PRELIMINARY OFFICIAL STATEMENT DATED MARCH 28, 2024

NEW ISSUE-BOOK ENTRY ONLY

RATING: S&P: "AA" (Stable Outlook) (Underlying)
(See "RATING" herein)

In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the Bonds is excluded 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 treated as a preference item for purposes of computing federal alternative minimum tax however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations for tax years beginning after December 31, 2022. Bond Counsel is also of the opinion that under the laws of the Commonwealth of Pennsylvania as presently enacted and construed, the Bonds are exempt from personal property taxes in Pennsylvania and 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.

$32,490,000*
Perkiomen Valley School District
Montgomery County, Pennsylvania
General Obligation Bonds, Series of 2024

Dated: Date of Delivery
Interest Due: February 15 and August 15
Principal Due: February 15, as shown inside
First Interest Payment: August 15, 2024

The Bonds described herein are the aggregate principal amount of $32,490,000* General Obligation Bonds, Series of 2024 (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 (defined herein). 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 principal of the Bonds will be paid to the registered owners or assigns, when due, upon presentation and surrender of Bonds to Manufacturers and Traders Trust Company (the "Paying Agent"), acting as paying agent and sinking fund depository, at its corporate trust payment office in Harrisburg, Pennsylvania or such other corporate trust office designated by the Paying Agent. Interest on the Bonds is payable initially on August 15, 2024 and thereafter semiannually on February 15 and August 15 of each year, until the principal sum thereof is paid. Payment of interest on the Bonds will be made by wire transfer to DTC so long as it or its nominee is the registered owner of the Bonds as of the Record Date (see "**THE BONDS**" herein).

The Bonds are general obligations of the Perkiomen Valley School District, Montgomery County, Pennsylvania (the "School District"), payable from its tax and other general revenues. The School District has covenanted with the holders from time to time of the Bonds that it will include the amount of the debt service for the Bonds for each fiscal year in which such sums are payable in its budget for that fiscal year, will appropriate from its general revenues in each such fiscal 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 each of the Bonds and the interest thereon on the dates, at the place and in the manner stated in the Bonds. For such budgeting, appropriation, and payment the School District has pledged its full faith, credit and available taxing power, within the limits established by law (See "**THE BONDS - Security**" and "**TAXING POWERS OF THE SCHOOL DISTRICT**" herein).

The Bonds are not subject to optional redemption prior to maturity, as described herein.

Proceeds of the Bonds will be used for (1) a current refunding of the School District's outstanding General Obligation Bonds, Series of 2016, (2) a current refunding of the School District's outstanding General Obligation Bonds, Series of 2019; and (3) paying the costs and expenses related to the issuance of the Bonds.

MATURITIES, AMOUNTS, RATES, INITIAL OFFERING YIELDS 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 be furnished upon delivery of the Bonds. Certain other legal matters will be passed upon for the School District by Fox Rothschild LLP, of Blue Bell, Pennsylvania, School District Solicitor. PFM Financial Advisors LLC, Harrisburg, Pennsylvania, will serve as Financial Advisor to the School District in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery through DTC in New York, New York, on or about May 17, 2024.

PFM Financial Advisors LLC
Financial Advisor to the School District

____
*Estimated, subject to change

$32,490,000*
Perkiomen Valley School District
Montgomery County, Pennsylvania

General Obligation Bonds, Series of 2024

Dated: Date of Delivery
Interest Due: February 15 and August 15
Principal Due: February 15, as shown inside
First Interest Payment: August 15, 2024

BOND MATURITY SCHEDULE:

Maturity Date (February 15) Year	Principal Amounts	Interest Rates	Initial Offering Yields	Initial Offering Prices	CUSIP(1)
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					

(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” provided herewith.)

*Estimated, subject to change.

Perkiomen Valley School District
Montgomery County, Pennsylvania

BOARD OF SCHOOL DIRECTORS

Laura White	President
Todd McKinney	Vice-President
Laurie Weidner	Secretary*
Amy Hurd	Treasurer*
Dr. Tammy Campli	Member
Don Fountain	Member
Rowan Keenan	Member
Robert Liggett	Member
Treena Sadler	Member
Jason Saylor	Member
Dr. Wayde Weston	Member

*Non-voting member.

SUPERINTENDENT
DR. BARBARA A. RUSSELL

BUSINESS ADMINISTRATOR
JAMES WEAVER

DIRECTOR OF FINANCE
AMY HURD

SCHOOL DISTRICT SOLICITOR
FOX ROTHSCHILD LLP
Blue Bell, Pennsylvania

BOND COUNSEL
FOX ROTHSCHILD LLP
Blue Bell, Pennsylvania

FINANCIAL ADVISOR
PFM FINANCIAL ADVISORS LLC
Harrisburg, Pennsylvania

UNDERWRITER

PAYING AGENT
MANUFACTURERS AND TRADERS TRUST COMPANY
Harrisburg, Pennsylvania

SCHOOL DISTRICT ADDRESS
3 Iron Bridge Drive
Collegeville, Pennsylvania 19426

No dealer, broker, salesman or other person has been authorized by the School District, the financial advisor or the underwriter 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.

TABLE OF CONTENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

PRELIMINARY OFFICIAL STATEMENT

$32,490,000*

Perkiomen Valley School District

Montgomery County, Pennsylvania

General Obligation Bonds, Series of 2024

INTRODUCTION

This Preliminary Official Statement, including the cover page hereof and appendices hereto, is furnished by the Perkiomen Valley School District, Montgomery County, Pennsylvania (the "School District") in connection with the offering of $32,490,000* aggregate principal amount of its General Obligation Bonds, Series of 2024 (the "Bonds"). The Bonds will be dated the date the Bonds are issued and delivered (the "Date of Delivery") and are being issued pursuant to a resolution of the Board of School Directors of the School District which is expected to be adopted on March 11, 2024 (the "Resolution"), and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth"), as codified by Act No. 177 of 1996 approved December 19, 1996, P.L. 1158, as amended (the "Act").

PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used for (1) a current refunding of the School District's outstanding General Obligation Bonds, Series of 2016, in the amount of $25,400,000 (the "2016 Bonds"), (2) a current refunding of the School District's outstanding General Obligation Bonds, Series of 2019, in the amount of $8,295,000 (the "2019 Bonds"); and (3) paying the costs and expenses related to the issuance of the Bonds.

Upon issuance of the Bonds, a portion of the proceeds of the Bonds will be deposited into an escrow account (the "Escrow Fund") for the 2016 Bonds and 2019 Bonds with Manufacturers and Traders Trust Company as paying agent for the 2016 Bonds and 2019 Bonds (the "Escrow Agent") under an Escrow Deposit Agreement by and between the School District and the Escrow Agent (the "Escrow Agreement"), and such proceeds will be held in cash and/or invested in direct obligations of the United States of America, the principal of which, together with cash and any investment earnings thereon, will be in an amount sufficient to provide fully for the payment of principal and interest due on the 2016 Bonds and 2019 Bonds on August 15, 2024, at a redemption price of 100% of principal amount of the 2016 Bonds and 2019 Bond plus accrued interest thereon, pursuant to the optional redemption provisions of the 2016 Bonds and 2019 Bonds.

Sources and Uses of Bond Proceeds

Sources:	Total
Par Amount	
Net Original Issue Premium/(Discount)	
Total	
Uses:	
Cost of the Escrow of the Series of 2016	
Cost of the Escrow of the Series of 2019	
Estimated Costs of Issuance (1)	
Total	

(1)Includes legal, financial advisor, printing, rating, Underwriter's discount, CUSIP, paying agent, escrow agent and other miscellaneous fees.

*Estimated, subject to change

THE BONDS

Description

The Bonds will be issued in fully registered form, in the denominations of $5,000 or any integral multiple thereof. The Bonds will be issued as one fully registered Bond for each maturity of the Bonds in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of all Bonds. See "**BOOK-ENTRY ONLY SYSTEM**" herein. The Bonds will be dated as of the Date of Delivery, which is expected to be May 17, 2024, and will bear interest at the rates and mature in the amounts and on the dates set forth above on the inside cover page of this Preliminary Official Statement of each year. Interest on the Bonds will be payable initially on August 15, 2024 and semiannually thereafter on February 15 and August 15 until the principal sum thereof is paid or, if such Bond is subject to redemption prior to maturity and is called for redemption prior to maturity in accordance with the terms thereof and of the Resolution, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for.

Payment of Principal and Interest

Subject to the provisions described under "**BOOK-ENTRY ONLY SYSTEM**" below, principal of the Bonds will be paid to the registered owners thereof or assigns, when due, upon surrender of the Bonds at the corporate trust office of the Paying Agent in Harrisburg, Pennsylvania or such other corporate trust office designated by the Paying Agent.

Interest is 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 August 15, 2024, in which event such Bond shall bear interest from the Date of Delivery, or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond. Interest on each Bond is payable by wire transfer to DTC, so long as it or its nominee is the registered owner of the Bonds; otherwise interest is 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 (15th) 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 of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to close, then the date for payment of such principal, interest or redemption price shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions in the Commonwealth are authorized by law or executive order 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 maintained by the Paying Agent, and no interest shall accrue after such due date.

Transfer, Exchange and Registration of Bonds

Subject to the provisions described below under "**BOOK-ENTRY ONLY SYSTEM**," Bonds are transferable or exchangeable by the registered owners thereof upon surrender of Bonds to the Paying Agent at its corporate trust office in Harrisburg, Pennsylvania, or such other corporate trust office designated by the Paying Agent, when duly endorsed or accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of such Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of Bonds in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations of the same series, maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive. The School District and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner thereof (whether or not a Bond shall be overdue) for the purpose of receiving payment of principal and interest and for all other purposes. All such payments shall be valid and effectual to satisfy in full and discharge the liability of the School District upon the Bonds so paid, to the extent of the sum or sums so paid, and neither the School District nor the Paying Agent shall be affected by any notice to the contrary.

The School District and the Paying Agent shall not be required to issue or register the transfer of or exchange any Bonds (a) 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 given or (b) 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.

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 include the amount of debt service for the Bonds for each fiscal year in which such sums are payable in its budget for that fiscal year, will appropriate from its general revenues in each such fiscal year, the amount of the debt service on the Bonds for such fiscal 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 in the Bonds, and for such budgeting, appropriation and payment the School District has pledged its full faith, credit and taxing power, within the limits established 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, as hereinafter defined, 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**" hereinafter).

Commonwealth Enforcement of Debt Service Payments

Section 633 of the Pennsylvania Public School Code of 1949, as amended by Act 150 of 1975, and as further 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 depositary 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

Over the past several years the Commonwealth of Pennsylvania has, from time to time, started its fiscal year without a fully adopted state budget. In the state's 2015-16 fiscal year, a final budget was not enacted until 270 days following the beginning of the fiscal year on March 27, 2016 when the Governor failed to sign or veto the state budget that was adopted by the General Assembly on March 17, 2016.

For the 2016-17 fiscal year, the state budget became law, known as Act 16A of 2016, on July 12, 2016 when the Governor failed to sign or veto the state budget that was adopted by the General Assembly on July 1, 2016. On July 13, 2016, the General Assembly adopted and Governor signed into law additional tax and revenue package, known as Act 85 of 2016, which was needed to balance the 2016-17 state budget.

For the 2017-18 fiscal year, the state budget became law, known as Act 1A of 2017, on July 11, 2017 when the Governor failed to sign or veto the state budget that was adopted by the General Assembly on June 30, 2017. Act 1A of 2017 did not have any accompanying legislation regarding the potential revenue that would be needed to fund the balance of the 2017-18 Budget at the time of its enactment. On October 25, 2017, the General Assembly adopted House Bill 542 which contained the necessary revenue to fund the balance of the previously adopted Act 1A of 2017. On October 30, 2017 the Governor approved and signed House Bill 542 and it became known as Act 43 of 2017.

The budget for the 2018-19 and the 2019-20 fiscal years were adopted timely. 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. The legislation was sent to the Governor's desk for approval and on November 23, 2020, the Governor approved the 2020-21 Supplemental Budget. The 2020-21 Supplemental Budget included mostly flat funding for public education similar to stopgap budget adopted for the first five months of the 2020-21 fiscal year.

The Governor signed the state's 2021-2022 fiscal year budget that directed more money to public schools on June 30, 2021. The budget included an increase of $300 million for basic education, with $100 million of that targeted to the 100 historically underfunded school districts that includes 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 new budget.

After a week's delay and intense negotiations, the $45.2 billion budget for Pennsylvania's 2022-2023 fiscal year was signed by Governor Tom Wolf on July 8, 2022. The 2022-2023 enacted budget includes $7,625,124,000 for the basic education funding appropriation and $225,000,000 to supplement those school districts with a higher at risk student population. The total amount is a $767,820,000 (10.83%) increase over the 2021-2022 fiscal year appropriation.

After over a month delay and intense negotiations, a $45.5 billion budget for the state's 2023-24 fiscal year was signed by Governor Josh Shapiro on August 3, 2023, which includes $8,421,751,000 for the basic education funding appropriation. The total amount is a $796,627,000 (10.45%) increase over the 2022-2023 fiscal year appropriation. The budget also provides $50 million in additional aid to school district for special education services for a total of $1.3 billion.

During a state budget impasse, school districts in Pennsylvania cannot be certain that state subsidies and revenues owed them from the Commonwealth will become available. This includes 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 Public 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 Public School Code during any future budget impasses. See "Act 85 of 2016" hereinafter.

Act 85 of 2016

On July 13, 2016, the Governor of the Commonwealth signed into law Act No. 85 of 2016, (P.L. 664, No. 85) ("Act 85 of 2016"), an amendment to the Act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code ("Fiscal Code"). Act 85 of 2016 adds to the Fiscal Code Article 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 Preliminary 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 Fund

A sinking fund for the payment of debt service on the Bonds, designated "Sinking Fund, General Obligation Bonds, Series of 2024" (the "Sinking Fund"), has been authorized to be created under the Resolution shall be held by the Paying Agent as sinking fund depository. The School District shall deposit in the Sinking Fund 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 Fund 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 Fund 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 Fund.

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

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 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 are **<u>not</u>** subject to optional redemption prior to maturity.

Manner of Redemption

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, however, payment of the redemption price shall be made to Cede & Co. in accordance with the existing arrangements by and among the School District, the Paying Agent and DTC and, if less than all Bonds of any particular maturity are to be redeemed, the amount of the interest of each DTC Participant, Indirect Participant and Beneficial Owner in such Bonds to be redeemed shall be determined by the governing arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. See "**BOOK-ENTRY ONLY SYSTEM**" herein for further information regarding redemption of Bonds registered in the name of Cede & Co.*

If a Bond is of a denomination larger than $5,000, a portion of such Bond may be redeemed. For the purposes of redemption, a Bond shall be treated as representing 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 the same maturity and in 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 by law or executive order to close, then the date for payment of the principal, interest or redemption price 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 in the Commonwealth are authorized by law or executive order to close, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

Notice of Redemption

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

Notice of any redemption shall be given by mailing a copy of the redemption notice not more than forty-five (45) days nor less than thirty (30) days prior to the date fixed for redemption to each of the registered owners of Bonds to be redeemed, in whole or in part at the addresses shown on the registration books maintained by the Paying Agent; 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 any Bonds called for redemption as to which proper notice has been given.

On the date designated for redemption and money for payment of the principal and accrued interest being held by the Paying Agent, interest on the Bonds and portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof so called for redemption 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 not later than the redemption date.

If at the time of mailing the notices of redemption the School District shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is subject to the deposit of the redemption moneys with the Paying Agent no later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

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 does not guarantee 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 will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such issue, 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 rep resenting 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 within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or 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, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or 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 Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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 SCHOOL DISTRICT 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.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

THE SCHOOL DISTRICT

Introduction

The School District is located in the west central section of Montgomery County, and is comprised of the municipalities of the Boroughs of Collegeville, Schwenksville and Trappe, and the Townships of Lower Frederick, Perkiomen and Skippack. The School District covers 30.0 square miles and is approximately 25 miles east of Reading, Pennsylvania; 25 miles northwest of Center City Philadelphia, Pennsylvania; 20 miles north of West Chester, Pennsylvania; 5 miles northwest of Valley Forge, Pennsylvania; and 30 miles south of Allentown, Pennsylvania. In addition to the incorporated communities above, there are several unincorporated communities located within the School District, including Skippack, Creamery, Zieglersville and Graterford.

Administration

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

School Facilities

The School District presently operates four elementary schools, two middle school and one high school, all as described on the following table.

TABLE 1
PERKIOMEN VALLEY SCHOOL DISTRICT
SCHOOL FACILITIES

Building	Original Construction Date	Addition/ Renovation Date(s)	Grades	Rated Pupil Capacity	2023-24 Enrollment
Elementary:					
Perkiomen Valley (South)	1957	1967/1995/2017	K-5	750	451
Perkiomen Valley Evergreen	1996	---	K-5	750	493
Perkiomen Valley Skippack	1997	---	K-5	750	564
Perkiomen Valley Schwenksville	2002	---	K-5	600	464
Secondary:					
Perkiomen Valley Middle (West)	2004	---	6-8	946	506
Perkiomen Valley Middle (East)	1996	---	6-8	1,018	633
Perkiomen Valley High	1976	1996/2004	9-12	2,094	1,713

Source: School District officials.

Enrollment Trends

The following Table 2 presents recent trends in school enrollment and projections of enrollment for the next five years.

TABLE 2
PERKIOMEN VALLEY SCHOOL DISTRICT
ENROLLMENT TRENDS

Actual Enrollments				Projected Enrollments			
School Year	Elementary	Secondary	Total	School Year	Elementary	Secondary	Total
2019-20	2,272	3,115	5,387	2024-25	2,312	2,509	4,821
2020-21	2,062	3,092	5,154	2025-26	2,259	2,426	4,685
2021-22	2,461	2,658	5,119	2026-27	2,227	2,359	4,586
2022-23	2,425	2,578	5,003	2027-28	2,167	2,292	4,459
2023-24	2,331	2,526	4,857	2028-29	2,209	2,203	4,412

Source: School District officials. Enrollments do not include Vo-tech students.

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 Business Administrator and submitted to the School Board for approval prior to the beginning of the fiscal year on July 1.

Financial Reporting

The School District has organized its accounts on the basis of funds or groups of funds, each of which is a separate accounting entity. It maintains a General Fund for instructional, operation and administrative expenses, a Food Service Fund, and various school activity funds. Federal funds are appropriated by the School Board during the fiscal year and grant commitments and project approvals are received. The School District keeps the books and prepares the financial reports for the General Fund according to a modified accrual basis of accounting. Major accrual items are payrolls, payroll taxes and pension fund contributions payable, loans receivable from other funds, and revenues receivable from other governmental units. Taxes are credited when received. The School District financial statements are audited annually by independent certified public accountants, as required by Commonwealth law. The firm of Briggs, Bunting & Dougherty, LLP, Philadelphia, Pennsylvania, serves as the School District Auditor.

Budgeting Process as modified by Act 1 of the Special Session of 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 adoption prior to the beginning of each fiscal year 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 election preceding the fiscal year in which the preliminary budget will take effect. 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 Public School Code. The School District follows the requirements of Act 1 and the guidance of PDE pursuant to the requirements of the Public School Code.

If the adopted preliminary budget includes an increase in the rate of any tax levied, the school district must submit information on the increase to PDE on a uniform form prepared by PDE. Such information must be submitted no later than 85 days prior to the date of the election immediately preceding the beginning of the school district's fiscal year. PDE compares the proposed percentage increase in the rate of any tax with the index (see **"The Taxpayer Relief Act (Act 1)"** herein) and within ten days of the receipt of the information but no later than 75 days prior to the date of the election immediately preceding the beginning of the school district's fiscal year, PDE informs the school district whether the proposed tax rate increase is less than or equal to the index. If PDE determines that the proposed percentage increase in the rate of the tax exceeds the index, PDE notifies the school district that: (1) the proposed tax increase must be reduced to an amount less than or equal to the index; or (2) the proposed tax increase must be approved by the electorate at the election immediately preceding the beginning of the school district's fiscal year; or (3) the School District seek approval to utilize one or more 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 that the school district comply with the procedures in Section 687 of the School Code for the adoption of its proposed and final budgets. Section 687 of the School Code requires that the school district adopt a proposed budget at least thirty (30) days prior to the adoption of the annual budget; that the proposed budget be made available for public inspection at least twenty (20) days prior to the date set for the adoption of the annual budget; and that final action shall not be taken on the proposed budget until after ten (10) days public notice. No referendum exceptions are available to a school district adopting such a resolution.

