

NEW ISSUE - BOOK ENTRY ONLY

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

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds, including interest in the form of original issue discount, if any, will not be includible in gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the School District with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals; 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 for tax years beginning after December 31, 2022. Under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. See "TAX MATTERS" herein.

\$45,430,000*

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
(Chester County, Pennsylvania)

Consisting of:

\$25,510,000* General Obligation Bonds, Series A of 2026

\$19,920,000* General Obligation Bonds, Series B of 2026

Bonds Dated: Date of delivery

Principal Due: February 15, as shown on inside cover

Denomination: Integral multiples of \$5,000

Interest Payable: February 15 and August 15

First Interest Payment: February 15, 2027

Form: DTC Book-Entry Only

Legal Investment for Fiduciaries in Pennsylvania: The Bonds are a legal investment for fiduciaries in the Commonwealth of Pennsylvania under the Probate, Estate and Fiduciaries Code, Act of June 30, 1972, No. 164, P.L. 508 as amended and supplemented.

General: The \$45,430,000* in aggregate principal amount of general obligation bonds are being issued by the by the Tredyffrin-Easttown School District (the "School District"), a public school district located in Chester County, Pennsylvania and will consists of \$25,510,000* General Obligation Bonds, Series A of 2026 (the "2026A Bonds") and \$19,920,000* General Obligation Bonds, Series B of 2026 (the "2026B Bonds"). The 2026A Bonds and 2026B Bonds are collectively referred to as the "Bonds". The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds can be made only under the book-entry system of DTC, and purchasers will not receive certificates representing their interests in the Bonds. While DTC, or its nominee Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by U.S. Bank Trust Company, National Association (the "Paying Agent"), as paying agent, directly to Cede & Co. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to Beneficial Owners of the Bonds is the responsibility of the DTC Participants and the Indirect Participants. See "BOOK-ENTRY ONLY SYSTEM" herein. Interest on the Bonds is payable initially on February 15, 2027, and thereafter, semiannually on February 15 and August 15 of each year.

Security: The Bonds are payable from the tax and other general revenues of the School District. The School District has covenanted 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 funds deposited by the School District in the respective sinking funds established under the Resolution's adopted by the School District on September 28, 2026 for the 2026A Bonds and on March 18, 2024 for the 2026B Bonds, authorizing and securing the Bonds, or from any other of its legally available revenue or funds, the principal of every Bond and the interest thereon at the dates and place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District has irrevocably pledged its full faith, credit and taxing power, which taxing power includes the power to levy *ad valorem* taxes on all taxable property in the School District, within limitations provided by law (see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS", APPENDIX A - "TAXING POWERS AND LIMITS" and "PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS" – "Taxpayer Relief Act (Act 1)" herein).

Optional Redemption: The Bonds are subject to optional redemption prior to their stated maturity dates, as described herein.

Proceeds of the 2026A Bonds will be used to: (1) currently refund [all or a portion of] the School District's outstanding General Obligation Bonds, Series of 2019 and (2) pay the costs and expenses associated with the issuance of the 2026A Bonds.

Proceeds of the 2026B Bonds will be used to fund capital improvements to the School District's existing high school and paying the costs and expenses associated with the issuance of the 2026B Bonds.

The Bonds are offered for delivery when, as and if issued by the School District and received by the Underwriter, subject to the approving legal opinion of Lamb McErlane PC, West Chester, Pennsylvania, Bond Counsel, to be furnished upon delivery of the Bonds. Certain legal matters will be passed upon by Wisler Pearlstine, LLP, Blue Bell, Pennsylvania, Solicitor for the School District, and for the Underwriter by its limited scope underwriter's counsel, McNees Wallace & Nurick LLC, Harrisburg, Pennsylvania. PFM Financial Advisors LLC, Harrisburg, Pennsylvania, will serve as Municipal Advisor to the School District in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery through the facilities of DTC, on or about November ___, 2026.

RAYMOND JAMES®

*Preliminary, subject to change.

This Preliminary Official Statement and the information herein are subject to completion or amendment. 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 these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The School District deems this Preliminary Official Statement to be final for the purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1) except for certain information on the cover hereof and certain pages herein which have been omitted in accordance with such Rule and which will be supplied in the final Official Statement.

\$45,430,000*
TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
(Chester County, Pennsylvania)
Consisting of:
\$25,510,000* General Obligation Bonds, Series A of 2026

Bonds Dated: Date of Delivery
Principal Due: February 15, as shown below
Denomination: Integral multiples of \$5,000

Interest Payable: February 15 and August 15
First Interest Payment: February 15, 2027
Form: DTC Book-entry Only

BOND MATURITY SCHEDULE

(February 15)	Principal	Interest			CUSIP
<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Numbers ⁽¹⁾</u>
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					

⁽¹⁾The 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 Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

*Preliminary, subject to change.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

\$45,430,000*
TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
(Chester County, Pennsylvania)
Consisting of:
\$19,920,000* General Obligation Bonds, Series B of 2026

BOND MATURITY SCHEDULE

(February 15)	Principal	Interest			CUSIP
<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Numbers ⁽¹⁾</u>
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
2048					
2049					

⁽¹⁾The 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 Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

*Preliminary, subject to change.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

No dealer, broker, salesman or other person has been authorized by the School District or the Underwriter to give any information or to make any representation, other than that given or made in this Official Statement, and if given or made, any such other information or representation may not be relied upon as having been authorized by the School District or the Underwriter. This 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 by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement has been approved by the School District and, while the information set forth in this Official Statement has been furnished by the School District and other sources which are believed to be reliable, such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriter or, as to information obtained from other sources, by the School District. The information and expressions of opinion set forth in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that the affairs of the School District have remained unchanged since the date of this Official Statement.

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

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

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS 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.

TABLE OF CONTENTS

SUMMARY PAGE 1

BOARD OF SCHOOL DIRECTORS 2

INTRODUCTION 3

PURPOSE OF THE ISSUE..... 3

SOURCES AND USES OF FUNDS 3

DESCRIPTION OF THE BONDS 4

Payment of Principal and Interest 4

Transfer, Exchange and Registration of Certificated Bonds 4

REDEMPTION OF BONDS 5

Optional Redemption..... 5

Mandatory Sinking Fund Redemptions 5

Notice of Redemption..... 5

Manner of Redemption 5

BOOK-ENTRY ONLY SYSTEM..... 6

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS..... 7

General Obligation Pledge..... 7

Actions in the Event of Default on the Bonds..... 8

Sinking Funds 8

Commonwealth Enforcement of Debt Service Payments 8

Pennsylvania Budget Adoption Impasses 8

Act 85 of 2016 (State Subsidy Intercept During a Budget Impasse)..... 9

BONDHOLDER CONSIDERATIONS..... 10

Cybersecurity 10

Climate Change 10

Risk of Audit by Internal Revenue Service..... 10

CONTINUING DISCLOSURE UNDERTAKING 10

NO LITIGATION..... 11

TAX MATTERS..... 11

State Tax Matters..... 11

Federal Income Tax Matters 11

Original Issue Discount 12

Original Issue Premium 12

Corporate Alternative Minimum Tax 12

Continuing Compliance 12

Collateral Tax Liabilities 13

LEGAL OPINIONS 13

RATING 13

UNDERWRITING..... 13

PAYING AGENT 14

MUNICIPAL ADVISOR 14

CERTAIN OTHER MATTERS 14

APPENDIX A - SUMMARIES OF OPERATING DATA REGARDING THE SCHOOL DISTRICT

DESCRIPTION OF THE SCHOOL DISTRICT	A-1
Introduction	A-1
School Facilities.....	A-1
Pupil Enrollment.....	A-1
SCHOOL DISTRICT FINANCES	A-2
Financial Reporting	A-2
Budgeting Process in accordance with the Public School Code and Act 1 of 2006 (Taxpayer Relief Act)	A-2
Summary and Discussion of Financial Results	A-3
TAXING POWERS AND LIMITS	A-4
In General.....	A-4
PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS.....	A-4
Taxpayer Relief Act (Act 1)	A-4
Status of the Bonds Under the Taxpayer Relief Act (Act 1)	A-5
Limitations on School District Fund Balance	A-6
TAX REVENUES OF THE SCHOOL DISTRICT.....	A-6
Tax Levies	A-6
Real Estate Tax Collection Record	A-6
Trends in Market and Assessed Valuations	A-7
Ten Most Valuable Taxable Parcels in the School District.....	A-7
COMMONWEALTH AID TO SCHOOL DISTRICTS.....	A-8
Lack of Commonwealth Appropriations for Debt Service Reimbursement.....	A-8
DEBT STATEMENT AND DEBT LIMITS.....	A-9
FUTURE FINANCING.....	A-9
BORROWING CAPACITY.....	A-10
LABOR RELATIONS.....	A-10
Employees and Labor Contracts	A-10
Pension Program.....	A-10
Other Post-Employment Benefits (“OPEB”)	A-11

APPENDIX B – LOCAL DEMOGRAPHIC AND STATISTICAL AND ECONOMIC INFORMATION

APPENDIX C – FORM OF OPINION OF BOND COUNSEL

APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E – ANNUAL COMPREHENSIVE FINANCIAL REPORT

APPENDIX F – BOND AMORTIZATION SCHEDULE

SUMMARY PAGE

This Summary Statement is subject in all respects to more complete information in this Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or otherwise use it without the entire Official Statement. A full review of the entire Official Statement should be made by potential Bond purchasers.

Issuer	Tredyffrin-Easttown School District, Chester County, Pennsylvania (the "School District").
Bonds	The \$45,430,000* aggregate principal amount of general obligation bonds will consist of \$25,510,000* General Obligation Bonds, Series A of 2026 (the "2026A Bonds"), maturing on February 15, _____ through February 15, _____ and \$19,920,000* General Obligation Bonds, Series B of 2026 (the "2026B Bonds"), maturing on February 15, _____ through February 15, _____. Interest on the Bonds shall be payable semiannually on February 15 and August 15. See " DESCRIPTION OF THE BONDS " herein.
Optional Redemption	The Bonds stated to mature on or after February 15, _____, are subject to redemption prior to maturity at the option of the School District in whole or, from time to time, in part, in any order of maturities as the School District shall select, on any date or dates on or after August 15, _____, at a price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for such optional redemption.
Form	Book-Entry Only.
Application of Proceeds	Proceeds of the 2026A Bonds will be used to: (1) currently refund [all or a portion of] the School District's outstanding General Obligation Bonds, Series of 2019 and (2) pay the costs and expenses associated with the issuance of the 2026A Bonds. Proceeds of the 2026B Bonds will be used to fund capital improvements to the School District's existing high school and paying the costs and expenses associated with the issuance of the 2026B Bonds.
Security	The Bonds are general obligations of the School District, for the payment of which the School District has pledged its full faith, credit and taxing power.
Rating	Moody's Investors Service ("Moody's") has assigned a rating of "Aaa" to this issue of Bonds. (See " RATING " herein.)
Continuing Disclosure Undertaking	The School District has agreed to provide, or cause to be provided, in a timely manner, certain information in accordance with the requirements of Rule 15c2-12, as promulgated under the Securities Exchange Act of 1934, as amended and interpreted (the "Rule"). (See " CONTINUING DISCLOSURE UNDERTAKING " and " APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT " – for the School District's respective filing deadline herein.)

[Remainder of Page Intentionally Blank]

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
(Chester County, Pennsylvania)
940 West Valley Road
Wayne, Pennsylvania 19087

BOARD OF SCHOOL DIRECTORS

Sue Tiede.....	President
Kenneth Hong.....	Vice President
Dr. Roberta Hotinski.....	Member
Todd Kantorczyk	Member
Dr. Julie K. Mesaros	Member
Maryann Piccioni.....	Member
Nicole Scherer	Member
Rachel Weil	Member
Dr. Henry Zink.....	Member

SCHOOL ADMINISTRATION

Dr. Richard Gusick.....	Superintendent of Schools
Arthur J. McDonnell.....	Business Manager/Board Secretary
Richard Livergood.....	Assistant Business Manager

BOND COUNSEL

Lamb McErlane PC
West Chester, Pennsylvania

SOLICITOR

Wisler Pearlstine, LLP
Blue Bell, Pennsylvania

UNDERWRITER

Raymond James & Associates, Inc.
Lancaster, Pennsylvania

LIMITED SCOPE UNDERWRITER'S COUNSEL

McNees Wallace & Nurick LLC
Lancaster, Pennsylvania

MUNICIPAL ADVISOR

PFM Financial Advisors LLC
Harrisburg, Pennsylvania

PAYING AGENT

U.S. Bank Trust Company, National Association
Philadelphia, Pennsylvania

OFFICIAL STATEMENT

\$45,430,000*

Tredyffrin-Easttown School District (Chester County, Pennsylvania)

Consisting of:

\$25,510,000* General Obligation Bonds, Series A of 2026

\$19,920,000* General Obligation Bonds, Series B of 2026

INTRODUCTION

This Official Statement is furnished by the Tredyffrin-Easttown School District (the "School District"), a public school district located in Chester County, Pennsylvania, in connection with the offering of its \$45,430,000* aggregate principal amount of general obligation bonds and will consists of \$25,510,000* General Obligation Bonds, Series A of 2026 (the "2026A Bonds") and \$19,920,000* General Obligation Bonds, Series B of 2026 (the "2026B Bonds"). The 2026A Bonds and 2026B Bonds are collectively referred to as the "Bonds". The Bonds will be dated their date of delivery (the "Delivery Date") when the Bonds are issued and delivered to DTC (described below) or its agent. The Bonds are general obligations of the School District, which are secured by a parity pledge of its full faith, credit and taxing power to pay the principal of and interest due on the Bonds.

The Bonds are being issued pursuant to, and are secured by, Resolutions adopted by the Board of School Directors of the School District on September 28, 2026 for the 2026A Bonds and on March 18, 2024 for the 2026B Bonds (the "Resolutions"), in accordance with the laws of the Commonwealth of Pennsylvania (the "Commonwealth" or "State"), including the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Debt Act"). Copies of the Resolution may be obtained from the School District.

The Bonds shall be issued in fully registered form, without certificates or coupons, in the denomination of \$5,000 principal amount and integral multiples thereof. Interest on the Bonds is payable semiannually on February 15 and August 15 of each year, commencing February 15, 2027. Interest on any Bond is payable to the Beneficial Owner as of the applicable Record Date (defined below). The interest on and principal of the Bonds is payable by the School District to U.S. Bank Trust Company, National Association (the "Paying Agent"), serving as paying agent and sinking fund depository, for transfer to DTC. When issued, the Bonds will be registered in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"), New York, New York. Purchasers of the Bonds (the "Beneficial Owners") will not receive any bond certificates, and beneficial ownership of the Bonds will be evidenced only by electronic book entries. See **"BOOK-ENTRY ONLY SYSTEM"** herein.

The information which follows contains summaries of the Resolutions, the Bonds, the Debt Act, Act 1 (herein defined) and other laws, the School District's Budget and its Financial Statements. Such summaries do not purport to be complete, and reference is made to such documents and laws in their entirety, copies of which are on file and available for examination at the offices of the School District.

Neither the delivery of the Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create an implication that there have been no changes in the affairs of the School District, or in the communities or areas in or about the School District, since the date of the Official Statement of the earliest date as of which certain information contained herein is given.

PURPOSE OF THE ISSUE

Proceeds of the **2026A Bonds** will be used to: (1) currently refund [all or a portion of] the School District's outstanding General Obligation Bonds, Series of 2019 (the "2019 Bonds") and (2) pay the costs and expenses associated with the issuance of the 2026A Bonds.

Proceeds of the **2026B Bonds** will be used to fund capital improvements to the School District's existing high school and paying the costs and expenses associated with the issuance of the 2026B Bonds.

SOURCES AND USES OF FUNDS

	<u>2026A Bonds</u>	<u>2026B Bonds</u>	<u>Total</u>
<u>Sources of Funds</u>			
Proceeds of the Bonds.....			
[Net] Original Issue Premium [Discount]			
Total Sources of Funds			
<u>Uses of Funds</u>			
Amount Required to Call the 2019 Bonds			
Construction Fund Deposit			
Costs of Issuance ⁽¹⁾			
Total Uses of Funds			

⁽¹⁾ Includes legal fees, underwriter's discount, municipal advisor fee, paying agent fees, rating fee, CUSIP, printing and miscellaneous fees.

*Preliminary, subject to change.

DESCRIPTION OF THE BONDS

The Bonds will be issued in book-entry form, in denominations of \$5,000 principal amount and integral multiples thereof. The Bonds will bear interest from the Delivery Date at the rates and mature in the amounts and on the dates set forth on the inside front cover of this Official Statement. Interest on the Bonds will be payable initially on February 15, 2027, and thereafter, semiannually on February 15 and August 15 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for.

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

Payment of Principal and Interest

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of 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 and interest so paid. See **"BOOK-ENTRY ONLY SYSTEM"** herein. If the use of the book-entry only system for the Bonds is discontinued for any reason, bond certificates will be issued to the Beneficial Owners of the Bonds and payment of principal 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 any earlier mandatory or optional redemption, will be paid to the registered owners of such Bonds, or registered assigns, upon surrender of such Bonds to the Paying Agent at its designated corporate trust office (or to any successor paying agent at its designated office(s)).

Interest on any certificated Bonds will be payable to the registered owner of such a Bond from the interest payment date next preceding the date of registration and authentication of the Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding February 15, 2027, in which event such Bond shall bear interest from the Delivery Date, 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 a certificated Bond will be payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15) day (whether or not a day on which the Paying Agent is open for business) next preceding such 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 the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of such Bonds not less than fifteen (15th) days preceding such special record date. Such notice shall be mailed to the persons in whose names such certificated 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 Certificated Bonds

*Subject to the provisions herein under **"BOOK-ENTRY ONLY SYSTEM"**, any 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 such Bonds in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered and certificated bond or bonds of authorized denominations of the same, maturity and interest rate for the aggregate principal amount that 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 such Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the School District and the Paying Agent shall not be affected by any notice to the contrary.*

The School District and the Paying Agent shall not be required: (a) to register the transfer of or exchange any certificated Bonds then considered for redemption during a period beginning at the close of business on the fifth (5th) day next preceding any date of selection of such Bonds to be redeemed and ending at the close of business on the day of mailing of the applicable notice of redemption; or (b) to register the transfer of or exchange any portion of any certificated Bond selected for redemption until after the redemption date. Certificated 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

Optional Redemption

The Bonds maturing on or after February 15, 20__, shall be subject to redemption, prior to maturity, at the option of the School District, in whole or in part, in any order of maturities, at any time on or after February 15, 20__, at a price equal to 100% of the principal amount of the Bonds to be redeemed and accrued interest thereon to the date fixed for such optional redemption. In the event that less than all of the Bonds of a particular maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.

Mandatory Sinking Fund Redemptions

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

The Bonds Stated to Mature on February 15, 20__ :

20__	\$
20__	
20__	
20__	
20__	
20__ *	

*Maturity

Notice of Redemption

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

Notice of any redemption shall be given by depositing a copy of the redemption notice in first class mail not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption, addressed to each of the registered owners of any certificated Bonds to be redeemed, at the addresses shown on the registration books kept by the Paying Agent as of the date such Bonds are selected for redemption; 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 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's, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect thereto, except to receive payment of the principal to be redeemed and accrued interest thereon to the date fixed for redemption.

The notice of redemption may state that it is conditional, *i.e.*, that it is subject to the deposit of sufficient redemption money with the Paying Agent or other escrow agent on the redemption date in sufficient time to effectuate the redemption of Bonds. If, after issuing a notice of redemption, the School District is unable or otherwise fails to deposit with the Paying Agent (or other bank or depository acting as refunding escrow agent) money sufficient to redeem the Bonds called for redemption, such notice may be withdrawn or be of no effect until such money is so deposited.

Manner of Redemption

So long as Cede & Co., nominee of DTC, is the registered owner of the Bonds, payment of the redemption price shall be made by Cede & Co. in accordance with the existing arrangements by and among the School District, the Paying Agent and DTC and, if less than all of the Bonds in a particular maturity are to be redeemed, the amount of the interest of each DTC Participant, Indirect Participant and Beneficial Owner on 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 certificated Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for certificated Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or on 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, 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 series of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

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 an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

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 to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

NEITHER THE SCHOOL DISTRICT NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT, INDIRECT PARTICIPANT OR BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY TO ANY BENEFICIAL OWNER BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTIONS TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

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

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General Obligation Pledge

The Bonds are general obligations of the School District, payable from its local taxes and other general revenues, including available state subsidies, on a parity basis with each other, and other existing or future general obligation debt of the School District. The taxing powers of the School District are described more fully in **APPENDIX A – TAXING POWERS AND LIMITS**. The School District has covenanted in the Resolutions that it will include in its budget for each fiscal year, and will appropriate 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, the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District has irrevocably pledged its full faith, credit and taxing power, which taxing power includes the power to levy *ad valorem* taxes on all taxable property in the School District, within limitations provided by law.

Actions in the Event of Default on the Bonds

In the event of a failure by 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 remedies specified by the Debt Act. Among the remedies, if the failure to pay continues for 30 days, holders of the Bonds shall have the right to recover the amount due by bringing an action in assumpsit in the Court of Common Pleas of the county in which the School District is located. The Debt Act provides that 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.

Sinking Funds

Under the Resolutions, the School District has created Sinking Funds, a “Sinking Fund - General Obligation Bonds, Series A of 2026” and a “Sinking Fund - General Obligation Bonds, Series B of 2026” (the “Sinking Fund Depository”) as required by the Debt Act and segregated from all other funds of the School District. The School District shall deposit in the Sinking Funds, not later than the date when principal or interest is to become due on the Bonds, an amount sufficient to provide for the payment of interest and principal becoming due on the Bonds.

