fund	30,725	27,063
Student activities fund	551	-
	<u>\$ 1,148,786</u>	<u>\$ 1,148,786</u>

There were no interfund transfers between funds during June 30, 2024.

NOTE 5. DUE FROM OTHER GOVERNMENTS

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

	<u>General Fund</u>	<u>Food Service Fund</u>
Local	\$ 396,973	\$ -
State	4,109,535	101
Federal	929,816	3,151
	<u>\$ 5,436,324</u>	<u>\$ 3,252</u>

NOTE 6. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2024 is as follows:

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 380,516	\$ -	\$ -	\$ 380,516
Construction work in progress	<u>25,404,616</u>	<u>14,312,255</u>	<u>(786,146)</u>	<u>38,930,725</u>
	25,785,132	14,312,255	(786,146)	39,311,241
Capital assets being depreciated:				
Land improvements	2,428,128	446,000	-	2,874,128
Building and building improvements	137,831,640	340,146	-	138,171,786
Vehicles	7,108,427	63,800	-	7,172,227
Machinery and equipment	<u>14,627,552</u>	<u>69,577</u>	<u>-</u>	<u>14,697,129</u>
	<u>187,780,879</u>	<u>15,231,778</u>	<u>(786,146)</u>	<u>202,226,511</u>
Less accumulated depreciation:				
Land improvements	(2,313,910)	(40,310)	-	(2,354,220)
Building and building improvements	(55,908,031)	(3,007,119)	-	(58,915,150)
Vehicles	(4,704,462)	(356,975)	-	(5,061,437)
Machinery and equipment	<u>(6,986,835)</u>	<u>(562,943)</u>	<u>-</u>	<u>(7,549,778)</u>
	<u>(69,913,238)</u>	<u>(3,967,347)</u>	<u>-</u>	<u>(73,880,585)</u>
Governmental activities capital assets, net	<u>\$ 117,867,641</u>	<u>\$ 11,264,431</u>	<u>\$ (786,146)</u>	<u>\$ 128,345,926</u>
Business-Type Activities				
Capital assets being depreciated:				
Machinery and equipment	\$ 1,534,981	\$ 10,511	\$ -	\$ 1,545,492
Less accumulated depreciation	<u>(1,284,250)</u>	<u>(40,833)</u>	<u>-</u>	<u>(1,325,083)</u>
Business-type activities capital assets, net	<u>\$ 250,731</u>	<u>\$ (30,322)</u>	<u>\$ -</u>	<u>\$ 220,409</u>

Depreciation expense was charged to functions/programs as follows:

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

Governmental activities:

Instruction:	
Regular programs	\$ 14,733
Special programs	2,302
Support services:	
Instructional staff services	351
Business services	750
Operation and maintenance of plant services	188,058
Student transportation services	426,925
Central	21,029
Operation of noninstructional services:	
Student activities	107,677
Unallocated	<u>3,205,522</u>
Total depreciation expense, governmental activities	<u>\$ 3,967,347</u>
Cafeteria	<u>\$ 40,833</u>
Total depreciation expense, business-type activities	<u>\$ 40,833</u>

NOTE 7. LONG-TERM LIABILITIES

The changes in long-term liabilities during the year ended June 30, 2024 are as follows:

	Balance July 1, 2023	Additions	Retirement	Balance June 30, 2024	Due Within One Year
Governmental activities:					
Bonds payable	\$ 98,625,000	\$ 19,765,000	\$ (2,950,000)	\$ 115,440,000	\$ 3,135,000
Bond premium/(discount)	6,784,348	226,454	(377,677)	6,633,125	355,242
Other post employment benefits - PSERS	4,223,000	16,000	-	4,239,000	-
Other post employment benefits - Other	5,324,597	1,364,232	-	6,688,829	-
Lease liabilities	619,478	-	(266,080)	353,398	207,323
Compensated absences	1,626,987	-	(34,241)	1,592,746	-
Net pension liability - PSERS	101,899,000	2,422,000	-	104,321,000	-
Retainage payable	<u>1,290,526</u>	<u>480,217</u>	<u>(1,290,526)</u>	<u>480,217</u>	<u>480,217</u>
Total Governmental Activities	<u>220,392,936</u>	<u>24,273,903</u>	<u>(4,918,524)</u>	<u>239,748,315</u>	<u>4,177,782</u>
Business-type activities:					
Compensated absences	<u>55,034</u>	<u>-</u>	<u>(6,152)</u>	<u>48,882</u>	<u>-</u>
Total Business Activities	<u>55,034</u>	<u>-</u>	<u>(6,152)</u>	<u>48,882</u>	<u>-</u>
	<u>\$ 220,447,970</u>	<u>\$ 24,273,903</u>	<u>\$ (4,924,676)</u>	<u>\$ 239,797,197</u>	<u>\$ 4,177,782</u>

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

Long-term liabilities are generally liquidated by the General Fund.

