PRELIMINARY OFFICIAL STATEMENT DATED JULY 8, 2010

NEW ISSUE—BOOK-ENTRY ONLY

RATINGS: S&P: (Insured)
S&P: (Underlying)
(See Ratings herein)

In the opinion of Bond Counsel, under existing statutes, regulations and judicial decisions, including the provisions of the American Recovery and Reinvestment Act of 2009, interest on the Bonds is excluded from gross income for purposes of federal income taxation, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and need not be taken into account in determining adjusted current earnings of corporations(as defined for federal income tax purposes) for purposes of such alternative minimum tax. This opinion of Bond Counsel is given in reliance upon certain representations made by the School District and is subject to continuing compliance by the School District with its covenants in the Resolution and other documents to comply with requirements of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder.

Bond Counsel is also of the opinion that under the laws of the Commonwealth (the "Commonwealth") as presently enacted and construed, the Bonds are exempt from personal property taxes in the Commonwealth and the interest on the Bonds is exempt from the Commonwealth's Personal Income Tax and the Commonwealth's Corporate Net Income Tax.

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

For further information concerning federal and state tax matters relating to the Bonds, see "Tax Exemption and Other Tax Matters" herein.

$24,980,000*
Pleasant Valley School District
Monroe County, Pennsylvania
General Obligation Bonds, Series of 2010

Dated: Date of Delivery **Principal Due:** May 1, as shown on inside front cover
Interest Due: May 1 and November 1 **First Interest Payment:** November 1, 2010

The General Obligation Bonds, Series of 2010 (the "Bonds") in the aggregate principal amount of $24,980,000* will be issued in book-entry only form. 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 and integral multiples thereof only under the book-entry only system maintained by DTC through its brokers and dealers who are, or act through, DTC Participants. The purchasers of the Bonds will not receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond, that purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein. If, under the circumstances described herein, the Bonds are ever issued in certificated form, they will be subject to registration of transfer, exchange and payment as described herein.

The Bonds are general obligations of the Pleasant Valley School District, Monroe County, Pennsylvania (the "School District"), payable from its tax and other general revenues. The School District has covenanted in a Resolution adopted by the Board of the School District on March 4, 2010 (the "Resolution") which secures the Bonds, that it will provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service due 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 legally available revenues or funds the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds. For such budgeting, appropriation, and payment the School District irrevocably has pledged its full faith, credit and available taxing power which taxing power includes the power to levy ad valorem taxes on all taxable property in the School District taxable for school purposes, within the limits provided by law (See *"Security for the Bonds"* and *"Taxing Powers and Limits of the School District" infra*)**.**

Interest on each of the Bonds is payable initially on November 1, 2010, and thereafter semiannually on May 1 and November 1 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for. The School District has appointed The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent"), as paying agent and sinking fund depositary for the Bonds. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, payments of the principal of, redemption premium, if any, and interest on the Bonds, when due for payment, will be made directly to DTC by the Paying Agent, and DTC will in turn remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds. If the use of the Book-Entry Only System for the Bonds is ever discontinued, the principal of and redemption premium, if any, on each of the Bonds will be payable, when due, upon surrender of such Bond to the Paying Agent at its designated corporate trust office presently located in Philadelphia, Pennsylvania (or any successor paying agent at its designated office(s)) and interest on such Bond will be payable by check and mailed to the person(s) in whose name(s) such Bond is registered as of the Record Date with respect to the particular interest payment date (See "THE BONDS," *infra*).

The Bonds are subject to optional redemption prior to maturity.

Proceeds of the Bonds will be used to provide funds for and toward advance refunding all of the School District's General Obligation Bonds, Series of 2006 and paying the costs of issuing the Bonds.

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

MATURITIES, AMOUNTS, RATES AND YIELDS/PRICES
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 Rhoads & Sinon LLP, of Harrisburg, Pennsylvania, Bond Counsel, to be furnished upon delivery of the Bonds. Certain other legal matters will be passed upon for the School District by Newman, Williams, Mishkin, Corveleyn, Wolfe & Fareri, P.C., of Stroudsburg, Pennsylvania, School District Solicitor. Public Financial Management, Inc., Harrisburg, Pennsylvania, will act as Financial Advisor to the School District in connection with the Bonds. It is expected that the Bonds will be available for delivery on or about July 30, 2010.

Public Financial Management, Inc.
Financial Advisor to the School District

Dated:

*Estimated, subject to change.

$24,980,000*
Pleasant Valley School District
Monroe County, Pennsylvania
General Obligation Bonds, Series of 2010

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

Principal Due: May 1, as shown below
First Interest Payment: November 1, 2010

May 1	Amount	Rate	Yields/Prices
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			

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

*Estimated, subject to change.

PLEASANT VALLEY SCHOOL DISTRICT
Monroe County, Pennsylvania

BOARD OF SCHOOL DIRECTORS

Susan Kresge	President
MiChelle Palmer	Vice President
Susan H. Famularo	Secretary*
Linda Micklos	Treasurer
Harvey Frable	Member
Russell Gould	Member
H. Charles Hoffman	Member
Thomas Murphy	Member
John M. Sabia	Member
James Spinola	Member

*Nonvoting member.

SUPERINTENDENT
DR. DOUGLAS C. ARNOLD

BUSINESS MANAGER
SUSAN FAMULARO

SCHOOL DISTRICT SOLICITOR
NEWMAN, WILLIAMS, MISHKIN, CORVELEYN, WOLFE & FARERI, P.C.
Stroudsburg, Pennsylvania

BOND COUNSEL
RHOADS & SINON LLP
Harrisburg, Pennsylvania

FINANCIAL ADVISOR
PUBLIC FINANCIAL MANAGEMENT, INC.
Harrisburg, Pennsylvania

PAYING AGENT
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
Philadelphia, Pennsylvania

SCHOOL DISTRICT ADDRESS
Pleasant Valley School District Administration Building
One School Lane, Route 115
Brodheadsville, Pennsylvania 18322-2002

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

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PRELIMINARY OFFICIAL STATEMENT

$24,980,000*
Pleasant Valley School District
Monroe County, Pennsylvania
General Obligation Bonds, Series of 2010

INTRODUCTION

This Preliminary Official Statement, including the cover and inside cover pages hereof and Appendices hereto, is furnished by Pleasant Valley School District (the "School District"), located in Monroe County, Pennsylvania, in connection with the offering of the $24,980,000* aggregate principal amount of its General Obligation Bonds, Series of 2010, dated as of the date of delivery (the "Bonds"). The Bonds are being issued pursuant to a Resolution of the Board of School Directors of the School District adopted on March 4, 2010 (the "Resolution"), and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth" or "State"), 53 Pa.C.S. Chs. 80-82 (the "Act").

PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used to provide funds for and toward advance refunding all of the School District's General Obligation Bonds, Series of 2006 currently outstanding in the aggregate principal amount of $23,585,000 (the "2006 Bonds") and paying the costs of issuing the Bonds.

Upon issuance of the Bonds, a portion of the proceeds will be irrevocably deposited in an escrow fund (the "Escrow Fund") maintained by The Bank of New York Mellon Trust Company, N.A., as Paying Agent for the 2006 Bonds, under terms of a Bond Retirement Agreement for the 2006 Bonds (the "Bond Retirement Agreement") dated as of the date of delivery. The proceeds of the Bonds so deposited will be used to purchase direct obligations of the United States of America (the "Government Obligations") which will mature and earn interest at such rates as will provide sufficient funds to pay the interest and maturing principal on the 2006 Bonds that are being refunded. The 2006 Bonds will be called for optional redemption, at a redemption price of 100% of principal amount plus accrued interest, pursuant to the optional redemption provisions applicable to the 2006 Bonds on May 1, 2011.

