



State College Area School District

Randy Brown

Finance and Operations Officer/Open Records Officer

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Date: October 5, 2026
From: Randy Brown and Joseph Viglione
To: Curtis Johnson
Subject: 2026 Bond Sale Results

The final pricing information from the August 2026 sale of General Obligation Bonds Series of 2026 is presented. Eugene Spinelli from Bank of America, representing the bond underwriter, and Tom Beckett from NW Financial, financial adviser, will be in attendance to present the results.

In short, the sale providing funding for a portion of the Mount Nittany Elementary and Park Forest Middle School projects (Series A) as well as refunding a portion of the high school referendum debt (Series B) proved to be successful.



NW FINANCIAL GROUP, LLC
Exceeding Expectations

PRICING MEMORANDUM

Date: September 23, 2026

Relating to: **\$109,180,000 State College Area School District, General Obligation Bonds, Series of 2026 consisting of \$66,665,000 General Obligation Bonds Series A of 2026 and \$42,515,000 General Obligation Series B of 2026**

Prepared by: Tom Beckett, Managing Director, NW Financial Group, LLC
Autumn Qiu, Analyst, NW Financial Group, LLC
Cooper Lewis, Analyst, NW Financial Group, LLC

We have served as financial advisor for \$109,180,000 State College Area School District, General Obligation Bonds, Series of 2026 (the “2026 Bonds”) consisting of \$66,665,000 General Obligation Bonds, Series A of 2026 (the “Series A Bonds”) and \$42,515,000 General Obligation Refunding Bonds, Series B of 2026 (the “Series B Bonds”). The following is a summary of the plan of finance and evaluation of the bond pricing.

PLAN OF FINANCE

The District is using the proceeds of the Series A of 2026 Bonds to pay the costs of expansion of Mt. Nittany Elementary School; the costs of construction of a new Park Forest Middle School; and the costs and expenses of issuing the Bonds. The Series A of 2026 Bonds were structured on a 25-year maturity schedule. As a result, the majority of the 2026 Bonds mature serially on March 15 of the years 2044-2047, followed by a 3-year gap in maturities, and the largest block of maturities in 2051.

The Series B Bonds will refund a portion of the District’s General Obligation Bonds, Series of 2015, and payment of the costs of issuing the 2026B Bonds. The Series B Bonds are structured to provide level annual savings through the original maturities of the Refunded Bonds. The Series B Bonds mature from March 15, 2027 through March 15, 2040. The Series B Bonds are non-callable.

The Series 2026 Bonds were sold with a 10-year par call.

The 2026 Bonds are rated “Aa1” by Moody’s Investors Service.

The 2026 Bonds are full faith and credit general obligations of the District.

Previous to pricing, the District selected BofA Securities, Inc. to provide underwriting services and negotiated a gross spread of approximately \$3.70 per bond.

PRICING

On Tuesday August 4, 2026, the Underwriters and Financial Advisor discussed the pricing, structure and redemption features proposed for release the following morning. This initial pricing and spreads to the Municipal Market Data “Aaa” Interest Rate Scale are shown in Exhibit 1. The initial spreads to MMD were set deliberately wide in order to build an order book with the hopes of tightening (reducing the yield/spread) on oversubscription.

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The municipal market over the previous week has been characterized by higher Treasury yields, renewed inflation concerns, and geopolitical uncertainty, pushing municipal yields higher and caused prices to decline. By July 31, the 10-year Treasury yield had risen to 4.743%, while the 30-year Treasury reached 5.274%, its highest level in roughly 19 years.

The issue was released into the market at approximately 9:00 am. The initial structure, scale and yields are shown on Exhibit 2.

The Wednesday morning ADP Employment release was a non-event, but the market was beginning to stabilize after the significant rate-driven selloff experienced in July. The key theme was that higher yields had improved the attractiveness of municipals, while the underlying demand and credit fundamentals remained supportive.