The Sinking Funds shall be held by the Sinking Fund Depository and invested by the Sinking Fund Depository in such securities 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 Sinking Fund Depository, and such deposits and securities, together with the interest thereon, shall be a part of the Sinking Funds.

The Paying Agent is authorized and directed to pay from the Sinking Funds the principal of and interest on the respective Bonds 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”), 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 of the Pennsylvania Department of Education (“PDE”) shall notify such board of school directors of its obligation and shall withhold out of any Commonwealth appropriation due such school district an amount equal to the sum of the principal amount maturing or subject to mandatory redemption and interest owing by such school district, or sinking fund deposit due by such school district, and shall pay over the amount so withheld to the bank or other person acting as sinking fund depository for such Bond issue. These withholding provisions are not part of any contract with the holders of the Bonds, and may be amended or repealed by future legislation.

The effectiveness of Section 633 of the Public School Code may be limited by the application of other withholding provisions contained in the Public School Code, such as provisions for withholding and paying over of appropriations for payment of unpaid teachers’ salaries. In addition, 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**” herein.

Pennsylvania Budget Adoption Impasses

The Commonwealth’s fiscal year begins on July 1st; however, over several of the past years, the Commonwealth has started its fiscal year without a fully adopted state budget.

The Governor timely signed the state’s 2021-22 fiscal year budget on June 30, 2021. That budget included an increase of \$300 million for basic education, with \$100 million of that targeted to the 100 historically underfunded school districts that included some in both urban and rural areas of the state. Special education received a \$50 million increase, boosting that budget line to \$1.24 billion, while preschool and Head Start programs received a \$30 million increase, to \$311.5 million. All told, funding for K-12 schools reached a then record high of \$13.55 billion in the 2021-22 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 includes \$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 includes (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 \$40,000,000 increase over the same appropriation for the 2024-25 fiscal year. The budget also increases the Ready to Learn Block Grant program appropriation by approximately 68% from the 2024-25 fiscal year. In addition, the budget hopes to provide \$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. (See **"SECURITY FOR THE BONDS"** herein.)

In light of this history, no assurance can be provided that future appropriations by the Commonwealth to the School District or to fund the Commonwealth's school district intercept programs will be made in any particular amount or on any particular timetable, will be consistent with past levels of subsidy, or at levels needed or requested by the School District now or in the future.

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

Act 85 of 2016 (State Subsidy Intercept During a Budget Impasse)

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 PDE otherwise due a school district that is 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" Sections 633 of the Public School Code. The School District's general obligation debt, including the Bonds, are subject to Section 633 of the Public School Code.

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

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

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

The total of all intercept payments under Article XVII-E.4 of Act 85 of 2016 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 subject to an intercept statute or intercept agreement must deliver to PDE, in the format PDE directs, information pertaining to each eligible borrowing within thirty (30) days of receipt of the proceeds of the obligations. The School District intends to submit this information 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.

BONDHOLDER CONSIDERATIONS

The Bonds, like all investment securities, carry a risk of loss of the investment, in whole or in part. This 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 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 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 paying agent, 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 Agreement.

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 MATTERS" herein.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirement of Rule 15-c2-12 (the "Rule") of the United States 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 agree to provide certain financial information and operating data to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB, either directly, or indirectly through a designated agent, as set forth in its Continuing Disclosure Agreement thereto (collectively, "Continuing Disclosure Agreement") substantially in the form attached hereto as Appendix D.

With respect to the filing of annual financial information and operating data, the School District reserves the right to modify from time to time the specific types of information and data 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 is required to give notice of certain events as set forth in the Continuing Disclosure Agreement (not all of which will be relevant to the School District). The School District may from time to time choose to file notice of other events in addition to those specified in the Continuing Disclosure Agreement.

The School District acknowledges that its undertaking pursuant to the Rule described herein and in the Continuing Disclosure Agreement is intended to be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by the holder and beneficial owner 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 defeasance, 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 defined "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>.

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	Annual Comprehensive Financial Report ("ACFR")*	Budget⁽²⁾
6/30/2025	02/01/2026	01/30/2026 ⁽¹⁾	01/30/2026
6/30/2024	02/01/2025	01/31/2025	01/31/2025
6/30/2023	02/01/2024	02/01/2024	02/01/2024
6/30/2022	02/01/2023	12/13/2022	N/A
6/30/2021	02/01/2022	12/07/2021	07/09/2021

*The School District's operating data is not a separate filing, but contained within the ACFR.

⁽¹⁾The School District filed an interim filing of its unaudited financial statements, along with a "Failure to Timely File Notice", to EMMA on 1/30/2026, 3/6/2026 and 4/8/2026. The audited financial statements were filed to EMMA, when they became available on 9/28/2026.

⁽²⁾The School District under its Continuing Disclosure Agreement for the General Obligation Bonds, Series of 2019 is not subject to a budget filing requirement; however, the School District voluntarily filed them to EMMA.

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

NO LITIGATION

As a condition to the settlement for the Bonds, the School District will deliver a certificate, and the School District's Solicitor's opinion will include a paragraph, stating that there is no pending litigation challenging or pertaining to the Bonds.

TAX MATTERS

State Tax Matters

In the opinion of Bond Counsel, the Bonds, and the interest income therefrom, are free from taxation for purposes of personal income and corporate net income taxes within the Commonwealth of Pennsylvania.

The residence of a holder of a Bond in a state other than Pennsylvania, or being subject to tax in a state other than Pennsylvania, may result in income or other tax liabilities being imposed by such other state or its political subdivisions based on the interest or other income from the Bonds.

Federal Income Tax Matters

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds (including, in the case of Bonds sold at an original issue discount, the difference between initial offering price and accrued value) is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that interest on and accruals of original issue discount with respect to the Bonds is not a specific item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of Federal alternative minimum taxes imposed on individuals. Interest on the Bonds is included in determinations of a taxpayer's status

as an “applicable corporation” and in calculations of annual “adjusted financial statement income” for purposes of Federal alternative minimum taxes imposed on “applicable corporations” for tax years beginning after December 31, 2022.

Original Issue Discount

The Bonds that mature on February 15, _____ (collectively, the “Tax-Exempt Discount Bonds”) are being offered and sold to the public at an original issue discount (“OID”) from the amounts payable at their maturity. OID is the excess of the stated redemption price of a bond at maturity (par) over the price to the public at which a substantial amount of bonds of the same maturity are sold pursuant to the initial offering. Under the Code, OID on each Tax-Exempt Discount Bond will accrue over its term and the amount of accretion will be based on the yield to maturity, compounded semi-annually. The amount of OID that accrues during each semi-annual period will do so ratably within that period on a daily basis. With respect to an initial purchaser of a Tax-Exempt Discount Bond at its initial offering price, the portion of OID that accrues during the period that such purchaser owns such Bond is added to the purchaser's tax basis for purposes of determining gain or loss at the maturity, redemption, sale, or other disposition of that Tax-Exempt Discount Bond and thus, in practical effect, is treated as interest, which is excludable from gross income for federal income tax purposes.

Holders of Tax-Exempt Discount Bonds should consult their own tax advisors as to the effect of OID with respect to their federal tax liability.

Original Issue Premium

The Bonds that mature on February 15, _____ (collectively, the “Tax-Exempt Premium Bonds”) are being sold at an original issue premium (“OIP”). An amount equal to the excess of the issue price of a Tax-Exempt Premium Bond over its stated redemption price at maturity constitutes OIP on such Tax-Exempt Premium Bond. An initial purchaser of a Tax-Exempt Premium Bond must amortize any OIP over such Tax-Exempt Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Tax-Exempt Premium Bonds callable prior to their maturity, by amortizing the OIP to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As OIP is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Tax-Exempt Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Tax-Exempt Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Tax-Exempt Premium Bonds should consult with their tax advisors with respect to the determination and treatment of OIP for federal income tax purposes and with respect to the state and local tax consequences of owning a Tax-Exempt Premium Bond.

Corporate Alternative Minimum Tax

The Inflation Reduction Act of 2022 imposes a new corporate alternative minimum tax equal to 15% of the “adjusted financial statement income” of “applicable corporations” as defined in Section 59(k) of the Code; generally, corporations (as defined for federal income tax purposes, other than S corporations, regulated investment companies, and real estate investment trusts) having “average annual adjusted financial statement income” of more than \$1,000,000,000 over any preceding period of three tax years (ending with a tax year that ends after December 31, 2021). The new corporate alternative minimum tax would apply for tax years beginning after December 31, 2022. Interest on tax-exempt bonds, such as interest on the Bonds, would be included (a) in average annual adjusted financial statement income for the purpose of determining whether a corporation is an “applicable corporation” and (b) in the calculation of an applicable corporation's “adjusted financial statement income” for purposes of calculating the actual alternative minimum tax imposed on corporations, regardless of the issue date of such tax-exempt bonds.

Continuing Compliance

The Code imposes various terms, restrictions, conditions and requirements relating to the exclusion from gross income for Federal income tax purposes of interest on obligations such as the Bonds. The School District has covenanted to comply with all such requirements, including non-arbitrage requirements under Section 148 of the Code, that are necessary to ensure that interest on the Bonds will not be includable in gross income for Federal income tax purposes. Failure to comply with these covenants could result in interest on the Bonds being includable in gross income for Federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with the aforesaid covenants. Moreover, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax-exempt status of the interest on the Bonds.

Certain requirements and procedures contained or referred to in the Resolutions and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Such changes or actions could constitute an exchange or other tax event with respect to the Bonds, which could result in gain or loss to the holder of a Bond, and a consequent tax liability.

Pursuant to its continuing disclosure obligations made pursuant to SEC Rule 15c2-12 (see “Continuing Disclosure Undertaking” herein), the School District may be required to provide notice of such changes or actions, as Material Events under said Rule. However, holders of the Bonds should consult their own tax advisors as to the effect of such changes or actions with respect to their federal tax liability.

Collateral Tax Liabilities

Although Bond Counsel has rendered an opinion that interest on the Bonds is excludable from gross income for Federal and Pennsylvania income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may result in other collateral effects on a Bondholder's Federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion; each Bondholder or potential Bondholder is urged to consult with its own tax advisors with respect to the effects of purchasing, holding or disposing of the Bonds on its tax liabilities.

Change in Law; Adverse Determinations

From time to time, certain legislative proposals may be introduced, or are pending, in the Congress of the United States or the various state legislatures, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal and state tax matters described above or affect the market value of the Bonds. No prediction can be made whether or in what form any such proposal or proposals might be enacted into law or whether, if enacted, the same would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") regularly audits tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No prediction can be made whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures, the Service may treat the School District as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until such time as the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, such as the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bondholder who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or to any Bondholder who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns.

THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE LIST OF THE PROVISIONS OF FEDERAL, STATE AND LOCAL TAX LAWS WHICH MAY HAVE AN EFFECT ON INDIVIDUALS AND CORPORATIONS HOLDING THE BONDS OR RECEIVING INTEREST THEREON. PROSPECTIVE PURCHASERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE EFFECT ON THEIR FEDERAL, STATE OR LOCAL TAX LIABILITY AND GENERAL FINANCIAL AFFAIRS OF HOLDING THE BONDS OR RECEIVING INTEREST THEREON.

LEGAL OPINIONS

The issuance of the Bonds is subject to the approving legal opinion of Lamb McErlane PC, in West Chester, Pennsylvania, as Bond Counsel to the School District, substantially in the form of Appendix C. Certain legal matters will be passed on for the School District by Wisler Pearlstine, LLP, Blue Bell, Pennsylvania, Solicitor to the School District, and McNeese Wallace & Nurick LLC, in Lancaster, Pennsylvania, will pass upon certain legal matters as limited scope underwriter's counsel to the underwriter.

RATING

Moody's Investors Service ("Moody's") has assigned a rating of "Aaa" to 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 agencies. 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.

PAYING AGENT

Pursuant to the provisions of the Resolutions, as paying agent and sinking fund depository, the Paying Agent has the limited duty of receiving payments from the School District, depositing such payments in a sinking fund and making payments to the owners of the Bonds of the principal of, interest on, and premium, if any, on the Bonds when due, but only to the extent such moneys have been received. As registrar and transfer agent, the Paying Agent has the limited duty of handling the registration and transfer of the Bonds. Accordingly, the Paying Agent performs ministerial duties not involving the exercise of discretion and assumes no fiduciary relationship with respect to the owners of the Bonds.

The Paying Agent may now or in the future have banking relationships with the School District which involve making loans to the School District; these loans may have a security feature which is different from that of the security feature associated with the Bonds. The Paying Agent may also serve as trustee or paying agent and sinking fund depository on other obligations issued by or on behalf of the School District.

MUNICIPAL ADVISOR

The School District has retained PFM Financial Advisors LLC, of Harrisburg, Pennsylvania, as municipal advisor (the “Municipal Advisor”) in connection with the authorization and issuance of the Bonds. The Financial Advisor is not obligated to perform an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of, the information contained in this Official Statement, and has neither performed any such verification nor assumed any such responsibility. 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.

CERTAIN OTHER MATTERS

All references to sections or language of the Debt Act, Act 1, the Bonds and the Resolutions set forth in this Official Statement are made subject to all the detailed provisions thereof, to which reference is hereby made for further information, and this Official Statement does not purport to be complete statements of any or all such provisions.

All information, estimates and assumptions herein have been obtained from officials of the School District, other governmental bodies, trade and statistical services, and other sources, which we believe to be reliable; but no representations whatsoever are made that such estimates or assumptions are correct or will be realized. So far as any statements herein involve matters of opinion, whether or not expressly so stated, they are intended as such and not representations of fact.

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

Tredyffrin-Easttown School District
Chester County, Pennsylvania

By: _____
President, Board of School Directors

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

SUMMARIES OF OPERATING DATA REGARDING THE SCHOOL DISTRICT

[THIS PAGE INTENTIONALLY LEFT BLANK]

DESCRIPTION OF THE SCHOOL DISTRICT

Introduction

The School District encompasses 38 square miles, including the Townships of Tredyffrin and Easttown and is located at the eastern tip of Chester County, approximately 18 miles northwest of downtown Philadelphia and is bordered on the south by Delaware County and on the east by Montgomery County.

The School District has a nationwide reputation for excellence. Approximately ninety-four percent (94%) of its 2026 graduates enrolled in four-year colleges and universities, and two percent (2%) attend a two-year college. The Class of 2026 had 40 National Merit Semi-Finalists and 71 National Merit Commended Students.

The School District is a School District of the Second Class, organized and existing under the laws of the Commonwealth of Pennsylvania (the “Commonwealth”). The governing body of the School District is a board of nine school directors who are each elected for a four-year term. 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 appointed by the Board of School Directors.

School Facilities

<u>School</u>	<u>Year Constructed</u>	<u>Additions/ Alterations</u>	<u>Grades</u>	<u>Rated Pupil Capacity</u>	<u>2026-27 Enrollment</u>
Beaumont Elementary	1965	1993/94, 2002	K-4	650	472
Devon Elementary	1957	1960, 1967, 1993/94	K-4	550	368
Hillside Elementary	1961	1966, 1993/94, 2001	K-4	600	487
New Eagle Elementary	1964	1967, 1975, 1993/94, 2014	K-4	550	509
Valley Forge Elementary..... (1)	1958 (1)	1959, 1993/94, 2002 (1)	K-4 (1)	625 (1)	532
Tredyffrin-Easttown Middle.....	1908	1928, 1938, 1960, 1970, 1998/99, 2008	5-8	1,198	1,031
Valley Forge Middle.....	1965	1998/99, 2006	5-8	1,220	1,110
Conestoga Senior High.....	1954	1959, 1967, 1985,1990, 2004, 2021	9-12	2,459	2,268
Total School District.....				7,852	6,777

- (1) The School District acquired on April 2, 2024, a property formerly owned by PA MD NNN Office Southpoint LLC., 1200 West Swedesford Road, Berwyn PA, Tredyffrin Township, Chester County, PA, consisting of approximately 15 acres and an existing 86,622 square foot building. The School District has started construction on an elementary school with anticipated completion in Spring 2027 and opening for students in Fall 2027.

Source: School District Officials.

Pupil Enrollment

The past four years, current and projected enrollments within the School District are shown below:

<u>Year</u>	<u>Elementary</u>	<u>Secondary</u>	<u>Total</u>
2022-23	3,452	3,443	6,985
2023-24	3,454	3,485	6,939
2024-25	2,389	4,467	6,856
2025-26	2,287	4,489	6,776
2026-27 (Current)	2,368	4,409	6,777
2027-28 (Projected)	2,331	4,454	6,785

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 State law. The firm of CliftonLarsonAllen ("CLA") of King of Prussia, Pennsylvania currently serves as the School District's auditor. The School District's auditor has not been engaged to perform and has not performed since the date of its report, any procedures on the financial statements addressed in that report. Such auditor also has not performed any procedures relating to this Official Statement.

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 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 approval prior to the beginning of the school districts' fiscal year beginning on 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 suggest 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 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 not 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 upcoming 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 adoption such resolution.

Summary and Discussion of Financial Results

The below table presents a summary of the School District's General Fund Financial Condition for Fiscal Years ending June 30, 2022 through June 30, 2025, estimated June 30, 2026 and budgeted June 30, 2027. For more complete information, the individual financial statements and the 2026 Budget of the School District may be reviewed at the School District's Business Office.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT General Fund Revenues, Expenditures and Fund Balances (Fiscal Years Ending June 30)

	Actual				Estimated	Budgeted
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Revenues						
Local Sources	\$132,041,685	\$138,556,199	\$146,259,298	\$151,869,315	\$156,847,190	\$165,105,456
State Sources	23,848,128	25,713,932	26,757,133	28,868,877	30,117,413	30,252,694
Federal Sources	<u>2,527,156</u>	<u>2,658,914</u>	<u>2,568,494</u>	<u>2,327,792</u>	<u>729,756</u>	<u>1,064,500</u>
Total Revenues	\$158,416,969	\$166,929,045	\$175,584,925	\$183,065,984	\$187,694,359	\$196,422,650
Expenditures						
Instruction	\$98,095,506	\$103,313,371	\$106,224,889	\$114,027,549	\$122,648,200	\$120,913,283
Support Services	44,536,737	48,535,556	53,657,669	58,009,646	60,153,439	60,811,063
Operation of						
Non-Instructional Services	2,010,504	2,163,739	2,593,453	2,872,269	2,801,402	737,661
Facilities acquisition, constr.						
& Improv. Services	0	0	0	0	0	0
Debt Service	<u>1,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,736,468</u>	<u>9,729,863</u>
Total Expenditures	\$144,644,247	\$154,012,666	\$162,476,011	\$174,909,464	\$194,339,509	\$192,191,870
Other Financing Sources (Uses)						
Transfers In (Out)	\$(13,505,886)	\$(12,369,994)	\$(12,366,073)	\$(9,384,895)	\$(2,000,000)	\$(8,091,227)
Insurance Recoveries	0	0	0	0	0	0
Sale of Capital Assets	0	0	0	0	0	0
Refund of prior year receipts	270	(2,042)	0	0	0	0
Proceeds from extended-						
term financing	0	0	0	0	0	0
Special item –						
LEA joint venture buy-in	0	0	0	0	0	0
Budgetary Reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,500,000)</u>
Total Other Financing Sources (Uses)	<u>\$(13,505,616)</u>	<u>\$(12,372,036)</u>	<u>\$(12,366,073)</u>	<u>\$(9,384,895)</u>	<u>\$(2,000,000)</u>	<u>\$(12,591,227)</u>
Excess Expenditures Over (Under) Revenues	\$267,106	\$544,343	\$742,841	\$(1,228,374)	\$(8,645,150)	\$(8,360,447)
Beginning Fund Balance	<u>\$32,287,683</u>	<u>\$32,554,789</u>	<u>\$33,099,132</u>	<u>\$44,486,384</u>	<u>\$43,258,009</u>	<u>\$34,612,859</u>
Prior Period Adjustment	0	0	0	0	0	0
Increase (Decrease) in Reserve for Inventory	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance June 30	<u>\$32,554,789</u>	<u>\$33,099,132</u>	<u>\$33,841,973</u>	<u>\$43,258,009</u>	<u>\$34,612,859</u>	<u>\$26,252,412</u>

Source: School District Audits and Budget.

TAXING POWERS AND LIMITS

In General

Subject to certain limitations imposed by the Act 1 (more specifically described below), the School District is empowered by the 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.
4. Additional taxes subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege, under Act No. 511, enacted December 31, 1965, as amended ("The Local Tax Enabling Act"). These taxes, which may include, among others, 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 levied at a rate in excess of \$10 those persons whose total income and net profits from all sources within the political subdivision is less than \$12,000 for the tax year. The Local Tax Enabling Act also authorizes, but does not require, taxing authorities to exempt from per capita, occupation, and earned income taxes and any local services tax levied at a rate of \$10 or less per year, any person whose total income from all sources is less than \$12,000 per year.

PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS

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. 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); (a) to pay interest and principal on any indebtedness approved by the voters at referendum (electoral debt); and (b) 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;
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 great 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."

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, as the case may be. If a school district's petition or request to increase taxes by more than the Index pursuant to one or more of the allowable exceptions is not approved, the school district may submit the proposed tax increase to a referendum.

"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 great 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 fiscal year, current fiscal year and prior four fiscal years is as follows:

<u>Fiscal Year</u>	<u>Index %</u>
2026-27	3.5
2025-26	4.0
2024-25	5.3
2023-24	4.1
2022-23	3.4

Source: Pennsylvania Department of Education website.