VERIFICATION

The accuracy of the mathematical computations supporting the adequacy of the maturing principal amounts of, and interest earned on, the Government Obligations deposited pursuant to the Bond Retirement Agreement to pay the principal of, and interest and premium, if any, when due on the 2006 Bonds, and the accuracy of certain mathematical computations supporting the conclusion that the Bonds will not be "arbitrage bonds" under Section 103(c) of the Internal Revenue Code, will be verified by a Certified Public Accountant, as a condition to the delivery of the Bonds.

Sources and Uses of Bond Proceeds

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

Sources of Funds	
Bond Proceeds	$
Accrued Interest	
Total Sources of Funds	$
Uses of Funds	
2006 Escrow Fund Deposit	$
Costs of Issuance[(1)]	
Total Uses of Funds	$

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

*Estimated, subject to change.

THE BONDS

Description

The Bonds will be issued in book-entry only form, in denominations of $5,000 principal amount and integral multiples thereof, will be in the aggregate principal amount of $24,980,000*, and will be dated as of the date of delivery, when interest begins to accrue. The Bonds will bear interest at the rates and mature in the amounts and on the dates set forth on the inside front cover of this Preliminary Official Statement. Interest on the Bonds will be payable initially on November 1, 2010, and thereafter, semiannually on May 1 and November 1 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for.

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

Payment of Principal and Interest

So long as Cede & Co. (DTC's partnership nominee), is the registered owner of the Bonds, payments of principal of, redemption premium, if any, and interest on the Bonds, when due, are to be made to DTC and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the School District with respect to, and to the extent of, principal, redemption premium, if any, and interest so paid. If the use of the Book-Entry Only System for the Bonds is discontinued for any reason, bond certificates will be issued directly to the Beneficial Owners of the Bonds and payment of principal, redemption premium, if any, and interest on the Bonds shall be made as described in the following paragraphs:

The principal of certificated Bonds, when due upon maturity or upon any earlier redemption, will be paid to the registered owners of such Bonds, or registered assigns, upon surrender of such Bonds to The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent"), acting as paying agent and sinking fund depositary for the Bonds, at its designated corporate trust office, currently located in Philadelphia, Pennsylvania (or to any successor paying agent or alternate designated office(s)).

Interest on certificated Bonds will be payable to the registered owner of a Bond from the interest payment date next preceding the date of registration and authentication of such Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding November 1, 2010, 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 certificated Bond will be payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15^{th}) 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 such 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 such certificated 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 (5^{th}) 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 or required by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

*Estimated, subject to change.

Transfer, Exchange and Registration of Bonds

Subject to the provisions described below under "Book-Entry Only System," certificated Bonds are transferable or exchangeable by the registered owners thereof upon surrender of such Bonds to the Paying Agent, 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 certificated 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 certificated 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 certificated owner of any Bond as the absolute owner thereof (whether or not such Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the School District and the Paying Agent shall not be affected by any notice to the contrary.

The School District and the Paying Agent shall not be required (a) to register the transfer of or exchange any certificated Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15^{th}) day next preceding any date of selection of such Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed or (b) to register the transfer of or exchange any portion of any Bond selected for redemption until after the redemption date. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity, and interest rate.

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 stated to mature on or after May 1, 2016, shall be subject to redemption prior to maturity, at the option of the School District, as a whole, on November 1, 2015, or on any date thereafter, or from time to time, in part (and if in part, of any order of maturity as selected by the School District and within a maturity by lot), on November 1, 2015, or on any date thereafter, in either case upon payment of a redemption price of 100% of the principal amount of such Bonds, together with accrued interest to the redemption date.

Notice of Redemption

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

Notice of any redemption shall be given by depositing a copy of the redemption notice in first class mail not less than thirty (30) days prior to the date fixed for redemption addressed to each of the registered owners of Bonds to be redeemed, in whole or in part, at the addresses shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption as to which proper notice has been given.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Resolution, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption. Any notice of redemption of Bonds may state that the redemption is conditioned upon the deposit of sufficient funds prior to the redemption date. If sufficient funds are not received, such notice of redemption shall be of no effect.

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 a certificated Bond in exchange for a Bond or Bonds of authorized denominations in 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 of Pennsylvania are authorized or required by law or executive order to close, then the date for payment of the principal, premium, if any, and interest upon such redemption shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

SECURITY FOR THE BONDS

Pledge of the School District's Full Faith, Credit and Taxing Power

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 provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Bonds for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund, as hereinafter defined, or any other of its revenues or funds, the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated on the Bonds, and for such budgeting, appropriation and payment the School District irrevocably has pledged its full faith, credit and taxing power, which taxing power includes the power to levy ad valorem taxes on all taxable property in the School District taxable for school purposes, within the limits provided by law. (See "SCHOOL DISTRICT FINANCES" and "TAXING POWERS AND LIMITS" herein). The Act presently provides for enforcement of debt service payments as hereinafter described (see "Defaults and Remedies" herein), and the Pennsylvania Public School Code presently provides for the withholding and application of subsidies in the event of failure to pay debt service (see "Commonwealth Enforcement of Debt Service Payments" herein).

Bonds Sinking Fund

A sinking fund for the payment of the debt service on the Bonds, designated "Sinking Fund, General Obligation Bonds, Series of 2010" (the "Sinking Fund"), has been created under the Resolution and shall be maintained by the Paying Agent, as sinking fund depositary. 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 depositary, 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 depositary, and such deposits and securities, together with the interest thereon, shall be a part of the Sinking Fund.

The Paying Agent, as sinking fund depositary, 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.

Commonwealth Enforcement of Debt Service Payments

Section 633 of the Pennsylvania Public School Code of 1949, as amended (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 at 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.

There can be no assurance, however, that any payments pursuant to this withholding provision will be made by the date on which such payments are due to the Bondholders. 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.

BOOK-ENTRY ONLY SYSTEM

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

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or in such other name as may be requested by an authorized representative of DTC. One fully-registered certificate for the Bonds of each maturity will be issued in principal amount equal to the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 2.2 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 (the "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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 (the "Indirect Participants"). DTC has Standard & Poor's highest rating, "AAA." 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 and www.dtc.org.

Purchases of the 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 (the "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 Owners 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 the Beneficial Owners. ***Beneficial Owners will not receive certificates representing their ownership interests in the 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 transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners to Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices of Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds (or all Bonds of a particular series or subseries and maturity) are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue (or maturity) to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

So long as the Bonds are held by DTC under a book-entry system, payments of the principal of and interest on the Bonds and, if applicable, any premium payable upon redemption thereof, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent on the 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 Participants and not of DTC, the Paying Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of the principal of and interest on Bonds and, if applicable, any premium payable upon redemption thereof to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue its services as a securities depository for the Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

So long as a nominee of DTC is the registered owner of the Bonds, references herein to the Bondholders or the holders or owners of the Bonds shall mean DTC and shall not mean the Beneficial Owners of the Bonds. The School District and the Paying Agent will recognize DTC or its nominee as the holder of all of the Bonds for all purposes, including the payment of the principal or redemption price of and interest on the Bonds, as well as the giving of notices and any consent or direction required or permitted to be given to or on behalf of the Bondholders under the Resolution. Neither the School District nor the Paying Agent will have any responsibility or obligation to Participants or Beneficial Owners with respect to payments or notices to Bondholders.

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

OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

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

THE SCHOOL DISTRICT

Introduction

The School District is located in the northeastern part of the Commonwealth of Pennsylvania, is comprised of the Townships of Chestnuthill, Eldred, Polk and Ross in southern and western Monroe County. The School District covers and area of approximately 114 square miles. The population of the School District increased by 9,889 residents between 1990 and 2000.

Administration

The School District is governed by a nine member Board of School Directors (the "School Board"), which are 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 Manager is responsible for budget and financial operations. The School Board selects both officials.