Summary and Discussion of Financial Results

A summary of the General Fund balance sheet and changes in fund balances is presented in Tables 3 and 4. Table 5 shows revenue and expenditures for the past 5 years and the 2023-24 budget. The School District's 2023-24 budget shows budgeted revenue of $123,813,282 and expenditures of $125,864,282.

TABLE 3
PERKIOMEN VALLEY SCHOOL DISTRICT
SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEET
(Years ending June 30)

ASSETS	2019	2020	2021	2022	2023
Cash and Cash Equivalents	$6,938,264	$32,213,759	$29,160,933	$26,467,667	$27,314,827
Investments	18,000,000	0	0	0	$0
Taxes Receivable	6,709,503	6,487,334	6,062,085	6,048,732	6,182,334
Due From Other Funds	159,924	84,432	407,314	407,314	1,176,624
Due From Other Governments	3,958,498	3,809,830	3,468,771	3,600,936	4,340,935
Other Receivables	393,525	3,006	3,020	1,500	62,986
Prepaid Expenses/Expenditures	0	0	10,047	0	0
TOTAL ASSETS	$36,159,714	$42,598,361	$39,112,170	$36,526,149	$39,077,706
LIABILITIES					
Accounts Payables	$1,239,895	$1,314,765	$2,027,281	$1,403,706	1,242,222
Accrued Salaries and Benefits	14,480,421	18,735,138	13,532,097	13,438,464	13,539,466
Other Current Liabilities	560,576	466,868	536,524	686,598	569,175
TOTAL LIABILITIES	$16,280,892	$20,516,771	$16,095,902	$15,528,768	$15,350,863
DEFERRED INFLOWS OF RESOURCES	$3,913,531	$3,310,199	$3,173,311	$3,033,080	$3,021,462
FUND EQUITIES					
Nonspendable Fund Balance	$0	$0	$10,047	$0	$0
Committed Fund Balance	6,962,298	9,758,229	10,478,380	8,325,262	10,644,038
Unassigned Fund Balance	9,002,993	9,013,162	9,354,530	9,639,039	10,061,343
TOTAL FUND EQUITIES	$15,965,291	$18,771,391	$19,842,957	$17,964,301	$20,705,381
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITIES	$36,159,714	$42,598,361	$39,112,170	$36,526,149	$39,077,706

Source: School District Annual Financial Reports.

TABLE 4
PERKIOMEN VALLEY SCHOOL DISTRICT GENERAL FUND
SUMMARY OF CHANGES IN FUND BALANCE*

	Actual					Budget
	2019	**2020**	**2021**	**2022**	**2023**	**2024[1]**
Beginning Fund Balance	$13,605,472	$15,965,289	$18,771,388	$19,842,955	$17,964,299	$20,705,379
Surplus (Deficit) of Revenue over Expenditures	2,359,817	2,806,099	1,071,567	(1,878,656)	2,741,080	(2,051,000)
Ending Fund Balance	$15,965,289	$18,771,388	$19,842,955	$17,964,299	$20,705,379	$18,654,379

*Totals may not add due to rounding.
[1]Budget, as adopted June 21, 2023.
Source: School District Annual Financial Reports and Budget.

General Fund Revenue and Expenditures

The School District received $124,361,197 in revenue in 2022-23 and has budgeted $123,813,282 in 2023-24. Local sources decreased as a share of total revenue in the past five years, from 77.7 percent in 2018-19 to 76.2 percent in 2022-23. Revenue from Commonwealth sources increased as a share of the total revenue from 21.6 percent to 22.8 percent over this period. Federal and other revenue increased from 0.7 percent to 1.0 percent during this period.

TABLE 5
PERKIOMEN VALLEY SCHOOL DISTRICT
SUMMARY OF SCHOOL DISTRICT GENERAL FUND
REVENUE AND EXPENDITURES*
(For years ending June 30)

	Actual					Budget
REVENUE:	**2019**	**2020**	**2021**	**2022**	**2023**	**2024[1]**
Local Sources	$85,252,200	$85,973,008	$88,930,831	$90,667,010	$94,730,570	$95,816,465
State Sources	23,668,958	24,854,358	23,487,466	24,999,923	28,369,466	27,255,613
Federal Sources	760,517	652,645	1,303,255	2,285,543	1,261,161	741,204
Other Sources	0	0	2,000	8,110	0	
TOTAL REVENUE	$109,681,675	$111,480,012	$113,723,552	$117,960,587	$124,361,197	$123,813,282
EXPENDITURES:						
Instruction	$62,715,222	$63,523,861	$65,719,517	$70,023,502	$72,324,216	$73,907,432
Support Services	32,359,489	30,894,758	33,431,427	35,967,616	36,779,889	38,914,208
Operation of Noninstructional Services	1,732,678	1,762,763	1,688,757	1,941,056	2,084,395	1,966,812
Fac. Acq., Construction & Improvement	2,156	1,575,769	848,835	983,662	227,505	0
Debt Service	614,993	622,786	696,886	614,989	740,127	643,537
Fund Transfers	9,897,320	10,293,975	10,266,563	10,308,417	9,463,985	10,432,293
Refund of Prior Year Revenues/ Receipts	0	0	0	0		
TOTAL EXPENDITURES	$107,321,858	$108,673,912	$112,651,987	$119,839,243	$121,620,118	$125,864,282
SURPLUS (DEFICIT) OF REVENUES OVER EXPENDITURES	$2,359,817	$2,806,101	$1,071,565	($1,878,655)	$2,741,080	($2,051,000)

*Totals may not add due to rounding.
[1]Budget, as adopted June 21, 2023.
Source: School District Annual Financial Reports and Budget.

TAXING POWERS OF THE SCHOOL DISTRICT

In General

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 unlimited ad valorem tax on the property taxable for school purposes to provide funds:

   a. for minimum 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 less than $1.00 and not more than $10.00.

4. Additional taxes subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege, under Act No. 511, enacted December 31, 1965, as amended by Act 32 of 2008, enacted July 2, 2008 (53 P.S. §6924.101 ("The 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, local service 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. All local taxing authorities are required by the Local Tax Enabling Act to exempt disabled veterans and members of the armed forces reserve who are called to active duty at any time during the tax year from any local services tax and to exempt from any local services tax levied at a rate in excess of $10 those persons whose total income and net profits from all sources within the political subdivision is less than $12,000 for the tax year. The Local Tax Enabling Act was amended by Act 222 of 2004 to also authorize, but does not require, all taxing authorities to exempt from per capita, occupation, emergency and municipal service or earned income taxes, and any local services tax levied at a rate of $10 or less per year, any person whose total income from all sources is less than $12,000 per year.

The Taxpayer Relief Act (Act 1)

Under The Taxpayer Relief Act (Act 1), as amended by Act 25 of 2011, 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 <u>not</u> 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 %
2024-25	5.3
2023-24	4.1
2022-23	3.4
2021-22	3.0
2020-21	2.6

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 a majority of the voters at the primary election.

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.

SET FORTH ABOVE IS A SUMMARY OF ACT 1 AND ITS IMPACT. 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.

Status of the Bonds Under Act 1

The portion of the Bonds related to the refunding of the 2016 Bonds described in this Official Statement are being issued to refund indebtedness that was incurred by the School District under the Local Government Unit Debt Act prior to June 27, 2006, the effective date of the Taxpayer Relief Act. The School District already has levied and has in place sufficient tax millage to provide for payment of the maximum annual debt service on the indebtedness being refunded. The maximum annual debt service on the Bonds will not be more than the maximum annual debt service on the indebtedness being refunded by the Bonds; and, therefore, it will not be necessary for the School District to levy any new tax or to increase the rate of any existing tax in order to provide for payment of the interest and principal of the Bonds.

The portion of the Bonds related to the refunding of the 2019 Bonds constitute indebtedness incurred after the effective date of Act 1 and, therefore, no exception to the referendum requirement is expected for new taxes to pay the debt service on the Bonds if a tax increase greater than the Index is required.

Act 48 of 2003

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:

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

"Estimated ending unreserved fund balance" is defined in Act 2003-48 as that portion of the fund balance which is appropriable for expenditure or not legally or otherwise segregated for a specific or tentative future use, projected for the close of the school year for which a school district's budget was adopted and held in the general fund accounts of the school district.

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

Tax Levy Trends

Table 6 which follows 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, three township and three boroughs located in the School District, and for Montgomery County.

TABLE 6
PERKIOMEN VALLEY SCHOOL DISTRICT
TAX RATES

	Real Estate (mills)	Real Estate Transfer (%)	Earned Income (%)
2019-20	33.720	0.500	0.900
2020-21	34.510	0.500	0.900
2021-22	34.850	0.500	0.900
2022-23	35.450	0.500	0.900
2023-24	36.380	0.500	0.900

Source: School District Budgets and officials.

TABLE 7
PERKIOMEN VALLEY SCHOOL DISTRICT
COMPARATIVE REAL PROPERTY TAX RATES
(Mills on Assessed Value)

	2019-20	2020-21	2021-22	2022-23	2023-24
School District	33.7200	34.5100	34.8500	35.4500	36.3800
Municipalities within the School District	**2020**	**2021**	**2022**	**2023**	**2024**
Collegeville Borough	5.2000	5.2000	6.2000	6.2000	6.2000
Lower Frederick Township	2.8200	2.8200	2.8200	2.8200	2.8200
Perkiomen Township	0.6200	0.6200	0.6200	0.6200	0.6200
Schwenksville Borough	6.4000	7.4000	7.4000	7.4000	7.4000
Skippack Township	0.3200	0.3200	0.3200	0.3200	0.3200
Trappe Borough	0.4700	0.9700	0.9700	0.9700	0.9700
Montgomery County	2.6950	2.6950	2.6950	2.6950	2.6950

Source: Pennsylvania Department of Community and Economic Development and School District tax collector.

Real Property Tax

The real property tax (excluding delinquent collections) produced $72,117,699.65 in 2022-23, approximately 58.0 percent of overall revenue. The tax is levied on July 1 of each year. Taxpayers who remit within 60 days receive a 2 percent discount, and those who remit subsequent to 120 days after July 1 are assessed a 10 percent penalty.

The following tables summarize recent trends of assessed and market valuations of real property. Table 8 shows real property assessment data for the School District, Table 9 shows assessment for the School District, Montgomery County, and municipalities within the School District. Table 10 shows assessment by land use for the School District. Table 11 summarizes recent trends in real property tax collection. The last countywide assessment in Montgomery County was in 1998.

TABLE 8
PERKIOMEN VALLEY SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA

Fiscal Year	Market Value	Assessed Value	Ratio
2018-19	$3,362,249,635	$2,120,523,400	63.07%
2019-20	3,377,865,498	2,130,052,785	63.06%
2020-21	3,520,026,415	2,142,426,705	60.86%
2021-22	3,539,744,353	2,153,512,735	60.84%
2022-23	3,786,723,804	2,157,980,940	56.99%
Compound Average Annual Percentage Change	2.41%	0.35%	

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

TABLE 9
PERKIOMEN VALLEY SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA

	2021 Market Value	2021 Assessed Value	2022 Market Value	2022 Assessed Value
School District	$3,539,744,353	$2,153,512,735	$3,786,723,804	$2,157,980,940
Municipalities within the School District				
Collegeville Borough	444,902,641	258,707,560	471,104,435	257,926,325
Lower Frederick Township	424,811,889	266,401,610	459,239,461	268,239,520
Perkiomen Township	816,606,620	496,298,120	880,058,726	495,351,580
Schwenksville Borough	75,479,132	50,815,905	82,906,880	50,815,175
Skippack Township	1,354,868,546	830,250,370	1,447,364,857	833,123,390
Trappe Borough	423,075,525	251,039,170	446,049,445	252,524,950
Montgomery County	103,621,572,169	61,441,259,101	111,811,536,551	61,967,163,014

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

TABLE 10
PERKIOMEN VALLEY SCHOOL DISTRICT
ASSESSMENT BY LAND USE

	2018	2019	2020	2021	2022
Residential	$1,857,563,895	$1,868,080,390	$1,880,861,000	$1,889,965,650	$1,896,008,350
Trailers	6,660,774	6,660,774	6,643,734	6,643,734	6,583,904
Seasonal	485,030	485,030	414,950	414,950	361,720
Lots	7,939,550	7,572,590	7,883,900	7,620,990	8,078,920
Industrial	52,969,600	53,364,490	53,310,630	55,381,850	54,762,210
Commercial	176,576,551	174,783,881	173,543,581	173,243,161	172,621,616
Agriculture	17,597,420	18,359,060	19,226,520	19,700,010	18,729,990
Oil/Gas/Mineral	0	0	0	0	28,850
Land	730,580	746,570	542,390	542,390	805,380
Total	$2,120,523,400	$2,130,052,785	$2,142,426,705	$2,153,512,735	$2,157,980,940

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

TABLE 11
PERKIOMEN VALLEY SCHOOL DISTRICT
REAL PROPERTY TAX COLLECTION DATA

Year	Total Flat Billing(1)	Current Year Collections June-July	Current Year Collections as Percent Flat Billing	Delinquent Taxes(2)	Total Current Plus Delinquent(3)	Total Collections as Percent
2018-19	$68,616,023	$66,729,257	97.25%	$1,014,632	$67,743,889	98.73%
2019-20	71,907,900	68,365,971	95.07%	860,693	69,226,664	96.27%
2020-21	72,030,362	70,013,522	97.20%	952,460	70,965,982	98.52%
2021-22	73,099,267	70,880,917	96.97%	672,791	71,553,708	97.89%
2022-23	74,544,403	72,117,700	96.74%	635,518	72,753,218	97.60%

(1)Flat billing plus penalties, less discounts, rebates and exonerations.
(2)Includes penalties and interest.
(3)Includes delinquent real estate taxes only.
Source: School District officials.

The ten largest real property taxpayers, together with their assessed values, are shown on Table 12, which follows. The aggregate assessed value of these ten taxpayers totals approximately 2.02 percent of the total assessed value.

TABLE 12
PERKIOMEN VALLEY SCHOOL DISTRICT
TEN LARGEST REAL PROPERTY TAXPAYERS

Owner	**2023-24 Assessed Values**
Collegeville Development Corp*	$8,000,000
Tri Reality Company	5,713,370
Trappe Center, LLP	5,396,100
Collegeville Plaza Associates	4,936,800
Greefield of Perkiomen Valley	4,148,780
Lot 10 IBCC Holding Comapnt, LLC	3,628,440
FDS PA Skippack, LLC	3,031,090
Feinberg, Lenny	2,997,370
Kibblehouse, John B IV	2,911,780
UTI Holdings, LLC	2,794,000
Total..	$43,557,730

* Pending Tax Assessment Appeal
Source: School District officials.

Other Taxes

Under Act 511, the School District collected $17,344,606 in other taxes in 2022-23. Among the taxes authorized by Act 511, the Real Estate Transfer and Earned Income taxes were levied by the School District in the 2022-23 fiscal year. The Act 511 limit, equal to 12 mills on the market value of real property, was $45,440,685.

Real Estate Transfer. The School District levies a tax of one percent (subject to sharing) of the value of real estate transfers. In 2022-23 the School District's portion of this tax yielded $1,194,280 or 1.0 percent of the School District's total revenue.

Earned Income Tax. A tax of 0.9 percent was levied on the earned income of residents. In 2022-23 the collected portion of this tax was $16,150,325 or 13.0 percent of School District 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") (41.81%) or the wealth based Market Value Aid Ratio ("MVAR") currently (39.60%), whichever is higher. The Reimbursable Percentage is determined through a process known as the "Planning and Construction Workbook" or "PlanCon".

Based on the current PlanCon program, School District officials have estimated that the Reimbursable Percentage of the Bonds will be 13.90% (there has been no determination by the PDE). The School District's CARF (which is higher than the MVAR) is 41.81%. The product of these two factors is 5.81%, which is the estimated percentage of debt service which may be reimbursed by the Commonwealth, subject to annual appropriation. In future years, this percentage may change as the School District's MVAR changes, or as a result of future legislation regarding changes to, or even elimination of, the PlanCon program.

In May of 2016, the Commonwealth enacted appropriation legislation known as Act 25 ("Act 25"), which 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.

Act 70 of 2019 was adopted by the State legislature that has modified the PlanCon process. The Act states that on July 1, 2020, a new PlanCon system will go online. However, the legislation does not include any funding nor does it state when the State would start to allow applicants to enter into the new program.

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 which follows shows the debt of the School District as of March 28, 2024, including the issuance of the Bonds.

TABLE 13
PERKIOMEN VALLEY SCHOOL DISTRICT
DEBT STATEMENT
(As of March 28, 2024)*

NONELECTORAL DEBT	Gross Outstanding
General Obligation Bonds, Series of 2024 (last maturity 2032)	$32,490,000
General Obligation Bonds, Series of 2023 (last maturity 2033)	6,000,000
General Obligation Notes, Series of 2022 (last maturity 2031)	18,435,000
General Obligation Bonds, Series of 2021 (last maturity 2033)	5,990,000
General Obligation Bonds, Series A of 2020 (last maturity 2032)	4,985,000
General Obligation Bonds, Series of 2020 (last maturity 2029)	10,990,000
TOTAL NONELECTORAL DEBT	$78,890,000
LEASE RENTAL DEBT	0
TOTAL PRINCIPAL OF DIRECT DEBT	$78,890,000

*Includes the estimated principal amount of the Bonds offered through this Preliminary Official Statement and does not include the Series of 2016 and Series of 2019 Bonds being refunded herein.

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 $78,890,000. After adjustment for available funds and estimated State aid, the local effort of direct debt will total $75,231,458

TABLE 14
PERKIOMEN VALLEY SCHOOL DISTRICT
BONDED INDEBTEDNESS AND DEBT RATIOS*
(As of March 28, 2024)

DIRECT DEBT	Gross Outstanding	Local Effort or Net of Available Funds and Estimated State Aid[(1)]
Nonelectoral Debt	$78,890,000	$75,231,458
Lease Rental Debt	0	0
TOTAL DIRECT DEBT	$78,890,000	$75,231,458
OVERLAPPING DEBT		
Montgomery County, General Obligation[(2)]	$24,090,016	$24,090,016
Municipal Debt	21,992,752	21,992,752
TOTAL OVERLAPPING DEBT	$46,082,768	$46,082,768
TOTAL DIRECT AND OVERLAPPING DEBT	$124,972,768	$121,314,226
DEBT RATIOS		
Per Capita (2020)	$3,094.61	$3,004.02
Percent 2022-23 Assessed Value	5.79%	5.62%
Percent 2022-23 Market Value	3.30%	3.20%

*Includes the estimated principal amount of the Bonds offered through this Preliminary Official Statement and does not include the Series of 2016 and Series of 2019 Bonds being refunded herein.
[(1)]Gives effect to current appropriations for payment of debt service, and expected future State reimbursement of School District sinking fund payments based on current Aid Ratio. See "**COMMONWEALTH AID TO SCHOOL DISTRICTS**."
[(2)]Pro rata 3.39 percent of $711,311,912.48 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 2020-21	$112,479,678
Total Revenues for 2021-22	115,734,802
Total Revenues for 2022-23	121,839,253
Total Revenues, Past Three Years	$350,053,734
Annual Arithmetic Average (Borrowing Base)	$116,684,578

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 lease rental debt then outstanding, would cause the net nonelectoral debt plus net lease rental debt to exceed 225% of the Borrowing Base. The application of the aforesaid percentage to the School District's Borrowing Base produces the following product:

	Legal Limit	Net Debt Outstanding*	Remaining Borrowing Capacity
Net Nonelectoral Debt and Lease Rental Debt Limit:			
225% of Borrowing Base	$262,540,300	$78,890,000	$183,650,300

*Includes the estimated principal amount of the Bonds described herein.