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

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

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

Limitations on School District Fund Balance

Set forth below is a summary of relevant sections of Act 48. This summary is not intended to be an exhaustive discussion of the provisions of Act 48 nor intended to provide 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 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 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 REVENUES OF THE SCHOOL DISTRICT

Tax Levies

2026-27 Real Estate and Non-Real Estate Tax Rates

Realty Tax Rates

<u>Municipality</u>	<u>Real Estate (Mills)</u>		
	<u>School District</u>	<u>Municipal</u>	<u>County</u>
Easttown Township.....	31.1364	4.8590	5.1640
Tredyffrin Township.....	31.1364	4.3130	5.1640

Non-Real Estate Tax Rates

<u>Municipality</u>	<u>Real Estate Transfer</u>		<u>Earned Income</u>		<u>Local Services</u>	
	<u>Municipal</u>	<u>School</u>	<u>Municipal</u>	<u>School</u>	<u>Municipal</u>	<u>School</u>
Easttown Township.....	0.5%	0.5%	0.0%	0.0%	\$ 0.00	\$0.00
Tredyffrin Township.....	1.0	0.5	0.0	0.0	52.00	0.00

Source: School District Officials

Real Estate Tax Collection Record

The School District's realty tax collection record for the current and previous five fiscal years ending June 30th, of the years shown below, is as follows:

<u>Fiscal Year</u>	<u>Property Tax Levy</u>	<u>Current Property Tax Collections</u>	<u>Current Property Tax Collection %</u>	<u>Total Property Tax Levy Collection⁽¹⁾</u>	<u>Total Property Tax Collection %</u>
2020-21	\$121,488,920	\$118,530,985	97.57	\$119,831,955	98.64
2021-22	125,922,913	121,719,972	96.66	124,036,013	98.50
2022-23	131,257,151	130,139,847	99.15	132,217,656	100.73
2023-24	136,598,722	133,482,125	97.72	135,365,268	99.10
2024-25	143,861,821	140,805,202	97.88	142,621,203	99.14

⁽¹⁾Includes delinquent real estate collection.

Source: School District Officials.

Trends in Market and Assessed Valuations

The trend in market and assessed valuation of real estate in the School District is shown below:

<u>Tax Year</u>	<u>Market Value</u>	<u>Assessed Value</u>	<u>Ratio</u>
2021-2022	\$ 9,476,823,741	\$5,076,611,251	53.57%
2022-2023	9,585,928,319	5,138,057,579	53.60%
2023-2024	10,111,101,050	5,188,070,387	51.31%
2024-2025	10,763,348,109	5,195,890,315	48.27%
2025-2026	10,701,844,984	5,167,487,943	48.29%

Source: Assessed Value - Chester County Assessment Office. Market Value as determined by the Pennsylvania State Tax Equalization Board (STEB). Valuations certified by STEB in June of following year.

Ten Most Valuable Taxable Parcels in the School District

The following table represents the ten real estate parcels having the highest assessed values in the School District. These taxpayers represent approximately 8.14% of the School District's total most recent assessed value.

<u>Taxpayer</u>	<u>Taxable Aggregate Assessed Valuation</u>
Vanguard (Horatio/Nelson)	\$92,262,707
CBCC Acquisitions LLC	80,142,430
Westlakes KPG III LLC	42,506,020
Prime US Crosspoint at Valley Forge LLC	40,500,000
PA/MD Nnn Office Berwyn Park LLC	35,147,025
WPT Land 2 LP	33,312,500
BBKP Realty Trust Office	25,883,960
GV Center LLC	24,269,870
Shi – Iii Sage Atwater Reit LLC	24,193,530
Devon Lantern Owner LLC	22,421,790
Total.....	<u>\$420,639,832</u>

Source: County Assessment Office

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 also receive subsidies for special education, pupil transportation, career and technical education and health services, among other things.

Lack of Commonwealth Appropriations for Debt Service Reimbursement

Commonwealth law presently provides that the School District will receive reimbursement from the Commonwealth for a portion of the debt service on some or all of the School District's outstanding bonds after said bonds have received final approval from the Department of Education (see **"DEBT STATEMENT AND DEBT LIMITS"** herein). Commonwealth reimbursement is based on the "Reimbursable Percentage" assigned to the Bonds and the School District's Aid Ratio or CARF, whichever is higher. The School District's CARF is currently higher at 18.28%. The Reimbursable Percentage is determined through a process known as the "Planning and Construction Workbook" or "PlanCon". In future years, this percentage may change as the School District's MVAR changes, or as a result of future legislation regarding changes to, or even elimination of, the PlanCon program.

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

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

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

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

DEBT STATEMENT AND DEBT LIMITS

Residents of the School District are responsible for the following debt within the School District, the municipalities within the School District and the County following the settlement of the Bonds. The School District has never defaulted on the payment of debt service.

<u>DIRECT DEBT</u>	<u>Gross</u>	<u>Project</u>	<u>Effective⁽¹⁾</u>	<u>State</u>	<u>Local</u>
<u>NONELECTORAL DEBT*</u>	<u>Outstanding</u>	<u>Reimbursable</u>	<u>Reimbursement</u>	<u>Share</u>	<u>Share</u>
<u>Issue Type</u>		<u>Percent (%)</u>			
General Obligation Bonds, Series B of 2026	\$19,920,000	0.00%	0.00%	\$0	\$19,920,000
General Obligation Bonds, Series A of 2026	25,510,000	0.00%	0.00%	0	25,510,000
General Obligation Bonds, Series of 2026	19,630,000	0.00%	0.00%	0	19,630,000
General Obligation Bonds, Series of 2024	34,910,000	0.00%	0.00%	0	34,910,000
General Obligation Bonds, Series A of 2021	26,610,000	0.00%	0.00%	0	26,610,000
General Obligation Bonds, Series of 2021 (Federally Taxable)	21,715,000	20.00%	3.66%	793,900	20,921,100
Total Principal of Nonelectoral Debt	\$148,295,000			\$793,900	\$147,501,100
<u>LEASE RENTAL DEBT</u>					
Total Principal of Lease Rental Debt	\$0				
TOTAL DIRECT DEBT	\$148,295,000				
<u>OVERLAPPING DEBT</u>					
Component Municipalities Debt	\$16,015,000				
Chester County ⁽²⁾	57,262,591				
Total Principal of Overlapping Debt	\$73,277,591				
 TOTAL DIRECT AND OVERLAPPING DEBT	 \$221,572,591				
<u>DEBT RATIOS OF DIRECT DEBT</u>					
Market Valuation of Real Estate	1.38%				
Assessed Valuation of Real Estate	2.85%				
Per Capita (2020 Population)	\$3,471				
<u>DEBT RATIOS OF DIRECT DEBT AND OVERLAPPING DEBT</u>					
Market Valuation of Real Estate	2.06%				
Assessed Valuation of Real Estate	4.26%				
Per Capita (2020 Population)	\$5,186				

(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 CARF. See “Commonwealth Aid to School Districts” herein.

(2) Pro rata 12.42% share of the County’s \$455,754,000 principal amount outstanding.

*Excludes the 2019 Bonds being refunded herein.

Source: Department of Community and Economic Development (“DCED”) website.

FUTURE FINANCING

The School District anticipates borrowing an additional \$20 million for its capital projects over the next 3 years.

BORROWING CAPACITY
(Under Local Government Unit Debt Act)

The legal borrowing capacity of the School District is calculated in accordance with the Debt Act, which describes the applicable debt limits for local government units (entities with taxing powers), including school districts and municipalities. Under the Debt Act, the School District may incur electoral debt, which is debt that is approved by a majority of the School District's voters at either a general or special election, in an unlimited amount. Net nonelectoral debt, or debt not approved by the School District's electorate, net of state aid, may not exceed 225% of the School District's "Borrowing Base", as defined in the Debt Act. The Bonds constitute nonelectoral debt under the Debt Act. The Borrowing Base is calculated as the annual arithmetic average of Total Revenues (as defined in the Debt Act), for the three full fiscal years next preceding the date of incurring debt. Combined net nonelectoral debt and net lease rental debt (debt represented by capital leases and similar agreements relating to debt payments), net of approved state aid, incurred on behalf of the School District may not exceed 225% of the School District's Borrowing Base. The Borrowing Base and borrowing capacity of the School District are as follows:

	<u>2023-24</u>	<u>2024-25</u>	<u>Estimated</u> <u>2025-26</u>
Total General Fund Revenues			
<u>Less: Required Deductions</u>	\$175,584,925	\$183,065,984	\$187,694,359
a. Rental and Sinking Fund Reimbursement			
b. Revenues for Self-Liquidating Debt.....	0	0	0
c. Refunds from Prior Year Expenditures.....	0	0	0
d. Grant and Gifts for Capital Projects	0	0	0
e. Sale of Equipment and Non-Recurring Items	0	0	0
Total Deductions.....	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$175,584,925</u>	<u>\$183,065,984</u>	<u>\$187,694,359</u>
 Total Net Revenues for Three Years.....		\$ 546,345,269	
Borrowing Base - Average Net Revenues for Three-Year Period		\$ 182,115,090	
 <u>Computation of Borrowing Capacity</u>			
Debt Limitation - 225% OF Borrowing Base.....		\$ 409,758,951	
Less: Net Non-Electoral and Lease Rental Debt		<u>\$ 148,295,000</u>	
Current Non-Electoral and Lease Rental Borrowing Capacity.....		<u>\$ 261,463,951</u>	

LABOR RELATIONS

Employees and Labor Contracts

There are presently 840 (full-time and part-time) employees of the School District, including 601 teachers, administrators, and other professional employees, and 239 support personnel including secretaries, maintenance staff and aides. The employee count does not include coaches, advisors and athletic game workers.

The School District and its professional employees, represented by the Tredyffrin-Easttown Education Association ("TEEA"), are currently under a contract which expires June 30, 2027; however, a tentative Agreement with the TEEA has been reached to extend this contract to June 30, 2031. The School District and the Association's relations have been good.

Pension Program

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

Contributions are required by active members, School Districts, and the Commonwealth of Pennsylvania as established by the Public School Employees' Retirement Code. Members who enrolled prior to January 1, 2002 range from 5.28% to 7.5% of compensation, depending upon the date of commencement of employment and elections made by each employee member. Members who enrolled in the pension plan on or after January 1, 2002 and before July 1, 2011 is 7.5% of compensation. The contribution rate for PSERS members who enrolled on or after July 1, 2011 is 7.5% or 10.3%, depending upon elections made by each employee member. The PSERS Board of Trustees certified an annual employer contribution rate of 33.6% for the fiscal year 2026-27.

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

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

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

According to the Independent Fiscal Office, Act 5 is not expected to reduce school district and state contributions to PSERS over the first fifteen years. However, beginning in fiscal 2034-35 through fiscal 2049-50, employer contribution rates are expected to begin to decline due to the lower long-term employer costs of the new benefit plans and will be lower, in the aggregate, over the study period. Both the School District and the Commonwealth are responsible for paying a portion of the employer’s share. School entities are responsible for paying 100% of the employer share of contributions to PSERS. The Commonwealth reimburses the employer for one-half the payment for employees. The School District contributions are made on a quarterly basis and employee contributions are deducted bi-weekly for each paycheck and remitted monthly. Recent School District payments, net of reimbursement, have been as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2022-23	\$11,692,740
2023-24	11,813,646
2024-25	12,991,930
2025-26	13,448,911
2026-27 (Budgeted)	13,643,802

On June 30, 2025, the School District reported a liability of \$7,903,466 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 the employer's one-year reported contributions as it relates to the PSERS' one-year reported contributions. This method was changed beginning with the System’s fiscal year ended June 30, 2020. In prior years, the proportion of the PSERS net pension liability was calculated utilizing the School District’s one-year reported covered payroll as it related to PSERS’ total one-year report covered payroll. On June 30, 2025, the School District's proportion was 0.4449%, which was an increase of 0.0018% from its proportion measured as of June 30, 2024.

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 Audit and PSERS

Other Post-Employment Benefits (“OPEB”)

The School District implemented Governmental Accounting Standards Board Statement No. 45, “Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions,” for certain post-employment healthcare benefits and life insurance benefits provided by the School District. This statement generally provides for prospective implementation - i.e., that employers set the beginning net OPEB obligation at zero as of the beginning of the initial year.

Accordingly, for financial reporting purposes, no liability is reported for the post-employment benefits liability at the date of transition. Single-Employer Defined Benefit OPEB Plan The School District's other post-employment benefits ("OPEB") include a single-employer defined benefit plan that provides medical and life insurance benefits to eligible retirees and their dependents. The School Board has the authority to establish and amend benefit provisions. The OPEB Plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

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

For a full description of the pension and OPEB plans, please refer to Appendix E – Annual Comprehensive Financial Report.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

LOCAL DEMOGRAPHIC AND STATISTICAL AND ECONOMIC INFORMATION

[THIS PAGE INTENTIONALLY LEFT BLANK]

DEMOGRAPHIC AND STATISTICAL INFORMATION

Population

	<u>2020</u>	<u>2010</u>
School District.....	42,724	39,809
Chester County.....	534,413	498,886
Pennsylvania	12,794,885	12,702,379

Source: U.S. Bureau of Census.

Age Composition (2020 5-year estimates)

	<u>Percent Under 18</u>	<u>Percent 65 and Over</u>
Chester County.....	24.6%	13.5%
Pennsylvania	20.7	18.3

Source: U.S. Bureau of Census.

Income (2020 5-year estimates)

	<u>Median Household</u>	<u>Per Capita</u>	<u>Persons in Poverty</u>
Chester County.....	\$117,232	\$31,627	5.3%
Pennsylvania	71,798	35,518	11.8

Source: U.S. Bureau of Census.

Housing Characteristics (2020 5-year estimates)

	<u>Housing Units</u>	<u>Households</u>
Chester County.....	208,240	204,309
Pennsylvania	5,815,392	5,147,783

Source: U.S. Bureau of Census.

Transportation

The School District is connected to Philadelphia and Harrisburg by the Pennsylvania Turnpike. Air Service is available from the Philadelphia International Airport as well as the Chester County Airport, located in Coatesville. Amtrak and SEPTA provide local and regional rail and bus service to the member school districts. Commercial activity within the School District to be centered along Routes 202, 252 and 30.

Higher Education

Residents of the School District benefit from a number of cultural and economic advantages provided by the educational institutions located within the region. West Chester University, located in West Chester, the largest 4-year liberal arts college in Chester County, has a total enrollment of more than 14,000 and 2,500 graduate students, which includes its Exton Campus. Immaculata University, located in Immaculata, is a Catholic liberal arts college, has an enrollment of approximately 2,600 full and part-time students. Penn State-Great Valley, located in Malvern, is a special mission campus of the Penn State University, offering graduate and continuing education courses to approximately 1,900 graduate and 1,400 continuing education students. Albright College, in neighboring Reading County, is nationally ranked, offering a 4-year liberal arts program. Also located in Reading is Alvernia College, which offers a quality education that combines liberal arts with career and professional opportunities. Cabrini College, located in Radnor, Delaware County, is a Catholic co-educational institution that offers programs in liberal arts and professional studies. Villanova University, located in Villanova which straddles Delaware and Montgomery Counties, has an enrollment of approximately 11,000 undergraduate and graduate students. Drexel University, St. Joseph's University, Temple University and the University of Pennsylvania are all located in nearby Philadelphia.

Medical Facilities

There are five general acute care hospitals, one long-term acute care hospital, two psychiatric hospitals, one rehabilitation hospital, one VA hospital and one specialty hospital that serve Chester County. The hospitals, their licensed bed capacity and number of employees (full-time and part-time) as are as follows:

Institution	Location
Brandywine Medical Center	Exton
Bryn Mawr Rehabilitation Hospital	Malvern
Chester County Hospital	West Chester
Devereux Children’s Behavioral health Center	Malvern
Jennersville Regional Hospital	West Grove
Paoli Hospital	Paoli
Malvern Institute	Malvern
Phoenixville Hospital	Phoenixville
VA Medical Center	Coatesville
St. John Vianney Center	Downingtown

Source: Pennsylvania Department of Health (“PDH”), Bureau of Health Statistics
Residents of Chester County also have access to hospitals in the Philadelphia and Wilmington Metropolitan area.

ECONOMIC INFORMATION

Ten Largest Employers in Chester County

Company
The Vanguard Group Inc.
The Chester County Hospital
Main Line Hospitals Inc.
County of Chester
Federal Government
Giant Food Stores LLC
QVC Network Inc.
Downingtown Area School District
Chester County Intermediate Unit
PA State System of Higher Education

Source: Department of Labor a& Industry, Center for Workforce Information and Analysis – Labor & Industry (L & I), 2nd Quarter, 2023.

PHILADELPHIA METROPOLITAN STATISTICAL AREA
(Bucks, Chester, Delaware, Montgomery and Philadelphia Counties in Pa.)
(Burlington, Camden, Gloucester, Salem Counties - NJ; New Castle County - DE; Cecil
County - MD)

TOTAL CIVILIAN LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT, AND
UNEMPLOYMENT RATE BY PLACE OF RESIDENCE¹

TIME PERIOD	CIVILIAN LABOR FORCE	EMPLOY- MENT	UNEMPLOY- MENT	RATE (%)	SEASONALLY ADJUSTED			
					LABOR FORCE	EMPLOY- MENT	UNEMPLOY- MENT	RATE (%)
December 2025	3,305,200	3,174,200	131,000	4.0	3,310,900	3,158,200	152,700	4.6
November	3,323,100	3,181,700	141,300	4.3	3,304,800	3,152,300	152,500	4.6
October	-	-	-	-	-	-	-	-
December 2024	3,264,500	3,152,600	111,900	3.4	3,286,600	3,158,800	127,900	3.9

Source: Department of Labor a& Industry, Center for Workforce Information and Analysis.

PA-NJ-DE-MD METROPOLITAN STATISTICAL AREA

(Bucks, Chester, Delaware, Montgomery, and Philadelphia - PA counties)

(New Castle - DE county, Cecil - MD county)

(Salem, Burlington, Camden, and Gloucester - NJ counties)

December 2025

NONFARM JOBS - NOT SEASONALLY ADJUSTED

ESTABLISHMENT DATA	Industry Employment				Net Change From:	
	Dec 2025	Nov 2025	Oct 2025	Dec 2024	Nov 2025	Dec 2024
TOTAL NONFARM	3,183,600	3,181,100	3,171,200	3,147,200	2,500	36,400
TOTAL PRIVATE	2,830,700	2,827,800	2,820,200	2,792,400	2,900	38,300
GOODS-PRODUCING	299,300	300,600	301,400	301,100	-1,300	-1,800
Mining, Logging, and Construction	120,800	122,600	123,300	123,100	-1,800	-2,300
Manufacturing	178,500	178,000	178,100	178,000	500	500
Durable Goods	90,600	90,600	90,900	90,000	0	600
Non-Durable Goods	87,900	87,400	87,200	88,000	500	-100
SERVICE-PROVIDING	2,884,300	2,880,500	2,869,800	2,846,100	3,800	38,200
PRIVATE SERVICE-PROVIDING	2,531,400	2,527,200	2,518,800	2,491,300	4,200	40,100
Trade, Transportation, and Utilities	563,000	556,100	548,400	567,800	6,900	-4,800
Wholesale Trade	121,600	121,000	121,600	122,700	600	-1,100
Retail Trade	288,400	285,200	280,500	290,900	3,200	-2,500
General merchandise retailers	54,100	52,900	51,200	54,600	1,200	-500
Transportation, Warehousing, and Utilities	153,000	149,900	146,300	154,200	3,100	-1,200
Information	50,300	50,300	50,600	51,700	0	-1,400
Financial Activities	229,300	228,100	227,400	226,200	1,200	3,100
Finance and insurance	186,900	185,900	185,300	184,400	1,000	2,500
Credit Intermediation and Related Activities incl.	64,700	64,400	64,100	64,100	300	600
Real estate and rental and leasing	42,400	42,200	42,100	41,800	200	600
Professional and Business Services	510,300	511,700	512,800	499,600	-1,400	10,700
Professional and technical services	255,500	256,500	256,700	251,000	-1,000	4,500
Administrative and waste services	181,800	182,000	182,700	177,500	-200	4,300
Education and Health Services	777,800	779,200	773,300	749,400	-1,400	28,400
Health care and social assistance	637,800	635,400	631,300	611,100	2,400	26,700
Ambulatory health care services	212,700	212,000	210,400	201,800	700	10,900
Hospitals	151,500	151,000	150,000	148,200	500	3,300
Leisure and Hospitality	270,600	272,600	277,400	268,200	-2,000	2,400
Accommodation and food services	216,800	218,000	220,900	214,200	-1,200	2,600
Other Services	130,100	129,200	128,900	128,400	900	1,700
Government	352,900	353,300	351,000	354,800	-400	-1,900
Federal Government	52,400	52,400	52,100	57,100	0	-4,700
State Government	56,800	56,800	56,700	57,100	0	-300
Local Government	243,700	244,100	242,200	240,600	-400	3,100
Data benchmarked to March 2024	***Data changes of 100 may be due to rounding***					

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

[Proposed Form of Bond Counsel Opinion]

_____, 2026

Tredyffrin-Easttown School District
Wayne, PA

Re: **Tredyffrin-Easttown School District**
\$ _____ **General Obligation Bonds, Series A of 2026**
\$ _____ **General Obligation Bonds, Series B of 2026**

You have requested our opinion as to the legality of the above general obligation bonds (the "2026A Bonds" and the "2026B Bonds" and, collectively, the "Bonds"). The Bonds are issued by the Tredyffrin-Easttown School District, Chester County, Pennsylvania (the "School District"), under the provisions of the Pennsylvania Local Government Unit Debt Act, as amended (the "Act"), and pursuant to a Resolution adopted by the Board of Directors of the School District on September 28, 2026 with respect to the 2026A Bonds and on March 18, 2024 with respect to the 2026B Bonds (collectively, the "Resolutions"). The 2026A Bonds are being issued for the purpose of providing funds to (1) currently refund the School District's outstanding General Obligation Bonds, Series of 2019 and (2) to pay the costs and expenses associated with the issuance of the 2026A Bonds. The 2026B Bonds are being issued for the purpose of providing funds to fund (1) capital improvements to the School District's existing high school and (2) paying the costs of and expenses associated with the issuance of the 2026B Bonds.