School Facilities

The School District presently operates 4 elementary schools, one intermediate school, one middle school, and one high school, both as described on Table 1.

TABLE 1

PLEASANT VALLEY SCHOOL DISTRICT FACILITIES

Building	Original Construction Date	Renovation Date(s)	Grades	Rated Pupil Capacity	2009-10 Enrollment
Elementary:					
Chestnuthill Elementary School	1929	1998	K-4	150	188
Polk Elementary School	1929	1998, 2005	K-4	493	330
Eldred Elementary School	1953	1976, 1998	K-4	250	156
Pleasant Valley Elementary School	1995	---	K-4	1,450	1,272
Pleasant Valley Intermediate School	2001	2005	5-7	1,670	1,400
Secondary:					
Pleasant Valley Middle School	1989	1993	8-9	1,058	1,063
Pleasant Valley High School	1960	1986, 1996, 2005	10-12	1,877	1,578

Source: School District Officials.

Enrollment Trends

The following Table 2 presents recent trends in school enrollment and projections of enrollment for the next two years, as prepared by the School District officials.

TABLE 2

PLEASANT VALLEY SCHOOL DISTRICT ENROLLMENT TRENDS

Actual Enrollments				Projected Enrollments			
Year	Elementary	Secondary	Total	Year	Elementary	Secondary	Total
2005-06	3,411	3,547	6,958	2010-11	2,870	3,173	6,043
2006-07	3,332	3,436	6,768	2011-12	2,795	3,098	5,893
2007-08	3,181	3,375	6,556	2012-13	2,710	3,007	5,717
2008-09	3,103	3,298	6,401				
2009-10	2,836	3,151	5,987				

Source: School District Officials.

SCHOOL DISTRICT FINANCES

Introduction

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

Financial Reporting

The School District keeps its books and prepares its financial reports according to a modified accrual basis of accounting. Major accrual items are payroll taxes and pension fund contributions payable, loans receivable from other funds, and revenues receivable from other governmental units. The School District's financial statements are audited annually by a firm of independent certified public accountants, as required by Commonwealth law. The firm of Gorman & Associates, P.C., Northampton, Pennsylvania currently serves as the School District's Auditor.

Budgeting Process as modified by Act 1 of 2006 (Taxpayer Relief Act)

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

Procedures for Adoption of the Annual Budget. Under Act 1 of the Special Session of the Pennsylvania legislature in 2006 ("Act 1"), entitled by the legislature as the Taxpayer Relief Act [see "Act 1 of 2006 (The Taxpayer Relief Act)" below], the School District and all other Pennsylvania school districts of the first class A, second class, third class and fourth class (except as described below) must adopt a preliminary budget proposal (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the primary election immediately preceding the fiscal year. The preliminary budget proposal 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; if they do not the board must give at least 10 days public notice of its intent to adopt such budget.

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

With respect to the utilization of any of the Act 1 referendum exceptions for which PDE approval is required (*see* **"The Taxpayer Relief Act (Act 1 of 2006)"** 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 Act 1 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 primary election so that, if PDE denies the school district's request and the school district seeks to exceed the Index, the school district must submit a referendum question to the local election officials at least 50 days before the upcoming election.

To use any of the referendum exceptions for which court approval is required under Act 1, the school district must petition the court of common pleas no later than 75 days prior to the upcoming election, after giving one week's public notice of the intent to file such petition. The court may schedule a hearing on the petition, and the school district must prove by clear and convincing evidence that it qualifies for the exception sought. Act 1 requires that the court rule on the petition and inform the school district of its decision no later than 55 days prior to the upcoming election. Act 1 provides that the court in approving the petition shall determine the dollar amount for which the exception is granted, the tax rate increase required to fund the exception and the appropriate duration of the tax increase. If the court denies the school district's petition, Act 1 permits the school district to 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 Act 1, 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 certifying unconditionally (i) that it will not increase any tax at a rate that exceeds the Index as calculated by PDE, (ii) that it will comply with the procedures set forth in Section 687 of the Public School Code for the adoption of its proposed and final budgets, and (iii) that increasing any tax at a rate less than or equal to the index will be sufficient to balance its final budget. Under the Taxpayer Relief Act, a board of school directors that adopts such a resolution shall do all of the following: (i) comply with the procedures in Section 687 of the Public School Code for the adoption of its proposed and final budgets, submit information on a proposed increase in the rate of tax levied for the support of the public schools to PDE no later than 5 days after the adoption of the resolution and (ii) send a copy of the resolution adopted to PDE no later than 5 days after the adoption of the resolution. 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, which follow. Tables 4 and 5 show audited revenues and expenditures for the past five (5) years and the 2009-10 budget. The budget for 2009-10, as adopted June 25, 2009 projected revenues of $89,319,492 and expenditures of $94,126,277, which includes a budgetary reserve of $611,000.

TABLE 3
PLEASANT VALLEY SCHOOL DISTRICT
SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEET

	2005	2006	2007	2008	2009
ASSETS					
Cash	$6,590,907	$6,005,002	$5,459,161	$4,940,906	$1,782,840
Investments	3,849,437	5,717,939	7,184,652	6,525,626	12,623,348
Taxes Receivable	3,027,738	2,682,892	3,193,046	3,808,623	4,101,627
Due from other funds	457,986	133,392	186,018	163,370	129,731
Due from other governmental units	951,328	1,025,507	1,116,998	1,079,959	923,089
Other receivables	2,774	2,305	0	0	15,000
Prepaid Expenses	0	104,259	0	137,563	913
TOTAL ASSETS	$14,880,170	$15,671,296	$17,139,875	$16,656,047	$19,576,548
LIABILITIES					
Due to Other Funds	$37,705	$132,920	$56,360	$68,245	$83,043
Due to Other Governments	51,426	0	3,741	2,743	1,569
Accounts Payable	132,072	315,792	343,691	378,976	614,201
Current Portion of Comp. Absences	120,902	137,009	170,672	152,603	139,222
Accrued Salaries and Benefits	1,765,156	1,805,355	2,104,747	2,511,732	2,113,711
Payroll Deductions and Withholdings	0	0	0	0	0
Deferred Revenues	2,502,010	2,329,279	3,423,158	3,704,165	3,265,218
Other Current Liabilities	7,145	6,822	21,559	9,732	0
TOTAL LIABILITIES	$4,616,416	$4,727,177	$6,123,928	$6,828,196	$6,216,964
FUND EQUITIES					
Reserved for prepaid expenses	$3,489,073	$3,593,332	$4,031,760	$5,119,735	$4,806,785
Other	0	0	0	0	913
Unreserved/Designated Fund Balances	900,000	7,350,787	6,984,187	6,984,187	4,708,116
Unreserved/Undesignated Fund Balances	5,874,681	0	0	(2,276,071)	3,843,770
TOTAL FUND EQUITIES	$10,263,754	$10,944,119	$11,015,947	$9,827,851	$13,359,584
TOTAL LIABILITIES AND FUND EQUITIES	$14,880,170	$15,671,296	$17,139,875	$16,656,047	$19,576,548

Source: School District Annual Financial Reports

Revenue

The School District received $88,203,970 in revenue in 2008-09 and has budgeted for $89,319,492 in 2009-10. Local sources decreased as a share of revenue in the past five years, from 63.01 percent in 2004-05 to 52.64 percent in 2008-09. Revenue from Commonwealth sources increased as a share of the total revenue from 35.15 percent to 42.94 percent over this period. Federal and other sources increased as a share of the total revenue from 1.84 percent to 1.31 percent during this period.

