This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered. Under no circumstances shall this Preliminary Official Statement 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 such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 10, 2026

NEW ISSUE—BOOK-ENTRY ONLY

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

In the opinion of Bond Counsel, under existing statutes, regulations and judicial decisions, interest on the Bonds is excluded from gross income for purposes of federal income taxation and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on Corporations under the Code. This opinion of Bond Counsel is subject to continuing compliance by the School District with its covenants in the Resolution and other documents to comply with requirements of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder.

Bond Counsel is also of the opinion that under the laws of the Commonwealth of Pennsylvania as presently enacted and construed, the interest on the Bonds are exempt from personal property taxes in the Commonwealth of Pennsylvania and the interest on the Bonds is exempt from the Commonwealth of Pennsylvania Personal Income Tax and the Commonwealth of Pennsylvania Corporate Net Income Tax. This summary of Bond Counsel's opinion and the summary of Bond Counsel's opinion set forth under the caption "Opinion of Bond Counsel" does not purport to be and should not be construed to be a complete recitation of Bond Counsel's opinion.

The full text draft of Bond Counsel's opinion is appended hereto in Appendix "B" and reference is made hereto. For further information concerning federal and state tax matters relating to the Bonds, see "Tax Exemption and Other Tax Matters" herein.

$28,165,000*
Parkland School District
(Lehigh County, Pennsylvania)
General Obligation Bonds, Series A of 2026

Bonds Dated: Date of Delivery
Interest Due: February 1 and August 1

Principal Due: February 1, (as shown on inside front cover)
First Interest Payment: February 1, 2027

The General Obligation Bonds, Series A of 2026 (the "Bonds") in the aggregate principal amount of $28,165,000* will be issued in book-entry form, registered in the name of Cede & Co., as the partnership nominee of The Depository Trust Company ("DTC"), New York, NY. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 principal amount and integral multiples thereof only under the book-entry 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. Purchasers and owners of the Bonds 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 the Bonds are ever issued in certificated form, they will be subject to registration, transfer, exchange and payment as described herein.

The Bonds are general obligations of the Parkland School District, a public school district located in Lehigh County, Pennsylvania (the "School District"), payable from its tax and other general revenues. The School District has covenanted in a Resolution to be adopted by the Board of School Directors of the School District on October 20, 2026 (the "Resolution") which secures the Bonds, that it will provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service due on the Bonds for such year and will duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its legally available revenues or funds the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds. For such budgeting, appropriation and payment, the School District has irrevocably pledged its full faith, credit and available taxing power, which taxing power includes the power to levy an annual ad valorem tax on all taxable real property within the School District, within the limits provided by law (See *"Security for the Bonds"* and *"School District Taxing Powers and Limits" infra*).

Interest on each of the Bonds is payable initially on February 1, 2027, and thereafter semiannually on February 1 and August 1 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for its redemption, if payment of the redemption price has been duly made or provided for. The School District has appointed U.S. Bank Trust Company, National Association (the "Paying Agent"), in the Resolution, to serve as the paying agent and sinking fund depositary for the Bonds. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, payments of the principal of, redemption premium, if any, and interest on the Bonds, when due for payment, will be made directly to DTC by the Paying Agent, and DTC will in turn remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds. If the use of the book-entry only system for the Bonds is ever discontinued, the principal of and redemption premium, if any, on each of the Bonds will be payable, when due, upon surrender of such Bond to the Paying Agent at its designated corporate trust office (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 mandatory and optional redemption prior to maturity.

Proceeds of the Bonds will be used to fund: (1) the refunding of all or a portion of the School District's General Obligation Bonds, Series of 2019, currently outstanding in the amount of $29,710,000 (the "Refunded 2019 Bonds"); and (2) the issuance costs of the Bonds.

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

PRINCIPAL MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL OFFERING YIELDS AND CUSIP NUMBERS
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 King, Spry, Herman, Freund, & Faul, LLC, of Bethlehem, Pennsylvania, as Bond Counsel to the School District, to be furnished upon delivery of the Bonds. Certain other legal matters will be passed upon for the School District by King, Spry, Herman, Freund, & Faul, LLC, of Bethlehem, Pennsylvania, as School District Solicitor and by McNees Wallace & Nurick LLC, of Harrisburg, Pennsylvania, Limited Scope Underwriter's Counsel. PFM Financial Advisors LLC, of Harrisburg, Pennsylvania, serves as Municipal Advisor to the School District in connection with the Bonds. It is expected that the Bonds will be available for delivery to DTC or its agent on or about December __, 2026.

RAYMOND JAMES®

Dated:

*Estimated, subject to change.

$28,165,000*
Parkland School District
(Lehigh County, Pennsylvania)
General Obligation Bonds, Series A of 2026

Bonds Dated: Date of Delivery
Interest Due: February 1 and August 1

Principal Due: February 1, as shown below
First Interest Payment: February 1, 2027

PRINCIPAL MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL OFFERING YIELDS, CUSIP NUMBERS

Principal Maturity Dates (February 1) Year	Principal Amounts	Interest Rates	Initial Offering Yields	CUSIP Numbers[(1)]
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				

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

*Estimated, subject to change.

Parkland School District
(Lehigh County, Pennsylvania)

BOARD OF SCHOOL DIRECTORS

David J. Hein	President
Chris Pirrotta	Vice-President
Alyssa Beckwith	Member
Carol L. Facchiano	Member
Jon Macklin	Member
Jay Rohatgi	Member
Lisa A. Roth	Member
Matthew Weimann	Member
Marisa L. Ziegler	Member

SUPERINTENDENT
MARK J. MADSON, Ed.D.

DIRECTOR OF BUSINESS ADMINISTRATION/BOARD SECRETARY
LESLIE P. FRISBIE

SCHOOL DISTRICT SOLICITOR
KING, SPRY, HERMAN, FREUND, & FAUL, LLC
Bethlehem, Pennsylvania

BOND COUNSEL
KING, SPRY, HERMAN, FREUND, & FAUL, LLC
Bethlehem, Pennsylvania

MUNICIPAL ADVISOR
PFM FINANCIAL ADVISORS LLC
Harrisburg, Pennsylvania

UNDERWRITER
RAYMOND JAMES & ASSOCIATES, INC.
Lancaster, Pennsylvania

LIMITED SCOPE UNDERWRITER'S COUNSEL
MCNEES WALLACE & NURICK LLC
Harrisburg, Pennsylvania

PAYING AGENT
U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
Philadelphia, Pennsylvania

SCHOOL DISTRICT ADMINISTRATION BUILDING
1210 Springhouse Road
Allentown, Pennsylvania 18104

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 cannot verify 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.

IN CONNECTION WITH THIS OFFERING OF 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. STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER HEREOF MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER WITHOUT PRIOR NOTICE.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS PRELIMINARY OFFICIAL STATEMENT PURSUANT TO ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

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PRELIMINARY OFFICIAL STATEMENT

$28,165,000*
Parkland School District
(Lehigh County, Pennsylvania)
General Obligation Bonds, Series A of 2026

INTRODUCTION

This Preliminary Official Statement, including the cover page, the inside cover page and appendices, is presented by Parkland School District, a public school district located in Lehigh County, Pennsylvania (the "School District") in connection with the offering of $28,165,000* General Obligation Bonds, Series A of 2026 (the "Bonds"), to be dated the date of their delivery by the School District, which is expected to be on or about December __, 2026 (the "Date of Delivery"). The Bonds are being issued pursuant to, and are secured by, a Resolution of the Board of School Directors of the School District adopted on October 20, 2026 (the "Resolution"), and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth" or "State"), as codified by the Act of August 19, 1996 (53 Pa. C. S. §8001 et. seq.), as amended and supplemented (the "Debt Act").

PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used to fund: (1) the refunding of all or a portion of the School District's General Obligation Bonds, Series of 2019, currently outstanding in the amount of $29,710,000 (the "Refunded 2019 Bonds"); and (2) the issuance costs of the Bonds.

Upon issuance of the 2026A Bonds, a portion of the proceeds will be deposited in an escrow account for the 2019 Bonds with U.S. Bank Trust Company, National Association, as escrow agent for the 2019 Bonds (the "Escrow Agent") under an Escrow Deposit Agreement by and between the School District and the Escrow Agent (the "2019 Escrow Agreement), and such proceeds will be held in cash and/or invested in direct obligations of the United States of America (the "Government Obligations"), the principal of which, together with cash and any investment earnings thereon, will be in an amount sufficient to redeem the Refunded 2019 Bonds on February 1, 2027, at a redemption price of 100% of principal amount of the Refunded 2019 Bonds plus accrued interest thereon, pursuant to the optional redemption provisions of the 2019 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.

	Total
Source of Funds	
Par Amount	
Net Original Issue Premium/(Discount)	
Total Source of Funds	
Use of Funds	
Escrow Deposit for the 2019 Bonds	
Costs of Issuance[(1)]	
Total Use of Funds	

[(1)] Includes legal, municipal advisor, printing, rating, underwriting discount, escrow agent, CUSIP, paying agent, and miscellaneous costs and fees.

*Estimated, subject to change.

THE BONDS

Description

The Bonds will be issued in book-entry only form, in denominations of $5,000 principal amount and integral multiples thereof, will be in the aggregate principal amount of $28,165,000*, and will be dated the Date of Delivery, when interest begins to accrue. The Bonds will bear interest at the rates and mature in the amounts and on the dates set forth on the inside front cover of this Preliminary Official Statement. Interest on the Bonds will be payable initially on February 1, 2027, and thereafter, semiannually on February 1 and August 1 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for.

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

Payment of Principal and Interest

So long as Cede & Co. (DTC's partnership nominee), is the registered owner of the Bonds, payments of principal of, redemption premium, if any, and interest on the Bonds, when due, are to be made to DTC and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the School District with respect to, and to the extent of, principal, redemption premium, if any, and interest so paid. If the use of the book-entry only system for the Bonds is discontinued for any reason, bond certificates will be issued 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 any certificated Bonds, when due upon maturity or upon any earlier redemption, will be paid to the registered owners of such Bonds, or any assigns, determined from registration records maintained by U.S. Bank Trust Company, National Association (the "Paying Agent"), acting as paying agent and sinking fund depositary for the Bonds, upon the surrender of such certificated Bonds at its specified corporate trust office (or to any successor paying agent or alternate designated office(s)).

Interest on any certificated Bonds will be payable to the registered owner of a Bond from the interest payment date next preceding the date of registration and authentication of such Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from such 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 the first interest payment date, in which event such Bond shall bear interest from the Date of Delivery of the Bonds, or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond. Interest on each certificated Bond will be payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear at the close of business on the fifteenth (15th) day (whether or not a day on which the Paying Agent is open for business) next preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date, unless the School District shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such certificated Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of such Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names such Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

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

Transfer, Exchange and Registration of Bonds

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

*Estimated, subject to change.

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

REDEMPTION OF BONDS

Mandatory Sinking Fund Redemptions

In the manner and upon the terms and conditions provided in the Resolution, the following Bond maturities are subject to mandatory redemption in direct order of maturity, pursuant to operation of the Mandatory Sinking Fund in the manner set forth in the Resolution at a redemption price equal to one-hundred percent (100%) of the principal amount thereof, together with accrued interest, on February 1 of the following years and in the following principal amounts:

Bonds stated to mature February 1, 20__:

*Final Maturity

Optional Redemption

The Bonds stated to mature on or after February 1, 20__ shall be subject to redemption prior to maturity, at the option of the School District, as a whole, on February 1, 20__ or on any date thereafter, or from time to time, in part on February 1, 20__ (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

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

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

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Resolution, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

The notice of redemption may state that it is conditional, that it is subject to the deposit of sufficient redemption money with the Paying Agent no later than a time satisfactory to the Paying Agent on the redemption date and the School District has timely deposited with the Paying Agent money sufficient to redeem all the Bonds called for redemption. Such notice shall be of no effect unless and until such money is so deposited.

Manner of Redemption

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

If a Bond is of a denomination larger than $5,000, a portion of such Bond may be redeemed. For the purposes of redemption, a Bond shall be treated as representing the number of Bonds that is equal to the principal amount thereof divided by $5,000, each $5,000 portion of such Bond being subject to redemption. In the case of partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of a certificated Bond in exchange for a Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

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

If any maturity of the Bonds which is subject to mandatory sinking fund redemption shall be called for optional redemption in part, the School District shall be entitled to designate whether the principal amount redeemed is to be credited against the principal amount of the Bonds of such maturity required to be called for mandatory sinking fund redemption on any particular future date or dates, or shall be credited against the principal amount of such Bonds to be due and payable at stated maturity, in each case in a whole multiple of $5,000 principal amount.

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 Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

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

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

NEITHER THE 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 THEREUNDER; (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 or Indirect 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.

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SECURITY FOR THE BONDS

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

The Bonds will be general obligations of the School District, payable from its tax and other general revenues. The School District has covenanted that it will provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of the debt service due 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 presently includes the power to levy an annual *ad valorem* tax on all taxable real property within the School District, within the limits provided by law. (See "SCHOOL DISTRICT FINANCES" and "SCHOOL DISTRICT TAXING POWERS AND LIMITS" herein). The Debt Act presently provides for enforcement of debt service payments as hereinafter described (see "Defaults and Remedies" below), and the Pennsylvania Public School Code (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" herein).

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 Debt 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 (contract) in the Court of Common Pleas of Lehigh County, Pennsylvania. The Debt Act provides any judgment shall have an appropriate priority upon the funds next coming into the treasury of the School District. The Debt Act also provides that upon a default of at least 30 days, holders of at least 25% of the Bonds may appoint a trustee to represent them. The Debt Act provides certain other remedies in the event of default, and further qualifies the remedies hereinbefore described.

Bond Sinking Fund

As required by the Debt Act, a sinking fund for the payment of the debt service due on the Bonds, designated "Sinking Fund, General Obligation Bonds, Series A of 2026" (the "Sinking Fund"), will be created as authorized by the Resolution and shall be maintained by the Paying Agent, as sinking fund depositary. The School District shall deposit in the Sinking Fund a sufficient sum not later than the date when interest and/or principal is to become due on the Bonds so that on each payment date the Sinking Fund will contain an amount which, together with any other funds previously available therein, is sufficient to pay, in full, interest and/or principal then due on the Bonds.

The Sinking Fund shall be held by the Paying Agent, as sinking fund depositary, and invested by the Paying Agent in such securities or shall be deposited in such funds or accounts as are authorized by the Debt Act, upon direction of the School District. Such deposits and securities shall be in the name of the School District, but subject to withdrawal or collection only by the Paying Agent, as sinking fund depositary, and such deposits and securities, together with the interest thereon, shall be a part of the Sinking Fund. The Paying Agent, as sinking fund depositary, is authorized without further order from the School District to pay from the Sinking Fund the principal of and interest on the Bonds, as and when due and payable.

Commonwealth Enforcement of Debt Service Payments

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

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

Pennsylvania Budget Adoption

Over the past several years the Commonwealth of Pennsylvania has, from time to time, started its fiscal year without a fully adopted state budget.

After a week's delay and intense negotiations, a $42.7 billion budget for the state's 2022-23 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 2021-22 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 2022-23 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 is a $225 million increase over the 2023-24 fiscal year appropriation. The budget also provides $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.

After months of negotiations, Governor Josh Shapiro signed the state's budget for the 2025-26 fiscal year late on November 12, 2025. The $50.1 billion budget included (i) $8.262 billion for the basic education funding appropriation, which is more than a $100 million increase over the basic education funding appropriation for the 2024-25 fiscal year, and (ii) $1.526 billion for the special education appropriation, which is a $40 million increase over the same appropriation for the 2024-25 fiscal year. The budget also increased the Ready to Learn Block Grant program appropriation by approximately 68% from the 2024-25 fiscal year. In addition, the budget included $175 million in estimated savings for school districts through reforms to the existing cyber charter school law.

After approximately two weeks of delay, Governor Josh Shapiro signed the state's budget for the 2026-27 fiscal year on July 12, 2026. The $50.85 billion budget represents a 1.4% increase in spending over the prior fiscal year. The budget includes $8.3 billion for the basic education funding appropriation, which is a $50 million increase over the 2025-26 fiscal year appropriation, and $1.58 billion for the special education appropriation, which is a $55 million increase over the same appropriation for the 2025-26 fiscal year. The budget also includes $75 million in annual savings from cyber charter funding reform, bringing total cyber charter savings to $250 million annually.

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 (State Subsidy Intercept During Budget Impasses)

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

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

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

(1) annual appropriations for payment of Commonwealth money to school districts have not been enacted by July 1 and continue not to be enacted when a payment is due;

(2) the conditions under which PDE is required to comply with an intercept statute or intercept agreement have occurred, thereby requiring PDE to withhold payments which would otherwise be due to school districts; and

(3) the Secretary of PDE, in consultation with the Secretary of the Budget, determines that there are no payments or allocations due to be paid to the applicable school districts from which PDE may withhold money as required by the applicable intercept statute or intercept agreement.

The necessary amounts shall be appropriated and paid to the paying agent on the day the scheduled payment for principal and interest is due on the expiration of the tenth (10th) day following submission of the justification described above to the majority and minority chairs of the appropriations committees, who may comment on the justification but cannot prevent the effectiveness of the appropriation.

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

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

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

THE SCHOOL DISTRICT

Introduction

The School District is located in Lehigh County, Pennsylvania and is part of a metropolitan region known as the Lehigh Valley. The School District encompasses North Whitehall Township, South Whitehall Township, Upper Macungie Township and a small portion of the City of Allentown. The City of Allentown is the county seat of Lehigh County. The School District contains approximately 72 square miles. Section 202 of the Public School Code (24 P.S. §2-202) of the Commonwealth of Pennsylvania (the "Commonwealth") classifies school districts based on resident population. The School District is classified as a second class school district as being within the range of 30,000 to 250,000 residents.

The governing body of the School District is its Board of School Directors comprised of nine residents who are each elected at large for a four-year term on a staggered basis. The daily operation and management of the School District is carried out by the administrative staff of the School District, headed by the Superintendent of Schools who is elected by the School Board pursuant to an employment contract approved by the Board of School Directors. The Board of School Directors also employs a Director of Business Administration pursuant to an employment contract approved by the School Board. The Director of Business Administration performs the business responsibilities specified in Section 433 of the Public School Code (24 P.S. 4-433) and other duties assigned by the School Board.

School Facilities

The School District presently owns and operates nine (9) elementary schools, two (2) middle schools and one (1) high school, all as described in the following table.

TABLE 1
PARKLAND SCHOOL DISTRICT
SCHOOL FACILITIES

Building	Grades	Capacity[(1)]	2026-27* Enrollment
Elementary:			
Cetronia Elementary	K-5	570	440
Fogelsville Elementary	K-5	606	465
Ironton Elementary	K-5	517	406
Fred J. Jaindl Elementary	K-5	736	441
Kernsville Elementary	K-5	715	557
Kratzer Elementary	K-5	490	511
Parkway Manor Elementary	K-5	523	553
Schnecksville Elementary	K-5	578	483
Veterans Memorial Elementary	K-5	750	441
Secondary:			
Orefield Middle School	6-8	1,217	1,111
Springhouse Middle School	6-8	1,439	1,404
Parkland High School	9-12	3,313	3,319

(1) Based on information from Predictive Enrollment Analytics of October 20, 2025.
*As of August 24, 2026.
Source: School District Officials.

Enrollment Trends

The following table presents actual and projected school enrollments, as prepared by School District officials and Frontline, formerly DecisionInsite. The table shows relatively stable trends in enrollments with the exception of the southwest section of the School District where trends project growth in student enrollment.

TABLE 2
PARKLAND SCHOOL DISTRICT
ACTUAL AND PROJECTED ENROLLMENTS

Actual Enrollments				Projected Enrollments[1]			
School Year	K-6 Elementary	7-12 Secondary	Total	School Year	K-6 Elementary	7-12 Secondary	Total
2022-23	5,118	4,732	9,850	2027-28	5,097	5,100	10,197
2023-24	5,184	4,796	9,980	2028-29	5,097	5,248	10,345
2024-25	4,343	5,651	9,994	2029-30	5,138	5,397	10,535
2025-26	5,119	4,920	10,039	2030-31	5,184	5,422	10,606
2026-27	4,297	5,834	10,131	2031-32	4,417	6,113	10,530

[1] Based on information from Predictive Enrollment Analytics as of October 20, 2025.
*As of August 24, 2026.
Source: School District Officials.

SCHOOL DISTRICT FINANCES

Financial Reporting

The School District keeps its books and prepares its financial reports according to a modified accrual basis. Major accrual items are payroll taxes and pension fund contributions payable, loans receivable from other funds, and revenues receivable from other governmental units.

The School District's financial statements are audited annually by a firm of independent certified public accountants, as required by Commonwealth law. The firm of Buckno Lisicky & Company, P.C., Allentown, Pennsylvania, serves as School District Auditor.

The auditor's report for the School District's fiscal year ending June 30, 2025 is included in an Appendix to this Preliminary Official Statement. The School District's auditor has not been engaged to perform, and has not performed, since the date of its report any procedure on the financial statements addressed in the report. The auditor also has not performed any procedures relating to this Preliminary Official Statement.

The School District has approved and posted the financial statements for fiscal year ending June 30, 2025 to the EMMA platform.

Budgeting Process in accordance with the Public School Code and Act 1 of 2006 (Taxpayer Relief Act)

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

Procedures for Adoption of the Annual Budget. Unless the Simplified Procedures described below are utilized, under Pennsylvania Act No. 1 of the Special Session of 2006, as amended by Act 25 of 2011 (together the "Taxpayer Relief Act" or "Act 1") all school districts of the first class A, second class, third class and fourth class must adopt a preliminary budget (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the election preceding the next fiscal year. This preliminary budget must be printed and made available for public inspection at least 20 days prior to its adoption; the board of school directors may hold a public hearing on the budget; and the board must give at least 10 days prior public notice of its intent to adopt the preliminary budget prior to its adoption. The board of school directors shall print the final budget and make it available for public inspection at least 20 days prior to its adoption and shall give public notice of its intent to adopt the final budget at least 10 days prior to adoption, and may hold a public hearing prior to adoption. Guidance from PDE suggests that the preliminary budget be converted to a proposed budget adopted by the board of school directors at least 30 days prior to the adoption of the final budget as required by the Public School Code. The School District follows the requirements of Act 1 and the guidance of PDE pursuant to the requirements of the Public School Code.

If the adopted preliminary budget includes an increase in the rate of any tax levied, the school district must submit information on the increase to PDE on a uniform form furnished by PDE. Such information must be submitted no later than 85 days prior to the date of the election immediately preceding the beginning of the school district's next fiscal year. PDE compares the proposed percentage increase in the rate of any tax with an index established annually (see **"The Taxpayer Relief Act (Act 1)"** herein) and within 10 days of the receipt of the information but no later than 75 days prior to the date of the election immediately preceding the beginning of the school district's next fiscal year, PDE informs the school district whether the proposed tax rate increase is less than or equal to the index. If PDE determines that the proposed percentage increase in the rate of the tax exceeds the index, PDE notifies the school district that: (1) the proposed tax increase must be reduced to an amount less than or equal to the index; or (2) the proposed tax increase must be approved by the electorate at the election immediately preceding the beginning of the school district's next fiscal year; or (3) the School District seek approval to utilize one or more of the referendum exceptions authorized under the Taxpayer Relief Act.

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

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

Simplified Procedures in Certain Cases. The above budgetary procedures will not apply to a school district if the board of school directors adopts a resolution no later than 110 days prior to the election immediately preceding the next fiscal year declaring that it will not increase any tax at a rate that exceeds the applicable Index and that a tax increase at or below the rate of the Index will be sufficient to balance its budget. In that case, the Taxpayer Relief Act requires that the school district comply with the procedures in Section 687 of the School Code for the adoption of its proposed and final budgets. Section 687 of the School Code requires that the school district adopt a proposed budget at least thirty (30) days prior to the adoption of the annual budget; that the proposed budget be made available for public inspection at least twenty (20) days prior to the date set for the adoption of the annual budget; and that action shall not be taken on the annual budget until after ten (10) days public notice. No referendum exceptions are available to a school district adopting such a resolution.