Market acceptance was decent with most maturities fully or oversubscribed. Participation from PA retail, national retail, professional retail and institutional accounts was broad and deep. By 11:00 the Issue was fully or oversubscribed at 1X to 8X over in all maturities except the 2027-2030 maturities of the Series A bonds as well as the 2029 and 2035 maturities of the Series B bonds. These bonds are of smaller denomination (\$5,000 par value), also known as odd-lots. Odd-lot bond purchases are typically not included in initial bond sales because institutional investors generally prefer larger block sizes that provide greater liquidity and trading efficiency. Smaller odd-lot transactions can also increase administrative and underwriting costs relative to the amount of bonds being sold, making them less attractive during the primary issuance process. Additionally, 2031-2035 maturities of the Series A bonds were also under subscribed. Although these maturities held larger denominations (ranging from \$125,000 – \$145,000 par value) that are not typically classified as odd-lots, their under performance can be attributed to their smaller denominations (under \$150,000 par value).

The Underwriter reduced yields on all maturities. Reductions in yields ranged from 8 to 28 basis points. The overall effect of these reductions was a present value savings of approximately \$81,762.54 in all-in total interest cost. The Underwriters offered to purchase the bonds at the revised levels and their offer was accepted. Final Pricing is included in Exhibit 3.

Analysis

Credit spreads in the muni market are evaluated by reference to MMD. In addition to credit quality, the spread to MMD is heavily impacted by call feature, maturity, coupon “Structure” (whether the bond is a discount/premium or par bond) and ultimately market conditions on the day of sale.

We compared the spreads achieved by the District with similar comparable transactions priced in the days immediately prior to August 5, extending out to the transactions priced in the preceding months. These transactions are shown in Exhibit 4.

The shorter term, 5% Coupon premium bonds maturing 2027-2034 priced at spreads in the low to mid-teens, relative to MMD. The pricing for these maturities compare favorably to all comparables; Northern York County SD (spread 28-39), Unionville-Chadds Ford SD (Aa2) (spread 23-32), Township of Easttown (AA+) (spread 20-28), and Marple Newtown SD (Aa1) (spread 17-22).

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The medium term, 5% Coupon premium bonds maturing 2035-2044 priced at spreads in the low to mid 20's, relative to MMD. The pricing for these maturities compares favorably to the comparable transactions for; Northern York County SD (spread 39-45) and Township of Easttown (spread 29-34). However, the issue compares less favorably to the comparable transaction for Marple Newtown SD (spread 20-24), which was brought to market 3 months prior on May 6th 2026.

The longer term, 5% Coupon premium bonds maturing 2045-2051 priced at spreads in the high teens and low 20's, relative to MMD. The pricing for these maturities compare favorably to Northern York County SD (spread 33-38), and Township of Easttown (spread 28-29). The only issue that outperformed in this maturity range was Marple Newtown SD's 2046 maturity (spread 14).

The School District achieved an All-In True Interest Cost of 4.48% and average annual debt service of \$8.04 million per year.

In summary, we feel that the District received on-market rates, redemption features and underwriting spread.

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Exhibit 1

State College Area School District General Obligation Bonds, Series A of 2026

Exhibit 1 Initial Pricing

Maturity	Amount	Coupon	Yield	MMD	Spread to MMD
3/15/2027	5	5.000%	2.62%	2.50%	12
3/15/2028	5	5.000%	2.71%	2.58%	13
3/15/2029	5	5.000%	2.81%	2.67%	14
3/15/2030	5	5.000%	2.89%	2.74%	15
3/15/2031	125	5.000%	2.99%	2.84%	15
3/15/2032	130	5.000%	3.06%	2.90%	16
3/15/2033	135	5.000%	3.19%	3.02%	17
3/15/2034	135	5.000%	3.30%	3.11%	19
3/15/2035	145	5.000%	3.40%	3.20%	20
3/15/2036	160	5.000%	3.52%	3.30%	22
3/15/2037	165	5.000%	3.63%	3.40%	23
3/15/2038	170	5.000%	3.76%	3.50%	26
3/15/2039	185	5.000%	3.87%	3.59%	28
3/15/2040	195	5.000%	3.98%	3.70%	28
3/15/2041	200	5.000%	4.04%	3.76%	28
3/15/2042	205	5.000%	4.08%	3.80%	28
3/15/2043	220	5.000%	4.14%	3.86%	28
3/15/2044	2,850	5.000%	4.20%	3.94%	26
3/15/2045	6,435	5.000%	4.26%	4.01%	25
3/15/2046	8,160	5.000%	4.35%	4.11%	24
3/15/2047	8,570	5.000%	4.45%	4.21%	24
3/15/2048	9,000	5.000%	4.65%	4.29%	36
3/15/2049	9,450	5.000%	4.65%	4.33%	32
3/15/2050	9,920	5.000%	4.65%	4.35%	30
3/15/2051	10,420	5.000%	4.65%	4.37%	28
TOTAL:	66,995				