TABLE 5
PLEASANT VALLEY SCHOOL DISTRICT
SUMMARY OF SCHOOL DISTRICT GENERAL FUND REVENUES AND EXPENDITURES*

	Actual					Budgeted
	2005	**2006**	**2007**	**2008**	**2009**	**2010[1]**
REVENUE:						
Total Local Sources	$40,689,643	$44,051,117	$46,249,135	$45,700,084	$46,434,553	$46,682,569
Total State Sources	22,698,206	26,217,343	30,526,713	31,550,252	37,874,675	39,270,279
Total Federal Sources	1,186,207	1,193,667	1,036,388	1,030,211	1,159,803	3,356,644
Total Other Sources	0	0	0	0	2,734,939	10,000
TOTAL REVENUE	$64,574,056	$71,462,127	$77,812,236	$78,280,547	$88,203,970	$89,319,492
EXPENDITURES:						
Instruction	$36,789,283	$40,738,017	$44,942,710	$46,408,789	$49,848,280	$55,831,228
Support Services	18,674,041	21,129,885	21,855,235	23,283,246	24,648,425	27,237,860
Operation of Non-instructional Services	854,563	918,864	1,068,881	1,058,126	1,186,902	1,279,329
Facilities Acquisition	0	0	0	44,745	1,875	53,657
Capital Outlay	50,504	41,213	34,148	0	0	0
Debt Service	7,198,709	7,893,635	8,689,897	8,247,233	8,919,204	8,995,563
Refund of Prior Year Receipts	26,995	13,223	25,986	29	9,223	0
Other	0	0	0	0	58,329	117,640
Budgetary Reserve	0	0	0	0	0	611,000
TOTAL EXPENDITURES	$63,594,095	$70,734,837	$76,616,857	$79,042,168	$84,672,238	$94,126,277
SURPLUS (DEFICIT) OF REVENUES OVER EXPENDITURES	$979,961	$727,290	$1,195,379	$(761,621)	$3,531,732	$(4,806,785)
BEGINNING FUND BALANCE JULY 1	$10,448,526	$10,263,754	$10,944,119	$11,015,949	$9,827,851	$13,359,584
Prior Period Adjustment (Other Financing)	(1,164,733)	(46,925)	(1,123,549)	(426,475)	0	0
Total Other Financing Sources	0	0	0	0	1	0
ENDING FUND BALANCE JUNE 30	$10,263,754	$10,944,119	$11,015,949	$9,827,853	$13,359,584	$8,552,799

*Totals may not add due to rounding.
[1]Budget, as adopted June 25, 2009.
Source: School District Annual Financial Reports and Budget.

TAXING POWERS AND LIMITS

In General

Subject to the limitations imposed by Act 1 (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 to finance a school building if issued prior to the first Monday of July, 1959.

3. An annual per capita tax on each resident or inhabitant over 18 years of age of not more than $5.00.

4. Additional taxes subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege, under Act No. 511, enacted December 31, 1965, as amended ("The Local Tax Enabling Act"). These taxes, which may include, among others, an additional per capita tax, a wage and other earned income tax, a net profits tax, a real estate transfer tax, a gross receipts tax, a local services tax and an occupation tax, 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 also authorizes, but does not require, taxing authorities to exempt from per capita, occupation, and 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 (which includes full-time students with respect to the per capita tax).

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Act 1 of 2006 (The Taxpayer Relief Act)

Pennsylvania Act No. 1 of the Special Session of 2006 ("The Taxpayer Relief Act" or "Act 1"), became effective on June 27, 2006. Under the provisions of Act 1, a school district may not, in fiscal year 2007-2008 or in any subsequent fiscal year, levy any tax for the support of the public schools which was not levied in the 2006-2007 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 (Act 511), 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 the court of common pleas (in the case of the exceptions numbered 1, 2 and 4 below) or the Pennsylvania Department of Education (PDE) (in the case of all other exceptions below):

1. to pay costs incurred in responding to or recovering from a declared emergency or disaster;
2. to pay costs incurred in implementing a court or administrative order;
3. *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, or (ii) prior to June 27, 2006, in the case of a school district which had not elected to become subject to Act 72 of 2004; to pay interest and principal on any indebtedness approved by the voters at referendum; to pay interest and principal on indebtedness incurred within certain limits for academic elementary or secondary school building projects; to pay interest and principal on indebtedness for up to $250,000 (adjusted annually by an inflationary factor) of the construction cost of a nonacademic school construction project; 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;*
4. to pay costs incurred in responding to conditions posing an immediate threat of serious physical harm or injury to persons;
5. to pay costs incurred in providing special education programs and services to students with disabilities, under specified circumstances;
6. to pay costs which were incurred in the implementation of a school improvement action plan under the federal No-Child Left Behind Act and not offset by a State allocation of funds;
7. to pay costs necessary to maintain per-student local tax revenue, adjusted by the Index, if the percentage growth in average daily attendance over a defined period exceeds 7.5%, or to maintain actual instructional expense per student, adjusted by the Index, if the increase in actual instruction expense per student over a defined period is less than the Index;
8. to maintain revenues derived from real property taxes, earned income taxes, personal income taxes, basic education funding allocations from the State and special education funding allocations from the State, adjusted by the Index, for a school district where the percentage increase in revenues derived from such sources over a defined period is less than the Index;
9. to pay costs incurred for providing health care-related benefits which are directly attributable to collective bargaining agreements in effect on January 1, 2006, between the school district and its employees' organization if the anticipated increase in the cost of such benefits between the current year and the upcoming year is greater than the Index. This exception shall not apply to a collective bargaining agreement renewed, extended or entered into after January 1, 2006; and
10. To make payments into the State Public School Employees' Retirement System when the increase in the actual dollar amount of estimated payments between the current year and the upcoming year is greater than the Index.

Any revenue derived from an increase in the rate of any tax allowed under the exception numbered 3 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 the court or PDE, as the case may be. 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 no later than September 30 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 in the current and prior fiscal years (not including exceptions) are as follows:

Fiscal Year	Index
2006-07	5.7%
2007-08	4.9%
2008-09	6.4%
2009-10	5.9%
2010-11	4.2%

In accordance with Act 1, the School District placed a referendum on the ballot in the May 15, 2007 primary election seeking voter approval to increase the School District's earned income tax and use the proceeds to reduce local real estate taxes by the applicable homestead or farmstead exclusion. That referendum was not approved at the primary election.

The School District may submit, but is not required to submit, a referendum question to the voters at the municipal election in any year thereafter seeking approval to levy or increase the rate of an EIT or levy a new personal income tax (PIT) for the purpose of increased funding homestead and farmstead exclusions, and thereby reducing local real estate tax collections, but the proposed rate of the EIT or PIT shall not exceed the rate required to provide the maximum homestead and farmstead exclusions allowable under law.

Status of the Bonds under Act 1

The Bonds described in this Preliminary 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 Act 1 (the School District not having elected to become subject to Act 72 of 2004). 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, the School District expects that 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.

Limitation on Estimated Ending Unreserved Undesignated Fund Balances

Pennsylvania Act No. 2003-48 (enacted December 23, 2003) prohibits a school district from increasing real property taxes 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 Undesignated 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. The School District's estimated ending unreserved undesignated fund balance as a percentage of total budgeted expenditures for the 2008-09 budget is shown on Page 10 herein under "Summary and Discussion of Financial Results".

*Applies to the School District.

Table 6 which follows shows the recent trend of tax rates levied by the School District.

TABLE 6
PLEASANT VALLEY SCHOOL DISTRICT TAX RATES

Year	Real Estate (mills)	Real Estate Transfer	Wage & Income
2005-06	124.15	0.5	0.5
2006-07	126.30	0.5	0.5
2007-08	133.00	0.5	0.5
2008-09	135.50	0.5	0.5
2009-10	135.50	0.5	0.5

Source: School District Officials.

Tax Levy Trends

Table 7 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, Monroe County, and the townships within the School District.

