

## PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 30, 2024

NEW ISSUE—BOOK-ENTRY ONLY

**RATING: Moody's: "Aaa" (Underlying)**  
**(See "RATING" herein)**

*In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the Bonds is excludable from gross income of the owners thereof for purposes of federal income taxation. This opinion of Bond Counsel is subject to continuing compliance by the School District with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations thereunder. In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") as presently enacted and construed, the interest on the Bonds is exempt from the Pennsylvania personal income tax and the Pennsylvania corporate net income tax. For further information concerning federal and state tax matters relating to the Bonds, see "TAX EXEMPTION AND OTHER TAX MATTERS" herein.*

*The School District has designated the Bonds as "Qualified Tax-Exempt Obligations" pursuant to Section 265(b)(3) of the Code (relating to the deductibility of interest expense by certain financial institutions).*

**\$9,995,000\***

### **Wissahickon School District Montgomery County, Pennsylvania General Obligation Bonds, Series of 2025**

**Dated:** Date of Delivery

**Interest Due:** May 15 and November 15

**Principal Due:** November 15, as shown on inside cover

**First Interest Payment:** November 15, 2025

The General Obligation Bonds, Series of 2025 (the "Bonds") in the aggregate principal amount of \$9,995,000\* will be issued in registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds will be registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or any integral multiple thereof only under the book-entry only system maintained by DTC through its brokers and dealers who are, or act through, DTC Participants. The purchasers of the Bonds will not receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond, that purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. (See "**BOOK-ENTRY ONLY SYSTEM**" herein.) If, under the circumstances described herein, Bonds are ever issued in certificated form, the Bonds will be subject to registration of transfer, exchange and payment as described herein.

The Bonds are general obligations of the Wissahickon School District, Montgomery County, Pennsylvania (the "School District"), payable from its tax and other general revenues. The School District has covenanted that it will, to the fullest extent permitted under applicable law, provide in its budget in 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 the sinking fund established under the Resolution or any other of its revenues or funds the principal of every Bond and the interest thereon on the dates, at the 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, within the limits provided by law. (See "**TAXES AND TAXING POWERS OF THE SCHOOL DISTRICT**" herein).

Interest on each of the Bonds is payable initially on November 15, 2025, and thereafter semiannually on May 15 and November 15 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 Manufacturers and Traders Trust Company (the "Paying Agent"), as paying agent and sinking fund depository for the Bonds. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, payments of the principal of 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 on each of the Bonds will be payable, when due, upon surrender of such Bond to the Paying Agent at its corporate trust office located in Harrisburg, 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**" herein).

**The Bonds are subject to redemption prior to maturity as described herein.**

Proceeds of the Bonds will be used for purposes of: (i) capital improvements to school facilities and school buildings owned and operated by the School District, including, without limitation, the designing, construction, expansion, furnishing and equipping of an addition to Blue Bell Elementary School; (ii) capital improvements to school facilities and school buildings owned and operated by the School District, including, without limitation, the installation, furnishing and equipping of stadium bleachers at Wissahickon High School; and (iii) paying the costs and expenses related to the issuance of the Bonds.

### **MATURITIES, AMOUNTS, RATES, YIELDS AND CUSIPS** **See Inside Front Cover**

The Bonds are offered when, as and if issued, subject to withdrawal or modification of the offer without notice, and subject to the approving legal opinion of Fox Rothschild LLP, of Blue Bell, Pennsylvania, Bond Counsel to the School District, to be furnished upon delivery of the Bonds. Certain other matters will be passed upon for the School District by Fox Rothschild LLP, of Blue Bell, Pennsylvania, School District Solicitor. PFM Financial Advisors LLC, Harrisburg, Pennsylvania, serves as Financial Advisor to the School District in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery in through DTC New York, New York, on or about February 11, 2025.

Dated:

\*Estimated, subject to change

**\$9,995,000\***  
**Wissahickon School District**  
**Montgomery County, Pennsylvania**  
**General Obligation Bonds, Series of 2025**

**Bonds Dated:** Date of Delivery

**Interest Due:** May 15 and November 15

**Principal Due:** November 15, as shown below

**First Interest Payment:** November 15, 2025

**BOND MATURITY SCHEDULE:**

<b>Maturity Date</b> <b>(November 15)</b>	<b>Principal</b>	<b>Interest</b>	<b>Initial Offering</b>	<b>CUSIP</b>
<b>Year</b>	<b>Amounts</b>	<b>Rates</b>	<b>Yields</b>	<b>Numbers<sup>(1)</sup></b>
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				

<sup>(1)</sup>The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the School District or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the School District nor the Underwriter has agreed to, and there is no duty or obligation to, update this Preliminary Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

\*Estimated, subject to change

# WISSAHICKON SCHOOL DISTRICT

Montgomery County, Pennsylvania

## BOARD OF SCHOOL DIRECTORS

Amy Ginsburg .....	President
Joseph Antonio .....	Vice President
Tim Bricker .....	Secretary*
Paul Badger, Jr. ....	Member
Marshall Bleefeld .....	Member
Rosetta Chiavacci .....	Member
Eugene Golson .....	Member
Zeffy Karagiannakis .....	Member
Deanne Moyer Morris .....	Member
Steve Walker .....	Member

\*Non-Voting Member.

### SUPERINTENDENT

DR. JAMES CRISFIELD

### BUSINESS ADMINISTRATOR

TIM BRICKER

### SCHOOL DISTRICT SOLICITOR

FOX ROTHSCHILD LLP

Blue Bell, Pennsylvania

### SCHOOL DISTRICT BOND COUNSEL

FOX ROTHSCHILD LLP

Blue Bell, Pennsylvania

### FINANCIAL ADVISOR

PFM FINANCIAL ADVISORS LLC

Harrisburg, Pennsylvania

### UNDERWRITER

### PAYING AGENT

MANUFACTURERS AND TRADERS TRUST COMPANY

Harrisburg, Pennsylvania

### SCHOOL DISTRICT ADDRESS

601 Knight Road

Ambler, Pennsylvania 19002

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.

The quotations from and summaries and explanation of provisions of laws and documents contained herein, including the cover page and Appendices attached hereto, do not purport to be complete. Reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Preliminary Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Preliminary Official Statement nor any sale of the Bonds shall under any circumstances create any implication that there has been no change in the affairs of the School District since the date of this Preliminary Official Statement.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS PRELIMINARY OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO AND INFORMATION INCORPORATED HEREIN BY REFERENCE, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS PRELIMINARY OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO AND INFORMATION INCORPORATED HEREIN BY REFERENCE, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE PRELIMINARY OFFICIAL STATEMENT.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trust(s)) and others at prices lower than the public offering prices stated on the inside front cover hereof.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR OTHER SECURITIES REGULATOR. NEITHER THE SECURITIES AND EXCHANGE COMMISSION, NOR ANY STATE SECURITIES COMMISSION OR ANY OTHER SECURITIES REGULATOR HAS PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS PRELIMINARY OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

# TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
<b>INTRODUCTION.....</b>	<b>1</b>	Pension Program .....	23
<b>PURPOSE OF THE ISSUE.....</b>	<b>1</b>	Other Post-Employment Benefits .....	24
Sources and Uses of Bond Proceeds .....	1	<b>LITIGATION .....</b>	<b>24</b>
<b>THE BONDS.....</b>	<b>2</b>	<b>DEFAULTS AND REMEDIES .....</b>	<b>24</b>
Description .....	2	<b>TAX EXEMPTION AND OTHER TAX MATTERS.....</b>	<b>25</b>
Payment of Principal and Interest .....	2	Certain Federal Income Tax Matters .....	25
Transfer, Exchange and Registration of Bonds .....	2	Certain Pennsylvania Tax Matters .....	25
Security .....	3	Changes in Federal and State Tax Law.....	25
Commonwealth Enforcement of Debt Service Payments .....	3	<b>BONDHOLDER CONSIDERATIONS .....</b>	<b>26</b>
Pennsylvania Budget Adoption.....	3	Cybersecurity .....	26
Act 85 of 2016.....	4	Climate Change .....	26
Sinking Fund .....	4	Risk of Audit by Internal Revenue Service .....	26
<b>BOOK-ENTRY ONLY SYSTEM.....</b>	<b>5</b>	<b>CONTINUING DISCLOSURE UNDERTAKING.....</b>	<b>26</b>
<b>REDEMPTION OF BONDS .....</b>	<b>7</b>	Existing Continuing Disclosure Filing History .....	27
Mandatory Sinking Fund Redemption.....	7	Future Continuing Disclosure Compliance.....	27
Optional Redemption .....	7	<b>RATING .....</b>	<b>27</b>
Notice of Redemption .....	7	<b>UNDERWRITING.....</b>	<b>27</b>
Manner of Redemption.....	7	<b>LEGAL OPINION .....</b>	<b>28</b>
<b>THE SCHOOL DISTRICT .....</b>	<b>8</b>	<b>FINANCIAL ADVISOR.....</b>	<b>28</b>
Introduction .....	8	MISCELLANEOUS .....	28
Administration.....	8	<b>APPENDIX A - DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
School Facilities .....	8	<b>RELATING TO THE WISSAHICKON SCHOOL DISTRICT</b>	
Enrollment Trends.....	9	Population.....	A-
<b>SCHOOL DISTRICT FINANCES .....</b>	<b>9</b>	<b>Error! Bookmark not defined.</b>	
Introduction .....	9	Employment .....	A-
Financial Reporting .....	9	<b>Error! Bookmark not defined.</b>	
Budgeting Process in School Districts under the Taxpayer Relief		Income .....	A-
Act .....	9	<b>Error! Bookmark not defined.</b>	
Summary and Discussion of Financial Results.....	10	Commercial Activity.....	A-
Revenue .....	11	<b>Error! Bookmark not defined.</b>	
<b>TAXES AND TAXING POWERS OF THE SCHOOL DISTRICT13</b>		Educational Institutions.....	A-
In General .....	13	<b>Error! Bookmark not defined.</b>	
The Taxpayer Relief Act (Act 1) .....	13	Medical Facilities .....	A-
Status of the Bonds Under Act 1 .....	14	<b>Error! Bookmark not defined.</b>	
Act 24 of 2001 .....	14	Transportation .....	A-
Act 48 of 2003.....	15	<b>Error! Bookmark not defined.</b>	
Tax Levy Trends .....	15	<b>APPENDIX B.....</b>	<b>2</b>
Other Taxes .....	17	<b>FORM OF BOND COUNSEL OPINION .....</b>	<b>2</b>
<b>COMMONWEALTH AID TO SCHOOL DISTRICTS.....</b>	<b>18</b>	<b>APPENDIX C .....</b>	<b>4</b>
General .....	18	<b>WISSAHICKON SCHOOL DISTRICT - AUDIT REPORT - .....</b>	<b>4</b>
Current Lack of State Appropriations for Debt Service Subsidies		<b>JUNE 30, 2023 .....</b>	<b>4</b>
.....	18	<b>APPENDIX D .....</b>	<b>5</b>
<b>DEBT AND DEBT LIMITS .....</b>	<b>19</b>	<b>CONTINUING DISCLOSURE CERTIFICATE.....</b>	<b>5</b>
Debt Statement .....	19		
Debt Limit and Remaining Borrowing Capacity .....	21		
Debt Service Requirements .....	22		
Future Financing.....	23		
<b>LABOR RELATIONS .....</b>	<b>23</b>		
School District Employees .....	23		

**[THIS PAGE INTENTIONALLY LEFT BLANK]**

# PRELIMINARY OFFICIAL STATEMENT

**\$9,995,000\***

## **Wissahickon School District Montgomery County, Pennsylvania General Obligation Bonds, Series of 2025**

### INTRODUCTION

This Preliminary Official Statement, including the cover page hereof and Appendices hereto, is furnished by Wissahickon School District, Montgomery County, Pennsylvania (the "School District"), in connection with the offering of its \$9,995,000\* aggregate principal amount General Obligation Bonds, Series of 2025 (the "Bonds"). The Bonds are dated as of the date the Bonds are issued and delivered (the "Date of Delivery"), which is expected to be February 11, 2025. The Bonds are being issued pursuant to a Resolution of the Board of School Directors of the School District adopted on November 4, 2024 (the "Resolution"), and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pa. Cons. Stat. Chs. 80-82 (the "Debt Act").

### PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used for purposes of: (i) capital improvements to school facilities and school buildings owned and operated by the School District, including, without limitation, the designing, construction, expansion, furnishing and equipping of an addition to Blue Bell Elementary School; (ii) capital improvements to school facilities and school buildings owned and operated by the School District, including, without limitation, the installation, furnishing and equipping of stadium bleachers at Wissahickon High School; and (iii) paying the costs and expenses related to the issuance 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.

	<b>Total</b>
<b><u>Source of Funds</u></b>	
Par Amount .....	
Net Original Issue Premium/(Discount) .....	
<i>Total Source of Funds</i> .....	
<b><u>Use of Funds</u></b>	
Construction Fund Deposit .....	
Costs of Issuance <sup>(1)</sup> .....	
<i>Total Use of Funds</i> .....	

<sup>(1)</sup>Includes legal, solicitor, financial advisor, underwriter's discount, printing, credit rating, CUSIP, paying agent, and miscellaneous costs.

\*Estimated, subject to change

## THE BONDS

### Description

The Bonds will be issued in fully registered form in denominations of \$5,000 and integral multiples thereof, will be in the aggregate principal amount of \$9,995,000\*, will be dated as of February 11, 2025, and will bear interest at the rates and mature in the amounts and on the dates set forth on the cover of this Preliminary Official Statement. Interest on the Bonds will be payable initially on November 15, 2025, and thereafter, semiannually on May 15 and November 15 until the principal sum thereof is paid.

When issued, the Bonds will be registered in the name of Cede & Co., as nominee for 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., as nominee of DTC, 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 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 the Bonds, when due upon maturity or upon any earlier redemption, will be paid to the registered owners of the Bonds, or registered assigns, upon surrender of the Bonds to Manufacturers and Traders Trust Company (the “Paying Agent”), acting as paying agent and sinking fund depository for the Bonds, at its corporate trust office in Harrisburg, Pennsylvania (or to any successor paying agent at its designated office(s)).

Interest is payable to the registered owner of a Bond from the interest payment date next preceding the date of registration and authentication of the Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding November 15, 2025, in which event such Bond shall bear interest from February 11, 2025, or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bonds shall bear interest from the date to which interest was last paid on such Bond. Interest shall be paid initially on November 15, 2025, and thereafter, semiannually on May 15 and November 15 of each year, until the principal sum is paid. Interest on each Bond is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth calendar day (whether or not a day on which the Paying Agent is open for business) next preceding each interest payment date (the “Record Date”), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such interest payment date, unless the School District shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of such Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names such Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

If the date for payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania are authorized 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 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.

### Transfer, Exchange and Registration of Bonds

Subject to the provisions described below under “**BOOK-ENTRY ONLY SYSTEM**,” Bonds are transferable or exchangeable by the registered owners thereof upon surrender of Bonds to the Paying Agent, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of such Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of Bonds in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations of the same series, maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive. The School District and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner thereof (whether or not a Bond shall be overdue) for the purpose of receiving payment of 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.

---

\*Estimated, subject to change



The School District and the Paying Agent shall not be required (a) to register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15<sup>th</sup>) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is 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.

## **Security**

The Bonds will be general obligations of the School District, payable from its tax and other general revenues. The School District has covenanted that it will to the fullest extent authorized under applicable law 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 within the School District within the limits provided by law (see “**TAXES AND TAXING POWERS OF THE SCHOOL DISTRICT**” herein). The Act presently provides for enforcement of debt service payments as hereinafter described (see “**DEFAULTS AND REMEDIES**” herein), and the Public School Code presently provides for the withholding and application of subsidies in the event of failure to pay debt service (see “**Commonwealth Enforcement of Debt Service Payments**” hereinafter).

## **Commonwealth Enforcement of Debt Service Payments**

Section 633 of the Pennsylvania Public School Code of 1949, as amended by Act 150 of 1975, and as further amended and supplemented (the “Public School Code”), presently provides that in all cases where the board of school directors of any school district fails to pay or to provide for the payment of any indebtedness on the date of maturity or date of mandatory redemption or on any sinking fund deposit date, or any interest due on such indebtedness on any interest payment date or on any sinking fund deposit date, in accordance with the schedule under which the Bonds were issued, the Secretary of Education shall notify such board of school directors of its obligation and shall withhold out of any Commonwealth appropriation due such school district an amount equal to the sum of the principal amount maturing or subject to mandatory redemption and interest owing by such school district, or sinking fund deposit due by such school district, and shall pay over the amount so withheld to the bank or other person acting as sinking fund depository for such Bond issue. These withholding provisions are not part of any contract with the holders of the Bonds, and may be amended or repealed by future legislation.

The effectiveness of Section 633 of the Public School Code may be limited by the application of other withholding provisions contained in the Public School Code, such as provisions for withholding and paying over of appropriations for payment of unpaid teachers’ salaries. Enforcement may also be limited by bankruptcy, insolvency, or other laws or equitable principles affecting the enforcement of creditors’ rights generally. See “**Pennsylvania Budget Adoption**” hereinafter.

## **Pennsylvania Budget Adoption**

Due to the uncertainty of funding and expenditures caused by the COVID-19 pandemic, on May 29, 2020, the governor passed a five-month stopgap budget for the fiscal year 2020-21. This budget provided five months of flat funding for most state programs and a full twelve months of flat funding for public education. On November 20, 2020, the General Assembly passed Senate Bill 1350 and House Bill 2536, which included the 2020-21 Supplemental Budget to fund the Commonwealth through the remaining seven-months of fiscal year 2020-21. On November 23, 2020, the Governor approved the 2020-21 Supplemental Budget. The 2020-21 Supplemental Budget included mostly flat funding for public education similar to the stopgap budget adopted for the first five months of the 2020-21 fiscal year.

The Governor timely signed the state’s 2021-2022 fiscal year budget on June 30, 2021. That budget included an increase of \$300 million for basic education, with \$100 million of that targeted to the 100 historically underfunded school districts that included some in both urban and rural areas of the state. Special education received a \$50 million increase, boosting that budget line to \$1.24 billion, while preschool and Head Start programs received a \$30 million increase, to \$311.5 million. All told, funding for K-12 schools reached a record high of \$13.55 billion in the 2021-2022 budget.

After a week’s delay and intense negotiations, a \$42.7 billion budget for the state’s 2022-2023 fiscal year was signed by then Governor Tom Wolf on July 8, 2022, which included \$7.6 billion for the basic education funding appropriation and \$225 million to supplement school districts with a higher at risk student population. The total amount was a \$525 million increase over the 2021-2022 fiscal year appropriation.

After over a month delay, a \$44.9 billion budget for the state’s 2023-24 fiscal year was signed by Governor Josh Shapiro on August 3, 2023, which included \$7.87 billion for the basic education funding appropriation. The total amount was a \$567 million increase over the 2022-2023 fiscal year appropriation. The budget also provided \$50 million in additional aid to school districts for special education services for a total of \$1.4 billion. Certain funds authorized within the 2023-24 Budget required companion implementation language amending the Fiscal Code to be fully implemented. On December 13, 2023 multiple code bills were passed finalizing the 2023-24 Budget for education.

Governor Josh Shapiro signed the state’s budget for the 2024-25 fiscal year 11 days late on July 11, 2024. The \$47.6 billion budget included \$8.097 billion for the basic education funding appropriation. The total amount was a \$225 million increase over the 2023-2024 fiscal year appropriation. The budget also provided \$100 million in additional aid to school districts for special education services for a total of \$1.487 billion and \$100 million for cyber charter school tuition reimbursement. 348 school districts (including the School District) will receive additional funding totaling \$493.8 million under a new Adequacy Supplement. 182 school districts will receive an additional \$60 million in total of Hold Harmless Relief Supplement as a component of their basic education funding.

*During a state budget impasse, school districts in Pennsylvania cannot be certain when state subsidies and revenues owed them from the Commonwealth will become available. This includes many of the major state subsidies, and overall revenues, that a Pennsylvania school district receives including basic education funding, special education funding, PlanCon reimbursements, and certain block grants, among many others. Future budget impasses may affect the timeliness or amount of payments by the Commonwealth under the withholding provisions of Section 633 of the School Code, however recent legislation included in Act 85 of 2016 has attempted to address the timeliness of the withholding provisions of Section 633 of the School Code during any future budget impasses. See “Act 85 of 2016” hereinafter*

## **Act 85 of 2016**

On July 13, 2016, the Governor of the Commonwealth signed into law Act No. 85 of 2016, (P.L. 664, No. 85) (“Act 85 of 2016”), an amendment to the Act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code (“Fiscal Code”). Act 85 of 2016 adds to the Fiscal Code Article XVI-E.4, entitled “School District Intercepts for the Payment of Debt Service During Budget Impasse”, which provides for intercept of subsidy payments by the Pennsylvania Department of Education (“PDE”) to a school district subject to an intercept statute or an intercept agreement in the event of a Commonwealth budget impasse in any fiscal year.

Act 85 of 2016 includes in the definition of “intercept statutes” Section 633 of the Public School Code. The School District's general obligation bonds, including the Bonds, are subject to Section 633 of the Public School Code.

Act 85 of 2016 provides that the amounts that may be necessary for PDE to comply with the provisions of the applicable intercept statute or intercept agreement “shall be appropriated” to PDE from the General Fund of the Commonwealth after PDE submits justification to the majority and minority chairs of the appropriations committees of the Pennsylvania Senate and House of Representatives allowing ten (10) calendar days for their review and comment, if, in any fiscal year:

- (1) annual appropriations for payment of Commonwealth money to school districts have not been enacted by July 1 and continue not to be enacted when a payment is due;
- (2) the conditions under which PDE is required to comply with an intercept statute or intercept agreement have occurred, thereby requiring PDE to withhold payments which would otherwise be due to school districts; and
- (3) the Secretary of PDE, in consultation with the Secretary of the Budget, determines that there are no payments or allocations due to be paid to the applicable school districts from which PDE may withhold money as required by the applicable intercept statute or intercept agreement.

The necessary amounts shall be appropriated on the expiration of the tenth (10th) day following submission of the justification described above to the majority and minority chairs of the appropriations committees, who may comment on the justification but cannot prevent the effectiveness of the appropriation.

The total of all intercept payments under Article XV11-E.4 for a school district may not exceed 50% of the total nonfederal general fund subsidy payments made to that school district in the prior fiscal year.

Act 85 of 2016 requires that each school district with bonds or notes subject to an intercept statute or intercept agreement must deliver to PDE, in such format as PDE may direct, a copy of the final Official Statement for the relevant bonds or notes or the loan documents relating to the obligations, within thirty (30) days of receipt of the proceeds of the obligations. The School District intends on submitting this information with respect to the Bonds to PDE within the prescribed timeframe following the issuance of the Bonds. Act 85 of 2016 provides that any obligation for which PDE does not receive the required documents shall not be subject to the applicable intercept statute or intercept agreement.

The provisions of Act 85 of 2016 are not part of any contract with the holders of the Bonds and may be amended or repealed by future legislation.

## **Sinking Fund**

A sinking fund for the payment of debt service on the Bonds, designated “Sinking Fund, General Obligation Bonds, Series of 2025” (the “Sinking Fund”), has been created under the Resolution and is maintained by the Paying Agent, as sinking fund depository. The School District shall deposit in the Sinking Fund a sufficient sum not later than the date when interest and/or principal is to become due on the Bonds so that on each payment date the Sinking Fund will contain an amount which, together with any other funds available therein, is sufficient to pay, in full, interest and/or principal then due on the Bonds.

The Sinking Fund shall be held by the Paying Agent, as sinking fund depository, and invested by the Paying Agent in such securities or shall be deposited in such funds or accounts as are authorized by the Act, upon direction of the School District. Such deposits and securities shall be in the name of the School District, but subject to withdrawal or collection only by the Paying Agent, as sinking fund depository, and such deposits and securities, together with the interest thereon, shall be a part of the Sinking Fund.