Bonds and Notes Payable

Bonds and notes payable as of June 30, 2024 consists of the following:

General Obligation Bonds, Series B of 2016, maturing through December 15, 2024, bearing an interest rate at 4.00%, interest semi-annually on June 15 and December 15.	\$ 130,000
General Obligation Bonds, Series of 2017, maturing through November 15, 2034 in annual amounts ranging from \$95,000 to \$4,505,000, bearing interest at rates ranging from 2.00% to 3.05%, interest payable semi-annually on May 15 and November 15.	8,980,000
General Obligation Bonds, Series of 2018, maturing through November 15, 2043 in annual amounts ranging from \$5,000 to \$495,000, bearing interest at rates ranging from 3.00% to 3.75%, interest payable semi-annually on May 15 and November 15.	4,950,000
General Obligation Bonds, Series of 2019, maturing through November 15, 2043 in annual amounts ranging from \$5,000 to \$450,000, bearing interest at rates ranging from 2.00% to 5.00%, interest payable semi-annually on May 15 and November 15.	3,890,000
General Obligation Bonds, Series of 2019A, maturing through November 15, 2033 in annual amounts ranging from \$80,000 to \$4,050,000, bearing interest at rates ranging from 2.00% to 5.00% interest payable semi-annually on May 15 and November 15.	5,625,000
General Obligation Bonds, Series of 2021A, maturing through May 1, 2032 in annual amounts ranging from \$2,695,000 to \$3,875,000, bearing interest at rates ranging from 3.00% to 5.00% interest payable semi-annually on May 1 and November 1.	27,260,000
General Obligation Bonds, Series of 2021B, maturing through May 1, 2044 in annual amounts ranging from \$10,000 to \$2,060,000, bearing interest at rates ranging from 3.00% to 5.00% interest payable semi-annually on May 1 and November 1.	17,855,000
General Obligation Bonds, Series of 2022, maturing through May 1, 2047 in annual amounts ranging from \$5,000 to \$5,115,000, bearing interest at rates ranging from 3.25% to 4.05% interest payable semi-annually on May 1 and November 1.	26,990,000
General Obligation Bonds, Series of 2023, maturing through May 1, 2047 in annual amounts ranging from \$5,000 to \$1,055,000, bearing interest at rates ranging from 4.00% to 4.90%	

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

interest payable semi-annually on May 1 and November 1.	9,990,000
General Obligation Bonds, Series of 2024, maturing through May 1, 2047 in annual amounts ranging from \$5,000 to \$825,000, bearing interest at rates ranging from 4.00% to 5.00% interest payable semi-annually on May 1 and November 1.	<u>9,770,000</u>
	<u>\$115,440,000</u>

Aggregate Debt Service

The aggregate future annual payments required to amortize all outstanding bonds payable as of June 30, 2024, including total interest payments are as follows:

Year Ended June 30	Principal	Interest	Total
2025	\$ 3,135,000	\$ 4,384,508	\$ 7,519,508
2026	3,590,000	4,219,673	7,809,673
2027	3,765,000	4,046,253	7,811,253
2028	3,950,000	3,864,591	7,814,591
2029	4,140,000	3,673,656	7,813,656
2030-2034	22,955,000	15,856,203	38,811,203
2035-2039	24,710,000	12,098,953	36,808,953
2040-2044	29,035,000	7,416,455	36,451,455
2045-2047	<u>20,160,000</u>	<u>1,706,316</u>	<u>21,866,316</u>
	<u>\$ 115,440,000</u>	<u>\$ 57,266,608</u>	<u>\$ 172,706,608</u>

NOTE 8. LEASES

Leases Payable

As of June 30, 2024, the School District had two leases subject to GASB 87. The leases have annual payments that range from \$6,213 to \$15,201 and interest rates that range from 0.4257% to 2.1567%. As of June 30, 2024, the total combined value of the lease liability is \$353,398, the total combined value of the short-term lease liability is \$207,323. The combined value of the right to use asset, as of June 30, 2024 of \$897,561 with accumulated amortization of \$545,639 is included within the lease class activities table found below. The leases had \$0 of variable payments and \$0 of other payments, not included in the lease liability, within the fiscal year.

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

	Balance July 01, 2023	Additions	Decreases	Balance June 30, 2024
Government Activities:				
Right to use assets:				
Leased buildings	\$ 543,842	\$ -	\$ -	\$ 543,842
Leased equipment	365,603	-	(11,884)	353,719
	<u>909,445</u>	<u>-</u>	<u>(11,884)</u>	<u>897,561</u>
Less accumulated amortization:				
Leased buildings	221,784	186,922	-	408,706
Leased equipment	77,302	71,515	(11,884)	136,933
	<u>299,086</u>	<u>258,437</u>	<u>(11,884)</u>	<u>545,639</u>
Governmental activities right to use assets, net	<u>\$ 610,359</u>	<u>\$ (258,437)</u>	<u>\$ -</u>	<u>\$ 351,922</u>

The aggregate future annual lease payments required to amortize lease payable as of June 30, 2024, including total interest payments are as follows:

Year Ended June 30	Principal	Interest	Total
2025	\$ 207,323	\$ 4,039	\$ 211,362
2026	72,251	2,305	74,556
2027	73,824	731	74,555
	<u>\$ 353,398</u>	<u>\$ 7,075</u>	<u>\$ 360,473</u>

NOTE 9. GOVERNMENTAL FUND BALANCES

The details of governmental fund balances are presented below.

General Fund

The School District has nonspendable fund balance of \$424,737 as of June 30, 2024 related to prepaid expenditures.

The School District has assigned fund balance of \$3,255,156 as of June 30, 2024 which is budgeted for fiscal year 2024-2025 expenditures.

The School District has unassigned fund balance of \$7,218,812 as of June 30, 2024.

Special Revenue Fund

Student Activities - Restricted fund balance in the student activity fund in the amount of \$35,033 is restricted for middle and elementary school student activities.

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

Scholarship - Restricted fund balance in the scholarship fund in the amount of \$190,663 is restricted for scholarship awards.

Capital Projects Fund

Restricted fund balance in the capital projects fund in the amount of \$10,017,221, consists primarily of unspent bond proceeds. The bond proceeds may only be spent on capital improvements.