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

	2006	2007	2008	2009	2010
School District	124.15	126.30	133.00	135.50	135.50
Chestnuthill Township	4.00	4.00	4.00	4.00	4.00
Eldred Township	9.50	9.50	9.50	9.50	9.50
Polk Township	3.30	3.30	3.30	3.30	3.30
Ross Township	1.50	1.50	1.50	1.50	1.50
Monroe County	15.50	15.50	15.50	18.35	17.25

Source: Local Government Officials.

Real Property Tax

The real property tax (including interim real estate tax collections) produced $36,490,635 in 2008-09, approximately 43.64 percent of revenues. The tax is levied on July 1 of each year. Taxpayers who remit on or before September 30 receive a 2 percent discount and those who remit after November 30 are assessed a 10 percent penalty. Local tax collectors submit a list of names of all taxpayers who have not paid their current real estate taxes to the Pleasant Valley School District on a weekly basis. All delinquent real estate taxes are subsequently paid to Portnoff Law Associates. For the School District tax year beginning July 1, 2007 and for each school fiscal year thereafter, the School District adopted a Resolution authorizing the payment of real property taxes in installments for taxpayers with homestead or farmstead property approved pursuant to Act 1, Section 341, (53 P.S. §6926.341) and other taxpayers of a non-commercial or non-industrial nature who owned or occupied residential or farm property. The installments were payable on August 10, October 10 and December 10. For the School District tax year beginning July 1, 2009 and for each school fiscal year thereafter, the School District adopted a Resolution authorizing the payment of real property taxes in installments for taxpayers with homestead or farmstead property approved pursuant to Act 1, Section 341, (53 P.S. §6926.341). The installments were payable on August 10, October 10 and December 10. All other taxpayers were no longer authorized to pay real property taxes in installments.

The following tables summarize recent trends of assessed and market valuations of real property and real property tax collection data. The last countywide assessment in Monroe County was in 1988-89.

TABLE 8
PLEASANT VALLEY SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA

Year	Market Value	Assessed Value	Ratio
2004-05	$1,382,952,700	$292,000,920	21.11%
2005-06	1,456,328,300	304,522,600	20.91%
2006-07	1,681,627,200	315,663,410	18.77%
2007-08	1,734,040,700	323,373,790	18.65%
2008-09	2,006,300,600	328,336,790	16.37%
Compound Average Annual Percentage Change	4.16%	3.25%	

Source: Pennsylvania State Tax Equalization Board.

TABLE 9
PLEASANT VALLEY SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA BY MUNICIPALITY

	2008 Market Value	2008 Assessed Value	2009 Market Value	2009 Assessed Value
School District	$ 1,734,040,700	$ 323,373,790	$ 2,006,300,600	$ 328,336,790
Chestnuthill Township	917,989,700	172,519,100	1,056,681,100	175,443,550
Eldred Township	147,957,600	26,748,020	171,473,000	26,971,360
Polk Township	391,885,800	70,833,960	452,001,900	72,229,990
Ross Township	276,207,600	53,272,710	326,144,600	53,691,890
Monroe County	11,094,103,800	2,223,238,960	13,064,837,200	2,286,611,690

Source: Pennsylvania State Tax Equalization Board.

TABLE 10
PLEASANT VALLEY SCHOOL DISTRICT
ASSESSMENT BY LAND USE

	2005	2006	2007	2008	2009
Residential	$232,016,437	$245,799,907	$257,176,190	$265,356,700	$267,817,300
Lots	27,428,663	25,224,513	23,967,433	23,012,543	22,719,123
Industrial	721,220	721,220	721,220	759,260	759,260
Commercial	10,830,500	11,493,520	11,778,130	11,931,500	11,811,380
Agriculture	15,925,750	16,280,970	17,003,420	17,420,170	17,557,990
Land	5078350	5,002,470	5,017,017	4,893,617	4,864,627
Minerals	0	0	0	0	0
Seasonal	0	0	0	0	0
Trailers	0	0	0	0	2,807,110
Total	$292,000,920	$304,522,600	$315,663,410	$323,373,790	$328,336,790

Source: Pennsylvania State Tax Equalization Board.

TABLE 11

PLEASANT VALLEY SCHOOL DISTRICT
REAL PROPERTY TAX COLLECTION DATA

Fiscal Year	Tax Levy	Mills	Current Year Collections (July-June)	Current Year Collections as Percent of Total Adjusted Flat Billing	Total Current Plus Delinquent Collections[1]	Total Collections As Percent of Adjusted Flat Billing
2004-05....................	$35,213,084	115.15	31,829,027	90.39%	35,425,423	100.60%
2005-06....................	38,434,688	121.65	34,772,146	90.47%	38,207,526	99.41%
2006-07....................	40,832,530	125.65	36,875,329	90.31%	40,519,598	99.23%
2007-08....................	42,159,909	127.80	37,792,390	89.64%	39,592,708	93.91%
2008-09....................	40,780,983	134.50	36,490,635	89.48%	40,523,490	99.37%
2009-10[2].................	40,901,752	137.25	37,737,197	92.26%	39,691,603	97.04%

[1]Includes delinquent real property tax collection.
[2]Unaudited, subject to change and final audit.
Source: School District Officials.

The ten largest real property taxpayers, together with 2009-10 assessed values are shown on Table 12, which follows. The aggregate assessed value of these ten taxpayers totals approximately 1.17 percent of 2010 total assessed value.

TABLE 12
PLEASANT VALLEY SCHOOL DISTRICT
TEN LARGEST REAL PROPERTY TAXPAYERS, 2009-10

Taxpayer's Name	2009-10 Total Assessed Value
Richard Welkowitz	$ 622,360
DCP Realty of Effort LLC	449,960
Robert W. & Doris Kinsley	420,620
Filomina, Inc.	409,810
Amato/Delbalso Properties	405,020
Golden Generation Worship	366,770
Robert R. & Joann Bush	330,720
Amato/Delbalso Properties	297,840
3 Twins Realty Partners	278,810
Zuba IGA MCIDA **Now Weiss Markets?**	257,050
Total	$3,838,960

Source: School District Officials.

Other Taxes

Under Act 511, the School District collected $3,095,590 in various other taxes in 2008-09. Among the taxes authorized by Act 511, the School District currently levies the Real Estate Transfer Tax and Earned Income Tax. The Act 511 limit, equal to 12 mills on the market value of real property, was approximately $24,075,607.

Earned Income Tax. The School District levies a tax of 0.5 percent on the earned income of residents. In 2008-09 the collected portion of this tax yielded $2,759,326 or 3.13 percent of the School District’s total revenue.

Real Estate Transfer. A tax of 0.5 percent of the value of real estate transfers yielded $336,264 in 2008-09, or less than one percent of the School District’s total revenue.

Commonwealth Aid to School Districts

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

A basic instructional subsidy is allocated to all school districts based on (1) the per pupil market value of assessable real property in the school district; (2) the per pupil earned income in the school district; and (3) the school district's tax effort, as compared with the tax effort of other school districts in the Commonwealth. School districts also receive commonwealth aid for special education, pupil transportation, vocational education, health service and debt service.

Commonwealth law presently provides that the School District will receive reimbursement from the Commonwealth for a portion of debt service on the Bonds upon final approval of PDE. Commonwealth reimbursement is based on the "Reimbursable Percentage" assigned to the Bonds and the School District's Capital Account Reimbursement Fraction ("CARF"). The School District officials have estimated that the "Reimbursable Percentage" of the Bonds will be a maximum of 32.52%. The School District CARF for the 2010-11 school year is currently 64.62%. The product of these two factors is 21.01% which is the percentage of debt service which will be reimbursed by the Commonwealth. In future years, this percentage may change as the School District's CARF changes, or by future legislation. CARF is a function of the market value per weighted average daily membership of the School District relative to that of other school districts of the Commonwealth.

DEBT AND DEBT LIMITS

Debt Statement

Table 13, which follow shows the debt of the Pleasant Valley School District as of July 8, 2010, including the issuance of the Bonds.