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Summary and Discussion of Financial Results

Table 3 presents a Summary of General Fund Balance Sheets.

TABLE 3
PARKLAND SCHOOL DISTRICT
SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEETS
(Fiscal Years ending June 30)

ASSETS	**2021**	**2022**	**2023**	**2024**	**2025**
Cash and Cash Equivalents	$52,032,599	$55,185,889	$50,160,093	$34,396,198	$17,447,694
Investments	0	0	0	5,059,016	20,000,000
Taxes Receivable	5,436,572	6,106,483	6,292,033	6,528,087	6,315,867
Interfund Receivable	5,383,815	0	0	515,648	641,124
Intergovernmental Receivable	11,167,266	8,138,649	12,501,672	10,933,766	9,938,464
Other Receivables	150,452	496,969	379,050	2,568,734	2,538,150
Prepaid Expenses	0	0	190,122	1,304,766	957,239
TOTAL ASSETS	$74,170,704	$69,927,990	$69,522,970	$61,306,215	$57,838,538
LIABILITIES					
Interfund Payable	$0	$467,629	$436,257	$215,527	$926,556
Intergovernmental Payables	0	0	602,750	502,771	1,843
Accounts Payables	3,988,869	1,038,816	1,356,392	1,919,735	2,650,799
Accrued Salaries and Benefits	19,822,226	20,850,585	22,444,744	21,560,690	23,326,358
Payroll Deductions and Withholdings	1,195,512	1,259,350	0	0	0
Unearned Revenues	131,850	135,875	137,790	187,185	104,645
Other	326	3,952	0	0	0
TOTAL LIABILITIES	$25,138,783	$23,756,207	$24,977,933	$24,385,908	$27,010,201
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	$2,121,693	$2,789,141	$3,236,586	$2,982,348	$2,822,667
Leases	0	0	0	0	
TOTAL DEFERRED INFLOWS OF RESOURCES	$2,121,693	$2,789,141	$3,236,586	$2,982,348	$2,822,667
FUND EQUITIES					
Nonspendable Fund Balance	$0	$0	$190,122	$1,304,766	$957,239
Restricted Fund Balance	0	543,432	558,656	469,616	253,515
Committed Fund Balance	35,198,771	29,599,827	24,666,140	15,284,827	15,284,827
Assigned Fund Balance	4,509,778	5,074,177	9,474,287	4,005,764	4,005,764
Unassigned Fund Balance	7,201,679	8,165,206	6,419,246	12,872,986	7,504,325
TOTAL FUND EQUITIES	$46,910,228	$43,382,642	$41,308,451	$33,937,959	$28,005,670
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITIES	$74,170,704	$69,927,990	$69,522,970	$61,306,215	$57,838,538

Source: School District PDE 2057 Annual Financial Report.

Table 4 presents a Summary of Changes in Fund Balance.

TABLE 4
PARKLAND SCHOOL DISTRICT GENERAL FUND
SUMMARY OF CHANGES IN FUND BALANCE*
(Fiscal Years ending June 30)

	Actual				**Estimated**	**Budget**
	2022	**2023**	**2024[3]**	**2025**	**2026[1]**	**2027[2]**
Beginning Fund Balance	$46,910,228	$43,382,642	$41,448,955	$33,937,959	$28,005,672	$26,223,512
Revenues over (under) Expenditure	(3,527,586)	(2,074,191)	(7,510,996)	(5,932,287)	(1,782,160)	(9,658,419)
Ending Fund Balance	$43,382,642	$41,308,451	$33,937,959	$28,005,672	$26,223,512	$16,565,093

*Totals may not add due to rounding.
(1) Estimated, subject to change with final audit.
(2) Budgeted, as adopted June 16, 2026.
(3) Restatement
Source: School District PDE 2057 Annual Financial Report and PDE 2028 Final General Fund Budget.

General Fund Revenues

The School District had an estimated total revenue of $244,455,291 in its 2025-26 fiscal year and budgeted revenues of $252,009,517 in its 2026-27 fiscal year. Local tax sources have decreased as a share of total revenue in the past five years, from 78.24% in fiscal year 2021-22 to an estimated 78.09% in fiscal year 2025-26. Revenue from Commonwealth payments have increased as a share of total revenue from 18.34% in fiscal year 2021-22 to an estimated 20.63% in fiscal year 2025-26. Federal payments and other sources decreased as a share of total revenue from 3.42% in fiscal year 2021-22 to an estimated 1.27% in fiscal year 2025-26.

Table 5 presents revenues and expenditures for the past four audited fiscal years, estimated 2025-26 and budgeted fiscal year 2026-27.

TABLE 5
PARKLAND SCHOOL DISTRICT
SUMMARY OF SCHOOL DISTRICT GENERAL FUND
REVENUES*
(Fiscal Years ending June 30)

REVENUE:	Actual				Estimated	Budget
Local Sources	**2022**	**2023**	**2024**	**2025**	**2026[1]**	**2027[2]**
Current Real Estate Taxes	$126,819,750	$134,453,195	$139,922,268	$148,271,007	$156,350,734	$165,304,981
Interim Real Estate Taxes	3,184,131	2,073,428	951,744	1,129,826	1,578,689	2,000,000
Payments in Lieu of Taxes	4,000	4,000	4,000	4,000	4,000	4,000
Public Utility Realty Tax	143,228	142,769	136,165	150,741	151,994	152,000
Act 511 Taxes	19,780,321	19,758,650	19,679,611	20,145,093	22,551,865	20,550,000
Delinquencies on Taxes Levied/Assessed	2,438,303	1,995,171	2,601,422	4,638,385	2,733,576	2,700,000
Interest Earnings	98,850	3,205,203	4,665,675	3,228,269	3,586,984	3,000,000
Revenues from LEA Activities	493,472	628,626	584,159	423,678	0	435,000
Receipts from Other LEAS in PA - Education	218,024	270,359	385,235	385,514	279,941	0
Federal Revenue from Other PA Public Schools IDEA	157,474	0	1,777,610	1,819,546.51	1,752,041.00	1,957,360
Rentals	26,600	139,513	143,233	156,447	137,370	160,000
Contributions and Donations from Priv. Sources	627,657	194,310	524,911	589,244	437,113	600,000
Tuition from Patrons	191,485	152,970	165,038	188,918	271,794	575,000
Transportation Services Provided Other LEAs	0	0	7,210	0	0	0
Refunds of Prior Years' Expenditures	118,475	209,658	1,389,737	10,382	135,344	600,000
Federal ARRA IDEA Pass Through Revenue	1,797,558	1,816,375	0	0	0	0
Energy Incentives & Rebates	0	0	0	34,828	61,026	0
Other	346,416	266,180	182,883	381,805	871,720	0
Total Revenue from Local Sources	$156,445,743	$165,310,407	$173,120,902	$181,557,684	$190,904,191	$198,038,341
State Sources						
Basic Instructional Subsidy	$9,658,760	$11,873,058	$13,921,241	$15,558,100	$15,701,119	$16,068,151
Tuition for Orphans & Children	253,096	240,879	176,425	211,511	112,216	200,000
Charter Schools	0	0	253,330	342,055	0	0
Other Program Revenues	120	120	80	0	120	0
Special Education	3,889,242	4,329,214	4,433,039	4,633,649	4,588,471	4,559,883
Transportation	1,493,380	1,813,876	1,451,435	1,825,902	2,027,295	1,882,150
Rental and Sinking Fund Reimbursement	1,073,729	446,073	432,962	456,927	454,532	250,000
Health Services	183,509	185,334	187,334	189,801	182,764	207,000
Feminine Hygiene Product Funding	0	0	0	17,540	0	0
Safe Schools	0	0	29,884	182,165	746,971	330,000
PA Accountability Grant/Ready to Learn Block Grant	531,722	531,722	0	531,722	581,722	631,722
Other Program Revenue	870	0	26,000	99,772	168,146	350,000
Grants	0	94,613	979,858	0	0	0
Revenue for Social Security Payments	3,315,001	3,490,056	3,598,461	3,803,013	5,143,487	4,269,577
Revenue of Retirement	14,470,850	16,672,321	16,499,024	17,078,446	17,650,499	19,377,741
State Property Tax Reduction	1,799,846	2,241,123	2,248,942	2,695,660	3,081,308	3,091,158
Total Revenue from State Sources	$36,670,125	$41,918,389	$44,238,016	$47,626,264	$50,438,650	$51,217,382
Federal Sources						
Total Revenue from Federal Sources	$6,002,945	$7,819,042	$4,982,592	$2,564,965	$2,486,663	$2,503,794
Other Sources						
Total Revenue from Other Sources/	$839,032	$62,892	$0	$200,703	$625,787	$250,000
Total Revenue/Reimbursements	$199,957,844	$215,110,730	$222,341,509	$231,949,617	$244,455,291	$252,009,517

*Totals may not add due to rounding.
(1) Estimated, subject to change with final audit.
(2) Budgeted, as adopted June 16, 2026.
Source: School District PDE 2057 Annual Financial Report and PDE 2028 Final General Fund Budget.

General Fund Expenditures

TABLE 5
(Continued)
PARKLAND SCHOOL DISTRICT
SUMMARY OF SCHOOL DISTRICT GENERAL FUND EXPENDITURES*
(Fiscal Years ending June 30)

	Actual				Estimated	Budget
EXPENDITURES:	**2022**	**2023**	**2024**	**2025**	**2026[1]**	**2027[2]**
Instruction	$127,190,608	$137,724,290	$142,729,854	$149,248,325	$154,634,368	$167,823,930
Pupil Personnel	7,439,885	8,747,407	9,113,538	9,564,572	10,052,043	11,022,061
Instructional Staff	5,414,749	6,159,915	4,646,429	4,806,377	5,442,998	5,234,026
Administration	9,181,942	10,053,952	9,621,631	11,136,663	11,509,283	11,351,216
Pupil Health	2,652,136	2,668,294	2,855,958	3,248,703	3,427,502	3,333,028
Business	2,034,317	2,046,251	1,888,017	2,054,266	2,133,459	2,286,147
Operation and Maintenance of Plant Svcs.	15,599,167	17,323,056	18,711,236	19,788,920	21,835,954	20,925,362
Student Transportation Services	11,014,807	11,593,852	12,465,132	13,250,780	13,648,079	13,954,379
Central	4,582,436	3,659,549	4,496,048	5,064,084	4,931,788	5,146,268
Other Support Services	205,686	211,548	213,269	227,387	38,275	228,307
Operation of Noninstructional Services	2,662,885	3,206,161	3,422,273	3,214,749	3,480,273	3,513,190
Facilities, Acq., Const. and Improv.	20,423	14,343	0	0	0	0
Debt Service	346,786	12,775,827	12,689,121	14,211,439	15,080,930	16,550,022
Fund Transfers	15,139,603	1,000,000	7,000,000	2,065,640	22,499	0
Refund of Prior Years' Receipts	0	476	0	0	0	0
Budgetary Reserve	0	0	0	0	0	300,000
Total Expenditures	$203,485,431	$217,184,921	$229,852,505	$237,881,904	$246,237,451	$261,667,936
SURPLUS (DEFICIT) OF REVENUES OVER EXPENDITURES	($3,527,586)	($2,074,191)	($7,510,996)	($5,932,287)	($1,782,160)	($9,658,419)

*Totals may not add due to rounding.
(1) Estimated, subject to change with final audit.
(2) Budgeted, as adopted June 16, 2026.
Source: School District PDE 2057 Annual Financial Report and PDE 2028 Final General Fund Budget.

SCHOOL DISTRICT TAXING POWERS AND LIMITS

In General

Subject to certain limitations imposed by the Taxpayer Relief Act (more specifically described below), the School District is empowered by the Public School Code and other statutes to levy the following taxes:

1. An 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 over 18 years of age of not more than $5.00. This tax is levied, but not collected.

4. Additional taxes subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege, under Act No. 511, enacted December 31, 1965, as amended by Act 32 of 2008, enacted July 2, 2008 and as further amended (53 P.S. §6924.101 et seq.) the ("The Local Tax Enabling Act"). These taxes, which may include, among others, a per capita tax, an earned income and net profits tax, a real estate transfer tax, a gross receipts tax, a local services tax and an occupation tax, shall not exceed, in the aggregate, an amount equal to the product of the market valuation of real estate in the School District (as certified by the State Tax Equalization Board of the Commonwealth – "STEB"/Tax Equalization Division "TED") 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 that exceeds $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.

Taxpayer Relief Act (Act 1)

The information set forth below is a partial summary of relevant sections of Act 1 and their impact. This summary is not intended to be an exhaustive discussion of the provisions of Act 1 nor intended to provide a legal interpretation of any provision of Act 1. A prospective purchaser of the Bonds should review the full text of Act 1 as a part of any decision to purchase the Bonds.

Under the Taxpayer Relief Act (Act 1), a school district may not levy any tax for the support of the public schools which was not levied in the previous fiscal year, raise the rate of any earned income and net profits tax if already imposed under the authority of the Local Tax Enabling Act, or increase the rate of any tax for school purposes by more than the Index (defined below), unless in each case either (a) such increase is approved by the voters in the school district at a public referendum or (b) one or more of the exceptions summarized below is applicable and the use of such exception is approved by PDE:

1. (a) to pay interest and principal on indebtedness incurred (i) prior to September 4, 2004, in the case of a school district which had elected to become subject to the provisions of the prior Homeowner Tax Relief Act, Act 72 of 2004 ("Act 72"), or (ii) prior to June 27, 2006, in the case of a school district which had not elected to become subject to Act 72 (as in the case of the School District); (b) to pay interest and principal on any indebtedness approved by the voters at referendum (electoral debt); and (c) to pay interest and principal on debt refunding or refinancing debt for which one of the above exceptions is permitted, as long as the refunding or refinancing incurs no additional debt other than for costs and expenses related to the refunding or refinancing and the funding of appropriate debt service reserves;

2. to pay costs incurred in providing special education programs and services to students with disabilities, under specified circumstances; and

3. to make payments into the State Public School Employees' Retirement System when the increase in the estimated payments between the current year and the upcoming year is greater than the Index (as determined by PDE in accordance with the provisions of Act 1), subject to the limitation that the salary base used for calculating estimated payments is capped at the 2011-12 salary base level, per PDE Referendum Exception Guidelines."

Source: PDE Referendum Exception Guidelines

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

"Index" is defined in Act 1 as follows:

INDEX

(1) Except as set forth in paragraph (2), the average of the percentage increase in the Statewide Average Weekly Wage and the Employment Cost Index.

(2) For a school district with a market value/income aid ratio greater than 0.400 for the school fiscal year prior to the school fiscal year for which the Index is calculated, the value under paragraph (1) multiplied by the sum of:

(i) 0.75; and
(ii) the school district's market value/income aid ratio for the school fiscal year prior to the school fiscal year for which the Index is calculated.

"Statewide Average Weekly Wage" is defined in Act 1 as follows:

STATEWIDE AVERAGE WEEKLY WAGE

That amount determined by the Department of Labor and Industry in the same manner that it determines the average weekly wage under section 404(e)(2) of the act of December 5, 1936 (2nd Sp. Sess., 1937 P.L. 2897, No. 1), known as the Unemployment Compensation Law, except that it shall be calculated for the preceding calendar year.

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

Fiscal Year	Index %
2027-28	3.6
2026-27	3.5
2025-26	4.0
2024-25	5.3
2023-24	4.1

Source: Pennsylvania Department of Education website.

In accordance with Act 1, a board of school directors may submit, but is not required to submit, a referendum question to the voters in any future municipal election seeking approval to levy or increase the rate of an earned income tax ("EIT") or impose a personal income tax ("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. The School District has not submitted such referendum question.

Status of the Bonds Under the Taxpayer Relief Act (Act 1)

The debt service payable on the Bonds described in this Preliminary Official Statement is not eligible for a specific exception to the Index limits of Act 1.

Limitations on School District Fund Balance

Set forth below is a summary of relevant 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.

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

Total Budgeted Expenditures	Estimated Ending Unreserved Undesignated Fund Balance as a Percentage of Total Budgeted Expenditures[(1)]
Less than or equal to $11,999,999	12.0%
Between $12,000,000 and $12,999,999	11.5%
Between $13,000,000 and $13,999,999	11.0%
Between $14,000,000 and $14,999,999	10.5%
Between $15,000,000 and $15,999,999	10.0%
Between $16,000,000 and $16,999,999	9.5%
Between $17,000,000 and $17,999,999	9.0%
Between $18,000,000 and $18,999,999	8.5%
Greater than or equal to $19,000,000	8.0%*

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

*Applicable to the School District.

[(1)]Effective June 30, 2011, Governmental Accounting Standards Board Statement #54 adopted the term "Unassigned" to refer to general fund balances that would fall within the definition of "Unreserved and Undesignated Fund Balance" in the statute known as Act 48 of 2003.

Tax Levies

Table 6 shows the tax rates levied by the School District during its past five fiscal years.

TABLE 6
PARKLAND SCHOOL DISTRICT
TAX RATES*

Fiscal Year	Real Estate (mills)	Earned Income Tax[(1)] (%)	Real Estate Transfer Tax[(1)] (%)	Local Services Tax (LST) ($)
2022-23	15.9000	1.00	1.00	5.00
2023-24	16.3000	1.00	1.00	5.00
2024-25	17.1200	1.00	1.00	5.00
2025-26	17.8000	1.00	1.00	5.00
2026-27	18.4200	1.00	1.00	5.00

*The School District levies a Per Capita Tax of $10 but does not collect the tax.
(1) Subject to sharing 50% with the municipalities within the School District.
Source: Pennsylvania Department of Community & Economic Development – Municipal Statistics and School District Budgets.

Table 7 shows the comparative real property tax rates for the School District, County and the Municipalities within the School District for the past five years.

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

	2022-23	2023-24	2024-25	2025-26	2026-27
School District	15.9000	16.3000	17.1200	17.8000	18.4200
Parkland Community Library	0.1000	0.1000	0.1000	0.1000	0.1000
	2023	**2024**	**2025**	**2026**	**2027**
Lehigh County	3.6400	3.6400	3.6400	3.7800	4.4500
North Whitehall Township	0.6000	0.6000	1.2000	1.2000	1.2000
South Whitehall Township	3.3198	3.3198	3.3198	3.5998	3.5998
Upper Macungie Township	0.6400	0.6400	0.6400	0.6400	0.6400

Source: Pennsylvania Department of Community & Economic Development – Municipal Statistics and School District Budgets.

Real Property Tax

The School District's real property tax (excluding delinquent collections) provided estimated revenues of $156,350,734 in 2025-26, approximately 63.96% of total revenue. The School District fiscal year is from 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% discount, and those who remit 120 days after July 1 are assessed a 10% penalty. The School District adopted a Resolution on June 19, 2012, that allows all property owners to pay school real estate taxes in installments.

The following tables summarize recent trends of assessed and market valuations of real property and real property tax collection data. The last county-wide reassessment in Lehigh County was completed in 2012 and became effective for the School District taxes due and payable on and after July 1, 2013. The County reassessment process also changed the pre-determined ratio from 50% to 100% effective for the School District on July 1, 2013.

TABLE 8
PARKLAND SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA

Fiscal Year	Market Value	Assessed Value	Ratio
2021-22	$8,803,447,804	$8,169,489,900	92.80%
2022-23	10,511,487,440	8,527,878,600	81.13%
2023-24	10,779,348,698	8,691,011,400	80.63%
2024-25	12,294,051,693	8,790,972,000	71.51%
2025-26	12,642,421,577	8,930,487,200	70.64%

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

TABLE 9
PARKLAND SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA BY MUNICIPALITY

	2024-25 Market Value	2024-25 Assessed Value	2025-26 Market Value	2025-26 Assessed Value
School District	$12,294,051,693	$8,790,972,000	$12,642,421,577	$8,930,487,200
North Whitehall Township	1,893,060,883	1,612,404,400	1,905,807,879	1,621,036,200
South Whitehall Township	3,215,806,098	2,508,441,900	3,252,602,229	2,531,790,000
Upper Macungie Township	7,185,184,712	4,670,125,700	7,484,011,469	4,777,661,000
Lehigh County	40,447,689,580	31,878,914,700	40,939,468,966	32,102,289,300

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

TABLE 10
PARKLAND SCHOOL DISTRICT
ASSESSMENT BY LAND USE

	2021-22	2022-23	2023-24	2024-25	2025-26
Residential	$4,834,064,000	$4,864,760,000	$4,954,671,300	$5,021,491,100	$5,100,795,600
Lots	42,215,200	40,469,700	37,544,200	36,805,100	38,439,400
Industrial	1,527,709,500	1,659,727,800	1,705,452,300	1,741,490,600	1,836,892,600
Commercial	1,706,626,700	1,903,065,100	1,932,895,000	1,929,976,900	1,894,675,200
Agriculture	10,107,300	10,162,200	9,676,700	9,776,300	10,041,500
Land	13,328,200	12,947,600	11,879,300	11,407,800	8,944,500
Trailers	35,439,000	36,746,200	38,892,600	40,024,200	40,698,400
Total	$8,169,489,900	$8,527,878,600	$8,691,011,400	$8,790,972,000	$8,930,487,200

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

TABLE 11
PARKLAND SCHOOL DISTRICT
REAL PROPERTY TAX COLLECTION DATA

Year	Total Flat Billing	Total Adjusted Flat Billing[(1)]	Current Collections Amount	Current Year Collections as Percent	Total Collections Amount[(2)]	Total Collections as Percent
2021-22	$135,216,736	$133,058,537	$130,168,971	97.83%	$132,381,504	99.49%
2022-23	140,891,732	138,408,074	136,617,454	98.71%	138,802,260	100.28%
2023-24	145,861,433	143,431,377	140,874,012	98.22%	143,430,116	100.00%
2024-25	154,521,880	157,523,104	149,400,833	94.84%	153,577,082	97.49%
2025-26	162,533,793	165,222,688	156,350,734	94.63%	158,745,069	96.08%

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

Table 12 represents the ten taxpayers owning real property having the highest aggregate, assessed values within the School District; the aggregate assessed value of all real estate parcels owned by these taxpayers represents approximately 15% of the School District's total 2025-26 assessed value of $8,930,487,200.

TABLE 12
PARKLAND SCHOOL DISTRICT
TEN TAXPAYERS OWNING REAL PROPERTY HAVING THE HIGHEST AGGREGATE ASSESSED VALUES

Owner	Aggregate Assessed Valuations
Liberty Property LP [2]	$531,083,100
Air Products and Chemicals Inc. [1]	179,745,500
Route 222 LLC	126,359,100
TCNE North Whitehall LLC	91,568,400
Ponte Gadea Compass LLC	73,205,900
BTB US Owner, LLC [1]	72,865,100
Lutheran Senior Services East	60,038,700
Art Mrtg Borrower Propco 2010-4-LLC	58,998,200
KRE Spring View Apartments II LP [1]	57,127,300
Tierpoint LLC [1]	56,514,600
Totals	$1,307,505,900

[1] Taxpayer initiated assessment appeal.
[2] Certain parcels of the taxpayers' assessed value are pending appeal.
Source: Lehigh County Assessment Office.

Local Tax Enabling Act Taxes Collected by the School District

Under The Local Tax Enabling Act, the School District received an estimated $22,551,865 in other taxes in 2025-26. The School District pursuant to The Local Tax Enabling Act collects the following taxes: the Earned Income Tax, the Real Estate Transfer Tax and the Local Services Tax. The School District levies a Per Capita Tax of $10 but does not collect the tax. The Local Tax Enabling Act limit, equal to 12 mills on the market value of real property, was approximately $151,709,058.92 in 2025-26.

Earned Income Tax. The School District levies a tax of 1.0% (subject to sharing 0.5% with the municipalities within the School District) on earned income of residents. In 2025-26the School District's collected portion of this tax yielded an estimated $17,582,648 or 7.19% of total revenue.

