Southern Tioga School District

Financing Discussion

November 3, 2025

Prepared by:
Jamie Doyle, *Managing Director*
Melissa Maze, *Senior Managing Consultant*

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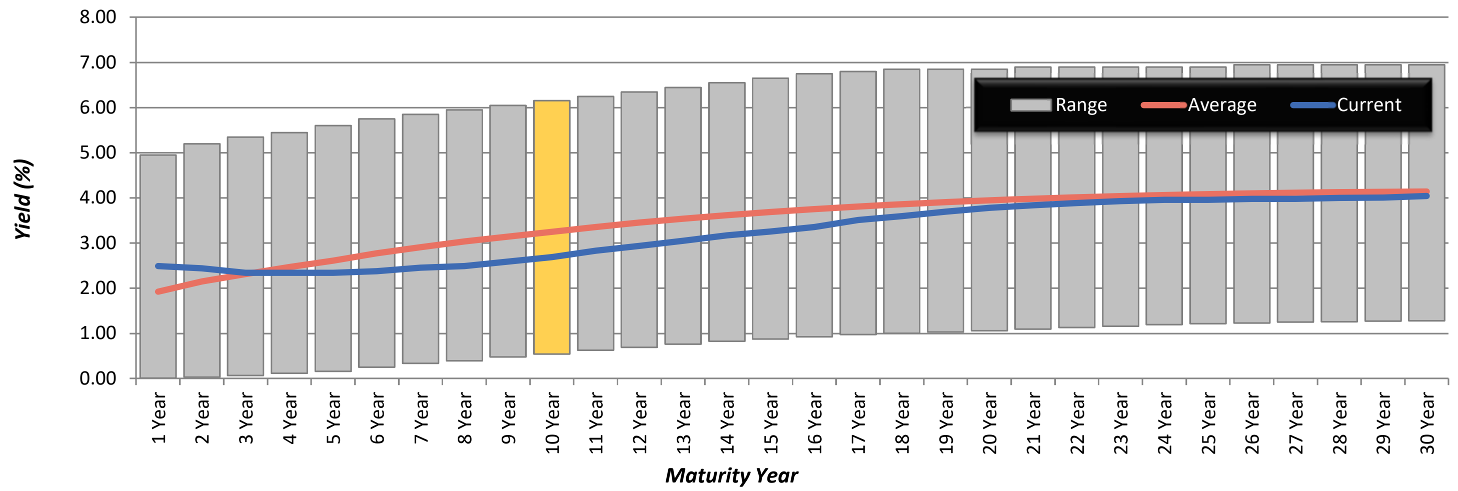
PFM Financial Advisors LLC
100 Market Street
Harrisburg, PA 17101
717.231.6265 (P)
www.pfm.com