TABLE 13

PLEASANT VALLEY SCHOOL DISTRICT
DEBT STATEMENT
(As of July 8, 2010)*

NONELECTORAL DEBT	**Gross Outstanding**
General Obligation Bonds, Series of 2010	$24,980,000
General Obligation Bonds, Series A of 2009	9,930,000
General Obligation Bonds, Series of 2009	5,425,000
General Obligation Bonds, Series of 2005	3,445,000
General Obligation Bonds, Series of 2003	1,260,000
General Obligation Bonds, Series of 1999	10,706,204
TOTAL NONELECTORAL DEBT	$55,746,204
LEASE RENTAL DEBT	
Monroe County Area Vocational Technical Authority Series of 2009[(1)]	$ 1,083,495
TOTAL LEASE RENTAL DEBT	$ 1,083,495
TOTAL PRINCIPAL OF DIRECT DEBT	$56,829,699

*Includes the estimated Bonds offered through this Preliminary Official Statement. Excludes the 2006 Bonds being refunded herein.

[(1)]Pro-rata 18.21 percent of $5,950,000 principal amount outstanding.

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 $56,829,699. After adjustment for available funds and estimated Commonwealth Aid, the local effort of direct debt will total $47,804,437.

TABLE 14
PLEASANT VALLEY SCHOOL DISTRICT
BONDED INDEBTEDNESS AND DEBT RATIOS*
(As of July 8, 2010)*

	Gross Outstanding	Local Effort or Net of Available Funds and Estimated Commonwealth Aid*
DIRECT DEBT		
Nonelectoral Debt	$55,746,204	$47,078,581
Lease Rental Debt	1,083,495	725,856
TOTAL DIRECT DEBT	$56,829,699	$47,804,437
OVERLAPPING DEBT		
Monroe County, General Obligation(1)	$5,754,583	$5,754,583
Municipal Debt	3,355,816	3,355,816
TOTAL OVERLAPPING DEBT	$9,110,399	$9,110,399
TOTAL DIRECT AND OVERLAPPING DEBT	$65,940,098	$56,914,836
DEBT RATIOS		
Per Capita	$2,268.24	$1,957.79
Percent 2008-09 Assessed Value	20.08%	17.33%
Percent 2008-09 Market Value	3.29%	2.84%
Debt retired within 10 years (estimated)	%	

*Includes the estimated Bonds offered through this Preliminary Official Statement. Excludes the 2006 Bonds being refunded herein.
(1)Gives effect to current appropriations for payment of debt service and expected future Commonwealth reimbursement of School District sinking fund payments based on current Aid Ratio. See "Commonwealth Aid to School Districts.
(2)Pro rata 15.6 percent share of $37,473,295 principal amount 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 2006-07	$75,954,171
Total Revenues for 2007-08	77,308,045
Total Revenues for 2008-09	84,140,184
Total Revenues, Past Three Years	$237,402,400
Annual Arithmetic Average (Borrowing Base)	$79,134,133

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	$178,051,800	$56,829,699	$121,222,101

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

Debt Service Requirements

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

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

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

TABLE 15
PLEASANT VALLEY SCHOOL DISTRICT
DEBT SERVICE REQUIREMENTS*

Year	Lease Rental Debt	Other General Obligation Debt	Series of 2010 Principal	Series of 2010 Interest	Series of 2010 Subtotal	Total Requirements
2010-11	$ 171,920	$ 7,640,786				
2011-12	172,170	7,773,160				
2012-13	172,772	7,894,038				
2013-14	172,159	7,176,525				
2014-15	172,741	6,910,325				
2015-16	172,343	4,374,650				
2016-17	172,299	0				
2017-18	0	0				
Total	$1,206,404	$41,769,484				

*Totals may not add due to rounding.

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

2008-09 Commonwealth Aid Received	$37,874,675
2008-09 Debt Service Requirements	8,919,204
Maximum Future Debt Service Requirements after Issuance of Bonds	
Coverage of 2008-09 Debt Service Requirements	4.25 times
Coverage of Maximum Future Debt Service Requirements after Issuance of Bonds	

*Assumes current Commonwealth Aid Ratio. See "Commonwealth Aid to School Districts."

Future Financing

The School District does not contemplate issuing additional long-term indebtedness during the next three years.

LABOR RELATIONS

School District Employees

There are presently 1,042 employees of the School District, including 509 teachers and 343 support personnel including secretaries, custodial and maintenance staff, cafeteria and teacher assistants, 75 substitute employees and 33 administrators.

The School District's teachers are represented by the Pleasant Valley Education Association, an affiliate of the Pennsylvania State Education Association, under a contract which expires on August 31, 2012. The School District's teachers have never been on strike.

Pension Program

School Districts in Pennsylvania are required to participate in a statewide pension program administered by the Public School Employees Retirement System (PSERS). All of the School District's full-time employees, part-time employees who work more than 80 days in a school year, and hourly employees who work over 500 hours a year participate in the program. However, please note a Pennsylvania Supreme Court decision has removed the hourly de minimis requirement for current members of PSERS regarding the purchase of credit for their part-time school service rendered prior to their being members of PSERS, for purposes of increasing their pension benefits.

The PSERS Board of Trustees has set the fiscal year 2010-11 employer retirement contribution rate at 8.22 percent of payroll. Both the School District and the Commonwealth are responsible for paying a portion of the employer's share. Employers are divided into two groups; school entities and non-school entities. School entities are responsible for paying 100 percent of the employer share of contributions to PSERS. The Commonwealth reimburses the employer for one-half the payment for employees. Recent School District pension contributions to PSERS have been as follows:

2005-06...	$1,580,327
2006-07...	2,209,791
2007-08...	2,536,862
2008-09...	2,251,604
2009-10 (budgeted)..	2,739,067

The School District is current in all payments. Future projections are indicating increases in the contribution rate for future years. The PSERS complete report is available on its website on the Internet: www.psers.state.pa.us.

Other Post-Employment Benefits

The School District is obligated under collective bargaining agreements to provide in the future health insurance coverage for current and future retired employees, and to provide retirement severance pay for existing employees. Such estimate has not been determined in accordance with GASB Statements No. 43 and 45. The School District has become subject to the requirements of GASB Statements No. 43 and 45 commencing with the School District's annual financial statements for the fiscal year ending June 30, 2009.

LITIGATION

At the time of settlement, the School Board and the Solicitor will deliver a certificate stating that there is no litigation pending with respect to the Bonds, the Resolution or the right of the School District to issue the Bonds.

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. 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

Federal Income Tax Matters

On the date of delivery of the Bonds, Rhoads & Sinon LLP, Harrisburg, Pennsylvania, as Bond Counsel to the School District, will issue an opinion to the effect that under existing statutes, regulations and judicial decisions, including the provisions of the American Recovery and Reinvestment Act of 2009, interest on the Bonds is excludable from gross income for purposes of federal income taxation, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and need not be taken into account in determining adjusted current earnings of corporations (as defined for federal income tax purposes) for purposes of such alternative minimum tax. This opinion of Bond Counsel will assume the accuracy of representations made by the School District and will be subject to the condition that the School District will comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The School District has covenanted to comply with all such requirements, which include, among others, restrictions upon the yield at which proceeds of the Bonds and other money held for the payment of the Bonds and deemed to be "proceeds" thereof may be invested and the requirement to calculate and rebate any arbitrage that may be generated with respect to investments allocable to the Bonds. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds.

Certain maturities of the Bonds may be sold to the public in the initial offering at a price less than the stated redemption price of such Bonds at maturity (that is, at less than par or the stated principal amount), the difference being "original issue discount." Generally, original issue discount accruing on a tax-exempt obligation is treated as interest excludable from gross income for federal income tax purposes. In addition, original issue discount that has accrued on a tax-exempt obligation is treated as an adjustment to the issue price of the obligation for the purpose of determining taxable gain upon sale or other disposition of such obligation prior to maturity. The Internal Revenue Code of 1986, as amended, provides specific rules for the accrual of original issue discount on tax-exempt obligations for federal income tax purposes. Prospective purchasers of Bonds being sold with original issue discount should consult their tax advisors for further information.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, 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 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 collateral tax consequences, and prospective purchasers of the Bonds should consult their tax advisors.