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

## 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, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities 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 Securities: DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Tender Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to Tender Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Tender Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NEITHER THE 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.*

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

## REDEMPTION OF BONDS

### Mandatory Sinking Fund Redemption

The Bonds stated to mature on November 15, 20\_\_ are subject to mandatory redemption in part, as drawn by lot by the Paying Agent, prior to the stated maturity date, by application of money available for such purposes in the Sinking Fund established under the Bond Resolution, upon payment of the principal amount thereof, together with accrued interest, to the date fixed for redemption or upon maturity, as applicable, on November 15th of the following years and in the following principal amounts:

*Bonds stated to mature November 15, 20\_\_:*

\*Final Maturity

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 November 15, 2030, shall be subject to redemption prior to maturity, at the option of the School District, as a whole, on May 15, 2030, or on any date thereafter, or from time to time, in part (and if in part, in any order of maturity as selected by the School District and within a maturity by lot), 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

Notice of any redemption shall be given by depositing a copy of the redemption notice by first class mail not more than forty-five (45) days and 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 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

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 that number of Bonds which is obtained by dividing the principal amount thereof by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the case of partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of 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 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 to close, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

## THE SCHOOL DISTRICT

### Introduction

The School District is located in the eastern central section of Montgomery County approximately 17 miles directly north of Philadelphia, Pennsylvania. Covering 22.81 square miles of the Wissahickon Valley, the School District area is coterminous with the Borough of Ambler and the Townships of Lower Gwynedd and Whitpain. There are a number of well-known unincorporated communities located within the School District, including Springhouse, Penllyn and Gwynedd Valley in Lower Gwynedd Township and Centre Square, Blue Bell and Broad Axe in Whitpain Township.

The character of the School District has developed principally as a residential area with sections of light industry, a commercial center and still undeveloped areas upon which a certain amount of gentleman farming is pursued. The area of the School District contains some of the more desirable suburban residential communities in the Philadelphia suburbs.

The local municipalities which comprise the School District are strictly zoned and these zoning regulations have led to development intended to balance residential growth with commercial and industrial growth in order to protect the investment of property owners and to channel future development into desired directions. An example of this growth along desired lines is the Blue Bell Office Campus located in Whitpain Township. This area has been designed for research and light industrial facilities and also contains the corporate headquarters of Unisys Corporation and a regional headquarters for Aetna/U.S. Healthcare Inc.

### Administration

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

### School Facilities

The School District presently operates four elementary schools, a middle school and a high school, all as described in the following table. Students in grades 9-12 may elect to attend North Montco Area Vocational-Technical School (the "Vo-Tech").

**TABLE 1  
WISSAHICKON SCHOOL DISTRICT  
SCHOOL FACILITIES**

<b>Building</b>	<b>Original Construction Date</b>	<b>Additional/ Renovation Dates</b>	<b>Grades</b>	<b>Number of Classrooms</b>	<b>2024-25 Enrollment</b>
<i><b>Elementary:</b></i>					
Blue Bell	1957	1989	K-5	27	517
Lower Gwynedd	1997	---	K-5	33	628
Stony Creek	1964	1988/2021	K-5	32	703
Shady Grove	1957	1972/90	K-5	35	644
<i><b>Secondary:</b></i>					
Wissahickon Middle School	1975	1991/07/23	6-8	70	1,204
Wissahickon High School	1962	1972/74/01/17	9-12	76	1,486

Source: School District officials. Enrollments include Vo-Tech students.

## Enrollment Trends

Table 2 presents recent trends in school enrollment and projections of enrollment for the next five years, as prepared by the School District's administrative officials.

**TABLE 2  
WISSAHICKON SCHOOL DISTRICT  
ENROLLMENT TRENDS**

Actual Enrollments				Projected Enrollments			
<u>School Year</u>	<u>(K-6) Elementary</u>	<u>(7-12) Secondary</u>	<u>Total</u>	<u>School Year</u>	<u>(K-6) Elementary</u>	<u>(7-12) Secondary</u>	<u>Total</u>
2020-21	2,623	2,166	4,789	2025-26	2,918	2,220	5,138
2021-22	2,752	2,226	4,978	2026-27	2,876	2,373	5,249
2022-23	2,864	2,200	5,064	2027-28	2,869	2,418	5,287
2023-24	2,922	2,234	5,156	2028-29	2,859	2,427	5,286
2024-25	2,903	2,279	5,182	2029-30	2,818	2,509	5,327

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 (“PDE”). An annual operating budget is prepared by the Superintendent and Business Administrator and submitted to the School Board for approval prior to the beginning of the fiscal year on July 1.

### Financial Reporting

The School District keeps its books and prepares its financial reports according to a modified accrual basis of accounting. Major accrual items are salaries and benefits, pension fund contributions payable, delinquent taxes receivable, PSERS receivable, loans receivable from other funds, and revenues receivable from other governmental units. Its financial statements are audited annually by a firm of independent certified public accountants, as required by Commonwealth law. Mallie LLP, Oaks, Pennsylvania, serves as auditor for the School District.

The School District’s auditor has not been engaged to perform and has not performed since the date of its report, any procedures on the financial statements addressed in that report. Such auditor also has not performed any procedures relating to this Preliminary Official Statement.

### Budgeting Process in School Districts under the Taxpayer Relief Act

In General. School districts budget and expend funds according to procedures mandated by the “PDE”. An annual operating budget is prepared by school district administrative officials on a uniform form furnished by such Department 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 the Taxpayer Relief Act, all 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 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; and the board must give at least 10 days’ public notice of its intent to adopt the final budget.

If the adopted preliminary budget includes an increase in the rate of any tax levy, the preliminary budget must be submitted to the PDE no later than 85 days prior to the date of the 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 (see “**TAXES AND TAXING POWERS OF THE SCHOOL DISTRICT - The Taxpayer Relief Act (Act 1)**” 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, seek voter approval for the tax increase at the upcoming election, or seek approval to utilize one of the referendum exceptions authorized under The Taxpayer Relief Act.

With respect to the utilization of any of the Taxpayer Relief Act referendum exceptions for which PDE approval is required (see “**TAXES AND TAXING POWERS OF THE SCHOOL DISTRICT – The Taxpayer Relief Act (Act 1)**” herein), the school district must publish notice of its intent to seek PDE approval not less than one week before submitting its request for approval to PDE and, if PDE determines to schedule a public hearing on the request, a notice of the date, time and place of such hearing. PDE is required by the Taxpayer Relief Act to rule on the school district’s request and inform the school district of its decision no later than 55 days prior to the upcoming election so that, if PDE denies the school district’s request, the school district may submit a referendum question to the local election officials at least 50 days before the upcoming election, if it so chooses.

If a school district seeks voter approval to increase taxes at a rate higher than the applicable Index, whether or not it first seeks approval to utilize one of the referendum exceptions available under the Taxpayer Relief Act, and the referendum question is not approved by a majority of the voters voting on the question, the board of school directors may not approve an increase in the tax rate greater than the applicable Index.

**Simplified Procedures in Certain Cases.** The above budgetary procedures will not apply to a school district if the board of school directors adopts a resolution no later than 110 days prior to the election immediately preceding the upcoming fiscal year declaring that it will not increase any tax at a rate that exceeds the Index and that a tax increase at or below the rate of the Index will be sufficient to balance its budget. In that case, the Taxpayer Relief Act requires only that the proposed annual budget be prepared at least 30 days, and made available for public inspection at least 20 days, prior to its adoption, and that at least ten (10) days’ public notice be given of the board’s intent to adopt the annual budget. No referendum exceptions are available to a school district adopting such a resolution.

### Summary and Discussion of Financial Results

A summary of the General Fund Balance Sheet and Changes in Fund Balances is presented in Tables 3 and 4. Table 5 shows revenues and expenditures for the past five years and the 2024-25 budget.

**TABLE 3**  
**WISSAHICKON SCHOOL DISTRICT**  
**SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEET**  
**(Years Ending June 30)**

	2020	2021	2022	2023	2024
<b>ASSETS</b>					
Cash and Cash Equivalents .....	\$23,420,036	\$25,933,251	\$27,264,958	\$19,793,398	\$11,956,061
Investments .....	37,116	37,137	37,199	9,624,806	17,013,732
Taxes Receivable .....	1,106,046	1,298,672	1,210,925	1,128,657	886,690
Due from Other Funds.....	22,292	0	0	0	540
Due from Other Governments .....	4,774,818	4,976,751	5,245,804	4,968,683	5,219,810
Other Receivables .....	116,510	147,352	123,204	319,582	267,520
Prepaid Expenses .....	1,620,296	1,620,362	1,617,094	1,617,371	1,614,496
<b>TOTAL ASSETS .....</b>	<b>\$31,097,114</b>	<b>\$34,013,525</b>	<b>\$35,499,184</b>	<b>\$37,452,497</b>	<b>\$36,958,849</b>
<b>LIABILITIES</b>					
Accounts Payable .....	\$1,818,272	\$856,207	\$982,180	\$1,151,422	\$1,298,067
Accrued Salaries and Benefits.....	15,033,902	15,108,457	16,145,632	17,814,769	16,514,376
Current Portion of Long-Term Debt.....	213,592	225,496	222,932	220,003	220,152
Deferred/Unearned Revenues.....	38,876	33,430	44,241	58,461	70,483
Other .....	1,253,859	2,790,397	1,639,389	394,603	460,669
<b>TOTAL LIABILITIES .....</b>	<b>\$18,358,501</b>	<b>\$19,013,987</b>	<b>\$19,034,374</b>	<b>\$19,639,258</b>	<b>\$18,563,747</b>
<b>Deferred Inflows of Resources.....</b>	<b>\$760,473</b>	<b>\$707,901</b>	<b>\$608,166</b>	<b>\$877,669</b>	<b>\$605,496</b>
<b>FUND EQUITIES</b>					
Nonspendable Fund Balance .....	\$1,620,296	\$1,620,362	\$1,617,094	\$1,617,371	\$1,614,496
Committed Fund Balance .....	7,943,815	9,449,347	11,750,696	12,593,724	12,703,188
Unassigned Fund Balance .....	2,414,029	3,221,928	2,488,854	2,724,475	3,471,922
<b>TOTAL FUND EQUITIES.....</b>	<b>\$11,978,140</b>	<b>\$14,291,637</b>	<b>\$15,856,644</b>	<b>\$16,935,570</b>	<b>\$17,789,606</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITIES .....</b>	<b>\$31,097,114</b>	<b>\$34,013,525</b>	<b>\$35,499,184</b>	<b>\$37,452,497</b>	<b>\$36,958,849</b>

Source: School District Audits.



**TABLE 4**  
**WISSAHICKON SCHOOL DISTRICT GENERAL FUND**  
**SUMMARY OF CHANGES IN FUND BALANCES<sup>\*(1)</sup>**

	<b>Actual</b>					<b>Budgeted</b>
	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2024</u></b>	<b><u>2025<sup>(2)</sup></u></b>
<b>Beginning Fund Balance</b>	\$12,439,870	\$12,536,245	\$14,291,638	\$15,856,640	\$16,935,568	\$12,945,235
Revenues over (under) Expenditure	(461,731)	1,755,393	1,565,002	1,078,928	854,032	0
Chg/Inv. Res./PriorPd.Adj.	0	0	0	0	0	0
<b>Ending Fund Balance</b>	<b><u>\$11,978,139**</u></b>	<b><u>\$14,291,638</u></b>	<b><u>\$15,856,640</u></b>	<b><u>\$16,935,568</u></b>	<b><u>\$17,789,600</u></b>	<b><u>\$12,945,235</u></b>

\*Totals may not add due to rounding.

\*\*GASB 80 required a prior period adjustment of \$558,104 for scholarships added to Fund Balance.

<sup>(1)</sup> In addition to the General Fund the School District has \$20,161,744 as of June 30, 2023 available in the Capital Fund.

<sup>(2)</sup> Budget, as adopted June 3, 2024.

Source: School District Audits and School District officials.

#### Revenue

The School District received \$125,971,827 in revenue in 2023-24 and has budgeted revenue of \$127,628,540 in 2024-25. Local sources decreased as a share of total revenue in the past five years from 80.03 percent in 2019-20 to 80.02 percent in 2023-24. Revenue from Commonwealth sources decreased as a share of total revenue in the past five years from 19.19 percent in 2019-20 to 18.90 percent in 2023-24. Federal and other sources increased as a share of total revenue in the past five years from 0.79 to 1.08 percent over this period.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**TABLE 5**  
**WISSAHICKON SCHOOL DISTRICT**  
**SUMMARY OF SCHOOL DISTRICT GENERAL FUND**  
**REVENUES AND EXPENDITURES\***  
**(Years Ending June 30)**

REVENUE:	2020	2021	2022	2023	2024	Budgeted 2025 <sup>(1)</sup>
<b>Local Sources:</b>						
Current Real Estate Taxes	\$70,814,939	\$72,915,956	\$75,498,606	\$78,363,785	\$81,872,927	\$84,738,290
Interim Real Estate Taxes	316,249	363,605	713,043	426,902	452,645	400,000
Public Utility Realty Tax	72,299	78,632	82,933	85,428	82,072	86,000
Total Act 511 Taxes	11,120,063	13,466,195	14,523,570	13,323,567	12,877,166	12,650,000
Delinquency on Taxes Levied/Assessed	864,794	1,137,170	1,014,719	640,025	1,178,994	1,000,000
Earnings from Investments	582,813	11,655	71,592	1,838,785	2,415,949	1,825,000
Revenue from Student Activities	144,599	28,707	142,319	158,318	170,494	155,000
Federal Rv. Rec'd from Other PA Public LEAs	918,382	24,347	34,431	958,914	1,075,495	979,964
Federal IDEA Pass Through Revenue	25,938	1,382,193	1,170,478	21,950	29,773	0
Rentals	95,020	45,107	98,528	99,564	136,591	100,000
Tuition - Regular Day	0	7,586	0	113,232	0	186,000
Tuition - Summer	19,180	5,067	4,820	11,368	8,400	0
Receipts from other LEAS in PA	215,517	152,011	233,029	122,422	72,384	0
Revenue from Community Service Activities	131,231	136,638	134,838	140,498	138,188	138,288
Refunds of Prior Years' Expenditures	2,421	6,047	6,929	0	96,914	10,000
Other Sources	200	72,540	162,988	11,680	189,688	0
<b>Total Local Sources</b>	<b>\$85,323,647</b>	<b>\$89,833,455</b>	<b>\$93,892,825</b>	<b>\$96,316,438</b>	<b>\$100,797,679</b>	<b>\$102,268,542</b>
<b>State Sources:</b>						
Basic Instructional Subsidy	\$2,849,267	\$2,849,262	\$3,110,399	\$3,691,879	\$4,275,942	\$4,276,213
Tuition for Children in Prvt. Homes	46,953	46,766	20,764	16,411	43,361	50,000
Special Education for Exceptional Children	1,995,408	2,119,606	2,028,915	2,236,578	2,272,406	2,122,441
Transportation	1,089,448	812,754	719,757	684,882	596,515	600,000
Rentals and Sinking Fund Payments	72,375	57,423	186,207	3,803	124,282	59,000
Health Services	107,932	109,393	111,308	112,858	114,265	115,300
State Property Tax Reduction Allocation	3,298,379	3,258,627	3,382,023	3,876,354	3,647,392	4,269,081
Safe Schools	0	45,000	30,000	154,946	154,113	100,000
PA Accountability Grant	0	0	0	0	0	0
Ready to Learn Block Grant	157,053	157,053	157,053	157,053	157,053	157,053
Revenue for Social Security Payments	1,782,761	2,093,560	2,007,531	2,101,202	2,242,067	2,403,716
Revenue for Retirement	9,022,795	9,247,430	9,688,519	10,206,979	10,185,979	10,651,760
Other Sources	34,724	1,000	0	0	0	0
<b>Total State Sources</b>	<b>\$20,457,095</b>	<b>\$20,797,873</b>	<b>\$21,442,476</b>	<b>\$23,242,945</b>	<b>\$23,813,375</b>	<b>\$24,804,564</b>
<b>Federal Sources:</b>						
<b>Total Federal Sources</b>	<b>\$839,160</b>	<b>\$1,505,489</b>	<b>\$1,395,200</b>	<b>\$1,561,544</b>	<b>\$1,348,183</b>	<b>\$543,434</b>
<b>Other Sources:</b>						
<b>Total Other Sources</b>	<b>\$1,047</b>	<b>\$191</b>	<b>\$47,691</b>	<b>\$48,197</b>	<b>\$12,590</b>	<b>\$12,000</b>
<b>TOTAL REVENUE</b>	<b>\$106,620,949</b>	<b>\$112,137,009</b>	<b>\$116,778,191</b>	<b>\$121,169,123</b>	<b>\$125,971,827</b>	<b>\$127,628,540</b>
<b>EXPENDITURES:</b>						
Instruction	\$70,556,511	\$74,004,587	\$77,000,918	\$79,820,673	\$82,226,170	\$87,834,798
Pupil Personnel Services	4,137,902	4,044,119	4,296,343	4,448,287	4,606,984	4,841,349
Instructional Staff	2,586,344	2,593,402	2,905,864	3,068,461	2,926,613	3,107,727
Administration	5,906,629	5,604,565	5,939,113	5,930,891	6,081,601	6,556,382
Pupil Health Services	1,018,460	825,921	1,106,385	1,096,791	1,042,034	1,212,232
Business	948,060	939,081	999,726	1,252,829	1,159,007	1,118,247
Operation & Maintenance of Plant Svcs.	8,825,592	10,176,927	9,944,275	10,367,273	11,796,902	9,604,590
Student Transportation	4,810,601	4,946,969	4,741,747	5,054,503	6,060,315	6,273,497
Central	955,246	738,007	837,808	870,979	875,728	1,011,175
Other Support Services	79,529	80,597	83,320	84,064	88,805	88,804
Non Instructional Services	2,021,119	1,877,369	2,128,408	2,299,469	2,440,807	2,307,299
Debt Service	1,336,684	1,350,073	1,329,281	1,879,221	1,871,792	2,455,685
Refund of Prior Year Receipts	0	0	0	0	0	0
Fund Transfers	3,900,000	3,200,000	3,900,000	3,916,755	3,941,038	1,216,755
<b>TOTAL EXPENDITURES</b>	<b>\$107,082,679</b>	<b>\$110,381,616</b>	<b>\$115,213,189</b>	<b>\$120,090,195</b>	<b>\$125,117,796</b>	<b>\$127,628,540</b>
<b>SURPLUS (DEFICIT) OF</b>						
<b>REVENUES OVER EXPENDITURES</b>	<b>(\$461,730)</b>	<b>\$1,755,393</b>	<b>\$1,565,002</b>	<b>\$1,078,928</b>	<b>\$854,032</b>	<b>\$0</b>

\*Totals may not add due to rounding.

<sup>(1)</sup> Budget, as adopted June 3, 2024.

Source: School District Audits and School District officials.

## TAXES AND TAXING POWERS OF THE SCHOOL DISTRICT

### In General

*Subject to certain limitations imposed by the Taxpayer Relief Act, Act No. 1 of the Special Session of 2006, as amended (see “The Taxpayer Relief Act (Act 1)” herein), the School District is empowered by the School Code and other statutes to levy the following taxes:*

1. A basic annual tax on all real property taxable for school purposes, not to exceed 25 mills on each dollar of assessed valuation, to be used for general school purposes.
2. An unlimited ad valorem tax on the property taxable for school purposes to provide funds:
  - a. for minimum salaries and increments of the teaching and supervisory staff;
  - b. to pay rentals due any municipality authority or non-profit corporation or due the State Public School Building Authority;
  - c. to pay interest and principal on any indebtedness incurred pursuant to the Local Government Unit Debt Act, or any prior or subsequent act governing the incurrence of indebtedness of the school district; and
  - d. to pay for the amortization of a bond or note issue which provided a school building prior to the first Monday of July, 1959.
3. An annual per capita tax on each resident or inhabitant over 18 years of age of not 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 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.

### The Taxpayer Relief Act (Act 1)

Under Pennsylvania Act No. 1 of the Special Session of 2006, as amended by Act 25 of 2011 (“The Taxpayer Tax Relief Act” or “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 Pennsylvania Department of Education (“PDE”):

1. to pay interest and principal on indebtedness incurred (i) prior to September 4, 2004, in the case of a school district which had elected to become subject to the provisions of the prior Homeowner Tax Relief Act, Act 72 of 2004, 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 (electoral debt); and to pay interest and principal on debt refunding or refinancing debt for which one of the above exceptions is permitted, as long as the refunding or refinancing incurs no additional debt other than for costs and expenses related to the refunding or refinancing and the funding of appropriate debt service reserves;
2. to pay costs incurred in providing special education programs and services to students with disabilities, under specified circumstances; and
3. to make payments into the State Public School Employees’ Retirement System when the increase in the estimated payments between the current year and the upcoming year is greater than the Index, as determined by the PDE in accordance with the provisions of Act 1.

Any revenue derived from an increase in the rate of any tax allowed under the exception numbered 1 above may not exceed the anticipated dollar amount of the expenditure, and any revenue derived from an increase in the rate of any tax allowed pursuant to any other exception enumerated above may not exceed the rate increase required, as determined by the PDE. If a school district’s petition or request to increase taxes by more than the Index pursuant to one or more of the allowable exceptions is not approved, the school district may submit the proposed tax increase to a referendum.

The Index (to be determined and reported by the PDE by September of each year for application to the following fiscal year) is the average of the percentage increase in the statewide average weekly wage, as determined by the State Department of Labor and Industry for the preceding calendar year, and the employment cost index for elementary and secondary schools, as reported by the federal Bureau of Labor Statistics for the preceding 12-month period beginning July 1 and ending June 30. If and when a school district has a Market Value/Income Aid Ratio greater than 0.40 for the prior school year, however, the Index is adjusted upward by multiplying the unadjusted Index by the sum of 0.75 and such Aid Ratio.

The Act 1 Index applicable to the School District in the next, current and prior fiscal years are as follows:

<b>Fiscal Year</b>	<b>Index %</b>
2025-26	4.0
2024-25	5.3
2023-24	4.1
2022-23	3.4
2021-22	3.0

In accordance with Act 1, the School District put a referendum question on the ballot at the May, 15, 2007, primary election seeking voter approval to levy (or increase the rate of) an earned income and net profits tax (“EIT”) or a personal income tax (“PIT”) and use the proceeds to reduce local real estate taxes by a homestead and farmstead exclusion. The referendum was **NOT** approved by the voters.

A board of school directors may submit, but is not required to submit, a referendum question to the voters at the municipal election in 2009 or any later year seeking approval to levy or increase the rate of an EIT or a PIT for the purpose of funding homestead and farmstead exclusions, but the proposed rate of the EIT or PIT shall not exceed the rate that is required to provide the maximum homestead and farmstead exclusions allowable under law.

SET FORTH ABOVE IS A SUMMARY OF PORTIONS OF ACT 1. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF ACT 1 NOR A LEGAL INTERPRETATION OF ANY PROVISION OF ACT 1, AND A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 1 AS A PART OF ANY DECISION TO PURCHASE THE BONDS.

#### **Status of the Bonds Under Act 1**

The Bonds constitute indebtedness incurred after the effective date of Act 1 and, therefore, no exception to the referendum requirement is available to pay the debt service on the Bonds if a tax increase greater than the Index is required.

#### **Act 24 of 2001**

Act 24 of 2001 of the Commonwealth (the Optional Occupation Tax Elimination Act) authorizes a board of school directors to schedule a public hearing and conduct a ballot referendum on replacing any existing school district occupation tax with an increase in the local earned income and net profits tax in a revenue neutral manner. Under the Taxpayer Relief Act, a school district may schedule such a referendum at any municipal election except a municipal election at which the school district seeks voter approval to convert its earned income and net profits tax to a personal income tax.

The School District has not imposed an occupation tax which is subject to elimination under Act 24 of 2001.

SET FORTH ABOVE IS A SUMMARY OF PORTIONS OF ACT 24 OF 2001. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF ACT 24 OF 2001 NOR A LEGAL INTERPRETATION OF ANY PROVISION OF ACT 24 OF 2001, AND A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 24 OF 2001 AS A PART OF ANY DECISION TO PURCHASE THE BONDS.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

## Act 48 of 2003

Pennsylvania Act No. 2003-48 (enacted December 23, 2003) prohibits a school district from increasing real property taxes for the school year 2005-2006 or any subsequent school year, unless the school district has adopted a budget for such school year that includes an estimated ending unreserved undesignated fund balance which is not more than a specified percentage of the total budgeted expenditures, as set forth below:

<b>Total Budgeted Expenditures</b>	<b>Estimated Ending Unreserved Undesignated Fund Balance as a Percentage of Total Budgeted Expenditures</b>
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 \$9,945,000 and \$15,999,999	10.0%
Between \$16,000,000 and \$16,999,999	9.5%
Between \$17,000,000 and \$17,999,999	9.0%
Between \$18,000,000 and \$18,999,999	8.5%
Greater than or equal to \$19,000,000	8.0%

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

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

## Tax Levy Trends

Table 6 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, the borough and the two townships comprising the School District, and Montgomery County.