Real Estate Transfer Tax. The School District levies a tax of 1.0% (subject to sharing 0.5% with the municipalities within the School District) of the value of real estate transfers. In 2025-26 the School District's collected portion of this tax yielded an estimated $4,699,999 or 1.92% of total revenue.

Local Services Tax. A tax of $5.00 is levied on each person working within school district boundaries. In 2025-26, the tax yielded an estimated $269,218 or less than 1 percent of total revenue.

COMMONWEALTH AID TO SCHOOL DISTRICTS

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, career and technical education, and health services, among other things.

State Debt Service Reimbursement

Commonwealth law presently provides that a school district may seek, subject to state legislative appropriations, reimbursement from the Commonwealth for a portion of the debt service it pays to finance qualified projects, following final approval by the Pennsylvania Department of Education ("PDE"). Such reimbursement is calculated based on the "Reimbursable Percentage" assigned to the particular debt by PDE, times the higher of (1) the state-wide Capital Account Reimbursement Fraction ("CARF") (fixed at 29.98%), or (2) the wealth based

Market Value Aid Ratio ("MVAR"), which is currently 15.65% for the School District. The Reimbursable Percentage of a particular building construction or renovation project is calculated under a process known as the "Planning and Construction Workbook" or "PlanCon".

Based on the current PlanCon program, School District officials have estimated that the Reimbursable Percentage of the Bonds will be 7.58% (there has been no determination by the PDE). The School District's CARF (which is higher than the MVAR) is 29.98%. The product of these two factors is 2.27%, which is the estimated percentage of debt service which may be reimbursed by the Commonwealth, subject to annual appropriation. In future years, this percentage may change as the School District's MVAR changes, or as a result of future legislation regarding changes to, or even elimination of, the PlanCon program.

DEBT AND DEBT LIMITS

Debt Statement

Table 13 shows the debt of the School District as of November 5, 2026, giving effect to the issuance of the Bonds.

TABLE 13
PARKLAND SCHOOL DISTRICT
DEBT STATEMENT*
(As of November 5, 2026)

NONELECTORAL DEBT	Gross Outstanding
General Obligation Bonds, Series A of 2026	$28,165,000
General Obligation Bonds, Series of 2026	36,675,000
General Obligation Bonds, Series of 2025	27,145,000
General Obligation Bonds, Series of 2024	18,480,000
General Obligation Bonds, Series A of 2023	7,290,000
General Obligation Bonds, Series of 2023	9,785,000
General Obligation Bonds, Series of 2022	11,820,000
General Obligation Bonds, Series C of 2021	7,600,000
General Obligation Bonds, Series B of 2021	12,505,000
General Obligation Bonds, Series A of 2021	6,310,000
General Obligation Bonds, Series A of 2020	4,620,000
General Obligation Bonds, Series of 2020	2,475,000
General Obligation Bonds, Series A of 2018	8,415,000
General Obligation Bonds, Capital Projects Series [(1)]	3,450,000
TOTAL NONELECTORAL DEBT	$184,735,000
LEASE RENTAL DEBT	
TOTAL LEASE RENTAL DEBT	$0
TOTAL PRINCIPAL OF DIRECT DEBT	$184,735,000

*Includes the estimated Bonds offered through this Preliminary Official Statement. Does not include the Refunded 2019 Bonds as described herein.

[(1)] Remaining principal amount of debt "incurred" (as defined in the Debt Act) prior to June 26, 2006, as general obligation bonds of the School District for various capital projects, but not yet issued.

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 $184,735,000*. After adjustment for available funds and State aid, the local effort of direct debt will total $183,483,504*.

TABLE 14
PARKLAND SCHOOL DISTRICT
BONDED INDEBTEDNESS AND DEBT RATIOS*
(As of November 5, 2026)

DIRECT DEBT	Gross Outstanding	Local Effort or Net of Available Funds and Estimated State Aid[1]
Nonelectoral Obligation Debt	$184,735,000	$183,483,504
Lease Rental Debt	0	0
TOTAL DIRECT DEBT	$184,735,000	$183,483,504
OVERLAPPING DEBT		
Lehigh County, General Obligation Debt[2]	$43,871,715	$43,871,715
Municipal, General Obligation Debt[3]	76,517,203	76,517,203
TOTAL OVERLAPPING DEBT	$120,388,918	$120,388,918
TOTAL DIRECT AND OVERLAPPING DEBT	$305,123,918	$303,872,422
DIRECT DEBT RATIOS		
Direct Debt to Population (2020)	$2,803.43	$2,784.44
Direct Debt to 2025-26 Assessed Value	2.07%	2.05%
Direct Debt to 2025-26 Market Value	1.46%	1.45%
DIRECT & OVERLAPPIONG DEBT RATIOS		
Direct and Overlapping Debt to Population (2020)	$4,630.39	$4,611.39
Direct and Overlapping Debt to 2025-26 Assessed Value	3.42%	3.40%
Direct and Overlapping Debt to 2025-26 Market Value	2.41%	2.40%

*Includes the principal amount of the estimated Bonds being offered through this Preliminary Official Statement. Does not include the Refunded 2019 Bonds as described herein.

(1) Gives effect to current appropriations for payment of debt service and expected future State Reimbursement of School District sinking fund payments based on current Aid Ratio. See "State Aid to School Districts".

(2) Outstanding principal debt of Lehigh County represents the share attributable to School District taxpayers (approximately 27.82% of the total Lehigh County assessed value of real estate multiplied by Lehigh County's total principal debt outstanding of $157,705,000.00 as of November 5, 2026).

(3) Outstanding principal debt of local governments (excluding Lehigh County) located within the School District.

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Debt Limit and Remaining Borrowing Capacity

Electoral debt, i.e., debt approved by the voters at a general or special election may be incurred without limit. Non-electoral debt and lease rental debt combined are subject to a statutory borrowing limit 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 Debt Act) received during the last three, completed fiscal years before the debt is "incurred". The School District calculates its present borrowing base and borrowing capacity as follows:

Total Revenues for FY 2023-24	$219,772,388
Total Revenues for FY 2024-25	231,114,154
Total Revenues for FY 2025-26 (estimated)	243,374,972
Totals	$694,261,514
Annual Arithmetic Average (Borrowing Base)	$231,420,505

Under the Debt Act, no school district shall incur any additional nonelectoral debt or lease rental debt if the aggregate net principal amount of net nonelectoral debt and net lease rental debt outstanding will then exceed 225% of the Borrowing Base. The application of this percentage to the School District's current Borrowing Base produces the following product:

	Legal Limit	Net Debt Outstanding*	Remaining Borrowing Capacity
Net Nonelectoral Debt and Lease Rental Debt Limit:			
225% of Borrowing Base	$520,696,136	$184,735,000	$334,416,136

*Includes the estimated Bonds included in Table 13 herein. It does not reflect credits against gross indebtedness that may be claimed for a portion of principal of debt to be reimbursed by Commonwealth Aid. Does not include the Refunded 2019 Bonds as described herein.

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Debt Service Requirements

Table 15 presents the debt service requirements (principal and interest) on the School District's outstanding general obligation and lease rental indebtedness, including debt service on the Bonds. The School District has never defaulted on the payment of debt service.

TABLE 15
PARKLAND SCHOOL DISTRICT
DEBT SERVICE REQUIREMENTS*

Year	Other General Obligation Debt	Series A of 2026 Principal	Series A of 2026 Interest	Series A of 2026 Subtotal	Total Requirements
2026-27	$13,414,122				
2027-28	13,722,663				
2028-29	13,324,375				
2029-30	12,882,388				
2030-31	11,535,975				
2031-32	11,534,500				
2032-33	11,536,475				
2033-34	11,538,550				
2034-35	11,530,275				
2035-36	11,101,700				
2036-37	15,416,250				
2037-38	15,417,100				
2038-39	10,194,850				
2039-40	6,594,850				
2040-41	6,592,600				
2041-42	6,591,350				
2042-43	6,595,600				
2043-44	6,594,600				
2044-45	6,593,100				
2045-46	6,590,600				
2046-47	6,591,600				
2047-48	6,595,113				
2048-49	6,590,088				
2049-50	6,591,288				
2050-51	6,593,913				
Total	$242,263,922				

*Totals may not add due to rounding. Does not include the Refunded 2019 Bonds as described herein.

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

TABLE 16
PARKLAND SCHOOL DISTRICT
COVERAGE OF DEBT SERVICE AND LEASE RENTAL REQUIREMENTS BY STATE AID/REIMBURSEMENTS*

Fiscal Year 2025-26 (estimated) State Aid/Reimbursements Received	$50,438,650
Fiscal Year 2025-26 (estimated) Debt Service Requirements	$15,080,930
Maximum Future Debt Service Requirements after Issuance of Bonds	
Coverage of FY 2025-26 (estimated) Debt Service Requirements	3.34 times
Coverage of Maximum Future Debt Service Requirements after Issuance of Bonds	times

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

Future Financing

The School District anticipates issuing approximately $25-30 million in long-term debt over the next 1-2 years for additions and improvements to the High School and other district-wide capital projects. The School District will also consider refunding certain existing long-term debt if market conditions are favorable.

LABOR RELATIONS

School District Employees

The teachers of the School District are represented in collective bargaining by the Parkland Education Association. The School District's present contract with this Association is effective September 1, 2025, through August 31, 2028. The School District's support personnel are represented in collective bargaining by the Parkland Education Support Professionals Association. The School District's present contract with this Association is effective July 1, 2024, to June 30, 2027. Negotiations with the Support Professionals Association commencing Fall 2026

There are presently 1,939 employees of the School District including 794 teachers and administrators, 392 full-time support personnel including secretaries, maintenance staff, teacher aides, 750 part-time support personnel and substitutes and 3 tax collectors.

Pension Plan

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. The contribution rate of 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. Member contribution rates who enrolled in the pension plan on or after January 1, 2002 and before July 1, 2011 is 7.5% of compensation. The contribution rates 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 and subject to certain risk-sharing provisions enabled by law that could cause the contribution rate to change based on PSERS investment performance. As of July 1, 2021, the risk-sharing provision increased the contribution rates from 7.5% to 8.0% and 10.3% to 10.8%. The PSERS Board of Trustees certified an annual employer contribution rate of 33.6% for the fiscal year 2026-27.

Under Act 5 of 2017 ("Act 5") PSERS transitioned solely from a traditional defined benefit system to also offer defined contribution plans in combination with defined benefit plans. 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 defined benefit plan to one of three new retirement benefit plan options which are available. Additionally, all active members newly hired on or after July 1, 2019 will be required to select one of those three new retirement benefit plan options and will not be eligible to participate in the current defined benefit plan. The three new plans consist of two hybrid plans, with defined benefit and defined contribution components, along with a stand-alone defined contribution plan.

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

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

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

Annual School District contributions have been as follows:

Fiscal Year	Payment
2021-22	$31,218,540
2022-23	$33,334,943
2023-24	$33,125,865
2024-25	$34,898,765
2025-26 (Estimated)	$35,196,054
2026-27 (Budgeted)	$38,522,405

At June 30, 2025, the School District reported a liability of $257,199,000 for its proportionate for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023, to June 30, 2024. The School District's proportion of the net pension liability was calculated utilizing its one-year reported covered payroll as it relates to the total one-year reported covered payroll of all school districts. At June 30, 2024, the School District's proportion was 0.6145% which was a decrease of 0.004% from its proportion measured as of June 30, 2023.

As of June 30, 2025, the PSERS plan was 64.8% funded, with an unfunded actuarial accrued liability of approximately $42.0 billion. PSERS' rate of return for fiscal year ended June 30, 2025 was 9.67%. The Fund had plan net assets of 83.7 billion at June 30, 2025. For more information, visit the PSERS website at www.psers.pa.gov, which is not incorporated by specific reference into this Preliminary Official Statement.

Source: School District Administrative Officials and PSERS.

Other Post-Employment Benefits

The School District is obligated under collective bargaining agreements and other individual employee agreements to provide post-employment benefits upon retirement to eligible employees such as health insurance coverage and unused sick leave and personal leave. The School District became subject to the requirements of GASB Statements No. 43 and 45 commencing with the School District's annual financial statements for the fiscal year ending June 30, 2009. For a full description of the other post-employment benefits, please refer to Appendix "D" - Audit Report - Fiscal Year Ended June 30, 2025.

LITIGATION

At the time of the settlement on the Bonds, an officer of the School District will deliver a certificate, and the School District's Solicitor will deliver an opinion, that include a statement that there is then no litigation pending, or to their knowledge threatened, which challenges the validity of the Bonds, the Resolution, or the security for the Bonds.

TAX EXEMPTION AND OTHER TAX MATTERS

Opinion of Bond Counsel

The information which follows is a summary of Bond Counsel's opinion. This summary does not purport and should not be construed to be a complete recitation of Bond Counsel's opinion. The full text draft of Bond Counsel's opinion is appended hereto in Appendix "B" and reference is made hereto. On the Date of Delivery of the Bonds, King, Spry, Herman, Freund & Faul, LLC, as Bond Counsel, will issue an opinion to the effect that under existing statutes, regulations and judicial decisions, interest on the Bonds is excluded from gross income for purposes of Federal income taxation and is not an item of tax preference for purposes of the Federal alternative minimum tax imposed; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on Corporations under the Code. This 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 will comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excluded from gross income for Federal income tax purposes. The School District has covenanted to comply with all such requirements. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. In the opinion of Bond Counsel, under the law of the Commonwealth of Pennsylvania, interest on the Bonds shall at all times be free from taxation for state and local purpose within the Commonwealth of Pennsylvania but such exemption does not extend to gift, succession, or inheritance taxes, taxes on gain on the same or transfer thereof, or other taxes not levied or assessed directly on the Bonds or the transfer thereof. Specifically the interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. All other discussions concerning the Code or tax consequences discussed within the Preliminary Official Statement are not statements or comments of Bond Counsel and are not matters to which Bond Counsel will opine.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In

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

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein 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 no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Federal Income Tax Matters

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

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

Federal Income Tax Interest Expense Deductions for Financial Institutions

Under the Code, financial institutions are disallowed 100 percent of their interest expense deductions that are allocable, by a formula, to tax-exempt obligations acquired after August 7, 1986. An exception, which reduces the amount of the disallowance, is provided for certain tax-exempt obligations that are designated or "deemed designated" by the issuer as "qualified tax-exempt obligations" under Section 265 of the Code. The Bonds have **not** been designated as qualified tax-exempt obligations.

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

Other Federal Income Tax Consequences

Ownership of the Bonds may result in other collateral Federal income tax consequences to certain taxpayers, including, but not limited to, financial institutions, property and casualty insurance companies, certain subchapter S corporations with substantial passive income and subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. No opinion or representation concerning these matters is being given or made by the School District, Bond Counsel or any other party associated with the issuance, offering or sale of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors concerning these matters.

Pennsylvania Tax Matters

The Pennsylvania Department of Revenue has issued final regulations which provide that unstated or imputed interest, such as original issue discount on the Bonds, will be computed in the same manner as such unstated interest is required to be computed for federal income tax purposes. The final regulations further provide that the basis of a Pennsylvania state or local obligation in the hands of the holder will be adjusted upward by the amount of unstated or imputed interest that would have been includible in income but for its statutory exemption and shall be adjusted downward, but not below zero, by the amount of payments under the obligation, other than payment of stated interest. Prospective purchasers of the Bonds should consult with their tax advisors regarding the treatment of original issue discount with respect of the Bonds and the reporting of profits, gains or other income related to the sale, exchange or other disposition of the Bonds for Pennsylvania tax purposes.

Prospective purchasers of the Bonds issued with original issue discount should consult their tax advisors for further information and advice concerning the reporting of profits, gains or other income related to a sale, exchange or other disposition of such Bonds for Pennsylvania tax purposes, including information with respect to any revision of the referenced Statement of Policy and Proposed Regulations or the adoption of final regulations by the Department of Revenue subsequent to the preparation of this Preliminary Official Statement.

BONDHOLDER CONSIDERATIONS

The Bonds, like all investment securities, carry a risk of loss of the investment, in whole or in part. This Preliminary Official Statement does not purport to describe all of the risks of an investment in the Bonds; both the School District and the Underwriter disclaim any responsibility to advise prospective investors of such risks either as they may exist at the date of dissemination of this Preliminary Official Statement or as they may appear or change from time to time in the future. Prospective purchasers of the Bonds should consult their own legal

and tax advisors as to the risks associated with an investment in the Bonds, their ability to bear a loss from an investment in the Bonds and the suitability of investing in the Bonds, in light of their particular, individual circumstances. Prospective purchasers should carefully consider the matters described below, as well as all the information contained within this entire Preliminary Official Statement inclusive of its Appendices.

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 Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), the School District (being an "obligated person" with respect to the Bonds, within the meaning of the Rule), will execute a Continuing Disclosure Certificate. See Appendix C for the proposed form of Continuing Disclosure Certificate.

With respect to the filing of annual financial and operating information, the School District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information to the extent necessary or appropriate as a result of a change in legal requirements or a change in the nature of the School District or its operations or financial reporting, but the School District will agree that any such modification will be done in a manner consistent with the Rule.

The School District acknowledges that its undertaking pursuant to the Rule described herein is intended to be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by the holders and beneficial owners of the Bonds, but the right of the holders and beneficial owners of the Bonds to enforce the provisions of the School District's continuing disclosure undertaking shall be limited to a right to obtain specific enforcement, and any failure by the School District to comply with the provisions of the undertaking shall not be an event of default with respect to the Bonds.

The School District's obligations with respect to continuing disclosure described herein shall terminate upon the prior redemption or payment in full of all of the Bonds or if and when the School District is no longer an "obligated person" with respect to the Bonds, within the meaning of the Rule.

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 audited financial statements, the summary of the budget, contents of Preliminary Official Statements prepared by the School District for bond issues as well as other publicly available information. In connection with the Continuing Disclosure Certificate associated with the Bonds, the School District may not be filing this information separately, but it may be available in the other annual filings of the School District or publicly available elsewhere.

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 following table.

Fiscal Year Ending	Filing Due Date	Filing Date: Audit	Operating Data	Budget
6/30/2025	2/1/2026	1/29/2026	1/29/2026	1/29/2026
6/30/2024	2/1/2025	1/28/2025	1/28/2025	1/28/2025
6/30/2023	2/1/2024	1/23/2024	1/23/2024	1/23/2024
6/30/2022	2/1/2023	1/30/2023	1/30/2023	1/30/2023
6/30/2021	2/1/2022	1/19/2022	1/19/2022	1/19/2022

As indicated above, the School District has timely filed its annual financial and operating information for fiscal years ending June 30, 2021, through and including June 30, 2025, to EMMA.

The School District has reasonable procedures in place designed to ensure ongoing timely filings of its material continuing disclosure requirements.

RATING

Standard & Poor's Rating Services has previously assigned the "AA" (Negative Outlook) to this issue of Bonds. 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: 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by the rating agency. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

Raymond James & Associates, Inc., Lancaster, Pennsylvania (the "Underwriter") subject to certain conditions, has purchased the Bonds from the School District at a purchase price of $_____ (representing the par amount of the Bonds of $_____ , [plus/less] an original issue [premium/discount] of $_____ less an underwriting discount of $_____). The Underwriter's obligations are subject to certain conditions precedent; however, the Underwriter will be obligated to purchase all such Bonds on the Delivery Date if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the School District. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the School District. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

LEGAL OPINIONS

The Bonds are offered with the approving legal opinion of King, Spry, Herman, Freund, & Faul, LLC, of Bethlehem, Pennsylvania, as Bond Counsel to the School District. Certain legal matters will be passed upon for the School District in an opinion to be issued by King, Spry, Herman, Freund, & Faul, LLC, of Bethlehem, Pennsylvania, as School District Solicitor.

Neither the Bond Counsel nor the Solicitor has been engaged to verify, and has not independently verified, the accuracy, completeness or truthfulness of any statements, certifications or financial information set forth in this Preliminary Official Statement, or otherwise used in connection with the offer and sale of the Bonds set forth in or delivered by the School District officials, except where specifically referred to. They express no opinion with respect to whether the School District in connection with the sale of the Bonds or preparation of this Preliminary Official Statement has made any untrue statement of a material fact necessary in order to make any statement made therein not misleading.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgement of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorneys do not become an insurer or guarantor of that expression of professional judgement of the transaction opined upon, or the future performance of the parties to the transaction. Nor does rendering a legal opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

MUNICIPAL ADVISOR

The School District has retained PFM Financial Advisors LLC (the "Municipal Advisor"), of Harrisburg, Pennsylvania, as municipal advisor in connection with the preparation, authorization and issuance of the Bonds. The Municipal 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 the Municipal 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, the Debt Act, Act 1 and all references to other materials or legislation not purporting to be quoted in full are only brief outlines of some of the provisions thereof. Copies of complete documents will be furnished by the School District or the Municipal Advisor upon request. The information assembled in this Preliminary Official Statement is not to be construed as a contract with bondholders of the Bonds.

Use of the words "shall," "will," must," or other words of similar import or meaning in summaries of documents or law in this Preliminary Official Statement to describe future events or continuing obligations is not intended as a representation that such event will occur or such obligations will be fulfilled, but only that the document or law requires or contemplates such event to occur or such obligation to be fulfilled.

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

PARKLAND SCHOOL DISTRICT
Lehigh County, Pennsylvania

By: /s/_____
President, Board of School Directors

APPENDIX A
Demographic and Economic Information
Relating to the Parkland School District

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Population

Table A-1 shows recent population trends for the School District, Lehigh County and the Commonwealth. Table A-2 shows 2019 age composition in Lehigh County and for the Commonwealth.

TABLE A-1
RECENT POPULATION TRENDS

	2010	2020	Compound Average Annual Percentage Change 2010-2020
School District	54,946	65,896	1.83%
Lehigh County	349,497	374,557	0.69%
Pennsylvania	12,702,379	13,002,700	0.23%

Source: U.S. Census Bureau, Decennial Census 2010 and Census 2020.

TABLE A-2
AGE COMPOSITION

	0-19 Years	20-64 Years	65+ Years
School District	24.6%	56.8%	18.3%
Lehigh County	25.4%	58.0%	16.7%
Pennsylvania	23.4%	58.2%	18.2%

Source: U.S. Census Bureau, 2020 American Community Survey 5-Year Estimates

Employment

Overall Nonfarm Jobs, Industry Employment data for the Allentown-Bethlehem-Easton Labor Metropolitan Statistical Area ("MSA") an area which includes the School District.