No representation is made or can be made by the School District or any other party associated with the issuance of the Bonds as to whether or not any legislation now or hereafter introduced and enacted will be applied retroactively so as to subject interest on the Bonds to inclusion in gross income for Federal income tax purposes or so as to otherwise affect the marketability or market value of the Bonds. Enactment of any legislation that subjects the interest on the Bonds to inclusion in gross income for federal income tax purposes or otherwise imposes taxation on the Bonds or the interest paid thereon may have an adverse effect on the market value or marketability of the Bonds.

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 (the "Commonwealth"), as presently enacted and construed, the Bonds are exempt from personal property taxes within the Commonwealth and the interest on the Bonds is exempt from the Commonwealth's Personal Income Tax and the Commonwealth's Corporate Net Income Tax.

Profits, gains or income derived from the sale, exchange or other disposition of the Bonds are subject to state and local taxation within the Commonwealth, in accordance with Pennsylvania Act No. 1993-68.

Certain maturities of the Bonds may be sold to the public in the initial offering at a price less than their stated redemption price at maturity (that is, at an "original issue discount"). For Pennsylvania Personal Income Tax purposes, original issue discount on publicly offered obligations is treated under current regulations of the Pennsylvania Department of Revenue as interest and, for purposes of determining taxable gain upon sale or other disposition of an obligation the interest on which is exempt from income taxation by the Commonwealth, as an adjustment to basis. For Pennsylvania Corporate Net Income Tax purposes, original issue discount is to be accorded similar treatment, according to a Private Letter Ruling issued by the Office of the Chief Counsel of the Pennsylvania Department of Revenue dated December 2, 1993, but such Private Letter Ruling may be relied upon only by the taxpayer to whom it was addressed.

Prospective purchasers of Bonds issued with original issue discount should consult their tax advisors for further information and advice concerning the reporting of profits, gains or other income related to a sale, exchange or other disposition of such bonds for Pennsylvania tax purposes.

Federal Income Tax Interest Expense Deductions for Financial Institutions

Under Section 265 of the Internal Revenue Code of 1986, as amended (the "Code"), no deduction is allowed for the portion of a financial institution's interest expense which is allocable to tax-exempt interest, such portion being an amount which bears the same ratio to the financial institution's interest expense as the financial institution's average adjusted bases (within the meaning of Section 1016 of the Code) of tax-exempt obligations acquired after August 7, 1986, bears to such average adjusted bases for all assets of the financial institution.

Under amendments to the Code made by the American Recovery and Reinvestment Act of 2009, in determining such average adjusted bases of tax-exempt obligations acquired after August 7, 1986, a financial institution need not take into account tax-exempt obligations issued during 2009 or 2010, but only to the extent the amount of such tax-exempt obligations does not exceed two (2) percent of the average adjusted bases for all assets of the financial institution. The portion of any obligation not so taken into account, however, is to be treated by the taxpayer as a financial institution preference item under Section 291 of the Code.

An exception that reduces the amount of the interest expense disallowance under Section 265 of the Code is provided for certain tax-exempt obligations that are designated or "deemed designated" by the issuer as "qualified tax-exempt obligations" under Section 265 of the Code.

Each of the Bonds has been designated, or is "deemed designated", as a "qualified tax-exempt obligation" for purposes and effect contemplated by Section 265 of the Code (relating to expenses and interest relating to tax-exempt income of certain financial institutions).

Financial institutions intending to purchase Bonds should consult with their professional tax advisors to determine the effect of the interest expense disallowance on their federal income tax liability.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), the School District (being an "obligated person" with respect to $10,000,000 or more of outstanding securities, including the Bonds, within the meaning of the Rule) will agree:

(i) to file annually, with the Municipal Securities Rulemaking Board (the "MSRB") not later than 180 days following the end of each fiscal year of the School District, beginning with the fiscal year ending June 30, 2010, the following financial information and operating data with respect to the School District:

- 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
- a copy of or a summary of the budget for the current fiscal year
- the total assessed value and market value of all taxable real estate for the current fiscal year
- the taxes and millage rates imposed for the current fiscal year
- 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)
- 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
- pupil enrollment figures, including enrollment at the end of the most recent fiscal year, current enrollment and projected enrollment for the beginning of the next fiscal year, including a breakdown between elementary and secondary enrollment (to the extent reasonably feasible)

(ii) in a timely manner, to file with MSRB notice of the occurrence of any of the following events with respect to the Bonds, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (7) modifications to rights of holders of the Bonds; (8) Bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds; and (11) rating changes.

(iii) in a timely manner, to provide to the MSRB notice of a failure to provide required annual financial information, on or before the date specified above.

The School District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the School District does not commit to provide any such notice of the occurrence of any events except those specifically listed above.

The School District reserves the right to terminate its obligation to provide annual financial information and notices of material events, as set forth above, if and when the School District no longer remains an "obligated person" with respect to the Bonds within the meaning of the Rule. The School District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders or beneficial owners of the Bonds and shall be enforceable by the holders or beneficial owners of such Bonds; provided that the Bondholders' right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the School District's obligations hereunder and any failure by the School District to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds.

As of July 1, 2009, municipal securities issuers are required to file annual financial information and operating data and notice of material events with the MSRB electronically through its Electronic Municipal Market Access (EMMA) System.

During the past five years the School District has complied with all prior written undertakings under the Rule to provide timely ongoing disclosure of annual financial information and notice of material events affecting its securities.

RATINGS

Standard & Poor's Ratings Group has assigned the School District an underlying rating of " __________" to the Bonds. Standard & Poor's Rating Group will also assigned its municipal bond rating of "_________" to this issue of Bonds, has done so with the understanding that upon delivery of the Bonds, the municipal bond insurance policy will be issued by __________. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Standard & Poor's Corporation, 55 Water Street, 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.

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 at a total discount of $______________ (consisting of underwriters discount of $______and an original issue discount of $ ______).

LEGAL OPINION

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 Rhoads & Sinon LLP, of Harrisburg, Pennsylvania, Bond Counsel to the School District, to be furnished upon delivery of the Bonds. Certain other legal matters will be passed upon for the School District by Newman, Williams, Mishkin, Corveleyn, Wolfe & Fareri, P.C., of Stroudsburg, Pennsylvania, School District Solicitor

FINANCIAL ADVISOR

The School District has retained Public Financial Management, Inc., 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. Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

MISCELLANEOUS

This Preliminary Official Statement has been prepared under the direction of the School District by Public Financial Management, Inc., 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.

PLEASANT VALLEY SCHOOL DISTRICT
Monroe County, Pennsylvania

By: /s/ Susan Kresge
President, Board of School Directors

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APPENDIX A
Demographic and Economic Information
Relating to the Pleasant Valley School District

Population

Table A-1 which follows shows recent population trends for the School District, Monroe County and the Commonwealth. The School District's population increased from 19,182 in 1990 to 29,071 in 2000 or by 9,889 residents between 1990 and 2000, and is growing at a faster rate than the County and the Commonwealth. Table A-2 shows 2000 age composition and average number of persons per household in Monroe County and for the Commonwealth.

TABLE A-1

RECENT POPULATION TRENDS

Area	1990	2000	Compound Average Annual Percentage Change 1990-2000
Pleasant Valley School District	19,182	29,071	4.24%
Monroe County....................................	95,709	138,687	3.78%
Pennsylvania...	11,881,643	12,281,054	0.33%

Source: 2000 U.S. Bureau of the Census, Decennial Census and Pennsylvania State Data Center.