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**State College Area School District
General Obligation Bonds, Series B of 2026**

Exhibit 1 Initial Pricing

Maturity	Amount	Coupon	Yield	MMD	Spread to MMD
3/15/2027	2,665	5.000%	2.62%	2.50%	12
3/15/2028	2,750	5.000%	2.71%	2.58%	13
3/15/2030	2,980	5.000%	2.89%	2.74%	15
3/15/2031	3,130	5.000%	2.99%	2.84%	15
3/15/2032	3,290	5.000%	3.06%	2.90%	16
3/15/2033	3,455	5.000%	3.19%	3.02%	17
3/15/2034	3,625	5.000%	3.30%	3.11%	19
3/15/2036	3,935	5.000%	3.52%	3.30%	22
3/15/2037	4,130	5.000%	3.63%	3.40%	23
3/15/2038	4,335	5.000%	3.76%	3.50%	26
3/15/2039	4,555	5.000%	3.87%	3.59%	28
3/15/2040	4,780	5.000%	3.98%	3.70%	28
TOTAL:	43,630				

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Exhibit 2

State College Area School District General Obligation Bonds, Series A of 2026

Exhibit 2 11:00 Order Book

Maturity	Amount	Total (\$000's)	Balance (\$000's)	Times OVER/Under
3/15/2027	5	-	5	0.00
3/15/2028	5	-	5	0.00
3/15/2029	5	-	5	0.00
3/15/2030	5	-	5	0.00
3/15/2031	125	-	125	0.00
3/15/2032	130	10	120	0.08
3/15/2033	135	-	135	0.00
3/15/2034	135	-	135	0.00
3/15/2035	145	-	145	0.00
3/15/2036	160	185	(25)	1.16
3/15/2037	165	165	-	1.00
3/15/2038	170	170	-	1.00
3/15/2039	185	370	(185)	2.00
3/15/2040	195	390	(195)	2.00
3/15/2041	200	600	(400)	3.00
3/15/2042	205	205	-	1.00
3/15/2043	220	220	-	1.00
3/15/2044	2,850	4,125	(1,275)	1.45
3/15/2045	6,435	49,830	(43,395)	7.74
3/15/2046	8,160	49,890	(41,730)	6.11
3/15/2047	8,570	46,100	(37,530)	5.38
3/15/2051	38,790	320,470	(281,680)	8.26
TOTAL:	66,995	472,730	(405,735)	7.06

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**State College Area School District
General Obligation Bonds, Series B of 2026**

Exhibit 2 11:00 Order Book

Maturity	Amount	Total (\$000's)	Balance (\$000's)	Times OVER/Under
3/15/2027	2,655	11,035	(8,380)	4.16
3/15/2028	2,750	13,425	(10,675)	4.88
3/15/2029	5	-	5	0.00
3/15/2030	2,980	9,130	(6,150)	3.06
3/15/2031	3,130	10,485	(7,355)	3.35
3/15/2032	3,290	11,425	(8,135)	3.47
3/15/2033	3,455	18,440	(14,985)	5.34
3/15/2034	3,625	11,020	(7,395)	3.04
3/15/2035	5	-	5	0.00
3/15/2036	3,935	13,340	(9,405)	3.39
3/15/2037	4,130	12,590	(8,460)	3.05
3/15/2038	4,335	23,035	(18,700)	5.31
3/15/2039	4,555	29,085	(24,530)	6.39
3/15/2040	4,780	22,015	(17,235)	4.61
TOTAL:	43,630	185,025	(141,395)	4.24