The School District has covenanted in the Resolutions (i) to include the amount of debt service for the Bonds for each fiscal year in which such sums are due and payable in its budget for that year, (ii) to appropriate such amounts from its general revenues for the payment of such debt service, and (iii) to duly and punctually pay, or cause to be paid, from its sinking fund or any other of its revenues or funds, the principal or redemption price of, and interest on, the Bonds at the dates and places and in the manner stated in the Bonds, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the School District has pledged its full faith, credit and taxing power in the Resolutions.

As Bond Counsel for the School District, we have examined the relevant provisions of the Constitution of the Commonwealth of Pennsylvania; the Acts of Assembly pursuant to which the Bonds are authorized, issued and sold; the transcript of proceedings filed

with the Pennsylvania Department of Community and Economic Development (the "Department"); and certain statements, affidavits and other documents which we have considered pertinent.

In rendering this opinion we have examined and relied upon (i) the opinion of Wisler Pearlstine, LLP, School District Solicitor, with respect, among other things, to the due adoption by the School District of the Resolutions, and (ii) the accuracy of the statements and representations and the performance of the covenants of the School District set forth in the Resolutions and the School District's Tax Certificate and Agreement delivered on this date in connection with the issuance of the Bonds.

Based on the foregoing, we are of the opinion that:

1. The School District is authorized under the provisions of the Constitution and laws of the Commonwealth of Pennsylvania to issue the Bonds for the purposes above set forth, and the School District has authorized the issuance thereof.

2. As indicated in the School District's debt statement filed with the Department in connection with the issuance of the Bonds, outstanding debt of the School District, including debt represented by the Bonds, is within the debt limitations of the Act.

3. The Bonds are the valid and binding general obligations of the School District payable from the revenues of the School District from whatever source derived, which revenues, at the time of the issuance and sale of the Bonds, include *ad valorem* taxes levied upon all the taxable property within the School District within the limits prescribed by law.

4. Under the laws of the Commonwealth of Pennsylvania, as currently enacted and construed, the Bonds are exempt from personal property taxes in Pennsylvania, and interest on the Bonds is exempt from Pennsylvania personal income tax and corporate net income tax.

5. Interest on the Bonds is excludable from gross income for Federal income tax purposes under existing laws as enacted and construed on the date of initial delivery of the Bonds. Interest on the Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest will not be excluded from "annual adjusted financial statement income" for certain corporations that are not excluded from the federal corporate alternative minimum tax (as defined in the Internal Revenue Code of 1986, as amended (the "Code")). The opinions set forth in this paragraph are 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 the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The School District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

In providing this opinion, we advise you as follows:

(a) Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include original issue premium and purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

(b) The enforceability (but not the validity) of the documents mentioned herein may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter enacted by any state or the federal government affecting the enforcement of creditors' rights generally, and "enforceable in accordance with its (their) terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

(c) We express no opinion herein with respect to the adequacy of the security or sources of payment for the Bonds or the accuracy or adequacy of any description of the School District or its facilities contained in any offering document used in connection with the sale of the Bonds.

Lamb McErlane PC

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

[PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT]

\$ _____
TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
Chester County, Pennsylvania
General Obligation Bonds,
Series A and B of 2026
Dated _____, 2026

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated _____, 2026 (including any amendments hereto, the “Disclosure Agreement”) is executed and delivered by the Tredyffrin-Easttown School District (the “Issuer”) in connection with the issuance of its \$ _____ General Obligation Bonds, Series A and B of 2026 dated _____, 2026. The Issuer, intending to be legally bound, hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Holder from time to time of the Bonds (as defined below) and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. Unless the context clearly requires otherwise, the following capitalized terms shall have the meanings set forth below:

“Annual Filing Date” shall mean the first (1st) day of the eighth (8th) calendar month immediately following the end of the Issuer’s fiscal year.

“Annual Financial Information” shall mean the Issuer’s audited financial statements for the most recently completed fiscal year and annual updates of the financial information and operating data provided in the following Sections of the Official Statement for the Bonds:

<u>Item</u>	<u>Official Statement Page Reference</u>
a. the aggregate assessed value and aggregate market value of all taxable real estate	Page A-7

- b. the 2026-2027 taxes and millage Page A-6
- c. the real property tax collection results Page A-6
- d. a list of the ten (10) Most Valuable Tax Parcels
in the School District, and the taxable aggregate
assessed valuation for each total assessed value
of real estate Page A-7

“Annual Financial Information” shall also include a copy of or summary of the budget for each new fiscal year. All of the foregoing information may be contained within the budget or audit for the current fiscal year without need for further cross reference.

“Bonds” shall mean the 2026A and 2026B Bonds.

“Dissemination Agent” shall mean any agent of the Issuer designated in writing by the School District which has filed with the Issuer a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access System maintained by the MSRB at <http://emma.msrb.org/>, which serves as the sole nationally recognized municipal securities information repository under the Rule.

“Holder” shall mean any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Issuer” shall mean the Tredyffrin-Easttown School District, or any successor Obligated Person that assumes either by operation of law or by contract or both (i) the obligation to pay debt service on the Bonds and (ii) the obligations of the Issuer under this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor organization.

“Notice Event” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“Obligated Person” shall have the meaning set forth in the Rule, provided that the sole objective criteria used to select the Obligated Person shall be the entity obligated to repay all debt service with respect to the Bonds.

“Official Statement” shall mean the final Official Statement relating to the Bonds.

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

“Repository” shall mean each nationally recognized municipal securities information repository under the Rule. **As of the date hereof, the Securities and Exchange Commission has appointed the MSRB through EMMA to act as the sole Repository.** Any information filed in connection with this Disclosure Agreement shall be filed with EMMA at <http://emma.msrb.org/>, any State Repository and any future Repository as may be required under the Rule.

“Rule” shall mean Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as heretofore amended, and as such Rule may be hereafter amended from time to time.

“State Repository” shall mean any public or private repository or entity designated by the Commonwealth of Pennsylvania as a state information repository for the purpose of the Rule and with which the Issuer is legally required to file the Annual Financial Information. Currently, there is no State Repository in Pennsylvania. The list of state information repositories maintained by the United States Securities and Exchange Commission shall be conclusive as to the existence of a State Repository.

“2026A Bonds” shall mean the Issuer’s \$ _____ aggregate principal amount General Obligation Bonds, Series of 2026, dated _____, 2026.

“2026B Bonds” shall mean the Issuer’s \$ _____ aggregate principal amount General Obligation Bonds, Series B of 2026, dated _____, 2026.

SECTION 3. Provision of Annual Financial Information.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than the Annual Filing Date, provide to the MSRB via EMMA the Annual Financial Information which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen (15) business days prior to said date, the Issuer shall provide the Annual Financial Information to the Dissemination Agent, if any. The Annual Financial Information may be submitted as a single

document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement.

(b) If the Issuer is unable to provide the Annual Financial Information to the Repository by the date required in subsection (a), a Notice Event pursuant to Section 5(a)(17) shall be deemed to have occurred and the Issuer shall report to the Repository electronically in accordance with the provisions of Section 5(b) hereof.

(c) The Dissemination Agent, if any, shall: (i) determine each year prior to the Annual Filing Date the name and address of each Repository; and (ii) file a report with the Issuer certifying that the Annual Financial Information has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing each Repository to which it was provided.

(d) Audited financial statements of the Issuer not submitted as part of the Annual Financial Information shall be provided to the Repository, if and when available to the Issuer, and in any event not more than thirty (30) days after receipt thereof from the Issuer's auditors. In the event that audited financial statements are not submitted as part of the Annual Financial Information, the Issuer shall provide in lieu thereof, when available, unaudited financial statements for the relevant fiscal year.

(e) The Issuer shall promptly provide written notice of any change in its fiscal year to the MSRB and to each Repository.

SECTION 4. Content of Annual Financial Information.

(a) The Issuer's Annual Financial Information shall contain or incorporate by reference the Issuer's audited financial statements and annual updates of the Issuer's financial information and operating data with respect to the relevant fiscal year; provided that if audited financial statements are not available, unaudited financial statements shall be provided instead.

(b) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to any Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(c) If any Annual Financial Information can no longer be generated because the operations to which such information relates have been materially changed or discontinued, a statement to that effect shall satisfy the obligations of the Issuer under this Section 4, provided

however that the Issuer shall, to the greatest extent feasible, provide in lieu thereof similar information with respect to any substitute or replacement operations.

SECTION 5. Reporting of Notice Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of the following 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 credit enhancements reflecting financial difficulties;
5. Substitution of 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 security;
7. Modifications to rights of Holder, if material;
8. Bond calls (other than mandatory sinking fund redemptions), if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of any Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer (for the purposes of the event identified in subsection 5(a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under

the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court of governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer);

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
14. Appointment of a successor or additional trustee or the change of a name of a trustee, if material;
15. Incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material;
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties; and
17. Failure to provide annual financial information as required.

(b) Upon the occurrence of a Notice Event, the Issuer shall file, or cause the Dissemination Agent to file, a notice of such occurrence with the MSRB via EMMA in a timely manner not in excess of ten (10) Business Days after the occurrence of the Notice Event.

Section 6. Accounting Standards. The financial statements described in Section 4(a) above shall be audited in accordance with generally accepted accounting principles applicable in the preparation of financial statements of the Issuer as promulgated by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, or such other body recognized as authoritative by the American Institute of Certified Public Accountants or any successor body,

as applicable (“GAAP”), and shall also comply with applicable federal and state auditing statutes, regulations, standards and/or guidelines. The Issuer may from time to time modify its accounting principles to the extent necessary or desirable to comply with changes in either GAAP or applicable federal and state statutes, regulations, standards and/or guidelines. Any such modification of accounting standards or principles to conform to changes in either GAAP or applicable federal or state auditing statutes, regulations, standards or guidelines shall not constitute an amendment to this Disclosure Agreement within the meaning of Section 8 hereof, but such modifications shall be disclosed in the first Annual Financial Information to be provided subsequent to such modifications.

SECTION 7. Termination of Reporting Obligation. The Issuer’s obligations under this Disclosure Agreement shall terminate upon (a) the legal defeasance, prior redemption or payment in full of all of the 2026A Bonds and 2026B Bonds, or (b) the assumption by a successor Obligated Person of all of the obligations of the prior Obligated Person both hereunder and under the Bonds. The prior Issuer shall provide timely written notice to each Repository of any termination of its obligations hereunder.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such agent, with or without appointing a successor Dissemination Agent.

SECTION 9. Amendments. a) Notwithstanding any other provision of this Disclosure Agreement, the Issuer may modify or amend this Disclosure Agreement. The Issuer acknowledges and agrees that the current SEC interpretation of the Rule requires satisfaction of the following preconditions for any amendment:

(i) the modification or amendment is being made in connection with a change of circumstances that arises from a change in legal requirements, change in law, change in the identity, nature or status of the Issuer, or change in the type of business conducted by the Issuer;

(ii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule as of the date of issuance of the Bonds, after taking into account any amendment or interpretations of the Rule, as well as any change in circumstances; and

(iii) the modification or amendment does not materially adversely affect the interests of the Holders, as determined either by a party unaffiliated with the Issuer (such as the Paying Agent or nationally recognized bond counsel) or by an approving vote of a majority of Holders.

(b) The Issuer shall report any modification or amendment of this Disclosure Agreement as required by the Rule. To the extent required by the Rule, the Issuer shall include as a component of the first Annual Financial Information to be provided subsequent to the relevant amendment, a copy of the amendment, together with a notice explaining in narrative form both (i) the reasons for the amendment and (ii) the impact of the change in the type of operating data or financial information being provided. To the extent required by the Rule, if the amendment relates to changes in accounting principles to be followed in preparing financial statements, the first Annual Financial Information to be provided subsequent to the relevant amendment shall also include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles and a qualitative (and to the extent reasonably feasible, quantitative) discussion of the differences in the accounting principles and the impact of the change in the accounting principles upon the presentation of the financial information. Written notice of any such change in accounting principles shall be provided in a timely fashion to each Repository.

(c) A modification of accounting principles or standards pursuant to Section 6 shall not be considered an amendment for purposes of this Section 9.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including disclaimers or any other information in any Annual Financial Information or notice of occurrence of a Notice Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Financial Information or notice of occurrence of a Notice Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information or notice of occurrence of a Notice Event.

SECTION 11. Submission of Information to the MSRB. The information required to be disclosed pursuant to this Disclosure Agreement shall be submitted to the MSRB through EMMA. Subject to future changes in submission rules and regulations, such submissions shall be provided to the MSRB, through EMMA, in portable document format (“PDF”) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. Such PDF files shall be word-searchable (allowing the user to search for specific terms used within the document through a search or find function available in a software package).

Subject to future changes in submission rules and regulations, at the time that such information is submitted through EMMA, the Issuer, or any Dissemination Agent engaged by the Issuer, shall also provide to the MSRB information necessary to accurately identify the category

of information being provided and other identifying descriptions required by MSRB rules and regulations.

SECTION 12. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Paying Agent, any Participating Underwriter or any Holder may take such actions as may be necessary and appropriate, including seeking a writ of mandamus or specific performance by court order to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Bonds or any document relating to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance; provided however that nothing herein shall limit any Holder's rights under applicable federal securities law.

SECTION 13. Severability. In case any section or provision of this Disclosure Agreement or any covenant, stipulation, obligation, agreement, or action, or any part thereof, made, assumed, entered into or taken under this Disclosure Agreement, or any application thereof, is for any reason held to be illegal or invalid or is at any time inoperable, such illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of the Disclosure Agreement, or any other covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into or taken under this Disclosure Agreement, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained therein.

SECTION 14. Entire Agreement. This Disclosure Agreement contains the entire agreement of the Issuer with respect to the subject matter hereof and supersedes all prior arrangements and understandings with respect thereto, provided however that this Disclosure Agreement shall be interpreted and construed with reference to and in pari materia with the Rule.

SECTION 15. Captions. The captions or headings herein shall be solely for convenience of reference and shall in no way define, limit or describe the scope or intent of any provisions or sections hereof.

SECTION 16. Beneficiaries. This Disclosure Agreement is being entered into solely for the benefit of the Participating Underwriters and Holders of the Bonds, and nothing in this Disclosure Agreement expressed or implied intended to or shall be construed to give to any other person or entity any legal or equitable right, remedy or claim under or in respect of this Disclosure Agreement or any covenants, conditions or provisions contained herein.

SECTION 17. Governing Law. This Disclosure Agreement shall be deemed to be a contract made under the laws of the Commonwealth of Pennsylvania, and all provisions hereof

shall be governed and construed in accordance with the laws of the Commonwealth of Pennsylvania, without reference to the choice of law principles thereof.

IN WITNESS WHEREOF, the Tredyffrin-Easttown School District has caused this Continuing Disclosure Agreement to be duly executed as of the day and year first above written.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT

Attest: _____
Secretary

By: _____
President, Board of School Directors

(SEAL)

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

ANNUAL COMPREHENSIVE FINANCIAL REPORT

[THIS PAGE INTENTIONALLY LEFT BLANK]

Tredyffrin/Easttown School District
Wayne, Pennsylvania

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2025



Tredyffrin/Easttown School District
940 West Valley Road, Suite 1700
Wayne, PA 19087-1856



Tredyffrin/Easttown School District Wayne, Pennsylvania

ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Fiscal Year Ended June 30, 2025



**Dr. Richard Gusick, Superintendent of Schools
Prepared by the Business Office,
Mr. Arthur J. McDonnell, Business Manager/Board Secretary
and Mr. Richard Livergood, Assistant Business Manager**

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

INTRODUCTORY SECTION – UNAUDITED

LETTER OF TRANSMITTAL	1
SCHOOL DISTRICT BOUNDARIES MAP	11
SCHOOL BOARD MEMBERS, DISTRICT ADMINISTRATORS, AND ORGANIZATIONAL CHART	12
LIST OF DISTRICT ADMINISTRATORS	14
DISTRICT OFFICES AND SCHOOLS	16
DISTRICT CONSULTANTS AND ADVISORS	17
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL, CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING, JUNE 30, 2024	18

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	20
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED	24
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION (DEFICIT)	38
STATEMENT OF ACTIVITIES	39
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	40
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION (DEFICIT)	41
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	42
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF ACTIVITIES	43
STATEMENT OF NET POSITION (DEFICIT) – PROPRIETARY FUND	44

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (DEFICIT) – PROPRIETARY FUND	45
STATEMENT OF CASH FLOWS – PROPRIETARY FUND	46
STATEMENT OF NET POSITION – FIDUCIARY FUNDS	47
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS	48
NOTES TO FINANCIAL STATEMENTS	49
REQUIRED SUPPLEMENTARY INFORMATION	
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	86
SCHEDULE OF THE DISTRICT’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – PSERS	87
SCHEDULE OF THE DISTRICT’S PENSION PLAN CONTRIBUTIONS – PSERS	88
SCHEDULE OF CHANGES IN OPEB LIABILITY – SINGLE EMPLOYER PLAN	89
SCHEDULE OF THE DISTRICT’S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – PSERS	90
SCHEDULE OF THE DISTRICT’S OPEB PLAN CONTRIBUTIONS – PSERS	91
STATISTICAL SECTION – UNAUDITED	
FINANCIAL TRENDS	
NET POSITION (DEFICIT) BY COMPONENT	94
CHANGES IN NET POSITION (DEFICIT) – GOVERNMENTAL ACTIVITIES	95
CHANGES IN NET POSITION (DEFICIT) – BUSINESS-TYPE ACTIVITIES	96
CHANGES IN NET POSITION (DEFICIT) – PRIMARY GOVERNMENT	97
FUND BALANCES OF GOVERNMENTAL FUNDS	98
CHANGES IN GOVERNMENTAL FUND BALANCES	99
REVENUE CAPACITY	
ASSESSMENT VALUE BY LAND USE	100
ASSESSMENT VALUE AND MARKET VALUE OF TAXABLE PROPERTY	101
PROPERTY TAX RATES – ALL OVERLAPPING GOVERNMENTS	102
PRINCIPAL TAXPAYERS	103
PROPERTY TAX LEVIES AND COLLECTIONS	104

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

DEBT CAPACITY	
RATIOS OF OUTSTANDING DEBT BY TYPE	105
RATIOS OF TOTAL DEBT OUTSTANDING	106
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT	107
LEGAL DEBT LIMIT AND REMAINING BORROWING CAPACITY	108
DEMOGRAPHIC AND ECONOMIC INFORMATION	
PRINCIPAL EMPLOYERS IN CHESTER COUNTY	109
DEMOGRAPHIC AND ECONOMIC STATISTICS	110
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION	111
OPERATING INFORMATION	
REVENUES BY SOURCE – GENERAL FUND	112
EXPENDITURES BY FUNCTION – GENERAL FUND	114
CAPITAL ASSET INFORMATION	116
NATIONAL SCHOOL LUNCH PROGRAM FREE AND REDUCED DATA	117
PUPIL/TEACHER RATIO	118
GOVERNMENTAL FUNDS – MOST SIGNIFICANT OWN-SOURCED REVENUES	119
GOVERNMENTAL FUNDS – REVENUES BY SOURCE	120
GOVERNMENTAL FUNDS – EXPENDITURES BY FUNCTION	121
SCHEDULE OF MILLAGE RATES CHESTER COUNTY SCHOOL DISTRICTS	122
ENROLLMENT HISTORY AND PROJECTIONS	123
ENROLLMENT HISTORY BY INSTRUCTION LEVEL	124
TEACHER SALARY SCHEDULE	125
SINGLE AUDIT	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND CERTAIN STATE GRANTS	127
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND CERTAIN STATE GRANTS	129

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

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 <i>GOVERNMENT AUDITING STANDARDS</i>	130
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	132
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	135



Tredyffrin/Easttown School District



Introductory Section

To empower students to pursue their individual and collective potential as global citizens by creating a safe and equitable community that fosters well-being, integrity, social responsibility, and a passion for learning.

Tredyffrin/Easttown School District Mission Statement

Tredyffrin/Easttown Board of School Directors



Tredyffrin/Easttown School District

Administration Offices, West Valley Business Center
940 West Valley Road, Suite 1700, Wayne, PA 19087

Phone: 610-240-1801

December 2025

TO: The Residents and the Board of School Directors of the Tredyffrin/Easttown School District

We are pleased to present the Annual Comprehensive Financial Report ("ACFR") of the Tredyffrin/Easttown School District for the fiscal year ended June 30, 2025. The report was prepared by the District's Office with assistance from our independent auditors, CLA (CliftonLarsonAllen, LLP). This report is prepared in conformity with generally accepted accounting principles ("GAAP") in the United States of America for governments as promulgated by the Government Accounting Standards Board ("**GASB**"). It is presented in a manner designed to fairly set forth the economic conditions and results of operations of the District as a whole as measured by the financial activity of its funds, and all disclosures necessary to gain a clear understanding of the District's financial affairs have been included.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with the Superintendent and the Business Manager. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we believe the data presented in the financial report is accurate and reliable in all material respects.