Capital Reserve Fund

Restricted fund balance in the capital reserve fund in the amount of \$669,247 may only be spent on capital improvements, deferred maintenance and for the replacement of school buses.

NOTE 10. PENSION PLAN

Plan Description

The School District participates in the Public School Employees' Retirement System of Pennsylvania (PSERS), a state-administered pension program established by authority of the Public School Employees' Retirement Code (Act No. 96 of October 2, 1975, as amended) (24 Pa. C. S. 8101-9102). PSERS is a governmental cost-sharing multi-employer defined benefit 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 a 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. PSERS prepares its financial statements in accordance with generally accepted accounting principles. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to statutory requirements. Benefits are recognized in the month they are earned and withdrawals are recognized in the month they are due and payable. Investments are recognized at fair value.

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 3 years of service or attain a total combination of age and service that is equal to greater than 92 with a minimum of 35 years of service.

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

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

Benefits are generally equal to 1.0% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after 10 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 of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Contributions

Member contributions:

The contribution rates based on qualified member compensation for virtually all members are presented below:

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

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: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

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

Employer contributions:

The School District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 33.36% (33.09% for the pension component and 0.27% for the defined contribution component) 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 \$12,179,000 for the year ended June 30, 2024.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2024, the School District reported a liability of \$104,321,000 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 contributions as it relates to the total one-year reported contributions. At June 30, 2023, the School District's proportion was 0.2345%, which was an increase of 0.0053% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized pension expense of \$12,105,000. At June 30, 2024, the School District reported deferred outflows of

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 24,000	\$ 1,428,000
Changes in assumptions	1,557,000	-
Net difference between projected and actual investment earnings	2,952,000	-
Changes in proportion	4,502,000	614,000
Difference between employer contributions and the proportionate share of total contributions	540,000	-
Contributions subsequent to the measurement date	<u>12,179,000</u>	<u>-</u>
	<u>\$ 21,754,000</u>	<u>\$ 2,042,000</u>

\$12,179,000 reported as deferred outflows of resources related to pensions resulting from the School District contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Measurement Year Ended <u>June 30</u>	
2024	\$ 2,381,000
2025	324,000
2026	3,889,000
2027	<u>939,000</u>
	<u>\$ 7,533,000</u>

Actuarial Assumptions

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

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

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

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

Investments

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

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

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 3.54%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	5.3%
Private equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLP's	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	-10.5%	1.2%
	100.0%	

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

Discount Rate

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

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-percentage-point lower, 6.00%, or 1-percentage-point higher, 8.00%, than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 135,228,000	\$ 104,321,000	\$ 78,244,000

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 11. OTHER POST-EMPLOYMENT BENEFITS

PSERS Health Insurance Premium Assistance Program

Plan Description

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

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

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

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

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- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions

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

Employer Contributions

The School District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$293,000 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$4,239,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2023, the District's proportion was 0.2343%, which was an increase of 0.0049% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of \$210,000. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 28,000	\$ 42,000
Changes in assumptions	366,000	802,000
Net difference between projected and actual investment earnings	10,000	-
Changes in proportion	329,000	65,000
Difference between employer contributions and the proportionate share of total contributions	20,000	-
Contributions subsequent to the measurement date	<u>293,000</u>	<u>-</u>
	<u>\$ 1,046,000</u>	<u>\$ 909,000</u>

\$293,000 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Year Ended	
<u>June 30</u>	
2024	\$ (3,000)
2025	(14,000)
2026	(62,000)
2027	(87,000)
2028	<u>10,000</u>
	<u>\$ (156,000)</u>

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:

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Notes to the Financial Statements

June 30, 2024

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

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% of 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.

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.

Investments

Investments consist primarily of short term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined

WHITEHALL-COPLAY SCHOOL DISTRICT

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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>100.0%</u>	1.2%
	<u>100.0%</u>	

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.

For the year ended June 30, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 4.36%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

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

WHITEHALL-COPLAY SCHOOL DISTRICT

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	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
System net OPEB liability	<u>\$ 4,239,000</u>	<u>\$ 4,239,000</u>	<u>\$ 4,239,000</u>

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

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

	<u>1% Decrease 3.13%</u>	<u>Current Discount Rate 4.13%</u>	<u>1% Increase 5.13%</u>
District's proportionate share of the net OPEB liability	<u>\$ 4,793,000</u>	<u>\$ 4,239,000</u>	<u>\$ 3,776,000</u>

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.

Whitehall-Coplay School District Post Retirement Benefits Plan

In addition to the Health Insurance Premium Assistance Program administered through the PSERS, the School District offers additional single-employer defined benefit healthcare plan to eligible retirees and their dependents. The Plan provides medical, prescription drug, dental and life insurance benefits with varying coverage for three groups of employees and their dependents.

Summary of Plan Provisions

The specific eligibility requirements and benefits for each plan member group are as follows:

WHITEHALL-COPLAY SCHOOL DISTRICT

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Administrators

Eligibility: Subsidized – Must attain age 55 and retire through PSERS (non-disability) with 10 years of service with the School District or attain 35 years of PSERS service and 10 years of service with the School District. Unsubsidized – Act 110/43

Coverage: Medical, prescription drug, dental and life insurance.

Premium Sharing: If the member qualifies for subsidized coverage, the School District will pay the full premium less the PSERS Supplement (if eligible) for medical, prescription drug, and dental coverage for the member based on the PPO I plan. Any excess premium due to the election of a more expensive plan must be paid by the member. The School District will pay the coverage for the member for a maximum of 10 years. The spouse may elect coverage by paying the full premium as determined for the purpose of COBRA. If the spouse elects to continue coverage beyond age 65, Medicare will pay secondary.