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Exhibit 3

State College Area School District General Obligation Bonds, Series A of 2026

Exhibit 3 Final Pricing

Maturity	Amount	Coupon	Yield	MMD	Spread to MMD
3/15/2027	5	5.000%	2.58%	2.50%	8
3/15/2028	5	5.000%	2.66%	2.58%	8
3/15/2029	5	5.000%	2.81%	2.67%	14
3/15/2030	5	5.000%	2.86%	2.74%	12
3/15/2031	115	5.000%	2.96%	2.84%	12
3/15/2032	120	5.000%	3.03%	2.90%	13
3/15/2033	125	5.000%	3.14%	3.02%	12
3/15/2034	125	5.000%	3.27%	3.11%	16
3/15/2035	135	5.000%	3.40%	3.20%	20
3/15/2036	145	5.000%	3.49%	3.30%	19
3/15/2037	150	5.000%	3.60%	3.40%	20
3/15/2038	160	5.000%	3.71%	3.50%	21
3/15/2039	170	5.000%	3.81%	3.59%	22
3/15/2040	180	5.000%	3.93%	3.70%	23
3/15/2041	185	5.000%	4.01%	3.76%	25
3/15/2042	190	5.000%	4.08%	3.80%	28
3/15/2043	205	5.000%	4.14%	3.86%	28
3/15/2044	2,830	5.000%	4.20%	3.94%	26
3/15/2045	6,415	5.000%	4.19%	4.01%	18
3/15/2046	8,145	5.000%	4.29%	4.11%	18
3/15/2047	8,550	5.000%	4.40%	4.21%	19
3/15/2051	38,700	5.000%	4.57%	4.37%	20
TOTAL:	66,665				

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**State College Area School District
General Obligation Bonds, Series B of 2026**

Exhibit 3 Final Pricing

Maturity	Amount	Coupon	Yield	MMD	Spread to MMD
3/15/2027	2,865	5.000%	2.58%	2.50%	8
3/15/2028	2,650	5.000%	2.66%	2.58%	8
3/15/2029	5	5.000%	2.81%	2.67%	14
3/15/2030	2,885	5.000%	2.86%	2.74%	12
3/15/2031	3,030	5.000%	2.96%	2.84%	12
3/15/2032	3,180	5.000%	3.03%	2.90%	13
3/15/2033	3,340	5.000%	3.14%	3.02%	12
3/15/2034	3,505	5.000%	3.27%	3.11%	16
3/15/2035	5	5.000%	3.40%	3.20%	20
3/15/2036	3,810	5.000%	3.49%	3.30%	19
3/15/2037	4,000	5.000%	3.60%	3.40%	20
3/15/2038	4,200	5.000%	3.71%	3.50%	21
3/15/2039	4,410	5.000%	3.81%	3.59%	22
3/15/2040	4,630	5.000%	3.93%	3.70%	23
TOTAL:	42,515				