CLA (CliftonLarsonAllen, LLP), have issued an unmodified ("clean") opinion on the Tredyffrin/Easttown School District's financial statements for the year ended June 30, 2025. The report is located at the beginning of the Financial Section of this report.

Management's Discussion and Analysis ("MD&A") immediately precedes the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A is a complement to this letter of transmittal and should be read in conjunction with it.

Organization of the Report

For the convenience of users, we have divided this annual comprehensive financial report into four major sections, described as follows:

The **introductory section** includes this transmittal letter, map of the district, list of school board members and District administrators, the organizational structure of Tredyffrin/Easttown School District, list of instructional buildings and district office, and a list of consultants and advisors.

The **financial section** includes the independent auditor's report on the financial statements and schedules; the District's management's discussion and analysis information; the government-wide financial statements; the fund financial statements; the notes to the basic financial statements; the required supplementary information as well as the combining statements and individual fund schedules.

The **statistical section** is unaudited data which includes selected financial and demographic information, generally presented on a multi-year basis.

The **Single Audit section** contains information relating to the District's single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance) and the independent auditor's reports on compliance and internal control.

The report provides valuable management information. The Annual Comprehensive Financial Report will be made available on the District's website at www.tesd.net.

Profile of the District

The primary responsibility for the activities of a school district lies with the locally elected nine-member Board of School Directors ("**Board**") who are elected for a four-year term and must direct the affairs of the school district within the framework of the Pennsylvania School Code, other state laws and various regulations and standards. These regulations and standards are established primarily by the Pennsylvania Department of Education, the State Board of Education, the Pennsylvania State Legislature, and other state agencies. The Superintendent is the Chief Administrative Officer of the school district with overall responsibility for all aspects of operations including education. The Business Manager is responsible for budget and financial operations. Both the Superintendent and Business Manager are appointed by the Board.

The Tredyffrin/Easttown School District serves the townships of Tredyffrin and Easttown, encompassing 38 square miles in eastern Chester County with an estimated population of 42,622.

Other population data of interest within the surrounding Tredyffrin Easttown School District are Tredyffrin Township, Easttown Township and Chester County as a whole, and those estimated figures are 31,609, 11,013 and 560,745, respectively.

The area is primarily made up of single-family homes, and includes such notable communities as Paoli, Devon, Berwyn, Daylesford, Chesterbrook, Strafford, Malvern and Wayne. The District is approximately 20 miles northwest of the City of Philadelphia. A map of the District can be found at the end of this transmittal letter.

Historically, Tredyffrin/Easttown School District and the surrounding area, known as the Great Valley, were settled by Welsh Quakers who purchased the land from William Penn. Valley Forge National Park is adjacent to Tredyffrin Township and lends a richness of history and beauty to the area.

Support Services are available throughout the community. FLITE, Foundation for Learning in Tredyffrin/Easttown, works in partnership with the Tredyffrin/Easttown School District to help all District students reach their potential. FLITE recognizes that some children do not have financial, emotional, and environmental support to succeed in school. FLITE aims to invest in helping these students and thereby invest in the good of our entire community. FLITE also recognizes that the District faces increasing pressures regarding adequate funding of its programs and will consider proposals for support of programs or activities that enhance the total offerings of the school district.

The Upper Main Line YMCA provides recreational activities, including year-round tennis and swimming. Residents of both townships are served by active park and recreation boards which sponsor summer day camps, sports clinics, and winter recreation programs. Local community parks offer playgrounds, basketball courts, tennis courts and baseball fields. The Tredyffrin Library, the Easttown Library and the smaller Paoli Library are part of the Chester County Library System, and their many services are free to residents. The Main Line School Night and the Chester County Intermediate Unit's Center for Arts and Technology offer adult training and vocational education. In addition, T&E Care, a non-profit organization devoted to helping local families in need, is comprised of community members who want to make a difference in the lives of others.

The purpose of the District is to provide an educational system kindergarten through 12th grade. Approximately 7,000 students attend Tredyffrin/Easttown's eight schools. The District has five elementary schools, grades K-4; two middle schools, grades 5-8; and one high school, grades 9-12. The average student to teacher ratio is as follows: kindergarten and grade 1, 23:1; grade 2, 24:1; grades 3 & 4, 26:1; and grades 5-12, 28:1. During the 2024-25 school year, the District had 56 students attend Charter/Cyber school with a cost of \$1,016,631.26. In 2008, Philadelphia Magazine ranked the school district the best in the Philadelphia area, and the District remains a top-rated school district today. Below is a table of student enrollments for the last five years. The table also includes projections for the next five years of students provided by Sundance Associates demographic study.

ACTUAL					
GRADE	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
K-4	2,369	2,386	2,341	2,335	2,317
5-8	2,257	2,194	2,194	2,224	2,255
9-12	2,331	2,348	2,358	2,380	2,284
Total	6,957	6,928	6,893	6,939	6,856

PROJECTED					
GRADE	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
K-4	2,291	2,368	2,367	2,393	2,364
5-8	2,243	2,141	2,133	2,084	2,110
9-12	2,274	2,268	2,285	2,252	2,203
Total	6,808	6,777	6,785	6,729	6,677

Conestoga High School's Class of 2025 included 599 students, of which 96% chose to continue their education at colleges and universities. Ninety-four percent of the students selected four-year programs, while 2% were enrolled in two-year programs. The remaining 4% of students chose to pursue the military, employment, gap year or were undecided. In a typical year, more than 75% of Conestoga graduates attend colleges listed in *The Best 378 Colleges*, a publication of the Princeton Review. The Class of 2025 included 39 National Merit Semifinalists, 61 National Merit Commended Students, In May 2025, 1,060 Conestoga students completed 2,695 AP tests. For the Class of 2025, 64.3% of students took at least one AP test during high school and scored a 3 or better. The Class of 2025 mean SAT scores were 639 for evidence-based reading and writing and 640 for math, well above the state and national means.

The District employs approximately 757.74 full-time equivalent employees ("**FTE**"s). Employees are comprised of 32 full-time administrators, 30 full-time supervisors/confidential staff and 159.59 full-time support staff, 4.69 health room nurses and a teaching staff of 531.46. The District employs 27 part-time employees. Teachers in the District are members of the Pennsylvania State Education Association (PSEA) and Tredyffrin/Easttown Education Association (TEEA), which is the representative bargaining unit. A contract with the Association was approved for the period of July 1, 2023 through June 30, 2027.

Professional Staff Profile

• Number of Teachers	• 531.46
• % Certified Teachers	• 100%
• % of Teachers with Bachelor's Degrees	• 9.8%
• % of Teachers with Master's Degrees	• 85.6%
• % of Teachers with Doctorate Degrees	• 3.9%
• Average Teacher Salary	• \$101,726
• Average Years of Experience	• 14.3

The support staff are members of the Tredyffrin/Easttown Non-Instructional Group ("**TENIG**"), which is the representative bargaining unit. A TENIG collective bargaining agreement was approved for July 1, 2025, through June 30, 2028. Below is a list of TENIG positions and FTE's:

<u>Support Staff</u>	<u>FTE's</u>
Secretarial	49.69
Custodial	52
Maintenance	16
Security	9.5
Food Service	32.4

The District has a goal of ensuring students, families, and staff are physically safe and psychologically secure in our buildings. In conjunction with our contracted architectural firm, buildings are evaluated annually to maintain the infrastructure and ensure safety. Our schools are compliant with current safety codes and regular fire and security drills are performed. The Commonwealth of Pennsylvania, Department of Auditor General, conducts performance audits on school safety including fire and security drills. The most recent audit in December 2021 had no findings. Below is a table of school buildings of the District, original year of construction, year of additions/renovations, square footage, grades served and student enrollment.

Building	<u>Year of Construction</u>		Square Footage	Grades Served	2024-25 Enrollment
	Original	Addition/Renovation			
Beaumont Elementary School	1965	1993/94, 2002	75,740	K-4	459
Devon Elementary School	1957	1960, 1967, 1993/94	65,110	K-4	402
Hillside Elementary School	1961	1966, 1993/94, 2001	70,960	K-4	430
New Eagle Elementary School	1964	1967, 1975, 1993/94, 2014	66,640	K-4	473
Valley Forge Elementary School	1958	1959, 1993/94, 2002	73,480	K-4	553
Tredyffrin Easttown Middle School	1908	1928, 1938, 1960, 1970, 1998/99, 2008	158,750	5-8	1,064
Valley Forge Middle School	1965	1998/99, 2006	150,082	5-8	1,191
Conestoga High School	1954	1959, 1967, 1985, 1990, 2004, 2021	384,992	9-12	2,284

Reporting Entity

The Tredyffrin/Easttown School District is an independent reporting entity and a primary government as defined in the criteria established in the GASB *Codification of Governmental Accounting and Financial Reporting*. The basic criteria for determining the inclusion in the reporting entity is financial accountability and the nature and significance of the relationship.

Internal Controls

The object of a system of internal controls is to provide reasonable, not absolute, assurance that the District's assets are properly protected and to ensure that financial transactions, which are relied on in the preparation of financial reports, are accurately recorded. The concept of reasonable assurances recognizes that the cost of the system of internal controls should not exceed the benefits likely to be realized and that the valuation of cost and benefits requires estimates and judgments by management. The District has established policies and procedures to effectively implement and maintain a system of internal accounting controls. Management and independent auditors continually evaluate these policies and procedures to ensure the adequacy and effectiveness of the internal control structure.

Accounting System and Budgetary Control

All governmental funds utilize the modified accrual basis of accounting with revenue being recorded when both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures are generally recognized when the related fund liability is incurred except for disbursements for inventory type items, which are expenditures at the time of purchase, and principal and interest on general long-term debt which is recognized when due.

Financial statements for the Proprietary Funds are maintained on the accrual basis of accounting with revenue recognized when earned and expenses recorded when incurred. In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding safeguarding of assets, reliability of financial records for preparing financial statements, and maintaining accountability for assets.

The District maintains budgetary controls to ensure compliance with legal provisions incorporated within the annual appropriated budget. The Business Department maintains budgetary control at the major expenditure classification through monitoring and review. Appropriations lapse at the close of the fiscal year to the extent that they have not expended.

Budgeting

The District's budget development process is motivated by the following three major objectives: (1) to provide students with exceptional educational opportunities; (2) to maximize the use of all available resources to optimize student achievement in a manner that is fiscally responsible; and (3) to comply with applicable law. The District follows the Pennsylvania Public School Code requirements, the procedures mandated by the Pennsylvania Department of Education, and the District's policies and regulations for annual general fund budget approval. Pennsylvania State Code requires that each Pennsylvania school district prepare and adopt an annual appropriation budget for the general fund. The District's annual general fund budgets sets forth District expenditures and revenues and establishes the tax levy prior to the beginning of each fiscal year. The total amount of the budget may not exceed expected revenue plus a reasonable contingency and reserve. At least thirty days prior to adoption of the final budget, the Board prepares and presents a proposed final budget which is set forth in detail using the forms required by the Pennsylvania Department of Education. The Board holds several public meetings on the development of the annual budget prior to the meeting at which the budget is formally adopted. The final budget adoption must occur prior to June 30.

According to the Pennsylvania School Code, spending may not exceed the approved budget. To adjust for price changes and other changes to the original budget assumptions, the District allows for the transfer of funds among budget line items upon approval of the Board. By law, budget transfers are only allowed the last nine months of the fiscal year and all transfers require Board approval.

Economic Condition and Outlook

Pennsylvania School Districts' major revenue source, property taxes, are subject to a legislated cap, which limits property taxes above the cap subject to certain exceptions. This cap is referred to as the Act 1 Index, and the exceptions are for costs exceeding that cap for employee retirement and special education expenditures. The Act 1 Index is used to determine the maximum tax increases for each tax the school district levies without Pennsylvania Department of Education exception or voter approval. The base index is calculated by averaging the percent increases in the Pennsylvania statewide average weekly wage and the Federal employment cost index for elementary/secondary schools. Additionally, for school districts with a market value/personal income aid ratio (MV/PI AR) greater than 0.40, the value of their index is adjusted upward by multiplying the base index by the sum of 0.75 and their MV/PI AR. The property taxes for Tredyffrin/Easttown School District have been at an average tax rate increase for the last five years of approximately 3.49%. The District has an exceptionally healthy economy and tax base, with a median household income at a robust 214% of the US level, full value per capita (\$234,000) is much stronger than the US median, and the total full value (\$8.7 million) is materially above other Moody's-rated school districts nationwide.

The financial position of Tredyffrin/Easttown School District is strong and is consistent with its Aaa rating from Moody's. Some of the key factors contributing to its Aaa rating is the District's nominal size of reserves that is well above the national average, the cash balance as a percent of operating revenues is slightly higher than the US median, and the fund balance (reserves) as a percent of operating revenues approximates the US median. The largest industry sectors that drive the local economy are professional/scientific/technical services, health services, and finance/insurance.

The challenges facing the District, along with other Pennsylvania Schools, is the rising cost of special education, state retirement contributions, and charter school tuition. The District continually explores new and enhanced methods of delivering the best education possible for students while minimizing the financial impact on the taxpayers.

Long-term Financial and Capital Planning

The District has established policies and regulations regarding the budget development process and fund balance (reserves) management, along with many other financial policies and regulations that contribute to the successful education of students through sound fiscal management. During the development of the budget, the District also forecasts revenue and expenditures five years into the future. Capital projects are funded by budgeted transfers from the General Fund, actual revenues exceeding actual expenditures, and bond issuances. The District also maintains a committed General Fund fund balance for capital projects. The District has a long-term capital source and use plan enabling the District to properly maintain current infrastructure while planning for additional capital improvements based on forecasted future student enrollment. This process also allows the District to forecast for future funding needs, like bond issuances, to maintain a serviceable debt schedule. The District is dedicated to maintaining a reasonable fund balance sufficient to mitigate current and future financial risks and to ensure stable tax rates. An adequate fund balance is one of many reasons that the District has a "Aaa" bond rating with Moody's therefore reducing future interest expense. Budgeted General Fund transfers to the Capital Fund work to further reduce the need for additional borrowing with bonds. The District's eleven-year projection in the infrastructure and capital improvement plan is evaluated annually to ensure the financial plan satisfies the capital needs of the District.

Major Initiatives

Curriculum

The curriculum of the Tredyffrin/Easttown School District is vertically articulated and horizontally enriched. It is based on and expands upon Pennsylvania State Standards, Chapter 4, and national content standards, and attends to available global standards. A designated curriculum supervisor is assigned to each of the District's curricular areas to ensure cohesiveness and consistency.

Curriculum is developed by District teachers under the guidance and direction of curriculum supervisors. Curriculum development is reviewed by the Board Education Committee and approved by the Board of School Directors. Cross-grade-level teams of teachers design curriculum in beginning and end of year in-services to ensure that the curriculum is standards-based, is properly spiraled from kindergarten through grade twelve, and that it incorporates District initiatives beyond basic learning standards. These initiatives include, but are not limited to, equity and critical and creative thinking, self-directed learning, written and oral communication, technology and information literacy, and ethical academic behavior.

The District's instructional program is organized and communicated via the research-based Tredyffrin/Easttown School District Teacher Model. The Teacher Model expands and describes in some depth the areas of planning and preparation, classroom environment, instructional delivery, and professionalism. All teachers and administrators in the District have received training on the Teacher Model, and the model is completely accessible to all professional staff members. This model forms the basis for teacher reflection on personal performance and for teacher evaluation.

Instructional materials are selected and designed to support the District's curriculum. The District is committed to providing students with multiple sources of instructional materials, from text materials to primary source materials. Web-based materials are utilized, with both teachers and students being guided to be critical consumers of all sources of information. The District invests substantial resources and support into the design of teacher-made materials. These are most often produced in a collaborative summer workshop setting, with teachers working under the guidance of District supervisors and administrators. Curricular materials are available for review by parents upon request.

The Tredyffrin/Easttown School District allocates considerable financial and human resources to the development and updating of District curriculum, instructional strategies, and instructional materials. The design model is fully collaborative and is based on state and content-specific standards.

This base is extended through the explicit teaching of critical thinking skills, self-directed learning, and other content development themes that support life-long learning. Materials to deliver the curriculum range from texts to primary sources, to teacher made materials, to web-based sources. The District's instructional model implements research-based best practices and is systematized so that it is accessible to all who are responsible for instructing students.

Athletic Fields Project

The Athletic Fields Project, which includes two turf fields, grass practice field, softball diamond, tennis courts, fieldhouse, concessions, maintenance facility, spectator seating, and restrooms, is in its final stages of completion. The additional athletic fields will allow the District to better maximize the number of teams that can play and practice on school property, which reduces the need for and cost of busing. This project will provide internal circulation roadways thus decompressing traffic around Conestoga High School and Tredyffrin/Easttown Middle School, minimizing the number of evening sporting events; increasing community group access, and increasing outside facility revenue.



Bear Hill Elementary School

In April 2024, the District acquired a 90,000 square foot office building on approximately fifteen acres with plans to repurpose the property for a sixth elementary school. The rough order of magnitude budget was approximately \$53M.

The naming of the school included multiple opportunities for community input. The Ad Hoc Public Information Committee met in November 2024 to initiate discussions, followed by an online form that allowed community members to submit name suggestions. After reviewing submissions, a Public Information Committee Meeting was held in January 2025, and another online form allowed the public to provide feedback on the final four name choices. The process concluded with a final Committee meeting in March 2025, before the School Board officially approved the school's name at its meeting on March 24, 2025. More than 1,300 instances of public input were collected during this key phase.

The District has been working closely with Tredyffrin Township to obtain all necessary approvals for the new elementary school project, culminating in the District's receipt of approval from the Tredyffrin Planning Commission in February 2025. February also marked the conclusion of the selective demolition project that began in November 2024. During this period, interior walls, flooring, ceilings, mechanicals, and plumbing were removed in preparation for the building's conversion to an elementary school. The building is currently gutted, with primarily steel and concrete remaining.

The School Board awarded bids for construction during its July 2025 meeting, and construction began in August 2025. Bear Hill Elementary School is scheduled to open for the 2027-2028 school year and will support full-day kindergarten and accommodate high elementary enrollment.

As TESD prepares for the opening of Bear Hill Elementary School in August 2027, we are beginning the important process of redrawing school attendance boundaries. This work is essential to strategically distribute enrollment and resources across all District schools. To guide this work, the Board has created an Ad Hoc Redistricting Committee.



Overview

These major initiatives support the District's goals of (1) providing an educational program aligned with PA Core Standards, state assessments and District strategic initiatives to meet the needs of all students; (2) ensuring students, families, and staff are physically safe and psychologically secure in our buildings; and (3) providing infrastructure and sustainable resources to accommodate the District's evolving needs. The District's eleven-year infrastructure and capital improvement plan is evaluated annually to ensure the integrity and safety of our buildings and enables the Board to monitor the progress and achievement of these goals.

ACKNOWLEDGEMENTS

The preparation of this Annual Comprehensive Financial Report on a timely basis could not have been accomplished without the daily commitment of the entire staff of the Business Office. We would also like to express our appreciation and respect to the administrators and employees of the Tredyffrin/Easttown School District for their interest and dedication in planning the financial affairs of the Tredyffrin/Easttown School District in a responsible and proactive manner.

Respectfully,

A handwritten signature in black ink, appearing to read 'R. Gusick', with a stylized flourish at the end.

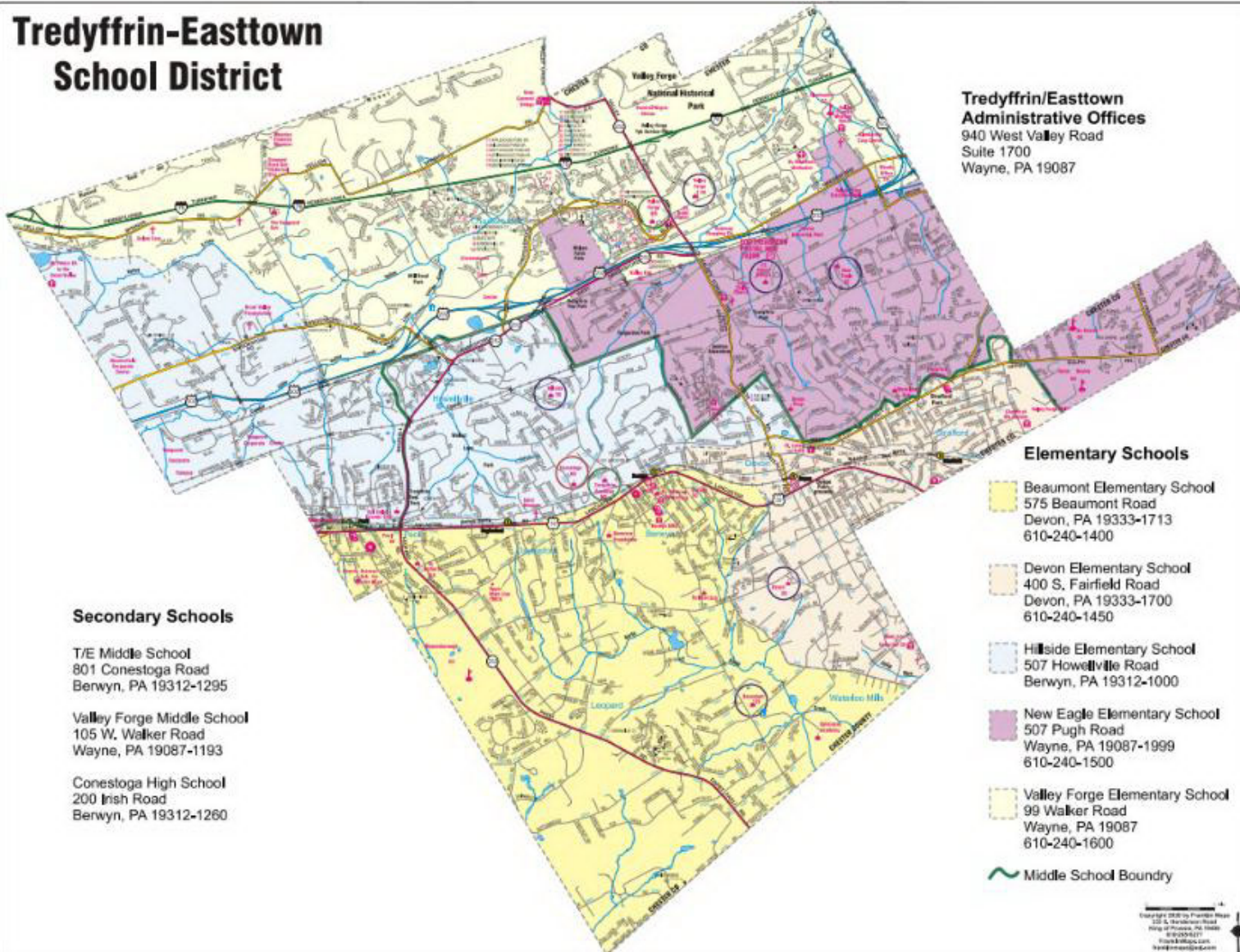
Dr. Richard Gusick
Superintendent of Schools

A handwritten signature in blue ink, appearing to read 'Arthur J. McDonnell', with a stylized flourish at the end.