The member may also continue their life insurance policy on the group plan by paying the premium of \$0.17/\$1,000 of coverage per month. AD&D coverage will cease at the time of retirement. The face amount of the policy will be equal to the member's salary at the time of retirement until the member reaches age 65. At age 65 the face amount of the policy will change to \$10,000 and it will further decrease to \$5,000 at age 70.

If the member does not reach the eligibility for the School District paid benefit but reaches Act 110/43 eligibility, the member and spouse may continue coverage by paying the full premium as determined for the purpose of COBRA.

Dependents: Dependent coverage is available at Group rates (employee paid).

Duration: The member may continue medical, prescription drug, and dental benefits until the later of ten years or age 65. The spouse may continue benefits until the earlier of the following: 1) later of ten years or member age 65 or 2) member death. Life insurance on the member may continue until death.

Teachers

Grandfathered Retiree

Eligibility: N/A – Already retired

Coverage: Medical, prescription drug, dental insurance.

Premium Sharing: School District will pay an amount towards medical coverage for the member equal to the medical portion of the PPO 6 premium less the PSERS Supplement (if eligible) for a period of 8 years. If more expensive coverage is elected the member must contribute the difference. The member must pay prescription drug and may elect dental coverage by paying the full premium. The spouse may elect medical, prescription drug, and dental coverage by paying the full premium as determined for the purpose of COBRA. If the spouse elects the benefit beyond age 65, Medicare will pay secondary.

WHITEHALL-COPLAY SCHOOL DISTRICT

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Dependents: Dependents coverage available at Group rates (employee paid)

Duration: The member may continue medical, prescription drug, and dental benefits until the later of 8 years or age 65. The spouse may continue benefits until the earlier of the following: 1) Later of 8 years or member age 65 or 2) member death.

2023 Early Retirement Incentive

Eligibility: N/A – Already retired

Coverage: Medical, prescription drug, dental insurance.

Premium Sharing: The School District will pay the full premium less the PSERS Supplemental (if eligible) for medical, prescription drug and dental coverage for the member, spouse, and dependents based on the PPO 6 plan for a period of 12 months. If the spouse elects the benefit beyond age 65, Medicare will pay secondary.

If the subsidy period has expired but the member met Act 110/43 eligibility, the member and spouse may continue coverage by paying the full premium as determined for the purpose of COBRA.

Dependents: Dependents included

Duration: The member may continue coverage until age 65. Dependents may continue coverage until the earlier of member age 65 or member death

All Other Teachers

Eligibility: Based upon Act 110/43 eligibility, all employees are eligible for this benefit upon retirement with 30 years of PSERS service or upon superannuation retirement.

Coverage and Premium Sharing: Based upon Act 110/43. Retired employees are allowed to continue coverage for themselves and their dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment equal to the premium determined for the purpose of COBRA.

Duration: The member may continue coverage until age 65. Dependents may continue coverage until the earlier of member age 65 or member death.

Support Staff

Eligibility: Based upon Act 110/43 eligibility, all employees are eligible for this benefit upon retirement with 30 years of PSERS service or upon superannuation retirement.

Coverage and Premium Sharing: Based upon Act 110/43. Retired employees are allowed to continue coverage for themselves and their dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired

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employees must provide payment equal to the premium determined for the purpose of COBRA.

Duration: The member may continue coverage until age 65. Dependents may continue coverage until the earlier of member age 65 or member death.

As of June 30, 2024, the plan membership data is as follows:

Active Participants	419
Vested Former Participants	0
Retired Participants	36
Total	<u>455</u>

Contributions

The contribution requirements of plan members and the School District are established by various union or individual employment contracts. For the year ended June 30, 2024, the School District contributed \$406,320 of pay as you go payments.

Actuarial Methods and Assumptions

Discount Rate: 4.13%. Based on S&P Municipal Bond 20 Year High Grade Index at July 1, 2023

Salary: An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of a 2.5% cost of living adjustment, 1.5% real wage growth, and for teachers and administrators a merit increase which varies by age from 2.75 to 0.0%.

Withdrawal: Rates of withdrawal vary by age, gender and years of service. Sample rates for employees with more than 10 years of service are show below. Rates for new employees start at 25.93% for men and 27.46% for women and decrease with age and service.

Age	Male Rate	Female Rate	Age	Male Rate	Female Rate
25	4.5500%	3.9000%	45	1.4100%	1.6000%
30	4.5500%	3.9000%	50	1.8900%	2.0800%
35	1.6800%	2.8300%	55	3.6300%	3.6600%
40	1.4200%	1.6700%	60	5.4900%	5.9400%

Mortality: PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees.

Disability: No disability was assumed.

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Retirement: Assumed retirement rates are based on PSERS plan experience and vary by age, service and gender.