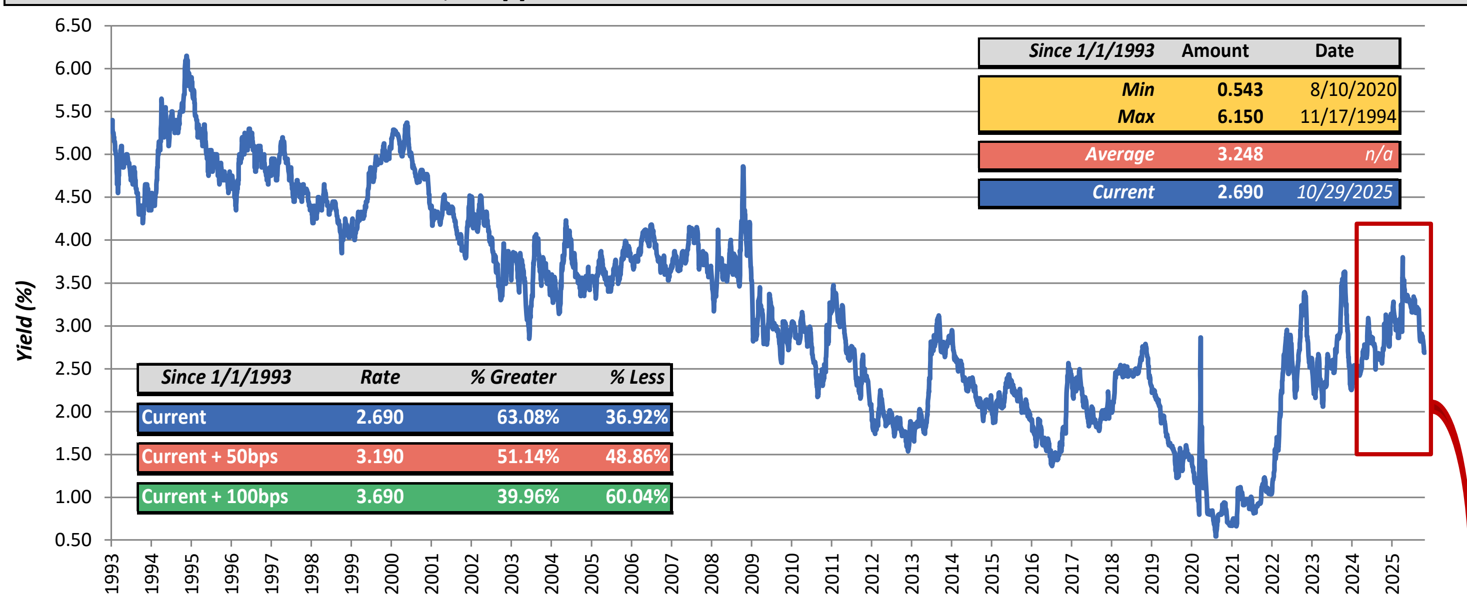
MUNICIPAL MARKET UPDATE

October 29, 2025

HISTORICAL BVAL CURVE ILLUSTRATION - SINCE JANUARY 1, 1993 [1]



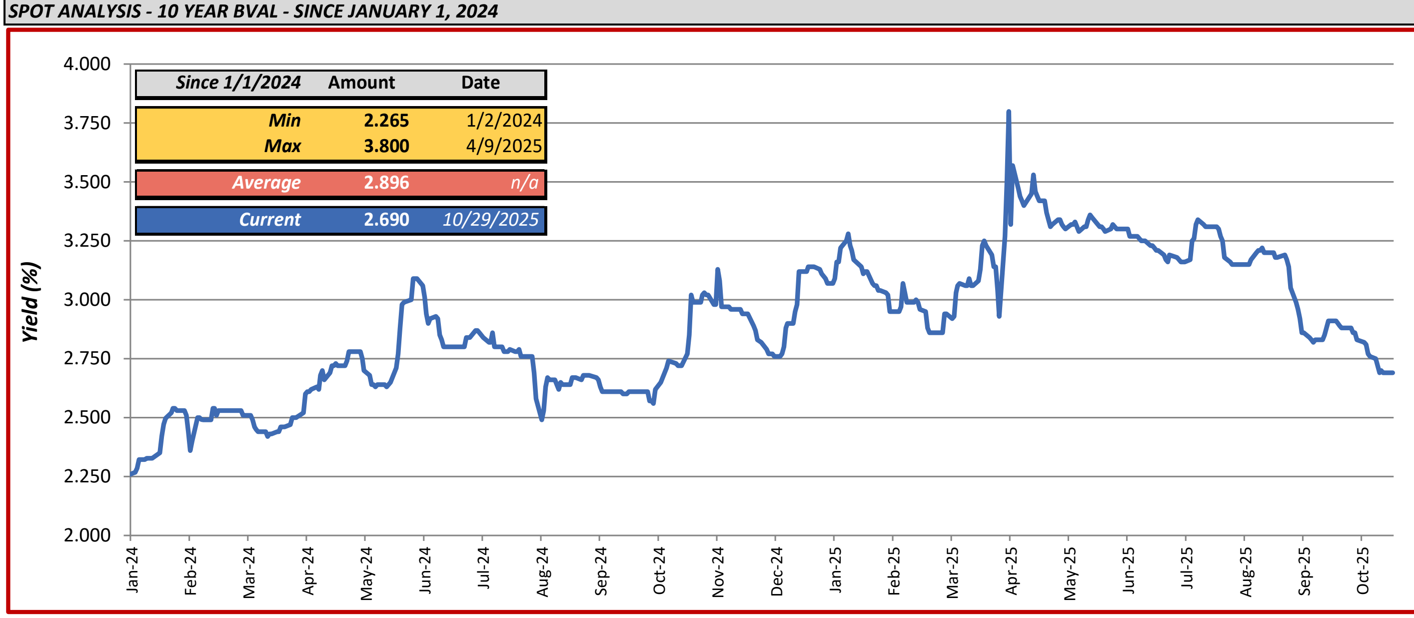
SPOT ANALYSIS - 10 YEAR BVAL - SINCE JANUARY 1, 1993 [1]