Arthur J. McDonnell, PRSBA, RSBA, SFO
Business Manager/Board Secretary

Tredyffrin-Easttown School District

**Tredyffrin/Easttown
Administrative Offices**
940 West Valley Road
Suite 1700
Wayne, PA 19087



Secondary Schools

T/E Middle School
801 Conestoga Road
Berwyn, PA 19312-1295

Valley Forge Middle School
105 W. Walker Road
Wayne, PA 19087-1193

Conestoga High School
200 Irish Road
Berwyn, PA 19312-1260

Elementary Schools

Beaumont Elementary School
575 Beaumont Road
Devon, PA 19333-1713
610-240-1400

Devon Elementary School
400 S. Fairfield Road
Devon, PA 19333-1700
610-240-1450

Hillside Elementary School
507 Howellville Road
Berwyn, PA 19312-1000

New Eagle Elementary School
507 Pugh Road
Wayne, PA 19087-1999
610-240-1500

Valley Forge Elementary School
99 Walker Road
Wayne, PA 19087
610-240-1600

~ Middle School Boundry

Copyright 2000 by Pioneer Map
220 S. Broad Street
King of Prussia, PA 19381
(610) 261-1111
pioneermap.com
pioneermap@aol.com

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
ORGANIZATIONAL CHART
2024 – 2025**

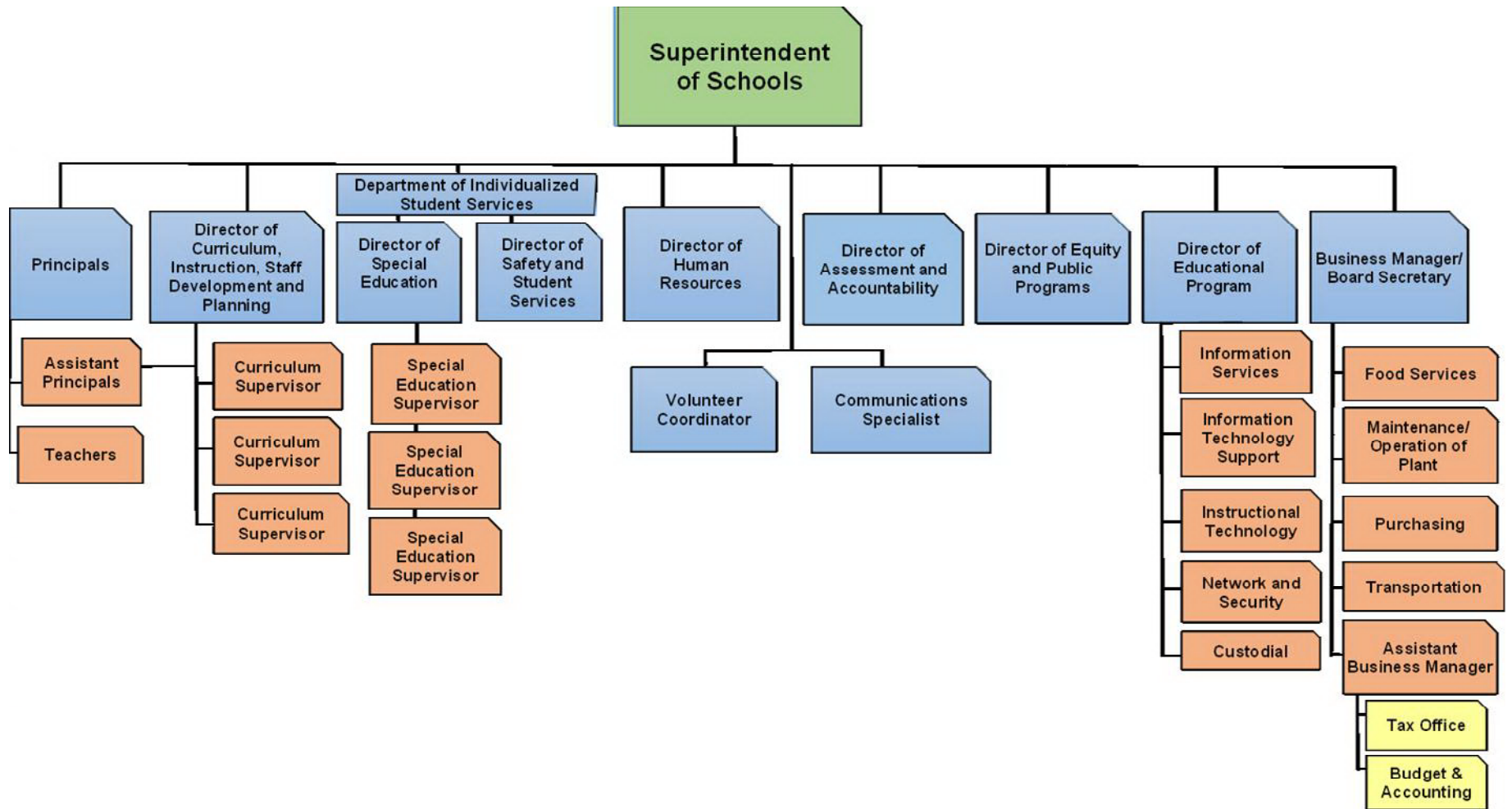
School Board Members

Todd Kantorczyk	President
Sue Tiede	Vice President
Dr. Yolanda Allen	Member
Susan Audrain	Member
Kenneth Hong	Member
Dr. Roberta Hotinski	Member
Maryann Piccioni	Member
Dr. Robert Singh	Member
Rachel Weil	Member
Arthur J. McDonnell	Secretary (nonmember)
Richard Livergood	Treasurer (nonmember)

District Administrators

Dr. Richard Gusick	Superintendent
Arthur J. McDonnell	Business Manager/Board Secretary
Mark Cataldi	Director of Assessment and Accountability
Dr. Chris Groppe	Director of Safety and Student Services
Dr. Anthony Stevenson	Director of Human Resources
Nicole Roy	Director of Special Education
Dr. Michael Szymendera	Director of Educational Program
Dr. Oscar Torres	Director of Equity and Public Programs
Dr. Wendy Towle	Director of Curriculum, Instruction, Staff Development and Planning

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
ORGANIZATIONAL CHART
2024 – 2025**



**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
LIST OF DISTRICT ADMINISTRATORS
2024 – 2025**

District Level:		Main Number 610-240-1900
Superintendent	Dr. Richard Gusick	Extension: 1901
Communication Specialist	Christine Connolly	Extension: 1910
Volunteer Coordinator	Jeanne Braun	Extension: 1913
Director of Curriculum, Instruction, Staff		
Development and Planning	Dr. Wendy Towle	Extension: 1903
Curriculum Supervisor	Kim Morris	Extension: 1907
Curriculum Supervisor	Dr. Patrick Gately	Extension: 1923
Curriculum/Special Education Supervisor	Dr. John Mull	Extension: 1924
Director of Special Education	Nicole Roy	Extension: 1959
Special Education Supervisor	Kate Parker	Extension: 1945
Special Education Supervisor	Lisa Snyder	Extension: 1958
Special Education Supervisor	Carolyn Macrina	Extension: 1961
Director of Safety and Student Services	Dr. Chris Groppe	Extension: 1919
Director of Educational Program	Dr. Mike Szymendera	Extension: 1922
Information Services	Ben Kemp	Extension: 1964
Information Technology	Chen Williams	Extension: 1701
Instructional Technology	Lisa Lukens	Extension: 1973
Custodial	Marshall Barkman	Extension: 1655
Director of Assessment and Accountability	Mark Cataldi	Extension: 1905
Director of Equity and Public Programs	Dr. Oscar Torres	Extension: 1909
Director of Human Resources	Dr. Anthony Stevenson	Extension: 1926
Business Manager/Board Secretary	Arthur J. McDonnell	Extension: 1801
Assistant Business Manager	Richard Livergood	Extension: 1933
Maintenance/Operation of Plant	Marshall Barkman	Extension: 1655
	Allan Kniffin	Extension: 1651
Purchasing Agent	Shanette Bernard	Extension: 1942
Transportation Supervisor	Candida Kulesa	Extension: 1684
Food and Nutrition Services	Dave Preston	Extension: 1955

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
LIST OF DISTRICT ADMINISTRATORS
2024 – 2025**

Building Level:

Conestoga High School

Main Number: 610-240-1100

Principal	Dr. Amy Meisinger	Extension: 1001
Assistant Principal – Grade 12	Dr. Patrick Boyle	Extension: 1029
Assistant Principal – Grade 11	Dr. Nicole Jolly	Extension: 1018
Assistant Principal – Grade 10	Jamie Bankert	Extension: 1067
Assistant Principal – Grade 9	Dr. Matthew Sterenczak	Extension: 1003
Athletic Director	Kevin Pechin	Extension: 1023

T/E Middle School

Main Number: 610-240-1200

Principal	Dr. Anthony DiLella	Extension: 1201
Assistant Principal	Orlando Carvajal	Extension: 1229
Assistant Principal	Dr. Jacquelyn Rothera	Extension: 1203

Valley Forge Middle School

Main Number: 610-240-1300

Principal	Matt Gibson	Extension: 1301
Assistant Principal	Horace Rooney	Extension: 1307
Assistant Principal	Dr. Ellen Turk	Extension: 1313

Beaumont Elementary

Main Number: 610-240-1400

Principal	Dr. Stephanie Demming	Extension: 1401
-----------	-----------------------	-----------------

Devon Elementary

Main Number: 610-240-1450

Principal	Dr. Todd Parker	Extension: 1451
-----------	-----------------	-----------------

Hillside Elementary

Main Number: 610-240-1500

Principal	Michele Staves	Extension: 1501
-----------	----------------	-----------------

New Eagle Elementary

Main Number: 610-240-1550

Principal	Dr. Andrew Phillips	Extension: 1551
-----------	---------------------	-----------------

Valley Forge Elementary

Main Number: 610-240-1600

Principal	Rebecca Wills	Extension: 1601
-----------	---------------	-----------------

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
DISTRICT OFFICES AND SCHOOLS
2024 – 2025**

District Office

940 West Valley Road, Suite 1700
Wayne, PA 19087
610-240-1900

Instructional Buildings

Beaumont Elementary School

575 Beaumont Road
Devon, PA 19333-1713
610-240-1400

Hillside Elementary School

507 Howellville Road
Berwyn, PA 19312-1000
610-240-1500

Valley Forge Elementary School

99 Walker Road
Wayne, PA 19087
610-240-1600

Valley Forge Middle School

105 W. Walker Road
Wayne, PA 19087-1193
610-240-1300

Devon Elementary School

400 S. Fairfield Road
Devon, PA 19333-1700
610-240-1450

New Eagle Elementary School

507 Pugh Road
Wayne, PA 19087-1999
610-240-1550

T/E Middle School

801 Conestoga Road
Berwyn, PA 19312-1295
610-240-1200

Conestoga High School

200 Irish Road
Berwyn, PA 19312-1260
610-240-1100

<https://www.tesd.net>

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
DISTRICT CONSULTANTS AND ADVISORS
2024 – 2025**

Audit Firm

CLA (CliftonLarsonAllen)
105 S. Warner Road, Suite 310, King of Prussia, PA 19406

Attorney

Wisler Pearlstine, LLP
460 Norristown Road, Suite 110, Blue Bell, PA 19422-2323

Fiscal Agents

Raymond James & Associates, Inc.
570 Lausch Lane, Suite 101, Lancaster, PA 17601

PFM Financial Advisors, LLC

1735 Market Street, Suite 43, Philadelphia, PA 19103

Official Depositories

Pennsylvania Local Government Investment Trust
213 Market Street, Harrisburg, PA 17101

Fulton Bank

155 Swedesford Road, Exton, PA 19341

PA School District Liquid Asset Fund

2101 Oregon Pike, Lancaster, PA 17601-4624

Architect

Heckendorn Shiles Architects
347 East Conestoga Road, Wayne, PA 19087-3500



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting is
presented to**

Tredyffrin/Easttown School District

**for its Annual Comprehensive Financial Report for the
Fiscal Year Ended June 30, 2024.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



Tredyffrin/Easttown School District

FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

Board of School Directors
Tredyffrin-Easttown School District
Wayne, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying 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 Tredyffrin-Easttown School District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Restatement

As discussed in Note 16 to the financial statements, the beginning net position of the governmental activities and the beginning fund balance of the General Fund have been restated to correct a prior-period misstatement. Our opinion is not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tredyffrin-Easttown 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 Tredyffrin-Easttown School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 Tredyffrin-Easttown 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 Tredyffrin-Easttown 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, on pages 24 through 37, the budgetary comparison schedule - general fund and the schedules of the District's proportionate share of the net pension liability-PSERS and pension plan contributions-PSERS, schedule of changes in OPEB liability single employer plan, and the schedules of the District's proportionate share of the net OPEB liability-PSERS and OPEB plan contributions-PSERS on pages 85 through 91 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended June 30, 2025 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tredyffrin-Easttown School District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for the purpose of additional analysis and are not a required part of the basic financial statements and 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*, for the year ended June 30, 2025 are presented for purposes of additional analysis and are 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 for the year ended June 30, 2025 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and certain state grants are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2025.

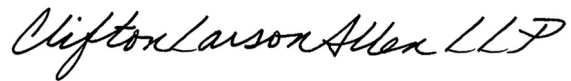
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2026, on our consideration of Tredyffrin-Easttown 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 Tredyffrin-Easttown 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 Tredyffrin-Easttown School District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
September 16, 2026

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025**

Management's discussion and analysis (MD&A) of the financial performance of the Tredyffrin-Easttown School District (the District) provides an overview of the District's financial performance for fiscal year ended June 30, 2025. Readers should also review the basic financial statements and related notes to enhance their understanding of the District's financial performance.

DISTRICT PROFILE

Tredyffrin-Easttown School District is comprised of five elementary schools, grades K-4; two middle schools, grades 5-8; and one high school, grades 9-12. Approximately 7,000 students attend the District's eight schools. The Tredyffrin-Easttown School District serves the townships of Tredyffrin and Easttown, encompassing 38 square miles in eastern Chester County. During 2024-2025, there were 758 full-time equivalent employees in the District, consisting of 531 instructional staff, 32 administrators, 30 supervisors/confidential staff, 5 health room nurses, and 160 noninstructional staff including administrative/clerical assistants, maintenance staff, custodial staff and classroom assistants.

DISTRICT MISSION

In August 2022, the School Board approved the Tredyffrin-Easttown School District 2022 Strategic Plan. The plan was developed through the work of the District Strategic Planning Committee, which represents a microcosm of the community and includes faculty, staff, Board members, students, parents and community partners. The goal of the Strategic Planning Committee was to design a mission and strategies that will provide an educational vision for the District for at least the next six years. The strategic planning process provided an opportunity for members of our community to share their thoughts on what we do well and where we can grow, and to lend their insight on the skill our kids need the most when they enter the world of the 2020s and beyond.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, including all governmental activities and the business-type activities, the liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources resulting in a deficit in total net position at the close of the 2024-2025 fiscal year of \$106,956,595. During the 2024-2025 fiscal year, the District had an increase in total net position of \$11,406,960. The net position of governmental activities increased by \$11,546,437 and the net position of business-type activities decreased by \$139,477.
- The General Fund reported a decrease in fund balance of \$1,228,375, bringing the cumulative balance to \$43,258,009 at the conclusion of the 2024-2025 fiscal year.
- At June 30, 2025, the General Fund fund balance includes \$197,304 nonspendable related to prepaid items, \$6,116,607 committed to balance the subsequent year's budget, \$11,500,000 committed to capital projects, \$10,347,822 committed to vested employee services, \$5,145,235 committed to PSERS contingency, \$9,656,921 committed to healthcare contingency, \$294,120 assigned to athletic fund expenditures, and no unassigned amounts. Guidelines prescribed by the Pennsylvania Department of Education allow a district to maintain a maximum General Fund unassigned fund balance of 8% of the following year's expenditure budget.

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025**

- During 2024-2025, the Capital Projects Fund reported a decrease in fund balance of \$21,900,033 due primarily to spending of bond proceeds and transfers in from the General Fund related to capital expenditures. The Capital Projects Fund fund balance of \$18,823,316 as of June 30, 2025, was restricted for future infrastructure and capital project expenditures.
- Total General Fund revenues were \$1,952,479 or 1.08% more than budgeted amounts, and total General Fund expenditures and other financing uses were \$1,427,977 or 0.77% less than budgeted amounts resulting in a net positive variance of \$3,380,456.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

Governmental Activities

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

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025**

Business-Type Activities

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

The government-wide financial statements can be found on pages 38 and 39 of this report.

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governmental near-term financing decisions. Both the balance sheet – governmental funds and statement of revenues, expenditures and changes in fund balances – governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the balance sheet – governmental funds and statement of revenues, expenditures and changes in fund balances – governmental funds for each of the three major funds.

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

The governmental fund financial statements can be found on pages 40 through 43 of this report.

Proprietary Funds

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

The proprietary fund financial statements can be found on pages 44 through 46 of this report.

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025**

Fiduciary Funds

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

The fiduciary fund financial statements can be found on pages 47 and 48 of this report.

Notes to the Financial Statements

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

The notes to the financial statements can be found on pages 49 through 84 of this report.

Other Information

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

The required supplementary information can be found on pages 85 through 91 of this report.

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted above, net position may serve over time as a useful indicator of the District's financial condition. At the close of the 2024-2025 fiscal year, the District's liabilities and deferred inflows exceeded assets and deferred outflows by \$106,956,595. Certain fiscal year 2024 comparative amounts have been restated to reflect correction of an error in the District's self-funded healthcare IBNR liability. See Note 16 for additional information. The following table presents condensed information for the statement of net position (deficit) of the District at June 30, 2025 and 2024.

	Governmental Activities		Business-Type Activities		Totals	
	(Restated)				(Restated)	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and Other Assets	\$ 83,130,930	\$ 103,717,854	\$ 709,084	\$ 650,965	\$ 83,840,014	\$ 104,368,819
Capital Assets	140,330,771	122,236,924	50,318	69,618	140,381,089	122,306,542
Total Assets	223,461,701	225,954,778	759,402	720,583	224,221,103	226,675,361
Deferred Outflows:						
Deferred Amounts On Debt Refunding	364,411	449,570	-	-	364,411	449,570
Deferred Charges - OPEB	2,502,282	2,970,087	42,066	54,017	2,544,348	3,024,104
Deferred Charges - Pensions	27,103,898	33,279,170	455,650	503,003	27,559,548	33,782,173
Total Deferred Outflows	29,970,591	36,698,827	497,716	557,020	30,468,307	37,255,847
Liabilities:						
Current Liabilities	20,801,055	19,389,352	75,987	38,073	20,877,042	19,427,425
Noncurrent Liabilities	328,344,854	350,497,694	3,405,540	3,328,974	331,750,394	353,826,668
Total Liabilities	349,145,909	369,887,046	3,481,527	3,367,047	352,627,436	373,254,093
Deferred Inflows						
Deferred Credits - OPEB	5,618,123	5,478,727	94,448	92,943	5,712,571	5,571,670
Deferred Credits - Pensions	3,251,341	3,417,348	54,659	51,652	3,306,000	3,469,000
Total Deferred Outflows	8,869,464	8,896,075	149,107	144,595	9,018,571	9,040,670
Net Position (Deficit):						
Net Investment In Capital Assets	30,214,546	11,905,643	50,318	69,618	30,264,864	11,975,261
Restricted	10,582,475	21,171,873	-	-	10,582,475	21,171,873
Unrestricted (Deficit)	(145,380,100)	(149,207,032)	(2,423,834)	(2,303,657)	(147,803,934)	(151,510,689)
Total Net Position (Deficit)	<u>\$ (104,583,079)</u>	<u>\$ (116,129,516)</u>	<u>\$ (2,373,516)</u>	<u>\$ (2,234,039)</u>	<u>\$ (106,956,595)</u>	<u>\$ (118,363,555)</u>

The District's total assets as of June 30, 2025 were \$224,221,103 of which \$75,245,091 or 33.56% consisted of cash and investments, \$140,381,089 or 62.61% consisted of the District's investment in capital assets, and \$8,594,923 or 3.83% consisted of the District's other current assets. The District's total liabilities as of June 30, 2025 were \$352,627,436 of which \$123,605,983 or 35.04% consisted of general obligation debt used to acquire and construct capital assets, \$183,010,448 or 51.88% consisted of the actuarially determined net pension liability, and \$16,524,475 or 4.68% consisted of the actuarially determined OPEB liability.