TABLE A-3
DISTRIBUTION OF EMPLOYMENT BY INDUSTRY
Allentown-Bethlehem-Easton Metropolitan Statistical Area
NONFARM JOBS
(May 2026)

	Industry Employment				Net Change From:	
ESTABLISHMENT DATA	**May 2026**	**Apr 2026**	**Mar 2026**	**May 2025**	**Apr 2026**	**May 2025**
Total Nonfarm	408,000	404,700	401,900	404,100	3,300	3,900
Total Private	367,400	364,300	361,400	363,400	3,100	4,000
Goods Producing	54,000	53,800	53,700	54,800	200	-800
Mining, Logging, & Construction	13,700	13,600	13,300	13,800	100	-100
Manufacturing	40,300	40,200	40,400	41,000	100	-700
Durable Goods	23,800	23,700	23,800	24,100	100	-300
Non-Durable Goods	16,500	16,500	16,600	16,900	0	-400
SERVICE-PROVIDING	354,000	350,900	348,200	349,300	3,100	4,700
PRIVATE SERVICE-PROVIDING	313,400	310,500	307,700	308,600	2,900	4,800
Trade, Transportation, and Utilities	88,100	87,600	87,400	88,400	500	-300
Wholesale trade	16,500	16,400	16,400	16,200	100	300
Retail trade	38,400	38,200	38,100	38,300	200	100
Food and beverage stores	10,200	10,200	10,200	10,300	0	-100
General merchandise stores	6,900	6,900	6,900	7,100	0	-200
Transportation, Warehousing and Utilities	33,200	33,000	32,900	33,900	200	-700
Transportation and Warehousing	32,000	31,800	31,700	32,800	200	-800
Information	5,900	5,900	5,900	6,300	0	-400
Financial Activities	14,200	14,200	14,200	14,300	0	-100
Finance and Insurance	10,700	10,700	10,700	10,700	0	0
Professional and Business Services	55,100	54,800	53,600	53,900	300	1,200
Professional and technical services	18,000	18,000	17,800	17,800	0	200
Management of companies and enterprises	10,800	10,800	10,700	10,800	0	0
Administrative and waste services	26,300	26,000	25,100	25,300	300	1,000
Employment services	11,100	10,900	10,500	10,200	200	900
Educational and Health Services	96,700	96,900	96,700	92,100	-200	4,600
Educational services	13,800	14,500	14,600	13,100	-700	700
Health care and social assistance	82,900	82,400	82,100	79,000	500	3,900
Hospitals	25,600	25,500	25,500	24,700	100	900
Leisure and Hospitality	39,000	36,700	35,600	39,100	2,300	-100
Accommodation and food service	31,000	29,900	29,100	30,800	1,100	200
Other Services	14,400	14,400	14,300	14,500	0	-100
Government	40,600	40,400	40,500	40,700	200	-100
Federal Government	2,400	2,400	2,400	2,500	0	-100
State Government	2,500	2,500	2,500	2,500	0	0
Local Government	35,700	35,500	35,600	35,700	200	0
Local government educational services	23,000	23,000	23,100	23,000	0	0
Other Local Government	12,700	12,500	12,500	12,700	200	0

Data benchmarked to March 2025 ***Data changes of 100 may be due to rounding***

Source: Pennsylvania Department of Labor and Industry – www.paworkstats.state.pa.us

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

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

	2022	2023	2024	2025	2026[1]	Compound Average Annual % Rate[2]
Lehigh County						
Civilian Labor Force	198.7	199.7	194.1	195.0	203.0	0.43%
Employment	190.0	193.5	186.6	187.3	193.6	0.38%
Unemployment	8.7	6.3	7.6	7.7	9.5	1.77%
Unemployment Rate	4.40%	3.10%	3.90%	3.90%	4.70%	
Pennsylvania						
Civilian Labor Force	6,465.0	6,518.0	6,577.0	6,542.0	6,626	0.24%
Employment	6,202.0	6,296.0	6,337.0	6,262.0	6,350	0.19%
Unemployment	263.0	223.0	239.0	280.0	277	1.26%
Unemployment Rate	4.10%	3.40%	3.60%	4.30%	4.2	

[1] As of May 2026.
[2] Compound average annual percentage rate calculated from 2022-2026.
Source: Pennsylvania Department of Labor and Industry, Center for Workforce Information and Analysis website.

Employment

Following are Lehigh County's top 10 employers (by number of employees) (some of which are located near or within the School District).

Company
Saint Luke's Hospital
Lehigh Valley Hospital Center
Amazon.com Services LLC
Lehigh Valley Physician Group
Saint Luke's Physician Group Inc
Wal-Mart Associates Inc
Mack Trucks Inc
Federal Express Corp
Giant Food Stores LLC
Allentown School District

Source: Pennsylvania Department of Labor & Industry - Center for Workforce Information and Analysis – 4th Quarter 2025.

Income

The data on Table A-5 shows recent trends in per capita income for the School District, the County and Pennsylvania over the 2010-2020 period.

TABLE A-5
RECENT TRENDS IN PER CAPITA INCOME*

	2010	2020	Compound Average Annual Percentage Change 2010-2020
School District	$35,611	$45,712	2.53%
Lehigh County	25,933	34,629	2.93%
Pennsylvania	26,374	35,518	3.02%

*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 Surveys 2010 & 2020.

Industry

The great diversity of industrial activity can be seen in a partial list of products manufactured in this area: steel products, trucks, industrial equipment, food products, pet foods, electrical and mechanical equipment, electronic components, modular storage cabinets, storage systems, musical instruments, clothing and textiles, and chemical and mineral processing equipment. Also, an increasingly important service sector has been characterized by the rapid growth in computer service, software companies, and other firms which deal in information processing.

The stable industrial base, combined with the area's existing educational, research, and development facilities, has created an ideal environment for the development of advanced technology in all sectors of the local economy.

Table A-6 shows estimated retail sales over a five year period for the County, the Metropolitan Statistical Area (the "MSA") and the Commonwealth.

TABLE A-6
TOTAL ESTIMATED RETAIL SALES

	2021	2022	2023	2024	2025
Lehigh County	$9,772,593,780	$10,486,442,645	$11,393,511,693	$11,284,984,982	$14,363,645,943
Allentown-Bethlehem-Easton MSA	17,378,462,893	18,613,723,724	20,359,980,666	20,008,253,245	25,515,029,759
Pennsylvania	274,685,600,234	297,770,326,880	310,912,244,437	317,239,286,955	403,629,014,772

Source: Claritas, LLC.

Medical Facilities

In the Lehigh Valley and immediate surrounding areas, there are multiple medical facilities available to the population. Many of the facilities are top rated and nationally recognized for high quality services.

Good Shepherd Rehabilitation Network

Good Shepherd Rehabilitation Network, a broadly recognized, not-for-profit rehabilitation leader with more than 70 locations in Pennsylvania and New Jersey, is committed to transforming lives through expertise, innovation and compassion. Good Shepherd provides an exceptional patient experience for all ages and stages by developing leading-edge solutions, often for complex medical situations; serving as a test site for the newest rehabilitation technologies. Headquartered in Allentown, Pennsylvania, Good Shepherd also partners with Penn Medicine to provide rehabilitation and specialty services in the greater Philadelphia area and New Jersey through Good Shepherd Penn Partners.

Source: http://www.goodshepherdrehab.org/

Jefferson Health - Lehigh Valley (formerly Lehigh Valley Health Network)

Now part of Jefferson Health – Lehigh Valley continues to expand access to high-quality care through a broad system of hospitals, outpatient facilities, and community-based services across eastern Pennsylvania, including:

- Jefferson Health – Lehigh Valley Hospital–Cedar Crest in Salisbury Township; Jefferson Health – Lehigh Valley Hospital–17th Street and Jefferson Health – Lehigh Valley Hospital–Tilghman in Allentown; Jefferson Health – Lehigh Valley Hospital–Muhlenberg in Bethlehem; Jefferson Health – Lehigh Valley Hospital–Hecktown Oaks in Easton; Jefferson Health – Lehigh Valley Hospital–Hazleton in Luzerne County; Jefferson Health – Lehigh Valley Hospital–Pocono in Monroe County; Jefferson Health – Lehigh Valley Hospital–Schuylkill E. Norwegian Street and S. Jackson Street in Schuylkill County; and Jefferson Health – Lehigh Valley Children's Hospital in Salisbury Township. Lehigh Valley Children's Hospital is the only children's hospital in the Lehigh Valley and provides comprehensive inpatient and ambulatory care, a dedicated Children's Emergency Department, more than 25 pediatric specialties, and a full range of child-specific services, including rehabilitation and burn care.

- Community health centers and outpatient locations offering primary and specialty care, laboratory, imaging, and related services at convenient locations throughout the region, including Bangor, Bath, Bartonsville, Bartonsville, Bethlehem Township, Blakeslee, East Stroudsburg, Easton, Emmaus, Fogelsville, Frackville, Hamburg, Kutztown, Macungie, Moselem Springs, Mountain Top, Palmer Township, Quakertown (in partnership with Grand View Hospital), Richland Township, Trexlertown, and the West End. The system also operates health and wellness centers with fitness facilities at Cedar Crest, Hazleton, and Muhlenberg.

Source: https://www.lvhn.org/ and https://jefferson.edu

St. Luke's University Health Network

St. Luke's University Health Network (SLUHN) is a non-profit, regional, fully integrated, nationally recognized network providing services at 14 campuses and more than 300 sites, primarily in Lehigh, Northampton, Carbon, Schuylkill, Bucks, Montgomery, Berks, Monroe and Luzerne counties in Pennsylvania and in Warren and Hunterdon counties in New Jersey.

SLUHN consists of: St. Luke's University Hospital – Bethlehem, St. Luke's Allentown Campus, St. Luke's Sacred Heart (Allentown), St. Luke's Anderson Campus (Bethlehem Township), St. Luke's Miners Campus (Coaldale), St. Luke's Monroe Campus (Bartonsville), St. Luke's Quakertown Campus, St. Luke's Carbon Campus, St. Luke's Easton Campus, St. Luke's Lehighton Campus, Geisinger St. Luke's, St. Luke's Upper Bucks and Penn Foundation all in Pennsylvania, and St. Luke's Warren Campus in Phillipsburg, NJ.

Source: http://www.slhn.org/

Transportation

School District residents have major highways located in or close to the School District. U.S. Route 22 connects to U.S. Interstate 78, connecting the area to New Jersey and New York to the east and Harrisburg (the capital of Pennsylvania) to the west. In addition, the Pennsylvania Turnpike Northeast Extension (Rt. 476) connects the School District to Philadelphia to the south and Scranton to the north. Bus service is provided by national and regional companies.

The School District is provided with air service out of the Lehigh Valley International Airport. In addition to air freight and air express service, air passenger transportation services are provided by major airlines.

Because of the vast network of transportation available to the School District residents, this area is becoming increasingly popular for those individuals wishing to commute to work to major East Coast business centers including the New York City and Philadelphia metropolitan areas. In addition, the transportation systems available are well suited for receiving and distributing goods and services throughout the United States.

Communications

Lehigh County is served by daily and weekly newspapers, a commercial television station, and radio stations.

Educational Institutions

Area residents are provided with higher education facilities in addition to many business and technical schools which complement the colleges and universities in the area. The colleges and universities are listed below:

Cedar Crest College	Allentown
DeSales University	Center Valley
Lafayette College	Easton
Lehigh Carbon Community College	Schnecksville
Lehigh University	Bethlehem
Moravian University	Bethlehem
Muhlenberg College	Allentown
Northampton Community College	Bethlehem
Penn State University (Lehigh Valley Campus)	Center Valley
Kutztown University (Berks County)	Kutztown

Source: Eastern Pennsylvania Business Journal.

APPENDIX B
Form of Opinion of Bond Counsel

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KING, SPRY, HERMAN, FREUND & FAUL, LLC
One West Broad Street, Suite 700
Bethlehem, Pennsylvania 18018

_____, 2026

Re: Parkland School District, Lehigh County, Pennsylvania
$_____ General Obligation Bonds, Series A of 2026

The Parkland School District, Lehigh County, Pennsylvania (the "School District"), is a Local Government Unit, as defined in the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth"), 53 Pa.C.S. Chs. 80-82 (the "Act").

The School District has determined it to be in its best interest to fund a certain refunding program (hereinafter referred to as the "Refunding Program') through the issuance of bonds.

The School District, pursuant to a resolution duly adopted on October 20, 2026 "Resolution"), and bond purchase proposal October 20, 2026 (the "Proposal") and an addendum (the "Addendum") thereto dated _____, 2026) has determined to implement the foregoing decision by the authorization, issuance and sale, of a series of obligations, its General Obligation Bonds, Series A of 2026 ("2026A Bonds" or "Bonds"), in the aggregate principal amount of $_____, the proceeds of which, after payment of costs of issuance, together with any other monies available or to be available for the purpose, to provide necessary monies for the funding of the Refunding Program. The Addendum and the Proposal are collectively referred to as the "Bond Purchase Agreement".

The principal and interest due on the Bonds are payable from the School District's general revenues and constitute general obligation bonds under the Act.

The Bonds maturing on and after _____ are subject to redemption at par in whole or in part at the option of the School District at any time on or after _____.

Proceedings for authorization, issuance and sale of the Bonds have been conducted in accordance with provisions of the Act. The Department of Community and Economic Development of the Commonwealth has approved the proceedings relating to issuance and delivery of the Bonds, as authorized by the Resolution, as required by the Act.

In our capacity as bond counsel to the School District, we have examined the Constitution of the Commonwealth of Pennsylvania; the Act and such other statutes, regulations, decisions, proceedings, and documents as we have deemed necessary as the basis of this opinion; the Resolution; a representative Bond; and certain statements, certifications, reports, affidavits and documents and agreements pertaining to the issuance and sale of the Bonds.

On the basis of the foregoing, we are of the opinion that:

1. The School District is authorized, under the Act, to issue the Bonds with the proceeds, together with any other money made available for the purpose, to be used for the purpose of providing the monies required to fund the Refunding Program, as defined in the Resolution.

2. The amount of the nonelectoral debt of the School District issued and outstanding or authorized by vote of the Board of School Directors of the School District (the "School Board"), after giving effect to the issuance and delivery of the Bonds, computed in accordance with the Act, is not in excess of legal limitations; and the nonelectoral debt of the School District, which is evidenced by the Bonds, is permitted by the Act and the Constitution of the Commonwealth to be made by vote of the School Board without assent of the electors.

3. The Bonds and interest thereon are payable from the School District's general revenues. The School District has covenanted, in the Resolution, to and with holders or registered owners of such Bonds which shall be outstanding, from time to time, pursuant to the Resolution, that the School District shall include the amount of the debt service thereof, for each fiscal year of the School District in which such sums are payable, in its budget for that fiscal year; shall appropriate such amounts to the place and in the manner stated in the Bonds according to the true intent and meaning thereof; and, for such budgeting, appropriation, and payment, the School District has pledged, irrevocably, its full faith, credit and available taxing power. The Act provides that the foregoing covenant of the School District shall be enforceable specifically. The Bonds are additionally secured by the "State Aid" Intercept Provisions of Section 633 of the Public School Code of 1949, as amended by Act 150 of 1975.

We call to your attention, however, that pursuant to Act 1 of Special Session 2006 ("Act 1"), the School District may not, in any fiscal year, without voter approval by referendum (a so-called "back-end referendum"), or without approval by the Pennsylvania Department of Education, increase the rate of any tax for school purposes by more than the index ("Index"), increase the rate of any earned income tax levied under the Local Tax Enabling Act or levy any tax not previously imposed.

There are exceptions to the back-end referendum and school districts such as the School District may increase the rate of a tax levied for the support of the public schools by more than the applicable Index without voter approval on debt issued to refinance debt incurred prior to the effective date of Act 1 so long as such increase has been approved by the Pennsylvania Department of Education.

The Undersigned is of the opinion that the aforementioned exception to the referendum requirement is <u>not</u> available to the School District with respect to the 2026A Bonds.

4. The School District, in the Resolution, has established sinking funds for the Bonds, 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 shall be deposited no later than the date fixed for disbursement thereof. The School District has covenanted, in the Resolution, to make

payments therefrom in such amounts as shall be sufficient for prompt and full payment of all obligations of the Bonds.

5. The annual amounts appropriated to the sinking funds under the Resolution are sufficient to pay the principal of and interest on the Bonds.

6. The Bonds constitute valid, binding and enforceable general obligations of the School District in accordance with their terms and the terms of the Resolution, entitled to the benefit and security of the Resolution and the Act, for the payment of which all taxable real property within the School District is presently subject to ad valorem taxes without limitation as to rate or amount.

7. The Resolution has been properly adopted, and the provisions thereof represent valid and binding obligations of the School District in accordance with the terms thereof.

8. The principal of and interest on the Bonds are payable without deduction of any taxes now or hereafter levied or assessed thereon under any present or future 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, estate, succession or inheritance taxes, taxes on gains on the sale of the Bonds, or to other taxes not levied or assessed directly on the Bonds or the interest paid thereon.

9. Under existing statutes, regulations and decisions, interest on the Bonds, including any original issue discount properly allocable to the holder thereof, is excluded from gross income for purposes of Federal income taxation and is not an item of tax preference for purposes of Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Internal Revenue Code of 1986, as amended ("Code"). Furthermore, the Bonds are not arbitrage bonds.

The opinion set forth above in Paragraph 9 is subject to the condition that the School District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for Federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The School District has covenanted to comply with all such requirements and has the legal power to do so. We express no opinion regarding other Federal tax consequences arising with respect to the Bonds.

It is to be understood that the rights of holders or registered owners of Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

The Cusip Number printed on each of the Bonds pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures is for convenience of identification only and does not in any way affect or modify the legality, negotiability, transferability or procedure for redemption of the Bonds.

This opinion is expressly limited to the matters stated herein and no opinion is implied or may be inferred beyond the matters expressly stated herein. This opinion is given as of the date hereof and we assume no obligation to update this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. This opinion is expressly limited to the present internal laws of the Commonwealth and present federal law.

KING, SPRY, HERMAN, FREUND & FAUL, LLC

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APPENDIX C
Continuing Disclosure Certificate

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is made as of the ___ day of _____ 2026, by Parkland School District (the "School District").

W I T N E S S E T H :

WHEREAS, pursuant to the Bond Purchase Agreement dated October 20, 2026, and an addendum thereto dated _____, 2026 by and between the School District and Raymond James & Associates, Inc. (the "Underwriter"), the School District is selling the School District's General Obligation Bonds, Series A of 2026 ("Bonds") in the final aggregate principal amount of $_____ to the Underwriter; and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), provides that a Participating Underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an Offering (as defined in the Rule) unless the Participating Underwriter has reasonably determined that an issuer of municipal securities, or an obligated person for whom financial or operating data is presented in the final official statement has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide, either directly or indirectly through an indenture trustee or a designated agent, certain specified financial information and if specified, certain operating data and notices of certain material events; and

WHEREAS, the School District currently is the only obligated person with respect to the Bonds for purposes of the Rule; and

WHEREAS, in order to enable the Underwriter to comply with the requirements of the Rule, the School District, as such obligated person, agrees to undertake to provide the information and notices required by the Rule.

NOW, THEREFORE, in consideration of the premises, the School District, intending to be legally bound hereby, agrees as follows:

Section 1. Definitions. In addition to the terms defined in the above recitals, the following terms shall have the meanings specified below:

"EMMA" shall mean the Electronic Municipal Market Access System as provided by the MSRB.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"SID" shall mean the state information depository, if any, established for Pennsylvania for purposes of the Rule. As of the date hereof, there is no SID.

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Section 2. Covenants of the School District.

The School District covenants to comply with all requirements of the Rule in furtherance of the foregoing and without limiting the generality thereof:

(a) The School District shall deliver to any insurer then insuring the Bonds, the MSRB through EMMA and to the SID, if any, annually not later than (270 days) following the end of the fiscal year ending the previous June 30th, the following financial information for the School District:

(1) Audited financial statements for the most recent fiscal year prepared in accordance with generally accepted accounting principles for local government units; and

(2) a copy of (or a summary of) the budget for the current fiscal year.

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

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

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

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

(b) If not submitted as part of the annual financial information, the School District shall deliver not later than 270 days following the end of each fiscal year, the audited financial statements for the School District;

(c) The School District shall file in a timely manner not in excess of ten (10) business days after the occurrence of the event, to any bond insurer then insuring the Bonds and to

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EMMA and to the MSRB through EMMA and to the SID, if any, notice of any of the following events (collectively, "Reportable Events") with respect to the Bonds.

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on any credit enhancements reflecting financial difficulties;

(5) substitution of any credit or liquidity providers, or their failure to perform;

(6) 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 status of the security, or other material events affecting the tax status of the Bonds;

(7) modifications to rights of holders of the Bonds, if material:

(8) bond calls, if material, and tender offers;

(9) defeasances; or events affecting the tax-exempt status of the Bonds;

(10) release, substitution or sale of property securing payment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the obligated person;

(13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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; and

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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(15) Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

(d) The School District shall file in a timely manner with MSRB through EMMA notice of a failure of any obligated person to provide required annual financial information, on or before the date specified within this Disclosure Certificate.

(e) The School District agrees that the provisions of this Section 2 shall be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by any holders or beneficial owners of the Bonds, or by the Paying Agent on their behalf.

Section 3. Termination of Reporting Obligations. The School District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the School District's obligations with respect to the payment of the Bonds are assumed in full by some other entity, such other entity shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the School District's, and the School District shall have no further responsibility hereunder. In addition, the School District's obligation to provide information and notices as specified in Section 2 hereof shall terminate (i) at such other times as such information and notices (or any portion thereof) are no longer required to be provided by the Rule as it applies to the Bonds, (ii) in the event of a repeal or rescission of the Rule or (iii) upon a determination that the Rule is invalid or unenforceable.

Section 4. Amendment. The School District may amend this Disclosure Certificate and waive any of the provisions hereof, but no such amendment or waiver shall be executed and effective unless (i) the amendment or waiver is made in connection with a change in legal requirements, change in law or change in the identity, nature or status of the School District or the operations conducted by the School District, (ii) this Disclosure Certificate, as modified by the amendment or waiver complies with the requirements of the Rule, and (iii) the amendment or waiver does not materially impair the interests of the registered Owners of the Bonds. Prior to executing any requested amendment, the School District shall provide an opinion of counsel knowledgeable in federal securities laws to the effect that the proposed amendment satisfies the requirements described above. In the event of any amendment or waiver of a provision of this Disclosure Certificate, the School District shall describe such amendment in its next annual report delivered pursuant to Section 2(a) hereof, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the financial information or operating data being presented by the School District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i.e., changes other than those prescribed by generally accepted accounting principles), (i) notice of such change shall be given pursuant to the Reportable Event notice requirements as set forth

in this Disclosure Certificate; and (ii) the annual report for the year in which the change is made will present a comparison between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. To the extent that the Rule requires or permits an approving vote of beneficial owners of the Bonds in connection with an amendment, the approving vote of beneficial owners of Bonds constituting more than 50% of the aggregate principal amount of the then outstanding Bonds shall constitute such approval. The School District shall provide notice of any amendment to this Disclosure Certificate to the MSRB through EMMA and the SID and to the registered holders of the Bonds.

Section 5. Remedies for Default. In the event of a breach or default by the School District of its covenants to provide annual financial information and notices as provided in Section 2 hereof, the Paying Agent, the Underwriter, or any holder or beneficial owner of Bonds shall have the right to bring an action in a court of competent jurisdiction to compel specific performance by the School District. A breach or default under this Disclosure Certificate shall not constitute an event of default under the Bonds or any other agreement. The Paying Agent shall be under no obligation to enforce this Disclosure Certificate but may do so and may require that it be furnished with indemnity and security for expenses satisfactory to it.

Section 6. Miscellaneous.

(a) Binding Nature of Undertaking. This Disclosure Certificate shall be binding upon and inure to the benefit of the Underwriter, and its respective successors and assigns. In addition, registered owners of the Bonds, which for the purposes of this Section 6 includes the holders of a book-entry credit evidencing an interest in the Bonds, from time to time shall be third party beneficiaries hereof and shall be entitled to enforce the provisions hereof as if they were parties hereto; but no consent of beneficial owners of the Bonds shall be required in connection with any amendment of this Disclosure Certificate, except as required by the Rule. Holders of book-entry credits evidencing an interest in the Bonds may file their names and addresses with the School District for the purposes of receiving notices or giving direction under this Disclosure Certificate.

(b) Notices. All notices and other communications required or permitted under this Disclosure Certificate shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(i) If to the Paying Agent:

U.S. Bank Trust Company, National Association
Two Liberty Place
50 S. 16th Street, Suite 2000
Philadelphia, PA 19102

(ii) If to the School District:

Chief Financial Officer

Parkland School District
1120 Springhouse Road
Allentown, PA 18104
Telecopy No.: (610) 351-5509

(iii) If to the MSRB:

Municipal Services Rulemaking Board
1640 King Street
Suite 300
Alexandria, VA 22314-2719
Attn: CDI
Telecopy No. (703) 683-1938

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section.

(c) Controlling Law. This Disclosure Certificate and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania and the Rule.

(d) Successor and Assigns. Notwithstanding anything herein to the contrary, any successor under the Paying Agent Agreement dated as of _____, 2026, between the School District and the Paying Agent relating to the Bonds shall automatically succeed to the rights of the Paying Agent under this Disclosure Certificate.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Certificate as of the date first above written.