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
PERKIOMEN VALLEY SCHOOL DISTRICT
DEBT SERVICE REQUIREMENTS*

Year	Other General Obligation Debt	Series of 2024 Principal	Series of 2024 Interest	Series of 2024 Subtotal	Total Requirements
2023-24	$10,432,293				
2024-25	2,124,020				
2025-26	3,709,529				
2026-27	3,690,147				
2027-28	3,695,206				
2028-29	10,064,896				
2029-30	10,066,980				
2030-31	3,029,766				
2031-32	8,181,300				
2032-33	9,431,700				
Total	$64,425,837				

*Totals may not add due to rounding.

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

TABLE 16
PERKIOMEN VALLEY SCHOOL DISTRICT
COVERAGE OF DEBT SERVICE AND LEASE RENTAL
REQUIREMENTS BY STATE AID*

2022-23 State Aid Received	$28,369,466
2022-23 Debt Service Requirements	10,578,974
Maximum Future Debt Service Requirements after Issuance of Bonds	
Coverage of 2022-23 Debt Service Requirements	2.68 times
Coverage of Maximum Future Debt Service Requirements after Issuance of Bonds	

*Assumes current State Aid Ratio. See "**COMMONWEALTH AID TO SCHOOL DISTRICTS**."

Future Financing

The School District does not currently anticipate issuing additional long-term (non-refunding) debt in the next 1-2 years.

LABOR RELATIONS

School District Employees

There are presently 666 employees of the School District including 466 teachers and 33 administrators and 200 support personnel including secretaries, maintenance staff, custodial staff, cafeteria staff, transportation, and teacher aides.

The School District's teachers are represented by the Perkiomen Valley Education Association (the "Association"), an affiliate of the Pennsylvania State Education Association (PSEA). The current contract was approved in November of 2021 and will expire the day prior to the first day of school in the 2026-2027 school year. The School District has a contract with the Maintenance and Custodial and Food Service workers which will expire June 30, 2026. Additionally, the contract for the secretaries and para-professional groups, (PVESPA) will expire on June 30, 2024. Negotiations have begun on this group as of January 2024.

Pension Program

Currently, all Pennsylvania school districts and intermediate units participate in a pension program administrated 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 33.9% for the fiscal year 2024-25.

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:

2019-20.......................	$8,357,395
2020-21.........................	8,144,245
2021-22.........................	8,662,532
2022-23.........................	9,112,929
2023-24 (budgeted)........	9,684,256

At June 30, 2023, the School District reported a liability of $151,604,242 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021 to June 30, 2022. 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, 2023, the School District's proportion was 0.3410% which was an increase of 0.0023% from its proportion measured as of June 30, 2022.

As of June 30, 2023, the PSERS plan was 61.60% funded, with an unfunded actuarial accrued liability of approximately $44.0 billion. PSERS' rate of return for fiscal year ended June 30, 2023 was 3.54%. The Fund had plan net assets of $72.8 billion at June 30, 2023. 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 ("OPEB")

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, 2023.

For a full description of the plan, please refer to Appendix "D" – Audited Financial Statements – Fiscal Year Ended June 30, 2023.

INFECTIOUS DISEASE OUTBREAK – COVID-19

The 2019 Novel Coronavirus (COVID-19) global pandemic (the Pandemic) is a lifetime event that has impacted every state of the United States including the Commonwealth of Pennsylvania. The Commonwealth has responded aggressively to slow and impede the spread of COVID-19, with the cooperation of all levels of government including all school districts. The Commonwealth's and local governments' actions have proven to be an essential and effective measure to reduce the spread of COVID-19.

In accordance with Orders, guidance or recommendations issued by the Centers for Disease Control and Prevention (CDC), the Pennsylvania Governor, the Pennsylvania Department of Health, the Pennsylvania Department of Education, and local health professionals the School District adopted a Health & Safety Plan for school year 2021-22. Because COVID-19 continues to spread in the form of variant(s), the School District again adopted a Health & Safety Plan for school year 2022-23 (the Plan and collectively the Plans). The Plans are designed to take into account the health and safety of students, staff and others and aims to balance the educational imperative to open schools for in-person instruction with the public imperative to mitigate COVID-19 infection and transmission rates. The Plan has been posted on the School District's publicly available website.

As a result of COVID-19, the School District has needed to include in its budget for fiscal years 2020-2021 and 2021-2022, and its current budget for fiscal year 2022-2023, expenditures to implement mitigation measures to minimize the risks of COVID-19. The categories of additional expenditures are described in the budgets and in part in the School District's Health and Safety Plans. Also the budgets take into account that the School District has received significant financial assistance from the federal government through multiple COVID-19 related relief bills passed by Congress. As of the date of this Official Statement, the School District's revenue sources have been adequate to support the School District's added expenditures for COVID-19. While the potential impact of COVID-19 on the School District cannot be quantified into the future, the continuation of the pandemic could have an adverse effect on the School District's operations and financial condition, and the effect could be material.

Additional information with respect to events surrounding the continuing outbreak of COVID-19 and responses thereto can be found on Commonwealth websites, including but not limited to the Governor's office (http://www.pa.gov/), the Pennsylvania Department of Health (http://www.health.pa.gov/), and the Pennsylvania Department of Education (http://www.education.pa.gov). The School District makes reference to these websites, not for the purpose of incorporating them into this Official Statement, but only for informational purposes. The School District does not assume any responsibility for the accuracy of the information on such websites.

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 of the county in which the School District is located. 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 excluded from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of computing federal alternative minimum tax. 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 comply 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.

The Inflation Reduction Act of 2022 (the "IRA"), signed by President Biden on August 16, 2022, includes a percent alternative minimum tax to be imposed on "adjusted financial statement income", as defined in the IRA, of "applicable corporations" as defined in section 59(k) of the Code for tax years beginning after December 31, 2022. Interest on the Bonds will be included in the "adjusted financial statement income" of such corporations for purposes of computing such alternative minimum tax.

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 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." An 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. Purchasers of the Bonds should consult their tax advisors as to all matters relating to the proper treatment of original issue discount.

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 of Pennsylvania as enacted and construed as of the date of initial delivery of the Bonds, the Bonds are exempt from personal property taxes in Pennsylvania and interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax.

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. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. 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.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission ("SEC"), and the Resolution authorizing issuance of the Bonds, the School District will execute and deliver a written continuing disclosure agreement with respect to the Bonds. See the form of the Continuing Disclosure Agreement (the "Agreement") at Appendix C to this Preliminary Official Statement.

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 incorporated 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]
6/30/2018	12/27/2018	12/20/2018	ER914338	12/26/2018	ER916644	12/20/2018	ER914413
6/30/2019	12/27/2019	12/26/2019	ER993817	12/26/2019	ER993370	12/30/2019	ER995667
6/30/2020	12/27/2020	12/30/2020	P21088614	12/28/2020	P11110473	12/28/2020	P11110455
6/30/2021	03/27/2022	12/30/2021	P11182093	11/23/2021	P21155251	12/16/2021	P21159687
6/30/2022	3/27/2023	1/24/2023	P11253620	12/19/2022	P11245545	12/19/2022	P11245609

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, 2018, the School District filed its audited financial statements, budget and operating data timely.

For fiscal year ending June 30, 2019 the School District filed its audited financial statements and budget timely, however the operating data was filed late.

For fiscal year ending June 30, 2020 the School District filed its audited financial statements, budget, and operating data late.

For fiscal year ending June 30, 2021 and June 30, 2022, the School District filed its audited financial statements, budget and operating data timely.

Future Continuing Disclosure Compliance

The School District has conducted a thorough review of its continuing disclosure obligations and submissions. Upon discovering any inadvertent omissions with respect to these filings, the School District, to the best of its knowledge, has attempted to bring its continuing disclosure filings up to date.

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 will 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.

RATING

S&P Global Ratings expects to assign its municipal bond rating of "AA" (Stable Outlook) to this issue of Bonds. Such ratings reflect 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, 38th Floor, New York, New York 10041. 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.

The School District has not undertaken to maintain any particular rating on the Bonds.

UNDERWRITING

The Underwriter has agreed 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 for a purchase price of $_____, which is equal to the par value of the Bonds less an underwriter's discount of $_____ plus/less a net original issue premium/discount of $_____.

LEGAL OPINION

The Bonds are offered subject to the receipt of the approving legal opinion of Fox Rothschild LLP, of Blue Bell, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon for 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. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. The Financial Advisor's contract with the School District prohibits it from participating in the underwriting of any of the School District's debt.

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.

PERKIOMEN VALLEY SCHOOL DISTRICT
Montgomery County, Pennsylvania

By:____________________
President, Board of School Directors

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A–- Demographic and Economic Information Relating to the Perkiomen Valley School District

[THIS PAGE INTENTIONALLY LEFT BLANK]

Population

Table A-1 shows recent population trends for the School District, Montgomery County and the Commonwealth. Table A-2 shows 2021 age composition and average number of persons per household in the County and for the Commonwealth.

TABLE A-1
POPULATION TRENDS

	2010	2021	Compound Average Annual Percentage Change 2010-2021
School District	37,677	38,357	0.16%
Montgomery County	799,874	860,578	0.67%
Pennsylvania	12,702,379	12,964,056	0.19%

Source: U.S. Census Bureau (2021). American Community Survey 1-year estimates. Retrieved from Census Reporter Profile page for Pennsylvania

TABLE A-2
AGE COMPOSITION

	0-19 Years	20-69 Years	69+ Years	Persons Per Household
Montgomery County	23%	64%	13%	2.5
Pennsylvania	23%	63%	12%	2.4

Source: U.S. Census Bureau (2021). American Community Survey 1-year estimates. Retrieved from Census Reporter Profile page for Pennsylvania

Employment

Although the School District is primarily a residential community for the Greater Delaware Valley, Great Valley/Valley Forge employment market, it does include several larger employers. The major employers located in the School District or just adjacent to are shown below:

Employer	Product/Service
Rhone-Poulene Rorer Inc.	Pharmaceuticals
Commonwealth of Pennsylvania	Prison
Ursinus College	Education
Uniform Tubes	Metal tubing
Perkiomen Valley School District	Education

The location of the School District also provides residents with many employment opportunities in major employment centers all within easy commuting time: Reading (30 minutes), Great Valley Corporate Center (15 minutes), Valley Forge and Oaks (10 minutes) and Philadelphia (45 minutes).

Overall employment data are not compiled for the School District, but such data are compiled for the Metropolitan Statistical Area (the "MSA"), (an area which includes the School District) as shown on Table A-3.

TABLE A-3
DISTRIBUTION OF EMPLOYMENT BY INDUSTRY
PA-NJ-DE-MD METROPOLITAN STATISTICAL AREA
(Bucks, Chester, Delaware, Montgomery, and Philadelphia – PA Counties)
December 2023
NONFARM JOBS - NOT SEASONALLY ADJUSTED

	Industry Employment				Net Change From:	
Establishment Data	**Oct 2023**	**Sept 2023**	**Aug 2023**	**Oct 2022**	**Sept 2023**	**Oct 2022**
TOTAL NONFARM	3,162,800	3,161,800	3,149,400	3,081,700	1,000	81,100
TOTAL PRIVATE	2,817,900	2,816,900	2,806,300	2,742,200	1,000	75,700
GOODS PRODUCING	311,700	311,500	312,900	304,800	200	6,900
Construction, Natural Resources, and Mining	128,400	129,200	130,900	123,200	-800	5,200
Manufacturing	183,300	182,300	182,000	181,600	1,000	1,700
Durable Goods	94,300	93,800	93,800	92,900	500	1,400
Non-Durable Goods	89,000	88,500	88,200	88,700	500	300
SERVICE-PROVIDING	2,851,100	2,850,300	2,836,500	2,776,900	800	74,200
PRIVATE SERVICE-PROVIDING	2,506,200	2,505,400	2,493,400	2,437,400	800	68,800
Trade, Transportation, and Utilities	571,700	564,400	557,500	573,200	7,300	-1,500
Wholesale Trade	123,700	123,100	123,500	121,600	600	2,100
Retail Trade	291,800	288,700	284,600	293,500	3,100	-1,700
Transportation, Warehousing, and Utilities	156,200	152,600	149,400	158,100	3,600	-1,900
Information	54,800	54,900	55,000	54,700	-100	100
Financial Activities	230,700	231,100	231,400	230,200	-400	500
Finance and insurance	189,900	190,300	190,500	189,300	-400	600
Professional and Business Services	510,700	515,400	515,400	502,900	-4,700	7,800
Professional and technical services	259,100	258,500	259,500	256,800	600	2,300
Administrative and waste services	180,400	185,500	184,100	176,900	-5,100	3,500
Education and Health Services	734,400	734,700	727,000	695,400	-300	39,000
Health care and social assistance	591,600	587,700	582,500	555,300	3,900	36,300
Hospitals	147,300	146,900	146,200	143,100	400	4,200
Leisure and Hospitality	276,500	276,600	279,900	258,000	-100	18,500
Accommodation and food services	221,700	220,400	220,700	212,800	1,300	8,900
Other Services	127,400	128,300	127,200	123,000	-900	4,400
Government	344,900	344,900	343,100	339,500	0	5,400
Federal Government	55,400	55,200	55,000	53,600	200	1,800
State Government	54,500	54,400	54,000	54,100	100	400
Local Government	235,000	235,300	234,100	231,800	-300	3,200
Data benchmarked to March 2022	***Data changes of 100 may be due to rounding***					

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

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

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

	2019	2020	2021	2022	2023(1)	Compound Average Annual % Rate
Montgomery County						
Civilian Labor Force (000)	457.8	447.0	455.5	461.6	474.2	0.30%
Employment (000)	442.9	412.9	432.9	449.6	462.9	0.07%
Unemployment (000)	14.9	34	22.6	12.1	11.3	5.49%
Unemployment Rate	3.20%	7.60%	5.00%	2.60%	2.40%	
Pennsylvania						
Civilian Labor Force (000)	6,492.0	6,483.0	6,406.0	6,479.0	6,550.0	0.34%
Employment (000)	6,208.0	5,894.0	5,999.0	6,196.0	6,357.0	0.56%
Unemployment (000)	284.0	589.0	407.0	283.0	193.0	-5.23%
Unemployment Rate	4.40%	9.10%	6.30%	4.40%	2.90%	

(1) As of December 2023
Source: Pennsylvania Department of Labor and Industry, Center for Workforce Information and Analysis website.

Income

Table A-5 shows recent trends in per capita income for the School District, the County and the Commonwealth over the 2010-2021 period.

TABLE A-5

RECENT TRENDS IN PER CAPITA INCOME*

	2010	2021	Compound Average Annual Percentage Change 2010-2021
School District	$32,485	$47,784	3.57%
Montgomery County	40,076	53,760	2.71%
Pennsylvania	26,678	38,315	3.35%

*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.

Source: Pennsylvania State Data Center and U.S. Census Bureau, 2006-2010 American Community Survey U.S. Census Bureau (2021). American Community Survey 1-year estimates. Retrieved from Census Reporter Profile page for Pennsylvania

Commercial Activity

Table A-6 shows recent trends for retail sales in Montgomery County and the Commonwealth.

TABLE A-6
TOTAL RETAIL SALES
(000)

	2018	2019	2020	2021	2022
Montgomery County	$13,399,099	$21,566,509	$22,055,191	$21,239,179	$22,982,660
Pennsylvania	188,389,810	244,709,540	251,185,116	274,685,600	297,770,327

Source: The Nielsen Company.

Housing

Housing construction has progressed in an orderly fashion during the past decade as former agricultural land has been developed in accordance with strict zoning guidelines. The School District contains fine single family residential homes. Most new home construction taking place in the School District is in the $250,000 to $400,000 range.

Transportation

Main highways through or near the School District are U.S. Route 422 and State Routes 29, 113 and 73. These routes provide direct access to Norristown, Pottstown, Reading, and Allentown. The Schuylkill Expressway and the Pennsylvania Turnpike at King of Prussia are within a ten minutes' drive via Routes 422 and 363.

Philadelphia International Airport and the Allentown-Bethlehem-Easton International Airport, within an hour's drive provide commercial air transportation to all parts of the world. Several smaller airports and private landing fields close by serve the business and personal interests of the community.

Freight transportation in the area is provided by Norfolk Southern and several motor freight lines, including Brands Motor Express Cp., Reading; Jones Motor Co., Spring City; and West Motor Freight, Inc., Boyertown.

Utilities

Electric and gas service is furnished by the PECO Energy which supplies the area. Sewer and water service is provided to the development portions of the School District by local municipal and commercial systems.

All townships have full-time police protection from either the state police or local police departments. All communities support their local volunteer fire companies.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B –
Proposed Form of
Bond Counsel Opinion

Fox Rothschild

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

www.foxrothschild.com

_________________, 2024

____
____
____

Re: Perkiomen Valley School District
Montgomery County, Pennsylvania
$__________________ General Obligation Bonds, Series of 2024

Ladies and Gentlemen:

We have acted as Bond Counsel to the Perkiomen Valley School District, Montgomery 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 2024, dated _____________, 2024, in the aggregate principal amount of ________________________ Dollars ($_________________.00) (the "Bonds").

The Board of Directors of the School District, by a Resolution dated March 11, 2024 (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 financing for: (i) the current refunding of all or a portion of the School District's outstanding General Obligation Bonds, Series of 2016 Bonds (the "2016 Refunded Bonds"); and (ii) the current refunding of all or a portion of the School District's outstanding General Obligation Bonds, Series of 2019; and (iii) paying costs and expenses associated with 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 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) a form of Bond; (4) a General Certificate of the School District; (5) a Tax Compliance Agreement; (6) a Due Diligence Memorandum completed and executed by the School District; 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 depositary, 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.

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 Internal Revenue Code of 1986 (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 excluded from gross income for Federal income tax purposes, and is not an item of "tax preference" for purposes of computing Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Interest on the Bonds will be included in the "adjusted financial statement income" of such corporations for purposes of computing such alternative minimum tax.

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. Act 1 provides an exception from the referendum requirement for tax increases for the purposes of paying principal and interest on, and costs of issuance of, debt which refunds debt incurred by the School District prior to the effective date of Act 1, such as the 2016 Refunded Bonds. However, the use of such exception by the School District must be approved by the Pennsylvania Department of Education. We express no opinion regarding the likelihood of approval by the Pennsylvania Department of Education of the use of the foregoing exception by the School District with respect to the Bonds.

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,

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C
Continuing Disclosure Agreement

PERKIOMEN VALLEY SCHOOL DISTRICT
MONTGOMERY COUNTY, PENNSYLVANIA
GENERAL OBLIGATION BONDS, SERIES OF 2024

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Perkiomen Valley School District, Montgomery County, Pennsylvania (the "School District"), in connection with the issuance of its $____________ aggregate principal amount General Obligation Bonds, Series of 2024 (the "Bonds"). The Bonds are being issued pursuant to a Resolution of the School District, dated March 11, 2024 (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 depositary or entity designated by the Commonwealth of Pennsylvania as a state information depositary 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, 2024, 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;

(ii) the annual budget or summary thereof for the most recent fiscal year;

(iii) the total assessed value and market value of all taxable real estate for the current fiscal year (may be contained within the budget or audit for the current fiscal year without need for further cross reference);

(iv) the taxes and millage rates imposed for the current fiscal year (may be contained within the budget or audit for the current fiscal year without need for further cross reference);

(v) the real property tax collection results for the most recent fiscal year, including (1) the real estate levy imposed (expressed both as a millage rate and an aggregate dollar amount), (2) the dollar amount of real estate taxes collected that represented current collections (expressed both as a percentage of such fiscal year's levy and as an aggregate dollar amount), (3) the amount of real estate taxes collected that represented taxes levied in prior years (expressed as an aggregate dollar amount), and (4) the total amount of real estate taxes collected (expressed both as a percentage of the current year's levy and as an aggregate dollar amount) (may be contained within the budget or audit for the current fiscal year without need for further cross reference); and

(vi) a list of the ten (10) largest real estate taxpayers and, for each, the total assessed value of real estate for the current fiscal year (may be contained within the budget or audit for the current fiscal year without need for further cross reference).