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NW FINANCIAL GROUP, LLC

Exceeding Expectations

Exhibit 4

Issuer Size Sale Date Call Date Rating Underwriter	State College Area School District \$66,665,000 8/5/2026 3/15/2036 Aa1 BofA Securities, LLC				Northern York County School District \$39,130,000 8/5/2026 11/15/2033 AA- Raymond James & Assoc., Inc.				Unionville-Chadds Ford School District \$38,775,000 8/4/2026 N/A Aa2 Stifel, Nicolaus & Company, Inc				Township of Easttown \$21,840,000 8/3/2026 9/1/2034 AA+ Stifel, Nicolaus & Company, Inc				Marple Newtown School District \$61,175,000 5/6/2026 6/1/2036 Aa1 Huntington Securities			
	Spread to				Spread to				Spread to				Spread				Spread to			
Year	Coupon	Yield	MMD	MMD	Coupon	Yield	MMD	MMD	Coupon	Yield	MMD	MMD	Coupon	Yield	MMD	to MMD	Coupon	Yield	MMD	MMD
2027	5.00%	2.58%	2.50%	8	5.00%	2.78%	2.50%	28	5.00%	2.74%	2.51%	23	5.00%	2.73%	2.53%	20	5.00%	2.69%	2.52%	17
2028	5.00%	2.66%	2.58%	8	5.00%	2.90%	2.61%	29	5.00%	2.85%	2.61%	24	5.00%	2.85%	2.64%	21	5.00%	2.64%	2.47%	17
2029	5.00%	2.81%	2.67%	14	5.00%	3.00%	2.70%	30	5.00%	2.95%	2.70%	25	5.00%	2.93%	2.71%	22	5.00%	2.67%	2.49%	18
2030	5.00%	2.86%	2.74%	12	5.00%	3.08%	2.79%	29	5.00%	3.05%	2.78%	27	5.00%	3.04%	2.83%	21	5.00%	2.72%	2.55%	17
2031	5.00%	2.96%	2.84%	12	5.00%	3.17%	2.87%	30	5.00%	3.12%	2.88%	24	5.00%	3.14%	2.92%	22	5.00%	2.82%	2.62%	20
2032	5.00%	3.03%	2.90%	13	5.00%	3.28%	2.96%	32	5.00%	3.22%	2.96%	26	5.00%	3.27%	3.01%	26	5.00%	2.93%	2.71%	22
2033	5.00%	3.14%	3.02%	12	5.00%	3.38%	3.04%	34	5.00%	3.38%	3.06%	32	5.00%	3.35%	3.09%	26	5.00%	2.98%	2.76%	22
2034	5.00%	3.27%	3.11%	16	5.00%	3.56%	3.17%	39					5.00%	3.49%	3.21%	28	5.00%	3.04%	2.82%	22
2035	5.00%	3.40%	3.20%	20	5.00%	3.67%	3.26%	41					5.00%	3.59%	3.30%	29	5.00%	3.13%	2.91%	22
2036	5.00%	3.49%	3.30%	19	5.00%	3.75%	3.36%	39					5.00%	3.70%	3.39%	31	5.00%	3.20%	3.00%	20
2037	5.00%	3.60%	3.40%	20									5.00%	3.80%	3.48%	32	5.00%	3.28%	3.06%	22
2038	5.00%	3.71%	3.50%	21	5.00%	3.99%	3.54%	45					5.00%	3.90%	3.56%	34	5.00%	3.38%	3.14%	24
2039	5.00%	3.81%	3.59%	22									5.00%	3.98%	3.64%	34	5.00%	3.49%	3.25%	24
2040	5.00%	3.93%	3.70%	23	5.00%	4.13%	3.70%	43					5.00%	4.04%	3.70%	34	5.00%	3.53%	3.31%	22
2041	5.00%	4.01%	3.76%	25									5.00%	4.10%	3.76%	34	5.00%	3.62%	3.39%	23
2042	5.00%	4.08%	3.80%	28	5.00%	4.25%	3.80%	45					5.00%	4.14%	3.80%	34	5.00%	3.70%	3.47%	23
2043	5.00%	4.14%	3.86%	28									5.00%	4.19%	3.86%	33	5.00%	3.80%	3.57%	23
2044	5.00%	4.20%	3.94%	26	5.00%	4.36%	3.94%	42					5.00%	4.26%	3.94%	32	5.000%	3.93%	3.70%	23
2045	5.00%	4.19%	4.01%	18													5.000%	4.02%	3.83%	19
2046	5.00%	4.29%	4.11%	18	5.00%	4.49%	4.11%	38					5.00%	4.40%	4.11%	29	5.00%	4.10%	3.96%	14
2047	5.00%	4.40%	4.21%	19																
2048													5.00%	4.57%	4.29%	28				
2049																				
2050																				
2051	5.00%	4.57%	4.37%	20	5.25%	4.70%	4.37%	33					5.00%	4.65%	4.37%	28				

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