Special Early Retirement			TC & TD		TE, TF, TG, & TH	
Age	Male	Female	Male	Female	Male	Female
55	14.5%	14.5%	25.0%	16.0%	16.3%	19.5%
56	14.5%	14.5%	25.0%	20.0%	16.3%	19.5%
57	14.5%	15.0%	28.0%	28.0%	16.3%	19.5%
58	14.5%	15.0%	28.0%	30.0%	16.3%	19.5%
59	21.6%	20.7%	28.0%	30.0%	16.3%	19.5%
60	14.5%	15.0%	29.0%	31.0%	16.3%	19.5%
61	29.0%	29.0%	29.0%	31.0%	16.3%	19.5%
62	29.0%	29.0%	36.0%	31.0%	16.3%	19.5%
63	29.0%	29.0%	21.0%	20.0%	16.3%	19.5%
64	29.0%	29.0%	22.0%	25.0%	16.3%	19.5%
65	29.0%	29.0%	23.0%	28.0%	16.3%	19.5%
66	29.0%	29.0%	23.0%	27.0%	16.3%	19.5%
67	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
68	29.0%	29.0%	20.0%	22.0%	16.3%	19.5%
69	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
70	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
71-73	29.0%	29.0%	20.0%	20.0%	16.3%	19.5%
74-79	29.0%	29.0%	25.0%	25.0%	16.3%	19.5%
80+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Percent of Eligible Retirees Electing Coverage in Plan: 100% of Administrators. 70% of Administrators and Teachers and 40% of Support Staff who never qualify for a district subsidy are assumed to elect coverage.

Percent Married at Retirement: 15% of employees are assumed to be married and have a spouse covered by the plan at retirement. Non-spouse dependents are deemed to be immaterial.

Spouse Age: Wives are assumed to be two years younger than their husbands.

Per Capita Claims Cost: Making use of weighted averages for various plan designs, the per capita claims cost for medical and prescription drug is based on the expected portion of the group’s overall cost attributed to individuals in the specified age and gender brackets. Dental and vision costs are assumed to not vary with age or gender. The resulting costs are as follows:

Medical and Prescription Drug Combined		
Age	Males	Females
45-49	\$9,280	\$13,402
50-54	\$12,290	\$15,147
55-59	\$14,969	\$15,850
60+	\$19,534	\$18,207

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June 30, 2024

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

Retiree Contributions: Retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.

Health Care Cost Trend Rate: 7.0% in 2023 with 0.5% decrease per year until 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 to 4.1% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Actuarial Value of Assets: Equal to the Market Value of Assets

Actuarial Cost Method – Entry Age Normal: Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.

Participant Data: Based on census information as of July 2023. Due to the timing of school district turnover, the data believed to be representative of the population for the 2023-2024 school year.

The following changes in actuarial assumptions have been made since the prior measurement date:

- The discount rate changed from 4.06% to 4.13%. The trend assumption was updated. The percentage of retirees assumed to be married and have spouse covered by the plan at retirement decreased from 20% to 15%.

Net OPEB Liability

The Districts' net OPEB liability was measured as of July 1, 2023; the total OPEB liability used to calculate the net OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023 rolled forward to July 1, 2024.

Changes in the Net OPEB liability were as follows:

WHITEHALL-COPLAY SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2024

Balance at 7/1/2022	\$ 5,324,597
Service Cost	269,975
Interest	221,450
Differences between Expected and Actual Experience	1,069,362
Change of Assumptions	62,134
Benefit Payments	<u>(258,689)</u>
Net Change	<u>1,364,232</u>
Balance at 7/1/2023	<u>\$ 6,688,829</u>

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$388,168. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,331,093	\$ 791,851
Changes in assumptions	503,406	1,555,056
Contributions subsequent to the measurement date	<u>406,320</u>	<u>-</u>
	<u>\$ 2,240,819</u>	<u>\$ 2,346,907</u>

\$406,320 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

WHITEHALL-COPLAY SCHOOL DISTRICT

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June 30, 2024

Year Ended	
	<u>June 30</u>
2025	\$ (103,257)
2026	(103,257)
2027	(103,257)
2028	(103,257)
2029	(103,257)
Thereafter	3,877
	<u>\$ (512,408)</u>

Sensitivity 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-percentage point lower (3.13%) or 1-percentage-point higher (5.13%) than the current rate:

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Net OPEB liability	<u>\$ 7,232,708</u>	<u>\$ 6,688,829</u>	<u>\$ 6,185,700</u>

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

The following presents the net OPEB liability of the Plan, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	<u>\$ 6,004,839</u>	<u>\$ 6,688,829</u>	<u>\$ 7,494,061</u>

NOTE 12. CONTINGENT LIABILITIES

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 expenditure which may be

WHITEHALL-COPLAY SCHOOL DISTRICT

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June 30, 2024

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.

NOTE 13. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs.

NOTE 14. LITIGATION

In the normal course of business, the School District is involved in various other claims and civil disputes. It is believed that any potential losses on these other claims will not have a material impact on the School District.