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. <u>Termination of Reporting Obligation.</u> 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. <u>Dissemination Agent.</u> 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. <u>Amendment; Waiver.</u> 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. <u>Additional Information.</u> 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. <u>Default.</u> 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 2024]

Attest:

PERKIOMEN VALLEY SCHOOL DISTRICT
Montgomery County, Pennsylvania

By:____________________________
Laurie L. Weidner, Secretary
Board of School Directors

By:____________________________
Laura White, President
Board of School Directors

Date:

EXHIBIT A[1]

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Perkiomen Valley School District Montgomery County, Pennsylvania
Name of Bond Issue:	Perkiomen Valley School District, Montgomery County, Pennsylvania $_____________ aggregate principal amount General Obligation Bonds, Series of 2024 (the "Bonds")
Date of Issuance:	_____________, 2024

NOTICE IS HEREBY GIVEN that the Perkiomen Valley School District, Montgomery 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 _____________, 2024, 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.

PERKIOMEN VALLEY SCHOOL DISTRICT, MONTGOMERY COUNTY, PENNSYLVANIA [OR DISSEMINATION AGENT ON BEHALF PERKIOMEN VALLEY SCHOOL DISTRICT, MONTGOMERY COUNTY, PENNSYLVANIA]

Dated:____________________ ________________________________

cc: Paying Agent

APPENDIX D
Audited Financial Statement

Perkiomen Valley School District
Collegeville, Pennsylvania
Montgomery County

Financial Statements
Year Ended June 30, 2023

bbd

1835 Market Street, 3rd Floor
Philadelphia, PA 19103

215/567-7770 | bbdcpa.com

PERKIOMEN VALLEY SCHOOL DISTRICT

CONTENTS

CONTENTS

INDEPENDENT AUDITOR'S REPORT

Board of School Directors
Perkiomen Valley School District
Collegeville, Pennsylvania

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 Perkiomen Valley School District, Collegeville, Pennsylvania as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Perkiomen Valley 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 Perkiomen Valley School District, Collegeville, Pennsylvania as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Perkiomen Valley School District, Collegeville, Pennsylvania, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Perkiomen Valley School District, Collegeville, Pennsylvania'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.

Auditor's 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 auditor's 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 Perkiomen Valley 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 Perkiomen Valley 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.

Report on Summarized Comparative Information

We have previously audited Perkiomen Valley School District's 2022 financial statements, and our report dated January 6, 2023, expressed unmodified opinions on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule – General Fund, the schedules of the District's proportionate share of the net pension liability - PSERS and pension plan contributions - PSERS, schedule of changes in OPEB liability single-employer plan, and the schedules of the District's proportionate share of the net OPEB liability -PSERS and OPEB plan contributions – PSERS on pages 4 through 15 and 51 through 56 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 Perkiomen Valley School District's basic financial statements. The accompanying schedule of expenditures of federal awards and certain state grants, 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 and certain state grants 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 January 8, 2024, on our consideration of Perkiomen Valley 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 Perkiomen Valley 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 Perkiomen Valley School District's internal control over financial reporting and compliance.

BBD, LLP

Philadelphia, Pennsylvania
January 8, 2024

Management's discussion and analysis (***"MD&A"***) of the financial performance of the Perkiomen Valley School District (the ***"District"***) provides an overview of the District's financial performance for fiscal year ended June 30, 2023. Readers should also review the basic financial statements and related notes to enhance their understanding of the District's financial performance.

DISTRICT PROFILE

The District consists of seven schools – four elementary schools, two middle schools and a senior high school consisting of approximately 5,000 students. The District is located in the west central section of Montgomery County, and is comprised of the Boroughs of Collegeville, Schwenksville and Trappe, and the Townships of Lower Frederick, Perkiomen and Skippack. The District covers 30.0 square miles and is approximately 25 miles east of Reading, Pennsylvania; 25 miles northwest of Center City Philadelphia, Pennsylvania; 20 miles north of West Chester, Pennsylvania; 5 miles northwest of Valley Forge, Pennsylvania; and 30 miles south of Allentown, Pennsylvania. There are approximately 666 employees in the District, including 466 teachers and administrators and 200 support personnel including secretaries, maintenance staff, custodial staff, cafeteria staff, transportation and teacher aides.

The mission of the District is to provide a learning environment that utilizes all resources to enable students to reach their highest potential and to ensure educational opportunities for all.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, including all governmental activities and the business-type activities, the liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources resulting in a deficit in total net position at the close of the 2022-2023 fiscal year of $77,572,404. During the 2022-2023 fiscal year, the District had an increase in total net position of $11,683,657. The net position of governmental activities increased by $10,500,208 and net position of business-type activities increased by $1,183,449.

- The General Fund reported an increase in fund balance of $2,741,080, bringing the cumulative balance to $20,705,382 at the conclusion of the 2022-2023 fiscal year.

- At June 30, 2023, the General Fund fund balance includes $750,000 committed for anticipated increases in the District's required share of retirement contributions, $8,522,700 committed for capital projects, $500,000 committed for COVID-19 contingency, $371,338 committed for curriculum and instruction, $500,000 committed to balance the 2023-2024 budget and unassigned amounts of $10,061,344 or 8.00% of the $125,864,282 2023-2024 General Fund expenditure budget. Guidelines prescribed by the Pennsylvania Department of Education allow a district to maintain a maximum General Fund fund balance of 8% of the following year's expenditure budget.

- Total General Fund revenues were $6,219,193 or 5.26% more than budgeted amounts and total General Fund expenditures and other financing uses were $1,132,131 or 0.94% more than budgeted amounts resulting in a net positive variance of $5,087,062.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the District is improving or deteriorating. To assess the District's overall health, the reader will need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish the functions of the District that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

In the government-wide financial statements, the District's activities are divided into two categories:

Governmental Activities

Most of the District's basic services are included here, such as regular and special education, support services, maintenance, transportation and administration.

Business-Type Activities

The District charges fees to cover the costs of its food services program.

The government-wide financial statements can be found on Pages 16 and 17 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Most of the District's activities are included in the governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governmental near-term financing decisions. Both the *Balance Sheet – Governmental Funds* and *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the *Balance Sheet – Governmental Funds* and *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds* for each of the three major funds.

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

The governmental fund financial statements can be found on Pages 18 through 21 of this report.

Proprietary Funds

The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Food Service Fund is reported as an enterprise fund of the proprietary fund type.

The proprietary fund financial statements can be found on Pages 22 through 24 of this report.

Fiduciary Funds

The District is the trustee, or fiduciary, for assets that belong to others, consisting of scholarship and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purpose and by those to whom the assets belong. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The fiduciary fund financial statements can be found on Pages 25 and 26 of this report.

Notes to the Financial Statements

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

The notes to the financial statements can be found on Pages 27 through 50 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which consists of the budgetary comparison schedule for the general fund, schedules of the District's proportionate share of the net pension liability and pension plan contributions-PSERS, schedule of changes in OPEB liability single-employer plan, and the schedules of the District's proportionate share of the net OPEB liability and OPEB plan contributions-PSERS.

The required supplementary information can be found on Pages 51 through 56 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted above, net position may serve over time as a useful indicator of the District's financial position. At the close of the 2022-2023 fiscal year the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $77,572,407. The following table presents condensed information for the *Statement of Net Position (Deficit)* of the District at June 30, 2023 and 2022.

	Governmental Activities		Business-Type Activities		Totals	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
ASSETSP						
Current assets	$ 48,115,211	$ 42,563,681	$1,730,387	$ 1,224,423	$ 49,845,598	$ 43,788,104
Noncurrent assets	131,691,541	130,656,835	532,513	236,880	132,224,054	130,893,715
Total assets	179,806,752	173,220,516	2,262,900	1,461,303	182,069,652	174,681,819
DEFERRED OUTFLOWS OF RESOURCES	26,138,927	27,933,878	341,982	480,117	26,480,909	28,413,995
LIABILITIES						
Current liabilities	18,507,984	16,437,535	342,801	66,163	18,850,785	16,503,698
Noncurrent liabilities	256,399,960	247,125,442	2,110,841	2,560,419	258,510,801	249,685,861
Total liabilities	274,907,944	263,562,977	2,453,642	2,626,582	277,361,586	266,189,559
DEFERRED INFLOWS OF RESOURCES	8,689,135	25,743,025	72,244	419,291	8,761,379	26,162,316
NET POSITION (DEFICIT)						
Net investment in capital assets	40,006,729	36,145,058	532,513	236,880	40,539,242	36,381,938
Restricted	1,754,602	2,401,239	-	-	1,754,602	2,401,239
Unrestricted (deficit)	(119,412,731)	(126,697,905)	(453,517)	(1,341,333)	(119,866,248)	(128,039,238)
Total net position (deficit)	$ (77,651,400)	$ (88,151,608)	$ 78,996	$(1,104,453)	$ (77,572,404)	$ (89,256,061)

The District's total assets as of June 30, 2023 were $182,069,652 of which $39,184,141 or 21.52% consisted of cash and $132,224,054 or 72.62% consisted of the District's investment in capital assets. The District's total liabilities as of June 30, 2023 were $277,361,586 of which $93,328,176 or 33.65% consisted of general obligation debt used to acquire and construct capital assets and $151,604,242 or 54.66% consisted of the actuarially determined net pension liability.

The District had a deficit in unrestricted net position of $119,866,248 as of June 30, 2023. The District's unrestricted net position increased by $8,172,990 during 2022-2023 primarily due to the current results of operations and the change in the net pension liability and related deferred outflows and inflows of resources.

A portion of the District's net position reflects its restricted net position which totaled $1,754,602 as of June 30, 2023. All of the District's restricted net position related to amounts restricted for capital and debt service expenditures.

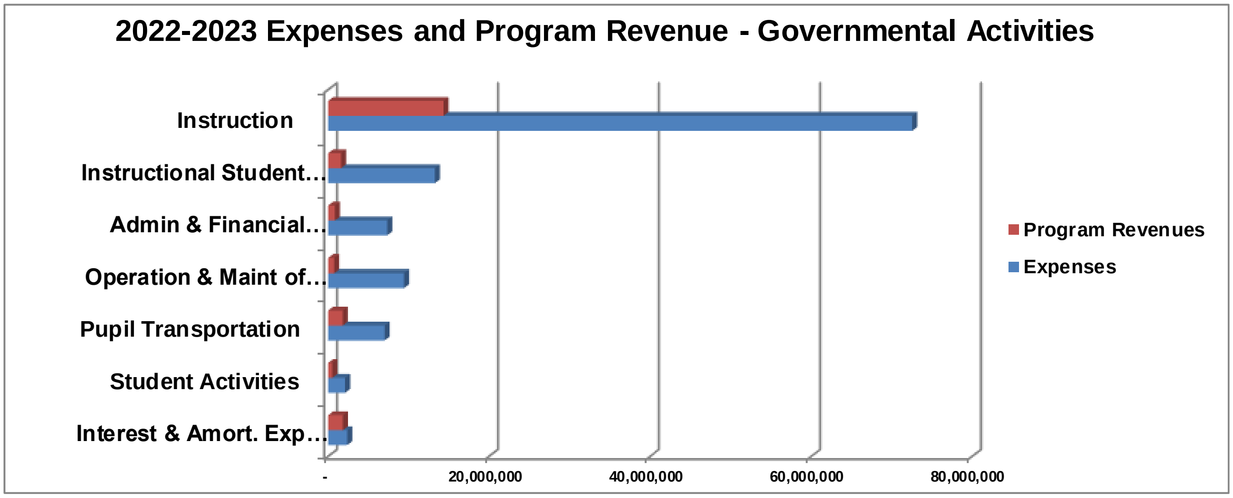
Another portion of the District's net position reflects its investment in capital assets net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For the year ended June 30, 2023, the District's net investment in capital assets, net of related debt, increased by $4,157,304 because the debt used to acquire the capital assets was being repaid faster than the capital assets were being depreciated and capital assets were acquired with funding sources other than long-term debt.

The following table presents condensed information for the *Statement of Activities* of the District for 2023 and 2022:

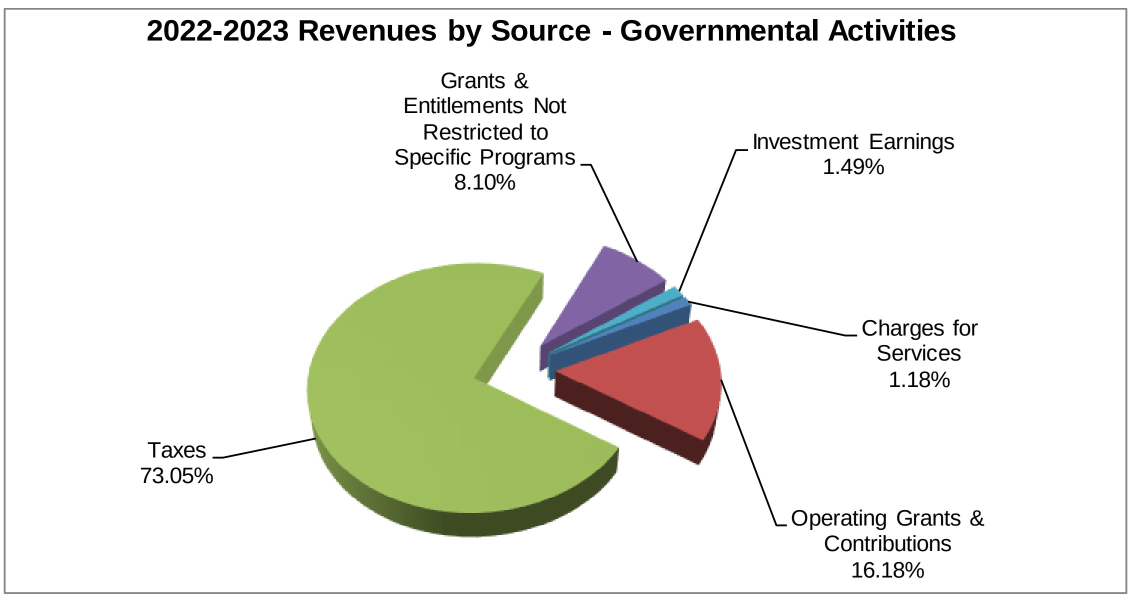
	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program revenues						
Charges for services	$ 1,464,726	$ 767,161	$1,290,022	$ 353,522	$ 2,754,748	$ 1,120,683
Operating grants and contributions	20,148,283	19,183,165	1,622,140	3,117,943	21,770,423	22,301,108
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Property taxes levied for general purposes	73,511,028	71,967,239	-	-	73,511,028	71,967,239
Earned income taxes levied for general purposes	16,150,326	14,943,873	-	-	16,150,326	14,943,873
Other taxes levied for general purposes	1,323,735	1,678,097	-	-	1,323,735	1,678,097
Grants and entitlements not restricted to specific programs	10,090,266	8,968,523	-	-	10,090,266	8,968,523
Investment earnings	1,859,593	88,880	60,268	1,224	1,919,861	90,104
Total revenues	124,547,957	117,596,938	2,972,430	3,472,689	127,520,387	121,069,627
EXPENSES						
Instruction	72,529,935	68,308,096	-	-	72,529,935	68,308,096
Instructional student support services	13,249,064	11,760,389	-	-	13,249,064	11,760,389
Administrative and financial support services	7,353,530	7,319,740	-	-	7,353,530	7,319,740
Operation and maintenance of plant services	9,437,137	8,673,710	-	-	9,437,137	8,673,710
Pupil transportation	7,032,566	7,709,806	-	-	7,032,566	7,709,806
Student activities	2,090,574	1,906,563	-	-	2,090,574	1,906,563
Interest and amortization expense related to noncurrent liabilities	2,354,943	3,017,272	-	-	2,354,943	3,017,272
Food service	-	-	1,788,981	3,341,730	1,788,981	3,341,730
Total expenses	114,047,749	108,695,576	1,788,981	3,341,730	115,836,730	112,037,306
CHANGE IN NET POSITION (DEFICIT)	$ 10,500,208	$ 8,901,362	$1,183,449	$ 130,959	$ 11,683,657	$ 9,032,321

Overall, the District's financial position has been improving, but challenges such as increased medical costs and pension contributions, state-mandated programs and negotiated contracts have a potential to offset these gains in future fiscal years. Management of the District continues to aggressively implement cost efficiencies and revenue-generating strategies to combat these factors. In the governmental activities, the District's assessed property tax base drives the majority of the revenue generated. A majority of the District's property tax base is in the form of residential housing whose growth has slowed in recent years. Although the District is primarily a residential community, the District also has a property tax base derived from commercial facilities located mostly in the Boroughs of Collegeville and Trappe.

The *Statement of Activities* provides detail that focuses on how the District finances its services. The *Statement of Activities* compares the costs of the District functions and programs with the resources those functions and programs generate themselves in the form of program revenues. As demonstrated by the following graph, all of the District's governmental activities are not self-supporting, raising enough program revenue to cover their costs, as most traditional governmental services are not.



To the degree that the District's functions or programs cost more than they raise, the *Statement of Activities* shows how the District chose to finance the difference through general revenues. The following chart shows that the District relies on tax revenues and grants and entitlements not restricted for specific programs to finance its governmental activities.



GOVERNMENTAL FUNDS

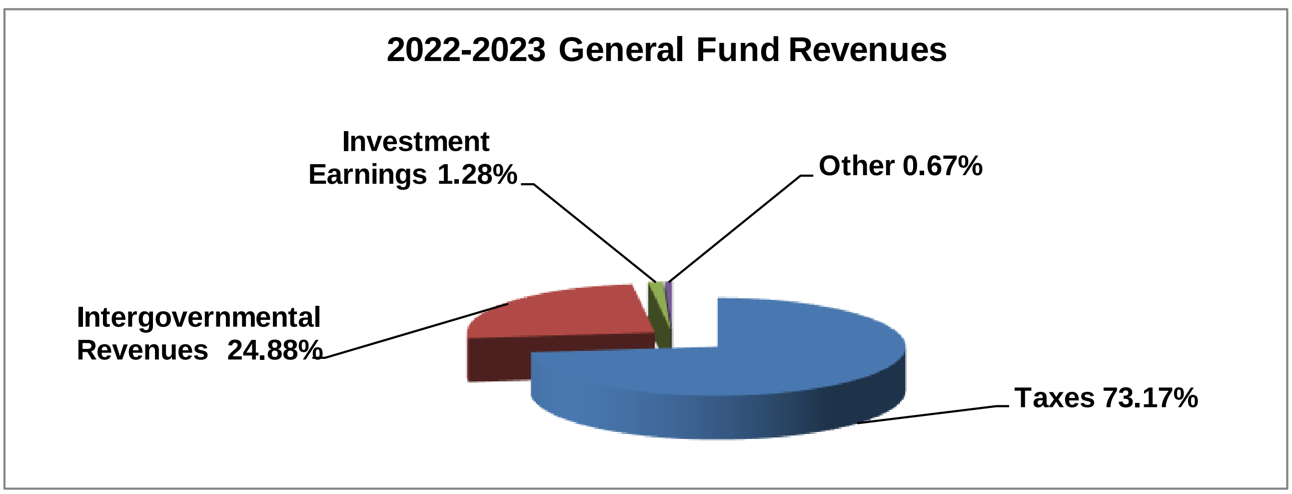
The governmental fund financial statements provide detailed information of the District's major funds. Some funds are required to be established by State statute while other funds are established by the District to manage monies restricted for a specific purpose. As of June 30, 2023, the District's governmental funds reported a combined fund balance of $27,472,270 which is an increase of $3,577,201 from the prior year. The following table summarizes the District's total governmental fund balances as of June 30, 2023 and 2022 and the total 2023 change in governmental fund balances.