**TABLE 6  
WISSAHICKON SCHOOL DISTRICT  
TAX RATES**

<b>Year</b>	<b>Real Estate</b>	<b>Real Estate Transfer</b>	<b>Earned Income</b>
2020-21	21.12	0.50%	0.50%
2021-22	21.72	0.50%	0.50%
2022-23	22.45	0.50%	0.50%
2023-24	23.19	0.50%	0.50%
2024-25	24.32	0.50%	0.50%

Source: Pennsylvania Department of Community & Economic Development, Municipal Tax Information & School District Budget.

**TABLE 7  
WISSAHICKON SCHOOL DISTRICT  
COMPARATIVE REAL PROPERTY TAX RATES  
(Mills on Assessed Value)**

	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b><i>School District</i></b> .....	21.120	21.720	22.450	23.190	24.320
<b><i>Municipalities within the School District</i></b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Ambler Borough .....	7.860	7.860	7.360	9.815	9.815
Lower Gwynedd Township .....	1.223	1.223	1.223	1.223	1.223
Whitpain Township .....	3.200	3.200	3.200	3.200	3.200
<b><i>Montgomery County</i></b> .....	3.632	3.923	4.237	4.788	5.252

Source: Pennsylvania Department of Community & Economic Development, Municipal Tax Information & School District Budget.

## Real Property Tax

The real property tax (excluding interim taxes and delinquent collections) produced \$81,872,927 in 2023-24 or 64.99 percent of total revenue. The School District fiscal year is July 1 through June 30 and tax bills are issued on July 1 of each year. Taxpayers who remit within 60 days of July 1 receive a 2 percent discount, and those who remit subsequent to 120 days after July 1 are assessed a 10 percent penalty.

The following tables summarize recent trends of assessed and market valuations of real property and real property tax collection data. The last county-wide assessment in Montgomery County was in January 1, 1998.

**TABLE 8**  
**WISSAHICKON SCHOOL DISTRICT**  
**REAL PROPERTY ASSESSMENT DATA**

<b>Year</b>	<b>Market Value</b>	<b>Assessed Value</b>	<b>Ratio</b>
2019-20	\$5,864,825,969	\$3,688,130,995	62.89%
2020-21	6,231,947,061	3,699,234,435	59.36%
2021-22	6,269,916,749	3,715,381,025	59.26%
2022-23	6,818,795,104	3,750,282,190	55.00%
2023-24	6,887,921,422	3,785,881,380	54.96%
Compound Average Annual Percentage Change	3.27%	0.52%	

Source: Pennsylvania State Tax Equalization Board.

**TABLE 9**  
**WISSAHICKON SCHOOL DISTRICT**  
**REAL PROPERTY ASSESSMENT DATA**

	<b>2022 Market Value</b>	<b>2022 Assessed Value</b>	<b>2023 Market Value</b>	<b>2023 Assessed Value</b>
<b>School District</b> .....	\$6,818,795,104	\$3,750,282,190	\$6,887,921,422	\$3,785,881,380
<b><u>Municipalities within the School District</u></b>				
Ambler Borough .....	614,555,392	290,592,160	621,910,847	293,339,840
Lower Gwynedd Township.....	2,408,964,986	1,388,624,750	2,444,352,910	1,408,671,190
Whitpain Township.....	3,795,274,726	2,071,065,280	3,821,657,666	2,083,870,350
<b>Montgomery County</b> .....	111,811,536,551	61,967,163,014	112,859,436,067	62,456,390,017

Source: Pennsylvania State Tax Equalization Board.

**TABLE 10**  
**WISSAHICKON SCHOOL DISTRICT**  
**ASSESSMENT BY LAND USE**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Residential.....	\$2,847,732,000	\$2,848,861,840	\$2,853,699,680	\$2,868,601,260	\$2,887,306,780
Trailers.....	9,077,100	9,451,800	9,602,490	9,893,860	10,051,150
Lots .....	11,630,730	13,771,180	13,228,490	12,256,670	11,377,170
Industrial .....	84,719,365	74,129,475	73,621,455	73,603,355	73,409,355
Commercial.....	701,189,710	719,461,480	732,068,480	752,641,175	770,078,925
Agriculture .....	33,782,090	33,558,660	33,160,430	33,117,900	33,490,030
Minerals .....	0	0	0	167,970	167,970
Land .....	0	0	0	0	0
<b>Total</b> .....	<b>\$3,688,130,995</b>	<b>\$3,699,234,435</b>	<b>\$3,715,381,025</b>	<b>\$3,750,282,190</b>	<b>\$3,785,881,380</b>

Source: Pennsylvania State Tax Equalization Board.

**TABLE 11**  
**WISSAHICKON SCHOOL DISTRICT**  
**REAL PROPERTY TAX COLLECTION DATA**

<b>School</b>	<b>Total</b>	<b>Current</b>	<b>Current Year</b>	<b>Total</b>	<b>Total</b>
<b>Year</b>	<b>Adjusted Flat</b>	<b>Collections</b>	<b>Collections</b>	<b>Collections</b>	<b>Collections</b>
	<b><u>Billing<sup>(1)</sup></u></b>	<b><u>Amount</u></b>	<b><u>As a Percent</u></b>	<b><u>Amount<sup>(2)</sup></u></b>	<b><u>As a Percent</u></b>
2019-20	\$71,633,833	\$70,836,508	98.89%	\$71,701,302	100.09%
2020-21	73,808,967	72,997,236	98.90%	74,134,405	100.44%
2021-22	76,271,357	75,549,346	99.05%	76,564,066	100.38%
2022-23	79,202,688	78,420,873	99.01%	79,060,898	99.82%
2023-24	85,911,371	85,152,012	99.12%	86,331,006	100.49%

<sup>(1)</sup>Flat billing plus penalties, less discounts, rebates and exonerations.

<sup>(2)</sup>Includes delinquent realty taxes collected.

Source: School District officials.

The ten largest real property taxpayers, together with 2023-24 assessed values are shown in Table 12. The aggregate assessed value of these ten taxpayers totals approximately 9.58 percent of total assessed value. All major real property tax accounts as listed below are current.

**TABLE 12**  
**WISSAHICKON SCHOOL DISTRICT**  
**TEN LARGEST REAL PROPERTY TAXPAYERS, 2023-24**

<b>Owner</b>	<b>Property</b>	<b>2023-24 Assessed Value</b>
Adult Communities Total Services Life Care	Life Care	\$70,049,770
Arborcrest LLC*	Commercial Real Estate	69,665,410
Ortho McNeil Pharmaceutical Inc.	Pharmaceutical Company	49,170,200
KCI Investment Co. LLC	Commercial Real Estate	29,798,260
Keystone Property Group	Commercial Real Estate	28,865,710
Foulkeways at Gwynedd	Life Care	27,528,900
Hunt Club Apartment Associates LP	Commercial Real Estate	26,542,470
727 Norristown Road LP	Commercial Real Estate	22,726,100
Whitpain Associates	Commercial Real Estate	19,944,650
Townline Assoc	Commercial Real Estate	18,335,580
<b>Totals</b>		<b>\$362,627,050</b>

\*The School District initiated a reverse tax appeal.

Source: School District officials.

#### **Other Taxes**

Under Act 511, and the School Code, the School District collected \$12,877,166 in other taxes in 2023-24. Among the taxes authorized by Act 511, the Real Estate Transfer Tax and Wage and Income Tax are levied by the School District. The Act 511 limit, equal to 12 mills on the market value of real property, was \$82,655,057.

*Real Estate Transfer Tax:* A tax of 0.5 percent of the value of real estate transfers yielded \$1,400,897 in 2023-24 or 1.11 percent of the School District's total revenue.

*Earned Tax.* The School District levies a tax of 0.5 percent on the earned income of residents. In 2023-24 the collected portion of this tax yielded \$11,476,269 or 9.11 percent of the School District's total revenue.

## COMMONWEALTH AID TO SCHOOL DISTRICTS

### General

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

Basic education funding is allocated to all school districts in an amount equal to: (1) a fixed sum equal to the school district's Fiscal Year 2014-15 basic educational funding; plus (2) an additional increment determined annually pursuant to statutory formula which adjusts a school district's average daily membership by a number of factors specific to the composition of the student population as well as the school district's median household income, local tax effort and capacity to generate local revenue. The additional increment as calculated above for any individual school district may be zero.

Information concerning the calculation of the School District's basic education funding can be found on the Pennsylvania Department of Education's website at <https://www.education.pa.gov>

School districts may also receive state aid for special education, pupil transportation, vocational education, and health services, among other things.

### Current Lack of State Appropriations for Debt Service Subsidies

Commonwealth law presently provides that the School District will receive, subject to state legislative appropriation, reimbursement from the Commonwealth for a portion of debt service paid on the Bonds following final approval of the construction project by the PDE. Commonwealth reimbursement is calculated based on the "Reimbursable Percentage" assigned to the Bonds by the PDE and the School District's permanent Capital Account Reimbursement Fraction ("CARF") currently 13.51% or the wealth based Market Value Aid Ratio ("MVAR") currently 10.00%, whichever is higher. The Reimbursable Percentage is determined through a process known as the "Planning and Construction Workbook" or "PlanCon".

*The School District estimates the Bonds will not be subject to reimbursement by the Commonwealth.*

In May of 2016, the Commonwealth enacted appropriation legislation known as Act 25 ("Act 25"), which contains authorization for the Commonwealth Finance Authority ("CFA") to issue up to \$2.5 billion of debt to fund PlanCon reimbursements to school districts. Act 25 also instituted a moratorium on new projects entering the PlanCon process while an advisory committee established under Act 25 considers amendments to the PlanCon reimbursement program. This moratorium went into effect on May 15, 2016 and most recently became indefinite with the adoption of Act No. 33 of 2023 on December 13, 2023.

To date, the CFA has issued \$1,903,065,000, to provide for PlanCon reimbursements owed to school districts, including the issuance of its Revenue Bonds, Series A of 2016 (Federally Taxable) in the principal amount of \$758,185,000 issued on October 31, 2016, its Revenue Bonds, Series A of 2018 (Federally Taxable) in the total amount of \$412,520,000 issued on January 18, 2018, its Revenues Bonds (Federally Taxable), Series A of 2019 in the total amount of \$388,975,000 issued on May 9, 2019, as well as its Revenue Bonds (Federally Taxable), Series A of 2021 in the total amount of \$343,385,000 issued on June 23, 2021. It is expected that proceeds of these issues have been and will continue to be used to provide PlanCon reimbursement that is owed to the School District for past and current fiscal years. However, the School District cannot be certain that any future PlanCon reimbursement will be received by PDE as the ability for CFA to issue additional bonds in the future to fund future PlanCon reimbursements owed to school districts may impact the availability of PlanCon reimbursements payable to the School District. Any failure by the Commonwealth to adopt a timely budget and enact necessary spending authorizations could have a material adverse effect upon the School District's anticipated receipt of PlanCon reimbursements.

There can be no assurances that the School District will be able to successfully apply for, be awarded, and receive sufficient PlanCon reimbursement for the costs of any current or future projects of the School District. A failure by the School District to receive such reimbursement could force the School District to apply other available funds, if any, toward the completion costs of the Project and may have a material adverse effect on the financial resources of the School District to fund other obligations, including payment of debt service on the Bonds.

Legislation has been introduced from time to time in the Pennsylvania legislature containing language that would revise or even abolish the debt service reimbursement program for Pennsylvania school districts. As of the date hereof, and except as described above, none of these proposals have been signed into law. To the extent that any future legislation contains material changes to the PlanCon program as it is structured currently, the amount of PlanCon reimbursement to the School District may be positively or negatively affected, which could materially impact the amount of local funds needed to be raised by the School District to pay debt service on its debt obligations.



## DEBT AND DEBT LIMITS

### Debt Statement

Table 13 shows the debt of the School District as of December 03, 2024, including the issuance of the Bonds.

**TABLE 13**  
**WISSAHICKON SCHOOL DISTRICT**  
**DEBT STATEMENT\***  
**(As of December 03, 2024)**

	<b>Gross Outstanding</b>
<b>NONELECTORAL DEBT</b>	
General Obligation Bonds, Series of 2025 (last maturity 2049) .....	\$9,995,000
General Obligation Bonds, Series of 2024 (last maturity 2048) .....	9,020,000
General Obligation Bonds, Series of 2022 (last maturity 2045) .....	8,225,000
General Obligation Bonds, Series of 2019 (last maturity 2037) <sup>(1)</sup> .....	1,495,000
General Obligation Bonds, Series of 2017 (last maturity 2041) .....	7,525,000
General Obligation Bonds, Series of 2016 (last maturity 2041) .....	7,400,000
<b>TOTAL NONELECTORAL DEBT</b>	<b>\$43,660,000</b>
<b>LEASE RENTAL DEBT</b>	
School Lease Revenue Note, Series of 2021 <sup>(2)</sup> .....	\$775,909
<b>TOTAL LEASE RENTAL DEBT</b>	<b>775,909</b>
<b>TOTAL PRINCIPAL OF DIRECT DEBT</b>	<b>\$44,435,909</b>

\*Includes the estimated Bonds offered through this Preliminary Official Statement.

<sup>(1)</sup>Issuance for the Wissahickon Valley Public Library project.

<sup>(2)</sup>The School District's pro rata share of the State Public School Building Authority's School Lease Revenue Note (North Montco Technical Career Center Project), Series of 2021.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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 \$44,435,909. After adjustment for available funds and estimated State aid, the local effort of direct debt will total \$44,113,519.

TABLE 14  
WISSAHICKON SCHOOL DISTRICT  
BONDED INDEBTEDNESS AND DEBT RATIOS  
(As of December 03, 2024)\*

	Gross Outstanding	Local Effort or Net of Available Funds and Estimated State Aid <sup>(1)</sup>
<b>DIRECT DEBT</b>		
Nonelectoral Debt .....	\$43,660,000	\$43,660,000
Lease Rental Debt .....	775,909	453,519
<b>TOTAL DIRECT DEBT .....</b>	<b>\$44,435,909</b>	<b>\$44,113,519</b>
<b>OVERLAPPING DEBT</b>		
Montgomery County, General Obligation <sup>(2)</sup> .....	\$41,115,854	\$41,115,854
Municipal Debt .....	32,844,000	32,844,000
<b>TOTAL OVERLAPPING DEBT .....</b>	<b>\$73,959,854</b>	<b>\$73,959,854</b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT .....</b>	<b>\$118,395,763</b>	<b>\$118,073,373</b>
<b>DEBT RATIOS</b>		
Per Capita .....	\$3,025.86	\$3,017.62
Percent 2023-24 Assessed Value .....	3.13%	3.12%
Percent 2023-24 Market Value .....	1.72%	1.71%

\*Includes the estimated Bonds offered through this Preliminary Official Statement.

<sup>(1)</sup> Gives effect to current appropriations for payment of debt service and expected future State Reimbursement of School District sinking fund payments based on current Aid Ratio. See “COMMONWEALTH AID TO SCHOOL DISTRICTS”. The School District may, at any time, claim a credit against the gross principal of debt outstanding equal to the amount.

<sup>(2)</sup> Pro rata 6.1 percent share of \$673,688,307 principal outstanding as of December 1, 2024.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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 2021-22 .....	\$115,577,244
Total Revenues for 2022-23 .....	120,005,031
Total Revenues for 2023-24 .....	<u>125,275,233</u>
<b>Total</b> .....	<u>\$360,857,507</u>
Annual Arithmetic average (Borrowing Base) .....	<u>\$120,285,835</u>

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:

	<u>Legal Limit</u>	<u>Net Debt Outstanding*</u>	<u>Remaining Borrowing Capacity</u>
Net Nonelectoral Debt and Lease Rental Debt Limit: 225% of Borrowing Base.....	\$270,643,131	\$44,435,909	\$226,207,222

\*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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

## 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 State Aid provides coverage for debt service and lease rental requirements.

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

**TABLE 15**  
**WISSAHICKON SCHOOL DISTRICT**  
**DEBT SERVICE REQUIREMENTS\***

<u>Year</u>	<u>Lease Rental Debt<sup>(1)</sup></u>	<u>Other General Obligation Debt</u>	<u>Series of 2025</u>			<u>Total Requirements</u>
			<u>Principal</u>	<u>Interest</u>	<u>Subtotal</u>	
2024-25	\$135,665	\$2,310,020				
2025-26	134,848	2,320,998				
2026-27	134,970	2,317,186				
2027-28	134,826	2,318,132				
2028-29	134,420	2,312,660				
2029-30	135,183	2,314,423				
2030-31	135,433	2,315,641				
2031-32		2,395,382				
2032-33		2,402,613				
2033-34		2,398,304				
2034-35		2,402,385				
2035-36		2,394,848				
2036-37		2,400,311				
2037-38		2,396,715				
2038-39		2,260,650				
2039-40		2,258,855				
2040-41		2,269,381				
2041-42		2,262,204				
2042-43		1,116,875				
2043-44		1,113,900				
2044-45		1,114,775				
2045-46		1,114,400				
2046-47		585,800				
2047-48		589,100				
2048-49		586,500				
2049-50		0				
2050-51		0				
<b>Total</b>	<b>\$945,345</b>	<b>\$48,272,055</b>				

\*Totals may not add due to rounding.

<sup>(1)</sup> The School District's pro rata share of the North Penn Health, Hospital and Education Authority's School Lease Revenue Note (North Montco Technical Career Center Project), Series of 2021.

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

2023-24 State Aid Received .....	\$23,813,375
2023-24 Debt Service Requirements.....	\$1,871,792
Maximum Future Debt Service Requirements after Issuance of Bonds .....	
Coverage of 2023-24 Debt Service Requirements .....	12.72 times
Coverage of Maximum Future Debt Service Requirements after Issuance of Bonds .....	times

### **Future Financing**

The School District is not currently considering issuing additional long-term debt.

## **LABOR RELATIONS**

### **School District Employees**

There are presently approximately 698 employees of the School District, including 402 teachers and administrators and 296 other employees, which include secretaries, custodial staff, maintenance staff, cafeteria staff, transportation staff and instructional aides.

The School District's teachers, secretaries, custodians, maintenance, other support staff and educational aides are represented by the Wissahickon Education Association (the "Association"), an affiliate of the Pennsylvania State Education Association ("PSEA"), under a contract with the School District which expires June 30, 2025. An "Early Bird" contract is pending Board approval on December 9, 2024, which if approved will be a two year agreement expiring on June 30, 2027.

### **Pension Program**

Currently, all Pennsylvania school districts and intermediate units participate in a pension program administrated by the Commonwealth. The program is formally known as the Public School Employees' Retirement System ("PSERS"), and a percentage of each eligible employee's salary is contributed by the employee, the School District and the Commonwealth. All full-time employees, part-time employees salaried over eighty days per year and hourly employees with over five hundred hours per year participate in the program.

Contributions are required by active members, School Districts, and the Commonwealth of Pennsylvania as established by the Public School Employees' Retirement Code. Members who enrolled prior to January 1, 2002 range from 5.28% to 7.5% of compensation, depending upon the date of commencement of employment and elections made by each employee member. Members who enrolled in the pension plan on or after January 1, 2002 and before July 1, 2011 is 7.5% of compensation. The contribution rate for PSERS members who enrolled on or after July 1, 2011 is 7.5% or 10.3%, depending upon elections made by each employee member. The PSERS Board of Trustees certified an annual employer contribution rate of 33.9% for the fiscal year 2024-25.

The Commonwealth will reimburse the School District at the rate of 50% of its total contributions with respect to all employees who were hired prior to July 1, 1994. With respect to employees hired after July 1, 1994, who were not previously employed by another public school system in the Commonwealth, the School District will be reimbursed by the Commonwealth at the rate of the higher of 50% of contributions made by the School District or the current Market Value/Personal Income Aid Ratio. The School District is reimbursed on a quarterly basis.

Under Act 5 of 2017 ("Act 5"), PSERS will transition from a traditional defined benefit system and begin to offer defined contribution plans as well. Beginning July 1, 2019, in addition to other transaction rules and options based on members' classifications, certain classes of active members may choose to switch from the current defined benefit plan to one of three new retirement benefit plan options which will be available. Additionally, all active members newly hired on or after July 1, 2019 will be required to select one of those three new retirement benefit plan options and will not be eligible to participate in the current defined benefit plan. The three new plans consist of two hybrid plans, with defined benefit and defined contribution components, along with a stand-alone defined contribution plan.

In addition to the comprehensive change in available plans for active members, Act 5 also made certain changes to the PSERS Board of Trustees and administrative protocols, and created the Public Pension Management and Asset Investment Review Commission to study and make recommendations to the General Assembly and the Governor regarding investment performance and strategies.

According to the Independent Fiscal Office, Act 5 is not expected to reduce school district and state contributions to PSERS over the first fifteen years. However, beginning in fiscal 2034-35 through fiscal 2049-50, employer contribution rates are expected to begin to decline due to the lower long-term employer costs of the new benefit plans and will be lower, in the aggregate, over the study period.

Annual School District contributions have been as follows:

2019-20	\$9,031,145
2020-21	9,260,356
2021-22	9,669,616
2022-23	10,217,934
2023-24	10,185,979
2024-25 (budgeted)	10,651,760

On June 30, 2024, the School District reported a liability of \$165,712,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the PSERS total pension liability as of June 30, 2022 to June 30, 2023. The School District's proportion of the net pension liability was calculated utilizing its one-year reported covered payroll as it relates to the total one-year reported covered payroll of all school districts. As of June 30, 2024, the School District's proportion was 0.3725%, which was a decrease of 0.0021% from its proportion measured as of June 30, 2023.

As of June 30, 2025, the PSERS plan was 64.6% funded, with an unfunded actuarial accrued liability of approximately \$42.0 billion. The Fund had plan net assets of \$77.4 billion at June 30, 2023. For more information, visit the PSERS website at [www.psers.pa.gov](http://www.psers.pa.gov), which is not incorporated by specific reference into this Official Statement.

Source: School District Administrative Officials and PSERS.

### Other Post-Employment Benefits

The District's OPEB costs include benefits from both a Multiple Employer OPEB Plan as well as a Single Employer OPEB Plan.

The Multiple Employer OPEB Plan, known as the Health Insurance Premium Assistance Program, is provided by PSERS to all eligible retirees who qualify and elect to participate. At June 30, 2024, the District reported a liability of \$6,734,000 for its proportionate share of the net OPEB liability. The School District recognized OPEB expense of \$381,000 for June 30, 2024.

The Single Employer OPEB Plan, in accordance with the PA School Code of 1949, as amended, medical coverage is provided to eligible retirees and spouses with the retiree paying the full active premium rate for coverage until the age of 65. The District's total OPEB liability under the Single Employer OPEB Plan was \$3,743,106, measured as of June 30, 2024. The District recognized OPEB expense of (\$269,545) for year ended June 30, 2024.

In June 2015, GASB issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans. GASB 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2017.

For further information on the effects of GASB Statement No.75, the School District's OPEB and other vested employee benefits, including valuation and sick pay, see "Appendix D – Audited Financial Statements".

## LITIGATION

**At the time of settlement, the School District will deliver a certificate stating to the knowledge of the School District there is no litigation pending with respect to the Bonds, the Resolution or the right of the School District to issue the Bonds and there is no litigation which would materially affect the School District's financial condition.**

## DEFAULTS AND REMEDIES

In the event of failure of the School District to pay or cause to be paid the interest on or principal of the Bonds, as the same becomes due and payable, the holders of the Bonds shall be entitled to certain remedies provided by the Act. Among the remedies, if the failure to pay shall continue for 30 days, holders of the Bonds shall have the right to recover the amount due by bringing an action in assumpsit in the Court of Common Pleas of the county in which the School District is located. The Act provides that any judgment shall have an appropriate priority upon the funds next coming into the treasury of the School District. The Act also provides that upon a default of at least 30 days, holders of at least 25 percent of the Bonds may appoint a trustee to represent them. The Act provides certain other remedies in the event of default, and further qualifies the remedies hereinbefore described.

## **TAX EXEMPTION AND OTHER TAX MATTERS**

### **Certain Federal Income Tax Matters**

On the date of delivery of the Bonds, Fox Rothschild LLP (“Bond Counsel”) will issue an opinion to the effect that under existing statutes and court decisions as of the date of initial delivery of the Bonds, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion of Bond Counsel will assume the accuracy of certifications made by the School District and will be subject to the condition that the School District complies with all requirements of the Code. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income prospectively and/or retroactively to the date of issuance of the Bonds.