REQUIRED SUPPLEMENTARY INFORMATION

WHITEHALL-COPLAY SCHOOL DISTRICT

Required Supplementary Information

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget vs. Actual

General Fund

Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative) Final to Actual</u>
REVENUES				
Local revenues	\$ 57,623,613	\$ 57,623,613	\$ 58,705,716	\$ 1,082,103
State program revenues	28,585,281	28,585,281	28,984,341	399,060
Federal program revenues	4,287,025	4,287,025	4,492,160	205,135
TOTAL REVENUES	90,495,919	90,495,919	92,182,217	1,686,298
EXPENDITURES				
INSTRUCTION:				
Regular programs	39,672,795	38,481,147	38,481,147	-
Special programs	13,638,853	16,038,377	16,038,377	-
Vocational programs	2,732,599	2,619,455	2,619,455	-
Other instructional programs	67,927	113,045	113,045	-
Nonpublic school programs	11,625	58,060	58,060	-
Adult education programs	559,411	555,796	555,796	-
TOTAL INSTRUCTION	56,683,210	57,865,880	57,865,880	-
SUPPORT SERVICES:				
Pupil personnel services	4,070,619	3,617,976	3,617,976	-
Instructional staff services	3,586,956	3,235,869	3,235,869	-
Administrative services	4,637,006	5,191,557	5,191,557	-
Pupil health	1,316,751	1,260,534	1,260,534	-
Business services	1,293,991	1,289,588	1,289,588	-
Operation and maintenance of plant	7,083,801	6,819,872	6,819,872	-
Student transportation services	4,271,008	4,352,191	4,352,191	-
Central	75,984	176,404	176,404	-
Other support services	56,308	55,986	55,986	-
TOTAL SUPPORT SERVICES	26,392,424	25,999,977	25,999,977	-
OPERATING OF NONINSTRUCTIONAL SERVICES:				
Student activities	1,525,102	1,476,556	1,476,556	-
Community services	40,500	14,188	14,188	-
TOTAL OPERATING OF NONINSTRUCTIONAL SERVICES	1,565,602	1,490,744	1,490,744	-
FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT SERVICES				
	-	42,256	42,256	-
DEBT SERVICE:				
Principal	4,129,683	3,216,080	3,216,080	-
Interest	2,945,000	3,100,982	3,841,989	(741,007)
TOTAL DEBT SERVICE	7,074,683	6,317,062	7,058,069	(741,007)
REFUND OF PRIOR YEAR REVENUE				
	-	-	290,832	(290,832)
TOTAL EXPENDITURES	91,715,919	91,715,919	92,747,758	(1,031,839)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,220,000)	(1,220,000)	(565,541)	654,459

WHITEHALL-COPLAY SCHOOL DISTRICT

Required Supplementary Information

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget vs. Actual

General Fund

Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative) Final to Actual</u>
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	10,000	10,000	71,304	61,304
Proceeds from sale of fixed assets	10,000	10,000	30,461	20,461
Budgetary reserve	(800,000)	(800,000)	-	800,000
TOTAL OTHER FINANCING SOURCES (USES)	(780,000)	(780,000)	101,765	881,765
NET CHANGE IN FUND BALANCE	(2,000,000)	(2,000,000)	(463,776)	1,536,224
FUND BALANCE, July 1, 2023	11,362,481	11,362,481	11,362,481	-
FUND BALANCE, June 30, 2024	\$ 9,362,481	\$ 9,362,481	\$ 10,898,705	\$ 1,536,224

WHITEHALL-COPLAY SCHOOL DISTRICT

**Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
PSERS Pension Plan**

	Measurement Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of net pension liability	0.2345%	0.2292%	0.2174%	0.2224%	0.2110%	0.2111%	0.2115%	0.2068%	0.2028%	0.2000%
District's proportionate share of the net pension liability	\$ 104,321,000	\$ 101,899,000	\$ 89,216,000	\$ 109,508,000	\$ 103,390,000	\$ 101,338,000	\$ 104,456,000	\$ 102,484,000	\$ 87,844,000	\$ 79,162,000
District's covered payroll	\$ 35,891,710	\$ 33,734,525	\$ 30,813,963	\$ 31,255,361	\$ 31,429,135	\$ 30,471,909	\$ 28,424,910	\$ 28,156,947	\$ 26,780,743	\$ 26,087,289
District's proportionate share of the net pension liability as a percentage of its covered payroll	290.65%	302.06%	289.53%	350.37%	328.96%	332.56%	367.48%	363.97%	328.01%	303.45%
Plan fiduciary net position as a percentage of the total pension liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	52.00%	50.14%	54.36%	57.24%

WHITEHALL-COPLAY SCHOOL DISTRICT
Required Supplementary Information
Schedule of Contributions
PSERS Pension Plan

	Measurement Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 12,280,992	\$ 12,363,000	\$ 11,503,000	\$ 10,505,000	\$ 10,543,000	\$ 10,025,000	\$ 9,238,000	\$ 8,375,210	\$ 6,839,822	\$ 5,506,668
Contributions in relation to the contractually required contribution	(12,280,992)	(12,363,000)	(11,503,000)	(10,505,000)	(10,543,000)	(10,025,000)	(9,238,000)	(8,375,210)	(6,839,822)	(5,506,668)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 35,891,710	\$ 33,734,525	\$ 30,813,963	\$ 31,255,361	\$ 31,429,135	\$ 30,471,909	\$ 28,424,910	\$ 28,156,947	\$ 26,780,743	\$ 26,087,289
Contributions as a percentage of covered payroll	34.22%	36.65%	37.33%	33.61%	33.55%	32.90%	32.50%	29.74%	25.54%	21.11%

WHITEHALL-COPLAY SCHOOL DISTRICT

**Required Supplementary Information
Schedule of Proportionate Share of Net OPEB Liability
PSERS Health Insurance Premium Assistance Program**

	Measurement Year							
	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of net OPEB liability	0.2343%	0.2294%	0.2173%	0.2224%	0.2210%	0.2111%	0.2115%	0.2068%
District's proportionate share of the net pension liability	\$ 4,239,000	\$ 4,223,000	\$ 5,152,000	\$ 4,812,000	\$ 4,700,000	\$ 4,401,000	\$ 4,309,000	\$ 4,454,000
District's covered payroll	\$ 35,891,710	\$ 33,734,525	\$ 30,813,963	\$ 31,255,361	\$ 31,429,135	\$ 30,471,909	\$ 28,424,910	\$ 28,156,947
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	11.81%	12.52%	16.72%	15.40%	14.95%	14.44%	15.16%	15.82%
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 amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