	2023	2022	$ Change
General Fund	$20,705,382	$17,964,302	$ 2,741,080
Capital Projects Fund	5,436,544	4,136,576	1,299,968
Debt Service Fund	1,330,344	1,794,191	(463,847)
	$27,472,270	$23,895,069	$ 3,577,201

GENERAL FUND

The General Fund is the District's primary operating fund. At the conclusion of the 2022-2023 fiscal year, the General Fund fund balance was $20,705,382 representing an increase of $2,741,080 in relation to the prior year. The increase in the District's General Fund fund balance is due to many factors. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2022-2023 fiscal year.

The District's reliance upon tax revenues is demonstrated by the graph below that indicates 73.17% of General Fund revenues are derived from local taxes.



General Fund Revenues

	2023	2022	$ Change	% Change
Tax revenues	$ 90,996,706	$ 88,729,440	$2,267,266	2.56
Intergovernmental revenues	30,934,434	28,151,687	2,782,747	9.88
Investment earnings	1,595,472	82,109	1,513,363	1843.11
Other	834,585	997,353	(162,768)	(16.32)
	$124,361,197	$117,960,589	$6,400,608	5.43

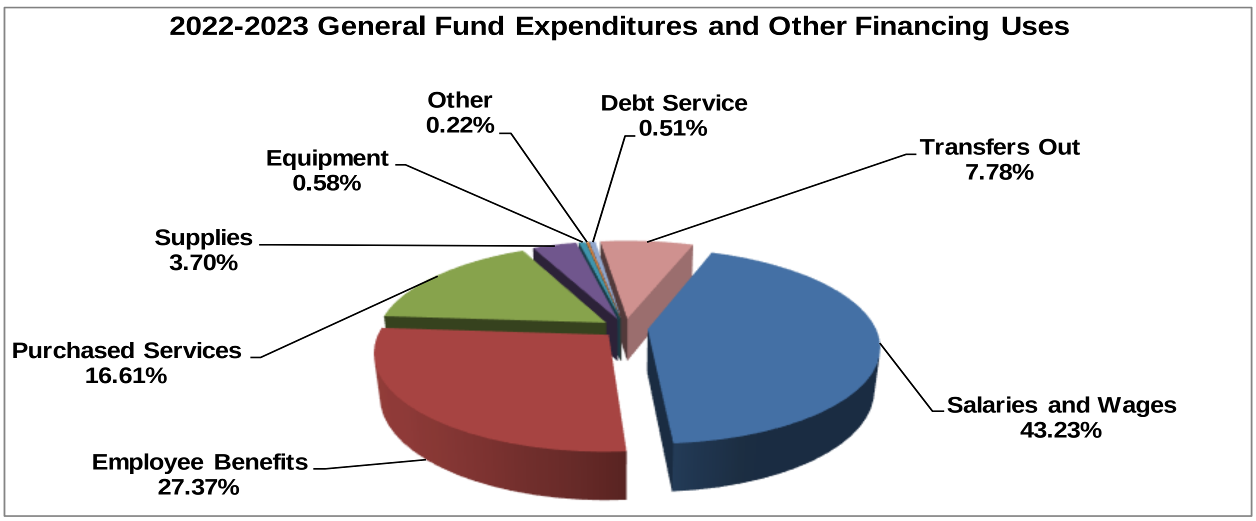
Net tax revenues increased by $2,267,266 or 2.56% primarily due to a millage increase of 1.73% and an increase in receipts of earned income taxes in 2022-2023 when compared to 2021-2022 accounted for most of the change. The following table summarizes changes in the District's tax revenues for 2023 compared to 2022:

	2023	2022	$ Change	% Change
Real estate tax	$72,117,700	$70,880,917	$1,236,783	1.74
Interim tax	431,113	282,920	148,193	52.38
PURTA tax	84,204	82,993	1,211	1.46
Payment in lieu of tax	275,444	270,843	4,601	1.70
Earned income tax	16,150,325	14,943,873	1,206,452	8.07
Transfer tax	1,194,280	1,542,548	(348,268)	(22.58)
Delinquent real estate tax	698,390	672,791	25,599	3.80
Delinquent occupational assessment and per capita tax	45,250	52,555	(7,305)	(13.90)
	$90,996,706	$88,729,440	$2,267,266	2.56

Intergovernmental revenues increased by $2,782,747 or 9.88% in 2022-2023 when compared to 2021-2022 due additional funding received for the state retirement subsidy which increased commensurate with the employer annual contribution percentage and increased state appropriations for basic education and special education subsidies and the state property tax allocation.

Investment earnings increased commensurate with interest rates.

As the graph below illustrates, the largest portion of General Fund expenditures are for salaries and benefits. The District is an educational service entity and as such is labor intensive.



General Fund Expenditures and Other Financing Uses

	2023	2022	$ Change	% Change
Salaries and wages	$ 52,577,213	$ 50,367,077	$2,210,136	4.39
Employee benefits	33,281,863	31,409,709	1,872,154	5.96
Purchased services	20,205,550	21,047,137	(841,587)	(4.00)
Supplies	4,504,132	5,262,004	(757,872)	(14.40)
Equipment	706,927	630,175	76,752	12.18
Other	265,458	199,730	65,728	32.91
Debt service	614,989	614,989	-	-
Transfers out	9,463,985	10,308,417	(844,432)	(8.19)
	$121,620,117	$119,839,238	$1,780,879	1.49

Salaries and wages increased by $2,210,136 or 4.39% in 2022-2023 compared to 2021-2022 primarily as a result of contractual increases within the District's collective bargaining agreements negotiated with various employee groups.

Employee benefits increased by $1,872,154 or 5.96% primarily due to an increase in the employer retirement percentage, increase in employer payroll taxes that increased commensurate with salaries and wages and an increase in medical insurance premiums.

Purchased services decreased by $841,587 or 4.00% in 2022-2023 when compared to 2021-2022 as a direct result of due to one-time capital expenditures made in prior year with committed fund balance.

Supplies decreased by $757,872 or 14.40% in 2022-2023 when compared to 2021-2022 directly correlated to expenditures funded by federal appropriations in the prior year to respond to the impact of COVID-19.

Transfers out in 2022-2023 and 2021-2022 represent transfers to the Debt Service Fund to subsidize debt service maturities as they become due which decreased by $844,432 or 8.19% due to the use of Debt Service Fund fund balance to pay for a portion of current year maturities.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for construction and renovation activity associated with the District's buildings and major equipment purchases. The Capital Projects Fund receives the majority of its revenues from the issuance of long-term debt and transfers from the General Fund. During 2022-2023, the Capital Projects Fund reported an increase in fund balance of $1,299,968 due to current year capital expenditures in excess of the issuance of long-term debt. The remaining fund balance of $5,436,542 is restricted for future capital expenditures.

DEBT SERVICE FUND

The Debt Service Fund accounts for the interest and principal payments due on the District's outstanding general obligation debt. Transfers are made during the year from the General Fund to finance debt service payments as they become due. During 2022-2023, the Debt Service Fund fund balance decreased by $463,847. At June 30, 2023, the Debt Service Fund reported a fund balance of $1,330,344.

GENERAL FUND BUDGET INFORMATION

The District maintains its financial records and prepares its financial reports on the modified accrual basis of accounting. The District budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education. An annual operating budget is prepared by management and submitted to the School Board for approval prior to the beginning of the fiscal year on July 1 each year. The most significant budgeted fund is the General Fund.

Total General Fund revenues were $6,219,193 or 5.26% more than budgeted amounts and total General Fund expenditures and other financing uses were $1,132,131 or 0.94% more than budgeted amounts resulting in a net positive variance of $5,087,062. Major budgetary highlights for 2022-2023 were as follows:

- Local source revenues were $3,192,387 or 3.53% higher than budgeted amounts due to more than anticipated collections or earned income and realty transfer taxes which is an indicator of an improving locally community. In addition, rising interest rates resulted in more than budgeted interest income on investments.

- State source revenues were $2,341,856 or 9.00% higher than budgeted amounts due to higher than budgeted appropriations for basic education, special education and rental sinking fund subsidies.

- Federal source revenues were $684,950 or 41.73% higher than budgeted amounts as a result of unbudgeted funding to respond to the effects of COVID-19.

- Total expenditures were $1,729,730 or 1.57% more than budget due to unbudgeted expenditures funded with federal appropriations to respond to the effects of COVID-19 and amounts paid from committed fund balance for various capital projects.

BUSINESS-TYPE ACTIVITIES AND FOOD SERVICE FUND

During 2022-2023, the net position of the business-type activities and Food Service Fund increased by $1,183,449. As of June 30, 2023, the business-type activities and Food Service Fund had net position of $78,996.

CAPITAL ASSETS

The District's net investment in capital asset for its governmental and business-type activities as of June 30, 2023 amounted to $132,224,054 net of accumulated depreciation. This investment in capital assets includes land, land improvements, buildings and improvements, furniture and equipment and right-to-use leased equipment. The total increase in the District's investment in capital assets for the current fiscal year was $1,330,339 or 1.02%.

Current year capital additions were $6,335,569 and depreciation expense was $5,005,230.

Major capital additions for the current fiscal year include the following:

- Phase IV and V energy savings project – construction in progress $3,859,916

NONCURRENT LIABILITIES

At the end of the current fiscal year, the District had total general obligation debt of $93,328,176 consisting of $87,458,000 in bonds and notes payable and net deferred credits of $5,870,176. The entire amount is backed by the full faith and credit of the District. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior obligation debt. The District's general obligation debt decreased by $1,538,766 or 1.62% during the fiscal year.

State statutes limit the amount of general obligation debt the District may issue up to 225% of its borrowing base capacity which is calculated as the annual arithmetic average of the total revenues for the preceding three fiscal years. The District's outstanding general obligation debt of $93,328,176 is within the current debt limitation of the District which was $265,060,617 as of June 30, 2023.

The District maintains an AA ("Stable Outlook") rating from Standard and Poor's.

The District reports its allocated portion of its defined benefit unfunded benefit obligation related to its participation in the Pennsylvania State Employee Retirement System (***"PSERS"***). The District's allocated portion of the net pension liability is an actuarially determined estimate of the unfunded cost of the pension plan obligation which totaled $151,604,202 as of June 30, 2023. The District's net pension liability increased by $12,545,097 or 9.02% during the fiscal year.

The District reports a liability for its other post-employment benefits (***"OPEB"***) related to its single employer OPEB plan and its participation in the PSERS health insurance premium assistance program. The District’s OPEB liability is an actuarially determined estimate of the unfunded cost of the OPEB obligation which totaled $8,536,071 as of June 30, 2023. The District’s OPEB liability decreased by $2,897,128 or 25.34% during the fiscal year.

Other noncurrent liabilities consist of the District's liabilities for compensated absences and financing and right-to-use leases, which totaled $5,042,312 as of June 30, 2023. These liabilities decreased by $715,737 or 16.54% during the fiscal year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- In 2006, Act 1 was passed which repealed Act 72, and provides taxpayer relief through gambling revenues generated at the State level. The intent of this legislation is to provide a mechanism to relieve the burden of funding public education from property owners. This new legislation has put a "ceiling" on the percentage increase of local real estate taxes that can be levied year-to-year in order to balance the school district budget. Pennsylvania school districts are now required to either change their taxing strategies to make up for the shortfall of real estate tax revenues or seek the taxpayers' approval through back-end referendum to increase taxes higher than the approved index. This law puts an already increased burden on the District's revenue stream in future years. This legislation introduced certain new requirements on school districts which include the following:

  - That in the event a school district wishes to increase the property tax millage rate by more than an index annually prescribed by the state (5.30% for Perkiomen Valley School District for 2023-2024), the school district must seek voter approval (known commonly as a "back-end referendum") prior to implementing the millage rate increase. In the event voters do not approve the millage rate increase, the school district must limit its millage rate increase to the index.

  - Certain exceptions are provided under Act 1 that, if approved by the appropriate authority, may permit increases above the Act 1 index without the need for a back-end referendum. Typically, these exceptions relate to emergencies and cost increases in excess of the Act 1 index (e.g., retirement system contributions) over which the school district has no control.

  - Any revenues distributed under the provisions of Act 1 are to be used for the purpose of reducing property taxes for homesteaders and farmsteaders.

- The District and the Perkiomen Valley Educational Association (***"PVEA"***) settled a contract in September of 2021. The new contract is a four-year agreement that will expire on the day prior to the first day of school for the 2026-2027 school year.

- The District and the Perkiomen Valley Educational Support Personnel Association (***"PVESPA"***) settled a three-year contract that will expire in June 2024. The agreement includes annual 1% increases in healthcare insurance premium contributions over the life of the contract. Compensation under the agreement will be based on "Target" salary ranges as outlined in the labor agreement. The District has started contract negotiations with PVESPA.

- The Perkiomen Valley School District Maintenance, Custodial and Food Service (***"PVMCFS"***) settled a three-year contract that will expire in June 30, 2023. Salary increases are based upon the Act 1 Index of 3.00% per year. The agreement includes changes to healthcare insurance premium contributions over the life of the contract. During the course of the contract, employee contribution rates will be based on the plan selected will range from 4.00% to 19.00% of the premium payment. Various options are provided with an emphasis on moving the unit to more cost-effective plans via lower copays as the contract progresses. The District is considering entering into early negotiations with the PVMCFS to address on-going wage and vacancy concerns.

- On June 12, 2017, Governor Tom Wolf signed Pension Reform Legislation into law. The legislation known as Act 5 of 2017 establishes new pension plan design options for future members of the State Employees' Retirement System (***"SERS"***) and PSERS. The new design offers three options for new employees hired on or after July 1, 2019. Under the act, public school employees hired on or after July 1, 2019 must select one of three new plan design options, either one of two side-by-side hybrid defined benefit (***"DB"***)/defined contribution ***("DC"***) plans or a stand-alone DC plan. The employees will have 90 days to elect one of the plans. The selection is irrevocable and will cover all future non-exempt service regardless of breaks in service, terminations or withdrawals.

  The certified employer contribution rate for 2023-2024 is 34.00% which is a decrease of 3.57% from the 2022-2023 employer contribution rate of 35.26%. The PSERS employer contribution rate for 2024-2025 is projected to be 34.73%.

- The District joined the Buxmont Health Insurance Consortium (the ***"Consortium"***) starting in July 2012. The Consortium is a Taft-Hartley Arrangement with management and labor working together in a 50/50 partnership. It is anticipated that this relationship will mitigate future health insurance increases through lower administrative fees, benefit committees and streamlined health offerings.

- The District has successfully participated in several energy consortiums for electric, oil and gas and has also participated in a Multi-County Wide Energy Demand Response program which will generate additional dollars for budgetary purposes over the next several years. It is anticipated that these consortiums will continue to provide products at a much lower rate due to increased purchasing power of the consortium compared to individual school districts.

- The District completed a master facilities study plan that was presented in the Fall of 2018. The study has approximately $68 million dollars in comprehensive projects to consider for preventative capital assets management over the next 14 years. This report will help the District to properly address areas of concern for aging building issues throughout the District and help to identify potential issues and assist with the proper preventative maintenance programs in an effort to maintain capital assets as provided. The total projects remaining to be completed is approximately $34 million.

- The District continues to look at refunding opportunities for its general obligation bonds as they become available in an effort to reduce future debt service payments. The District maintains a current Standard and Poors AA bond rating. This rating was reaffirmed with the most recent rating in December 2022.

- The District adopted a balanced budget for 2023-2024 of $125,864,282. To attain a balance budget the Board opted to allocate $250,000 of General Fund Balance committed for PSERS, $301,000 of fund balance restricted within the Debt Service Fund as well as $1,000,000 of unassigned General Fund Balance and $500,000 of the COVID-19 contingency reserve. This resulted in a real estate tax increase of 2.63% with a real estate tax millage rate of 36.38 mills.

- The District's unassigned General Fund balance remains at the cap of 8.00% of 2023-2024 expenditure budget or $10,061,343.

- In the 2022-2023 school year the District continued to be impacted by COVID-19. Revenues were impacted by the addition of several grants the District received to help with the educational needs of students due to COVID-19. The District is scheduled to receive $2.9 million in ESSER funds that can be spent through the 2023-2024 school year. The use of the ESSER funds must be approved by the school board with input from the community. The District plans to spend the funds to support afterschool and summer programs, student health and wellness, language, arts and math interventions and interactive panels for the middle school level.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Assistant to the Superintendent – Business Administration, Perkiomen Valley School District, Three Iron Bridge Drive, Collegeville, PA 19426-2042.

PERKIOMEN VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION (DEFICIT)

June 30, 2023 with summarized comparative totals for 2022

	Governmental Activities	Business-type Activities	Totals 2023	Totals 2022
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash	$ 37,121,557	$ 2,062,584	$ 39,184,141	$ 34,060,026
Taxes receivable	6,182,334	-	6,182,334	6,048,732
Due from other governments	4,340,935	-	4,340,935	3,600,936
Internal balances	407,314	(407,314)	-	-
Other receivables	63,071	4	63,075	1,591
Inventories	-	75,113	75,113	76,819
Total current assets	48,115,211	1,730,387	49,845,598	43,788,104
NONCURRENT ASSETS				
Capital assets, net	131,691,541	532,513	132,224,054	130,893,715
Total assets	179,806,752	2,262,900	182,069,652	174,681,819
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on debt refunding	289,556	-	289,556	380,402
Deferred charges OPEB - single employer	614,733	-	614,733	455,710
Deferred charges on proportionate share of OPEB - PSERS	1,318,610	17,870	1,336,480	1,520,624
Deferred charges on proportionate share of pension - PSERS	23,916,028	324,112	24,240,140	26,057,259
Total deferred outflows of resources	26,138,927	341,982	26,480,909	28,413,995
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)				
CURRENT LIABILITIES				
Accounts payable	3,512,839	277,722	3,790,561	1,517,007
Accrued salaries, payroll withholdings and benefits	13,539,466	-	13,539,466	13,438,464
Accrued interest payable	886,505	-	886,505	802,002
Unearned revenue	-	65,079	65,079	59,627
Other liabilities	569,174	-	569,174	686,598
Total current liabilities	18,507,984	342,801	18,850,785	16,503,698
NONCURRENT LIABILITIES				
Due within one year	9,168,515	-	9,168,515	8,542,800
Due in more than one year	247,231,445	2,110,841	249,342,286	241,143,061
Total noncurrent liabilities	256,399,960	2,110,841	258,510,801	249,685,861
Total liabilities	274,907,944	2,453,642	277,361,586	266,189,559
DEFERRED INFLOWS OF RESOURCES				
Deferred charges OPEB - single employer	3,358,379	-	3,358,379	2,078,316
Deferred credits on proportionate share of OPEB - PSERS	1,499,675	20,325	1,520,000	122,000
Deferred credits on proportionate share of pension - PSERS	3,831,081	51,919	3,883,000	23,962,000
Total deferred inflows of resources	8,689,135	72,244	8,761,379	26,162,316
NET POSITION (DEFICIT)				
Net investment in capital assets	40,006,729	532,513	40,539,242	36,381,938
Restricted	1,754,602	-	1,754,602	2,401,239
Unrestricted (deficit)	(119,412,731)	(453,517)	(119,866,248)	(128,039,238)
Total net position (deficit)	$ (77,651,400)	$ 78,996	$ (77,572,404)	$ (89,256,061)