Since 1/1/1993	Amount	Date
Min	0.543	8/10/2020
Max	6.150	11/17/1994
Average	3.248	n/a
Current	2.690	10/29/2025

Since 1/1/1993	Rate	% Greater	% Less
Current	2.690	63.08%	36.92%
Current + 50bps	3.190	51.14%	48.86%
Current + 100bps	3.690	39.96%	60.04%

SPOT ANALYSIS - 10 YEAR BVAL - SINCE JANUARY 1, 2024



Since 1/1/2024	Amount	Date
Min	2.265	1/2/2024
Max	3.800	4/9/2025
Average	2.896	n/a
Current	2.690	10/29/2025

[1] Datapoints prior to January 4, 2010 are provided by MMD, datapoints after January 4, 2010 are provided by BVAL.

1. District is considering facility improvements
    a. For illustrative purposes only, handout illustrates 20 year, $40 million renovation scenario and 25 year, $40 million renovation/new construction scenario
    b. Assumes useful life of the projects financed is 20 years for renovation and 30 years for new construction
    c. Assumes District has retained capital projects funds to be utilized on ongoing projects and future needs
    d. Decisions about each borrowing would be made at the time of issuance
    e. Assumes District has identified 0.64 mills for debt service in 2025-2026 Budget
    f. Capitalized interest is 1-time funds to phase debt service impact into budget
    g. Note: All projects are term limited by the useful life of the project. Projects procured under Act 39 (Esco projects) are further limited to the shorter of the useful life of the project or 20 years

2. Borrowing Laws-Federal Tax Laws
    a. The Internal Revenue Code (the "Code") permits the Issuer to borrow funds at a tax-exempt interest rate and invest the proceeds potentially at an unlimited yield during the period of project construction, but not more than 3 years, if the reasonable expectations of the Issuer are to meet the following 3 tests:
        i. Expenditure Test – spend 85% of the proceeds within 3 years;
        ii. Time Test – incur within 6 months a substantial binding obligation to expend at least 5% of the proceeds;
        iii. Due Diligence Test – proceed with due diligence to complete the capital project and expend the proceeds for the capital project

3. Approaches to New Money Financing
    a. Current Funding – wait for construction bids
    b. Advance Funding – borrow all (or a portion) prior to construction bids
    c. Multiple Financing – spread borrowings over different calendar years, taking advantage of IRS limits and staggering impact vs. increased costs of issuance

SOUTHERN TIOGA SCHOOL DISTRICT
SUMMARY OF OUTSTANDING INDEBTEDNESS

Debt Service Requirements

1 Fiscal Year Ended	2 G.O. Note Series of 2021	3 Total Debt Service
6/30/2026	2,179,989	2,179,989
6/30/2027	2,177,358	2,177,358
6/30/2028		
6/30/2029		
6/30/2030		
TOTAL	4,357,347	4,357,347

Local Effort Requirements

4 Fiscal Year Ended	5 G.O. Note Series of 2021	6 Total Local Effort
6/30/2026	2,179,989	2,179,989
6/30/2027	2,177,358	2,177,358
6/30/2028		
6/30/2029		
6/30/2030		
TOTAL	4,357,347	4,357,347
Principal *:	4,316,000	4,316,000

PE%:	0.00%
PE% Status:	Perm
CARF%:	66.16%
Call Date:	Anytime
Purpose:	Cur Ref 2010A, 2016

* Outstanding as of October 29, 2025

SOUTHERN TIOGA SCHOOL DISTRICT
SUMMARY OF NEW MONEY SCENARIOS
$40 MILLION RENOVATION PROJECT-20 YEARS

	1	2	3	4	5
	Step 1	*Step 2*	*Step 3*	*Step 4*	*Total*
Par	$9,995,000	$9,995,000	$9,995,000	$9,995,000	$39,980,000
District Cash	$0	$0	$0	$0	$0
Total for Project	$9,995,000	$9,995,000	$9,995,000	$9,995,000	$39,980,000
Term	20 Year Wrap	20 Year Wrap	20 Year Wrap	20 Year Wrap	Wrap
Settlement	5/1/2026	10/1/2027	10/1/2028	10/1/2029	NA
Interest	$5,889,611	$5,750,177	$6,823,459	$6,799,178	$25,262,425