WHITEHALL-COPLAY SCHOOL DISTRICT

Required Supplementary Information

Schedule of Contributions

PSERS Health Insurance Premium Assistance Program

	Measurement Year							
	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 268,000	\$ 281,000	\$ 270,000	\$ 256,000	\$ 265,000	\$ 252,000	\$ 241,550	\$ 234,000
Contributions in relation to the contractually required contribution	(268,000)	(281,000)	(270,000)	(256,000)	(265,000)	(252,000)	(241,550)	(234,000)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 35,891,710	\$ 33,734,525	\$ 30,813,963	\$ 31,255,361	\$ 31,429,135	\$ 30,471,909	\$ 28,424,910	\$ 28,156,947
Contributions as a percentage of covered payroll	0.75%	0.83%	0.88%	0.82%	0.84%	0.83%	0.85%	0.83%

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

WHITEHALL-COPLAY SCHOOL DISTRICT

Required Supplementary Information

Schedule of Net OPEB Liability**

Whitehall-Coplay School District Post Retirement Benefits Plan

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability	\$ 6,688,829	\$ 5,324,597	\$ 6,444,391	\$ 6,035,329	\$ 5,267,267	\$ 5,926,144	\$ 5,822,215	\$ 7,099,343
Plan Fiduciary net position	-	-	-	-	-	-	-	-
Net OPEB liability	<u>\$ 6,688,829</u>	<u>\$ 5,324,597</u>	<u>\$ 6,444,391</u>	<u>\$ 6,035,329</u>	<u>\$ 5,267,267</u>	<u>\$ 5,926,144</u>	<u>\$ 5,822,215</u>	<u>\$ 7,099,343</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's covered payroll	\$ 29,047,397	\$ 27,473,787	\$ 27,473,787	\$ 26,148,737	\$ 26,148,737	\$ 23,694,319	\$ 23,694,319	unavailable
Net OPEB liability as a percentage of its covered payroll	23.03%	19.38%	23.46%	23.08%	20.14%	25.01%	24.57%	unavailable

**The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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

WHITEHALL-COPLAY SCHOOL DISTRICT

Required Supplementary Information

Schedule of Contributions

Whitehall-Coplay School District Post Retirement Benefits Plan

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 406,320	\$ 258,689	\$ 308,947	\$ 309,916	\$ 303,594	\$ 399,032	\$ 385,992
Contributions in relation to the contractually required contribution	<u>(406,320)</u>	<u>(258,689)</u>	<u>(308,947)</u>	<u>(309,916)</u>	<u>(303,594)</u>	<u>(399,032)</u>	<u>(385,992)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 29,047,397	\$ 27,473,787	\$ 27,473,787	\$ 26,148,737	\$ 26,148,737	\$ 23,694,319	\$ 23,694,319
Contributions as a percentage of covered payroll	1.40%	0.94%	1.12%	1.19%	1.16%	1.68%	1.63%

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

SINGLE AUDIT SECTION



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

To the Board of School Directors
Whitehall-Coplay School District
Whitehall, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Whitehall-Coplay School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Whitehall-Coplay School District's major federal programs for the year ended June 30, 2024. Whitehall-Coplay 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, Whitehall-Coplay School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Whitehall-Coplay 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 Whitehall-Coplay 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 Whitehall-Coplay 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.

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.