See accompanying notes

PERKIOMEN VALLEY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year ended June 30, 2023 with summarized comparative totals for 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position (Deficit)			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals 2023	Totals 2022
GOVERNMENTAL ACTIVITIES								
Instruction	$ 72,529,935	$ 1,038,616	$ 13,267,257	$ -	$ (58,224,062)	$ -	$ (58,224,062)	$ (54,012,069)
Instructional student support services	13,249,064	-	1,595,873	-	(11,653,191)	-	(11,653,191)	(10,299,696)
Administrative and financial support services	7,353,530	-	836,656	-	(6,516,874)	-	(6,516,874)	(6,516,393)
Operation and maintenance of plant services	9,437,137	136,629	607,974	-	(8,692,534)	-	(8,692,534)	(7,970,425)
Pupil transportation	7,032,566	-	1,802,589	-	(5,229,977)	-	(5,229,977)	(6,084,603)
Student activities	2,090,574	289,481	223,032	-	(1,578,061)	-	(1,578,061)	(1,364,196)
Interest and amortization expense related to noncurrent liabilities	2,354,943	-	1,814,902	-	(540,041)	-	(540,041)	(2,497,868)
Total governmental activities	114,047,749	1,464,726	20,148,283	-	(92,434,740)	-	(92,434,740)	(88,745,250)
BUSINESS-TYPE ACTIVITIES								
Food service	1,788,981	1,290,022	1,622,140	-	-	1,123,181	1,123,181	129,735
Total primary government	$ 115,836,730	$ 2,754,748	$ 21,770,423	$ -	(92,434,740)	1,123,181	(91,311,559)	(88,615,515)
GENERAL REVENUES								
Property taxes levied for general purposes					73,511,028	-	73,511,028	71,967,239
Earned income taxes levied for general purposes					16,150,326	-	16,150,326	14,943,873
Other taxes levied for general purposes					1,323,735	-	1,323,735	1,678,097
Grants and entitlements not restricted to specific programs					10,090,266	-	10,090,266	8,968,523
Investment earnings					1,859,593	60,268	1,919,861	90,104
Total general revenues					102,934,948	60,268	102,995,216	97,647,836
CHANGE IN NET POSITION (DEFICIT)					10,500,208	1,183,449	11,683,657	9,032,321
NET POSITION (DEFICIT)								
Beginning of year					(88,151,608)	(1,104,453)	(89,256,061)	(98,288,382)
End of year					$ (77,651,400)	$ 78,996	$ (77,572,404)	$ (89,256,061)

See accompanying notes

PERKIOMEN VALLEY SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2023 with summarized comparative totals for 2022

	Major Funds			Totals	
	General Fund	Capital Projects Fund	Debt Service Fund	2023	2022
ASSETS					
Cash	$ 27,314,827	$ 8,476,401	$ 1,330,329	$ 37,121,557	$ 32,505,112
Taxes receivable	6,182,334	-	-	6,182,334	6,048,732
Due from other funds	1,176,624	-	-	1,176,624	407,314
Due from other governments	4,340,935	-	-	4,340,935	3,600,936
Other receivables	62,986	70	15	63,071	1,587
Total assets	$ 39,077,706	$ 8,476,471	$ 1,330,344	$ 48,884,521	$ 42,563,681
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 1,242,222	$ 2,270,617	$ -	$ 3,512,839	$ 1,510,471
Accrued salaries, payroll withholdings and benefits	13,539,466	-	-	13,539,466	13,438,464
Due to other funds	-	769,310	-	769,310	-
Other liabilities	569,174	-	-	569,174	686,598
Total liabilities	15,350,862	3,039,927	-	18,390,789	15,635,533
DEFERRED INFLOW OF RESOURCES					
Unavailable revenues - property, occupational assessment and per capita taxes	3,021,462	-	-	3,021,462	3,033,079
FUND BALANCES					
Restricted for					
Capital projects	-	5,436,544	-	5,436,544	4,136,576
Debt service	-	-	1,330,344	1,330,344	1,794,191
Committed to					
Employer retirement rate stabilization	750,000	-	-	750,000	1,000,000
Capital projects	8,522,700	-	-	8,522,700	4,453,918
COVID-19 contingency	500,000	-	-	500,000	1,371,338
Curriculum and instruction	371,338			371,338	-
Balance 2023-2024 budget	500,000	-	-	500,000	-
Balance 2022-2023 budget	-	-	-	-	1,500,000
Unassigned	10,061,344	-	-	10,061,344	9,639,046
Total fund balances	20,705,382	5,436,544	1,330,344	27,472,270	23,895,069
Total liabilities, deferred inflow of resources and fund balances	$ 39,077,706	$ 8,476,471	$ 1,330,344	$ 48,884,521	$ 42,563,681

See accompanying notes

PERKIOMEN VALLEY SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION (DEFICIT)

June 30, 2023

TOTAL GOVERNMENTAL FUND BALANCES	$ 27,472,270
Amounts reported for governmental activities in the statement of net position (deficit) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	131,691,541
Deferred outflows of resources for deferred amounts on debt refunding are currently expended in the governmental funds, whereas they are capitalized and amortized over the life of the respective debt in the government-wide statement of net position (deficit).	289,556
Deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits are not reported as assets and liabilities in the governmental funds balance sheet.	17,160,236
Some of the District's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources on the governmental funds balance sheet.	3,021,462
Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet.	(256,399,960)
Accrued interest payable on long-term liabilities is included in the statement of net position (deficit), but is excluded from the governmental funds balance sheet until due and payable.	(886,505)
NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	$ (77,651,400)

PERKIOMEN VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year ended June 30, 2023 with summarized comparative totals for 2022

	Major Funds			Totals	
	General Fund	Capital Projects Fund	Debt Service Fund	2023	2022
REVENUES					
Local sources	$ 93,665,577	$ 227,968	$ 36,153	$ 93,929,698	$ 89,815,672
State sources	28,369,466	-	-	28,369,466	24,999,925
Federal sources	2,326,154	-	-	2,326,154	3,151,763
Total revenues	124,361,197	227,968	36,153	124,625,318	117,967,360
EXPENDITURES					
Current					
Instruction	72,390,026	-	-	72,390,026	70,023,502
Support services	36,779,889	1,271,304	-	38,051,193	36,038,358
Operation of noninstructional services	2,084,395	-	-	2,084,395	1,941,055
Facilities acquisition, construction and improvement services	227,505	5,103,046	-	5,330,551	4,846,276
Debt service	614,989	-	9,963,985	10,578,974	10,909,426
Total expenditures	112,096,804	6,374,350	9,963,985	128,435,139	123,758,617
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,264,393	(6,146,382)	(9,927,832)	(3,809,821)	(5,791,257)
OTHER FINANCING SOURCES (USES)					
Refund of prior year receipts	(59,328)	-	-	(59,328)	-
Issuance of debt	-	6,000,000	-	6,000,000	-
Issuance of debt - refunding	-	-	-	-	18,483,000
Payment of debt - refunding	-	-	-	-	(18,412,256)
Proceeds from extended-term financing	-	1,106,804	-	1,106,804	-
Bond premiums	-	339,546	-	339,546	-
Transfers in	-	-	9,463,985	9,463,985	10,308,417
Transfers out	(9,463,985)	-	-	(9,463,985)	(10,308,417)
Total other financing sources (uses)	(9,523,313)	7,446,350	9,463,985	7,387,022	70,744
NET CHANGE IN FUND BALANCES	2,741,080	1,299,968	(463,847)	3,577,201	(5,720,513)
FUND BALANCES					
Beginning of year	17,964,302	4,136,576	1,794,191	23,895,069	29,615,582
End of year	$ 20,705,382	$ 5,436,544	$ 1,330,344	$ 27,472,270	$ 23,895,069

See accompanying notes

PERKIOMEN VALLEY SCHOOL DISTRICT

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF ACTIVITIES

Year ended June 30, 2023

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ 3,577,201
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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlay expenditures	$ 6,020,474	
Depreciation expense	(4,985,768)	1,034,706
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources decreased by this amount this year.		
Deferred inflows of resources June 30, 2022	(3,033,079)	
Deferred inflows of resources June 30, 2023	3,021,462	(11,617)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on the change in net position of governmental activities. Also, governmental funds report the effect of premiums, discounts and similar items when long-term debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Repayment of bonds and notes payable	6,960,000	
Issuance of debt	(6,000,000)	
Proceeds from bond premiums	(339,546)	
Proceeds from financing lease payables	(1,106,804)	
Repayment of financing and right-to-use lease payables	1,003,091	
Amortization of discounts, premiums and deferred amounts on debt refunding	827,466	1,344,207
Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore are not reported as expenditures in the governmental funds.		
Current year change in accrued interest payable	(84,503)	
Current year change in compensated absences	(612,024)	
Current year change in net pension liability - PSERS and deferred outflows and inflows	5,087,199	
Current year change in OPEB liability - single employer and deferred outflows and inflows	29,350	
Current year change in net OPEB liability - PSERS and deferred outflows and inflows	135,689	4,555,711
CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES		$ 10,500,208

See accompanying notes

PERKIOMEN VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION (DEFICIT) - PROPRIETARY FUND

June 30, 2023 with summarized comparative totals for 2022

	Food Service Fund	
	2023	**2022**
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash	$ 2,062,584	$ 1,554,914
Other accounts receivable	4	4
Inventories	75,113	76,819
Total current assets	2,137,701	1,631,737
NONCURRENT ASSETS		
Capital assets, net	532,513	236,880
Total assets	2,670,214	1,868,617
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on proportionate share of pension - PSERS	324,112	453,644
Deferred charges on proportionate share of OPEB - PSERS	17,870	26,473
Total deferred outflows of resources	341,982	480,117
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)		
LIABILITIES		
Accounts payable	277,722	6,536
Due to other funds	407,314	407,314
Unearned revenues	65,079	59,627
Total current liabilities	750,115	473,477
NONCURRENT LIABILITIES		
Net pension liability - PSERS	2,027,084	2,420,953
Net OPEB liability - PSERS	83,757	139,466
Total noncurrent liabilities	2,110,841	2,560,419
Total liabilities	2,860,956	3,033,896
DEFERRED INFLOWS OF RESOURCES		
Deferred credits on proportionate share of pension - PSERS	51,919	417,167
Deferred credits on proportionate share of OPEB - PSERS	20,325	2,124
Total deferred inflows of resources	72,244	419,291
NET POSITION (DEFICIT)		
Net investment in capital assets	532,513	236,880
Unrestricted (deficit)	(453,517)	(1,341,333)
Total net position (deficit)	$ 78,996	$ (1,104,453)

See accompanying notes

PERKIOMEN VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (DEFICIT) - PROPRIETARY FUND

Year ended June 30, 2023 with summarized comparative totals for 2022

	Food Service Fund	
	2023	**2022**
OPERATING REVENUES		
Charges for services	$ 1,290,022	$ 353,522
OPERATING EXPENSES		
Salaries	836,316	892,403
Employee benefits	(189,261)	1,250,527
Purchased services	23,904	38,284
Supplies	1,093,870	1,131,196
Dues and fees	4,690	11,725
Depreciation	19,462	17,595
Total operating expenses	1,788,981	3,341,730
Operating loss	(498,959)	(2,988,208)
NONOPERATING REVENUES		
Earnings on investments	60,268	1,224
State sources	338,469	242,177
Federal sources	1,283,671	2,875,766
Total nonoperating revenues	1,682,408	3,119,167
CHANGE IN NET POSITION (DEFICIT)	1,183,449	130,959
NET POSITION (DEFICIT)		
Beginning of year	(1,104,453)	(1,235,412)
End of year	$ 78,996	$ (1,104,453)

See accompanying notes

PERKIOMEN VALLEY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

Year ended June 30, 2023 with summarized comparative totals for 2022

	Food Service Fund	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	$ 1,295,474	$ 344,342
Cash payment to employees for services	(1,305,545)	(1,384,167)
Cash payments to suppliers for goods or services	(870,771)	(953,102)
Cash payments for other operating expenses	(28,594)	(50,009)
Net cash used for operating activities	(909,436)	(2,042,936)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources	338,469	242,177
Federal sources	1,061,034	2,661,263
Net cash provided by noncapital financing activities	1,399,503	2,903,440
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(42,665)	(29,084)
CASH FLOWS FROM INVESTING ACTIVITIES		
Earnings on investments	60,268	1,224
Net increase in cash	507,670	832,644
CASH		
Beginning of year	1,554,914	722,270
End of year	$ 2,062,584	$ 1,554,914
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	$ (498,959)	$ (2,988,208)
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation	19,462	17,595
Donated commodities used	222,637	214,503
(Increase) decrease in		
Inventories	1,706	(10,618)
Deferred outflows of resources	138,135	(167,905)
Increase (decrease) in		
Accounts payable	(1,244)	(25,791)
Unearned revenues	5,452	(9,180)
Accrued salaries and benefits	-	(13,460)
Net pension liability	(393,869)	515,252
Net OPEB liability	(55,709)	55,865
Deferred inflows of resources	(347,047)	369,011
Net cash used for operating activities	$ (909,436)	$ (2,042,936)
SUPPLEMENTAL DISCLOSURES		
Noncash noncapital financing activity		
USDA donated commodities	$ 222,637	$ 214,503
Noncash capital and related financing activity		
Acquisition of capital assets	$ 272,430	$ -

See accompanying notes

PERKIOMEN VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS

June 30, 2023 with summarized comparative totals for 2022

	Private-Purpose Trust	Custodial Funds	Totals 2023	Totals 2022
ASSETS				
Cash	$ 83,775	$ 330,346	$ 414,121	$ 386,572
Other receivables	-	892	892	892
Total assets	83,775	331,238	415,013	387,464
LIABILITIES				
Accounts payable	-	31,876	31,876	18,321
NET POSITION				
Restricted for student activities		299,362	299,362	295,356
Net position held in trust for scholarships	83,775	-	83,775	73,787
Total net position	$ 83,775	$ 299,362	$ 383,137	$ 369,143

PERKIOMEN VALLEY SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS

Year ended June 30, 2023 with summarized comparative totals for 2022

	Private-Purpose Trust	Custodial Funds	Totals 2023	Totals 2022
ADDITIONS				
Receipts from student groups	$ -	$ 414,312	$ 414,312	$ 439,977
Local contributions	105,838	-	105,838	135,769
Total additions	105,838	414,312	520,150	575,746
DEDUCTIONS				
Student activity disbursements	-	410,306	410,306	368,306
Purchased services and supplies	95,850	-	95,850	135,847
Total deductions	95,850	410,306	506,156	504,153
CHANGE IN NET POSITION	9,988	4,006	13,994	71,593
NET POSITION				
Beginning of year	73,787	295,356	369,143	297,550
End of year	$ 83,775	$ 299,362	$ 383,137	$ 369,143

See accompanying notes

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Perkiomen Valley School District (the ***"District"***) operates four elementary schools, two middle schools and a senior high school to provide education and related services to the residents in the townships of Lower Frederick, Perkiomen and Skippack and the Boroughs of Collegeville, Schwenksville and Trappe. The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania as a school district of the second class. The District operates under a locally elected nine-member board form of government (the ***"School Board"***).

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (***"GAAP"***) as applied to governmental units. The Governmental Accounting Standards Board (***"GASB"***) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

Reporting Entity

GASB has established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the District as a reporting entity, management has addressed all potential component units which may or may not fall within the District's accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. Based upon the application of these criteria, the Perkiomen Valley School District Foundation (the ***"Foundation"***) is the only component unit of the District. The Foundation is a nonprofit organization created to enhance the educational opportunities offered to the students of the District. The activities of the Foundation are blended as a private-purpose trust fund in the accompanying financial statements. Separate financial statements are not issued by the Foundation.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position (deficit) and the statement of activities display information about the District as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. These statements include the financial activities of the primary government except for fiduciary funds.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flow. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared as further defined below. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

The government-wide statement of net position (deficit) presents the financial position of the District which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is classified in one of three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowing attributable to acquiring, constructing or improving those assets. The net position of the District is reported as restricted when constraints placed on net position use is either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The statement of net position (deficit) includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. Deferred inflows of resources represent an acquisition of net position (deficit) that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The government-wide statement of activities presents a comparison between expenses and program revenues for each function of the business-type activities of the District and for each governmental function. Expenses are those that are specifically associated with a service or program and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each function is self-financing or draws from the general revenues of the District.

Except for interfund activity and balances between the funds that underlie governmental activities and the funds that underlie business-type activities, which are reported as transfers and internal balances, the effect of interfund activity has been removed from these statements.

Fund Financial Statements

During the school year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Fiduciary fund financial statements are presented by fund type.

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The District reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund accounts for financial resources that are restricted, committed or assigned to be used for capital expenditures or for the acquisition, construction of capital facilities, improvements and/or equipment.

The Debt Service Fund is used to account for financial resources restricted for the payment of, long-term debt principal, interest and other related costs.

Revenue Recognition

In applying the "susceptible to accrual concept" under the modified accrual basis, 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 District considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Deferred inflows of resources are reported in connection with receivables for tax revenues that are not considered to be available to liquidate liabilities of the current period. Revenue from federal, state and other grants designated for payment of specific District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as unearned revenues until earned. Other receipts are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, special termination benefits, other post-employment benefits and claims and judgments are recorded only when payment is due. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Funds

Like the government-wide financial statements, proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Allocations of certain costs, such as depreciation, are recorded in proprietary funds. The District reports the following proprietary funds:

The Food Service Fund accounts for the revenues and costs of providing meals to students during the school year.

These funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's proprietary funds are charges for services. Operating expenses for the District's proprietary funds include payroll, employee benefits, supplies and administrative costs. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets and are accounted for using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. The private-purpose trust fund accounts for the Foundation, whose sole purpose is to enhance the educational opportunities offered the students of the District. Custodial funds are used to account for assets held on behalf of individuals and/or government units and are, therefore, not available to support the District’s own programs. The District has one custodial fund consisting of funds held on behalf of the students.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value based upon quoted market prices, except for certificates of deposit which are recorded at cost, which approximates fair value.

Fair Value Measurements of Assets and Liabilities

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the District. Unobservable inputs reflect the District's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the District has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not require a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect the District's own assumptions.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property Taxes

Taxes are levied on July 1 and are payable in the following periods:

July 1 – August 31	-	Discount period, 2% of gross levy
September 1 – October 31	-	Face period
November 1 to collection	-	Penalty period, 10% of gross levy
January 15	-	Lien date

The County Board of Assessments determines assessed valuations of property, and the District's taxes are billed and collected by local elected tax collectors. The tax on real estate for public school purposes for fiscal 2022-2023 was 35.45 mills ($34.45 for $1,000 of assessed valuation). The District experiences very small losses from uncollectible property taxes. Property taxes constitute a lien against real property and usually can be collected in full when title transfers. Only balances that remain after tax sales are written off each year. Accordingly, an allowance for doubtful accounts has not been established by the District for property taxes receivable.

Taxpayers within the District have the option of paying in three installments. These installments have the following due dates:

Installment One	-	August 31
Installment Two	-	October 31
Installment Three	-	December 31

The discount (two percent) is not applicable to installment payments; however, the penalty (10 percent) will be added if second and third installments are paid subsequent to the due dates.

Prepaid Items and Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements.

All inventories are valued at the lower of cost (first-in, first-out method) or market.

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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 and the proprietary fund financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $5,000. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed, inclusive of ancillary costs.

Property, plant and equipment (net of salvage value) of the District is depreciated using the straight-line method over the following estimated useful lives: buildings and improvements – 20-50 years, land improvements – 20 years and furniture and equipment – 5-20 years.

Impairment of Long-Lived Assets

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. If a capital asset is considered to be impaired, the amount of impairment is measured by the method that most reflects the decline in service utility of the capital asset at the lower of carrying value or fair value for impaired capital assets that will no longer be used by the District. No impairment losses were recognized in the year ended June 30, 2023.

Compensated Absences

District policies permit employees to accumulate earned but unused vacation, personal and sick days. The liability for these compensated absences is recorded as a noncurrent liability in the government-wide financial statements. A liability for these amounts is recorded in the governmental funds financial statements only to the extent they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bonds payable are reported net of the applicable bond premium or discount. Bond premiums and discounts are deferred and amortized over the life of the bonds. Deferred amounts on refunding are recorded as a deferred outflow of resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. All amounts are amortized using the straight-line method.

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 and uses. Premiums received and discounts paid 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 debt service expenditures except for refundings paid from proceeds which are reported as other financing costs.