PARKLAND SCHOOL DISTRICT

BY: _____
(Vice) President

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APPENDIX D
Audited Financial Statements

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PARKLAND SCHOOL DISTRICT

FINANCIAL REPORT

June 30, 2025

BUCKNO LISICKY & COMPANY
BUCKNOLISICKY.COM
A Professional Corporation
Certified Public Accountants | Business Consultants

PARKLAND SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the School Board
Parkland School District
Allentown, Pennsylvania

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Parkland School District, Allentown, Pennsylvania as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Parkland School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Parkland School District, Allentown, Pennsylvania as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *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 Parkland 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

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.

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 Parkland 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Parkland 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 the Parkland 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the postemployment benefit plan information, pension plan information and the budgetary comparison information, as listed in the table of contents, 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parkland School District's basic financial statements. As described in Note 1, the School District prepares its basic financial statements using accounting principles generally accepted in the United States of America. The tax schedules, as listed in the table of contents, are prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, and are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying 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*, is also presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the tax schedules, as listed in the table of contents, and 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 December 31, 2025 on our consideration of the Parkland 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 Parkland School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Parkland School District's internal control over financial reporting and compliance.

Buckno Lisicky + Company

Allentown, Pennsylvania
December 31, 2025

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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 School Board
Parkland School District
Allentown, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Parkland School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Parkland School District's basic financial statements, and have issued our report thereon dated December 31, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Parkland School District's internal control over financial reporting (internal control) as a basis for designing 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 Parkland School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Parkland 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Buckno Lisicky + Company

Allentown, Pennsylvania
December 31, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

The management discussion and analysis of Parkland School District's financial performance provides an overall review of the School District's governmental and business type activities for the year ended June 30, 2025. The intent of the discussion and analysis is to look at the School District's financial performance. Readers should also review the financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2024-2025 are as follows:

- The net position of governmental activities increased by $4.42 million to $(138.9) million from the July 1, 2024 net position of $(143.3) million as presented in the Statement of Activities on pages 17 and 18. The net position of business-type activities increased by $0.18 million to $3.47 million. In total, the net position increased $4.61 million.

- Total revenues from governmental activities were $233.86 million. General revenues accounted for $200.09 million or 86% of all revenues. Program specific revenues in the form of charges for services and grants accounted for $33.77 million or 14% of total revenues.

- The School District had $229.44 million in expenditures related to governmental activities; $33.77 million of these expenditures were offset by program specific charges for services and grants.

- At the end of the current fiscal year, the fund balance of the general fund was $28.54 million as presented in the Balance Sheet – Governmental Funds on page 19. Of this amount, $10,525,758 is unassigned, $5,507,302 is assigned, $957,239 is nonspendable, $253,515 is restricted and $11,301,056 is committed.

Using the Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Parkland School District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the School District, presenting both an aggregate view of the School District's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds. In the case of Parkland School District, the general fund is by far the most significant fund.

Reporting the School District Government-Wide Financial Statements

Statement of Net Position and the Statement of Activities

While this document encompasses all of the funds used by the School District to provide programs and activities, the view of the School District as a financial entity looks at all financial transactions and asks the

question, “How did we do financially during 2024-2025?” The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets, deferred inflows and outflows of resources and liabilities using the accrual basis of accounting used by most private-sector companies. The accrual basis of accounting takes into account all of the current year’s revenues and expenditures regardless of the timing of related cash flows.

These two statements report the School District’s net position and changes in that position. This change in net position is important because it tells the reader that, for the School District as a financial entity, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, including the School District’s property tax base, student enrollment, facility conditions, school construction, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental Activities - Most of the School District’s programs and services are reported here, including instruction, support services, operation and maintenance of plant, pupil transportation and co-curricular activities.

- Business-Type Activities - These services are provided on a charge for goods or services basis to recover the expenses of the goods or services provided. The School District Food Service Program is reported as a business-type activity.

The Government-Wide Financial Statements can be found on pages 16 through 18 of this report.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major funds begins on page 19. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District chooses to report all of its governmental funds as major funds in the fund financial statements.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows in 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 all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are sufficient financial resources to finance future educational programs and district-wide capital needs. 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 financial statements on pages 20-21 and pages 23-24, respectively.

Proprietary Funds - Proprietary funds use the same basis of accounting as business-type activities; therefore, these fund financial statements will essentially match the government-wide financial statements.

The School District as a Financial Entity

The Statement of Net Position on page 16 provides the perspective of the School District as a financial entity. The table on the following page shows the School District's net position for fiscal years ending in 2025 and 2024.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Cash and cash equivalents	$ 16,011,395	$ 37,232,965	$ 720,126	$ 819,661	$ 16,731,521	$ 38,052,626
Investments	48,087,699	22,768,767	3,152,033	2,988,435	51,239,732	25,757,202
Interest receivable	768,364	-	-	-	768,364	-
Taxes receivable	6,315,867	6,528,087	-	-	6,315,867	6,528,087
Due from other governments	9,938,464	10,933,766	91,099	-	10,029,563	10,933,766
Other receivables	3,592,083	3,343,377	52,471	1,564	3,644,554	3,344,941
Lease receivable	352,522	362,623	-		352,522	362,623
Internal balances	565,892	515,648	(565,892)	(515,648)	-	-
Inventories	-	-	145,288	145,988	145,288	145,988
Prepaid expenses	957,239	1,304,766	-	-	957,239	1,304,766
Right to use leased assets, net	-	37,096	-	-	-	37,096
Right to use subscription assets, net	18,513	51,675	-	-	18,513	51,675
Capital assets, net	247,751,612	228,302,162	131,173	92,924	247,882,785	228,395,086
Total Assets	334,359,650	311,380,932	3,726,298	3,532,924	338,085,948	314,913,856
Deferred Outflows of Resources						
Deferred outflows	71,841,263	69,468,193	-	-	71,841,263	69,468,193
Liabilities						
Accounts payable	6,632,890	3,177,712	28,508	12,016	6,661,398	3,189,728
Due to other governments	1,843	502,771	-	-	1,843	502,771
Accrued salaries and benefits	23,326,358	21,560,690	13,075	12,455	23,339,433	21,573,145
Interest payable	2,735,051	2,312,432	-	-	2,735,051	2,312,432
Unearned revenues	104,645	187,185	23,361	32,239	128,006	219,424
Other current liabilities	-	-	174,780	166,749	174,780	166,749
Long-term liabilities:						
Due within one year	9,915,389	10,025,985	-	-	9,915,389	10,025,985
Due in more than one year	476,554,763	465,653,403	17,798	23,441	476,572,561	465,676,844
Total Liabilities	519,270,939	503,420,178	257,522	246,900	519,528,461	503,667,078
Deferred Inflows of Resources						
Deferred inflows	25,862,307	20,785,531	-	-	25,862,307	20,785,531
Net Position						
Net investment in capital assets	75,668,261	74,523,688	131,173	92,924	75,799,434	74,616,612
Restricted for capital projects	25,409,767	21,110,950	-	-	25,409,767	21,110,950
Unrestricted	(240,010,361)	(238,991,222)	3,337,603	3,193,100	(236,672,758)	(235,798,122)
Total Net Position	$ (138,932,333)	$ (143,356,584)	$ 3,468,776	$ 3,286,024	$ (135,463,557)	$ (140,070,560)

The following table shows the revenues, expenses and change in net position for fiscal years ending in 2025 and 2024.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
PROGRAM REVENUES						
Charges for services	$ 1,172,373	$ 1,194,646	$ 1,875,871	$ 1,641,570	$ 3,048,244	$ 2,836,216
Operating grants	32,601,302	33,799,423	3,338,821	3,491,678	35,940,123	37,291,101
GENERAL REVENUES						
Property, earned income, other taxes	174,194,283	163,048,794	-	-	174,194,283	163,048,794
Grants and subsidies	20,116,601	18,485,442	-	-	20,116,601	18,485,442
Investment earnings	4,553,777	5,078,328	136,958	131,552	4,690,735	5,209,880
Miscellaneous income	1,225,583	2,213,833	-	-	1,225,583	2,213,833
Total program and general revenue	233,863,919	223,820,466	5,351,650	5,264,800	239,215,569	229,085,266
PROGRAM EXPENSES AND OTHER USES						
Instruction	146,113,056	142,211,108	-	-	146,113,056	142,211,108
Support:						
Pupil personnel	9,374,709	9,221,433	-	-	9,374,709	9,221,433
Instructional staff	4,718,006	4,608,807	-	-	4,718,006	4,608,807
Administration	11,316,227	10,049,139	-	-	11,316,227	10,049,139
Pupil health	3,157,551	2,834,194	-	-	3,157,551	2,834,194
Business	2,049,041	1,901,473	-	-	2,049,041	1,901,473
Operation and maintenance of plant	19,394,579	18,704,729	-	-	19,394,579	18,704,729
Pupil transportation	13,838,460	13,265,799	-	-	13,838,460	13,265,799
Central and other support	5,160,791	4,877,171	-	-	5,160,791	4,877,171
Other support	234,801	228,474	-	-	234,801	228,474
Student activities	3,232,748	3,399,973	-	-	3,232,748	3,399,973
Community services	23,500	36,486	-	-	23,500	36,486
Facilities	286,484	1,008,134	-	-	286,484	1,008,134
Debt service	4,491,430	3,752,791	-	-	4,491,430	3,752,791
Unallocable depreciation	5,645,143	5,498,205	-	-	5,645,143	5,498,205
Refund of prior year revenues	403,142	179,790	-	-	403,142	179,790
Food service	-	-	5,168,898	4,763,791	5,168,898	4,763,791
Total expenses and other uses	229,439,668	221,777,706	5,168,898	4,763,791	234,608,566	226,541,497
Increase in net position	4,424,251	2,042,760	182,752	501,009	4,607,003	2,543,769
Net position, beginning	(143,356,584)	(145,399,344)	3,286,024	2,785,015	(140,070,560)	(142,614,329)
Net position, ending	$ (138,932,333)	$ (143,356,584)	$ 3,468,776	$ 3,286,024	$ (135,463,557)	$ (140,070,560)

Governmental Activities

During fiscal year 2024-2025, the net position of governmental activities increased by $4.42 million to $(138.9) million. The change in net position was due to general fund revenues outpacing expenses, including the impact of net pension and other post-employment benefits liabilities.

Business-Type Activities

The District's only business-type activity is the food service program. This program had revenues in the form of charges for services of $1.88 million and received federal and state subsidies of $3.34 million as well as $136,958 in interest income. The program had expenses of $5.17 million. Expenses increased by $405,107 from the prior year.

The program had an increase in net position of $0.18 million to $3.47 million at June 30, 2025. This increase in net position is mainly due to a $58,744 increase in state subsidies received and a $5,406 increase in interest income.

School District's Funds

Financial information related to the School District's major funds starts on page 19. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of $264.35 million and expenditures and other financing uses of $265.23 million. The net decrease in total governmental fund balances (general, special revenue, capital reserve, capital projects and debt service) was $0.88 million.

The general fund accounted for 87.9% of total governmental revenue and other financing sources and 89.7% of total governmental expenditures and other financing uses. The $5.93 million decrease in the general fund balance, $0.0001 decrease in the special revenue fund, $2.85 million decrease in the capital reserve fund balance, and $7.37 million increase in the capital projects fund balance resulted in a total decrease in fund balance for governmental funds of $0.88 million.

The capital reserve fund had $2.09 million in revenue and other financing sources, $92,440 was interest earnings on investments and $2,000,000 was transfers from the general fund.

The capital projects fund had $29.75 million in revenue and other financing sources, including $27.15 million from general obligation bond proceeds and $1.20 million from bond premiums. The capital projects fund incurred $22.38 million of expenditures and other financing uses. The remaining $22.71 million in capital projects fund balance is restricted for future capital projects.

General Fund Budgeting Highlights

The General Fund revenue budget was $232.58 million. Actual revenue and other financing sources was $232.49 million or $0.09 million under budgeted revenues. Budgeted revenues consist of; 79% local (taxes and other) and 21% state and federal revenues (subsidies and grants). The General Fund expenditure budget was $236.58 million compared to actual expenditures and other financing uses of $237.88 million or $1.30 million under budgeted expenditures. Budgeted program expenses are 63% instruction, 28% support services, 2% non-instructional, and 7% debt service and fund transfers. After board approved budgetary transfers, each major area was under budget for the fiscal year 2024-2025.

More detail on the School District's general fund budget vs. actual can be found on page 77.

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2025, the School District had governmental activities net capital assets of $247.75 million, an increase of $19.49 million from the $228.30 million balance at June 30, 2024 as detailed in Note 5, beginning on page 44.

Debt Administration

At June 30, 2025 the School District had $161,090,000 in general obligation bonds outstanding with $8,575,000 due within one year. More information on the School District's debt is detailed in Note 6, beginning on page 45.

Economic Factors and Future Outlook

The overall financial condition for the Parkland School District is strong and continues to maintain a stable outlook. The following demographic and financial characteristics of the School District are as follows:

- Growing residential development with a significant commercial and industrial presence;
- Good wealth and income levels and strong market value per capita;
- Strong financial position;
- Conservative financial budgeting strategies.

The Parkland School District covers 72 square miles and encompasses three townships with a population of approximately 687,000 residents. The district's taxable assessment property classification is comprised of 58% residential, 20% industrial, 16% commercial and 4% agricultural and other. Parkland School District has a diverse student population with enrollment at the district's nine elementary schools, two middle schools and one high school totally approximately 10,000 students.

The District continues to comply with the provisions of Act 1 of 2006 regarding limitation on tax increases beyond the established annual Index limits in order to avoid possible voter referendum. Exceptions to exceed the Index have been reduced in recent years.

Several factors influence the future financial outlook of the Parkland School District. A summary of factors having probable future financial significance are as follows:

- Level or decreasing educational funding from the State/Federal Government;
- Pension rate increases;
- Healthcare premium increases;
- Increases to Special Education and Related Services;
- Cyber and Charter school tuition;
- Tax Appeals due to substantial Industrial and Commercial tax base;
- Technology improvements to networks and instructional programs;
- Replacement of District fleet;
- Maintenance of Capital and Infrastructure;
- Compliance with State and Federal Mandates;

Overall, the Parkland School District and its Board of School Directors are committed to adhering to responsible budgeting that represents the educational needs of the District's students while considering the economic climate and the ability and willingness of the community to support Parkland's educational programs.

Contacting the School District's Financial Management

The financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives and is entrusted to expend. If you have any questions about this report or need additional financial information, contact Leslie Frisbie, Chief Financial Officer, Parkland School District, 1210 Springhouse Road, Allentown, PA 18104.

BASIC FINANCIAL STATEMENTS

PARKLAND SCHOOL DISTRICT

Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 16,011,395	$ 720,126	$ 16,731,521
Investments	48,087,699	3,152,033	51,239,732
Interest receivable	768,364	-	768,364
Taxes receivable	6,315,867	-	6,315,867
Due from other governments	9,938,464	91,099	10,029,563
Other receivables	3,592,083	52,471	3,644,554
Lease receivable	352,522	-	352,522
Internal balances	565,892	(565,892)	-
Inventories	-	145,288	145,288
Prepaid expense	957,239	-	957,239
Right to use subscription assets, net of amortization	18,513	-	18,513
Capital assets, net of depreciation	247,751,612	131,173	247,882,785
TOTAL ASSETS	**334,359,650**	**3,726,298**	**338,085,948**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows, pension	51,731,000	-	51,731,000
Deferred outflows, OPEB - PSERS	2,158,000	-	2,158,000
Deferred outflows, OPEB - Other	17,952,263	-	17,952,263
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**71,841,263**	**-**	**71,841,263**
LIABILITIES			
Accounts payable	6,632,890	28,508	6,661,398
Due to other governments	1,843	-	1,843
Accrued salaries and benefits	23,326,358	13,075	23,339,433
Interest payable	2,735,051	-	2,735,051
Unearned revenues	104,645	23,361	128,006
Other current liabilities	-	174,780	174,780
Long-term liabilities:			
Due within one year	9,915,389	-	9,915,389
Due in more than one year	476,554,763	17,798	476,572,561
TOTAL LIABILITIES	**519,270,939**	**257,522**	**519,528,461**
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows, leases	327,526	-	327,526
Deferred charge on refunding	283,981	-	283,981
Deferred inflows, pension	9,293,000	-	9,293,000
Deferred inflows, OPEB - PSERS	2,316,200	-	2,316,200
Deferred inflows, OPEB - Other	13,641,600	-	13,641,600
TOTAL DEFERRED INFLOWS OF RESOURCES	**25,862,307**	**-**	**25,862,307**
NET POSITION			
Net investment in capital assets	75,668,261	131,173	75,799,434
Restricted	25,409,767	-	25,409,767
Unrestricted	(240,010,361)	3,337,603	(236,672,758)
TOTAL NET POSITION	**$ (138,932,333)**	**$ 3,468,776**	**$ (135,463,557)**

See Notes to Financial Statements.

PARKLAND SCHOOL DISTRICT

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
GOVERNMENTAL ACTIVITIES						
Instruction:						
Regular programs	$ 99,952,544	$ 574,432	$ 13,845,618	$ (85,532,494)	$ -	$ (85,532,494)
Special programs	39,266,537	-	10,029,356	(29,237,181)	-	(29,237,181)
Vocational programs	5,370,502	-	-	(5,370,502)	-	(5,370,502)
Other instructional programs	190,143	-	25,438	(164,705)	-	(164,705)
Nonpublic school programs	24,149	-	24,149	-	-	-
Adult education programs	1,309,181	-	-	(1,309,181)	-	(1,309,181)
Support services:						
Pupil personnel	9,374,709	-	1,118,112	(8,256,597)	-	(8,256,597)
Instructional staff	4,718,006	-	458,058	(4,259,948)	-	(4,259,948)
Administration	11,316,227	-	1,078,825	(10,237,402)	-	(10,237,402)
Pupil health	3,157,551	-	581,499	(2,576,052)	-	(2,576,052)
Business	2,049,041	-	68,011	(1,981,030)	-	(1,981,030)
Operation and maintenance of plant	19,394,579	156,447	1,295,999	(17,942,133)	-	(17,942,133)
Student transportation	13,838,460	-	2,933,788	(10,904,672)	-	(10,904,672)
Central and other support	5,160,791	-	400,737	(4,760,054)	-	(4,760,054)
Other support	234,801	-	-	(234,801)	-	(234,801)
Operation of noninstructional services:						
Student activities	3,232,748	441,494	272,794	(2,518,460)	-	(2,518,460)
Community services	23,500	-	11,991	(11,509)	-	(11,509)
Facilities acquisition, construction and improvement services	286,484	-	-	(286,484)	-	(286,484)
Unallocable depreciation (1)	5,645,143	-	-	(5,645,143)	-	(5,645,143)
Interest and other charges on long-term debt	4,491,430	-	456,927	(4,034,503)	-	(4,034,503)
Refund of prior year revenues	403,142	-	-	(403,142)	-	(403,142)
TOTAL GOVERNMENTAL ACTIVITIES	229,439,668	1,172,373	32,601,302	(195,665,993)	-	(195,665,993)
BUSINESS-TYPE ACTIVITIES						
Food service	5,168,898	1,875,871	3,338,821	-	45,794	45,794
TOTAL	**$ 234,608,566**	**$ 3,048,244**	**$ 35,940,123**	**(195,665,993)**	**45,794**	**(195,620,199)**

See Notes to Financial Statements.

PARKLAND SCHOOL DISTRICT

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
GENERAL REVENUES						
Taxes:						
Real estate				157,097,430	-	157,097,430
Income				16,681,169	-	16,681,169
Other				415,684	-	415,684
Grants and contributions not restricted to specific programs				17,420,941	-	17,420,941
State property tax reduction allocation				2,695,660	-	2,695,660
Investment earnings				4,553,777	136,958	4,690,735
Miscellaneous income				1,225,583	-	1,225,583
TOTAL GENERAL REVENUES				200,090,244	136,958	200,227,202
CHANGE IN NET POSITION				**4,424,251**	**182,752**	**4,607,003**
NET POSITION, JULY 1, 2024				(143,356,584)	3,286,024	(140,070,560)
NET POSITION, JUNE 30, 2025				**$ (138,932,333)**	**$ 3,468,776**	**$ (135,463,557)**

(1) Excludes direct depreciation expenses of the various programs.

See Notes to Financial Statements.

PARKLAND SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Student Activity Fund	Capital Reserve Fund	Capital Project Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 13,247,821	$ 65,984	$ 2,697,584	$ 6	$ 16,011,395
Investments	24,199,873	-	-	23,887,826	48,087,699
Interest receivable	539,200	-	-	229,164	768,364
Taxes receivable	6,315,867	-	-	-	6,315,867
Prepaid expenditures	957,239	-	-	-	957,239
Due from other governments	9,938,464	-	-	-	9,938,464
Other receivables	2,185,628	-	3,525	1,327,698	3,516,851
Lease receivable	352,522	-	-	-	352,522
Due from other funds	641,124	-	425,042	501,514	1,567,680
TOTAL ASSETS	**$ 58,377,738**	**$ 65,984**	**$ 3,126,151**	**$ 25,946,208**	**$ 87,516,081**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Due to other funds	$ 926,556	$ -	$ -	$ -	$ 926,556
Accounts payable	2,650,799	1,997	746,484	3,233,610	6,632,890
Unearned revenues	104,645	-	-	-	104,645
Due to other governments	1,843	-	-	-	1,843
Accrued salaries and benefits	23,326,358	-	-	-	23,326,358
TOTAL LIABILITIES	27,010,201	1,997	746,484	3,233,610	30,992,292
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	2,495,141	-	-	-	2,495,141
Leases	327,526	-	-	-	327,526
TOTAL DEFERRED INFLOWS OF RESOURCES	2,822,667	-	-	-	2,822,667
FUND BALANCES					
Restricted	253,515	63,987	2,379,667	22,712,598	25,409,767
Nonspendable	957,239	-	-	-	957,239
Committed	11,301,056	-	-	-	11,301,056
Assigned	5,507,302	-	-	-	5,507,302
Unassigned	10,525,758	-	-	-	10,525,758
TOTAL FUND BALANCES	28,544,870	63,987	2,379,667	22,712,598	53,701,122
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	**$ 58,377,738**	**$ 65,984**	**$ 3,126,151**	**$ 25,946,208**	**$ 87,516,081**

See Notes to Financial Statements.