Notwithstanding the general exclusion of interest on the Bonds from gross income and the exemption of the Bonds and the interest thereon from certain taxes, ownership of the Bonds may result in certain other federal income tax consequences to certain taxpayers, including, without limitation, certain foreign corporations doing business in the United States that are subject to the branch profits tax imposed by the Code, financial institutions, property and casualty insurance companies, certain subchapter S corporations with substantial passive income and Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion as to such other tax consequences, and prospective purchasers of the Bonds should consult their tax advisors as to all matters relating to the acquisition, ownership and disposition of the Bonds.

The initial public offering price of the Bonds of certain maturities may be greater than the amount payable on such Bonds at maturity. Bond Counsel expresses no opinion herein with respect to the treatment of such excess of offering price over amounts payable at maturity (“original issue premium”). Investors should seek advice thereon from their own tax advisor.

The initial public offering price of the Bonds of certain maturities may be less than the amount payable at maturity. The difference between the initial public offering price and the amount payable at maturity constitutes “original issue discount.” Bond Counsel is of the opinion that the appropriate portion of such original issue discount allocable to the original and each subsequent holder will, upon sale, exchange, redemption, or payment at maturity, be treated as interest and excluded from gross income for federal income tax purposes to the same extent as the stated interest on the Bonds.

The School District has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

### **Certain Pennsylvania Tax Matters**

On the date of delivery of the Bonds, Bond Counsel will issue an opinion to the effect that, under the laws of the Commonwealth as enacted and construed as of the date of initial delivery of the Bonds, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. The Bonds and the interest thereon may be subject to state or local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws. Bond Counsel will express no other opinion regarding other tax consequences with respect to the Bonds, including whether or not interest on the Bonds is subject to taxation under the laws of any jurisdiction other than the Commonwealth.

### **Changes in Federal and State Tax Law**

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

## **BONDHOLDER CONSIDERATIONS**

### **Cybersecurity**

The School District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the School District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the School District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. The School District has never had a material cyber breach or a cyber breach that resulted in a financial loss. No assurance can be given that the School District's current efforts to manage cyber threats and security will, in all cases, be successful. The School District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances. In addition to the various processes in place to safeguard against cyber security attacks, the School District also maintains a comprehensive insurance policy which includes privacy liability, cyber incident response, data breach, network security, internet media and network extortion coverages.

The School District relies on other entities and service providers in the course of operating the School District, including its accountants, attorneys, the trustee, and banks, as well as vendors with respect to outsourced critical digital network operations and functions. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the School District, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

### **Climate Change**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The School District cannot predict the timing, extent, or severity of climate change and its impact on its operations and finances. The School District has not experienced increases in extreme weather events, but has established reserves to address severe weather disasters and maintains a comprehensive insurance policy.

### **Risk of Audit by Internal Revenue Service**

The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the School District as the taxpayer and Bond purchasers may have no right to participate in such procedure. None of the School District, the Underwriter or Bond Counsel is obligated to defend the tax-exempt status of the Bonds on behalf of the Bond purchasers, nor to pay or reimburse the cost of any Bond purchaser with respect to any audit or litigation relating to the Bonds. See **"TAX EXEMPTION AND OTHER TAX MATTERS"** herein.

## **CONTINUING DISCLOSURE UNDERTAKING**

In accordance with the requirements of the Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), and the Resolution, adopted November 4, 2024 authorizing issuance of the Bonds, the School District will execute and deliver a written continuing disclosure obligation with respect to the Bonds. See the written form of the Continuing Disclosure Certificate (the "Certificate") at Appendix "D" to this Preliminary Official Statement.

Under the terms of the Certificate, the School District will undertake to file with the MSRB financial and other information concerning the School District (annual audited financial statements and annual budget as and when available) and notice of certain events affecting the School District. The School District's obligations with respect to continuing disclosure shall terminate upon the prior redemption or payment in full of all the Bonds.

The MSRB has been designated by the SEC to be the central and sole repository for continuing disclosure information filed by issuers of municipal securities since July 1, 2009. Information and notices filed by municipal issuers (and other "obligated persons" with respect to municipal securities issues) are made available through the MSRB's Electronic Municipal Market Access ("EMMA") System, which may be accessed on the internet at <http://www.emma.msrb.org>.

Some operating data of the School District may be inherently included in the annual filings of financial statements, the summary of the budget, contents in Preliminary Official Statements of future bond issues as well as publicly available information. In connection with the Continuing Disclosure Agreement associated with the Bonds, the School District will not be filing this information separately but it may be available in the other annual filings of the School District or publicly available elsewhere.



## Existing Continuing Disclosure Filing History

The School District has previously entered into Continuing Disclosure Agreements with respect to each one of its previously issued bond issues that are currently outstanding. The School District's filing history of its annual financial and operating information during the past five (5) years is outlined in the table below.

Fiscal Year Ending	Filing Deadline <sup>[1]</sup>	Financial Statements		Other Financial Information	
		Filing Date	EMMA ID <sup>[2]</sup>	Filing Date	EMMA ID <sup>[2]</sup>
6/30/2019	3/26/2020	11/26/2019	ER973900	7/1/2019	ES988358
6/30/2020	3/27/2021	12/3/2020	P21077311	6/15/2020	RE1036528
6/30/2021	3/27/2022	1/25/2022	P21170558	6/8/2021	P21119129
6/30/2022	3/27/2023	12/21/2022	P11247319	6/8/2022	P21200840
6/30/2023	3/26/2024	12/14/2023	P11297303	6/26/2023	P11270035

### Notes

<sup>[1]</sup> For these purposes, assumes the shortest filing deadline of the School District's previous Continuing Disclosure Agreements.

<sup>[2]</sup> Submission ID is the EMMA Submission ID for each filing. To access a filing, insert the Submission ID to the end of the web address below:  
<http://emma.msrb.org/ContinuingDisclosureView/ContinuingDisclosureDetails.aspx?submissionId=>

Based on the information above, the School District's annual financial and operating filing history over the past five (5) years can be summarized as follows:

For fiscal years ending June 30, 2019 through and including June 30, 2023, the School District filed the annual financial information and budget in a timely fashion.

## Future Continuing Disclosure Compliance

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

In an effort to augment the School District's procedures and policies to maintain future compliance, the School District has taken additional steps intended to assure future compliance with its Continuing Disclosure Agreements. These steps include implementing the MSRB's EMMA's internal notification system whereby the School District will receive timely email reminders a month in advance for all of the School District's annual disclosure filings and coordinating with the School District's financial advisor to ensure all disclosure obligations have been made on a timely basis and in all material respects.

A member of the School District's business office will be responsible for ensuring ongoing continuing disclosure compliance. Members of the School District's business office will make an effort to participate in any ongoing continuing education regarding continuing disclosure undertaking if offered by local groups or affiliated organizations such as MSRB, PASBO or GFOA. The School District may communicate with its financial advisor, underwriter(s), bond counsel, or solicitor regarding any questions or concerns regarding ongoing continuing disclosure compliance. The School District may also communicate with its local auditor and advise of the School District's need for financial statements in a timely manner. In the event audited financial statements are not available by the filing deadline, the School District will file to EMMA, if available, its' State Form PDE-2057 Annual Financial Report as an interim filing until such audited financial statements are available. Some of the operating data requirements may be found contained within the School District's financial statements or budget filing and may not be filed explicitly by themselves.

## RATING

Moody's Investor's Service, Inc. is expected to assign an underlying bond rating of "Aaa" to this issue of Bonds with an 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: Moody's Investor's Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. 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 for a purchase price of \$\_\_\_\_\_, equal to the par value of the Bonds less an underwriters' discount of \$\_\_\_\_\_ plus an original issue premium of \$\_\_\_\_\_, plus accrued interest from the dated date to the date of delivery of the Bonds.

## **LEGAL OPINION**

The Bonds are offered subject to the receipt of the approving legal opinion of Fox Rothschild LLP, Bond Counsel to the School District, of Blue Bell, Pennsylvania. Certain other matters will be passed upon for the School District by Fox Rothschild LLP, of Blue Bell, Pennsylvania, School District Solicitor.

## **FINANCIAL ADVISOR**

The School District has retained PFM Financial Advisors LLC, Harrisburg, Pennsylvania, as financial advisor (the "Financial Advisor") in connection with the preparation, authorization and issuance of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Preliminary Official Statement. PFM Financial Advisors LLC 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 PFM Financial Advisors LLC, Harrisburg, Pennsylvania, in its capacity as Financial Advisor to the School District. The information set forth in this Preliminary Official Statement has been obtained from the School District and from other sources believed to be reliable. Insofar as any statement herein includes matters of opinion or estimates about future conditions, it is not intended as representation of fact, and there is no guarantee that it is, or will be, realized. Summaries or descriptions of provisions of the Bonds, the Resolution, and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof. Reference is hereby made to the complete documents, copies of which will be furnished by the School District or the Financial Advisor upon request. The information assembled in this Preliminary Official Statement is not to be construed as a contract with holders of the Bonds.

The School District has authorized the distribution of this Preliminary Official Statement.

WISSAHICKON SCHOOL DISTRICT  
Montgomery County, Pennsylvania

By: /s/  
President, Board of School Directors

**[THIS PAGE INTENTIONALLY LEFT BLANK]**

**APPENDIX A**  
**DEMOGRAPHIC AND ECONOMIC**  
**INFORMATION RELATING TO THE**  
**WISSAHICKON SCHOOL DISTRICT**

## Population

Table A-1 which follows shows recent population trends for the School District, Montgomery County and the Commonwealth of Pennsylvania. Table A-2 shows 2022 age composition in Montgomery County and for the Commonwealth.

**TABLE A-1**  
**RECENT POPULATION TRENDS**

	<b><u>2010</u></b>	<b><u>2020</u></b>	<b>Compound Average Annual Percentage Change <u>2010-2020</u></b>
<i>School District</i> .....	36,697	39,216	0.67%
Montgomery County.....	799,874	856,553	0.69%
Pennsylvania .....	12,702,379	13,002,700	0.23%

Source: U.S. Bureau of the Census, Decennial Census and Pennsylvania State Data Center, 2010 & 2020 General Population and Housing Characteristics: Pennsylvania.

**TABLE A-2**  
**AGE COMPOSITION**

	<b><u>0-17</u></b>	<b><u>18-64</u></b>	<b><u>65+</u></b>
	<b><u>Years</u></b>	<b><u>Years</u></b>	<b><u>Years</u></b>
Montgomery County.....	21.0%	60.0%	19.0%
Pennsylvania.....	22.2%	58.2%	19.6%

Source: U.S. Bureau of the Census, 2022 American Community Survey- 1 year estimates.

## Employment

Listed below are the ten top employers in the County:

---

### **Name**

Merck Sharp & Dohme Corporation  
Abington Memorial Hospital  
Main Line Hospital Inc.  
State Government  
SEI Investments Company  
Albert Einstein Medical Center  
Giant Food Stores LLC  
SmithKline Beecham Corporation  
Lockheed Martin Corp.  
Montgomery County

Source: Pennsylvania Department of Labor & Industry, Center for Workforce Information & Analysis- 2<sup>nd</sup> Quarter 2024.

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

**TABLE A-3**  
**DISTRIBUTION OF EMPLOYMENT BY INDUSTRY**  
**(Montgomery – Bucks – Chester, PA Metropolitan Statistical Area)**  
**(Bucks, Chester and Montgomery– PA Counties)**  
**(October 2024)**

<i>ESTABLISHMENT DATA</i>	Industry Employment				Net Change From:	
	Oct 2024	Sep 2024	Aug 2024	Oct 2023	Sep 2024	Oct 2023
TOTAL NONFARM	1,135,900	1,131,800	1,132,200	1,126,600	4,100	9,300
TOTAL PRIVATE	1,049,300	1,045,900	1,051,500	1,041,400	3,400	7,900
GOODS PRODUCING	147,900	148,000	149,400	149,300	-100	-1,400
Construction, Natural Resources, and Mining	59,600	59,000	59,900	59,200	600	400
Manufacturing	88,300	89,000	89,500	90,100	-700	-1,800
Durable Goods	45,200	45,600	45,600	45,500	-400	-300
Non-Durable Goods	43,100	43,400	43,900	44,600	-300	-1,500
Chemical Manufacturing	19,300	19,400	19,500	20,000	-100	-700
SERVICE-PROVIDING	988,000	983,800	982,800	977,300	4,200	10,700
PRIVATE SERVICE-PROVIDING	901,400	897,900	902,100	892,100	3,500	9,300
Trade, Transportation, and Utilities	203,300	200,200	200,700	203,400	3,100	-100
Wholesale Trade	59,200	58,800	58,900	58,900	400	300
Retail Trade	108,900	106,600	107,900	109,600	2,300	-700
General merchandise stores	19,300	18,800	18,800	19,500	500	-200
Transportation, Warehousing, and Utilities	35,200	34,800	33,900	34,900	400	300
Information	25,400	25,400	25,700	25,600	0	-200
Financial Activities	90,600	90,800	91,400	89,800	-200	800
Finance and insurance	76,100	76,200	76,400	75,400	-100	700
Credit Intermediation and Related Activities	17,400	17,500	17,600	17,400	-100	0
Depository Credit Intermediation	10,300	10,300	10,400	10,100	0	200
Insurance carriers and related activities	29,400	29,500	29,500	29,400	-100	0
Real estate and rental and leasing	14,500	14,600	15,000	14,400	-100	100
Professional and Business Services	212,000	213,700	214,000	216,900	-1,700	-4,900
Professional and technical services	114,600	115,700	115,800	117,200	-1,100	-2,600
Scientific research and development services	23,500	23,500	23,400	23,800	0	-300
Management of companies and enterprises	31,300	31,300	31,500	30,800	0	500
Administrative and waste services	66,100	66,700	66,700	68,900	-600	-2,800
Education and Health Services	227,700	224,800	221,200	217,000	2,900	10,700
Educational services	31,100	30,000	26,000	32,500	1,100	-1,400
Health care and social assistance	196,600	194,800	195,200	184,500	1,800	12,100
Ambulatory health care services	74,500	73,300	73,400	69,400	1,200	5,100
Hospitals	32,100	32,000	32,000	31,400	100	700
Nursing and residential care facilities	35,800	35,600	35,900	33,900	200	1,900
Social assistance	54,200	53,900	53,900	49,800	300	4,400
Leisure and Hospitality	93,200	94,300	99,600	91,300	-1,100	1,900
Accommodation and food services	73,200	73,400	76,000	72,600	-200	600
Other Services	49,200	48,700	49,500	48,100	500	1,100
Government	86,600	85,900	80,700	85,200	700	1,400
Federal Government	6,300	6,300	6,300	6,300	0	0
State Government	10,500	10,500	9,500	10,300	0	200
Local Government	69,800	69,100	64,900	68,600	700	1,200
Local Government educational services	49,600	48,500	43,700	48,700	1,100	900
Local Government excluding educational services	20,200	20,600	21,200	19,900	-400	300
***Data changes of 100 may be due to rounding***						
Data benchmarked to March 2023						

Source: Pennsylvania Department of Labor and Industry.

Table A-4 shows recent trends in labor force, employment and unemployment for Montgomery County and the Commonwealth. The unemployment rate for Montgomery County has been lower than for the Commonwealth during this period.

**TABLE A-4**  
**RECENT TRENDS IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT\***  
**(Montgomery County)**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024<sup>(1)</sup></u>	<b>Compound Average Annual % Rate</b>
<b>Montgomery County</b>							
Civilian Labor Force (000)	457.8	447.0	455.5	461.6	467.5	466.3	0.37%
Employment (000)	442.9	412.9	432.9	449.6	456.3	452.3	0.42%
Unemployment (000)	14.9	34	22.6	12.1	11.2	14.2	-0.96%
Unemployment Rate	3.20%	7.60%	5.00%	2.60%	2.40%	3.00%	
<b>Pennsylvania</b>							
Civilian Labor Force (000)	6,492.0	6,483.0	6,406.0	6,479.0	6,485.0	6,531.0	0.12%
Employment (000)	6,208.0	5,894.0	5,999.0	6,196.0	6,296.0	6,308.0	0.32%
Unemployment (000)	284.0	589.0	407.0	283.0	189.0	223.0	-4.72%
Unemployment Rate	4.40%	9.10%	6.30%	4.40%	2.90%	3.40%	

<sup>(1)</sup>As of November 2024.

Source: Pennsylvania Department of Labor & Industry.

## Income

The data on Table A-5 shows trends in per capita income for the School District, the County and the Commonwealth over the 2010-2014 period.

**TABLE A-5**  
**RECENT TRENDS IN PER CAPITA INCOME\***

	<u>2010</u>	<u>2022</u>	<b>Compound Average Annual Percentage Change 2010-2022</b>
<i>School District</i> .....	\$52,665	\$73,602	2.83%
Montgomery County .....	40,076	57,945	3.12%
Pennsylvania .....	27,049	41,234	3.58%

\*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: U.S. Census Bureau, American Community Survey – 2018-2022 & 2006-2010.

## Commercial Activity

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

**TABLE A-6**

**TOTAL RETAIL SALES  
(000)**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Montgomery County .....	\$21,566,509	\$22,055,191	\$21,239,179	\$22,982,660	\$24,998,262,163
Pennsylvania.....	244,709,540	251,185,116	274,685,600	297,770,327	310,912,244,437

Source: The Nielsen Company.

## Educational Institutions

There are many higher educational institutions in the area including Gwynedd Mercy University within School District boundaries, residents can also attend Delaware Valley College, Lasalle University, Penn State Abington, and the Montgomery County Community College.

## Medical Facilities

Abington Hospital – Jefferson Health is a 665-bed, regional referral center and teaching hospital located within easy access of the School District. This health care center also serves the people of nearby Bucks and Philadelphia Counties.

## Transportation

Montgomery County contains 32.7 miles of Pennsylvania Turnpike and other Interstate Highways and over 3,000 miles of State, Federal, secondary and municipal roads. The County is served by 7 commercial airports and 4 different railroads.

In nearby Philadelphia is the Philadelphia International Airport, along with all major rail, bus and trucking lines. The port located in Philadelphia is considered to be one of the largest fresh water ports in the world.



**[THIS PAGE INTENTIONALLY LEFT BLANK]**

**APPENDIX B**  
**FORM OF BOND COUNSEL OPINION**



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

www.foxrothschild.com

\_\_\_\_\_, 2025

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: Wissahickon School District  
Montgomery County, Pennsylvania  
\$ \_\_\_\_\_ General Obligation Bonds, Series of 2025

Ladies and Gentlemen:

We have acted as Bond Counsel to the Wissahickon School District, Montgomery County, Pennsylvania (the “School District”), a school district located in the Commonwealth of Pennsylvania (the “Commonwealth”), in connection with the authorization, issuance and sale by the School District of its General Obligation Bonds, Series of 2025, dated \_\_\_\_\_, 2025, in the aggregate principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_ .00) (the “Bonds”).

The Board of Directors of the School District, by a Resolution dated November 4, 2024 (the “Resolution”), has authorized and directed the issuance of the Bonds. The Resolution provides, inter alia, that the proceeds of the Bonds will be used for purposes of providing financing for: (i) capital improvements to school facilities and school buildings owned and operated by the School District, including, without limitation, the designing, construction, expansion, furnishing and equipping of an addition to Blue Bell Elementary School; (ii) capital improvements to school facilities and school buildings owned and operated by the School District, including, without limitation, the installation, furnishing and equipping of stadium bleachers at Wissahickon High School; and (iii) paying the costs and expenses related to the issuance of the Bonds, all in accordance with applicable and appropriate provisions of the Local Government Unit Debt Act of the Commonwealth, as codified by the Act of December 19, 1996 (P.L. 1158, No. 177) (the “LGUDA”). Proceedings for authorization, issuance and sale of the Bonds have been conducted in accordance with the provisions of the LGUDA.

A Pennsylvania Limited Liability Partnership

California Colorado Delaware District of Columbia Florida Georgia Illinois Massachusetts Minnesota Missouri  
Nevada New Jersey New York North Carolina Oklahoma **Pennsylvania** South Carolina Texas Washington

The Department of Community and Economic Development (the “Department”) of the Commonwealth has approved the proceedings for the incurring of this debt of the School District as authorized in the Resolution, as required by the LGUDA.

As to questions of fact material to our opinion, without undertaking to verify such facts by independent investigation, we have relied upon the certified proceedings and other certifications of the School District and other public officials, including without limitation, the matters listed in the following paragraph, which have been furnished to us.

As Bond Counsel to the School District, we have examined and relied upon, among other things: (1) the proceedings related to the issuance and delivery of the Bonds as filed with and approved by the Department; (2) an executed counterpart of the Resolution; (3) a form of Bond; (4) a General Certificate of the School District; (5) a Tax Compliance Agreement; (6) a Due Diligence Memorandum completed and executed by the School District; and (7) the usual closing affidavits, certificates and documents. In our examination, we have assumed the genuineness of all signatures, including electronic signatures.

We have assumed that the School District, pursuant to the Resolution, has established a sinking fund with the Paying Agent named in the Resolution, as the sinking fund depository, into which funds for the payment of the principal of and interest on the Bonds will be deposited no later than the date fixed for the disbursement thereof. The School District has set forth in the Resolution to make payments out of such sinking fund or out of any other of its revenue or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations under the Bonds.

The School District in the Resolution has covenanted to include in each year’s budget, to the fullest extent authorized under law, sums sufficient to meet the requirements of all interest and principal payment due under the Bonds, to appropriate such amounts from its general revenues necessary for the payment of such debt service and to pay the principal and interest due upon the Bonds to the extent of its obligation as and when due and it has pledged its full faith, credit and taxing power to such payment, budgeting and appropriation.

The School District has designated the Bonds as “qualified tax exempt obligations” within the meaning of Section 265(b)(3)(B) of Internal Revenue Code of 1986 (the “Code”).

We have further assumed that the principal of and interest on the Bonds are payable without deduction of any tax or taxes now levied or assessed thereon under any present law of the Commonwealth, which tax or taxes the School District assumes and agrees to pay; provided,

however, that the foregoing shall not be applicable to gift, succession or inheritance taxes or to other taxes not levied or assessed directly on the Bonds or the interest paid thereon.

Based upon the foregoing, and subject to the further qualifications stated herein, and assuming investment and application of the proceeds of the Bonds as set forth in the Tax Compliance Agreement and the continuing compliance by the School District therewith and with the applicable provisions of the Code and the Regulations thereunder, we are of the opinion that:

1. The School District is authorized, under applicable laws of the Commonwealth, to issue the Bonds to provide funds as enumerated in the Resolution.

2. Based upon a debt certificate executed by the School District, the amount of non-electoral debt of the School District issued and outstanding or authorized by vote of the Board of Directors of the School District, including the Bonds, computed in accordance with the LGUDA, is not in excess of legal limitations; and the incurring of non-electoral debt of the School District, which is evidenced by the Bonds, is permitted by the LGUDA and the Constitution of the Commonwealth to be made by vote of the Board of Directors of the School District without assent of electors of the School District.

3. The proceedings pursuant to which the Bonds have been authorized and thus the incurring of the non-electoral debt of the School District, which is evidenced by the Bonds, are in accordance with applicable law. The Bonds are a full faith and credit obligation of the School District, the payment for which the School District is obligated, if necessary, to exercise its ad valorem taxing power, subject to the limits of Act 1, discussed below, upon all taxable property within the School District.

4. The Bonds are not presently "arbitrage bonds" as that term is contemplated by, and defined in, Section 103(b)(2) and Section 148, respectively, of the Code and applicable Regulations promulgated thereunder.

5. Interest on the Bonds is excludable from gross income for Federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

6. The Bonds are exempt from personal property taxes in the Commonwealth and interest on the Bonds is exempt from the personal income tax and the corporate net income tax imposed by the Commonwealth.

7. The Bonds, when issued and approved by the Pennsylvania Department of Community and Economic Development, will constitute indebtedness of the Local Government Unit for purposes of Section 6-633 of the Pennsylvania Public School Code of 1949, as amended.

Notwithstanding the general excludability of interest on the Bonds from gross income and the exemption of the Bonds and the interest thereon from certain taxes, ownership of the Bonds may result in other Federal, state, local and/or foreign tax consequences to certain taxpayers, including, without limitation, corporations required to include such interest in the calculation and payment of the alternative minimum tax under Section 55 of the Code (as noted in Paragraph 5 above); certain foreign corporations doing business in the United States that are subject to the Branch Profits Tax imposed by Section 884 of the Code; individuals or entities required to take such interest into account as market discount; financial institutions; insurance companies required to include such interest in amounts required to reduce the deductions for loss reserves pursuant to Section 832 of the Code; certain "S" Corporations (as defined in Section 1361 of the Code) with accumulated earnings and profits; individual recipients of Social Security, or Railroad Retirement benefits; and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. We offer no opinion as to any of such other tax consequences.