Fund Equity

As prescribed by GASB, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The District reports the following fund balance classifications:

Nonspendable

Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

Restricted

Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

Committed fund balances are amounts that can only be used for specific purposes determined by a formal action of the District's highest level of decision-making authority, the School Board. Committed amounts cannot be used for any other purpose unless the School Board removes those constraints by taking the same type of formal action (e.g., resolution).

Assigned

Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Business Administrator or (b) an appointed body (e.g., finance committee) or (c) an official to which the District has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as non-spendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund or the capital projects fund are assigned for purposes in accordance with the nature of their fund type.

Unassigned

Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund balance that has not been assigned to other funds, and that has not been restricted, committed or assigned to specific purposes within the General Fund.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources–committed, assigned or unassigned–in order as needed.

The School Board has set a General Fund maximum unassigned fund balance of 8% of the following year's expenditure budget in accordance with guidelines prescribed by the Pennsylvania Department of Education.

Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation. However, presentation of prior year totals by fund and activity type has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Summarized comparative information should be read in conjunction with the District's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Use of Estimates

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

Implementation of New Accounting Pronouncements

Effective July 1, 2022, the District adopted the provisions of GASB Statement No. 94 *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"* and GASB Statement No. 96, *"Subscription-Based Information Technology Arrangements"*.

The objective of GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (***"PPP"s***). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The implementation of GASB Statement No. 94 had no impact on the financial statements of the District for the year ended June 30, 2023.

The objective of GASB Statement No. 96 is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (***"SBITA"s***) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. As a result of the implementation of GASB Statement No. 96 had no impact on the financial statements of the District for the year ended June 30, 2023.

New Accounting Pronouncements

GASB Statement No. 100, *"Accounting Changes and Error Corrections"* will be effective for the District for the year ended June 30, 2024. GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *"Compensated Absences"* will be effective for the District for the year ended June 30, 2025. GASB Statement No. 101 will update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB Statement No. 101 will require that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

An annual budget is adopted prior to the beginning of each year for the General Fund on a modified accrual basis of accounting. The General Fund is the only fund for which a budget is legally required, although project-length financial plans are adopted for the Capital Projects fund.

The District is required to publish notice by advertisement at least once in two newspapers of general circulation in the municipalities in which it is located, and within 20 days of final action, that the proposed budget has been prepared and is available for public inspection at the administrative offices of the District. Notice that public hearings will be held on the proposed operating budget must be included in the advertisement; such hearings are required to be scheduled at least 10 days prior to when final action on adoption is taken by the School Board.

After the legal adoption of the budget, the School Board is required to file a copy of the budget with the Pennsylvania Department of Education by July 31. Additional copies of the budget also are required to be filed with the House Education Committee and the Senate Education Committee by September 15.

Legal budgetary control is maintained at the sub-function/major object level. The School Board may make transfers of funds appropriated in any particular item of expenditure by legislative action in accordance with Pennsylvania School Code. Management may amend the budget at the sub-function/sub-object level without School Board approval. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at or below the level of budgetary control and include the effect of approved budget amendments.

(3) DEPOSITS AND INVESTMENTS

State statutes authorize the District to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, state treasurer's investment pools or mutual funds.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At June 30, 2023, the carrying amount of the District's deposits was $39,598,262 and the bank balance was $39,684,662. The District is required by state statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States, the Commonwealth of Pennsylvania or any other political subdivision. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. Of the bank balance, $1,300,019 was covered by federal depository insurance and $17,485,397 was collateralized by the District's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in pooled public funds. The remaining cash deposits of the District are in the Pennsylvania School District Liquid Asset Fund (***"PSDLAF"***). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF acts like a money market mutual fund in that its objective is to maintain a stable net asset value of $1 per share, is rated by a nationally recognized statistical rating organization and is subject to an independent annual audit. As of June 30, 2023, PSDLAF was rated as AAA by a nationally recognized statistical rating agency.

(4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Construction in progress	$ 4,718,396	$ 3,859,916	$ -	$ 8,578,312
Land	1,908,997	-	-	1,908,997
Total capital assets not being depreciated	6,627,393	3,859,916	-	10,487,309
Capital assets being depreciated				
Buildings and improvements	190,250,365	803,109	-	191,053,474
Land improvements	10,678,841	122,765	-	10,801,606
Furniture and equipment	8,312,204	1,234,684	2,335,429	7,211,459
Right-to-use lease assets	305,976	-	-	305,976
Total capital assets being depreciated	209,547,386	2,160,558	2,335,429	209,372,515
Less accumulated depreciation for				
Buildings and improvements	(72,385,180)	(4,006,007)	-	(76,391,187)
Land improvements	(5,287,608)	(384,300)	-	(5,671,908)
Furniture and equipment	(7,722,766)	(534,266)	(2,335,429)	(5,921,603)
Right-to-use lease assets	(122,390)	(61,195)	-	(183,585)
Total accumulated depreciation	(85,517,944)	(4,985,768)	(2,335,429)	(88,168,283)
Total capital assets being depreciated, net	124,029,442	(2,825,210)	-	121,204,232
Governmental activities, net	$130,656,835	$ 1,034,706	$ -	$131,691,541
Business-type activities				
Machinery and equipment	$ 1,042,684	$ 315,095	$ -	$ 1,357,779
Less accumulated depreciation	(805,804)	(19,462)	-	(825,266)
Business-type activities, net	$ 236,880	$ 295,633	$ -	$ 532,513

As of June 30, 2023, the District had outstanding construction commitments related to Phase IV and V of the energy savings project totaling $4,489,710.

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities	
Instruction	$3,464,862
Instructional student support	647,008
Administrative and financial support services	344,414
Operation and maintenance of plant services	429,717
Student activities	99,767
Total depreciation expense – governmental activities	$4,985,768
Business-type activities	
Food service	$ 19,462

(5) INTERNAL RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2023 is as follows:

Receivable To	Amount	Payable From	Amount
General Fund	$ 769,310	Capital Projects Fund	$ 769,310
General Fund	407,314	Food Service Fund	407,314
	$1,176,624		$1,176,624

Interfund balances between funds represent temporary loans recorded at year-end as the result of a final allocation of expenses.

A summary of interfund transfers for the year ended June 30, 2023 is as follows:

Transfers In	Amount	Transfers Out	Amount
Debt Service Fund	$9,463,985	General Fund	$9,463,985

Transfers from the General Fund to the Debt Service Fund represent transfers to subsidize costs associated with the District's debt service payments for general obligation debt.

(6) CHANGE IN NONCURRENT LIABILITIES

The following summarizes the changes in noncurrent liabilities for the year ended June 30, 2023:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Amount Due Within One Year
Governmental activities					
General obligation debt					
Bonds and notes payable	$ 88,418,000	$ 6,000,000	$ 6,960,000	$ 87,458,000	$7,378,000
Bond premiums	6,453,215	339,546	918,922	5,873,839	918,922
Bond discounts	(4,273)	-	(610)	(3,663)	(610)
Total general obligation debt	94,866,942	6,339,546	7,878,312	93,328,176	8,296,312
Other noncurrent liabilities					
Financing leases	3,427,169	1,106,804	940,249	3,593,724	807,449
Right-to-use lease	127,596	-	62,842	64,754	64,754
Compensated absences	771,810	612,024	-	1,383,834	-
OPEB liability	3,422,318	-	1,150,390	2,271,928	-
Net OPEB liability - PSERS	7,871,415	-	1,691,029	6,180,386	-
Net pension liability - PSERS	136,638,192	12,938,966	-	149,577,158	-
Total other noncurrent liabilities	152,258,500	14,657,794	3,844,510	163,071,784	872,203
Total governmental activities	247,125,442	20,997,340	11,722,822	256,399,960	9,168,515
Business-type activities					
Net OPEB liability - PSERS	139,466	-	55,709	83,757	-
Net pension liability - PSERS	2,420,953	-	393,869	2,027,084	-
Total business-type activities	2,560,419	-	449,578	2,110,841	-
Total noncurrent liabilities	$249,685,861	$20,997,340	$12,172,400	$258,510,801	$9,168,515

Noncurrent liabilities of governmental activities are generally liquidated by the General Fund, while noncurrent liabilities of the business-type activities are liquidated by the Food Service Fund.

(7) GENERAL OBLIGATION DEBT

General Obligation Debt

General obligation debt is a direct obligation of the District for which full faith and credit are pledged and are payable from unrestricted local sources. The District has not pledged any assets as collateral for general obligation debt. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior general obligation debt.

General obligation debt outstanding as of June 30, 2023 consisted of the following:

Description	Interest Rate(s)	Original Issue Amount	Final Maturity	Principal Outstanding
General obligation bonds				
Series of 2016	0.75% - 5.00%	$37,695,000	03/01/2028	$27,500,000
Series of 2019	3.00% - 4.00%	$8,315,000	02/15/2032	8,300,000
Series of 2020	2.00% - 5.00%	$25,790,000	11/15/2029	16,200,000
Series of 2020A	2.00% - 3.00%	$5,000,000	05/15/2032	4,985,000
Series of 2021	2.00%	$6,000,000	05/15/2033	5,990,000
Series of 2023	4.00%	$6,000,000	05/15/2033	6,000,000
General obligation notes				
Series of 2022	2.20%	$18,483,000	02/15/2031	18,483,000
Total general obligation debt				$87,458,000

Annual debt service requirements to maturity on these obligations are as follows:

Year ending June 30,	Principal Maturities	Interest Maturities	Total Maturities
2024	$ 7,378,000	$ 3,054,293	$ 10,432,293
2025	7,893,000	2,744,720	10,637,720
2026	8,321,000	2,317,529	10,638,529
2027	8,663,000	1,966,547	10,629,547
2028	9,030,000	1,600,206	10,630,206
2029-2033	46,173,000	3,934,042	50,107,042
	$87,458,000	$15,617,337	$103,075,337

Series of 2023 General Obligation Bonds

On February 14, 2023, the District issued $6,000,000 of general obligation bonds, Series of 2023, the proceeds from which were used for (1) the planning, designing, constructing, equipping, furnishing, and financing of a District-wide Guaranteed Energy Savings Act project, (2) the planning, designing, constructing, equipping, furnishing and financing of certain capital improvements to school facilities with the District, and (3) paying the costs and expenses related to the issuance.

(8) RIGHT-TO-USE LEASE

The District entered into a long-term lease agreement for the use of copier equipment. An initial lease liability was recorded in the amount of $305,973. As of June 30, 2023, the value of the lease liability is $64,754. The District is required to make monthly fixed payments of $5,484. The lease has an imputed interest rate of 3.00% and has an estimated useful life of 5 years as of the contract commencement. The value of the right-to-use assets as of June 30, 2023 is $122,391, net of accumulated amortization of $183,585, and is included with noncurrent assets on the statement of net position (deficit). Future minimum lease payments under these leases are as follows:

Year ending June 30,	
2024	$65,811
Less: amount representing interest	(1,057)
Present value of minimum lease payments	$64,754

(9) FINANCING LEASES

The District has entered into long-term lease agreements for computer and energy savings equipment, vehicles and building improvements. Initial lease liabilities were recorded in the amount of $8,859,652. As of June 30, 2023, the value of the lease liabilities is $3,593,724. The leases have interest rates ranging from 0.33% to 4.87% and useful lives ranging from 3 to 15 years. The value of the capital assets as of June 30, 2023 is $2,804,011, net of accumulated depreciation of $6,055,641, and is included with noncurrent assets on the statement of net position (deficit). Future minimum lease payments under these leases are as follows:

Year ending June 30,	
2024	$ 928,589
2025	923,917
2026	851,525
2027	614,989
2028	614,990
Less: amount representing interest	(340,286)
Present value of minimum lease payments	$3,593,724

(10) PENSION PLAN

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 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 (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in PSERS include all full-time public 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.state.pa.us.

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year credited service; (b) age 60 with 30 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 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 or greater than 92 with a minimum of 35 years of service.

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

Benefits are generally equal to 1.00% or 2.50%, depending upon membership class, of the member's final average salary (as defined in the code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member’s right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2.00% or 2.50%, depending upon membership class, of the member's final average salary (as defined in the code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (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:

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% 6.25%
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 District's contractually required contribution rate for fiscal year ended June 30, 2023 was 34.51% 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 District were $17,863,140 for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of $151,604,242 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by rolling forward PSERS' total pension liability as of June 30, 2021 to June 30, 2022. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2023, the District's proportion was 0.3410 percent, which was an increase of 0.0023 percent from its proportion measured as of June 30, 2022. As of June 30, 2023, the net pension liability of $149,577,158 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position and the remaining $2,027,084 of the net pension liability is recorded as a liability in the proprietary fund statement of net position, and in the business-type activities in the government-wide statement of net position (deficit).

For the year ended June 30, 2023, the District recognized net pension expense of $12,179,000. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 69,000	$ 1,311,000
Changes in assumptions	4,527,000	-
Net difference between projected and actual investment earnings	-	2,572,000
Changes in proportions	1,781,000	-
Contributions subsequent to the measurement date	17,863,140	-
	$24,240,140	$ 3,883,000

$17,863,140 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2024	$ 1,374,000
2025	1,215,000
2026	(3,685,000)
2027	3,590,000
	$ 2,494,000

Actuarial Assumptions

The total pension liability as of June 30, 2022 was determined by rolling forward PSERS' total pension liability at June 30, 2021 to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation date – June 30, 2021
- Actuarial cost method – entry age normal – level % of pay
- Investment return – 7.00%, includes inflation at 2.75%
- 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, 2021 and as of June 30, 2022.
- 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, 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 long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce 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 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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	28.00 %	5.30%
Private equity	12.00 %	8.00%
Fixed income	33.00 %	2.30%
Commodities	9.00 %	2.30%
Infrastructure/MLPs	9.00 %	5.40%
Real estate	11.00 %	4.60%
Absolute return	6.00 %	3.50%
Cash	3.00 %	0.50%
Leverage	(11.00)%	0.50%
	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, 2022.

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

The following represents 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%) that 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	$196,089,718	$151,604,242	$114,097,601

Pension Plan Fiduciary Net Position

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

(11) OTHER POST-EMPLOYMENT BENEFITS

Single-Employer Defined Benefit OPEB Plan

The District's other post-employment benefits (***"OPEB"***) include a single-employer defined benefit plan that provides medical insurance to all retirees and their dependents. The School Board has the authority to establish and amend benefit provisions. The OPEB Plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

OPEB Plan Membership

Membership in the OPEB plan consisted of the following at July 1, 2022:

Active employees	615
Vested former participants	-
Retired participants	4
Total	619

Funding Policy

The District's contributions are funded on a pay-as-you-go basis. The contribution requirements of retirees are established and may be amended by the School Board.

OPEB Liability

The District's OPEB liability has been measured as of June 30, 2023. The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, and by rolling forward the liabilities from the July 1, 2022 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The OPEB liability is $2,271,928 all of which is unfunded. As of June 30, 2023, all of the OPEB liability is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit).

The District's change in its OPEB liability for the year ended June 30, 2023 was as follows:

Balance as of July 1, 2022	$ 3,422,318
Changes for the year:	
Service cost	239,190
Interest on total OPEB liability	82,421
Changes of benefit terms	(23,091)
Differences between expected and actual experience	266,918
Changes in assumptions	(1,629,926)
Benefit payments	(85,902)
Net changes	(1,150,390)
Balance as of June 30, 2023	$ 2,271,928

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

For the year ended June 30, 2023, the District recognized OPEB expense of $7,403. At June 30, 2023, the District had deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$246,386	$ 670,123
Changes of assumptions	331,594	2,688,256
Contributions subsequent to the measurement date	36,753	-
	$614,733	$3,358,379

$36,753 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2024	$ (291,117)
2025	(291,117)
2026	(291,117)
2027	(291,117)
2028	(291,117)
Thereafter	(1,324,814)
	$(2,780,399)

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

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

	1% Decrease	Trend Rate	1% Increase
OPEB liability	$2,003,995	$2,271,928	$2,586,840

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District calculated using the discount rate of 4.06%, as well as what the OPEB liability would be if it were calculated using the discount rate that is one percentage point lower (3.06%) or 1 percentage point higher (5.06%) than the current rate:

	1% Decrease 3.06%	Current Discount Rate 4.06%	1% Increase 5.06%
OPEB liability	$2,472,862	$2,271,928	$2,081,748

Actuarial Methods and Significant Assumptions

The OPEB liability as of June 30, 2023, was determined by rolling forward the OPEB liability as of July 1, 2022 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - entry age normal
- Discount rate – 4.06% - Standard and Poors 20-year municipal bond rate. The discount rate changed from 2.28% to 4.06%.
- Salary growth – salary increases are composed of 2.50% costs of living adjustment, 1.50% for real wage growth and for teachers and administrators a merit increase which varies by age from 2.75% to 0.00%.
- Assumed healthcare cost trends – 6.50% in 2022, 6.00% in 2023 and 5.50% in 2024-2025. Rates gradually decrease from 5.40% in 2026 to 3.90% in 2075 and later.
- Mortality – PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers and PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees.

Cost Sharing Multiple-Employer Defined Benefit OPEB Plan

PSERS provides health insurance premium assistance which is a governmental cost sharing, multiple-employer OPEB plan for all eligible retirees who qualify and elect to participate. Employer contribution rates for health insurance premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of health insurance 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, 2022, there were no assumed future benefit increases to participating eligible retirees.

Retirees of PSERS can participate in the health insurance 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 health insurance premium assistance, they must satisfy the following criteria:

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

Benefits Provided

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

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were $390,480 for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of $6,264,143 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward PSERS' total OPEB liability as of June 30, 2021 to June 30, 2022. 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 0.3403 percent, which was an increase of 0.0023 percent from its proportion measured as of June 30, 2022. As of June 30, 2023, the net OPEB liability of $6,180,386 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position and the remaining $83,757 of the net pension liability is recorded as a liability in the proprietary fund statement of net position, and in the business-type activities in the government-wide statement of net position (deficit).

For the year ended June 30, 2023, the District recognized OPEB expense of $227,000. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 58,000	$ 34,000
Changes in assumptions	695,000	1,479,000
Net difference between projected and actual investment earnings	17,000	-
Changes in proportions	176,000	7,000
Contributions subsequent to the measurement date	390,480	-
	$1,336,480	$1,520,000

$390,480 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:

Year ended June 30,	
2024	$(115,000)
2025	(55,000)
2026	(96,000)
2027	(140,000)
2028	(168,000)
	$(574,000)

Actuarial Assumptions

The total OPEB liability as of June 30, 2022, was determined by rolling forward the PSERS' total OPEB liability as of June 30, 2021 to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – entry age normal – level % of pay
- Investment return – 4.09% – Standard & Poors 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 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, 2020 determined the employer contribution rate for fiscal year 2022.
- 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 OPEB plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 mortality improvement scale.

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

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

OPEB – Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.00%	0.50%

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, 2022.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.09%. Under the OPEB plan's funding policy, contributions are structured for short term funding of health insurance premium assistance. The funding policy sets contribution rates necessary to assure solvency of health insurance premium assistance through the third fiscal year after the actuarial valuation date. The health insurance premium assistance account is funded to establish reserves that are sufficient for the payment of health insurance 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 OPEB plan is considered a "pay-as-you-go" plan. A discount rate of 4.09% which represents the Standard & Poors 20-year municipal bond rate at June 30, 2022, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of District's Proportionate Share of the Net OPEB Liability to Change in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than $1,200 in annual health insurance premium assistance. As of June 30, 2022, retirees' health insurance premium assistance benefits are not subject to future healthcare cost increases. The healthcare insurance premium assistance reimbursement for qualifying retirees is capped at a maximum of $1,200. 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 net OPEB liability for June 30, 2022, calculated using current healthcare cost trends as well as what net OPEB liability would be if health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$6,263,507	$6,264,143	$6,264,654

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 4.09%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
District's proportionate share of the net OPEB liability	$7,083,994	$6,264,143	$5,578,102

OPEB Plan Fiduciary Net Position

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

(12) JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATION

North Montco Technical Career Center

The District is a participating member of the North Montco Technical Career Center (the ***"Career Center"***). The Career Center provides vocational-technical training and education to students of participating school districts. The Career Center is controlled by a joint board comprised of representative school board members of the participating school districts. District oversight of the Career Center operations is the responsibility of the joint board. The District's share of operating costs for the Career Center fluctuates based on the District's percentage of enrollment. The District share of operating costs for 2022-2023 was $1,893,469. The Career Center prepares financial statements that are available to the public from its administrative offices located at 1265 Sumneytown Pike, Lansdale, PA 19446.