The District had a deficit in unrestricted net position of \$147,803,934 at June 30, 2025. The District's unrestricted net position increased by \$3,706,755 during 2024-2025 primarily due to the results of current year operations net of the change in the District's actuarially determined net pension liability and related pension items.

A portion of the District's net position reflects its restricted net position which totaled \$10,582,475 as of June 30, 2025. All of the District's restricted net position related to amounts restricted for capital expenditures. The District's restricted net position decreased by \$10,589,398 due to capital expenditures.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025

Another portion of the District's net position reflects its investment in capital assets net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For the year ended June 30, 2025, the District's net investment in capital assets increased by \$18,289,603 because the debt used to acquire the capital assets was being repaid faster than the capital assets were being depreciated and capital assets were acquired with funds other than debt.

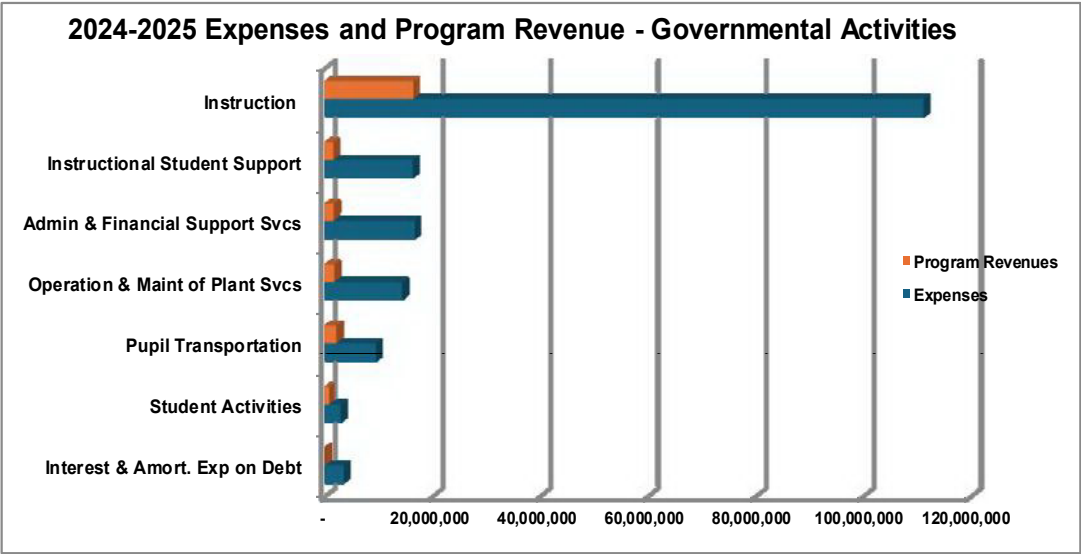
The following table presents condensed information for the Statement of Activities of the District for 2025 and 2024. Certain fiscal year 2024 amounts have been restated to correct an error in the District's self-funded healthcare IBNR liability. See Note 16 for additional information:

	Governmental Activities		Business-Type Activities		Totals	
	(Restated)				(Restated)	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for Services	919,263	1,771,642	2,269,119	2,144,719	3,188,382	3,916,361
Operating Grants and Contributions	22,598,149	21,710,334	1,086,232	1,229,688	23,684,381	22,940,022
General Revenues:						
Property Taxes Levied for General Purposes	142,168,086	134,950,177	-	-	142,168,086	134,950,177
Other Taxes Levied for General Purposes	4,114,136	2,852,725	-	-	4,114,136	2,852,725
Grants and Entitlements Not Restrictred to Specific Programs	9,018,538	7,986,059	-	-	9,018,538	7,986,059
Investment Earnings	6,280,524	7,074,772	35,403	25,659	6,315,927	7,100,431
Gain (Loss) on Sale of Capital Assets	-	(18,214)	-	-	-	(18,214)
Total Revenues	185,098,696	176,327,495	3,390,754	3,400,066	188,489,450	179,727,561
Expenses						
Instruction	111,041,937	108,268,254	-	-	111,041,937	108,268,254
Instructional Student Support Services	16,171,853	15,984,808	-	-	16,171,853	15,984,808
Administrative and Financial Support Services	16,559,943	16,495,050	-	-	16,559,943	16,495,050
Operation and Maintenance of Plant Services	14,211,933	14,329,851	-	-	14,211,933	14,329,851
Pupil Transportation	9,373,163	8,350,173	-	-	9,373,163	8,350,173
Student Activities	2,821,001	2,664,310	-	-	2,821,001	2,664,310
Interest and Amortization Expense Related to Noncurrent Liabilities	3,372,429	3,499,278	-	-	3,372,429	3,499,278
Food service	-	-	3,530,231	3,093,123	3,530,231	3,093,123
Total expenses	173,552,259	169,591,724	3,530,231	3,093,123	177,082,490	172,684,847
Change in Net Position (Deficit)	11,546,437	6,735,771	(139,477)	306,943	11,406,960	7,042,714
Net position (Deficit) - Beginning of Year, as Previously Stated	(116,129,516)	(135,227,944)	(2,234,039)	(2,540,982)	(118,363,555)	(137,768,926)
Error Correction	-	12,362,657	-	-	-	12,362,657
Net Position (Deficit) - Beginning of Year, Restated	(116,129,516)	(122,865,287)	(2,234,039)	(2,540,982)	(118,363,555)	(125,406,269)

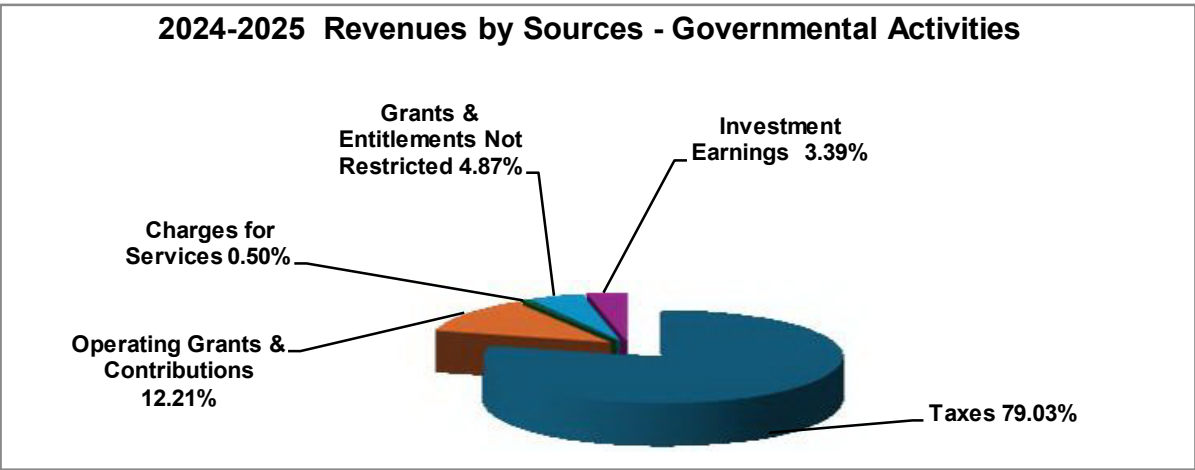
**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025**

Overall, the District’s financial position improved but challenges such as increased medical costs, pension contributions and unfunded state mandates have a potential to impact future fiscal years.

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



To the degree that the District's functions or programs cost more than they raise, the statement of activities shows how the District chose to finance the difference through general revenues. The following chart shows that the District relies on tax revenues to finance its governmental activities.



**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025**

GOVERNMENTAL FUNDS

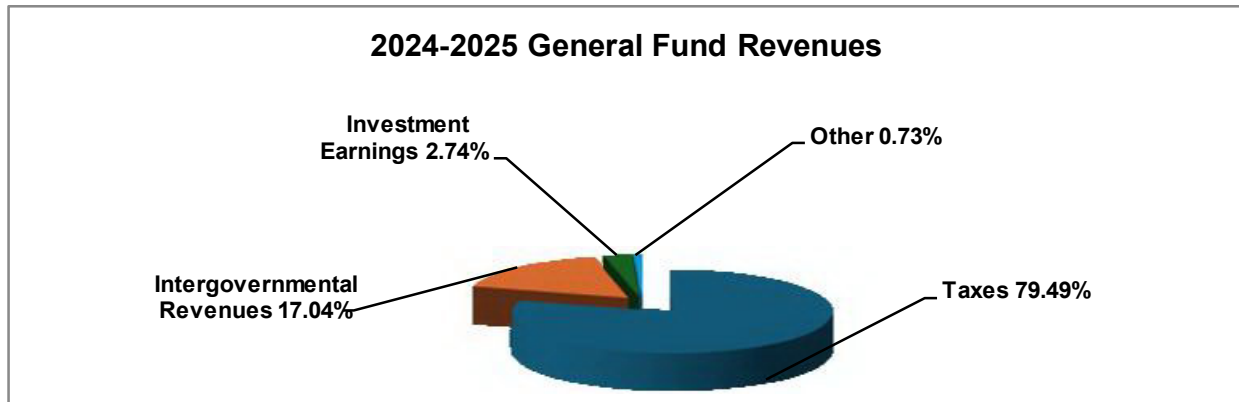
The governmental fund financial statements provide detailed information on the District's major funds. Some funds are required to be established by State statute while other funds are established by the District to manage monies restricted for a specific purpose. As of June 30, 2025, the District's governmental funds reported a combined fund balance of \$62,081,325 which is a decrease of \$23,128,408 from the prior year. The following table summarizes the District's total governmental fund balances as of June 30, 2025 and 2024 and the total 2025 change in governmental fund balances.

	2025	(Restated) 2024	\$ Change
General Fund	\$ 43,258,009	\$ 44,486,384	\$ (1,228,375)
Capital Projects Fund	18,823,316	40,723,349	(21,900,033)
Debt Service Fund	-	-	-
Total	<u>\$ 62,081,325</u>	<u>\$ 85,209,733</u>	<u>\$ (23,128,408)</u>

GENERAL FUND

The General Fund is the District's primary operating fund. At the conclusion of the 2024-2025 fiscal year, the General Fund fund balance was \$43,258,009 representing a decrease of \$1,228,375 from the prior year. The decrease in the District's General fund balance is due to many factors. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2024-2025 fiscal year.

The District's reliance upon tax revenues is demonstrated by the graph below that indicates 79.49% of General Fund revenues are derived from local taxes.



**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025**

General Fund Revenues

	2025	2024	\$ Change	% Change
Taxes Revenues	\$ 145,521,011	\$ 138,219,692	\$ 7,301,319	5.28
Intergovernmental Revenues	31,196,669	29,325,627	1,871,042	6.38
Investment Earnings	5,010,540	5,898,896	(888,356)	(15.06)
Other	1,337,764	2,140,711	(802,947)	(37.51)
Total	<u>\$ 183,065,984</u>	<u>\$ 175,584,926</u>	<u>\$ 7,481,058</u>	<u>4.26</u>

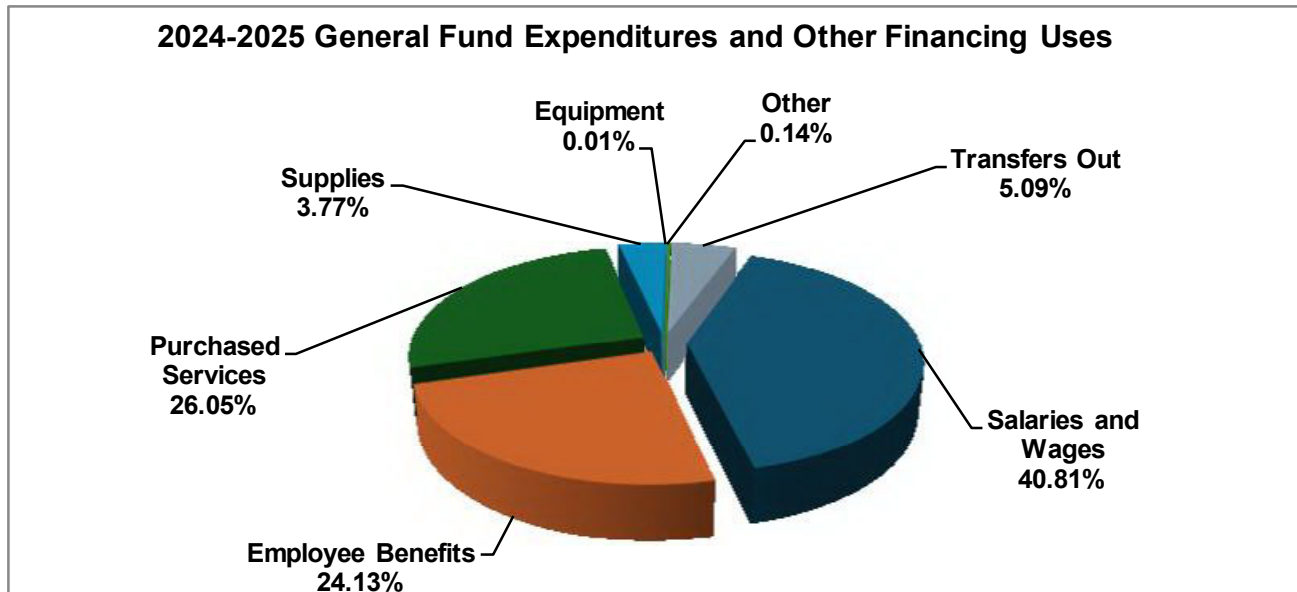
Net tax revenues increased by \$7,301,319 or 5.28% primarily due to the increase in the 2024-2025 millage rate by 5.9% to 28.3373 mills.

The following table summarizes changes in the District's tax revenue for 2025 compared to 2024:

	2025	2024	\$ Change	% Change
Real Estate Tax	\$ 138,400,076	\$ 132,976,191	\$ 5,423,885	4.08
Interim Tax	1,424,587	507,632	916,955	180.63
PURTA Tax	126,978	116,430	10,548	9.06
Realty Transfer Tax	3,987,157	2,736,296	1,250,861	45.71
Delinquent Real Estate Tax	1,582,213	1,883,143	(300,930)	(15.98)
Total	<u>\$ 145,521,011</u>	<u>\$ 138,219,692</u>	<u>\$ 7,301,319</u>	<u>5.28</u>

Investment earnings increased commensurate with an increase in interest rates and deposit on hand.

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



**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025**

General Fund Expenditures and Other Financing Uses

	2025	(Restated) 2024	\$ Change	% Change
Salaries and Wages	\$ 75,207,557	\$ 71,300,553	\$ 3,907,004	5.48
Employee Benefits	44,467,995	41,654,758	2,813,237	6.75
Purchased Services	48,001,296	43,779,401	4,221,895	9.64
Supplies	6,952,560	6,851,088	101,472	1.48
Equipment	14,843	373,143	(358,300)	(96.02)
Other	265,213	235,314	29,899	12.71
Transfers Out	9,384,895	12,366,073	(2,981,178)	(24.11)
Total	<u>\$ 184,294,359</u>	<u>\$ 176,560,330</u>	<u>\$ 7,734,029</u>	<u>4.38</u>

Salaries and wages increased by \$3,907,004 or 5.48% in 2024-2025 compared to 2023-2024 as a result of additional staff added and contractually obligated pay increases for the various District union agreements in addition to salary increases for nonunion employees.

Employee benefits increased by \$2,813,237 or 6.75% in 2024-2025 compared to 2023-2024 as a result of a change in IBNR expenditures.

Purchased service cost increased by \$4,221,895 or 9.64% in 2024-2025 compared to 2023-2024 primarily due to increases in special education, contracted services and tuition.

Transfers out in 2024-2025 consisted solely of a \$9,384,895 transfer to the Debt Service Fund to subsidize debt service maturities as they become due.

CAPITAL PROJECTS FUND

The Capital Project Funds account for construction and renovation activity associated with the District's buildings and major equipment purchases. A portion of the fund is funded by contributions from the General Fund and a portion of the fund is funded by bond proceeds. The District has been proactive in terms of preparing for future capital needs each year and has a capital infrastructure plan which prioritizes deferred maintenance needs and capital projects. During 2024-2025, the Capital Project Fund reported an decrease in fund balance of \$21,900,033. The decrease was primarily due to capital expenditures in excess of transfers from the General Fund.

DEBT SERVICE FUND

The Debt Service Fund is used to account for debt service and capital financing transactions. During 2024-2025, the District reduced outstanding debt service by paying \$5,050,000 in principal and \$4,334,895 in interest maturities. The balance of the annual expenditures is related to interest maturities.

GENERAL FUND BUDGET INFORMATION

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

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025**

Total General Fund revenues and other financing sources were \$1,952,479 or 1.08% more than budgeted amounts and total General Fund expenditures and other financing uses were \$1,427,977 or 0.77% less than budgeted amounts resulting in a net positive variance of \$3,380,456. Major budgetary highlights for 2024-2025 were as follows:

- State source revenues were \$2,395,318 more than budgeted which relates to higher than expected employee benefit reimbursements from the Department of Education.
- Federal source revenues were \$378,682 more than budgeted which relates to higher than expected Title I through IV revenue.
- Regular Programs expenditures were more than budget by \$339,215 due to higher than expected Personnel costs.
- Special education expenditures were more than budget by \$2,807,599 due to unanticipated costs related to contracted services and tuition for these programs.
- Operation and Maintenance of Plant Services were \$1,992,630 more than budgeted which relates to higher than expected cost of personnel and contracted services.
- The budgetary reserve was under expended by \$3,000,000. Additionally, transfers from the General Fund to the Capital Projects Fund were less than budgeted amounts. The transfer to the Capital Projects Fund was a strategic decision to fund future capital needs.

BUSINESS-TYPE ACTIVITIES AND FOOD SERVICE FUND

During 2024-2025, the net position of the business-type activities and Food Service Fund decreased by \$139,477 primarily due to an increase in employee benefits. As of June 30, 2025, the business-type activities and Food Service Fund had a deficit in net position of \$2,373,516. The deficit in net position correlates to the Food Service Fund and business-type activities recording its proportionate share of the net pension and OPEB liabilities in the Pennsylvania State Employees' Retirement System (PSERS).

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2025 amounted to \$140,381,089 net of accumulated depreciation and amortization. This investment in capital assets includes land, land improvements, buildings and improvements, right-to-use lease arrangements, and furniture and equipment. The total increase in the District's investment in capital assets for the current fiscal year was \$18,074,547 or 14.78%. The increase was the result of capital additions in excess of current year disposals, depreciation, and amortization.

Current year capital additions were \$23,855,248, net book value of disposals was \$0, and depreciation expense was \$5,780,701.

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025**

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

• New Elementary School	\$ 2,969,894
• HVAC renovations and upgrades – construction in progress	\$ 4,773,273
• Athletic field upgrades – construction in progress	\$ 7,792,636
• Interior/exterior renovations and upgrades – construction in progress	\$ 3,834,485

Additional detailed information regarding capital assets is included in Note 4 – Capital Assets on page 63 of this report.

NONCURRENT LIABILITIES

At the end of the current fiscal year, the District had total general obligation debt of \$123,605,983 consisting of \$114,165,000 of bonds payable and net deferred credits of \$9,440,983. The entire amount is backed by the full faith and credit of the District. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior obligation debt. The District's general obligation debt decreased by \$5,730,569 or 4.43% during the fiscal year.

State statutes limit the amount of general obligation debt the District may issue up to 225% of its borrowing base capacity which is calculated as the annual arithmetic average of the total revenues for the preceding three fiscal years. The District's outstanding general obligation debt is within the current debt limitation of the District which was \$394,184,966 as of June 30, 2025.

The District reports its allocated portion of its defined benefit unfunded benefit obligation related to its participation in PSERS. The District's allocated portion of the net pension liability is an actuarially determined estimate of the unfunded cost of the pension plan obligation which totaled \$186,087,077 as of June 30, 2025. The District's net pension liability decreased by \$11,699,368 or 5.92% during the fiscal year.

The District reports a liability for its other postemployment benefits (OPEB) related to its single employer OPEB plan and its participation in the PSERS health insurance premium assistance program. The District's OPEB liability is an actuarially determined estimate of the unfunded cost of the OPEB obligation which totaled \$16,802,271 as of June 30, 2025. The District's OPEB liability decreased by \$205,501 or 1.21% during the fiscal year.

Other noncurrent liabilities consist of the District's liabilities for leases payable, compensated absences and accrued severance obligations, which totaled \$5,255,063 as of June 30, 2025. These liabilities decreased by \$4,440,835 or 45.80% during the fiscal year.

Additional detailed information regarding noncurrent liabilities is included in Notes 7 – 12 on pages 65 through 81 of this report.

