



State College Area School District

General Obligation Bonds, 2026 Series A Bonds

General Obligation Bonds, 2026 Series B Bonds

October 5, 2026

Board Meeting



Notice to Recipient

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We are required to obtain, verify and record certain information that identifies the Company, which information includes the name and address of the Company and other information that will allow us to identify the Company in accordance, as applicable, with the USA Patriot Act (Title III of Pub. L. 107-56, as amended, which was signed into law October 26, 2001) and such other laws, rules and regulations as applicable within and outside the United States.

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Executive Summary

Overview



Interest Rate Environment

- The financing priced on Tuesday August 4th which was a particularly active week, with approximately \$17 billion of municipal issuance concentrated in the first half of the week
 - The Bonds were well received despite heavy new issue supply, pricing favorably as compared to several other Pennsylvania School District issues
- Since August 4th, we have seen tremendous interest rate volatility with the 10-year MMD spot rates increasing 89 basis points

2026 Series A Bonds (New Money Projects)

- Proceeds of the Series 2026A Bonds will fund the construction of an addition to Mt. Nittany Elementary School and the development of a new Park Forest Middle School
- The Series 2026A Bonds were structured with a 25-year amortization concentrated in the later years to achieve over level debt service
- Strong investor demand enabled BofA to reduce interest rates by up to 8 bps across the curve

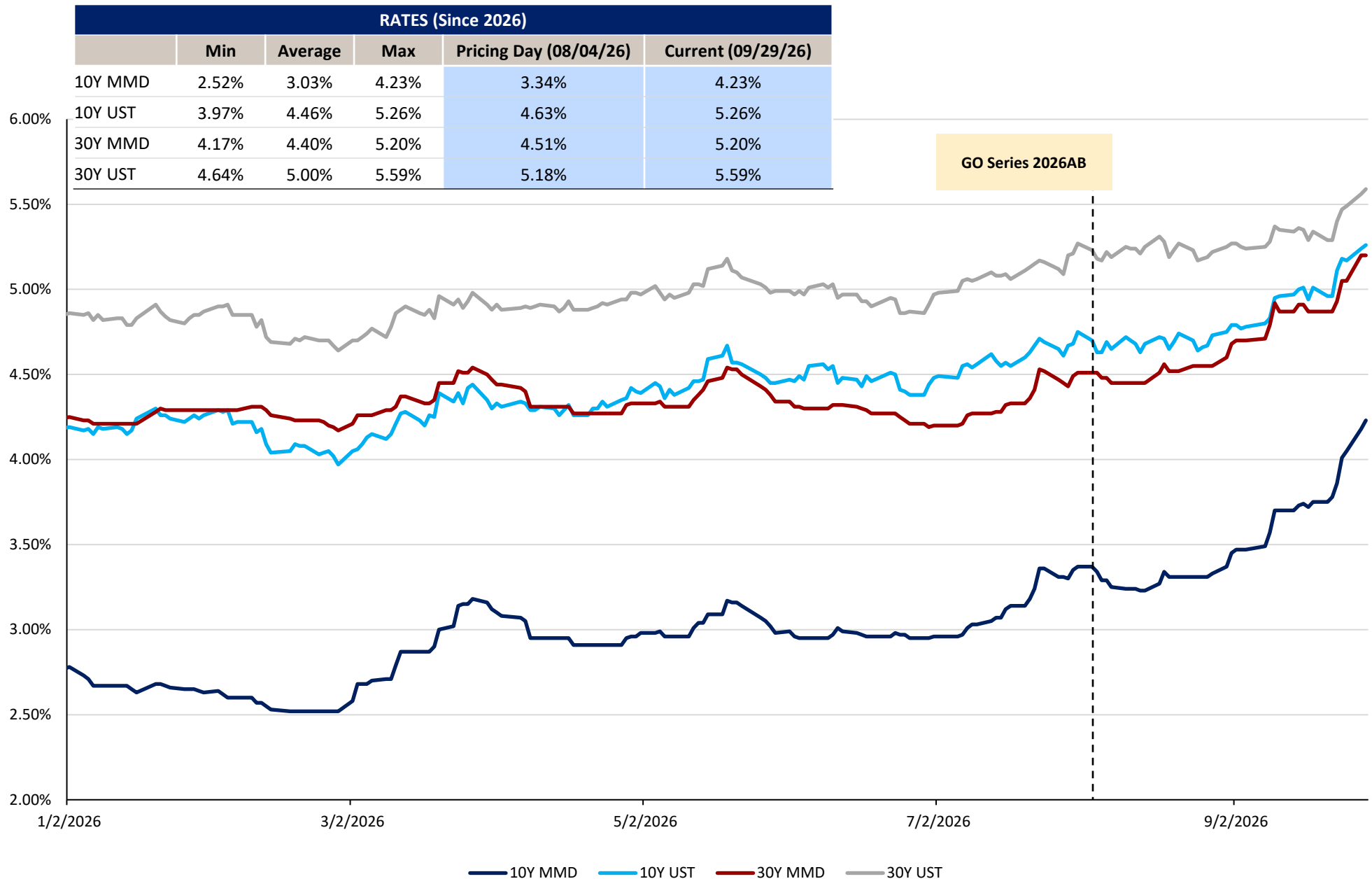
2026 Series B Bonds (Current Refunding of Series 2015 Bonds)