Montgomery County Intermediate Unit

The District and the other Montgomery County school districts are participating members of the Montgomery County Intermediate Unit (the ***"MCIU"***). The MCIU is a regional educational service agency, established by the Commonwealth of Pennsylvania, which is governed by a joint committee consisting of School Board members from each participating district. The School Board of each participating district must approve the annual operating budget of the MCIU but the participating districts have no ongoing fiduciary interest or responsibility to the MCIU. The MCIU is a self-sustaining organization that provides a broad array of services to participating districts which include: curriculum development and instructional improvement; educational planning services; instructional material; continuing professional development; pupil personnel services; management services and state and federal liaison services.

(13) CONTINGENCIES AND COMMITMENTS

Government Grants and Awards

The District receives federal, state and local funding under a number of programs. Payments made by these sources under contractual agreements are provisional and subject to redetermination based on filing of reports and audits of those reports. Final settlements due from or to these sources are recorded in the year in which the related services are performed. Any adjustments resulting from subsequent examinations are recognized in the year in which the results of such examinations become known. District officials do not expect any significant adjustments as a result of these examinations.

Litigation

The District is a defendant in various matters of litigation and claims. These matters result from the normal course of business. It is not presently possible to determine the ultimate outcome or settlement cost, if any, of these matters.

(14) RISK MANAGEMENT

Medical

The District participates in a consortium with other participating school districts and educational agencies from Montgomery and Bucks County to provide self-insurance programs for health and prescription insurance coverage and related expenses for eligible employees, spouses and dependents. Accordingly benefit payments plus an administrative charge are made to a third party administrator, who approves and processes all claims.

The following table presents the components of the self-insurance medical claims asset (liability) and the related changes in the claims asset (liability) for the year ended June 30, 2023 and 2022:

	2023	2022
Insurance claims asset (liability) – beginning of year	$ 2,461,616	$ 1,997,825
Current year insurance claims and changes in estimates	(9,240,668)	(9,472,519)
Insurance claims and fees paid to third party administrator	10,436,824	9,936,310
Insurance claims asset (liability) – end of year	$ 3,657,772	$ 2,461,616

Workers' Compensation

The District and other participating Pennsylvania school districts and educational agencies participate in the School District Insurance Consortium (***"SDIC"***), which is a voluntary trust. The District and the other participating members pay premiums to SDIC for the purpose of seeking prevention or lessening of claims due to injuries of employees of the participating members and pooling workers' compensation and occupational disease insurance risks, reserves claims and losses and providing self-insurance and reinsurance thereof. It is the intent of the participating members of SDIC that the SDIC will utilize funds contributed by the participating members, which shall be held in trust by SDIC, to provide self-insurance and reimbursements to the members for their obligations to pay compensation as required under the Workers' Compensation Act and the Pennsylvania Occupational Disease Act and to purchase excess and aggregate insurance. As of June 30, 2023, the District is not aware of any additional assessments relating to SDIC.

Other Risks

The 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. The District has purchased a commercial insurance policy to safeguard its assets and there were no significant reductions in insurance coverage during 2022-2023. Settlement amounts have not exceeded insurance coverage for the current or the three prior years.

(15) SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 8, 2024, the date on which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2023 that required recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PERKIOMEN VALLEY SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Local sources	$ 90,473,190	$ 90,473,190	$ 93,665,577	$ 3,192,387
State sources	26,027,610	26,027,610	28,369,466	2,341,856
Federal sources	1,641,204	1,641,204	2,326,154	684,950
Total revenues	118,142,004	118,142,004	124,361,197	6,219,193
EXPENDITURES				
Instruction				
Regular programs	47,222,698	47,222,698	49,150,479	(1,927,781)
Special programs	18,600,719	18,580,719	18,735,238	(154,519)
Vocational programs	3,626,993	3,626,993	3,722,331	(95,338)
Other instructional programs	325,138	325,138	453,307	(128,169)
Adult education programs	528,241	528,241	328,671	199,570
Total instruction	70,303,789	70,283,789	72,390,026	(2,106,237)
Support services				
Pupil support services	5,923,154	5,943,154	5,691,551	251,603
Instructional staff services	5,925,576	5,925,576	6,196,314	(270,738)
Administrative services	5,707,434	5,707,434	5,510,152	197,282
Pupil health	1,522,946	1,522,946	1,629,822	(106,876)
Business services	1,142,987	1,142,987	1,091,999	50,988
Operation and maintenance of plant services	9,097,616	9,097,616	8,977,900	119,716
Student transportation services	7,676,103	7,676,103	7,032,567	643,536
Support services - central	529,661	529,661	593,555	(63,894)
Other support services	65,700	65,700	56,029	9,671
Total support services	37,591,177	37,611,177	36,779,889	831,288
Operation of noninstructional services				
Student activities	1,857,119	1,857,119	2,084,395	(227,276)
Facilities acquisition, construction and improvement services	-	-	227,505	(227,505)
Debt service	614,989	614,989	614,989	-
Total expenditures	110,367,074	110,367,074	112,096,804	(1,729,730)
Excess (deficiency) of revenues over (under) expenditures	7,774,930	7,774,930	12,264,393	4,489,463
OTHER FINANCING SOURCES (USES)				
Refund of prior year receipts	-	-	(59,328)	(59,328)
Transfers out	(10,120,912)	(10,120,912)	(9,463,985)	656,927
Total other financing sources (uses)	(10,120,912)	(10,120,912)	(9,523,313)	597,599
NET CHANGE IN FUND BALANCE	$ (2,345,982)	$ (2,345,982)	2,741,080	$ 5,087,062
FUND BALANCE				
Beginning of year			17,964,301	
End of year			$ 20,705,381	

PERKIOMEN VALLEY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PSERS

Year ended June 30

	Measurement Date								
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
District's proportion of the net pension liability	0.3410%	0.3387%	0.3353%	0.3339%	0.3285%	0.3238%	0.3262%	0.3305%	0.3427%
District's proportionate share of the net pension liability	$ 151,604,242	$ 139,059,145	$ 165,098,420	$ 156,207,128	$ 157,696,310	$ 159,919,656	$ 161,654,000	$ 143,157,000	$ 135,643,000
District's covered-employee payroll	$ 50,042,940	$ 47,051,186	$ 47,051,186	$ 46,042,553	$ 44,234,567	$ 43,103,841	$ 42,243,986	$ 42,517,652	$ 43,730,743
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	302.95%	295.55%	350.89%	339.27%	356.50%	371.01%	382.67%	336.70%	310.18%
Plan fiduciary net position as a percentage of the total of the total pension liability	61.34%	63.67%	54.32%	55.66%	54.00%	52.00%	50.00%	54.00%	57.00%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

PERKIOMEN VALLEY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PENSION PLAN CONTRIBUTIONS - PSERS

Year ended June 30

	Measurement Date								
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contribution	$ 16,998,455	$ 16,095,766	$ 15,664,171	$ 14,952,830	$ 13,939,332	$ 12,385,052	$ 10,378,000	$ 8,534,000	$ 6,827,000
Contributions in relation to the contractually required contribution	16,998,455	16,095,766	15,664,171	14,952,830	13,939,332	12,385,052	10,378,000	8,534,000	6,773,367
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	53,633
District's covered-employee payroll	$ 50,042,940	$ 47,916,098	$ 47,051,186	$ 46,042,553	$ 44,234,567	$ 43,103,841	$ 42,243,986	$ 42,517,652	$ 43,730,743
Contributions as a percentage of covered-employee payroll	33.97%	33.59%	33.29%	32.48%	31.51%	28.73%	25.00%	20.00%	16.00%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

PERKIOMEN VALLEY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN OPEB LIABILITY - SINGLE EMPLOYER PLAN

Year ended June 30

	2023	2022	2021	2020	2019	2018
TOTAL PENSION LIABILITY						
Service cost	$ 239,190	$ 241,048	$ 206,162	$ 207,805	$ 335,557	$ 325,398
Interest on total OPEB liability	82,421	65,152	111,066	94,872	162,731	117,359
Change of benefit terms	(23,091)	-	-	-	-	-
Differences between projected and actual experience	266,918	-	(383,594)	-	(621,447)	-
Changes of assumptions	(1,629,926)	(109,484)	310,492	(100,879)	(1,661,784)	172,764
Benefit payments	(85,902)	(78,925)	(85,051)	(70,173)	(141,307)	(137,998)
Net change in total pension liability	(1,150,390)	117,791	159,075	131,625	(1,926,250)	477,523
Total OPEB liability, beginning	3,422,318	3,304,527	3,145,452	3,013,827	4,940,077	4,462,554
Total OPEB liability, ending	$ 2,271,928	$ 3,422,318	$ 3,304,527	$ 3,145,452	$ 3,013,827	$ 4,940,077
Fiduciary net position as a % of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	$ 44,556,603	$ 41,224,121	$ 41,224,121	$ 37,864,143	$ 37,864,143	$ 37,265,803
Net OPEB liability as a % of covered payroll	5.10%	8.30%	8.02%	8.31%	7.96%	13.26%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

PERKIOMEN VALLEY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY -PSERS

Year ended June 30

	Measurement Date					
	2022	**2021**	**2020**	**2019**	**2018**	**2017**
District's proportion of the net OPEB liability	0.3403%	0.3380%	0.3352%	0.3339%	0.3285%	0.3238%
District's proportionate share of the net OPEB liability	$ 6,264,143	$ 8,010,881	$ 7,242,656	$ 7,101,525	$ 6,849,058	$ 6,597,140
District's covered-employee payroll	$ 50,042,940	$ 47,916,098	$ 47,051,186	$ 46,042,553	$ 44,234,567	$ 43,103,841
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	12.52%	16.72%	15.39%	15.42%	15.48%	15.31%
Plan fiduciary net position as a percentage of the total OPEB liability	6.86%	5.30%	5.69%	5.56%	5.56%	6.00%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

PERKIOMEN VALLEY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S OPEB PLAN CONTRIBUTIONS - PSERS

Year ended June 30

	Measurement Date					
	2022	**2021**	**2020**	**2019**	**2018**	**2017**
Contractually required contribution	$ 397,379	$ 393,314	$ 394,607	$ 382,553	$ 367,013	$ 281,910
Contributions in relation to the contractually required contribution	397,379	393,314	394,607	382,553	367,013	281,910
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered-employee payroll	$ 50,042,940	$ 47,916,098	$ 47,051,186	$ 46,042,553	$ 44,234,567	$ 43,103,841
Contributions as a percentage of covered-employee payroll	0.79%	0.82%	0.84%	0.83%	0.83%	0.65%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SINGLE AUDIT

PERKIOMEN VALLEY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND CERTAIN STATE GRANTS

Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal ALN Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2022	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2023	Passed Through to Subrecipients
U.S. Department of Education											
Passed-Through the Pennsylvania Department of Education											
Title I - Improving Basic Programs	I	84.010	013-220333	07/01/21 - 09/30/22	$ 271,847	$ 35,553	$ 35,553	$ -	$ -	$ -	$ -
Title I - Improving Basic Programs	I	84.010	013-230333	07/01/22 - 09/30/23	251,101	200,986	-	251,101	251,101	50,115	-
Total ALN #84.010						236,539	35,553	251,101	251,101	50,115	-
Title II - Improving Teacher Quality	I	84.367	020-220333	07/01/21 - 09/30/22	108,793	7,776	7,776	-	-	-	-
Title II - Improving Teacher Quality	I	84.367	020-230333	07/01/22 - 09/30/23	90,666	89,516	-	90,666	90,666	1,150	-
Total ALN #84.367						97,292	7,776	90,666	90,666	1,150	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-200333	07/01/19 - 09/30/20	24,504	3,267	3,267	-	-	-	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-220333	07/01/21 - 09/30/22	18,038	7,726	7,726	-	-	-	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-230333	07/01/22 - 09/30/23	21,330	18,288	-	21,330	21,330	3,042	-
Total ALN #84.424						29,281	10,993	21,330	21,330	3,042	-
COVID-19 - ARP ESSER	I	84.425U	223-210333	03/13/20 - 09/30/24	1,791,587	1,009,804	400,403	609,401	609,401	-	-
COVID-19 - ARP ESSER 7%	I	84.425U	225-210333	03/13/20 - 09/30/24	139,246	73,420	-	73,420	73,420	-	-
COVID-19 - ARP Homeless Children and Youth	I	84.425W	181-212335	03/13/20 - 09/30/24	14,989	14,220	-	14,220	14,220	-	-
Total ALN #84.425						1,097,444	400,403	697,041	697,041	-	-
Passed Through the Montgomery County I.U.											
COVID-19 - I.D.E.A. - Part B, Section 611	I	84.027	062-220023	07/01/21 - 09/30/23	202,362	-	-	202,362	202,362	202,362	-
I.D.E.A. - Part B, Section 611	I	84.027	062-230023	07/01/22 - 06/30/23	862,631	862,631	-	862,631	862,631	-	-
Total ALN #84.027						862,631	-	1,064,993	1,064,993	202,362	-
I.D.E.A. - Part B, Section 619	I	84.173	131-220023	07/01/21 - 06/30/22	3,520	3,520	3,520	-	-	-	-
Total U.S. Department of Education						2,326,707	458,245	2,125,131	2,125,131	256,669	-

Continued on next page

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal ALN Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2022	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2023	Passed Through to Subrecipients
U.S. Department of Health and Social Services											
Passed-Through the Pennsylvania Department of Public Welfare											
Medical Assistance Program	I	93.778	N/A	07/01/22 - 06/30/23	N/A	7,214	-	7,214	7,214	-	-
Passed-Through the Pennsylvania Department of Health											
Passed Through the County of Montgomery											
COVID-19 Public Health Emergency Response	I	93.354	N/A	07/01/22 - 06/30/23	237,205	237,205	-	-	-	(237,205)	-
Total U.S. Department of Health and Human Services						244,419	-	7,214	7,214	(237,205)	-
Federal Emergency Management Agency											
Passed-Through the Pennsylvania Emergency Management Agency											
COVID-19 Disaster Grants - Public Assistance	I	97.036	N/A	07/01/22 - 06/30/23	N/A	95,808	-	95,808	95,808	-	-
U.S. Department of Agriculture											
Passed-Through the Pennsylvania Department of Education											
State Matching Share	S	N/A	N/A	07/01/22 - 06/30/23	N/A	190,102	-	190,102	190,102	-	-
P-EBT Local Admin Funds	I	10.649	N/A	07/01/22 - 06/30/23	N/A	628	-	628	628	-	-
Breakfast Program	I	10.553	N/A	07/01/22 - 06/30/23	N/A	183,605	-	183,605	183,605	-	-
National School Lunch Program	I	10.555	N/A	07/01/22 - 06/30/23	N/A	744,077	-	744,077	744,077	-	-
Supply Chain Assistance	I	10.555	N/A	07/01/22 - 06/30/23	N/A	132,725	-	132,725	132,725	-	-
Passed-Through the Pennsylvania Department of Agriculture											
National School Lunch Program	I	10.555	N/A	07/01/22 - 06/30/23	N/A	222,637	-	222,637	222,637	-	-
Total ALN #10.555						1,099,439	-	1,099,439	1,099,439	-	-
Total U.S. Department of Agriculture						1,473,774	-	1,473,774	1,473,774	-	-
Total Federal Awards and Certain State Grants						$ 4,140,708	$ 458,245	$ 3,701,927	$ 3,701,927	$ 19,464	$ -

Continued on next page

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal ALN Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2022	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2023	Passed Through to Subrecipients
Total Federal Awards						$ 3,950,606	$ 458,245	$ 3,511,825	$ 3,511,825	$ 19,464	$ -
Total State Awards						190,102	-	190,102	190,102	-	-
Total Federal Awards and Certain State Grants						$ 4,140,708	$ 458,245	$ 3,701,927	$ 3,701,927	$ 19,464	$ -
Special Education Cluster (IDEA) (ALN's #84.027 and #84.173)						$ 866,151	$ 3,520	$ 1,064,993	$ 1,064,993	$ 202,362	$ -
Child Nutrition Cluster (ALN's #10.553 and #10.555)						$ 1,283,044	$ -	$ 1,283,044	$ 1,283,044	$ -	$ -

Source Codes

D - Direct Funding
I - Indirect Funding
S - State Share
ALN - Assistance Listing Number

(1) FEDERAL EXPENDITURES

The Schedule of Expenditures of Federal Awards and Certain State Grants reflects federal expenditures for all individual grants which were active during the fiscal year. Additionally, the Schedule reflects expenditures for certain state grants.

(2) BASIS OF ACCOUNTING

The District uses the modified accrual method of recording transactions except as noted for the accounting of donated commodities in Note 3. Revenues are recorded when measurable and available. Expenditures are recorded when incurred.

(3) NONMONETARY FEDERAL AWARDS – DONATED FOOD

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals and prisons) and to the needy. Expenditures reported in the Schedule of Expenditures of Federal Awards and Certain State Grants under CFDA #10.555 USDA Commodities represent federal surplus food consumed by the District during the 2022-2023 fiscal year.

(4) ACCESS PROGRAM

The District participates in the ACCESS Program which is a medical assistance program that reimburses local educational agencies for direct eligible health-related services provided to enrolled special needs students. Reimbursements are federal source revenues bu8 are classified as fee-for-service and are not considered federal financial assistance. The amount of ACCESS funding recognized for the year ended June 30, 2023 was $98,000.

(5) INDIRECT COSTS

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

There were no audit findings for the year ended June 30, 2022.

INDEPENDENT AUDITOR'S 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*

Board of School Directors
Perkiomen Valley School District
Collegeville, 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 Perkiomen Valley School District, Collegeville, Pennsylvania, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Perkiomen Valley School District's basic financial statements, and have issued our report thereon dated January 8, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Perkiomen Valley School District's internal control over financial reporting (internal control) to determine the 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 Perkiomen Valley School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Perkiomen Valley School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Perkiomen Valley 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.

BBD, LLP

Philadelphia, Pennsylvania
January 8, 2024

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

Board of School Directors
Perkiomen Valley School District
Collegeville, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Perkiomen Valley 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 Perkiomen Valley School District's major federal programs for the year ended June 30, 2023. Perkiomen Valley School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Perkiomen Valley 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, 2023.

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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Perkiomen Valley 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 Perkiomen Valley 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 Perkiomen Valley School District's federal programs.

Auditor's 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 Perkiomen Valley 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 Perkiomen Valley 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 Perkiomen Valley 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 Perkiomen Valley 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 Perkiomen Valley 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 Auditor's 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.

BBD, LLP

Philadelphia, Pennsylvania
January 8, 2024

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Perkiomen Valley School District were prepared in accordance with GAAP.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statements of the Perkiomen Valley School District are reported in the independent auditor’s 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.

3. No instances of noncompliance material to the financial statements of the Perkiomen Valley School District, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

4. No significant deficiencies or material weaknesses in internal control over the major federal award programs are reported in the independent auditor’s report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

5. The auditor's report on compliance for the major federal award programs for the Perkiomen Valley School District expresses an unmodified opinion on all major federal programs.

6. There are no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).

7. The programs tested as major programs were:

   Special Education Cluster

   I.D.E.A. – Part B, Section 611 – ALN Number 84,027
   I.D.E.A – Part B, Section 619 – ALN Number 84.173

8. The threshold used for distinguishing between Type A and B programs was $750,000.

9. The Perkiomen Valley School District did qualify as a low-risk auditee.

FINDINGS—FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

None