PARKLAND SCHOOL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		$ 53,701,122
Amounts reported for governmental activities in the statement of net position are different because:		
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the governmental funds.		2,495,141
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets and the accumulated depreciation are as follows:		
Cost of assets	$ 410,326,899	
Accumulated deprecation	(162,575,287)	
		247,751,612
Right to use subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Right to use subscription assets	$ 69,776	
Accumulated amortization	(51,263)	
		18,513
Deferred charge on refunding is a deferred inflow of resources and is not reported as a liability in governmental funds.		(283,981)
Deferred inflows and outflows of resources related to pensions and OPEB are not financial resources and are not reported in governmental funds.		
Deferred Outflows Related to Pensions		51,731,000
Deferred Inflows Related to Pensions		(9,293,000)
Deferred Outflows Related to OPEB - PSERS		2,158,000
Deferred Inflows Related to OPEB - PSERS		(2,316,200)
Deferred Outflows Related to OPEB - Other		17,952,263
Deferred Inflows Related to OPEB - Other		(13,641,600)

PARKLAND SCHOOL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.		(2,735,051)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds.		
Bonds payable	$ 161,090,000	
Deferred bond issue premium	10,714,367	
OPEB - PSERS	10,886,000	
OPEB - Other	41,594,300	
Compensated absences	4,972,969	
Net pension liability	257,199,000	
Subscriptions	13,516	
		(486,470,152)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		**$ (138,932,333)**

PARKLAND SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	General Fund	Student Activity Fund	Capital Reserve Fund	Capital Project Fund	Total Governmental Funds
REVENUES					
Local sources	$ 182,217,748	$ 20,664	$ 92,440	$ 699,642	$ 183,030,494
State sources	47,626,264	-	-	-	47,626,264
Federal sources	2,564,965	-	-	707,127	3,272,092
TOTAL REVENUES	232,408,977	20,664	92,440	1,406,769	233,928,850
EXPENDITURES					
Instruction:					
Regular programs	102,325,737	-	-	-	102,325,737
Special programs	40,022,424	-	-	-	40,022,424
Vocational programs	5,370,502	-	-	-	5,370,502
Other instructional programs	196,333	-	-	-	196,333
Nonpublic school programs	24,149	-	-	-	24,149
Adult education programs	1,309,181	-	-	-	1,309,181
Support services:					
Pupil personnel	9,564,572	-	-	-	9,564,572
Instructional staff	4,806,377	-	-	-	4,806,377
Administration	11,136,663	-	-	341,307	11,477,970
Pupil health	3,248,703	-	-	-	3,248,703
Business	2,054,266	-	-	227	2,054,493
Operation and maintenance of plant	19,796,235	-	-	-	19,796,235
Student transportation	13,250,780	-	-	2,777,194	16,027,974
Central and other support	5,056,769	-	-	-	5,056,769
Other support	227,387	-	-	-	227,387
Operation of noninstructional services:					
Student activities	3,190,365	20,810	-	-	3,211,175
Community services	24,384	-	-	-	24,384
Facilities acquisition, construction and improvement services	-	-	4,947,022	19,263,951	24,210,973
Debt service:					
Principal	8,361,777	-	-	-	8,361,777
Interest	5,446,520	-	-	-	5,446,520
Refund of prior year revenues	403,142	-	-	-	403,142
TOTAL EXPENDITURES	235,816,266	20,810	4,947,022	22,382,679	263,166,777
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**(3,407,289)**	**(146)**	**(4,854,582)**	**(20,975,910)**	**(29,237,927)**
OTHER FINANCING SOURCES (USES)					
Proceeds from bonds	-	-	-	27,150,000	27,150,000
Bond premiums	-	-	-	1,195,556	1,195,556
Insurance recoveries	79,840	-	-	-	79,840
Operating transfers in	-	-	2,000,000	-	2,000,000
Operating transfers out	(2,065,640)	-	-	-	(2,065,640)
TOTAL OTHER FINANCING SOURCES (USES)	(1,985,800)	-	2,000,000	28,345,556	28,359,756
NET CHANGE IN FUND BALANCES	**(5,393,089)**	**(146)**	**(2,854,582)**	**7,369,646**	**(878,171)**
FUND BALANCE, July 1, 2024	33,937,959	64,133	5,234,249	15,342,952	54,579,293
FUND BALANCE, June 30, 2025	**$ 28,544,870**	**$ 63,987**	**$ 2,379,667**	**$ 22,712,598**	**$ 53,701,122**

See Notes to Financial Statements.

PARKLAND SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to Statement of Activities
Year Ended June 30, 2025

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		**$ (878,171)**
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the period.		
Depreciation expense	$ (7,268,299)	
Capital outlays	27,089,201	
		19,820,902
Right to use leased asset capital outlay expenditures which were capitalized and amortized		
Amortization expense		(37,097)
Right to use subscription asset capital outlay expenditures which were capitalized and amortized		
Amortization expense		(33,162)
Because some property taxes will not be collected for several months after the District's fiscal year end, they are not considered as "available" revenues in the governmental funds. Deferred property taxes decreased by this amount this year.		(144,771)
Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bonds payable	$ 8,295,000	
Lease liabilities	37,489	
Subscription liabilities	29,288	
		8,361,777
Proceeds of long-term liabilities are revenues in the governmental funds, but the receipt increases long-term liabilities in the statement of net position.		(27,150,000)

PARKLAND SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to Statement of Activities
Year Ended June 30, 2025

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		(239,078)
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.		
Current year bond premiums	$ (1,195,556)	
Amortization of bond premiums and discounts	1,309,362	
Amortization of gain on bond refunding	68,347	
		182,153
Other post-employment benefits are reported in the statement of activities but do not require the use of current financial resources; therefore the benefits are not reported as expenditures in governmental funds.		
PSERS	$ (146,700)	
Other	(2,909,983)	
		(3,056,683)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(422,619)
Changes in the proportionate share of net pension liabilities are reported in the statement of activities but do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		8,021,000
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		**$ 4,424,251**

PARKLAND SCHOOL DISTRICT

Statement of Net Position
Proprietary Fund
June 30, 2025

	Food Service
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 720,126
Investments	3,152,033
Due from other governments	91,099
Other receivables	52,471
Inventories	145,288
TOTAL CURRENT ASSETS	4,161,017
NONCURRENT ASSETS	
Machinery and equipment, net	131,173
TOTAL NONCURRENT ASSETS	131,173
TOTAL ASSETS	**$ 4,292,190**
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable	$ 28,508
Due to other funds	565,892
Accrued salaries and benefits	13,075
Unearned revenues	23,361
Refundable advances	174,780
TOTAL CURRENT LIABILITIES	805,616
NONCURRENT LIABILITIES	
Compensated absences	17,798
TOTAL NONCURRENT LIABILITIES	17,798
TOTAL LIABILITIES	**823,414**
NET POSITION	
Net investment in capital assets	131,173
Unrestricted	3,337,603
TOTAL NET POSITION	**$ 3,468,776**

See Notes to Financial Statements.

PARKLAND SCHOOL DISTRICT

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
Year Ended June 30, 2025

	Food Service
OPERATING REVENUES	
Food service revenue	$ 1,875,871
TOTAL OPERATING REVENUES	1,875,871
OPERATING EXPENSES	
Depreciation	10,633
Dues and fees	788
Employee benefits	893,940
Other purchased services	31,970
Travel and conferences	5,781
Purchased property services	76,856
Salaries	1,811,688
Supplies	2,337,242
TOTAL OPERATING EXPENSES	5,168,898
OPERATING LOSS	**(3,293,027)**
NONOPERATING REVENUES	
State sources	935,313
Federal sources	2,403,508
Interest income	136,958
TOTAL NONOPERATING REVENUES	3,475,779
CHANGE IN NET POSITION	**182,752**
NET POSITION, July 1, 2024	3,286,024
NET POSITION, June 30, 2025	**$ 3,468,776**

See Notes to Financial Statements.

PARKLAND SCHOOL DISTRICT

Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2025

	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	$ 1,832,995
Cash payments to employees for services	(2,660,407)
Cash payments to suppliers for goods and services	(2,092,548)
NET CASH USED IN OPERATING ACTIVITIES	(2,919,960)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State sources	915,108
Federal sources	1,980,838
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	2,895,946
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital outlays	(48,881)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(48,881)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	136,958
Purchase of investments	(163,598)
NET CASH USED IN INVESTING ACTIVITIES	(26,640)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(99,535)**
CASH AND CASH EQUIVALENTS, July 1, 2024	819,661
CASH AND CASH EQUIVALENTS, June 30, 2025	**$ 720,126**

See Notes to Financial Statements.

PARKLAND SCHOOL DISTRICT

Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2025

	Food Service
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	$ (3,293,027)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	10,633
Donated commodities used	351,775
(Increase) decrease in assets:	
Other receivables	(50,907)
Inventory	700
Increase (decrease) in liabilities:	
Accounts payable	16,492
Due to other funds	50,244
Accrued salaries and benefits	620
Compensated absences	(5,643)
Unearned revenues	(8,878)
Refundable advances	8,031
NET CASH USED IN OPERATING ACTIVITIES	$ (2,919,960)
SUPPLEMENTAL SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES	
Donated commodities received	$ 342,896

PARKLAND SCHOOL DISTRICT

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial Funds	
	Student Activity	Local Services Tax
ASSETS		
Cash and cash equivalents	$ 510,955	$ -
TOTAL ASSETS	**$ 510,955**	**$ -**
LIABILITIES		
Accounts payable	$ 230	$ -
Due to general fund	75,232	-
TOTAL LIABILITIES	**$ 75,462**	**$ -**
NET POSITION		
Restricted - students	$ 435,493	$ -
TOTAL NET POSITION	**$ 435,493**	**$ -**

See Notes to Financial Statements.

PARKLAND SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial Funds	
	Student Activity	**Local Services Tax**
ADDITIONS		
Activity fees	$ 501,408	$ -
Fundraisers and special events	700	-
Other income	231	-
Interest income	20,676	-
TOTAL ADDITIONS	523,015	-
DEDUCTIONS		
Tax disbursements	-	3,703
Professional services	8,783	-
Repairs and maintenance	69,623	-
Other purchased services	156,854	-
Supplies	173,184	-
Capital expenditures	6,156	-
Other expenses	45,026	-
TOTAL DEDUCTIONS	459,626	3,703
TRANSFERS IN	65,640	-
CHANGE IN NET POSITION	**129,029**	**(3,703)**
NET POSITION, July 1, 2024	306,464	3,703
NET POSITION, June 30, 2025	**$ 435,493**	**$ -**

See Notes to Financial Statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Parkland School District operates nine elementary schools, two middle schools and one senior high school in Lehigh County, Pennsylvania. The School District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the Pennsylvania Public School Code. The District operates under the direction of a locally elected school board.

The School District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District is discussed below.

Reporting Entity

Governmental accounting standards establish the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. The financial reporting entity consist of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A primary government is financially accountable for those organizations that make up the legal entity as well as legally separate organizations if the primary government appoints a voting majority of an organization's governing body, and either it can impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burden on the primary government.

In evaluating the School District as a reporting entity, management has evaluated all potential component units, which may or may not fall within the School District's accountability. This report includes all of the funds of Parkland School District based upon the above criteria.

Related Organizations

Lehigh Career and Technical Institute

The School District is a participating member in the Lehigh Career and Technical Institute (LCTI). The LCTI is a school organized under an operating agreement with other local participating school districts for the purpose of providing career or technical training and education for those individuals residing within the participating districts. LCTI is governed by a committee consisting of members from each participating district.

The School District's contribution to LCTI's operating, debt service and capital costs totaled $5,370,502 for the year ended June 30, 2025.

Complete financial statements may be obtained from the LCTI's administration office at 4500 Education Park Drive, Schnecksville, Pennsylvania, 18078.

Lehigh Carbon Community College

The School District is a participating member in the Lehigh Carbon Community College (LCCC). LCCC is organized under an operating agreement with other local participating school districts. The Organization is governed by a Board of Trustees, consisting of individuals representing each member district. Each member district is responsible for lease rental debt in the amount of its pro rata share of the LCCC's outstanding bonds.

The School District's contribution to LCCC's operating and capital costs totaled $1,309,181 for the year ended June 30, 2025.

Complete financial statements may be obtained at the College's administrative office at 4525 Education Park Drive, Schnecksville, Pennsylvania, 18078.

Basis of Presentation

Government-Wide Financial Statements

Government-wide financial statements report information on all of the nonfiduciary activities of the School District. As a general rule the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The financial transactions of the School District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred outflows and inflows of resources, fund equity, revenues and expenditures/expenses.

Fund financial statements are provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the School District. The School District has elected to report all funds as major funds in its fund financial statements.

The following represent the three categories of funds used by the School District.

Governmental Funds

These are funds through which most functions of the School District are typically financed. The following is a description of the governmental funds of the School District:

General Fund - The principal operating fund of the School District used to account for all financial resources except those required to be in another fund.

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes provided these revenue sources provide a "substantial" amount (defined as 50% or more) of the funding accounted for in the special revenue fund. The School District's special revenue fund includes the following:

- *Student Sponsored Activity Fund* – is used to account for activities related to the School District's elementary schools. Expenditures may only be spent for specific purposes related to elementary school activities.

Capital Reserve Fund – This fund is used to account for reserves held for future capital improvements.

Capital Projects Fund - This fund is used to account for financial resources held for future capital improvements, for acquisition, construction or improvements of major capital facilities, other than those financed by proprietary funds, if applicable.

Proprietary Fund

These funds are accounted for similar to businesses in the private sector. These funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the School District's enterprise fund are food service charges. Operating expenses for the School District's enterprise fund include food production costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following is a description of the proprietary fund of the School District:

Food Service Fund - This fund is used to account for the operation of the Food Service Division. The Food Service Fund has established fees and charges and state and federal subsidies designed to recover the cost of its operation.

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the School District's programs.

The funds included in this category are:

Custodial Funds

Local Services Tax Fund - This fund includes local services taxes and fees collected and distributed to the School District and other municipalities. The School District closed this fund during the 2024-2025 school year.

Student Activity Fund - This fund is used to account for assets held by the School District as trustee for high school and middle school student organizations and activities.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. 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. Net position (total assets plus deferred outflows less total liabilities and deferred inflows) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The fund financial statements, with the exception of the proprietary fund and the fiduciary fund financial statements, are reported 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 government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred. Accordingly, when such funds are received, they are recorded as unearned revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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 the reported amounts of assets, deferred outflows, liabilities and deferred inflows and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Budgets and Budgetary Accounting

Pennsylvania school districts budget and expend funds according to procedures mandated by the Pennsylvania Department of Education (PDE). An annual operating budget is prepared by school district administrative officials on a uniform document

furnished by the PDE and submitted to the board of school directors for approval prior to the beginning of the fiscal year on July 1.

Under Act 1 of 2006 (The Taxpayer Relief Act), the School District must adopt a preliminary budget proposal (including proposed tax rates) no later than 90 days prior to the date of the election immediately preceding the next fiscal year. The preliminary budget proposal must be made available for public inspection at least 20 days prior to its adoption. The board of school directors may hold a public hearing on the budget; if they do not the board must give at least 10 days public notice of its intent to adopt such budget.

If the adopted preliminary budget includes an increase in the rate of any tax levy, the preliminary budget must be submitted to the PDE no later than 85 days prior to the date of the election immediately preceding the next fiscal year. The PDE is to compare the proposed percentage increase in the rate of any tax with the school district's "Index" 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 the 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 election immediately preceding the next fiscal year or seek approval to utilize one of the referendum exceptions authorized under Act 1. If the School District seeks voter approval to increase taxes at a rate higher than the applicable Index, whether or not it first seeks approval to utilize one of the referendum exceptions available under Act 1, and the referendum question is not approved by a majority of the voters voting on the question, the board of school directors may not approve an increase in the tax rate greater than the applicable Index.

The Board of Directors may make transfers of funds appropriated to any particular item of expenditure by legislative action. An affirmative vote of two-thirds of all members of the Board is required. There were no supplemental budget amendments for the year ended June 30, 2025.

Fund balances in budgetary funds may be appropriated based on resolutions passed by the Board of Directors, which authorize the School District to make expenditures. Appropriations lapse at the end of the fiscal period. The level of control or the level of which expenditures may not legally exceed appropriations is total expenditures of the fund. Encumbrance accounting is not employed by the School District; therefore, there are no reservations of fund balance as of June 30, 2025 for the General Fund.

Included in the General Fund budget are program budgets as prescribed by the state and federal agencies funding the programs. These budgets are approved on a program by program basis by the state or federal funding agency.

A Proprietary Fund budget is not adopted; however, an informal budget is prepared and expenditures are controlled on the basis of this budget.

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. Any

residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers are used to move unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Cash and Investments

For the purposes of the Statement of Cash Flows, the School District considers all highly liquid financial instruments, excluding the investment in PSDLAF with original maturities of three months or less to be cash equivalents.

Cash and investments consist of the School District's investment in various savings and checking accounts, certificates of deposit, as well as investment in external investment pools and U.S. Treasury bonds. Investments in external investment pools and U.S. Treasury bonds are valued at fair value, which approximates cost.

Inventory

Inventory consists of the Food Service Fund's food and supplies. The inventory includes government donated commodities, which are valued at estimated fair market value as determined by the U.S. Department of Agriculture, and purchased food and supplies which are valued at the last unit cost which is in accordance with the recommendations of the Food and Nutrition Service of the Department of Agriculture.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and improvements	50
Site improvements	20
Furniture	5 to 10
Vehicles	8
Equipment	5 to 15

Proprietary fund equipment purchases are capitalized in fund financial statements at cost and depreciated on a straight-line basis over the above estimated useful lives.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position and the Balance Sheet in the Governmental Funds report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized using a systematic and rational method over the life of the bonds. Issuance costs, with the exception of bond insurance, are expensed as incurred. Bond insurance is capitalized as prepaid expense and amortized over the life of the related bond issue.

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

Compensated Absences

The School District's policies regarding vacation and sick leave are governed primarily by the collective bargaining or employment contracts of each employee class.

Certain employees' accumulated sick leave is payable to each employee upon retirement or death on a per diem basis, depending upon the employee's collective bargaining or employment contract, provided that certain length of service requirements are met.

Compensated absences, including vacation and certain accumulated sick leave are accrued in the government-wide financial statements as it is earned.

In the fund financial statements, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability in governmental funds. Compensated absences related to proprietary funds are accrued as earned.

Unearned Revenues

Unearned revenues in the government-wide financial statements and governmental funds represent grant proceeds that have been received but not yet expended and other prepayments.

Governmental Fund Balances

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable fund balance - amounts that are not in spendable form (such as prepaid expenditures) 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 (School Board). 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. The Board has authorized the School District's Superintendent and Director of Business Administration as the officials authorized to assign fund balance to a specific purpose.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School Board has provided otherwise in its commitment or assignment actions.

Pension

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

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.

Other Post-Employment Benefits (OPEB)

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.

Leases

Lease Receivable

The School District's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Right to use leased assets

The School District has recorded right to use leased assets as a result of implementing GASB 87. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

The School District has implemented a $50,000 threshold materiality to all leases. Leases that are not classified as short term (less than one year) and whose annual payments made or received exceed $50,000 will be capitalized under GASB 87.

Subscription Arrangements

Under GASB 96, the School District is required to recognize a subscription liability and an intangible right-to-use subscription asset for its subscription arrangements.

The School District has implemented a $50,000 threshold materiality to all subscription arrangements. Subscription arrangements that are not classified as short term (less than one year) and whose annual payments made or received exceed $50,000 will be capitalized under GASB 96.

See Note 8 for more information.

Date of Management's Review

The School District has evaluated subsequent events through December 31, 2025, the date which the financial statements were available to be issued.

NOTE 2. CASH AND INVESTMENTS

The deposit and investment policy of the School District adheres to state statutes and prudent business practices. School District deposits must be held in insured, federally regulated banks or financial institutions which have appropriate collateral in accordance with Pennsylvania law. In addition to certificates of deposit, permissible investments may include United States Treasury bills, short-term obligations of the United States Government or its agencies, the Commonwealth of Pennsylvania or any of its agencies and its subdivisions, the payment of which is backed by the full faith and credit of the issuing entity.

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 does not have a deposit policy for custodial credit risk. Pennsylvania law does require school district deposits to be collateralized in accordance with state law. As of June 30, 2025, $28,728,032 of the School District's bank balances, including certificates of deposit, was exposed to custodial credit risk as follows:

Insured under FDIC and NCUA	$	761,686
Collateral held by pledging banks trust department not in the School District's name		27,966,346
	$	28,728,032

Investments

As of June 30, 2025, the School District had the following investments:

	Fair Value	Investment Maturities (in Years) Less than 1 Year	1-5 Years
Pooled Investments			
PA Local Government Investment Trust (PLGIT):			
Class	$ 5,354,516	$ 5,354,516	$ -
Reserve	1,985,773	1,985,773	-
PA School District Liquid Asset Fund (PSDLAF):			
Max	3,135,732	3,135,732	-
Flex	1,799,017	1,799,017	-
Treasury Bill	2,464,694	2,464,694	-
Term Series	26,500,000	26,500,000	-
Certificates of Deposit	5,000,000	5,000,000	-
Non-pooled investments			
Certificates of deposit	5,000,000	5,000,000	-
	$ 51,239,732	$ 51,239,732	$ -

The fair value of the certificates of deposit approximate their carrying values as of June 30, 2025.

Pennsylvania School District Liquid Asset Fund (PSDLAF)

A portion of the District's deposits are in the Pennsylvania Local Government Investment Trust and the Pennsylvania School District Liquid Asset Fund. PSDLAF is a common law trust organized and existing under the laws of the Commonwealth of Pennsylvania, in accordance with the provisions of the Pennsylvania Intergovernmental Cooperation Act and Section 521 of the Pennsylvania Public School Code of 1949, as amended. PSDLAF provides various types of investment programs offered from time to time through a number of Series: a single Liquid Series, a single MAX Series, multiple Cash Flow Optimization Series, multiple Fixed Term Series, multiple Total Return Management Program Series and multiple Choice Program Series. The School District's investment in PSDLAF Max Series has been rated AAAm, the highest rating available, by Standard and Poor's, an independent investment rating company. The Flex Series investment is not rated. The District invests in the following PSDLAF funds:

Max Series – Invests in short term money market instruments and seeks to maintain a constant net asset value of $1.00 per share. All participants in the Fund are required to have an account in the MAX series.

Flex Series – Invests in short term money market instruments and provided weekly liquidity.

Fixed Income Investments

Term Series – Invests in fixed term instruments with maturities of up to one year, depending on the maturity date of each particular Fixed Term Series.

Certificates of deposit – principal and interest are insured up to $250,000 per institution.

Pennsylvania Local Government Investment Trust (PLGIT)

The School District invests in the Pennsylvania Local Government Investment Trust (PLGIT), which is an external governmental investment pool. The purpose of the pool is to allow local governmental units to maximize investment potential through cash pooling while providing security and liquidity. PLGIT is governed by a Board of Trustees who is responsible for the overall management of the Trust, including the formulation and implementation of investment policies and the oversight of the Trust's investment advisor and its custodians. Pool participants are allocated a pro-rata share of each investment purchased by the pool. PLGIT's investment policies are consistent with the investment policies of its participants. The investments of the pool serve as collateral and are held in safekeeping by the pool's investment custodian. The School District's investment in PLGIT has been rated AAAm, the highest rating available, by Standard and Poor's, an independent investment rating company.

Investment Polices

The fair value of external investment pool assets approximate their carrying values as of June 30, 2025.

Interest Rate Risk - The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The School District's permissible investments include United States Treasury bills, short-term obligations of the United States Government or its agencies, the Commonwealth of Pennsylvania or any of its agencies and its subdivisions, the payment of which is backed by the full faith and credit of the issuing entity.

Concentration of Credit Risk – As of June 30, 2025, the School District had no concentration of credit risk for investments.

As required by Governmental Accounting Standards Board Statement No. 40, the School District's investment in external investment pools such as PLGIT and its investment in certificates of deposit in banks is excluded from the concentration of credit risk disclosure above.