- The Series B Bonds currently refunded a portion of the outstanding Series 2015 Bonds (\$46.1 million)
- The refunding generated approximately \$3.3 million of present value savings, representing 7.2% savings on the refunded bonds
- As a result of order book, BofA reduced interest rates by up to 6 bps across the amortization for the 2026B Bonds



Market Environment

2026YTD Historical UST and MMD



2026A and 2026B Bonds

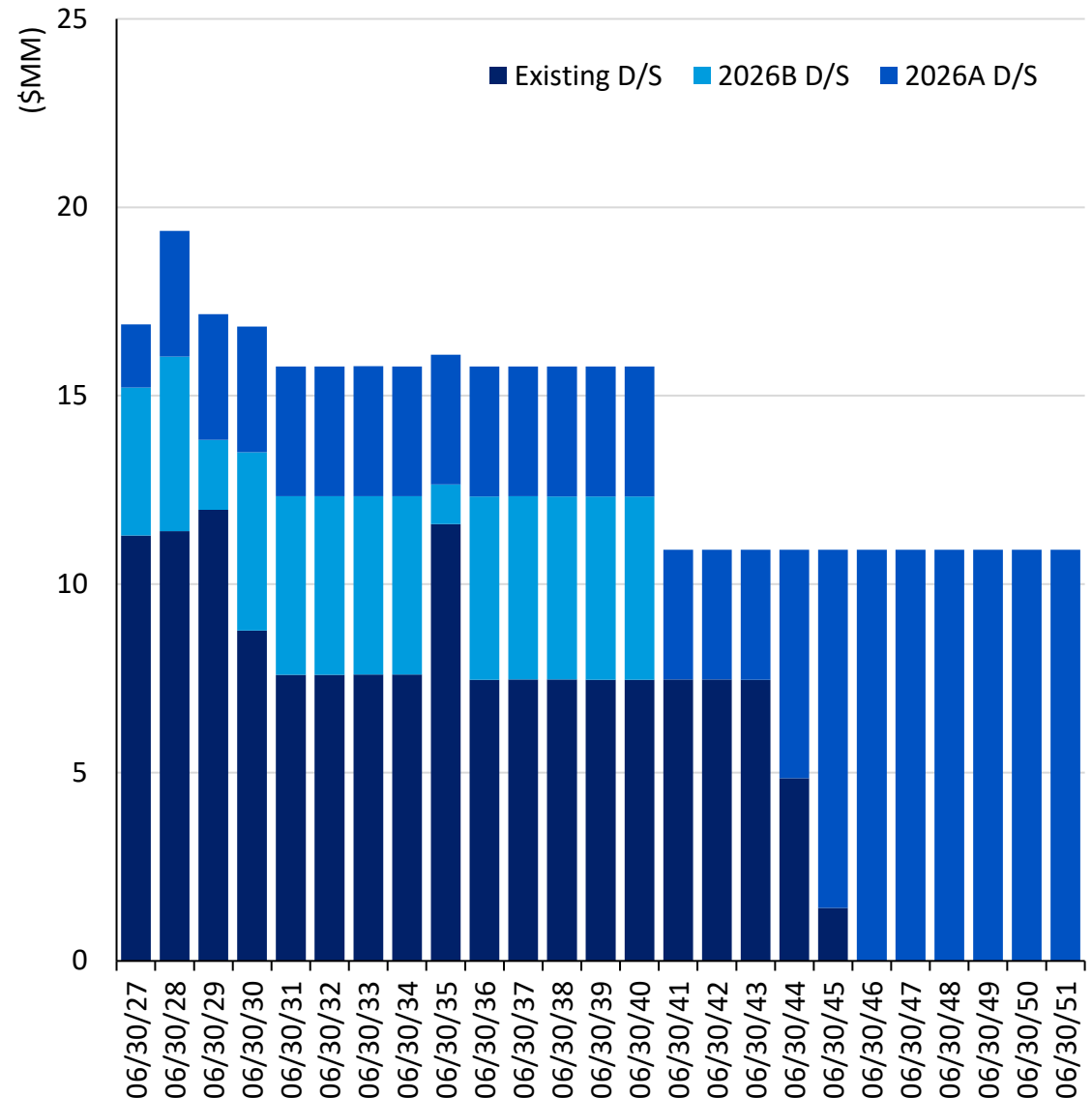
Debt Service and Amortization Structure



Series 2026A&B Final Amortization Structure

Maturity	2026A	2026B
2027	\$5,000	\$2,655,000
2028	5,000	2,750,000
2029	5,000	5,000
2030	5,000	2,980,000
2031	125,000	3,130,000
2032	130,000	3,290,000
2033	135,000	3,455,000
2034	135,000	3,625,000
2035	145,000	5,000
2036	160,000	3,935,000
2037	165,000	4,130,000
2038	170,000	4,335,000
2039	185,000	4,555,000
2040	195,000	4,780,000
2041	200,000	-
2042	205,000	-
2043	220,000	-
2044	2,850,000	-
2045	6,435,000	-
2046	8,160,000	-
2047	8,570,000	-
2048	-	-
2049	-	-
2050	-	-
2051	38,790,000	-
Total	\$66,995,000	\$43,630,000

Current Debt Service Overview



\$66,665,000 General Obligation Bonds, Series A of 2026



4 MMD expressed as percentage and spread expressed in basis points.
CALL FEATURES: Optional call in 03/15/2036 @100.00

Summary of Orders and Allotments