With respect to the foregoing opinion, we advise you that the rights of the holders of the Bonds and the enforceability of the Bonds will be subject to and may be limited by (i) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws of general application or equitable principles relating to or affecting creditors' rights and remedies or debtors' obligations generally, (ii) general principles of equity, whether considered and applied in a court of law or equity, and (iii) the exercise of judicial discretion in appropriate cases.

The opinions set forth in paragraphs 4 and 5 above are subject to the condition that the School District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Code establishes certain requirements relating to the use and expenditures of the Bonds proceeds, restrictions on investments prior to expenditure and the requirement that certain earnings be rebated to the Federal government. Non-compliance with any of these or other applicable requirements of the Code might cause interest on the Bonds to be subject to Federal income taxation either prospectively or retroactively to the date of issuance. The School District has covenanted to comply with such requirements.

We call to your attention to the Taxpayer Relief Act, Pennsylvania Special Session Act No. 1 of 2006, as amended by Act 25 of 2011 ("Act 1"). Act 1 generally provides that a school district may not, in fiscal year 2007-2008 or in any subsequent fiscal year, increase the rate of any tax for school purposes by more than an index based on factors described in Act 1 without voter approval

by referendum. The Bonds were not authorized before the effective date of Act 1 and, as a result, are not “grandfathered” and the School District cannot be granted an exception to the Act 1 referendum requirement on the basis of the debt service due and payable on the Bonds if a tax increase greater than the applicable index is needed.

We express no opinion herein as to any matter not expressly set forth herein, including Federal, state, local and/or foreign tax consequences arising with respect to the Bonds other than as expressly set forth in paragraphs 4, 5 and 6 above. Further, we express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the time of closing on the date hereof, and is based on existing law as enacted and construed as of that time. We assume no obligation to update or supplement this opinion to reflect any facts or circumstances which may hereafter come to our attention or any changes in such laws, regulations, or judicial or administrative decisions, any of which could adversely affect a holder of the Bonds.

Very truly yours,

**[THIS PAGE INTENTIONALLY LEFT BLANK]**



**APPENDIX C**  
**WISSAHICKON SCHOOL DISTRICT - AUDIT**  
**REPORT -**  
**JUNE 30, 2024**

**WISSAHICKON SCHOOL DISTRICT**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

*Year Ended June 30, 2024*

## **INTRODUCTORY SECTION**

# WISSAHICKON SCHOOL DISTRICT

## TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2024

---

	Page
<b>Introductory Section</b>	
Table of Contents	1
<b>Financial Section</b>	
Independent Auditors' Report	3
Management's Discussion and Analysis (Unaudited)	6
Basic Financial Statements	
<b><i>Government-Wide Financial Statements</i></b>	
Statement of Net Position	15
Statement of Activities	16
<b><i>Fund Financial Statements</i></b>	
<b><i>Governmental Funds</i></b>	
Balance Sheet	17
Reconciliation of Total Governmental Funds Balances to Net Position of Governmental Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balances	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	20
<b><i>Proprietary Fund</i></b>	
Statement of Net Position	21
Statement of Revenues, Expenses and Changes in Net Position	22
Statement of Cash Flows	23
<b><i>Fiduciary Funds</i></b>	
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
Notes to the Basic Financial Statements	26

# WISSAHICKON SCHOOL DISTRICT

## TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2024

---

	Page
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule	62
Note to the Budgetary Comparison Schedule	63
Schedule of the School District's Proportionate Share of the PSERS Net Pension Liability	64
Schedule of the School District's PSERS Pension Contributions	65
Schedule of the School District's Proportionate Share of the PSERS Net Other Postemployment Benefit Plan Liability	66
Schedule of the School District's PSERS Other Postemployment Benefit Plan Contributions	67
Schedule of Changes in the Total Other Postemployment Benefit Plan Liability and Related Ratios	68
<b>Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards</b>	69
<b>Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance</b>	71
<b>Supplementary Information - Major Federal Award Programs Audit</b>	
Schedule of Expenditures of Federal Awards	74
Notes to the Schedule of Expenditures of Federal Awards	76
Schedule of Findings and Questioned Costs	77
Schedule of Prior Audit Findings	78

## **FINANCIAL SECTION**

## ***Independent Auditors' Report***

To the Board of School Directors  
Wissahickon School District  
Ambler, Pennsylvania

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Wissahickon School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Wissahickon School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wissahickon School District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wissahickon School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Wissahickon School District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

To the Board of School Directors  
Wissahickon School District  
Ambler, Pennsylvania

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wissahickon School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Wissahickon School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wissahickon School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



To the Board of School Directors  
Wissahickon School District  
Ambler, Pennsylvania

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 14, budgetary comparison information on pages 62 and 63, schedule of the school district's proportionate share of the PSERS net pension liability on page 64, schedule of the school district's PSERS pension contributions on page 65, schedule of the school district's proportionate share of the PSERS net other postemployment benefit plan liability on page 66, schedule of the school district's PSERS other postemployment benefit plan contributions on page 67, and schedule of changes in the total other postemployment benefit plan liability and related ratios on page 68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wissahickon School District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2024 on our consideration of Wissahickon School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wissahickon School District's internal control over financial reporting and compliance.



Limerick, Pennsylvania  
November 22, 2024

# WISSAHICKON SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED JUNE 30, 2024

---

This section of the Wissahickon School District's annual financial report presents its discussion and analysis of the School District's financial performance during the fiscal year ending June 30, 2024. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024.

### FINANCIAL HIGHLIGHTS

- At the close of the current fiscal year, the Wissahickon School District's Governmental Funds reported a combined ending fund balance of \$37,927,633, a decrease of \$2,045,076 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,471,922 or approximately 2.87% of total General Fund expenditures.
- The assessed valuation of the District increased from \$3,766,947,120 as of June 2022 to \$3,808,577,790 as of June 2023. This is a growth of \$41,630,670 or 1.11%.
- The District-wide net position decreased by \$3,305,832. This decrease is primarily the result of the Governmental Accounting Standards Board (GASB) reporting requirement regarding pensions and other post-employment benefits. The district must report its proportionate share of the PSERS and OPEB liability. Wissahickon's proportionate share of PSERS liability and OPEB Liability at June 30, 2024 is \$165,712,000 and \$10,477,106, respectively. Program revenues accounted for \$21,362,148 or 16.53% of total revenues, and general revenues accounted for \$107,880,920 or 83.47%.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Wissahickon School District's basic financial statements. The Wissahickon School District's basic financial statements have three components:

1. District-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

# WISSAHICKON SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED JUNE 30, 2024

---

### **District-Wide Financial Statements**

The *District-wide financial statements* are designed to provide readers with a broad overview of the Wissahickon School District's finances in a manner similar to a private-sector business. There are two District-wide statements presented in this report.

- The *statement of net position* presents information on all of the Wissahickon School District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Wissahickon School District is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as property tax base, student enrollment growth and the condition of school buildings and other facilities.
- The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the District-wide financial statements distinguish functions of the Wissahickon School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

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

- **Governmental Activities:** Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- **Business-Type Activities:** The District charges fees to cover the costs of certain services it provides. The District's only business-type activity is the food service program.

The District-wide financial statements can be found on pages 15 and 16 of this report.

**WISSAHICKON SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED JUNE 30, 2024**

---

**DISTRICT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Wissahickon School District, liabilities exceeded assets by \$111,604,589 at the close of the most recent fiscal year due to the \$165,712,000 of pension related liability included within the long term liabilities required to be booked due to the GASB #67 and #68. The table below summarizes the net position of the District at June 30, 2024.

**Wissahickon School District Net Position (Amounts in Thousands)**

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
<b>ASSETS</b>						
Current and other assets	\$ 60,333	\$ 63,187	\$ 1,890	\$ 1,552	\$ 62,223	\$ 64,739
Capital and other assets	62,224	59,978	122	135	62,346	60,113
<b>TOTAL ASSETS</b>	<b>122,557</b>	<b>123,165</b>	<b>2,012</b>	<b>1,687</b>	<b>124,569</b>	<b>124,852</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows of resources	29,147	27,466	-	-	29,147	27,466
<b>LIABILITIES</b>						
Other liabilities	20,131	20,524	479	480	20,610	21,004
Long-term liabilities	214,031	206,619	-	-	214,031	206,619
<b>TOTAL LIABILITIES</b>	<b>234,162</b>	<b>227,143</b>	<b>479</b>	<b>480</b>	<b>234,641</b>	<b>227,623</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Inflows of resources	7,736	10,050	-	-	7,736	10,050
<b>NET POSITION</b>						
Net investment in capital assets	32,523	37,322	122	135	32,645	37,457
Unrestricted	(122,717)	(123,884)	1,411	1,072	(121,306)	(122,812)
<b>TOTAL NET POSITION</b>	<b>\$ (90,194)</b>	<b>\$ (86,562)</b>	<b>\$ 1,533</b>	<b>\$ 1,207</b>	<b>\$ (88,661)</b>	<b>\$ (85,355)</b>

**WISSAHICKON SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED JUNE 30, 2024**

---

The governmental activities had a negative net position value of \$90,194,225 for the fiscal year ended June 30, 2024. This negative net position value is primarily caused by the net pension liability offset by several factors, including debt repayment schedules, the asset appraisal level selected and fund balance practice and policy.

Changes in the net position of the District are highlighted in the following table (amounts in thousands):

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
<b>REVENUES</b>						
Charges for services	\$ 388	\$ 392	\$ 1,402	\$ 1,269	\$ 1,790	\$ 1,661
Operating grants and contributions	18,222	18,047	1,350	1,248	19,572	19,295
General revenues, property taxes and other taxes levied for general purposes	96,191	93,109	-	-	96,191	93,109
Unrestricted grants, subsidies and contributions	8,278	7,897	-	-	8,278	7,897
Investment earnings	3,302	2,571	-	-	3,302	2,571
Gain on sale of fixed asset	-	48	-	-	-	48
Other	110	12	-	-	110	12
<b>TOTAL REVENUES</b>	<b>126,491</b>	<b>122,076</b>	<b>2,752</b>	<b>2,517</b>	<b>129,243</b>	<b>124,593</b>
<b>EXPENSES</b>						
Instruction	79,452	74,418	-	-	79,452	74,418
Support services	46,215	35,188	-	-	46,215	35,188
Operation of non-instructional services	2,356	2,173	-	-	2,356	2,173
Facilities acquisition, construction and improvement	1,206	654	-	-	1,206	654
Debt service	894	914	-	-	894	914
Other	-	-	2,426	2,151	2,426	2,151
<b>TOTAL EXPENSES</b>	<b>130,123</b>	<b>113,347</b>	<b>2,426</b>	<b>2,151</b>	<b>132,549</b>	<b>115,498</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (3,632)</b>	<b>\$ 8,729</b>	<b>\$ 326</b>	<b>\$ 366</b>	<b>\$ (3,306)</b>	<b>\$ 9,095</b>

**REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS**

**Governmental Funds**

Most of the District's activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted into cash. The Governmental Funds statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental Funds information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and Governmental Funds is reconciled in the basic financial statements on pages 18 and 20.

# **WISSAHICKON SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

**YEAR ENDED JUNE 30, 2024**

---

### **Proprietary Fund**

The Proprietary Fund uses the accrual basis of accounting, the same as on the government-wide statements; therefore, the statements will essentially match the business-type activities portion of the government-wide statements.

### **Fiduciary Funds**

The District is the trustee, or fiduciary, for its student activities programs. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 24 and 25. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operation.

### **Fund Financial Statements**

An analysis of the District's major funds begins on page 17 and provides detailed information about the most significant funds--not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, Governmental, Proprietary and Fiduciary, use different accounting approaches as further described in the notes to the financial statements beginning on page 26.

As of the end of the current fiscal year, the Wissahickon School District's Governmental Funds reported combined ending fund balances of \$37,927,633, which is a \$2,045,076 decrease over last year's combined total of \$39,972,709.

The unassigned General Fund balance of \$3,471,922 is available for spending at the District's discretion. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 2.87% of total General Fund expenditures. The Wissahickon School District's General Fund balance increased \$854,036 during the current fiscal year.

The Capital Reserve Fund balance of \$15,789,233 is reserved to indicate that it is not available for new spending because it has already been committed to capital projects. The decrease in fund balance during the current year in the Capital Reserve Fund was \$4,372,511.

The Bond Fund balance of \$4,348,794 is restricted for capital projects. The increase in fund balance during the current year was a result of the issuance of a bond for the Blue Bell expansion project.

The net position of the Proprietary (Food Service) Fund at the end of the year amounted to \$1,533,423. The total increase in net position for this fund was \$326,192, and total revenues increased \$235,375 or approximately 9%, while expenses increased \$75,243 or by approximately 12%.

### **General Fund Budgetary Highlights**

The District's budget is prepared in accordance with Pennsylvania law and is based on the modified accrual basis of accounting. The budgetary comparison schedule for the General Fund is presented in the required supplementary information section of this report on page 59.

**WISSAHICKON SCHOOL DISTRICT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED JUNE 30, 2024

---

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Wissahickon School District's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$62,345,907 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery, furniture and equipment. The major capital asset events during the 2023-24 fiscal year were associated with the Blue Bell expansion project, technology laptop purchases, middle school classroom renovations and the high school turf project. Additional information on the Wissahickon School District's capital assets can be found in Note E on page 37 of this report.

**Debt**

At the end of the current fiscal year, the Wissahickon School District directly had \$34,880,000 total bonded debt outstanding, which is a \$8,235,000 increase of the \$26,645,000 outstanding balance as June 30, 2023 due to the issuance of the General Obligation Bond Series of 2024 in May 2024 in the amount of \$9,225,000.

Under current state statutes, the District's general obligation bonded debt issues (which excludes the lease appropriation debt issued to the State Public School Building Authority) are subject to a legal limitation based on 225% of the includable average revenues for the prior three years. At June 30, 2024, the District's General Obligation debt is approximately \$211 million below the legal limit.

**CONTINUING REPORTING DISCLOSURE**



**Ten Largest Taxpayers**

		2024 Assessed Value
Owner	Property/Business	
1 Adult Communities Total Services Life Care	Life Care	\$ 70,049,770
2 Arborcrest LLC	Commercial Real Estate	69,665,410
3 Ortho McNeil Pharmaceutical Inc.	Pharmaceutical Company	49,170,200
4 KCI Investment Co. LLC	Commercial Real Estate	29,798,260
5 Keystone Property Group	Commercial Real Estate	28,865,710
6 Foulkeways at Gwynedd	Life Care	27,528,900
7 Hunt Club Apartment Associates LP	Commercial Real Estate	26,542,470
8 727 Norristown Road LP	Commercial Real Estate	22,726,100
9 Whitpain Associates	Commercial Real Estate	19,944,650
10 Townline Assoc	Commercial Real Estate	18,335,580
		<u>\$ 362,627,050</u>

**WISSAHICKON SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED JUNE 30, 2024**

---

➤ **Pupil Enrollment**

Grades	ACTUAL 2020-2021	ACTUAL 2021-2022	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	PROJECTION 2025-2026	PROJECTION 2026-2027	PROJECTION 2027-2028	PROJECTION 2028-2029	PROJECTION 2029-2030
Elementary (K-6)	2,621	2,708	2,861	2,928	2,904	2,918	2,876	2,869	2,859	2,818
Secondary (7-12)	2,001	2,095	2,099	2,139	2,172	2,220	2,373	2,418	2,427	2,509
<b>Total</b>	<b>4,622</b>	<b>4,803</b>	<b>4,960</b>	<b>5,067</b>	<b>5,076</b>	<b>5,138</b>	<b>5,249</b>	<b>5,287</b>	<b>5,286</b>	<b>5,327</b>

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

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

MDA

➤ **Pennsylvania Act 1: The Taxpayer Relief Act**

The purpose of Special Session Act 1 of 2006, the Taxpayer Relief Act, signed on June 27, 2006, is to ease the financial burden of home ownership by providing school districts the means to lower property taxes for homeowners via a shift to local income taxes and funding ultimately provided by gaming revenue.

Act 1 mandates that future school district real estate taxes may be increased up to a specified index without voter approval. Increases above the index, with limited exceptions, will require a voter referendum.

It is important to note that Act 1 does not provide additional money for education. It only shifts the source of some of the funding from property to income taxes and offers the potential of possible gaming money.

The Pennsylvania Department of Education certified 4% as the Act 1 index for Wissahickon School District for the 2025-2026 fiscal year. Wissahickon School District's index for the 2024-2025 fiscal year was 5.3%.

➤ **Projected Pension Costs**

Annually, the Public School Employees' Retirement Board meets and certifies the employer contribution rate for the upcoming fiscal year. Both the school district employer and the Commonwealth of Pennsylvania are responsible for paying a portion of the employer contribution rate. School entities are responsible for paying 100% of the employer share of contributions to PSERS. The Commonwealth reimburses the school district employer one-half the payment. The Employer's Contribution rate is projected to change as set forth below.



**WISSAHICKON SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED JUNE 30, 2024**

---

***Historical and Projected Employer Contribution Rates***

<b><u>Fiscal Year</u></b>	<b><u>Rate Percentage</u></b>	<b><u>Increase (Decrease)</u></b>
2008 to 2009	4.76	-33.24%
2009 to 2010	4.78	0.42%
2010 to 2011	5.64	17.99%
2011 to 2012	8.65	53.37%
2012 to 2013	12.36	42.89%
2013 to 2014	16.93	36.97%
2014 to 2015	21.4	26.40%
2015 to 2016	25.84	20.75%
2016 to 2017	30.03	16.21%
2017 to 2018	32.57	8.45%
2018 to 2019	33.43	2.64%
2019 to 2020	34.29	2.57%
2020 to 2021	34.51	0.64%
2021 to 2022	34.94	1.25%
2022 to 2023	35.26	0.92%
2023 to 2024	34.00	-3.57%
2024 to 2025	33.90	-0.29%
2025 to 2026 *	34.72	2.42%
2026 to 2027 *	35.41	1.99%

\*Tentative projected rates per PSERS

On June 30, 2024, PSERS reported a positive 8.1% return for the one-year period ended June 30, 2024. Due to strong payroll growth and favorable demographic changes, the employer contribution rate will decrease to 33.90% in 2024-25; the first decrease since 2008-09. The rate is estimated to rise slightly in 2025-26 and beyond, but those rate projections are lower than previous projections.

➤ **Pennsylvania Act 5 of 2017: Defined Contribution Retirement Plan**

Act 5 of 2017 was signed on June 12, 2017, and it gives new employees hired after July 1, 2019 the option of putting all their retirement savings into a private sector-like 401(a) defined contribution (DC) plan or in one of two hybrid plans. The hybrids divide retirement savings into a DC plan, which provides a market-impacted distribution, and PSERS' traditional defined benefit (DB) system, which offers a guaranteed annuity based on a formula that considers years of service and final average salaries. (Act 5 also allows existing employees, hired before July 1, to freeze their current retirement account and put prospective retirement savings into the DC plan or one of the hybrids if they choose).

**WISSAHICKON SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED JUNE 30, 2024**

---

➤ **Facilities**

<b><u>Building</u></b>	<b><u>Original Construction Date</u></b>	<b><u>Addition / Renovation Date</u></b>	<b><u>Grades</u></b>	<b><u>Number of Classrooms</u></b>	<b><u>2022-2023 Enrollment</u></b>	<b><u>2023-2024 Enrollment</u></b>
<b><u>Elementary:</u></b>						
Blue Bell	1957	1989	K-5	27	525	534
Lower Gwynedd	1997	---	K-5	33	638	647
Stony Creek	1964	1988 2021	K-5	34	645	656
Shady Grove	1957	1972 1990	K-5	35	664	711
<b><u>Secondary:</u></b>						
Wissahickon Middle School	1975	1994 2007	6-8	70	1,125	1,148
Wissahickon High School	1962	1972 1974 2001 2017	9-12	76	1,363	1,371

The District continues to review its facility needs.

➤ **Employee Contract/Agreement Status**

The Wissahickon Education Alliance Support Staff (WEAS) and the Wissahickon Education Alliance Professional Staff (WEAP) merged into WEA. The three-year contract between the Wissahickon School Board and WEA expires on June 30, 2025. The current three-year agreement between the District and the Wissahickon Administrators and Supervisors Association is set to expire on June 30, 2024. The District expects to be able to reach an agreement with the WEA prior to its expiration.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Wissahickon School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator, Wissahickon School District, 601 Knight Road, Ambler, Pennsylvania 19002

# WISSAHICKON SCHOOL DISTRICT

## STATEMENT OF NET POSITION

JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 22,773,310	\$ 1,846,424	\$ 24,619,734
Investments	24,963,339	-	24,963,339
Taxes receivable, net	886,690	-	886,690
Notes receivable	1,590,000	-	1,590,000
Due from other governments	5,219,810	-	5,219,810
Other receivables, net	3,285,527	2,964	3,288,491
Prepaid expenses	1,614,496	500	1,614,996
Inventories	-	40,217	40,217
Capital assets			
Land and land improvements	6,607,962	-	6,607,962
Buildings and building improvements	153,222,614	-	153,222,614
Furniture and equipment	15,071,419	890,755	15,962,174
Accumulated depreciation	(112,678,116)	(768,727)	(113,446,843)
TOTAL ASSETS	<u>122,557,051</u>	<u>2,012,133</u>	<u>124,569,184</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources, pension activity	27,381,000	-	27,381,000
Deferred outflows of resources, OPEB activity	1,765,889	-	1,765,889
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>29,146,889</u>	<u>-</u>	<u>29,146,889</u>
<b>LIABILITIES</b>			
Accounts payable	2,944,363	364,322	3,308,685
Accrued salaries and benefits	16,514,376	-	16,514,376
Unearned revenue	70,424	114,388	184,812
Other current liabilities	460,728	-	460,728
Accrued interest	141,485	-	141,485
Long-term liabilities			
Portion due or payable within one year			
Bonds payable	1,215,000	-	1,215,000
Compensated absences	220,152	-	220,152
Portion due or payable after one year			
Bonds payable	33,665,000	-	33,665,000
Bond premiums	759,638	-	759,638
Compensated absences	1,981,368	-	1,981,368
Net pension liability	165,712,000	-	165,712,000
Net OPEB liability	10,477,106	-	10,477,106
TOTAL LIABILITIES	<u>234,161,640</u>	<u>478,710</u>	<u>234,640,350</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources, pension activity	3,473,000	-	3,473,000
Deferred Inflows of resources, OPEB activity	4,263,525	-	4,263,525
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,736,525</u>	<u>-</u>	<u>7,736,525</u>
<b>NET POSITION</b>			
Net investment in capital assets	32,523,035	122,028	32,645,063
Unrestricted	(122,717,260)	1,411,395	(121,305,865)
TOTAL NET POSITION	<u>\$ (90,194,225)</u>	<u>\$ 1,533,423</u>	<u>\$ (88,660,802)</u>

See accompanying notes to the basic financial statements.