6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Fiscal Year Ending	Existing Local Effort	Proposed Local Effort	Total Local Effort	Proposed Local Effort	Total Local Effort	Proposed Local Effort	Total Local Effort	Proposed Local Effort	Total Local Effort	Gross Millage Equivalent [1]	Cash Capitalized Interest	Less: Indirect Costs/(Savings)	Net Local Effort	Millage Equivalent Identified	Net Millage Equivalent [1]
6/30/2023	2,233,916		2,233,916		2,233,916		2,233,916		2,233,916				2,233,916		
6/30/2024	2,178,657		2,178,657		2,178,657		2,178,657		2,178,657	(0.04)			2,178,657	0.25	(0.30)
6/30/2025	2,177,423		2,177,423		2,177,423		2,177,423		2,177,423	(0.00)			2,177,423	0.37	(0.37)
6/30/2026	2,179,989		2,179,989		2,179,989		2,179,989		2,179,989	0.00			2,179,989	0.02	(0.02)
6/30/2027	2,177,358	486,118	2,663,477		2,663,477		2,663,477		2,663,477	0.39			2,663,477		0.39
6/30/2028		812,899	812,899	783,349	1,596,248		1,596,248		1,596,248	(0.85)			1,596,248		(0.85)
6/30/2029		812,884	812,884	784,965	1,597,849	719,636	2,317,485		2,317,485	0.57			2,317,485		0.57
6/30/2030		807,481	807,481	790,437	1,597,918	718,359	2,316,277	718,954	3,035,230	0.57			3,035,230		0.57
6/30/2031		806,731	806,731	790,239	1,596,970	722,463	2,319,433	727,919	3,047,351	0.01			3,047,351		0.01
6/30/2032		810,351	810,351	789,442	1,599,793	721,064	2,320,857	726,569	3,047,425				3,047,425		
6/30/2033		808,008	808,008	792,977	1,600,985	719,272	2,320,256	724,947	3,045,203				3,045,203		
6/30/2034		809,988	809,988	790,505	1,600,493	722,034	2,322,527	722,932	3,045,458				3,045,458		
6/30/2035		811,031	811,031	782,320	1,593,351	724,042	2,317,393	725,472	3,042,865				3,042,865		
6/30/2036		810,990	810,990	793,604	1,604,593	715,348	2,319,941	727,256	3,047,196				3,047,196		
6/30/2037		814,989	814,989	788,312	1,603,301	716,367	2,319,667	728,337	3,048,004				3,048,004		
6/30/2038		812,447	812,447	782,244	1,594,691	721,547	2,316,237	728,679	3,044,916				3,044,916		
6/30/2039		808,332	808,332	785,061	1,593,393	725,746	2,319,139	718,175	3,037,314				3,037,314		
6/30/2040		807,372	807,372	791,061	1,598,433	718,700	2,317,133	727,374	3,044,507				3,044,507		
6/30/2041		809,715	809,715	789,720	1,599,435	715,700	2,315,135	725,095	3,040,230				3,040,230		
6/30/2042		810,191	810,191	786,637	1,596,828	721,317	2,318,145	721,615	3,039,760				3,039,760		
6/30/2043		808,949	808,949	791,883	1,600,832	715,318	2,316,150	726,735	3,042,885				3,042,885		
6/30/2044		810,965	810,965	785,088	1,596,052	723,259	2,319,311	720,230	3,039,541				3,039,541		
6/30/2045		811,035	811,035	786,744	1,597,778	719,477	2,317,255	722,658	3,039,913				3,039,913		
6/30/2046		814,138	814,138	781,374	1,595,511	724,469	2,319,980	718,618	3,038,598				3,038,598		
6/30/2047				779,220	779,220	1,537,745	2,316,965	723,349	3,040,314				3,040,314		
6/30/2048						2,316,600	2,316,600	721,363	3,037,963				3,037,963		
6/30/2049								3,037,905	3,037,905				3,037,905		
6/30/2050															
6/30/2051															
6/30/2052															
6/30/2053															
TOTAL	**10,947,343**	**15,884,611**	**26,831,954**	**15,745,177**	**42,577,131**	**16,818,459**	**59,395,590**	**16,794,178**	**76,189,768**	**0.65**		**0**	**76,189,768**	**0.64**	**0.01**

1 mill= 1,254,930 (estimated after reassessment)
Estimated rates. Actual rates to be determined at the time of pricing.
Estimated indirect costs/(savings) provided by Administration.
Assumes useful life of projects to be financed is 20 years.