\$66,665,000 General Obligation Bonds, Series A of 2026



- Order book oversubscribed for maturities representing 99% of bonds
 - Only \$680k unsold and underwritten by BofA

General Obligation Bonds, Series A of 2026							
Maturity	Coupon	Principal (\$000)	Total Retail Orders (\$000)	Institutional Orders (\$000)	Total Retail & Institutional (Priority) Orders (\$000)	Priority Subscription Levels	Unsold Balance (\$000)
3/15/2027	5.000%	\$5	\$-	\$-	\$-	0.0x	\$5
3/15/2028	5.000%	5	-	-	-	0.0x	5
3/15/2029	5.000%	5	-	-	-	0.0x	5
3/15/2030	5.000%	5	-	-	-	0.0x	5
3/15/2031	5.000%	125	-	-	-	0.0x	125
3/15/2032	5.000%	130	10	-	10	0.1x	120
3/15/2033	5.000%	135	-	-	-	0.0x	135
3/15/2034	5.000%	135	-	-	-	0.0x	135
3/15/2035	5.000%	145	-	-	-	0.0x	145
3/15/2036	5.000%	160	-	185	185	1.2x	-
3/15/2037	5.000%	165	-	165	165	1.0x	-
3/15/2038	5.000%	170	-	170	170	1.0x	-
3/15/2039	5.000%	185	-	370	370	2.0x	-
3/15/2040	5.000%	195	-	390	390	2.0x	-
3/15/2041	5.000%	200	-	600	600	3.0x	-
3/15/2042	5.000%	205	-	205	205	1.0x	-
3/15/2043	5.000%	220	-	220	220	1.0x	-
3/15/2044	5.000%	2,850	-	4,125	4,125	1.4x	-
3/15/2045	5.000%	6,435	-	49,830	49,830	7.7x	-
3/15/2046	5.000%	8,160	-	49,890	49,890	6.1x	-
3/15/2047	5.000%	8,570	-	46,100	46,100	5.4x	-
3/15/2051	5.000%	38,790	350	320,120	320,470	8.3x	-
Total		\$66,995	\$360	\$472,370	\$472,730	7.1x	\$680