**WISSAHICKON SCHOOL DISTRICT****STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
GOVERNMENTAL ACTIVITIES			
Instruction	\$ 79,452,089	\$ 217,567	\$ 13,392,731
Support services	46,214,569	-	4,338,739
Operation of non-instructional services	2,356,018	33,710	366,087
Facilities acquisition, construction and improvement services	1,206,108	-	-
Debt service	893,867	136,591	124,282
TOTAL GOVERNMENTAL ACTIVITIES	130,122,651	387,868	18,221,839
BUSINESS-TYPE ACTIVITIES			
Food service	2,426,249	1,402,407	1,350,034
TOTAL SCHOOL DISTRICT ACTIVITIES	\$ 132,548,900	\$ 1,790,275	\$ 19,571,873

**GENERAL REVENUES**

## Taxes

Property taxes, levied for general purposes

Public utility taxes

Earned income taxes

Grants and contributions not restricted to specific programs

Investment earnings

Miscellaneous

**TOTAL GENERAL REVENUES****CHANGE IN NET POSITION****NET POSITION AT BEGINNING OF YEAR****NET POSITION AT END OF YEAR***See accompanying notes to the basic financial statements.*

---

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (65,841,791)	\$ -	\$ (65,841,791)
(41,875,830)	-	(41,875,830)
(1,956,221)	-	(1,956,221)
(1,206,108)	-	(1,206,108)
(632,994)	-	(632,994)
(111,512,944)	-	(111,512,944)
-	326,192	326,192
(111,512,944)	326,192	(111,186,752)
84,633,290	-	84,633,290
82,072	-	82,072
11,476,269	-	11,476,269
8,277,862	-	8,277,862
3,301,923	-	3,301,923
109,504	-	109,504
107,880,920	-	107,880,920
(3,632,024)	326,192	(3,305,832)
(86,562,201)	1,207,231	(85,354,970)
\$ (90,194,225)	\$ 1,533,423	\$ (88,660,802)

# WISSAHICKON SCHOOL DISTRICT

## BALANCE SHEET

### GOVERNMENTAL FUNDS

JUNE 30, 2024

	General Fund	Capital Reserve Fund	Bond Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 11,956,061	\$ 4,976,482	\$ 5,840,767	\$ 22,773,310
Investments	17,013,732	7,949,607	-	24,963,339
Taxes receivable, net	886,690	-	-	886,690
Due from other funds	540	-	-	540
Due from other governments	5,219,810	-	-	5,219,810
Other receivables	267,520	3,018,007	-	3,285,527
Prepaid items	1,614,496	-	-	1,614,496
TOTAL ASSETS	<u>\$ 36,958,849</u>	<u>\$ 15,944,096</u>	<u>\$ 5,840,767</u>	<u>\$ 58,743,712</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,298,067	\$ 154,323	\$ 1,491,973	\$ 2,944,363
Due to other funds	-	540	-	540
Accrued salaries and benefits	16,514,376	-	-	16,514,376
Unearned revenue	70,483	-	-	70,483
Current portion of compensated absences	220,152	-	-	220,152
Other payables	460,669	-	-	460,669
TOTAL LIABILITIES	<u>18,563,747</u>	<u>154,863</u>	<u>1,491,973</u>	<u>20,210,583</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues, property taxes	605,496	-	-	605,496
FUND BALANCES				
Nonspendable, prepaid items	1,614,496	-	-	1,614,496
Restricted, capital projects	-	-	4,348,794	4,348,794
Committed				
Compensated absences	2,201,520	-	-	2,201,520
Special education	750,000	-	-	750,000
Future maintenance and improvements	9,751,668	-	-	9,751,668
High school improvements	-	10,600,000	-	10,600,000
Middle school improvements	-	500,000	-	500,000
Blue Bell Elementary improvements	-	500,000	-	500,000
Lower Gwynedd Elementary improvements	-	1,000,000	-	1,000,000
Shady Grove Elementary improvements	-	2,189,233	-	2,189,233
Stony Creek Elementary improvements	-	500,000	-	500,000
District wide	-	500,000	-	500,000
Unassigned	3,471,922	-	-	3,471,922
TOTAL FUND BALANCES	<u>17,789,606</u>	<u>15,789,233</u>	<u>4,348,794</u>	<u>37,927,633</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 36,958,849</u>	<u>\$ 15,944,096</u>	<u>\$ 5,840,767</u>	<u>\$ 58,743,712</u>

See accompanying notes to the basic financial statements.

# WISSAHICKON SCHOOL DISTRICT

## RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2024

---

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 37,927,633
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. These assets consist of:	
Land and land improvements	6,607,962
Buildings and building improvements	153,222,614
Furniture and equipment	15,071,419
Accumulated depreciation	(112,678,116)
Deferred inflows and outflows of resources related to pension and OPEB activities are not financial resources and therefore are not reported in the governmental funds.	21,410,364
Notes receivable are not available to pay current liabilities and therefore are not reported in the funds.	1,590,000
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Accrued interest	(141,485)
Bond payable	(34,880,000)
Bond premiums	(759,638)
Compensated absences	(1,981,368)
Net pension liability	(165,712,000)
Net OPEB liability	(10,477,106)
Some of the School District's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	<u>605,496</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>(90,194,225)</u></u>

*See accompanying notes to the basic financial statements.*

**WISSAHICKON SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	General Fund	Capital Reserve Fund	Bond Fund	Total Governmental Funds
REVENUES				
Local sources	\$ 100,810,268	\$ 800,289	\$ 85,684	\$ 101,696,241
State sources	23,813,375	-	-	23,813,375
Federal sources	1,348,184	-	-	1,348,184
TOTAL REVENUES	<u>125,971,827</u>	<u>800,289</u>	<u>85,684</u>	<u>126,857,800</u>
EXPENDITURES				
Instruction	82,254,559	-	-	82,254,559
Support services	34,612,639	9,113,838	-	43,726,477
Operation of non-instructional services	2,437,762	-	-	2,437,762
Facilities acquisition, construction and improvement services	-	-	7,893,750	7,893,750
Debt service	1,871,793	-	167,908	2,039,701
TOTAL EXPENDITURES	<u>121,176,753</u>	<u>9,113,838</u>	<u>8,061,658</u>	<u>138,352,249</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,795,074</u>	<u>(8,313,549)</u>	<u>(7,975,974)</u>	<u>(11,494,449)</u>
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	9,225,000	9,225,000
Transfers in	-	3,941,038	-	3,941,038
Transfers out	(3,941,038)	-	-	(3,941,038)
Premium on bonds issued	-	-	224,373	224,373
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,941,038)</u>	<u>3,941,038</u>	<u>9,449,373</u>	<u>9,449,373</u>
NET CHANGE IN FUND BALANCES	854,036	(4,372,511)	1,473,399	(2,045,076)
FUND BALANCES AT BEGINNING OF YEAR	<u>16,935,570</u>	<u>20,161,744</u>	<u>2,875,395</u>	<u>39,972,709</u>
FUND BALANCES AT END OF YEAR	<u>\$ 17,789,606</u>	<u>\$ 15,789,233</u>	<u>\$ 4,348,794</u>	<u>\$ 37,927,633</u>

*See accompanying notes to the basic financial statements.*



# WISSAHICKON SCHOOL DISTRICT

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2024

---

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (2,045,076)

Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$8,293,676) exceeds depreciation (\$6,048,134) in the current period.

2,245,542

Because some property taxes will not be collected for several months after the School District's fiscal year ends, they are not considered as "available" revenues in the Governmental Funds. Uncollected tax revenues increased by this amount this year.

(272,173)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

(8,423,021)

The governmental funds report note issuance as financing uses, while receipt of note principal is reported as a revenue. In the statement of net position, however, issuing note receivables increases long-term assets and does not affect the statement of activities, and repayment of principal reduces the asset. This amount is the net effect of these differences in the treatment of notes receivable.

(95,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in Governmental Funds:

Accrued interest not reflected in Governmental Funds

(48,426)

Compensated absences not reflected in Governmental Funds

182,597

Pension plan expense

4,498,000

OPEB plan expense

325,533

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ (3,632,024)

*See accompanying notes to the basic financial statements.*

**WISSAHICKON SCHOOL DISTRICT**

## STATEMENT OF NET POSITION

## PROPRIETARY FUND

JUNE 30, 2024

	Enterprise Fund <u>Food Service Fund</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 1,846,424
Other receivables, net	2,964
Inventories	40,217
Prepaid expenses	500
TOTAL CURRENT ASSETS	<u>1,890,105</u>
CAPITAL ASSETS	
Furniture and equipment	890,755
Accumulated depreciation	<u>(768,727)</u>
TOTAL CAPITAL ASSETS	<u>122,028</u>
TOTAL ASSETS	<u>2,012,133</u>
CURRENT LIABILITIES	
Accounts payable	364,322
Unearned revenue	114,388
TOTAL CURRENT LIABILITIES	<u>478,710</u>
NET POSITION	
Net investment in capital assets	122,028
Unrestricted	<u>1,411,395</u>
TOTAL NET POSITION	<u>\$ 1,533,423</u>

*See accompanying notes to the basic financial statements.*

**WISSAHICKON SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2024**

	Enterprise Fund Food Service Fund
OPERATING REVENUES	
Charges for services	\$ 1,402,407
OPERATING EXPENSES	
Other purchased services	2,358,952
Repairs and maintenance	54,090
Supplies	507
Depreciation	12,700
TOTAL OPERATING EXPENSES	2,426,249
OPERATING LOSS	(1,023,842)
NONOPERATING REVENUES	
State sources	257,929
Federal sources	1,092,105
TOTAL NONOPERATING REVENUES	1,350,034
CHANGE IN NET POSITION	326,192
NET POSITION AT BEGINNING OF YEAR	1,207,231
NET POSITION AT END OF YEAR	\$ 1,533,423

*See accompanying notes to the basic financial statements.*

**WISSAHICKON SCHOOL DISTRICT**

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUND

YEAR ENDED JUNE 30, 2024

	Enterprise Fund Food Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	\$ 1,382,018
Payments to suppliers	(1,985,442)
NET CASH USED BY OPERATING ACTIVITIES	<u>(603,424)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal sources	1,057,632
State sources	290,832
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>1,348,464</u>
NET INCREASE IN CASH	745,040
CASH AT BEGINNING OF YEAR	<u>1,101,384</u>
CASH AT END OF YEAR	<u>\$ 1,846,424</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (1,023,842)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	12,700
Donated foods used	160,431
(Increase) decrease in	
Other receivables	684
Inventories	8,229
Prepaid expenses	239,712
Increase (decrease) in	
Accounts payable	19,735
Unearned revenue	(21,073)
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (603,424)</u>
SUPPLEMENTAL DISCLOSURES	
Noncash activities, donated foods	\$ 160,431

*See accompanying notes to the basic financial statements.*

**WISSAHICKON SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2024**

---

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>236,853</u>
 <b>NET POSITION</b>	
Restricted for custodial purposes	\$ <u>236,853</u>

*See accompanying notes to the basic financial statements.*

**WISSAHICKON SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2024**

---

	<u>Custodial Funds</u>
ADDITIONS	
Contributions	\$ <u>490,439</u>
DEDUCTIONS	
Student activities	<u>454,473</u>
CHANGE IN NET POSITION	35,966
NET POSITION AT BEGINNING OF YEAR	<u>200,887</u>
NET POSITION AT END OF YEAR	\$ <u><u>236,853</u></u>

*See accompanying notes to the basic financial statements.*

**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Wissahickon School District (the "School District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

**Reporting Entity**

The School District was organized in 1966. The School District is located in Montgomery County and includes Ambler Borough, Lower Gwynedd Township and Whitpain Township.

The School District is a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth") created to assist in the administration of the General Assembly's duties under the Constitution of the Commonwealth to provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth.

The School District is governed by a board of nine school directors who are residents of the School District and who are elected every two years, on a staggered basis, for a four-year term. The Board of School Directors has the power and duty to establish, equip, furnish and maintain a sufficient number of elementary, secondary and other schools necessary to educate every person residing in such district, between the ages of 6 and 21 years, who may attend.

The Superintendent is the chief administrative officer and chief instructional officer of the Board and the School District and is responsible for the execution of all actions of the Board. Subject to the policies and direction of the Board, the Superintendent is responsible for the administration and operation of the public school system and oversees all matters pertaining to instruction. The Superintendent manages the School District with the assistance of the Assistant Superintendent, the Business Administrator and the Director of Personnel, as well as the Building Principals.

The accompanying basic financial statements comply with the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all organizations, activities and functions for which the School District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (1) the School District's ability to impose its will over a component unit, or (2) the possibility that the component unit will provide a financial benefit or impose a financial burden on the School District. In addition, component units can be other organizations for which the nature and significance of their relationship with the School District are such that exclusion would cause the School District's financial statements to be misleading. This report presents the activities of the Wissahickon School District. The School District is not a component unit of another reporting entity nor does it have any component units.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation and Accounting**

**Government-Wide Financial Statements** - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for Fiduciary Funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the Proprietary Fund financial statements but differs from the manner in which Governmental Funds financial statements are prepared. Governmental Funds financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for Governmental Funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**Fund Financial Statements** - Fund financial statements report detailed information about the School District. The focus of Governmental and Proprietary Funds financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary Funds are reported by fund type.



**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected generally within 60 days of the end of the fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due. The financial statements for Governmental Funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All Proprietary Fund Types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

The Proprietary Fund distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the School District's Enterprise Fund are charges to customers for sales and services. Operating expenses for the Enterprise Fund include cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds are reported using the economic resources measurement focus.

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Accounting**

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental, proprietary and fiduciary.

***Governmental Funds***

**General Fund** - The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose provided it is expended or transferred according to the general laws of Pennsylvania.

**Capital Reserve Fund** - The Capital Reserve Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and improvements in accordance with the applicable general obligation bond agreements.

**Bond Fund** - The Bond Fund is used to account for financial resources to be used for various school projects within the School District in accordance with the applicable general obligation bond agreement.

***Proprietary Fund***

**Food Service Fund** - The Food Service Fund is used to account for operations (1) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

***Fiduciary Funds***

**Custodial Funds** - Custodial Funds are used to account for assets held by the School District in a custodial capacity or as an agent for individuals.

**Cash and Cash Equivalents**

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

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments**

Statutes authorize the School District to invest in: 1) obligations, participations and other instruments of any Federal agency, 2) repurchase agreements with respect to U.S. Treasury bills or obligations, 3) negotiable certificates of deposit, 4) bankers' acceptances, 5) commercial paper, 6) shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933, and 7) savings or demand deposits. The specific conditions under which the District may invest in these categories are detailed in Pennsylvania Act No. 53 of 1973, as amended by Pennsylvania Act No. 10 of 2016. Investments are stated at fair value.

The School District's investment policy provides further limits on investments in U.S. Government agency and instrumentality obligations by requiring they have a liquid market with a readily determinable market value and remaining maturity of not more than 397 days at the time of purchase. For deposits in savings accounts or time deposits or share accounts of institutions not covered by FDIC insurance, the policy also requires that collateral be pledged in the name of the School District. The market value of such collateral shall be at least 102% of such deposits in excess of FDIC insurance and valued at least monthly by an independent pricing service.

Pennsylvania Local Government Investment Trust Funds are invested in accordance with Section 440.1 of the School Code. Each school district owns a pro rata share of each investment or deposit which is held in the name of the fund.

The School District has adopted GASB Statements No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, No. 72, *Fair Value Measurement and Application* and No. 79 *Certain External Investment Pools and Pool Participants*. In accordance with these Statements, investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values. Investments in qualifying external investment pools are reported at amortized cost basis.

**Short-Term Interfund Receivables/Payables**

During the course of operations, transactions may occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the Governmental Funds balance sheet. Short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which, when present, are presented as internal balances.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Inventories and Prepaid Items**

Inventory of food and milk in the Food Service Fund consists of supplies purchased and donated foods received from the federal government. The donated foods are valued at fair market value in accordance with the *Manual of Accounting for Pennsylvania School Systems - Food Service Fund*. Food and supplies are carried at cost using the first-in, first-out method.

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

**Capital Assets**

Capital assets, which include property, plant, equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The School District defines a capital asset as an asset with an initial, individual cost equal to or greater than \$4,000 or purchased with debt proceeds and must also have an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property, plant and equipment of the School District are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
School buildings	40-50
Building improvements	10-30
Land improvements	15-20
Furniture and equipment	5-15

**Long-Term Obligations**

In the government-wide financial statements and Proprietary Fund Type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund Type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In the fund financial statements, Governmental Funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Compensated Absences**

It is the School District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. These benefits are accrued when incurred in the government-wide, Proprietary and Fiduciary Funds financial statements. A liability for these amounts is reported in Governmental Funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable within one year.

**GASB Statement No. 75**

The GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. Collectively, these benefits are commonly referred to as *other postemployment benefits* or OPEB.

GASB Statement No. 75 generally requires that state and local governmental employers account for and report the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions.

The general provisions of GASB Statement No. 75 have been implemented by the School District.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has two items that qualify for reporting in this category. The deferred outflow related to pension activity is reported in the government-wide statement of net position. The deferred outflow related to pension activity is the result of differences between expected and actual experience, changes in the School District's proportionate share of the total plan from year to year, changes in assumptions, net difference between projected and actual investment earnings and actual contributions subsequent to the measurement date. The second item is the deferred outflow related to OPEB activity, which is reported in the government-wide statement of net position. The deferred outflow related to OPEB activity is the result of differences between expected and actual experience, changes in the School District's proportionate share of the total plan from year to year, changes in assumptions, the net difference between projected and actual investment earnings, and actual contributions subsequent to the measurement date.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has three items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. The second item, deferred inflows related to pension activity, are reported in the government-wide statement of net position. The deferred inflow related to pension activity is the result of differences between expected and actual experience, and changes in the School District's proportionate share of the total plan from year to year. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The third item, deferred inflows related to OPEB activity, are reported in the government-wide statement of net position. The deferred inflow related to OPEB activity is the result of differences between expected and actual experience, changes in assumptions, changes in the School District's proportionate share of the total plan from year to year, and the difference between actual employer contributions and the School District's proportionate share of total contributions. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Net Position**

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**Net Position Flow Assumption**

Sometimes the School District will fund outlays for a particular purpose for both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and Proprietary Fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**Use of Estimates**

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

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balance**

The School District has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the School District's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- ***Nonspendable Fund Balance*** - Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- ***Restricted Fund Balance*** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or by enabling legislation.
- ***Committed Fund Balance*** - Amounts constrained to specific purposes by the School District itself, using its highest level of decision-making authority (the Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the School District takes the same highest level action to remove or change the constraint.
- ***Assigned Fund Balance*** - Amounts the School District intends to use for a specific purpose. Intent can be expressed by the Board of School Directors or by an official or body to which the Board of School Directors delegates the authority. The Board of School Directors has not delegated the authority to assign fund balance.
- ***Unassigned Fund Balance*** - Amounts available for any purpose. Positive amounts are reported only in the General Fund.

The Board of School Directors establishes (and modifies or rescinds) fund balance commitments by passage of a motion. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a commitment of the fund. Assigned fund balance is intended to be used by the School District for specific purposes but does not meet the criteria to be classified as restricted or committed.

The School District will typically use restricted fund balances first, followed by committed resources and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE B - CASH AND INVESTMENTS**

**Cash**

***Custodial Credit Risk*** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District has a deposit policy for custodial credit risk. As of June 30, 2024, the School District's total bank balance was \$26,222,362. Of the bank balances, \$250,000 was covered by federal depository insurance, and \$7,800,067 was uninsured with collateral held by the pledging bank's trust department that is not in the School District's name. The remaining cash deposits totaling \$18,172,295 are in the Pennsylvania School District Liquid Asset Fund (PSDLAF) and Pennsylvania Local Government Investment Trust (PLGIT) and are uninsured with collateral secured through a federal home bank irrevocable letter of credit. The collateral consists of U.S. treasuries and agencies and is placed at 102% of the principal deposits.

***Interest Rate Risk*** - The School District's investment policy limits investment maturities in accordance with the Commonwealth of Pennsylvania School Code as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Investments**

As of June 30, 2024, the School District had the following investments and maturities:

<u>Investment Type</u>	<u>Maturities</u>	<u>Amortized Cost</u>
State investment pools	Less than one year	\$ <u>24,963,339</u>

The School District has investments in the PLGIT and PSDLAF program, which are funds similar to mutual funds. GASB Statement No. 3, Paragraph 69, provides that certain types of cash and investments, such as cash investments in a State Treasurer's investment pool or mutual fund, cannot be assigned a credit risk category because the government does not own specific securities. Therefore, PLGIT and PSDLAF investments included in these statements will not be assigned a credit risk category. The carrying amount of these investments at June 30, 2024, is \$24,963,339. These assets maintain a stable net asset value of \$1 per share. All investments are monitored weekly by Standard & Poor's and are subject to an independent audit on an annual basis. As of June 30, 2024, the School District's investment in the state investment pool was rated AAAM by Standard & Poor's.

Investments held with qualifying external state investment pools are valued at amortized cost in accordance with GASB Statement No. 79. The School District had \$40,667 invested in a PLGIT/Reserve Class account which incurs a penalty if funds are withdrawn within 30 days of deposit. The \$40,667 has been invested longer than 30 days and is not eligible for the penalty. The School District had \$24,922,672 invested in PSDLAF treasury bill accounts which are held until maturity.



**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE B - CASH AND INVESTMENTS (Continued)**

**Fair Value Measurement** - The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District’s investments of \$24,922,672 are valued using Level 2 inputs.

**NOTE C - TAXES - REAL ESTATE AND OTHER**

The School Board is authorized by state law to levy property taxes for School District operations, capital improvements and debt service. In addition, the School District levies a 1% earned income tax, the effective rate is 0.5%. Property taxes are based on assessed valuations of real property within the School District. Taxes are levied on July 1 and payable in the following periods:

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

The School District taxes are billed and collected by the local elected tax collector. Property taxes attach as an enforceable lien on property as of July 1.

**NOTE D - INTERFUND TRANSFERS**

The composition of interfund balances as of June 30, 2024, is as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 3,941,038
Capital Reserve Fund	3,941,038	-

Transfers are made to reserve for future capital needs.

**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE E - CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 887,166	\$ -	\$ -	\$ 887,166
Capital assets being depreciated				
Land improvements	5,720,796	-	-	5,720,796
Buildings and building improvements	145,219,846	8,002,768	-	153,222,614
Furniture and equipment	14,780,511	290,908	-	15,071,419
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED</b>	<b>165,721,153</b>	<b>8,293,676</b>	<b>-</b>	<b>174,014,829</b>
Accumulated depreciation				
Land improvements	(5,229,975)	(116,730)	-	(5,346,705)
Buildings and building improvements	(88,831,703)	(4,756,478)	-	(93,588,181)
Furniture and equipment	(12,568,304)	(1,174,926)	-	(13,743,230)
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<b>(106,629,982)</b>	<b>(6,048,134)</b>	<b>-</b>	<b>(112,678,116)</b>
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED, net</b>	<b>59,091,171</b>	<b>2,245,542</b>	<b>-</b>	<b>61,336,713</b>
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net</b>	<b>59,978,337</b>	<b>2,245,542</b>	<b>-</b>	<b>62,223,879</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets being depreciated				
Furniture and equipment	890,755	-	-	890,755
Accumulated depreciation	(756,027)	(12,700)	-	(768,727)
<b>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net</b>	<b>134,728</b>	<b>(12,700)</b>	<b>-</b>	<b>122,028</b>
<b>CAPITAL ASSETS, net</b>	<b>\$ 60,113,065</b>	<b>\$ 2,232,842</b>	<b>\$ -</b>	<b>\$ 62,345,907</b>

Depreciation expense was charged to governmental functions as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	
Instruction	\$ 1,015,850
Support services	3,914,089
Operation of non-instructional services	9,872
Facilities	1,108,323
	<u>\$ 6,048,134</u>

**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE F - AUTHORITY LEASE OBLIGATION**

In May 2021, the North Penn Health, Hospital and Education Authority (NPHHEA) issued School Lease Revenue Note, Series of 2021 in the amount of \$5,184,000 via sublease agreement with North Montco Technical Career Center (NMTCC) together with the participating School Districts of North Penn, Souderton Area, Methacton, Perkiomen Valley and Wissahickon for the current refunding of the outstanding School Lease Revenue Bonds, Series of 2015. The note is secured under a loan agreement between the NPHHEA and TD Bank NA and is payable solely from lease rentals payable by the NMTCC's member school districts, which include the School District, under an assignment of the lease. Thus, the School District is obligated for a portion of the above amount.

The final lease year is 2031. Total scheduled rentals payable in future years are \$945,345 based on the School District's pro rata share during the year ended June 30, 2024. The School District's share of the Authority bonded principal debt outstanding at June 30, 2024, was \$899,595.

The School District's share of the Authority debt payable, based on the Series of 2021 Note in accordance with their stated maturities, is as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Authority Rentals Payable</u>
2025	1.43%	\$ 123,685	\$ 135,665
2026	1.43%	124,644	134,848
2027	1.43%	126,562	134,970
2028	1.43%	128,240	134,826
2029	1.43%	129,678	134,420
2030 to 2031	1.43%	<u>266,786</u>	<u>270,616</u>
		\$ <u>899,595</u>	\$ <u>945,345</u>

**NOTE G - LONG-TERM DEBT**

**General Obligation Bonds**

The School District issued general obligation bonds to provide funds for the construction of major capital facilities. The original amount of General Obligation Bond Series of 2016 issued in July 2016 was \$9,995,000. The original amount of General Obligation Bond Series of 2017 issued in April 2017 was \$9,995,000.

The School District issued the General Obligation Bond Series of 2019 in June 2019 in the amount of \$2,045,000 for the purpose of financing the design, construction, furnishing and equipping of renovations to the Wissahickon Valley Public Library.

The School District issued the General Obligation Bond Series of 2022 in February 2022 in the amount of \$8,965,000 for the purpose of capital improvements to school facilities and school buildings owned and operated by the School District and paying the costs and expenses related to the issuance of the bonds.