SOUTHERN TIOGA SCHOOL DISTRICT
SUMMARY OF NEW MONEY SCENARIOS
$40 MILLION RENOVATION PROJECT-25 YEARS

	1	2	3	4	5
	Step 1	**Step 2**	**Step 3**	**Step 4**	**Total**
Par	$9,995,000	$9,995,000	$9,995,000	$9,995,000	$39,980,000
District Cash	$0	$0	$0	$0	$0
Total for Project	$9,995,000	$9,995,000	$9,995,000	$9,995,000	$39,980,000
Term	20 Year Wrap	26 Year Wrap	25 Year Wrap	24 Year Wrap	Wrap
Settlement	5/1/2026	10/1/2027	10/1/2028	10/1/2029	NA
Interest	$5,889,611	$8,657,822	$8,516,130	$8,229,157	$31,292,721

6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Fiscal Year Ending	**Existing Local Effort**	**Proposed Local Effort**	**Total Local Effort**	**Proposed Local Effort**	**Total Local Effort**	**Proposed Local Effort**	**Total Local Effort**	**Proposed Local Effort**	**Total Local Effort**	**Gross Millage Equivalent [1]**	**Cash Capitalized Interest**	**Less: Indirect Costs/(Savings)**	**Net Local Effort**	**Millage Equivalent Identified**	**Net Millage Equivalent [1]**
6/30/2023	2,233,916		2,233,916		2,233,916		2,233,916		2,233,916				2,233,916		
6/30/2024	2,178,657		2,178,657		2,178,657		2,178,657		2,178,657	(0.04)			2,178,657	0.25	(0.30)
6/30/2025	2,177,423		2,177,423		2,177,423		2,177,423		2,177,423	(0.00)			2,177,423	0.37	(0.37)
6/30/2026	2,179,989		2,179,989		2,179,989		2,179,989		2,179,989	0.00			2,179,989	0.02	(0.02)
6/30/2027	2,177,358	486,118	2,663,477		2,663,477		2,663,477		2,663,477	0.39			2,663,477		0.39
6/30/2028		812,899	812,899	828,003	1,640,902		1,640,902		1,640,902	(0.81)			1,640,902		(0.81)
6/30/2029		812,884	812,884	807,107	1,619,991	642,372	2,262,363		2,262,363	0.50			2,262,363		0.50
6/30/2030		807,481	807,481	712,579	1,520,060	734,787	2,254,847	535,832	2,790,679	0.42		(1,200,000)	1,590,679		(0.54)
6/30/2031		806,731	806,731	631,851	1,438,582	663,891	2,102,473	687,599	2,790,072	(0.00)		(1,200,000)	1,590,072		(0.00)
6/30/2032		810,351	810,351	629,286	1,439,637	665,845	2,105,482	683,973	2,789,455			(1,200,000)	1,589,455		
6/30/2033		808,008	808,008	626,499	1,434,507	672,390	2,106,897	680,257	2,787,153			(1,200,000)	1,587,153		
6/30/2034		809,988	809,988	623,435	1,433,423	668,268	2,101,690	686,357	2,788,047			(1,200,000)	1,588,047		
6/30/2035		811,031	811,031	625,128	1,436,159	668,860	2,105,019	681,789	2,786,808			(1,200,000)	1,586,808		
6/30/2036		810,990	810,990	626,334	1,437,323	663,982	2,101,305	686,933	2,788,238			(1,200,000)	1,588,238		
6/30/2037		814,989	814,989	626,986	1,441,975	658,834	2,100,809	686,382	2,787,190			(1,200,000)	1,587,190		
6/30/2038		812,447	812,447	632,139	1,444,586	653,346	2,097,932	690,332	2,788,264			(1,200,000)	1,588,264		
6/30/2039		808,332	808,332	631,398	1,439,730	657,583	2,097,313	688,476	2,785,789			(1,200,000)	1,585,789		
6/30/2040		807,372	807,372	629,878	1,437,250	660,908	2,098,158	691,110	2,789,268			(1,200,000)	1,589,268		
6/30/2041		809,715	809,715	632,453	1,442,167	663,188	2,105,355	682,801	2,788,156			(1,200,000)	1,588,156		
6/30/2042		810,191	810,191	629,044	1,439,234	664,272	2,103,506	683,881	2,787,387			(1,200,000)	1,587,387		
6/30/2043		808,949	808,949	629,936	1,438,885	669,345	2,108,230	678,722	2,786,952			(1,200,000)	1,586,952		
6/30/2044		810,965	810,965	639,943	1,450,908	658,186	2,109,093	677,783	2,786,876			(1,200,000)	1,586,876		
6/30/2045		811,035	811,035	638,532	1,449,566	656,642	2,106,208	685,854	2,792,062			(1,200,000)	1,592,062		
6/30/2046		814,138	814,138	636,240	1,450,377	659,188	2,109,565	682,501	2,792,066			(1,200,000)	1,592,066		
6/30/2047				888,058	888,058	935,586	1,823,644	958,224	2,781,868			(1,200,000)	1,581,868		
6/30/2048				885,463	885,463	931,331	1,816,794	968,378	2,785,172			(1,200,000)	1,585,172		
6/30/2049				886,085	886,085	930,291	1,816,376	965,961	2,782,336			(1,200,000)	1,582,336		
6/30/2050				889,705	889,705	927,182	1,816,886	966,476	2,783,362			(1,200,000)	1,583,362		
6/30/2051				890,897	890,897	932,057	1,822,953	959,635	2,782,588			(1,200,000)	1,582,588		
6/30/2052				884,629	884,629	934,206	1,818,835	960,765	2,779,600			(1,200,000)	1,579,600		
6/30/2053				891,222	891,222	938,594	1,829,816	954,142	2,783,957			(1,200,000)	1,583,957		
6/30/2054															
6/30/2055															
TOTAL	**10,947,343**	**15,884,611**	**26,831,954**	**18,652,822**	**45,484,776**	**18,511,130**	**63,995,907**	**18,224,157**	**82,220,064**	**0.44**		**(28,800,000)**	**53,420,064**	**0.64**	**-1.15**