Pricing Results

\$42,515,000 General Obligation Bonds, Series B of 2026



■ Pricing Progression resulted in yield improvements of up to 6 bps

Maturity	Int MMD 8/3/2026	Int MMD 8/4/2026	Pre-Marketing			Preliminary Pricing			Final Pricing			
			Coupon	Spread to Int MMD	Yield	Coupon	Spread to Int MMD	Yield	Coupon	Spread to Int MMD	Yield	Spread Difference
3/15/2027	2.51%	2.50%	5.00%	12 bps	2.63%	5.00%	12 bps	2.62%	5.00%	8 bps	2.58%	-4 bps
3/15/2028	2.60%	2.58%	5.00%	13 bps	2.73%	5.00%	13 bps	2.71%	5.00%	8 bps	2.66%	-5 bps
3/15/2029	2.69%	2.67%	5.00%	14 bps	2.83%	5.00%	14 bps	2.81%	5.00%	14 bps	2.81%	0 bps
3/15/2030	2.76%	2.74%	5.00%	15 bps	2.91%	5.00%	15 bps	2.89%	5.00%	12 bps	2.86%	-3 bps
3/15/2031	2.87%	2.84%	5.00%	15 bps	3.02%	5.00%	15 bps	2.99%	5.00%	12 bps	2.96%	-3 bps
3/15/2032	2.93%	2.90%	5.00%	16 bps	3.09%	5.00%	16 bps	3.06%	5.00%	13 bps	3.03%	-3 bps
3/15/2033	3.05%	3.02%	5.00%	17 bps	3.22%	5.00%	17 bps	3.19%	5.00%	12 bps	3.14%	-5 bps
3/15/2034	3.14%	3.11%	5.00%	19 bps	3.33%	5.00%	19 bps	3.30%	5.00%	16 bps	3.27%	-3 bps
3/15/2035	3.23%	3.20%	5.00%	20 bps	3.43%	5.00%	20 bps	3.40%	5.00%	20 bps	3.40%	0 bps
3/15/2036	3.33%	3.30%	5.00%	22 bps	3.55%	5.00%	22 bps	3.52%	5.00%	19 bps	3.49%	-3 bps
3/15/2037	3.43%	3.40%	5.00%	23 bps	3.66%	5.00%	23 bps	3.63%	5.00%	20 bps	3.60%	-3 bps
3/15/2038	3.53%	3.50%	5.00%	26 bps	3.79%	5.00%	26 bps	3.76%	5.00%	21 bps	3.71%	-5 bps
3/15/2039	3.60%	3.59%	5.00%	28 bps	3.88%	5.00%	28 bps	3.87%	5.00%	22 bps	3.81%	-6 bps
3/15/2040	3.70%	3.70%	5.00%	28 bps	3.98%	5.00%	28 bps	3.98%	5.00%	23 bps	3.93%	-5 bps



Summary of Orders and Allotments

\$42,515,000 General Obligation Bonds, Series B of 2026



- Order book oversubscribed for maturities representing 99.9% of bonds
 - Only \$10k unsold and underwritten by BofA

General Obligation Bonds, Series B of 2026							
Maturity	Coupon	Principal (\$000)	Total Retail Orders (\$000)	Institutional Orders (\$000)	Total Retail & Institutional (Priority) Orders (\$000)	Priority Subscription Levels	Unsold Balance (\$000)
3/15/2027	5.000%	\$2,655	\$-	\$11,035	\$11,035	4.2x	\$-
3/15/2028	5.000%	2,750	500	12,925	13,425	4.9x	-
3/15/2029	5.000%	5	-	-	-	0.0x	5
3/15/2030	5.000%	2,980	500	8,630	9,130	3.1x	-
3/15/2031	5.000%	3,130	-	10,485	10,485	3.3x	-
3/15/2032	5.000%	3,290	-	11,425	11,425	3.5x	-
3/15/2033	5.000%	3,455	-	18,440	18,440	5.3x	-
3/15/2034	5.000%	3,625	-	11,020	11,020	3.0x	-
3/15/2035	5.000%	5	-	-	-	0.0x	5
3/15/2036	5.000%	3,935	-	13,340	13,340	3.4x	-
3/15/2037	5.000%	4,130	-	12,590	12,590	3.0x	-
3/15/2038	5.000%	4,335	-	23,035	23,035	5.3x	-
3/15/2039	5.000%	4,555	-	29,085	29,085	6.4x	-
3/15/2040	5.000%	4,780	-	22,015	22,015	4.6x	-
Total		\$43,630	\$1,000	\$184,025	\$185,025	4.2x	\$10