**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE G - LONG-TERM DEBT (Continued)**

The School District issued the General Obligation Bond Series of 2024 in May 2024 in the amount of \$9,225,000 for the purpose of repairs, renovations, additions, and improvements to Blue Bell Elementary school, repairs renovations, additions and improvements to Wissahickon High School stadium, various other capital improvements to school facilities and school buildings owned and operated by the School District and paying the costs and expenses related to the issuance of the bonds.

The School District has \$34,880,000 of bonds payable at June 30, 2024. During the year, the School District made principal payments of \$990,000 and interest payments of \$740,166 related to the bond issues outstanding.

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal Amount</u>	<u>Interest</u>
2025	\$ 1,215,000	\$ 1,095,020
2026	1,265,000	1,055,998
2027	1,300,000	1,017,185
2028	1,340,000	978,132
2029	1,375,000	937,660
2030 to 2034	7,810,000	4,016,363
2035 to 2039	9,120,000	2,734,909
2040 to 2044	7,770,000	1,251,215
2045 to 2049	3,685,000	305,575
	<u>\$ 34,880,000</u>	<u>\$ 13,392,057</u>

**NOTE H - CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2024, was as follows:

	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
Series of 2016	\$ 9,995,000	11/15/2041	0.06% - 3.00%
Series of 2017	9,995,000	11/15/2041	0.09% - 4.00%
Series of 2019	2,045,000	11/15/2037	2.00% - 3.00%
Series of 2022	8,965,000	11/15/2046	3.00% - 4.00%
Series of 2024	9,225,000	11/15/2048	4.00% - 5.00%

**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE H - CHANGES IN LONG-TERM LIABILITIES (Continued)**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GENERAL OBLIGATION BONDS					
Series of 2016	\$ 8,005,000	\$ -	\$ (300,000)	\$ 7,705,000	\$ 305,000
Series of 2017	8,200,000	-	(335,000)	7,865,000	340,000
Series of 2019	1,685,000	-	(95,000)	1,590,000	95,000
Series of 2022	8,755,000	-	(260,000)	8,495,000	270,000
Series of 2024	-	9,225,000	-	9,225,000	205,000
TOTAL GENERAL OBLIGATION BONDS	26,645,000	9,225,000	(990,000)	34,880,000	1,215,000
BOND PREMIUMS	571,617	188,021	-	759,638	-
COMPENSATED ABSENCES	2,383,968	-	(182,448)	2,201,520	220,152
NET PENSION LIABILITY	166,542,000	-	(830,000)	165,712,000	-
NET OPEB LIABILITY	10,475,960	1,146	-	10,477,106	-
TOTAL LONG-TERM LIABILITIES	\$ 206,618,545	\$ 9,414,167	\$ (2,002,448)	\$ 214,030,264	\$ 1,435,152

**NOTE I - DEFERRED INFLOWS OF RESOURCES AND UNEARNED REVENUE**

**General Fund**

Real estate taxes collected within 60 days of the close of the fiscal year are recorded as current revenues. The noncurrent portion of real estate taxes receivable is recorded as deferred inflows of resources until such time as it becomes available.

Program grants received prior to the incurrence of qualifying expenditures are recorded as unearned revenue.

At June 30, 2024, deferred inflows of resources for unavailable revenues related to property taxes consisted of delinquent taxes receivable of \$605,496 and unearned revenue consisted of other donations and grants of \$70,483.

**Food Service Fund**

Unearned revenue of \$114,388 in the Food Service Fund represents the carryover of unused donated foods of \$8,811, \$20,407 for grants and prepaid balances on student meal accounts of \$85,170.

**NOTE J - PENSION PLAN**

**Summary of Significant Accounting Policies**

**Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE J - PENSION PLAN (Continued)**

**General Information About the Pension Plan**

**Plan Description** - PSERS is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at [www.psers.pa.gov](http://www.psers.pa.gov).

**Benefits Provided** - PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

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

Benefits are generally between 1% to 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE J - PENSION PLAN (Continued)**

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

**Contributions**

**Members Contributions**

The contribution rates based on qualified member compensation for virtually all members are presented below:

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit DB Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.80%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Shared Risk Program Summary				
Membership Class	Defined Benefit (DB) Base Rate	Shared Risk Increment	Minimum	Maximum
T-E	7.50%	+/- 0.50%	5.50%	9.50%
T-F	10.30%	+/- 0.50%	8.30%	12.30%
T-G	5.50%	+/- 0.75%	2.50%	8.50%
T-H	4.50%	+/- 0.75%	1.50%	7.50%

**Employer Contributions**

The School District's contractually required contribution rate for the fiscal year ended June 30, 2024, was 33.09% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the plan from the School District were \$19,724,000 for the year ended June 30, 2024.

**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE J - PENSION PLAN (Continued)**

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

At June 30, 2024, the School District reported a liability of \$165,712,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2024, the School District's proportion was 0.3725%, which was a decrease of 0.0021% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of \$15,226,000. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 38,000	\$ 2,269,000
Changes in assumptions	2,473,000	-
Net difference between projected and actual investment earnings	4,689,000	-
Changes in proportions	457,000	1,204,000
Contributions subsequent to the measurement date	<u>19,724,000</u>	<u>-</u>
	<u>\$ 27,381,000</u>	<u>\$ 3,473,000</u>



**WISSAHICKON SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

---

**NOTE J - PENSION PLAN (Continued)**

An amount of \$19,724,000 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the new pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u> <u>June 30,</u>	
2025	\$ 1,612,000
2026	(3,779,000)
2027	4,790,000
2028	<u>1,561,000</u>
	<u>\$ 4,184,000</u>

**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE J - PENSION PLAN (Continued)**

**Actuarial Assumptions**

The total pension liability at June 30, 2023 was determined by rolling forward the System's total pension liability as of the June 30, 2022 actuarial valuation to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date - June 30, 2022
- Actuarial cost method - entry age normal - level % of pay
- Investment return - 7.00%, includes inflation at 2.50%
- Salary growth - effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and PubG-2010 retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2022 and as of June 30, 2023.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
  - Salary growth rate - decreased from 5.00% to 4.50%.
  - Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
  - Mortality rates - Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study that was performed for the five year the period ending June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**WISSAHICKON SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

---

**NOTE J - PENSION PLAN (Continued)**

The plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Pension Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.5%	2.7%
Absolute return	4.0%	4.1%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Cash	3.0%	1.2%
Leverage	-10.5%	1.2%
	<u>100.0%</u>	

The above was the Pension Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**WISSAHICKON SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

---

**NOTE J - PENSION PLAN (Continued)**

***Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** - The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
School District's proportionate share of the net pension liability	\$ <u>214,808,000</u>	\$ <u>165,712,000</u>	\$ <u>124,289,000</u>

***Pension Plan Fiduciary Net Position*** - Detailed information about PSERS's fiduciary net position is available in the PSERS Annual Comprehensive Financial Report which can be found on the System's website at [www.psers.pa.gov](http://www.psers.pa.gov).

**NOTE K - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - PSERS**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the Health Insurance Premium Assistance Program**

***Health Insurance Premium Assistance Program***

The System provides Premium Assistance, which is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2023 there were no assumed future benefit increases to participating eligible retirees.

**NOTE K - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - PSERS (Continued)**

***Premium Assistance Eligibility Criteria***

Retirees of the System can participate in the Premium Assistance program if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age

For Class DC members to become eligible for premium assistance, they must satisfy the following criteria:

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

***Pension Plan Description***

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at [www.psers.pa.gov](http://www.psers.pa.gov).

**NOTE K - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - PSERS (Continued)**

***Benefits Provided***

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

***Contributions***

The school districts' contractually required contribution rate for the fiscal year ended June 30, 2024 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$381,000 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$6,734,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's proportion was 0.3722% percent, which was a decrease of 0.0024% from its proportion measured as of June 30, 2023.

**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE K - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - PSERS (Continued)**

For the year ended June 30, 2024, the District recognized OPEB expense of \$198,000 . At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 44,000	\$ 67,000
Changes in assumptions	582,000	1,274,000
Net difference between projected and actual investment earnings	15,000	-
Changes in proportions	69,000	82,000
Difference between employer contributions and proportionate share of total contributions	-	10,000
Contributions subsequent to the measurement date	<u>381,000</u>	<u>-</u>
	<u>\$ 1,091,000</u>	<u>\$ 1,433,000</u>



**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE K - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - PSERS (Continued)**

\$381,000 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending <u>June 30,</u>	
2025	\$ (188,000)
2026	(137,000)
2027	(165,000)
2028	(211,000)
2029	<u>(20,000)</u>
	<u>\$ (723,000)</u>

***Actuarial Assumptions***

The Total OPEB Liability as of June 30, 2023, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2022 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 4.13% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.
- Participation rate:  
Eligible retirees will elect to participate Pre age 65 at 50%.  
Eligible retirees will elect to participate Post age 65 at 70%.

**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE K - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - PSERS (Continued)**

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	<u>100.0%</u>	1.2%
	<u>100.0%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

NOTE K - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - PSERS (Continued)

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.13%. Under the plan’s funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan’s fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a “pay-as-you-go” plan. A discount rate of 4.13% which represents the S&P 20 year Municipal Bond Rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2023, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2023, 92,677 retirees were receiving the maximum amount allowed of \$1,200 per year and 522 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

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

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ 6,733,000	\$ 6,734,000	\$ 6,734,000

**WISSAHICKON SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

---

**NOTE K - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - PSERS (Continued)**

***Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Change in the Discount Rate***

The following presents the net OPEB liability, calculated using the discount rate of 4.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.13%) or 1-percentage-point higher (5.13%) than the current rate:

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
District's proportionate share of the net OPEB liability	\$ <u>7,614,000</u>	\$ <u>6,734,000</u>	\$ <u>5,998,000</u>

***OPEB Plan Fiduciary Net Position***

Detailed information about PSERS' fiduciary net position is available in PSERS Annual Comprehensive Financial Report, which can be found on the System's website at [www.psers.pa.gov](http://www.psers.pa.gov).

**NOTE L - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - SINGLE EMPLOYER PLAN**

**Plan Description**

The School District administers a single-employer defined benefit healthcare plan (the "Retiree Health Plan"). The Retiree Health Plan provides healthcare insurance for eligible retirees and their spouses through the School District's health insurance plan, which covers both active and retired members until the member reaches Medicare age. Benefit provisions are established through negotiation with the School District and the unions representing the School District's employees. The plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

**Plan Membership** - At June 30, 2023, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	32
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>637</u>
	<u>669</u>

**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE L - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - SINGLE EMPLOYER PLAN**  
**(Continued)**

**Funding Policy and Funding Status**

The plan is an unfunded plan with no assets accumulated in a trust. Contributions to the plan are equal to benefit payments. For the year ending June 30, 2024 benefit payments paid as they came due were \$269,545.

**Benefits Provided**

The School District currently provides medical and prescription drug coverage to the Superintendent at 100% of premium until age 65. The School District also provides medical and prescription drug coverage for all current administrators for a period of up to five years upon superannuated retirement and after completing seven (7) years of service in the School District.

Under Act 110/43, any employee who is eligible (age 60 with 30 years of service, age 62 with one year of service, or 35 years of service regardless of age) is allowed to continue coverage for themselves and their dependents until the member reaches Medicare age. The retiree is responsible for payment equal to the premium determined for the purposes of COBRA.

**Assumptions**

The following assumptions and actuarial methods and calculation were used:

**Interest Rate** - 4.13%, based on S&P Municipal Bond 20 Year High grade Rate Index at July 1, 2023.

**Salary** - An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of a 2.5% cost of living adjustment, 1.5% real wage growth, and for teachers and administrators a merit increase which varies from 2.75% to 0%.

**Health Care Cost Trend Rate** – 7.0% in 2023 with 0.5% decrease per year until 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 to 4.1% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

**WISSAHICKON SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

---

**NOTE L - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - SINGLE EMPLOYER PLAN**  
**(Continued)**

**Withdrawal** - Rates of withdrawal vary by age, gender and years of service. Sample rates for employees with more than 10 years of service are shown below. Rates for new employees start at 25.93% for men and 27.46% for women and decrease with age and service.

<u>Age</u>	<u>Male Rate</u>	<u>Female Rate</u>	<u>Age</u>	<u>Male Rate</u>	<u>Female Rate</u>
25	4.55%	3.90%	45	1.41%	1.60%
30	4.55%	3.90%	50	1.89%	2.08%
35	1.68%	2.83%	55	3.63%	3.66%
40	1.42%	1.67%	60	5.49%	5.94%

**Mortality** - PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees. Incorporated into the tables are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

**Disability** - No disability was assumed.

**Retirement** - Assumed retirement rates are based on PSERS plan experience and vary by age, service and gender.

**Percent of Eligible Retirees Electing Coverage in Plan** - 80% of Administrators and Confidential Secretaries who are receiving a subsidy, 60% of Administrators and Confidential Secretaries not receiving a subsidy, 50% of Teachers and 33% of Support Staff are assumed to elect health coverage. 75% of retirees who are receiving a subsidy are assumed to elect health coverage after the subsidy period ends if still eligible. 100% of Superintendents and Assistant Superintendents and 80% of Administrators and Confidential Secretaries are assumed to elect life insurance coverage.

**Percent Married at Retirement** - 25% of employees are assumed to be married and have a spouse covered by the plan at retirement.

**Spouse Age** - Wives are assumed to be two years younger than their husbands.

**Retiree Contributions** - Retiree Contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.

**Actuarial Value of Assets** - Equal to the Market Value of Assets.

**WISSAHICKON SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

---

**NOTE L - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - SINGLE EMPLOYER PLAN**  
**(Continued)**

**Actuarial Cost Method - Entry Age Normal** - Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.

**Changes in Assumptions** - In the 2023 actuarial valuation, the discount rate changed from 4.06% to 4.13%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at June 30, 2023	\$ <u>3,579,960</u>
Changes for the year	
Service cost	231,704
Interest cost	148,825
Changes in assumptions	52,162
Benefit payments	<u>(269,545)</u>
Net changes	<u>163,146</u>
Balance at June 30, 2024	\$ <u><u>3,743,106</u></u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the School, as well as what the School's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current discount rate:

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Total OPEB liability	\$ <u><u>4,009,988</u></u>	\$ <u><u>3,743,106</u></u>	\$ <u><u>3,490,496</u></u>

**WISSAHICKON SCHOOL DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

---

**NOTE L - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - SINGLE EMPLOYER PLAN**  
**(Continued)**

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the total OPEB liability of the School, as well as what the School's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ <u>3,346,912</u>	\$ <u>3,743,106</u>	\$ <u>4,207,332</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended June 30, 2024, the School recognized OPEB expense of -\$142,533. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 451,193	\$ 1,445,133
Difference between expected and actual experience	-	1,385,392
Contributions subsequent to the measurement date	<u>223,696</u>	<u>-</u>
	\$ <u>674,889</u>	\$ <u>2,830,525</u>

\$223,696 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2025	\$ (299,366)
2026	(299,366)
2027	(299,366)
2028	(299,366)
2029	(299,365)
Thereafter	<u>(882,503)</u>
	\$ <u>(2,379,332)</u>



**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE M - JOINT VENTURE**

The School District is one of five member school districts of the North Montco Technical Career Center (NMTCC). NMTCC is controlled and governed by a joint board, which is composed of representative school board members of the participating schools. Direct oversight of NMTCC operations is the responsibility of the joint board. The School District is not responsible for deficits nor is the School District entitled to operating surplus. The School District's share of annual operating and capital costs for NMTCC fluctuates based on the percentage of enrollment and is reflected as instructional expenditures of the General Fund. Since there is no clear residual equity, no assets related to NMTCC have been reflected in the School District's financial statements. Summary financial information as of June 30, 2023 (the most recent information available), is as follows:

**NORTH MONTCO TECHNICAL CAREER CENTER**

**Governmental Fund Types**

Assets	\$ 4,741,875
Liabilities	<u>1,984,534</u>

<b>FUND BALANCE</b>	<b>\$ <u>2,757,341</u></b>
---------------------	----------------------------

Separate financial statements of the North Montco Technical Career Center have been prepared and are available at NMTCC's administrative offices.

**NOTE N - COMMITMENTS AND CONTINGENCIES**

There are a number of tax assessment appeals in the Court of Common Pleas of Montgomery County from the decisions of the Board of Assessment Appeals. Legal counsel for the School District cannot give an opinion on the outcome of these appeals nor can they reasonably estimate the financial impact.

The School District has included a reserve of \$460,669, for real estate tax assessment appeals in other payables of the General Fund.

**NOTE O - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the School District to purchase commercial insurance for the risks of loss to which it is exposed, including workers' compensation and employee health and accident insurance with certain events and items specifically excluded. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

---

**NOTE P - PARTICIPATION IN PUBLIC ENTITY RISK POOL**

The School District is self-insured for workers' compensation under the laws of the Commonwealth of Pennsylvania. The School District is approved for self-insured workers' compensation annually from July 1 to June 30 by the Bureau of Workers' Compensation, Pennsylvania Department of Labor and Industry. The School District belongs to the School Districts Insurance Consortium, which is an association of 81 public school districts that pool their funds under the Intergovernmental Cooperation Act, Act 180 of 1972, as amended, in order to reduce workers' compensation insurance costs. The Commonwealth holds the School District fully responsible for all workers' compensation claims which arise during the period it is self-insured. The Consortium accepts responsibility for all claims in excess of the School District's self-insured retention. The Consortium further protects the School District by acquiring excess insurance for claims of \$500,000 or more and provides coverage of \$1,000,000.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**WISSAHICKON SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Local sources	\$ 96,289,346	\$ 96,289,346	\$ 100,810,268	\$ 4,520,922
State sources	22,742,774	22,742,774	23,813,375	1,070,601
Federal sources	446,388	446,388	1,348,184	901,796
TOTAL REVENUES	<u>119,478,508</u>	<u>119,478,508</u>	<u>125,971,827</u>	<u>6,493,319</u>
EXPENDITURES				
Instruction	81,719,451	81,639,830	82,254,559	(614,729)
Support services	31,903,781	31,948,650	34,612,639	(2,663,989)
Operation of non-instructional services	2,163,576	2,201,441	2,437,762	(236,321)
Debt service	1,874,945	1,871,832	1,871,793	39
TOTAL EXPENDITURES	<u>117,661,753</u>	<u>117,661,753</u>	<u>121,176,753</u>	<u>(3,515,000)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,816,755</u>	<u>1,816,755</u>	<u>4,795,074</u>	<u>2,978,319</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,816,755)</u>	<u>(1,816,755)</u>	<u>(3,941,038)</u>	<u>(2,124,283)</u>
NET CHANGE IN FUND BALANCE	-	-	854,036	854,036
FUND BALANCE AT BEGINNING OF YEAR	<u>16,935,570</u>	<u>16,935,570</u>	<u>16,935,570</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 16,935,570</u>	<u>\$ 16,935,570</u>	<u>\$ 17,789,606</u>	<u>\$ 854,036</u>

*See accompanying note to the budgetary comparison schedule.*

**WISSAHICKON SCHOOL DISTRICT**  
**NOTE TO THE BUDGETARY COMPARISON SCHEDULE**  
**YEAR ENDED JUNE 30, 2023**

---

**NOTE A - BUDGETARY INFORMATION**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at fiscal year-end.

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May 31, the School District Board submits a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the General Fund.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The budget of the School District is the approved spending plan of the School District for the year, and the Board is prohibited from obligating funds in excess of these amounts. The Board of School Directors may, during any fiscal year, amend the budget by making additional appropriations or increase existing appropriations to meet emergencies. The funds shall be provided from unexpended balances in existing appropriations, from unappropriated revenues, or from temporary loans. Legal budgetary control is maintained by the School District Board at the department level. Transfers between departments, whether between funds or within a fund, or revisions that alter the total revenues and expenditures of any fund must be approved by the School District Board. Budget information in the combined operating statements is presented at or below the legal level of budgetary control.
5. Budgetary data is included in the School District's management information system and is employed as a management control device during the year.
6. The budget for the General Fund is adopted on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.
7. There were no supplemental budgetary appropriations or amendments proposed or approved during the year.

All budget amounts presented in the accompanying required supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budgets during the year).

**WISSAHICKON SCHOOL DISTRICT****SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE  
SHARE OF THE PSERS NET PENSION LIABILITY  
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
School District's proportion of the net pension liability	<u>0.3725%</u>	<u>0.3746%</u>	<u>0.3768%</u>	<u>0.3730%</u>
School District's proportionate share of the net pension liability	\$ <u>165,712,000</u>	\$ <u>166,542,000</u>	\$ <u>154,702,000</u>	\$ <u>183,662,000</u>
School District's covered payroll	\$ <u>57,020,851</u>	\$ <u>55,087,272</u>	\$ <u>53,395,992</u>	\$ <u>52,313,387</u>
School District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>290.62%</u>	<u>302.32%</u>	<u>289.73%</u>	<u>351.08%</u>
The plan's fiduciary net position as a percentage of the total pension liability	<u>61.85%</u>	<u>61.34%</u>	<u>63.67%</u>	<u>54.32%</u>

---

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>0.3739%</u>	<u>0.3718%</u>	<u>0.3689%</u>	<u>0.3707%</u>	<u>0.3664%</u>	<u>0.3599%</u>
\$ <u>174,920,000</u>	\$ <u>178,482,000</u>	\$ <u>182,194,000</u>	\$ <u>183,707,000</u>	\$ <u>158,708,000</u>	\$ <u>142,451,000</u>
\$ <u>51,569,915</u>	\$ <u>50,063,749</u>	\$ <u>49,113,452</u>	\$ <u>48,012,691</u>	\$ <u>47,139,301</u>	\$ <u>45,923,760</u>
<u>339.19%</u>	<u>356.51%</u>	<u>370.97%</u>	<u>382.62%</u>	<u>336.68%</u>	<u>310.19%</u>
<u>55.66%</u>	<u>54.00%</u>	<u>51.84%</u>	<u>49.86%</u>	<u>45.64%</u>	<u>57.24%</u>

**WISSAHICKON SCHOOL DISTRICT**  
**SCHEDULE OF THE SCHOOL DISTRICT'S PSERS**  
**PENSION CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 19,724,000	\$ 19,410,000	\$ 18,568,000	\$ 17,783,000
Contributions in relation to the contractually required contribution	<u>19,724,000</u>	<u>19,410,000</u>	<u>18,568,000</u>	<u>17,783,000</u>
Contributions deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
School District's covered payroll	\$ <u>59,399,668</u>	\$ <u>57,020,851</u>	\$ <u>55,087,272</u>	\$ <u>53,395,992</u>
Contributions as a percentage of covered payroll	<u>33.21%</u>	<u>34.04%</u>	<u>33.71%</u>	<u>33.30%</u>



---

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 17,376,000	\$ 16,760,000	\$ 15,755,000	\$ 14,123,000	\$ 11,754,000	\$ 9,422,000
<u>17,376,000</u>	<u>16,760,000</u>	<u>15,755,000</u>	<u>14,123,000</u>	<u>11,754,000</u>	<u>9,422,000</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ <u>52,313,387</u>	\$ <u>51,569,915</u>	\$ <u>50,063,749</u>	\$ <u>49,113,452</u>	\$ <u>48,012,691</u>	\$ <u>47,139,301</u>
<u>33.22%</u>	<u>32.50%</u>	<u>31.47%</u>	<u>28.76%</u>	<u>24.48%</u>	<u>19.99%</u>

**WISSAHICKON SCHOOL DISTRICT****SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE  
SHARE OF THE PSERS NET OTHER POSTEMPLOYMENT BENEFIT  
PLAN LIABILITY  
LAST SEVEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
School District's proportion of the net OPEB liability	<u>0.3722%</u>	<u>0.3746%</u>	<u>0.3767%</u>	<u>0.3727%</u>
School District's proportionate share of the net OPEB liability	<u>\$ 6,734,000</u>	<u>\$ 6,896,000</u>	<u>\$ 8,927,000</u>	<u>\$ 8,053,000</u>
School District's covered payroll	<u>\$ 57,020,851</u>	<u>\$ 55,087,272</u>	<u>\$ 53,395,992</u>	<u>\$ 52,313,387</u>
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>11.81%</u>	<u>12.52%</u>	<u>16.72%</u>	<u>15.39%</u>
The plan's fiduciary net position as a percentage of the total OPEB liability	<u>7.22%</u>	<u>6.86%</u>	<u>5.30%</u>	<u>5.69%</u>

**NOTE TO SCHEDULE**

These schedules are to present the requirement to show information for ten (10) years. However, until a full ten-year trend is compiled, information for only those years for which information is available is shown.