TABLE A-2

AGE COMPOSITION

	Under 18 Years	65+ Over	Persons Per Household
Monroe County....................................	26.8%	12.3%	2.7
Pennsylvania...	23.8	15.6	2.5

Source: Pennsylvania State Data Center, 2000 General Population and Housing Characteristics: Pennsylvania.

Employment

Overall employment data are compiled for the Monroe County Labor Market Area. Table A-3 shows the distribution of employment for the Monroe County Labor Market Area in March 2010.

TABLE A-3

DISTRIBUTION OF EMPLOYMENT
(Monroe County Labor Market Area)

	Industry Employment				Net Change From:	
ESTABLISHMENT DATA	**March 2010**	**February 2010**	**January 2010**	**March 2009**	**February 2010**	**March 2009**
Total Nonfarm	59,300	59,100	58,800	58,300	200	1,000
Total Private	44,600	44,800	44,800	44,300	-200	300
Goods-Producing	7,000	7,000	7,000	7,300	0	-300
Mining, Logging, and Construction	1,800	1,800	1,800	2,000	0	-200
Manufacturing	5,200	5,200	5,200	5,300	0	-100
Service-Providing	52,300	52,100	51,800	51,000	200	1,300
Trade, Transportation, and Utilities	12,200	12,100	12,300	12,100	100	100
Transportation, Warehousing & Utilities	2,100	2,100	2,100	2,300	0	-200
Trade	10,100	10,000	10,200	9,800	100	300
Wholesale Trade	1,100	1,100	1,100	1,100	0	0
Retail Trade	9,000	8,900	9,100	8,700	100	300
Financial Activities	1,800	1,900	1,900	1,900	-100	-100
Professional and Business Services	3,800	3,700	3,700	3,700	100	100
Education and Health Services	7,000	6,900	6,900	6,600	100	400
Leisure and Hospitality	10,100	10,500	10,400	10,100	-400	0
Other Services	2,300	2,300	2,200	2,200	0	100
Government	14,700	14,300	14,000	14,000	400	700
Federal Government	5,000	4,600	4,600	4,500	400	500
State Government	2,400	2,400	2,200	2,300	0	100
Local Government	7,300	7,300	7,200	7,200	0	100
Data benchmarked to March 2009	***Data changes of 100 may be due to rounding***					

Source: Pennsylvania State Employment Service.

Table A-4 shows recent trends in labor force, employment and unemployment for Monroe County and the State. Employment for Monroe County has increased at a faster rate than the rate for the State.

TABLE A-4

RECENT TRENDS IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
(Monroe County)

	2005	2006	2007	2008	2009	2010[1]	Compound Average Annual % Rate
Monroe County							
Civilian Labor Force (000)	78.1	80.1	81.1	83.6	83.3	85.0	1.71%
Employment (000)	73.7	75.9	77.1	78.4	75.7	76.7	0.80%
Unemployment (000)	4.3	4.1	3.9	5.3	7.6	8.3	14.06%
Unemployment Rate	5.5	5.2	4.9	6.3	9.1	9.7	
Pennsylvania							
Civilian Labor Force (000)	6,257.0	2,690.0	6,287.0	6,395.0	6,414.0	6,458.0	0.63%
Employment (000)	5,946.0	3,003.0	6,013.0	6,051.0	5,895.0	5,876.0	-0.24%
Unemployment (000)	311.0	287.0	274.0	344.0	519.0	582.0	13.35%
Unemployment Rate	5.0	4.6	4.4	5.4	8.1	9.0	

[1] As of March 2010.
Source: Pennsylvania State Employment Service.

The larger employers located within or near the School District include:

Name	Product or Services	Approximate Number of Employees
Pleasant Valley School District	Public School	903
Kinsley's Market	Food Sales	190
Mr. Z's	Food Sales	180
Bush's Personal Care Homes	Personal Care	50

Source: Monroe County Industrial Development Authority.

Income

The data on Table A-5 shows recent trends in per capita income for the School District, the County and Pennsylvania over the 1990-2000 period. Per capita income in the School District is lower than average per capita income in the County and the Commonwealth. The School District and County per capita income has increased at a slower rate over this period than the per capita income for the Commonwealth.

TABLE A-5

RECENT TRENDS IN PER CAPITA INCOME*

	1990	2000	Percentage Change 1990-2000
School District	$13,045	$19,852	4.29
Monroe County	13,630	20,011	3.91
Pennsylvania	14,068	20,880	4.03%

*Income is defined by the Bureau of the Census as the sum of wage and salary income, non-farm self-employment income, net self-employment income, Social Security and Railroad retirement income, public assistance income, interest, dividends, pensions, etc. before deductions for personal income taxes, Social Security, etc. School District income is the population-weighted average for political subdivisions.

Source: 2000 Census, Pennsylvania State Data Center, 1990 & 2000 General Income Characteristics: Pennsylvania.

Commercial Activity

Table A-6 shows retail sales over a recent five-year period for the County and the State.

TABLE A-6

TOTAL RETAIL SALES
(000

	2005	2006	2007	2008	2009
Monroe County	$ 1,868,388	$ 2,153,919	$ 2,399,141	$ 2,498,109	$ 2,350,028
Pennsylvania	166,183,066	185,507,879	195,558,005	N/R	180,948,327

N/R: Not reported.
Source: Sales and Marketing Management Magazine.

Educational Institutions

While there are no university's located within the School District, the East Stroudsburg University, is located in East Stroudsburg, Monroe County provides education courses to residents of the School District. Other educational institutions provide educational services within commuting distance of the School District include: Lehigh University, Muhlenburg College, Northampton Area Community College, Moravian College, Cedar Crest College and Lafayette College.

Housing

Outlined below are housing statistics for the School District as reported for 2000.

	Total Housing Units	Occupied Housing Units	Percent Occupied Housing	Owner-Occupied Housing Units	Percent Owner Occupied
School District	11,460	10,023	87.5%	8,683	86.6%
Monroe County	67,581	49,454	73.2%	38,734	78.3%
Pennsylvania	5,249,750	4,777,003	91.0%	3,406,337	71.3%

Source: Pennsylvania State Data Center.

Transportation

Extensive highway network traverses the County and the School District. U.S. 611 and the Northeast Extension of the Pennsylvania Turnpike extending north and south; U.S. 209 which crosses the Pocono area in a northeast-southeast direction and Pennsylvania Route 940 which runs east-west from the Northeast extension of the Pennsylvania Turnpike provides access to the area. Interstate 80 has numerous interchanges in the Pocono area, from the Delaware Water Gap northwest to the Pocono Interchange at the junction with the Northeast Extension of the Pennsylvania Turnpike. U.S. Route 611 and 209 cross in Stroudsburg, Pennsylvania which is located in the southeastern corner of the Pocono area.

Local bus transportation is provided by the Monroe County Transportation Authority. Greyhound Bus Lines, Martz Trailways and Shortline Bus and Campus Coaches provide transportation services to the major metropolitan areas in the east. Stroudsburg-Pocono Airport in East Stroudsburg, Birchwood Airpark near Stroudsburg and Pocono Mountain Airport at Mt. Pocono provide air service to the area. The nearest major commercial airports include Wilkes-Barre/Scranton Airport in Avoca and the Lehigh Valley International Airport.

Tourism

Tourism and recreation are the area’s major industries. There are over 200 hotels, motels and camping grounds within Monroe County.

Some of the larger resorts in the area include Mt. Airy Lodge, Pocono Manor, Tamiment, Fernwood, Shawnee on the Delaware and Sky Top.

Utilities

PPL and Metropolitan Edison provide electric services to residents of the School District, Palmerton Telephone and Commonwealth Telephone provide telephone services to area residents.

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APPENDIX B
Opinion of Bond Counsel

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APPENDIX C
Audited Financial Report