Final Plan of Finance

New Money and Current Refunding



Estimated Sources and Uses of Funds			
Sources	New Money	Refunding	Aggregate
Par Amount	\$66,665,000	\$42,515,000	\$109,180,000
Premium	2,882,043	3,810,771	6,692,814
Capital Reserve Fund	27,310,389	-	27,310,389
Total Sources	\$96,857,432	\$46,325,771	\$143,183,203

Uses	New Money	Refunding	Aggregate
Park Forest Middle School PF	\$71,994,781	\$-	\$71,994,781
Mount Nittany Elementary School PF	24,492,770	-	24,492,770
Refunding Escrow Deposit	-	46,125,000	46,125,000
Cost of Issuance	120,593	76,907	197,500
Underwriter's Discount	246,688	123,634	370,322
Additional Proceeds	2,600	230	2,830
Total Uses	\$96,857,432	\$46,325,771	\$143,183,203

Key Financing Statistics			
	New Money	Refunding	Aggregate
Delivery Date	09/15/2026	09/15/2026	09/15/2026
First Maturity Date	03/15/2027	03/15/2027	03/15/2027
Call Feature	03/15/2036	03/15/2036	03/15/2036
Tax Status	Tax-Exempt	Tax-Exempt	Tax-Exempt
Par Amount	\$66,665,000	\$42,515,000	\$109,180,000
Project Fund Deposit	\$96,487,551	\$-	\$96,487,55
All-in TIC	4.72%	3.72%	4.48%
Max Annual D/S	\$10,915,000	\$4,862,500	\$10,915,000
Average Annual D/S	\$5,613,342	\$4,404,102	\$8,040,092
Total D/S	\$137,526,875	\$59,455,375	\$196,982,250

Bond Refunding Savings	
Fiscal Year	Series 2026B
6/30/2027	\$1,000
6/30/2028	399,000
6/30/2029	63,250
6/30/2030	393,500
6/30/2031	392,250
6/30/2032	395,250
6/30/2033	394,200
6/30/2034	395,000
6/30/2035	80,250
6/30/2036	395,500
6/30/2037	395,000
6/30/2038	393,750
6/30/2039	396,750
6/30/2040	393,750
Total Savings	\$4,488,450
NPV Savings (\$)	\$3,309,895
NPV Savings (%)	7.18%



Risk Disclosures

Fixed Rate Bonds⁽¹⁾



Material Risk Consideration	Description of Risk	Potential Consequences
Issuer Default Risk	Possibility that the Issuer defaults under the authorizing documents	• Range of available remedies may be brought against Issuer (e.g., forcing Issuer to raise taxes or rates) • Credit ratings negatively impacted • Access to capital markets impaired • Possibility of receivership or bankruptcy for certain issuers
Redemption Risk	The ability to redeem the bonds prior to maturity may be limited	• Inability to refinance at lower interest rates
Refinancing Risk	Possibility that the bonds cannot be refinanced	• Inability to refinance at lower interest rates
Reinvestment Risk	Possibility that the Issuer may be unable to invest unspent proceeds at or near the interest rate on the bonds	• Negative arbitrage resulting in a higher cost of funds
Tax Compliance Risk	For tax-exempt bonds, possibility that failure to comply with tax-related covenants results in the bonds becoming taxable obligations	• Increase in debt service costs retroactively to date of issuance • Possible mandatory redemption of bonds affected • Risk of IRS audit • Difficulty in refinancing the bonds • Access to tax-exempt market impacted • Difficulty in issuing future tax-exempt debt