NOTE 3. REAL ESTATE TAXES

Real estate taxes for the School District are collected for property located in the Townships of North Whitehall, South Whitehall and Upper Macungie and a portion of the City of Allentown, which comprise the area served by the School District. The tax on real estate in the area served by the School District for public school purposes for the year ended June 30, 2025 is 17.12 mills ($17.12 per $1,000 of taxable valuation) as levied by the School Board. Assessed valuations of property are determined by the County of Lehigh and the elected tax collectors are responsible for collection. During the year ended June 30, 2025, a library tax was assessed at 0.1 mills ($0.10 per $1,000 of taxable

valuation), the proceeds of which were turned over to the Parkland Community Library. The schedule for real estate and library taxes levied for each fiscal year is as follows:

July 1	- Levy Date
July 1 - August 31	- 2% Discount Period
September 1 - October 31	- Face Payment Period
November 1 - December 31	- 10% Penalty Period
January 1	- Lien Date

NOTE 4. DUE FROM AND DUE TO OTHER FUNDS / FUND TRANSFERS

The individual due to and due from other fund balances as of June 30, 2025 are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	$ 641,124	$ 926,556
Capital Projects Fund	501,514	-
Capital Reserve Fund	425,042	-
Food Service Fund	-	565,892
Student Activity Fund	-	75,232
	$ 1,567,680	$ 1,567,680

Interfund transfers for the year ended June 30, 2025 consist of the following:

	Operating Transfers In	Operating Transfers Out
General Fund	$ -	$ 2,065,640
Capital Reserve Fund	2,000,000	-
Student Activity Fund	65,640	-
	$ 2,065,640	$ 2,065,640

NOTE 5. CAPITAL ASSETS

The following schedule summarizes the changes in capital assets during the year ended June 30, 2025:

	Balance July 01, 2024	Additions	Transfers/ Decreases	Balance June 30, 2025
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 10,090,681	$ 442,453	$ -	$ 10,533,134
Construction work in progress	45,136,627	23,390,466	(1,882,119)	66,644,974
	55,227,308	23,832,919	(1,882,119)	77,178,108
Capital assets being depreciated				
Site improvements	10,820,053	-	-	10,820,053
Building and building improvements	275,286,851	1,146,944	-	276,433,795
Machinery and equipment	42,274,938	3,620,005	-	45,894,943
	328,381,842	4,766,949	-	333,148,791
Less accumulated depreciation				
Site improvements	6,993,171	264,143	-	7,257,314
Building and building improvements	114,443,569	5,203,956	-	119,647,525
Machinery and equipment	33,870,248	1,800,200	-	35,670,448
	155,306,988	7,268,299	-	162,575,287
Governmental activities capital assets, net	$ 228,302,162	$ 21,331,569	$ (1,882,119)	$ 247,751,612

	Balance July 01, 2024	Additions	Decreases	Balance June 30, 2025
Business-Type Activities:				
Capital assets being depreciated				
Machinery and equipment	$ 1,459,016	$ 48,881	$ -	$ 1,507,897
Less accumulated depreciation	(1,366,091)	(10,633)	-	(1,376,724)
Business-type activities capital assets, net	$ 92,925	$ 38,248	$ -	$ 131,173

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Instruction:	
Regular	$ 224,611
Special	425
Instructional staff	700
Administration	6,025
Business	3,650
Operation of maintenance and plant	180,551
Transportation	1,005,491
Central	153,178
Operation of noninstructional services:	
Student activities	48,525
Unallocated depreciation expense	5,645,143
Total depreciation expense, governmental activities	$ 7,268,299
Business-type activities:	
Food Service	$ 10,633
Total depreciation expense, business-type activities	$ 10,633

NOTE 6. LONG-TERM LIABILITIES

The changes in long-term liabilities during the year ended June 30, 2025 are as follows:

	Balance July 01, 2024	Additions	Reductions	Balance June 30, 2025
General Obligation Bonds, Series of 2018A	$ 8,570,000	$ -	$ (75,000)	$ 8,495,000
General Obligation Bonds, Series of 2019	32,265,000	-	(1,255,000)	31,010,000
General Obligation Bonds, Series of 2020	9,255,000	-	(215,000)	9,040,000
General Obligation Bonds, Series of 2020A	13,470,000	-	(4,345,000)	9,125,000
General Obligation Bonds, Series of 2021A	9,810,000	-	(1,720,000)	8,090,000
General Obligation Bonds, Series of 2021B	12,775,000	-	(135,000)	12,640,000
General Obligation Bonds, Series of 2021C	8,635,000	-	(510,000)	8,125,000
General Obligation Bonds, Series of 2022	11,830,000	-	(5,000)	11,825,000
General Obligation Bonds, Series of 2023	9,795,000	-	(5,000)	9,790,000
General Obligation Bonds, Series A of 2023	7,340,000	-	(25,000)	7,315,000
General Obligation Bonds, Series of 2024	18,490,000	-	(5,000)	18,485,000
General Obligation Bonds, Series of 2025	-	27,150,000	-	27,150,000
Subtotal	142,235,000	27,150,000	(8,295,000)	161,090,000
Deferred bond premium (discount)	10,828,173	1,195,556	(1,309,362)	10,714,367
Other post employment benefits - PSERS	11,165,000	-	(279,000)	10,886,000
Other post employment benefits - Other	31,117,579	10,476,721	-	41,594,300
Net pension liability	275,148,000	-	(17,949,000)	257,199,000
Leases	37,489	-	(37,489)	-
Subscriptions	42,804	-	(29,288)	13,516
Compensated absences	4,733,891	239,078	-	4,972,969
Retainage payable	371,452	-	(371,452)	-
	$475,679,388	$ 39,061,355	$ (28,270,591)	$486,470,152

A summary of the long-term debt due within one year is as follows:

	Due Within One Year	Due in More Than One Year
Bonds payable	$ 8,575,000	$ 152,515,000
Deferred bond premium (discount)	1,326,873	9,387,494
Other post-employment benefits - PSERS	-	10,886,000
Other post-employment benefits - Other	-	41,594,300
Subscriptions	13,516	-
Compensated absences	-	4,972,969
Net pension liability	-	257,199,000
	$ 9,915,389	$ 476,554,763

Bonds Payable

A summary of the terms of each debt issue of bonds payable is provided below:

General Obligation Bonds, Series of 2018A

Due in annual principal payments each January 15th ranging from $80,000 to $3,215,000, with semiannual interest due each January 15th and July 15th ranging from 2.625% to 3.00% through January 15, 2029.

General Obligation Bonds, Series of 2019

Due in annual principal payments each February 1st ranging from $1,300,000 to $4,150,000, with semiannual interest due each February 1st and August 1st of 4.00% through February 1, 2036.

General Obligation Bonds, Series of 2020

Due in annual principal payments each February 1st ranging from $205,000 to $1,410,000, with semiannual interest due each February 1st and August 1st ranging from 1.50% to 4.00% through February 1, 2036.

General Obligation Bonds, Series of 2020A

Due in annual principal payments each January 15th ranging from $1,210,000 to $4,505,000, with semiannual interest due each January 15th and July 15th ranging from 2.00% to 4.00% through January 15th, 2029.

General Obligation Bonds, Series of 2021A

Due in annual principal payments each February 1st ranging from $1,780,000 to $2,215,000, with semiannual interest due each February 1st and August 1st of 4.00% through February 1, 2029.

General Obligation Bonds, Series of 2021B

Due in annual principal payments each February 1st ranging from $135,000 to $4,470,000, with semiannual interest due each February 1st and August 1st ranging from 1.00% to 4.00% through February 1, 2036.

General Obligation Bonds, Series of 2021C

Due in annual principal payments each February 1st ranging from $25,000 to $1,260,000, with semiannual interest due each February 1st and August 1st ranging from 1.00% to 4.00% through February 1, 2035.

General Obligation Bonds, Series of 2022

Due in annual principal payments each February 1st ranging from $5,000 to $9,185,000, with semiannual interest due each February 1st and August 1st at 4.00% through February 1, 2037.

General Obligation Bonds, Series of 2023

Due in annual principal payments each February 1st beginning February 1, 2024 ranging from $5,000 to $1,900,000, with semiannual interest due each February 1st and August 1st at 4.00% through February 1, 2037.

General Obligation Bonds, Series A of 2023

Due in annual principal payments each January 15th, ranging from $5,000 to $1,225,000, with semiannual interest due each January 15th and July 15th ranging from 3.00% to 4.00% through January 15th, 2035.

General Obligation Bonds, Series 2024

Due in annual principal payments each February 1st, ranging from $5,000 to $11,535,000, with semiannual interest due each February 1st and August 1st ranging from 3.00% to 5.00% through February 1st, 2039.

General Obligation Bonds, Series 2025

On January 15, 2025, the School District issued $27,150,000 in bonds. The Bonds are due in annual principal payments each February 1st beginning February 1st, 2026, ranging from $5,000 to $3,340,000, with semiannual interest due each February 1st and August 1st ranging from 3.25 to 5.00% through February 2049. The proceeds of the bonds are being used to complete the construction of the District's operations center and provide initial funding for the District's High School and Middle School projects, fund fleet replacements, fund the Cetronia Elementary School HVAC replacement, fund other capital needs to district facilities and to pay issuance costs of the Bonds.

Authorized But Unissued Debt

On June 26, 2006, the School District approved a forward bond sale resolution by

authorizing the issuance of general obligation bonds in the maximum principal amount of $26,000,000. As of June 30, 2025, $4,495,000 of general obligation bonds remains authorized but unissued.

The aggregate future annual payments required to amortize outstanding bonds payable as of June 30, 2025, including total interest payments are as follows:

Year Ended June 30	Principal	Interest	Total
2026	$ 8,575,000	$ 6,508,378	$ 15,083,378
2027	8,920,000	6,292,575	15,212,575
2028	9,265,000	5,979,663	15,244,663
2029	9,570,000	5,678,825	15,248,825
2030	9,800,000	5,361,888	15,161,888
2031-2035	47,680,000	21,403,525	69,083,525
2036-2040	42,355,000	11,194,700	53,549,700
2041-2045	12,490,000	5,043,250	17,533,250
2046-2049	12,435,000	1,592,250	14,027,250
	$161,090,000	$ 69,055,054	$230,145,054

Long-term liabilities have been liquidated primarily by expenditures from the General Fund.

NOTE 7. LEASES

Right To Use Lease Assets

During the year ended June 30, 2025, the School District had several leases reach their contractual end dates. Right of use assets with a net carrying value of $370,971 expired and were fully derecognized upon the conclusion of the respective lease terms. No material gains or losses were recognized in connection with the expiration of these leases. The below table summarizes all right to use lease asset activity for the year ended June 30, 2025:

	Balance July 01, 2024	Additions	Decreases	Balance June 30, 2025
Government Activities:				
Right to use assets:				
Leased equipment	$ 370,971	$ -	$ (370,971)	$ -
	370,971	-	(370,971)	-
Less accumulated amortization:				
Leased equipment	333,874	37,097	(370,971)	-
	333,874	37,097	(370,971)	-
Governmental activities, right to use leased assets, net	$ 37,097	$ (37,097)	$ -	$ -

Leases Receivable

On May 28, 1997, the School District entered into a 300 month lease as Lessor for the use of land for a cell tower. The Lease was extended for an additional 240 months (4 extension option(s), each for 60 months) from the prior expiration date of February 28, 2023, which makes the new expiration date of February 28, 2043 As of July 1, 2021, an initial lease receivable was recorded in the amount of $385,880. As of June 30, 2025, the value of the lease receivable is $352,522. The lessee is required to make monthly fixed payments of $1,312. The lease has an interest rate of 2.4190%. The value of the deferred inflow of resources as of June 30, 2025 was $327,526, and the School District recognized lease revenue of $18,725 during the fiscal year.

Future principal and interest expected to maturity as of June 30, 2025, is as follows:

Year Ended June 30	Principal	Interest	Total
2026	$ 10,918	$ 8,370	$ 19,288
2027	11,771	8,095	19,866
2028	12,662	7,799	20,461
2029	13,594	7,482	21,076
2030	14,567	7,141	21,708
2031-2035	88,996	29,712	118,708
2036-2040	120,512	17,102	137,614
2041-2043	79,502	2,539	82,041
	$ 352,522	$ 88,240	$ 440,762

NOTE 8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

As of June 30, 2025, the School District had 1 subscription subject to GASB 86. The subscription has an annual payment of $13,824 at an interest rate of 2.2753%. As of June 30, 2025, the total combined value of the subscription liability is $13,516, and the total

combined value of the short-term subscription liability is $13,516. The combined value of the right to use asset, as of June 30, 2025 of $69,776 with accumulated amortization of $51,263 is included within the subscription class activities table found below. The subscriptions had $0 of variable payments and $0 of other payments, not included in the subscription liability, within the Fiscal Year.

	Balance July 01, 2024	Additions	Decreases	Balance June 30, 2025
Government Activities:				
Subscription assets:				
Software	$ 117,999	$ -	$ (48,223)	$ 69,776
	117,999	-	(48,223)	69,776
Less accumulated amortization:				
Software	66,324	33,162	(48,223)	51,263
	66,324	33,162	(48,223)	51,263
Governmental activities, right to use subscription assets, net	$ 51,675	$ (33,162)	$ -	$ 18,513

The aggregate future annual subscription payments required to amortize subscription payable as of June 30, 2025, including total interest payments are as follows:

Year Ended June 30	Principal	Interest	Total
2026	$ 13,516	$ 308	$ 13,824
	$ 13,516	$ 308	$ 13,824

NOTE 9. GOVERNMENTAL FUND BALANCES

The details of governmental fund balances are presented below.

The General Fund committed fund balance as of June 30, 2025 consists of the following:

Other Post Employment Benefits (OPEB)	$	3,770,000
Retirement (PSERS) Stabilization		7,381,056
Healthcare Stabilization		150,000
	$	11,301,056

The General Fund assigned fund balance as of June 30, 2025 consists of the following:

Budgeted 2025-26 expenditures	$	5,507,302

The General Fund nonspendable balance as of June 30, 2025 consists of the following:

Prepaid expenditures	$	957,239

The General Fund restricted fund balance as of June 30, 2025 consists of the following:

Student activity holdings	$	253,515

The General Fund has unassigned fund balance of $10,525,758 as of June 30, 2025.

Special Revenue Funds

Student Activity Fund

Restricted fund balance in the student activity fund in the amount of $63,987 is restricted for middle and elementary school activities.

Capital Reserve Fund

Restricted fund balance in the capital reserve fund in the amount of $2,379,667 may only be spent on capital improvements, deferred maintenance and for the replacement of school buses.

Capital Projects Fund

Restricted fund balance in the capital project fund in the amount of $22,712,598 consists primarily of unspent bond proceeds.

NOTE 10. PENSION PLAN

Plan Description

The School District participates in the Public School Employees' Retirement System of Pennsylvania (PSERS), a state-administered pension program established by authority of the Public School Employees' Retirement Code (Act No. 96 of October 2, 1975, as

amended) (24 Pa. C. S. 8101-9102). PSERS is a governmental cost-sharing multi-employer defined benefit 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 a 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. PSERS prepares its financial statements in accordance with generally accepted accounting principles. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to statutory requirements. Benefits are recognized in the month they are earned and withdrawals are recognized in the month they are due and payable. Investments are recognized at fair value.

Benefits Provided

PSERS provides retirement, disability and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one 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 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 members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally equal to 1.0% 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. 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 10 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.

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 of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Contributions

Member contributions:

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

Member Contribution Rates				
Membership Class	**Continuous Employment Since**	**Defined Benefit (DB) Contribution Rate**	**DC Contribution Rate**	**Total Contribution Rate**
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21; 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21; 10.30% After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21; 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21; 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

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

Employer contributions:

The School District's contractually required contribution rate for the fiscal year ended June 30, 2025 was 32.92% (32.57% for the pension component and 0.35% for the defined contribution component) of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School District were $33,768,000 for the year ended June 30, 2025.

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

As of June 30, 2025, the School District reported a liability of $257,199,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 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, 2023 to June 30, 2024. 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 0.6145%, which was a decrease of 0.004% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized pension expense of approximately $24,373,000. As of June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 33,768,000	$ -
Changes in proportions	11,704,000	5,249,000
Difference between employer contributions and the proportionate share of total contributions	2,002,000	-
Difference between projected and actual investment earnings	4,257,000	-
Difference between expected and actual experience	-	4,044,000
	$ 51,731,000	$ 9,293,000

$33,768,000 reported as deferred outflows of resources related to pensions resulting from the School District contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the measurement year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Measurement Year Ended June 30	
2025	$ (5,356,000)
2026	13,542,000
2027	1,006,000
2028	(522,000)
	$ 8,670,000

Actuarial Assumptions

The total pension liability as of June 30, 2024 was determined by rolling forward the System's total pension liability as of June 30, 2023 to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation date – June 30, 2023
- Actuarial cost method – Entry Age Normal – level percentage 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 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023 and June 30, 2024.
- 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, 2024 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

Investments

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

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS 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.

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 8.08%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	4.8%
Private equity	12.0%	6.7%
Fixed income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure	10.0%	6.4%
Real estate	9.5%	5.9%
	100.00%	

The above was the PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

Discount Rate

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

Sensitivity of the 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 1-percentage-point lower, 6.00%, or 1-percentage-point higher, 8.00%, than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	$338,809,000	$257,199,000	$188,284,000

Pension Plan Fiduciary Net Position

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

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Health Insurance Premium Assistance Program

OPEB Plan Description

The Health Insurance Premium Assistance Program 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, 2024, there were no assumed future benefit increases to participating eligible retirees.

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.

Benefits Provided

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

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

Employer Contributions

The School District's contractually required contribution rate for the fiscal year ended June 30, 2025 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 $639,000 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of $10,886,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, 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, 2023 to June 30, 2024. 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, 2025, the District's proportion was 0.6128% percent, which was a decrease of 0.0043% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized OPEB expense of $927,700. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 639,000	$ -
Changes in proportions	803,000	437,000
Difference between employer contributions and the proportionate share of total contributions	-	54,200
Difference between expected and actual investment earnings on OPEB investments	11,000	-
Difference between expected and actual experience	41,000	163,000
Changes in assumptions	664,000	1,662,000
	$ 2,158,000	$ 2,316,200

$639,000 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 measurement year ended 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:

Measurement Year Ended June 30	
2025	$ (201,000)
2026	(289,100)
2027	(350,100)
2028	91,000
Thereafter	(48,000)
	$ (797,200)

Actuarial Assumptions

The Total OPEB Liability as of June 30, 2024, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2023 to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level percentage of pay.
- Investment return – 4.21% - 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 Improvement Scale.
- Participation rate:
  Eligible retirees will elect to participate Pre age 65 at 50%
  Eligible retirees will elect to participate Post age 65 at 70%

The actuarial assumptions used in the June 30, 2023 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, 2022 determined the employer contribution rate for fiscal year 2024.
- 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% of 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.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.21%. 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 4.21% which represents the S&P 20 year Municipal Bond Rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

Investments

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.

OPEB Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	1.7%
	100.0%	

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, 2024.

For the year ended June 30, 2024, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 5.72%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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, 2024, 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, 2024, 92,149 retirees were receiving the maximum amount allowed of $1,200 per year. As of June 30, 2024, 489 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 System net OPEB liability for June 30, 2024, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if it health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
System net OPEB liability	$ 10,885,000	$ 10,886,000	$ 10,887,000

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

The following presents the net OPEB liability, calculated using the discount rate of 4.21%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.21%) or 1-percentage-point higher (5.21%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	3.21%	4.21%	5.21%
District's proportionate share of the net OPEB liability	$ 12,298,000	$ 10,886,000	$ 9,704,000

OPEB Plan Fiduciary Net Position

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

PARKLAND SCHOOL DISTRICT POSTRETIREMENT BENEFITS PLAN

OPEB Plan Description

The Parkland School District Postretirement Benefits Plan provides other postemployment benefits for eligible employees. The Plan is a single-employer defined benefit OPEB plan administered by the Board of School Directors. The School Board has the authority to establish and amend the plan's benefit terms.

Eligibility Requirements and Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses/dependents.

Administrators

Eligibility: Subsidized – Must be eligible for PSERS retirement and attained age 53 with 10 years of services with PSERS and 5 years of service with Parkland School District. Unsubsidized – Act 110/43

Coverage: Medical, dental, major medical, and prescription drug

Premium Sharing: If member is eligible for PSERS retirement and attained age 53 with 10 years of PSERS service and 5 years of service with Parkland School District, the District will pay full premiums for medical, dental, major medical, and prescription drug for member until Medicare age. For members electing dependent or spousal coverage, the district will pay the cost of individual coverage or one-half the cost of husband/wife coverage, whichever is higher, with the member paying the remaining premium.

If member does not qualify for subsidized coverage but meets requirements for Act 110/43, the member may continue coverage by paying the full premium as determined for the purpose of COBRA.

Dependents: Family included

Grandfathered Retirees: The District pays 92.5% of the cost of husband/wife coverage for the former Superintendent and Assistant Superintendent, with the member paying the remaining premium.

Duration: Member and spouse coverage continue until member Medicare age.

Teachers

Eligibility: Subsidized – Must be eligible for PSERS retirement and either a) attained age 53 with 15 years of service with PSERS and Parkland School District or b) attained 30 year of service with PSERS. Unsubsidized – Act 110/43

Coverage: Medical, dental, major medical, and prescription drug

Premium Sharing: If member is eligible subsidized coverage, the member has the choice of the two benefits below:

- Elect PPO500: For 2024/2025, the member pays $155 per month for medical, dental, major medical, and prescription coverage. The District pays the remaining premium.

- Elect PPO750: For 2024/2025 the member pays $85 per month for medical, dental, major medical, and prescription drug coverage. The District pays the remaining premium.

Dependent coverage is available by paying the full premium for coverage.

If member does not qualify for subsidized coverage but meets requirements for Act 110/43, the member may continue coverage by paying the full premium as determined for the purpose of COBRA.

Dependents: Family included

Duration: Member and spouse coverage continue until member Medicare age.

Support Staff

Eligibility: Act 110/43

Coverage: Medical and prescription drug

Premium Sharing: The member must pay the full premium as determined for the purpose of COBRA

Dependents: Family included

Duration: Member and spouse coverage continue until member Medicare age.

As of June 30, 2025, the plan membership data is as follows:

Active participants	1,123
Retired participants	86
Total	1,209

Contributions

The contribution requirements of plan members and the School District are established by various union or individual employment contracts. For the year ended June 30, 2025, the School District contributed $0 of pay as you go payments.

Actuarial Methods and Assumptions

Discount Rate: 4.81%. Based on S&P Municipal Bond 20-Year High Grade Rate Index at June 30, 2025.

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 by age from 2.75 to 0.0%.

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

Age	Male Rate	Female Rate	Age	Male Rate	Female Rate
25	4.5500%	3.9000%	45	1.4100%	1.6000%
30	4.5500%	3.9000%	50	1.8900%	2.0800%
35	1.6800%	2.8300%	55	3.6300%	3.6600%
40	1.4200%	1.6700%	60	5.4900%	5.9400%

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.

Disability: No disability was assumed.

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

Special Early Retirement			TC & TD Superannuation		TE, TF, TG, & TH Superannuation	
Age	Male	Female	Male	Female	Male	Female
55	14.5%	14.5%	25.0%	16.0%	16.3%	19.5%
56	14.5%	14.5%	25.0%	20.0%	16.3%	19.5%
57	14.5%	15.0%	28.0%	28.0%	16.3%	19.5%

58	14.5%	15.0%	28.0%	30.0%	16.3%	19.5%
59	21.6%	20.7%	28.0%	30.0%	16.3%	19.5%
60	14.5%	15.0%	29.0%	31.0%	16.3%	19.5%
61	29.0%	29.0%	29.0%	31.0%	16.3%	19.5%
62	29.0%	29.0%	36.0%	31.0%	16.3%	19.5%
63	29.0%	29.0%	21.0%	20.0%	16.3%	19.5%
64	29.0%	29.0%	22.0%	25.0%	16.3%	19.5%
65	29.0%	29.0%	23.0%	28.0%	16.3%	19.5%
66	29.0%	29.0%	23.0%	27.0%	16.3%	19.5%
67	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
68	29.0%	29.0%	20.0%	22.0%	16.3%	19.5%
69	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
70	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
71-73	29.0%	29.0%	20.0%	20.0%	16.3%	19.5%
74-79	29.0%	29.0%	25.0%	25.0%	16.3%	19.5%
80+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Percent of Eligible Retirees Electing Coverage in Plan: 100% of Teachers and Administrators and 25% of the Support Staff are assumed to elect coverage.

Percent Married at Retirement: 90% of future retirees are assumed to be married and have a spouse covered by the plan at retirement. Non-spouse dependents are deemed to be immaterial.

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

Per Capita Claims Cost: Making use of weighted averages for various plan designs, the per capita claims cost for medical and prescription drug is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender brackets. Dental and vision costs are assumed to not vary with age or gender. The resulting costs are as follows:

	Medical and Prescription Drug Combined	
Age	Males	Females
45-49	$9,266	$13,382
50-54	$12,271	$15,124
55-59	$14,946	$15,825
60+	$19,504	$18,179

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

Health Care Cost Trend Rate: 7.0% in 2025 with 0.5% decrease per year until 5.5% in 2028. Rates gradually decrease from 5.4% in 2029 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Actuarial Value of Assets: Equal to the Market Value of Assets

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 Unfounded Accrued Liability.