Buckno Lisicky + Company

Allentown, Pennsylvania
December 29, 2024

WHITEHALL-COPLAY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor Project Title	Federal Assistance Listing Number	Additional Award Identification	Pass-through Grantor's Number	Grant Period Beginning - Ending Dates	Program or Award Amount	Accounts Receivable (Unearned) (Revenue) 07/01/23	Cash Received	Program Expenditures	Accounts Receivable (Unearned) (Revenue) 06/30/24	Subrecipient Expenditures
U.S. Department of Agriculture										
Passed through the Pennsylvania Department of Agriculture:										
National School Lunch Program - Commodities (Non-cash assistance)	10.555	N/A	N/A	7/01/23-6/30/24	\$ 178,919	\$ -	\$ 178,919	\$ 162,231	\$ (16,688)	\$ -
National School Lunch Program - Commodities (Non-cash assistance)	10.555	N/A	N/A	7/01/22-6/30/23	176,571	(6,039)	-	6,039	-	-
Passed through the Pennsylvania Department of Education:										
National School Lunch Program	10.555	N/A	362-000000	7/01/23-6/30/24	1,701,295	-	1,699,725	1,701,295	1,570	-
Supply Chain Assistance Program	10.555	COVID-19	356-000000	7/01/23-6/30/24	99,878	-	99,878	99,878	-	-
Total National School Lunch Program (10.555)						(6,039)	1,978,522	1,969,443	(15,118)	-
Passed through the Pennsylvania Department of Education:										
National School Breakfast Program	10.553	N/A	365-000000	7/01/23-6/30/24	456,559	-	454,978	456,559	1,581	-
Total National School Breakfast Program (10.553)						-	454,978	456,559	1,581	-
Total Child Nutrition Cluster						(6,039)	2,433,500	2,426,002	(13,537)	-
Passed through the Pennsylvania Department of Education:										
P-EBT Administrative Cost	10.649	COVID-19	Unavailable	7/01/22-6/30/23	6,391	3,256	3,256	-	-	-
Total P-EBT Administration Cost Program (10.649)						3,256	3,256	-	-	-
Total U.S. Department of Agriculture						(2,783)	2,436,756	2,426,002	(13,537)	-
U.S. Department of Education										
Passed Through the Pennsylvania Department of Education:										
Elementary and Secondary School Emergency Relief Fund (ESSER):										
CARES ACT ESSER II	84.425	84.425D, COVID-19	200-21-0481	3/13/20-9/30/23	3,552,080	330,426	330,426	-	-	-
ARP ESSER	84.425	84.425U, ARP	223-21-0481	3/13/20-9/30/24	7,184,381	612,687	2,612,666	2,648,245	648,266	-
ARP ESSER 2.5%	84.425	84.425U, ARP	224-21-0481	3/13/20-9/30/24	113,583	8,261	8,261	-	-	-
ARP ESSER 7%	84.425	84.425U, ARP	225-21-0481	3/13/20-9/30/24	558,423	38,924	274,135	321,632	86,421	-
ARP ESSER Homeless Children and Youth	84.425	84.425U, ARP	181-21-2482	7/1/21-9/30/24	25,217	10,934	10,992	58	-	-
						1,001,232	3,236,480	2,969,935	734,687	-
Passed Through the Pennsylvania Department of Education:										
Title I Grants to Local Education Agencies	84.010	N/A	013-240481	7/01/23-9/30/24	1,190,318	-	956,214	1,137,028	180,814	-
Title I Grants to Local Education Agencies	84.010	N/A	013-230481	7/01/22-9/30/23	1,206,999	172,920	248,393	75,473	-	-
Total Title I, Part A Cluster (84.010)						172,920	1,204,607	1,212,501	180,814	-
English Language Acquisition Grant Title III, Part A	84.365	N/A	010-240481	7/01/23-9/30/24	66,094	-	65,863	65,420	(443)	-
English Language Acquisition Grant Title III, Part A	84.365	N/A	010-230481	7/01/22-9/30/23	65,999	3,066	5,402	2,336	-	-
English Language Acquisition Grant Title III, Part A	84.365	N/A	010-220481	7/01/21-9/30/22	58,057	530	530	-	-	-
Total Title III Part A (84.365)						3,596	71,795	67,756	(443)	-
Improving Teacher Quality State Grants Title II, Part A	84.367	N/A	020-240481	7/01/23-9/30/24	140,280	-	130,787	137,744	6,957	-
Improving Teacher Quality State Grants Title II, Part A	84.367	N/A	020-230481	7/01/22-9/30/23	165,320	60,780	66,767	4,556	(1,431)	-
Total Title II Part A (84.367)						60,780	197,554	142,300	5,526	-
Student Support and Academic Enrichment Grant Title IV, Part A	84.424	N/A	144-240481	7/01/23-9/30/24	94,491	-	69,293	78,527	9,234	-
Student Support and Academic Enrichment Grant Title IV, Part A	84.424	N/A	144-230481	7/01/22-9/30/23	77,297	588	21,729	21,141	-	-
Total Title IV Part A (84.424)						588	91,022	99,668	9,234	-
Passed Through Intermediate Unit #21										
Special Education Grant IDEA Part B	84.027	N/A	H027A240093	7/1/23-6/30/24	776,865	-	460,200	776,865	316,665	-
Special Education Grant IDEA Part B, ARP Section 2014	84.027	84.027, ARP	H027X220093	7/01/21-6/30/23	181,074	18,141	99,520	81,379	-	-
Special Education Grant IDEA Part B	84.027	N/A	H027A220093	7/01/22-6/30/23	730,022	297,431	297,431	-	-	-
						315,572	857,151	858,244	316,665	-
Total Special Education Grant (84.027)						315,572	857,151	858,244	316,665	-
Passed Through Intermediate Unit #21										
Preschool Early Intervention - 619A	84.173	N/A	H173A240090	7/01/23-6/30/24	4,662	-	4,662	4,662	-	-
Total Special Education Grant (84.173)						-	4,662	4,662	-	-

WHITEHALL-COPLAY SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2024

Federal Grantor Project Title	Federal Assistance Listing Number	Additional Award Identification	Pass-through Grantor's Number	Grant Period Beginning - Ending Dates	Program or Award Amount	Accounts Receivable (Unearned Revenue) 07/01/23	Cash Received	Program Expenditures	Accounts Receivable (Unearned Revenue) 06/30/24	Subrecipient Expenditures
Total Special Education Cluster						315,572	861,813	862,906	316,665	-
Total U.S. Department of Education						1,554,688	5,663,271	5,355,066	1,246,483	-
Total Federal Expenditures of Federal Awards						\$ 1,551,905	\$ 8,100,027	\$ 7,781,068	\$ 1,232,946	\$ -

WHITEHALL-COPLAY 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”) include the federal award activity of Whitehall-Coplay School District for the year ended June 30, 2024. The School District’s reporting entity is defined in note 1 to the School District’s basic financial statements. The information in the 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). All federal awards received directly from the federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. Because the schedule presents only a selected portion of the operations of Whitehall-Coplay School District, it is not intended to and does not present the financial position and changes in operations of Whitehall-Coplay 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 the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

Whitehall-Coplay School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. PASS-THROUGH AWARDS TO SUBRECIPIENTS

There were no awards passed-through to subrecipients by Whitehall-Coplay School District for the year ended June 30, 2024.

WHITEHALL-COPLAY SCHOOL DISTRICT

Findings and Questioned Costs

June 30, 2024

Section I: Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued on whether the financial statement audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

____yes X no

Significant deficiencies identified?

____yes X none reported

Noncompliance material to financial statements noted?

____Yes X no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?

____yes X no

Significant deficiencies identified?

____yes X none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

____yes X no

Identification of major programs:

FALN Number

10.553, 10.555

Name of Federal Program

Child Nutrition Cluster:
National School Lunch Program
School Breakfast Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

 X yes ____no

Section II: Financial Statement Findings

No findings to be reported.

Section III: Federal Award Findings and Questioned Costs

No findings to be reported.

Section IV: Prior Year Audit Findings and Questioned Costs as Prepared by Management

N/A - No prior year findings.