1 mill= 1,254,930 (estimated after reassessment)
Estimated rates. Actual rates to be determined at the time of pricing.
Estimated indirect costs/(savings) provided by Administration.
Assumes useful life of projects to be financed is at least 25+ years.

Summary of Key Factors							
	Estimated Total Project Costs	*Estimated Borrowing Needs*	*Estimated District Cash Contribution for Construction*	*Estimated District Cash Contribution for Capitalized Interest*	*Estimated Annual Indirect Costs/(Savings)*	*Estimated Additional Millage Equivalent Identified*	*Estimated Millage Equivalent*
$40 Million Over 20 Years	$39,980,000	$39,980,000	$0	$0	$0	0.64	0.01
$40 Million Over 25 Years	$39,980,000	$39,980,000	$0	$0	($1,200,000)	0.64	-1.15

Below is a list of some factors which could impact the millage equivalent of the projects being evaluated:

1. **Interest Rate Environment**
   a. Long term interest rates that the District borrows at may go up or down.
      1. Higher rates than is illustrated in the plan would **increase** the millage equivalent.
      2. Lower rates than is illustrated in the plan would **reduce** the millage equivalent.

   b. Short term interest rates that the District invests at may go up or down.
      1. Higher average short-term rates than is illustrated in the plan would increase the estimated project earnings, which would reduce the borrowing amount and therefore **reduce** the millage equivalent.
      2. Lower average short-term rates than is illustrated in the plan would reduce the estimated project earnings, which would increase the borrowing amount and therefore **increase** the millage equivalent.
2. **Debt Service Structure**
   a. Millage equivalents are illustrated based on amortizations that match estimated useful life of the assets to be financed with the term of the financing. When selecting the term and structure of the financing, Districts should consider potential future financing needs.
      1. Shorter average amortizations would **increase** the millage equivalent.
      2. Longer average amortizations would **reduce** the millage equivalent.
3. **Project Costs**
   a. Actual project costs may be higher or lower than is illustrated in the current borrowing plan.
      1. Higher project costs than is illustrated in the plan would **increase** the millage equivalent.
      2. Lower project costs than is illustrated in the plan would **reduce** the millage equivalent.

4. **One-Time Sources of Funds**
    a. District may be able to identify more or less one-time sources of funds than is illustrated in the current plan. Examples of one-time sources of funds include use of fund balance, grants, or capital campaign donations.
        1. Lower available one-time sources of funds than is illustrated in the plan would **increase** the millage equivalent.
        2. Higher available one-time sources of funds than is illustrated in the plan would **reduce** the millage equivalent.
5. **Refunding Existing Debt**
    a. From time to time, the District may have an opportunity to refund existing bonds based on the interest rate environment at that time.
        1. Debt service savings would **reduce** the millage equivalent.
6. **Growth in the Tax Base**
    a. The projected millage equivalent is based on a certain tax base size and collection rate.
        1. Reduction in the tax base and/or falling collections would **increase** the millage equivalent.
        2. Growth in the tax base and/or rising collections would **reduce** the millage equivalent.

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