---

<u>2020</u>	<u>2019</u>	<u>2018</u>
<u><u>0.3178%</u></u>	<u><u>0.3178%</u></u>	<u><u>0.3689%</u></u>
\$ <u><u>7,952,000</u></u>	\$ <u><u>7,752,000</u></u>	\$ <u><u>7,516,000</u></u>
\$ <u><u>51,569,915</u></u>	\$ <u><u>50,063,749</u></u>	\$ <u><u>49,113,452</u></u>
<u><u>15.42%</u></u>	<u><u>15.48%</u></u>	<u><u>15.30%</u></u>
<u><u>5.56%</u></u>	<u><u>5.56%</u></u>	<u><u>5.73%</u></u>

**WISSAHICKON SCHOOL DISTRICT****SCHEDULE OF THE SCHOOL DISTRICT'S PSERS OTHER POSTEMPLOYMENT  
BENEFIT PLAN CONTRIBUTIONS  
LAST SEVEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 381,000	\$ 424,000	\$ 437,000	\$ 435,000
Contributions in relation to the contractually required contribution	<u>381,000</u>	<u>424,000</u>	<u>437,000</u>	<u>435,000</u>
Contributions deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
School District's covered payroll	\$ <u>59,399,668</u>	\$ <u>57,020,851</u>	\$ <u>55,087,272</u>	\$ <u>53,395,992</u>
Contributions as a percentage of covered payroll	<u>0.64%</u>	<u>0.74%</u>	<u>0.79%</u>	<u>0.81%</u>

**NOTE TO SCHEDULE**

These schedules are to present the requirement to show information for ten (10) years. However, until a full ten-year trend is compiled, information for only those years for which information is available is shown.

---

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 438,000	\$ 427,000	\$ 412,000
<u>438,000</u>	<u>427,000</u>	<u>412,000</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ <u>52,313,387</u>	\$ <u>51,452,279</u>	\$ <u>50,063,749</u>
<u>0.84%</u>	<u>0.83%</u>	<u>0.82%</u>

**WISSAHICKON SCHOOL DISTRICT****SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT  
BENEFIT PLAN LIABILITY AND RELATED RATIOS  
LAST SEVEN FISCAL YEARS**

	2024	2023	2022
TOTAL OPEB LIABILITY			
Service cost	\$ 231,704	\$ 388,047	\$ 390,702
Interest	148,825	119,664	97,375
Changes of benefit terms	-	1,224	-
Differences between expected and actual experience	-	(778,176)	-
Changes of assumptions	52,162	(852,021)	(138,056)
Benefit payments	(269,545)	(347,292)	(318,576)
NET CHANGE IN TOTAL OPEB LIABILITY	163,146	(1,468,554)	31,445
TOTAL OPEB LIABILITY, BEGINNING	3,579,960	5,048,514	5,017,069
TOTAL OPEB LIABILITY, ENDING	\$ 3,743,106	\$ 3,579,960	\$ 5,048,514
COVERED PAYROLL	\$ 52,485,288	\$ 52,485,288	\$ 46,811,374
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	7.13%	6.82%	10.78%

**NOTES TO SCHEDULE**

No assets are accumulated in a trust to pay benefits related to this plan.

Changes in Assumptions: In the 2023 actuarial valuation, the discount rate changed from 4.06% to 4.13%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS

In the 2022 actuarial valuation, the discount rate changed from 2.28% to 4.06%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

In the 2021 actuarial valuation, the discount rate changed from 1.86% to 2.28%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

In the 2020 actuarial valuation, the discount rate changed from 3.36% to 1.86%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

In the 2019 actuarial valuation, the discount rate changed from 2.98% to 3.36%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

In the 2018 actuarial valuation, the discount rate changed from 3.13% to 2.98%. The trend assumption was updated. The election assumptions for Teachers and Support Staff Ineligible for subsidy have been lowered. It is now assumed that 25% (formerly 30%) of employees are married and have a spouse covered by the plan at retirement.

In the 2017 actuarial valuation, the discount rate changed from 2.49% to 3.13%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

These schedules are to present the requirement to show information for ten (10) years. However, until a full ten-year trend is compiled, information for only those years for which information is available is shown.

---

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 313,497	\$ 314,989	\$ 529,411	\$ 499,145
154,316	133,754	207,340	150,636
-	-	-	-
(109,234)	-	(1,302,632)	-
481,401	(116,231)	(1,100,395)	167,437
<u>(222,919)</u>	<u>(231,054)</u>	<u>(283,719)</u>	<u>(260,050)</u>
617,061	101,458	(1,949,995)	557,168
<u>4,400,008</u>	<u>4,298,550</u>	<u>6,248,545</u>	<u>5,691,377</u>
\$ <u>5,017,069</u>	\$ <u>4,400,008</u>	\$ <u>4,298,550</u>	\$ <u>6,248,545</u>
\$ <u>46,811,374</u>	\$ <u>45,414,795</u>	\$ <u>45,414,795</u>	\$ <u>45,094,693</u>
<u>10.72%</u>	<u>9.69%</u>	<u>9.47%</u>	<u>13.86%</u>

***Independent Auditors' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With Government Auditing Standards***

To the Board of School Directors  
Wissahickon School District  
Ambler, Pennsylvania

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Wissahickon School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Wissahickon School District's basic financial statements, and have issued our report thereon dated November 22, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Wissahickon School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wissahickon School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wissahickon School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Wissahickon School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



To the Board of School Directors  
Wissahickon School District  
Ambler, Pennsylvania

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Wissahickon School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wissahickon School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Mailli UF".

Limerick, Pennsylvania  
November 22, 2024

***Independent Auditors' Report on Compliance for Each Major Federal Program and  
Report on Internal Control Over Compliance in Accordance With the Uniform Guidance***

To the Board of School Directors  
Wissahickon School District  
Ambler, Pennsylvania

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Wissahickon School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Wissahickon School District's major federal programs for the year ended June 30, 2024. The Wissahickon School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Wissahickon School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Wissahickon School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Wissahickon School District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Wissahickon School District's federal programs.

To the Board of School Directors  
Wissahickon School District  
Ambler, Pennsylvania

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Wissahickon School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Wissahickon School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Wissahickon School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Wissahickon School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Wissahickon School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

To the Board of School Directors  
Wissahickon School District  
Ambler, Pennsylvania

## Report on Internal Control Over Compliance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Limerick, Pennsylvania  
November 22, 2024

**SUPPLEMENTARY INFORMATION - MAJOR FEDERAL  
AWARD PROGRAMS AUDIT**

**WISSAHICKON SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grantor Pass-Through Number	Grant Period
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<b>Passed through the Montgomery County Intermediate Unit</b>			
Title III - English Language Acquisition State Grants	84.365	010-230623	July 2, 2022 to September 30, 2023
Title III - English Language Acquisition State Grants	84.365	010-240623	July 2, 2023 to September 30, 2024
TOTAL TITLE III 84.365			
IDEA - Special Education Grants to States	84.027	062-230035	July 1, 2022 to September 30, 2023
IDEA - Special Education Grants to States	84.027	062-240035	July 1, 2023 to September 30, 2024
TOTAL IDEA 84.027			
IDEA - Section 619 Special Education Preschool Grants	84.173	131-240000	July 1, 2023 to June 30, 2024
TOTAL SPECIAL EDUCATION CLUSTER			
<b>Passed through the Pennsylvania Department of Education</b>			
Title I - Grants to Local Educational Agencies	84.010	013-230492	July 1, 2022 to September 30, 2023
Title I - Grants to Local Educational Agencies	84.010	013-240492	July 1, 2023 to September 30, 2024
TOTAL TITLE I 84.010			
Title II - Improving Teacher Quality State Grants	84.367	020-230492	July 1, 2022 to September 30, 2023
Title II - Improving Teacher Quality State Grants	84.367	020-240492	July 1, 2023 to September 30, 2024
TOTAL TITLE II 84.367			
Title IV - Student Support and Academic Enrichment Program	84.424	144-230492	July 1, 2022 to September 30, 2023
Title IV - Student Support and Academic Enrichment Program	84.424	144-240492	July 1, 2023 to September 30, 2024
TOTAL TITLE IV 84.424			
American Recovery Plan (ARP) ESSER III Fund	84.425U	223-210492	March 13, 2020 to September 30, 2024
ARP ESSER After School Set Aside	84.425U	225-210492	March 13, 2020 to September 30, 2024
ARP ESSER Summer School Set Aside	84.425U	225-210492	March 13, 2020 to September 30, 2024
ARP ESSER Learning Loss Set Aside	84.425U	225-210492	March 13, 2020 to September 30, 2024
ARP ESSER Homeless Children & Youth	84.425W	181-212491	July 1, 2021 to September 30, 2024
TOTAL EDUCATION STABILIZATION FUND 84.425			
TOTAL FORWARD			

<u>Program or Award Amount</u>	<u>Total Received</u>	<u>Accrued or (Deferred) Revenue at July 1, 2023</u>	<u>Revenue Recognized</u>	<u>Federal Expenditures</u>	<u>Accrued or (Deferred) Revenue at June 30, 2024</u>	<u>Passed Through to Sub-Recipients</u>
\$ 21,662	\$ -	\$ -	\$ 5,015	\$ 5,015	\$ 5,015	\$ -
24,758	18,568	-	24,758	24,758	6,190	-
	18,568	-	29,773	29,773	11,205	-
955,206	44,557	44,557	-	-	-	-
1,069,927	714,724	-	1,069,927	1,069,927	355,203	-
	759,281	44,557	1,069,927	1,069,927	355,203	-
5,568	5,568	-	5,568	5,568	-	-
	764,849	44,557	1,075,495	1,075,495	355,203	-
222,901	(62)	(62)	-	-	-	-
558,145	372,569	-	556,028	556,028	183,459	-
	372,507	(62)	556,028	556,028	183,459	-
86,770	1,367	1,367	-	-	-	-
109,192	109,192	-	109,752	109,752	560	-
	110,559	1,367	109,752	109,752	560	-
20,717	981	981	-	-	-	-
17,763	17,763	-	17,763	17,763	-	-
	18,744	981	17,763	17,763	-	-
1,992,943	434,824	271,156	511,021	511,021	347,353	-
22,128	6,437	12,069	-	-	5,632	-
22,128	6,437	12,069	-	-	5,632	-
110,640	32,186	(4,722)	34,759	34,759	(2,149)	-
41,826	-	-	13,942	13,942	13,942	-
	479,884	290,572	559,722	559,722	370,410	-
	\$ 1,765,111	\$ 337,415	\$ 2,348,533	\$ 2,348,533	\$ 920,837	\$ -

**WISSAHICKON SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Grantor Pass-Through Number	Grant Period
<b>U.S. DEPARTMENT OF EDUCATION</b>			
TOTAL FORWARDED			
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through the Pennsylvania Department of Public Welfare			
Medical Assistance Program	93.778	044-118514	July 1, 2022 to September 30, 2023
Medical Assistance Program	93.778	044-118514	July 1, 2023 to September 30, 2024
TOTAL MEDICAID CLUSTER 93.778			
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<b>U.S. DEPARTMENT OF TREASURY</b>			
Passed through Montgomery County, Pennsylvania			
COVID-19 - State and Local Fiscal Recovery Funds	21.027	MPRF-22-721	March 3, 2021 to December 31, 2026
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed through the Pennsylvania Department of Education			
P-EBT Admin Funds	10.649	N/A	July 1, 2023 to June 30, 2024
School Breakfast Program	10.553	N/A	July 1, 2022 to June 30, 2023
School Breakfast Program	10.553	N/A	July 1, 2023 to June 30, 2024
TOTAL SCHOOL BREAKFAST PROGRAM 10.553			
National School Lunch Program	10.555	N/A	July 1, 2022 to June 30, 2023
National School Lunch Program	10.555	N/A	July 1, 2023 to June 30, 2024
Supply Chain Assistance	10.555	N/A	July 1, 2021 to June 30, 2024
Supply Chain Assistance	10.555	N/A	July 1, 2021 to June 30, 2024
Passed through the Pennsylvania Department of Agriculture			
National School Lunch Program	10.555	N/A	July 1, 2023 to June 30, 2024
TOTAL NATIONAL SCHOOL LUNCH PROGRAM 10.555			
TOTAL CHILD NUTRITION CLUSTER			
TOTAL U.S. DEPARTMENT OF AGRICULTURE			
TOTAL FEDERAL AWARDS			

**Footnotes:**

- (A) U.S.D.A. donated foods received.
- (B) Beginning inventory at July 1, 2023.
- (C) Total value of foods used.
- (D) Ending inventory at June 30, 2024.

*See accompanying notes to the schedule of expenditures of federal awards.*



<u>Program or Award Amount</u>	<u>Total Received</u>	<u>Accrued or (Deferred) Revenue at July 1, 2023</u>	<u>Revenue Recognized</u>	<u>Federal Expenditures</u>	<u>Accrued or (Deferred) Revenue at June 30, 2024</u>	<u>Passed Through to Sub-Recipients</u>
	\$ 1,765,111	\$ 337,415	\$ 2,348,533	\$ 2,348,533	\$ 920,837	\$ -
\$ 18,144	10,201	8,226	1,975	1,975	-	-
-	-	-	-	-	-	-
	10,201	8,226	1,975	1,975	-	-
	10,201	8,226	1,975	1,975	-	-
\$ 229,922	229,922	-	72,161	72,161	(157,761)	-
N/A	3,256	-	3,256	3,256	-	-
N/A	23,504	23,293	211	211	-	-
N/A	150,193	-	150,193	150,193	-	-
	173,697	23,293	150,404	150,404	-	-
N/A	103,017	102,666	351	351	-	-
N/A	627,665	-	627,665	627,665	-	-
N/A	-	(49,912)	49,912	49,912	-	-
N/A	120,492	-	100,085	100,085	(20,407)	-
N/A	159,848	(A) (9,393)	(B) 160,431	(C) 160,431	(8,810)	(D) -
	1,011,022	43,361	938,444	938,444	(29,217)	-
	1,184,719	66,654	1,088,848	1,088,848	(29,217)	-
	1,187,975	66,654	1,092,104	1,092,104	(29,217)	-
\$	3,193,209	\$ 412,295	\$ 3,514,773	\$ 3,514,773	\$ 733,859	\$ -

**WISSAHICKON SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2024**

---

**NOTE A - GENERAL**

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the School District. The School District's reporting entity is defined in Note A to the School District's financial statements. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule.

**NOTE B - BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note A.

**NOTE C - INDIRECT COST RATES**

The School District has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

**WISSAHICKON SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2024**

---

**A. SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of the Wissahickon School District.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Wissahickon School District were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Grant Guidance.
5. The auditors' report on compliance for the major federal award programs for the Wissahickon School District expresses an unmodified opinion.
6. There are no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).
7. The programs tested as major programs include:

<u>Program</u>	<u>ALN</u>
Child Nutrition Cluster	10.553/10/555

The threshold used for distinguishing Types A and B programs was \$750,000.

8. Wissahickon School District was determined to be a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None.

**WISSAHICKON SCHOOL DISTRICT**  
SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024

---

None.

**APPENDIX D**  
**CONTINUING DISCLOSURE CERTIFICATE**

**WISSAHICKON SCHOOL DISTRICT  
MONTGOMERY COUNTY, PENNSYLVANIA  
GENERAL OBLIGATION BONDS, SERIES OF 2025**

**CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Wissahickon School District, Montgomery County, Pennsylvania (the “School District”), in connection with the issuance of its \$\_\_\_\_\_ aggregate principal amount General Obligation Bonds, Series of 2025 (the “Bonds”). The Bonds are being issued pursuant to a Resolution of the School District, dated November 4, 2024 (the “Resolution”). The School District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the School District for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with the Rule (hereinafter defined).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the School District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Bondholders” or “Holders” shall mean the registered owners of the Bonds and, if registered in the name of Cede & Co., through The Depository Trust Company, New York, New York (“DTC”), any Beneficial Owners (as such term is used by DTC to define holders other than nominees) of the Bonds, unless the Rule, or an authoritative interpretation thereof by the Securities and Exchange Commission (the “Commission”) or its staff, does not require this Disclosure Certificate to be for the benefit of such Beneficial Owners.

“Commission” shall mean the Securities and Exchange Commission.

“Dissemination Agent” shall mean any person or entity designated from time to time in writing by the School District and which has filed with the School District a written acceptance of such designation and of the duties of the Dissemination Agent under this Disclosure Certificate.

“EMMA” shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule as further described in Section 14 hereof.

“Filing” shall mean, as applicable, any Annual Report or Listed Event filing or any other notice or report made public under this Disclosure Certificate made with each NRMSIR or the MSRB and the SID, if any, together with a completed copy of a cover sheet in such form acceptable to each NRMSIR, the MSRB or SID, if applicable, describing the event by checking the box in said form when filing pursuant to the pertinent sections of this Disclosure Certificate.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto for purposes of the Rule. Currently, MSRB’s address, phone number and fax number for purposes of the Rule are:

MSRB  
1300 I Street, NW #1000  
Washington, DC 20005  
Phone: 202-838-1500  
Fax: 202-898-1500

“NRMSIR” shall mean any Nationally Recognized Municipal Securities Information Repository recognized for purposes of the Rule and the MSRB, as reflected on the website of the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov). **As of the date of this Disclosure Certificate, the sole NRMSIR shall be the MSRB, through the operation of EMMA, as provided in Section 13 hereof.**

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean each NRMSIR and the SID, if any.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SID” shall mean any public or private state information depository or entity designated by the Commonwealth of Pennsylvania as a state information depository for the purpose of the Rule, if any. As of the date of this Disclosure Certificate, no SID has been designated.

### SECTION 3. Provision of Annual Reports.

(a) The School District shall not later than 270 days after the end of each fiscal year of the School District, commencing with the fiscal year ending June 30, 2025, provide directly or through the Dissemination Agent to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. In connection therewith, not later than fifteen (15) Business Days prior to said date, the School District shall provide the Annual Report to the Dissemination Agent (if one has been designated by the School District under this Disclosure Certificate). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the School District may be

submitted separately from the remainder of the Annual Report when such audited financial statements are available. If the audited financial statements are not submitted as part of the Annual Filing to each Repository pursuant to this Section 3(a), the School District shall provide to each Repository such audited financial statements when they are available to the School District.

(b) If the School District is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the School District in a timely manner shall send or cause the Dissemination Agent to send a notice to each NRMSIR and the SID in substantially the form attached as Exhibit A.

(c) The School District or the Dissemination Agent, if applicable, shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each NRMSIR and the SID, if any; and

(ii) if a Dissemination Agent has been designated hereunder, file a report with the School District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

(iii) The School District shall promptly file a notice of any change in its fiscal year and the new annual filing date with each NRMSIR and the SID.

(d) If the Dissemination Agent does not receive the Annual Report from the School District by the fifteenth Business Day specified in Section 3(a) above, the Dissemination Agent shall provide a written reminder notice to the School District with respect to the School District's obligations under Section 3(a) above no later than five (5) Business Days after such fifteenth Business Day.

**SECTION 4. Content of Annual Reports.** The School District's Annual Report shall contain or incorporate by reference the following:

(i) the financial statements for the most recent fiscal year, prepared in accordance with generally accepted accounting principles for local government units and audited in accordance with generally accepted auditing standards; and

(ii) a summary of the budget for the current fiscal year (i.e. the fiscal year following the fiscal year of the financial statements being provided).

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the School District or related public entities, which have been submitted to each of the Repositories or the Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The School District shall clearly identify each such other document so incorporated by reference. The School District reserves the right to modify from time to time specific types of information provided hereunder or the format of the presentation of such information, to the extent necessary or appropriate; provided, however, that any such modification will be done in a manner consistent with the Rule.



## SECTION 5. Reporting of Significant Events.

(a) The occurrence of any of the following events, with respect to a particular series of the Bonds, constitutes a “Listed Event” only with respect to such series of the Bonds. This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

- (i) Principal and interest payment delinquencies;
- (ii) Nonpayment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of securities holders, if material;
- (viii) Bond calls, if material, and tender offers for the Bonds;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar events of the School District;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or paying agent or the change of name of a trustee or paying agent, if material;
- (xv) Failure to provide annual financial information as required;

(xvi) Incurrence of a Financial Obligation of the School District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the School District, any of which affect security holders, if material; and

(xvii) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the School District, any of which reflect financial difficulties.

(b) Whenever the School District obtains knowledge of the occurrence of a Listed Event with respect to those Listed Events where a determination of materiality by the School District is applicable, the School District shall as soon as possible determine if such event would constitute material information for Holders of Bonds under applicable federal securities laws.

(c) If (i) a Determination of materiality by the School District is not relevant to the obligation to give notice of a Listed Event or (ii) the School District determines with respect to those Listed Events where a determination of materiality by the School District is applicable that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the School District shall promptly file in a timely manner, not in excess of ten (10) business days after the occurrence of the Listed Event, or cause the Dissemination Agent to so file (if a Dissemination Agent has been designated hereunder) a notice of such occurrence with each NRMSIR and the SID, if any, with a copy to the Paying Agent.

(d) For purposes of the Listed Events in Section 5(a)(xii), the School District and the Dissemination Agent acknowledge the following interpretive note which the Commission has set forth in the Rule: “ *Note: for the purposes of the event identified in subparagraph (b)(5)(1)(C)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;*”

SECTION 6. Termination of Reporting Obligation. The School District’s obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

In the event that any person or entity subsequent to the execution hereof becomes an “obligated person,” as such term is defined in the Rule, with respect to the Bonds, the School District covenants to use its best effort to cause such obligated person to enter into a written undertaking to comply with the provisions of the Rule or to cause this Disclosure Certificate to be amended and to cause such obligated person to join in the execution of such amendment.

SECTION 7. Dissemination Agent. The School District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure

Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The School District shall cause the Dissemination Agent appointed hereunder and any successors to execute and deliver an acknowledgment of acceptance of the designation and duties of Dissemination Agent under this Disclosure Statement.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the School District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, as well as any change in circumstances.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the School District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the School District shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the School District to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Bonds or the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the School District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent, if other than the School District. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the School District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the School District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Undertaking with Respect to Certain Procedures and Policies. The School District agrees to begin the process of establishing internal policies and procedures for the purpose of continuing disclosure compliance. Without intending to preclude the adoption of other necessary or useful policies and procedures, a single School District official will be designated with ultimate responsibility for continuing disclosure compliance and will oversee the process of informing and

training appropriate deputies and other School District employees with respect to the School District's continuing disclosure undertakings.

SECTION 13. EMMA. Filings shall be made to the continuing disclosure service portal provided through EMMA as provided at <http://www.emma.msrb.org>, or any similar system that is acceptable to the Commission.

SECTION 14. Alternative Filing. Notwithstanding the other provisions of this Disclosure Certificate, any filing under this Disclosure Certificate, and any additional supplements hereto, may be made with such depositories and using such electronic filing systems as may be approved by the United States Securities and Exchange Commission (in lieu of the procedures currently in this Disclosure Certificate).

SECTION 15. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the School District, the Paying Agent, the Dissemination Agent (if any), the Participating Underwriter and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

[signature page follows]

[signature page to Continuing Disclosure Certificate  
General Obligation Bonds, Series of 2025]

Attest:

**WISSAHICKON SCHOOL  
DISTRICT**  
Montgomery County, Pennsylvania

By: \_\_\_\_\_  
Timothy Bricker  
Secretary, Board of School Directors

By: \_\_\_\_\_  
Amy Ginsburg  
President, Board of School Directors

Date: \_\_\_\_, 2025

EXHIBIT A<sup>1</sup>

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Wissahickon School District  
Montgomery County, Pennsylvania

Name of Bond Issue: Wissahickon School District Montgomery County, Pennsylvania  
\$\_\_\_\_\_ aggregate principal amount General Obligation  
Bonds, Series of 2025 (the “Bonds”)

Date of Issuance: \_\_\_\_\_, 2025

NOTICE IS HEREBY GIVEN that the Wissahickon School District, Montgomery County, Pennsylvania (the “School District”), has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated \_\_\_\_\_, 2025, executed by the School District. The School District anticipates that the Annual Report will be filed by \_\_\_\_\_.

---

<sup>1</sup> The substantive content of this notice shall be provided in any applicable notice filing. Appropriate modifications may be made to accommodate the electronic submission format requirements of the EMMA system or other successor electronic filing system.

WISSAHICKON SCHOOL DISTRICT,  
MONTGOMERY COUNTY,  
PENNSYLVANIA [OR DISSEMINATION  
AGENT ON BEHALF OF THE  
WISSAHICKON SCHOOL DISTRICT,  
MONTGOMERY COUNTY,  
PENNSYLVANIA]

Dated: \_\_\_\_\_

\_\_\_\_\_

cc:     Paying Agent