Participant Data: Based on census information as of July 2024. Due to the timing of school district turnover, the data believed to be representative of the population for the 2024-2025 school year.

Changes in Assumptions Since Prior Measurement Date

The discount rate changed from 3.93% to 4.81%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal, and retirement were updated based on a new PSERS experience study.

Net OPEB Liability

The Districts' net OPEB liability was measured as of July 1, 2024; the total OPEB liability used to calculate the net OPEB liability as of June 30, 2025 was determined by an actuarial valuation as of July 1, 2023 rolled forward to July 1, 2024.

Changes in the Net OPEB liability were as follows:

	Change in Net OPEB Liability Increase (Decrease)		
	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A-B)
Balances, June 30, 2024	$ 31,117,579	$ -	$ 31,117,579
Changes for the year:			
Service cost	2,490,092	-	2,490,092
Interest	1,965,296	-	1,965,296
Differences between expected and actual experience	17,348,736	-	17,348,736
Change in assumptions	(9,575,739)	-	(9,575,739)
Benefit payments	(1,751,664)	-	(1,751,664)
Net changes	10,476,721	-	10,476,721
Balances, June 30, 2025	$ 41,594,300	$ -	$ 41,594,300

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

For the year ended June 30, 2025, the District recognized OPEB expense of $4,661,649. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 17,952,263	$ 4,227,281
Change in assumptions	-	9,414,319
	$ 17,952,263	$ 13,641,600

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2026	$ 206,261
2027	206,261
2028	235,959
2029	275,476
2030	232,915
Thereafter	3,153,791
	$ 4,310,663

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, calculated using the discount rate of 4.81%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.81%) or 1-percentage-point higher (5.81%) than the current rate:

	1% Decrease 3.81%	Current Discount Rate 4.81%	1% Increase 5.81%
Net OPEB liability	$ 44,771,470	$ 41,594,300	$ 38,590,763

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

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

	1% Decrease	Current Medical Inflation Rate	1% Increase
Net OPEB liability	$ 36,835,995	$ 41,594,300	$ 47,145,578

NOTE 12. CONTINGENT LIABILITIES

The School District participates in both state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The School District is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance, which would result in the disallowance of program expenditures.

NOTE 13. RISK MANAGEMENT

The School District is exposed to various risks of loss related to theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs.

NOTE 14. LITIGATION

The School District is subject to claims and lawsuits that arise in the ordinary course of business. It is believed that any potential losses on these various cases will not have a material impact on the School District.

REQUIRED SUPPLEMENTARY INFORMATION

PARKLAND SCHOOL DISTRICT

Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
PSERS Pension Plan

Measurement Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of net pension liability	0.6145%	0.6185%	0.5656%	0.5999%	0.5982%	0.5895%	0.5832%	0.5709%	0.5662%	0.5585%
District's proportionate share of the net pension liability	$ 257,199,000	$ 275,148,000	$ 251,459,000	$ 246,299,000	$ 294,548,000	$ 275,783,000	$ 279,965,000	$ 281,958,000	$ 280,591,000	$ 241,916,000
District's covered payroll	$ 97,284,623	$ 94,548,689	$ 93,856,114	$ 84,911,224	$ 83,770,269	$ 81,303,853	$ 78,539,442	$ 76,009,129	$ 73,322,652	$ 71,854,795
District's proportionate share of the net pension liability as a percentage of its covered payroll	264.38%	291.01%	267.92%	290.07%	351.61%	339.20%	356.46%	370.95%	382.68%	336.67%

PARKLAND SCHOOL DISTRICT

Required Supplementary Information
Schedule of Contributions
PSERS Pension Plan

Measurement Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 32,262,069	$ 32,387,847	$ 28,194,237	$ 28,508,762	$ 27,943,928	$ 26,399,000	$ 24,747,000	$ 21,358,041	$ 19,062,307	$ 15,436,122
Contributions in relation to the contractually required contribution	(32,262,069)	(32,387,847)	(28,194,237)	(28,508,762)	(27,943,928)	(26,399,000)	(24,747,000)	(21,358,041)	(19,062,307)	(15,436,122)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 97,284,623	$ 94,548,689	$ 93,856,114	$ 84,911,224	$ 83,770,269	$ 81,303,853	$ 78,539,442	$ 76,009,129	$ 73,322,652	$ 71,854,795
Contributions as a percentage of covered payroll	33.16%	34.26%	30.04%	33.57%	33.36%	32.47%	31.51%	28.10%	26.00%	21.48%

PARKLAND SCHOOL DISTRICT

Required Supplementary Information
Schedule of Proportionate Share of Net OPEB Liability
PSERS Health Insurance Premium Assistance OPEB Program

Measurement Year	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of net OPEB liability	0.6128%	0.6171%	0.5646%	0.5990%	0.5968%	0.5895%	0.5832%	0.5709%	0.5662%
District's proportionate share of the net OPEB liability	$ 10,886,000	$ 11,165,000	$ 10,393,000	$ 14,196,000	$ 12,895,000	$ 12,538,000	$ 12,159,000	$ 11,632,000	$ 12,196,000
District's covered payroll	$ 97,284,623	$ 94,548,689	$ 93,856,114	$ 84,911,224	$ 83,770,269	$ 81,303,853	$ 78,539,442	$ 76,009,129	$ 73,322,652
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	11.19%	11.81%	11.07%	16.72%	15.39%	15.42%	15.48%	15.30%	16.63%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

PARKLAND SCHOOL DISTRICT

Required Supplementary Information
Schedule of Contributions
PSERS Health Insurance Premium Assistance OPEB Program

Measurement Year	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 624,000	$ 706,000	$ 659,000	$ 697,000	$ 703,000	$ 675,000	$ 652,000	$ 590,000	$ 616,000
Contributions in relation to the contractually required contribution	(624,000)	(706,000)	(659,000)	(697,000)	(703,000)	(675,000)	(652,000)	(590,000)	(616,000)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 97,284,623	$ 94,548,689	$ 93,856,114	$ 84,911,224	$ 83,770,269	$ 81,303,853	$ 78,539,442	$ 76,009,129	$ 73,322,652
Contributions as a percentage of covered payroll	0.64%	0.75%	0.70%	0.82%	0.84%	0.83%	0.83%	0.78%	0.84%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

PARKLAND SCHOOL DISTRICT

Required Supplementary Information
Parkland School District Post Retirement Benefits Plan
Schedule of Changes in Net OPEB Liability and Related Ratios

Measurement Year	2025	2024	2023	2022	2021	2020	2019	2018
TOTAL OPEB LIABILITY								
Service cost	$ 2,490,092	$ 1,208,861	$ 1,074,542	$ 1,461,078	$ 1,487,757	$ 1,212,762	$ 1,160,782	$ 1,229,051
Interest	1,965,296	1,134,253	1,039,443	700,975	697,345	920,660	1,005,695	925,067
Difference between expected and actual experience	17,348,736	(701,212)	900,054	(4,328,140)	(774,852)	3,289,155	(1,212,143)	(1,407,169)
Change of assumptions	(9,575,739)	-	(758,029)	-	-	-	(256,894)	-
Benefit payments, including refunds	(1,751,664)	(781,782)	(573,608)	(500,668)	(469,505)	(426,627)	(436,989)	(626,207)
NET CHANGE IN TOTAL OPEB LIABILITY	10,476,721	860,120	1,682,402	(2,666,755)	940,745	4,995,950	260,451	120,742
TOTAL OPEB LIABILITY, BEGINNING	31,117,579	30,257,459	28,575,057	31,241,812	30,301,067	25,305,117	25,044,666	24,923,924
TOTAL OPEB LIABILITY, ENDING	41,594,300	31,117,579	30,257,459	28,575,057	31,241,812	30,301,067	25,305,117	25,044,666
PLAN FIDUCIARY NET POSITION								
NET CHANGE IN PLAN FIDUCIARY NET POSITION	-	-	-	-	-	-	-	-
PLAN FIDUCIARY NET POSITION, BEGINNING	-	-	-	-	-	-	-	-
PLAN FIDUCIARY NET POSITION, ENDING	-	-	-	-	-	-	-	-
NET OPEB LIABILITY, ENDING	$ 41,594,300	$ 31,117,579	$ 30,257,459	$ 28,575,057	$ 31,241,812	$ 30,301,067	$ 25,305,117	$ 25,044,666
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	$ 89,257,470	$ 76,979,763	$ 76,224,368	$ 68,635,040	$ 67,408,903	$ 66,850,742	$ 60,911,221	$ 55,466,193
Net OPEB liability as a percentage of covered payroll	46.60%	40.42%	39.70%	41.63%	46.35%	45.33%	41.54%	45.15%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

PARKLAND SCHOOL DISTRICT

Required Supplementary Information
Parkland School District Post Retirement Benefits Plan
Schedule of Employer Contributions

Measurement Year	Actuarially Determined Contribution	Contributions Recognized by the Plan	Contribution Deficiency (Excess)	Covered Payroll	Contributions Recognized by Plan as a % of Covered Payroll
2018	$ -	$ -	$ -	$ 55,466,193	0.00%
2019	-	-	-	60,911,221	0.00%
2020	-	-	-	66,850,742	0.00%
2021	-	-	-	67,408,903	0.00%
2022	-	-	-	68,635,040	0.00%
2023	-	-	-	76,224,368	0.00%
2024	-	-	-	76,979,763	0.00%
2025	-	-	-	89,257,470	0.00%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

PARKLAND SCHOOL DISTRICT

Statement of Budget vs Actual - General Fund
Year Ended June 30, 2025

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
REVENUES				
Local revenues	$ 182,501,560	$ 182,501,560	$ 182,217,748	$ (283,812)
State program revenues	47,180,409	47,180,409	47,626,264	445,855
Federal program revenues	2,896,910	2,896,910	2,564,965	(331,945)
TOTAL REVENUES	232,578,879	232,578,879	232,408,977	(169,902)
EXPENDITURES				
INSTRUCTION:				
Regular programs	101,467,094	102,276,094	102,325,737	(49,643)
Special programs	40,894,437	40,085,437	40,022,424	63,013
Vocational programs	5,581,770	5,371,770	5,370,502	1,268
Other instructional programs	530,042	197,042	196,333	709
Nonpublic school programs	-	24,500	24,149	351
Adult education programs	1,309,181	1,309,181	1,309,181	-
TOTAL INSTRUCTION	149,782,524	149,264,024	149,248,326	15,698
SUPPORT SERVICES:				
Pupil personnel	10,165,308	9,565,308	9,564,572	736
Instructional staff	5,922,010	4,807,010	4,806,377	633
Administration	9,809,823	11,136,823	11,136,663	160
Pupil health	2,935,792	3,248,792	3,248,703	89
Business	2,324,229	2,058,229	2,054,266	3,963
Operation and maintenance of plant	19,523,499	19,789,499	19,796,235	(6,736)
Student transportation	12,379,067	13,276,067	13,250,780	25,287
Central and other support	4,181,449	5,064,084	5,056,769	7,315
Other support	213,269	227,769	227,387	382
TOTAL SUPPORT SERVICES	67,454,446	69,173,581	69,141,752	31,829
OPERATION OF NONINSTRUCTIONAL SERVICES:				
Student activities	3,087,740	3,190,740	3,190,365	375
Community services	63,698	24,698	24,384	314
TOTAL NONINSTRUCTIONAL SERVICES	3,151,438	3,215,438	3,214,749	689
DEBT SERVICE:				
Principal	10,680,000	9,349,715	8,361,777	987,938
Interest	5,516,235	5,516,235	5,446,520	69,715
TOTAL DEBT SERVICE	16,196,235	14,865,950	13,808,297	1,057,653
REFUND OF PRIOR YEAR REVENUE	-	-	403,142	(403,142)
TOTAL EXPENDITURES	236,584,643	236,518,993	235,816,266	702,727
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	**(4,005,764)**	**(3,940,114)**	**(3,407,289)**	**532,825**
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	79,840	79,840
Operating transfers out	-	(65,650)	(2,065,640)	(1,999,990)
TOTAL OTHER FINANCING SOURCES (USES)	-	(65,650)	(1,985,800)	(1,920,150)
NET CHANGE IN FUND BALANCE	**(4,005,764)**	**(4,005,764)**	**(5,393,089)**	**(1,387,325)**
FUND BALANCE, July 1, 2024	33,937,959	33,937,959	33,937,959	-
FUND BALANCE, June 30, 2025	**$ 29,932,195**	**$ 29,932,195**	**$ 28,544,870**	**$ (1,387,325)**

OTHER SUPPLEMENTARY INFORMATION

PARKLAND SCHOOL DISTRICT

Tax Collections
General Fund - Cash Basis
Year Ended June 30, 2025

	North Whitehall Township	South Whitehall Township	Upper Macungie Township	Other	Total
TAX COLLECTORS					
Real estate	$ 26,180,124	$ 45,240,075	$ 77,689,072	$ -	$ 149,109,271
Penalties, real estate	56,205	81,694	153,663	-	291,562
	$ 26,236,329	$ 45,321,769	$ 77,842,735	$ -	149,400,833
DELINQUENT REAL ESTATE TAXES					
Delinquent real estate and penalties, net	$ 437,194	$ 1,076,823	$ 2,662,232	$ -	4,176,249
REAL ESTATE TRANSFER TAX	$ 440,768	$ 1,061,052	$ 1,549,769	$ 14,174	3,065,763
OTHER					
Public utility realty tax				$ 150,741	150,741
Earned income tax				$ 16,741,896	16,741,896
Local services tax				$ 265,463	265,463
Payments in lieu of taxes				$ 4,000	4,000
TOTAL TAX REVENUES - CASH BASIS					**$ 173,804,945**

PARKLAND SCHOOL DISTRICT

Real Estate Tax Collections
General Fund - Cash Basis
Year Ended June 30, 2025

	North Whitehall Township	South Whitehall Township	Upper Macungie Township	Total
Total amount of real estate tax from original valuation	$ 26,927,604	$ 46,655,541	$ 79,420,746	$ 153,003,891
Add: Unpaid real estate taxes, beginning of year	-	-	-	-
Unpaid interim real estate taxes, beginning of year	10,618	40,301	203,203	254,122
Additional interim bills on prorata basis	230,661	500,617	786,711	1,517,989
Total amount of real estate taxes collectible	27,168,883	47,196,459	80,410,660	154,776,002
Add: Lehigh County Clean and Green Program	76,397	-	-	76,397
Deduct: Discounts allowed	466,828	797,000	1,464,006	2,727,834
Unpaid interim real estate taxes, end of year	155,813	138,274	249,608	543,695
Unpaid real estate and interim real estate taxes turned over to tax claims bureau	407,279	995,345	984,967	2,387,591
Exonerations	9,086	-	-	9,086
Real estate tax refunds	26,150	25,765	23,007	74,922
Total deductions	1,065,156	1,956,384	2,721,588	5,743,128
Actual cash collected 2024-2025 before penalties	26,180,124	45,240,075	77,689,072	149,109,271
Add: Penalties collected	56,205	81,694	153,663	291,562
Actual cash collected 2024-2025	$ 26,236,329	$ 45,321,769	$ 77,842,735	$ 149,400,833

PARKLAND SCHOOL DISTRICT

Library Tax Collections - Cash Basis
Year Ended June 30, 2025

		North Whitehall Township	South Whitehall Township	Upper Macungie Township	Total
Total amount of real estate tax from original valuation		$ 161,490	$ 278,128	$ 469,658	$ 909,276
Add:	Unpaid library taxes, beginning of year	-	-	-	-
	Unpaid interim library taxes, beginning of year	65	251	1,239	1,555
	Additional interim bills on prorata basis	1,350	2,926	4,611	8,887
Total amount of library taxes collectible		162,905	281,305	475,508	919,718
Deduct:	Discounts allowed	2,798	4,753	8,654	16,205
	Unpaid interim library taxes, end of year	905	803	1,450	3,158
	Unpaid library taxes turned over to tax claims bureau	2,479	5,900	5,933	14,312
	Exonerations	22	-	122	144
Actual cash collected 2024-2025 before penalties		156,701	269,849	459,349	885,899
Add:	Penalties collected	341	1,419	940	2,700
Actual cash collected 2024-2025		$ 157,042	$ 271,268	$ 460,289	$ 888,599

SINGLE AUDIT SECTION

BUCKNO LISICKY & COMPANY

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Certified Public Accountants | Business Consultants

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

To the School Board Members
Parkland School District
Allentown, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Parkland 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 Parkland School District's major federal programs for the year ended June 30, 2025. Parkland 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, Parkland School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Parkland 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 Parkland 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 Parkland School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Buckno Lisicky + Company

Allentown, Pennsylvania
December 31, 2025

PARKLAND SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor Program Title or Cluster	Federal Assistance Listing Number	Additional Award Identification	Pass-through Grantor's Number	Grant Period Beginning - Ending Dates	Program or Award Amount	Account Receivable (Unearned Revenue) July 01, 2024	Cash Received for the Year	Revenue Recognized	Program Expenditures	Adjustments	Account Receivable (Unearned Revenue) June 30, 2025	Passed Through to Subrecipients
U.S. Department of Agriculture												
Passed through the Pennsylvania Department of Agriculture:												
National School Lunch Program - Commodities	10.555	N/A	20-739-510	7/1/23-6/30/24	$ 308,327	$ (32,239)	$ -	$ 32,239	$ 32,239	$ -	$ -	$ -
National School Lunch Program - Commodities	10.555	N/A	20-739-510	7/1/24-6/30/25	342,896	-	342,896	319,535	319,535	-	(23,361)	-
						(32,239)	342,896	351,774	351,774	-	(23,361)	-
Passed through the Pennsylvania Department of Education:												
National School Lunch Program	10.555	N/A	121-39-510-3	7/1/24-6/30/25	1,578,887	-	1,524,410	1,578,887	1,578,887	-	54,477	-
						-	1,524,410	1,578,887	1,578,887	-	54,477	-
Total 10.555						(32,239)	1,867,306	1,930,661	1,930,661	-	31,116	-
School Breakfast Program	10.553	N/A	121-39-510-3	7/1/24-6/30/25	472,847	-	456,429	472,847	472,847	-	16,418	-
Total 10.553						-	456,429	472,847	472,847	-	16,418	-
Total Child Nutrition Cluster						(32,239)	2,323,735	2,403,508	2,403,508	-	47,534	-
Total U.S. Department of Agriculture						**(32,239)**	**2,323,735**	**2,403,508**	**2,403,508**	**-**	**47,534**	**-**
U.S. Department of Education												
Passed Through the Pennsylvania Department of Education:												
Elementary and Secondary School Emergency Relief Fund (ESSER):												
ARP ESSER	84.425	84.425D, COVID-19	223-210320	3/13/20-9/30/24	11,185,573	106,371	813,496	707,125	707,125	-	-	-
ARP ESSER 2.5%	84.425	84.425U, ARP	224-210320	3/13/20-9/30/24	797,173	(30,965)	146,868	177,833	177,833	-	-	-
ARP Homeless	84.425	84.425U, ARP	181-212318	7/1/21-9/30/24	86,812	55,906	30,906	-	-	-	25,000	-
Total 84.425						131,312	991,270	884,958	884,958	-	25,000	-
Passed Through the Pennsylvania Department of Education:							-					
Title I, Improving Basic Programs	84.010	N/A	013-240320	7/09/23-9/30/25	1,662,896	952,581	999,732	47,151	47,151	-	-	42,500
Title I, Improving Basic Programs	84.010	N/A	013-250320	9/12/24-9/30/25	1,493,329	-	1,028,976	1,399,522	1,399,522	-	370,546	8,915
Total 84.010						952,581	2,028,708	1,446,673	1,446,673	-	370,546	51,415
Passed Through the Pennsylvania Department of Education:												
Title II Improving Teacher Quality	84.367	N/A	020-230320	7/9/22-9/30/23	284,551	3,423	-	-	-	(3,423)	-	-
Title II Improving Teacher Quality	84.367	N/A	020-240320	7/9/23-9/30/25	245,753	63,264	67,798	2,597	2,597	-	(1,937)	-
Title II Improving Teacher Quality	84.367	N/A	020-250320	9/12/24-9/30/25	214,532	-	182,518	213,036	213,036	-	30,518	-
Total 84.367						66,687	250,316	215,633	215,633	(3,423)	28,581	-
Passed Through the Pennsylvania Department of Education:												
Title III English Language Acquisition Grants	84.365	N/A	010-240320	7/9/23-9/30/25	69,727	(4,138)	37,188	41,326	41,326	-	-	-
Title III English Language Acquisition Grants	84.365	N/A	010-250320	9/12/24-9/30/25	63,628	-	39,156	27,339	27,339	-	(11,817)	-
Total 84.365						(4,138)	76,344	68,665	68,665	-	(11,817)	-
Passed Through the Pennsylvania Department of Education:												
Title IV Student Support and Academic Enrichment	84.424	N/A	144-240320	7/24/23-9/30/25	140,046	20,630	37,346	16,716	16,716	-	-	1,104
Title IV Student Support and Academic Enrichment	84.424	N/A	144-250320	9/12/24-9/30/25	132,305	-	122,128	131,914	131,914	-	9,786	4,517
Total 84.424						20,630	159,474	148,630	148,630	-	9,786	5,621
Passed Through Intermediate Unit #21												
Special Education Grant IDEA, Part B 611	84.027	N/A	H027A240093	7/1/23-6/30/24	1,766,288	1,090,915	1,090,915	-	-	-	-	-
Special Education Grant IDEA, Part B 611	84.027	N/A	H027A250093	7/1/24-6/30/25	1,810,967	-	747,723	1,810,967	1,810,967	-	1,063,244	-
Total 84.027						1,090,915	1,838,638	1,810,967	1,810,967	-	1,063,244	-
Preschool Early Intervention - 619	84.173	N/A	H173A250090	7/1/24-6/30/25	8,580	-	8,580	8,580	8,580	-	-	-
Total 84.173						-	8,580	8,580	8,580	-	-	-
Total Special Education (IDEA) Cluster						1,090,915	1,847,218	1,819,547	1,819,547	-	1,063,244	-
Total U.S. Department of Education						**2,257,987**	**5,353,330**	**4,584,106**	**4,584,106**	**(3,423)**	**1,485,340**	**57,036**
U.S. Department of Health and Human Services												
Passed Through the Pennsylvania Department of Welfare:												
Medical Assistance Program	93.778	N/A	4100009941	7/1/24-6/30/25	unavailable	137,988	92,793	26,952	26,952	(45,195)	26,952	-
Total U.S. Department of Health and Human Services						**137,988**	**92,793**	**26,952**	**26,952**	**(45,195)**	**26,952**	**-**
Total Federal Awards						**$ 2,363,736**	**$ 7,769,858**	**$ 7,014,566**	**$ 7,014,566**	**$ (48,618)**	**$ 1,559,826**	**$ 57,036**

See Notes to Schedule of Expenditures of Federal Awards.

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal ("the Schedule") includes the federal award activity of Parkland School District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Parkland School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Parkland School District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

Parkland School District has elected not to use the 10% or 15% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. ADJUSTMENTS

Adjustments included in the Schedule of Federal Expenditures represent grant receivables or unearned revenues that have been cancelled as of June 30, 2025.

Section I: Summary of Auditors' Results

***Financial Statements**:*

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
* Material weaknesses identified?	____yes __X__no
* Significant deficiencies identified?	____yes __X__none reported
Noncompliance material to financial statements noted?	____yes __X__no

***Federal Awards**:*

Internal control over major programs:	
* Material weaknesses identified?	____yes __X__no
* Significant deficiencies identified?	____yes __X__none reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____yes __X__no

Identification of major programs:

FALN Number	Name of Federal Program or Cluster
84.010	Title 1 Part A – Grants to Local Education Agencies

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	__X__yes ____no

Section II: Financial Statement Findings

No findings to be reported.

Section III: Federal Award Findings

No findings to be reported.

Section IV: Prior Year Audit Findings and Questioned Costs as Prepared by Management

N/A - No prior year finding

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