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025**

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District-commissioned infrastructure report, that was delivered to the Board Facilities Committee, provides a framework for future decisions on which deferred maintenance and capital improvement projects will be the focus of District capital resources. The format of the infrastructure report incorporates studies on traffic/circulation, exterior masonry, roofing, technology, playgrounds and HVAC. One of the major capital projects identified in the report is additional athletic fields. The District has obtained a large tract of land adjacent to the Conestoga High School for new athletic fields. Construction has started and township approvals have been received. The project includes a fieldhouse, tennis courts, two multi-purpose turf fields, softball field, natural grass practice field and a maintenance building. The funding of this athletic fields project and the District's capital plan will involve a combination of bond issues, contributions from the general fund and current resources in the capital fund. The District's strong fund balance and conservative budgeting practices will provide for future budgeted capital planning.

In a June 2020 Issuer Comment Report, Moody's investor services stated that "the District has a superior credit position, and its Aaa rating is well above the median rating of Aa3 for U.S. school districts. The key credit factors include a very strong wealth and income profile, a substantial tax base and a robust financial position. It also reflects an affordable debt burden and a mid-ranged pension liability. The District has an exceptionally healthy economy and tax base. The financial position of the district is strong and is consistent with its Aaa rating. The nominal size of the District's reserves is well above average. Moreover, the cash balance as a percentage of operating revenues (33.7%) is slightly higher than the U.S. median."

Until very recently, the District has experienced an increase in student enrollment. While the District successfully accommodates its students each year, the increasing enrollment has resulted in the need for additional staff at all levels and facility reconfigurations and expansions to meet the needs of the growing student population.

Increasing student enrollment, the maximum utilization of current available space in our elementary schools along with the benefits of full-day kindergarten has been the impetus behind the discussions for building a sixth elementary school. To date, the District has held several community presentations to share an update on the District elementary enrollment trends and the impact on facilities utilization. In addition to a review of prior enrollment and facilities information, drivers for a sixth elementary school, drivers for full-day kindergarten and possible school sites were presented in 2023. Historically, elementary school enrollment has steadily increased since 1995 with the exception of a dip in enrollment in the year 2020 potentially as a result of the COVID-19 pandemic. In addition to overall enrollment increases, the District elementary school student populations have been historically inconsistent and the largest and smallest schools often change. These numbers shift from one year to the next due to minor changes in the region and other factors.

In addition, there has been a notable change in programming that has taken place in special education since 2012 and additional classroom space has been needed to accommodate these programs. Since 2017, the District has needed ten additional elementary classrooms to meet the needs of our special education students. In April 2024, the District acquired a 90,000 square foot office building on approximately fifteen acres and is in the process of repurposing the property for a sixth elementary school. The design phase is completed, and necessary approvals have been obtained. The District released construction bids in June 2025 and construction will begin in August 2025 with a completion date of late spring/early summer 2027. The rough order of magnitude budget is approximately \$53M.

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2025**

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Business Manager/Board Secretary, at the Tredyffrin/ Easttown School District, 940 West Valley Road, Suite 1700, Wayne, Pennsylvania 19087 or 610-240-1801.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total 2025
ASSETS			
Current Assets:			
Cash	\$ 65,576,231	\$ 668,860	\$ 66,245,091
Investments	9,000,000	-	9,000,000
Taxes Receivable, Net	2,574,647	-	2,574,647
Due from Other Governments	5,673,057	36,028	5,709,085
Other Receivables	63,779	4,391	68,170
Internal Balances	45,912	(45,912)	-
Prepaid Expenses	197,304	-	197,304
Inventories	-	45,717	45,717
Total Current Assets	83,130,930	709,084	83,840,014
Noncurrent Assets:			
Land	21,395,964	-	21,395,964
Construction-in-Progress	23,326,949	-	23,326,949
Depreciable Capital Assets	182,580,023	936,607	183,516,630
Less: Accumulated Depreciation	(86,972,165)	(886,289)	(87,858,454)
Total Noncurrent Assets	140,330,771	50,318	140,381,089
Total Assets	223,461,701	759,402	224,221,103
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges - Pension	27,103,898	455,650	27,559,548
Deferred Charges - OPEB	2,502,282	42,066	2,544,348
Deferred Amounts on Debt Refunding	364,411	-	364,411
Total Deferred Outflows of Resources	29,970,591	497,716	30,468,307
LIABILITIES			
Current Liabilities:			
Accounts Payable	8,731,395	1,329	8,732,724
Accrued Salaries, Payroll Withholdings, and Benefits	10,331,547	4,916	10,336,463
Accrued Interest Payable	1,738,113	-	1,738,113
Unearned Revenue	-	69,742	69,742
Total Current Liabilities	20,801,055	75,987	20,877,042
Noncurrent Liabilities:			
Due Within One Year	4,910,041	-	4,910,041
Due in More than One Year	323,434,813	3,405,540	326,840,353
Total Noncurrent Liabilities	328,344,854	3,405,540	331,750,394
Total Liabilities	349,145,909	3,481,527	352,627,436
DEFERRED INFLOWS OF RESOURCES			
Deferred Credits - Pension	3,251,341	54,659	3,306,000
Deferred Credits - OPEB	5,618,123	94,448	5,712,571
Total Deferred Inflows of Resources	8,869,464	149,107	9,018,571
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	30,214,546	50,318	30,264,864
Restricted	10,582,475	-	10,582,475
Unrestricted (Deficit)	(145,380,100)	(2,423,834)	(147,803,934)
Total Net Position (Deficit)	\$ (104,583,079)	\$ (2,373,516)	\$ (106,956,595)

See accompanying Notes to Financial Statements.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position (Deficit)		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total 2025
	Expenses						
GOVERNMENTAL ACTIVITIES							
Instruction	\$ 111,041,937	\$ 361,215	\$ 15,945,493	\$ -	\$ (94,735,229)	\$ -	\$ (94,735,229)
Instructional Student Support	16,171,853	-	1,458,975	-	(14,712,878)	-	(14,712,878)
Administrative and Financial Support Services	16,559,943	-	1,484,776	-	(15,075,167)	-	(15,075,167)
Operation and Maintenance of Plant Services	14,211,933	511,804	1,112,399	-	(12,587,730)	-	(12,587,730)
Pupil Transportation	9,373,163	-	1,986,704	-	(7,386,459)	-	(7,386,459)
Student Activities	2,821,001	46,244	609,802	-	(2,164,955)	-	(2,164,955)
Interest and Amortization Expense Related to Noncurrent Liabilities	3,372,429	-	-	-	(3,372,429)	-	(3,372,429)
Total Governmental Activities	173,552,259	919,263	22,598,149	-	(150,034,847)	-	(150,034,847)
BUSINESS-TYPE ACTIVITIES							
Food Service	3,530,231	2,269,119	1,086,232	-	-	(174,880)	(174,880)
Total Primary Government	<u>\$ 177,082,490</u>	<u>\$ 3,188,382</u>	<u>\$ 23,684,381</u>	<u>\$ -</u>	<u>(150,034,847)</u>	<u>(174,880)</u>	<u>(150,209,727)</u>
GENERAL REVENUES							
Property Taxes Levied for General Purposes					142,168,086	-	142,168,086
Other Taxes Levied for General Purposes					4,114,136	-	4,114,136
Grants and Entitlements Not Restricted to Specific Programs					9,018,538	-	9,018,538
Investment Earnings					6,280,524	35,403	6,315,927
Gain (Loss) on Sale of Capital Assets					-	-	-
Total General Revenues					<u>161,581,284</u>	<u>35,403</u>	<u>161,616,687</u>
CHANGE IN NET POSITION (DEFICIT)					11,546,437	(139,477)	11,406,960
Net Position (Deficit) - Beginning of Year, as Previously Reported					(126,773,927)	(2,234,039)	(129,007,966)
Restatement for Error Correction (Note 16)					10,644,411	-	10,644,411
Net Position (Deficit) - Beginning of Year, Restated					<u>(116,129,516)</u>	<u>(2,234,039)</u>	<u>(118,363,555)</u>
NET POSITION (DEFICIT) - END OF YEAR					<u>\$ (104,583,079)</u>	<u>\$ (2,373,516)</u>	<u>\$ (106,956,595)</u>

See accompanying Notes to Financial Statements.

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Capital Projects Fund	Debt Service Fund	Total 2025
ASSETS				
Cash	\$ 39,488,777	\$ 26,087,457	\$ -	\$ 65,576,234
Investments	9,000,000	-	-	9,000,000
Taxes Receivable, Net	2,574,647	-	-	2,574,647
Due from Other Funds	2,105,085	-	-	2,105,085
Due from Other Governments	5,673,057	-	-	5,673,057
Other Receivables	63,779	-	-	63,779
Prepaid Items	197,304	-	-	197,304
Total Assets	<u>\$ 59,102,649</u>	<u>\$ 26,087,457</u>	<u>\$ -</u>	<u>\$ 85,190,106</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 3,526,427	\$ 5,204,968	\$ -	\$ 8,731,395
Due to Other Funds	-	2,059,173	-	2,059,173
Accrued Salaries, Payroll Withholdings, and Benefits	10,331,547	-	-	10,331,547
Unearned Revenue	-	-	-	-
Total Liabilities	<u>13,857,974</u>	<u>7,264,141</u>	<u>-</u>	<u>21,122,115</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Property Taxes	1,986,666	-	-	1,986,666
FUND BALANCES				
Nonspendable:				
Prepaid items	197,304	-	-	197,304
Restricted for:				
Capital projects	-	18,823,316	-	18,823,316
Committed to:				
Balance Subsequent Year's Budget	6,116,607	-	-	6,116,607
Capital Projects	11,500,000	-	-	11,500,000
Vested Employee Services	10,347,822	-	-	10,347,822
PSERS Contingency	5,145,235	-	-	5,145,235
Healthcare Contingency	9,656,921	-	-	9,656,921
Assigned to:				
Athletic Fund Expenditures	294,120	-	-	294,120
Unassigned	-	-	-	-
Total Fund Balances	<u>43,258,009</u>	<u>18,823,316</u>	<u>-</u>	<u>62,081,325</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 59,102,649</u>	<u>\$ 26,087,457</u>	<u>\$ -</u>	<u>\$ 85,190,106</u>

See accompanying Notes to Financial Statements.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO NET POSITION (DEFICIT)
OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2025

TOTAL GOVERNMENTAL FUND BALANCES	\$ 62,081,325
Amounts reported for governmental activities in the Statement of Net Position (Deficit) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	140,330,771
Deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits are not reported as assets and liabilities in the governmental funds balance sheet.	20,736,716
Deferred outflows of resources for deferred amounts on debt refunding are currently expended in the governmental funds, whereas they are capitalized and amortized over the life of the respective debt in the government-wide Statement of Net Position (Deficit).	364,411
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred inflows of resources on the governmental funds balance sheet.	1,986,666
Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet.	(328,344,854)
Accrued interest payable on long-term liabilities is included in the Statement of Net Position (Deficit), but is excluded from the governmental funds balance sheet until due and payable.	<u>(1,738,113)</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (104,583,078)</u></u>

See accompanying Notes to Financial Statements.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General Fund	Capital Projects Fund	Debt Service Fund	Total 2025
REVENUES				
Local Sources	\$ 151,869,315	\$ 1,269,984	\$ -	\$ 153,139,299
State Sources	28,868,877	-	-	28,868,877
Federal Sources	2,327,792	-	-	2,327,792
Total Revenues	183,065,984	1,269,984	-	184,335,968
EXPENDITURES				
Current:				
Instruction	114,027,549	-	-	114,027,549
Support Services	58,009,646	519,805	-	58,529,451
Operation of Noninstructional Services	2,872,269	-	-	2,872,269
Facilities Acquisition, Construction, and Improvement Services	-	22,753,232	-	22,753,232
Debt Service	-	-	9,384,895	9,384,895
Total Expenditures	174,909,464	23,273,037	9,384,895	207,567,396
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,156,520	(22,003,053)	(9,384,895)	(23,231,428)
OTHER FINANCING SOURCES (USES)				
Refund of Prior Year Receipts	-	-	-	-
Refund of Prior Year Expenditures	-	-	-	-
Refund of Prior Year Receipts	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Proceeds from Leases Payable	-	103,020	-	103,020
Issuance of Debt	-	-	-	-
Issuance of Debt - Refunding	-	-	-	-
Payment of Debt - Refunding	-	-	-	-
Proceeds from Bond Premiums	-	-	-	-
Transfers In	-	-	9,384,895	9,384,895
Transfers Out	(9,384,895)	-	-	(9,384,895)
Total Other Financing Sources (Uses)	(9,384,895)	103,020	9,384,895	103,020
NET CHANGE IN FUND BALANCES	(1,228,375)	(21,900,033)	-	(23,128,408)
Fund Balances - Beginning of Year as Previously Reported	33,841,973	40,723,349	-	74,565,322
Restatement for Error Correction (Note 16)	10,644,411	-	-	10,644,411
Net Position (Deficit) - Beginning of Year, Restated	44,486,384	40,723,349	-	85,209,733
FUND BALANCES - END OF YEAR	<u>\$ 43,258,009</u>	<u>\$ 18,823,316</u>	<u>\$ -</u>	<u>\$ 62,081,325</u>

See accompanying Notes to Financial Statements.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION (DEFICIT)
OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ (23,128,408)**

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense and the net book value of disposed of capital assets in the current period.

Capital Outlay Expenditures	23,855,248
Net Book Value of Disposed Capital Assets	-
Depreciation and Amortization Expense	(5,761,401)

Because some taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount this year.

Deferred Inflows of Resources June 30, 2024	(1,223,939)
Deferred Inflows of Resources June 30, 2025	1,986,666

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

Repayment of Bonds Payable	5,050,000
Issuance of Bonds Payable	-
Proceeds from Bond Premiums	-
Proceeds from Leases Payable	(103,020)
Repayment of Leases Payable	483,301
Amortization of Bond Premiums and Deferred Amounts on Refunding	595,409

Some expenses reported in the Statement of Activities do not require the use of current financial resources, and, therefore are not reported as expenditures in the governmental funds.

Current Year Change in Accrued Interest Payable	367,057
Change in Net Pension Liability and Related Deferred Inflows and Outflows	5,821,768
Current Year Change in Compensated Absences	4,013,396
Current Year Change in Accrued Severance	16,481
Change in Net Postemployment Benefit (OPEB) Liability and Related Deferred Inflows and Outflows	(426,122)

Change in Net Position (Deficit) of Governmental Activities	\$ 11,546,436
---	---------------

See accompanying Notes to Financial Statements.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
STATEMENT OF NET POSITION (DEFICIT)
PROPRIETARY FUND
JUNE 30, 2025

	Major Fund Food Service Fund 2025
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 668,860
Due from Other Funds	-
Due from Other Governments	36,028
Other Receivables	4,391
Inventories	45,717
Total Current Assets	<u>754,996</u>
Noncurrent Assets:	
Capital Assets, Net	<u>50,318</u>
Total Assets	805,314
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charges - Pension	455,650
Deferred Charges - OPEB	42,066
Total Deferred Outflows of Resources	<u>497,716</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,329
Due to Other Funds	45,912
Accrued Salaries, Payroll Withholdings, and Benefits	4,916
Unearned Revenue	69,742
Total Current Liabilities	<u>121,899</u>
Noncurrent Liabilities:	
Net Pension Liability	3,076,629
Net OPEB Liability	277,796
Compensated Absences	51,115
Total Noncurrent Liabilities	<u>3,405,540</u>
Total Liabilities	3,527,439
DEFERRED INFLOWS OF RESOURCES	
Deferred Credits - Pension	54,659
Deferred Credits - OPEB	94,448
Total Deferred Inflows of Resources	<u>149,107</u>
NET POSITION (DEFICIT)	
Net Investment in Capital Assets	50,318
Unrestricted (Deficit)	<u>(2,423,834)</u>
Total Net Position	<u><u>\$ (2,373,516)</u></u>

See accompanying Notes to Financial Statements.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (DEFICIT)
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	Major Fund
	Food Service Fund
	2025
OPERATING REVENUES	
Charges for Services	\$ 2,269,119
OPERATING EXPENSES	
Salaries	1,193,139
Employee Benefits	910,333
Purchased Property Services	43,859
Other Purchased Services	610
Supplies	1,358,960
Dues and Fees	3,458
Other	572
Depreciation	19,300
Total Operating Expenses	<u>3,530,231</u>
OPERATING LOSS	(1,261,112)
NONOPERATING REVENUES	
Earnings on Investments	35,403
State Sources	496,603
Federal Sources	589,629
Total Nonoperating Revenues	<u>1,121,635</u>
CHANGE IN NET POSITION (DEFICIT)	(139,477)
Net Position (Deficit) - Beginning of Year	<u>(2,234,039)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u><u>\$ (2,373,516)</u></u>

See accompanying Notes to Financial Statements.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	Major Fund Food Service Fund 2025
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Charges for Services	\$ 2,268,314
Cash Payments to Employees for Services	(1,873,427)
Cash Payments to Suppliers for Goods and Services	(1,218,984)
Net Cash Used by Operating Activities	(824,097)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	491,274
Federal Sources	437,164
Net Cash Provided by Noncapital Financing Activities	928,438
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on Investments	35,402
NET INCREASE IN CASH	139,743
Cash - Beginning of Year	529,117
CASH - END OF YEAR	<u>\$ 668,860</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (1,261,112)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	19,300
Donated commodities used	148,009
(Increase) Decrease in:	
Other Receivables	(804)
Inventories	1,205
Deferred Outflows of Resources	59,304
Increase (Decrease) in:	
Accounts Payable	483
Due to Other Funds	91,009
Accrued Salaries, Payroll Withholdings, and Benefits	(1,347)
Unearned Revenue	38,778
Compensated Absences	(30,678)
Net OPEB Liability	(24,422)
Net Pension Liability	131,666
Deferred Inflows of Resources	4,512
Net Cash Used by Operating Activities	<u>\$ (824,097)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH NONCAPITAL FINANCING ACTIVITIES	
USDA Donated Commodities	<u>\$ 148,009</u>

See accompanying Notes to Financial Statements.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2025

	Private Purpose Trust	Custodial Funds	Total 2025
ASSETS			
Cash and Cash Equivalents	\$ 44,321	\$ 330,372	\$ 374,693
LIABILITIES			
Accounts Payable	-	-	-
NET POSITION			
Restricted for Student Activities	-	330,372	330,372
Net Position Held in Trust for Scholarships	44,321	-	44,321
	<u>\$ 44,321</u>	<u>\$ 330,372</u>	<u>\$ 374,693</u>
Total Net Position	<u>\$ 44,321</u>	<u>\$ 330,372</u>	<u>\$ 374,693</u>

See accompanying Notes to Financial Statements.

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025**

	Private Purpose Trust	Custodial Funds	Total 2025
ADDITIONS			
Receipts from Student Groups	\$ -	\$ 1,190,172	\$ 1,190,172
Local Contributions	15,812	-	15,812
Total Additions	15,812	1,190,172	1,205,984
DEDUCTIONS			
Student Activity Disbursements	-	1,209,528	1,209,528
Scholarships Awarded and Fees Paid	34,250	-	34,250
Total Deductions	34,250	1,209,528	1,243,778
CHANGE IN NET POSITION	(18,438)	(19,356)	(37,794)
Net Position - Beginning of Year	62,759	349,728	412,487
NET POSITION - END OF YEAR	<u>\$ 44,321</u>	<u>\$ 330,372</u>	<u>\$ 374,693</u>

See accompanying Notes to Financial Statements.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Tredyffrin-Easttown School District (the District) operates five elementary schools, two middle schools and a high school to provide education and related services to the residents of eastern Chester County in the townships of Tredyffrin and Easttown. The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania as a school district of the second class. The District operates under a locally elected nine-member board form of government (the School Board).

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

A. Reporting Entity

GASB has established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the District as a reporting entity, management has addressed all potential component units which may or may not fall within the District's accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. The District is considered to be an independent reporting entity and has no component units.

B. Basis of Presentation

Government-Wide Financial Statements

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

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

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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

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

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

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

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements

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

Governmental Funds

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

- The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Capital Projects Fund accounts for financial resources restricted, committed or assigned to be used for capital expenditures or for the acquisition, construction of capital facilities, improvements and/or equipment.
- The Debt Service Fund is used to account for the accumulation of resources for, and the payment of long-term principal, interest and other related costs.

Revenue Recognition

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

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Expenditure Recognition

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

Proprietary Funds

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

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

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

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets and are accounted for using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. The private-purpose trust fund accounts for activities in various scholarship accounts, whose sole purpose is to provide annual scholarships to particular students as described by donor stipulations. Custodial funds are used to account for assets held on behalf of individuals and/or government units and are, therefore, not available to support the District's own programs. The District has one custodial fund consisting of funds held on behalf of the students.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash and Cash Equivalents

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

D. Investments

Investments are stated at fair value based upon quoted market prices, except for certificates of deposit which are recorded at cost and external investment pools which are recorded at amortized cost, both of which approximate fair value.

E. Interfund Receivables and Payables

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

F. Property Taxes

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

July 1 – August 31	Discount Period, 2% of Gross Levy
September 1 – October 31	Face Period
November 1 to Collection	Penalty Period, 10% of Gross Levy
January 1	Lien Date

The County Board of Assessments determines assessed valuations of property and the District bills and collects its own property taxes. The tax on real estate for public school purposes for fiscal 2024-2025 was 28.3373 mills (\$28.34 for \$1,000 of assessed valuation) for Chester County. The District experiences very small losses from uncollectible property taxes. Property taxes constitute a lien against real property and usually can be collected in full when title transfers. Only balances that remain after tax sales are written off each year. Accordingly, an allowance for doubtful accounts has not been established by the District for property taxes receivable.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Property Taxes (Continued)

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

Installment One	August 31
Installment Two	September 30
Installment Three	October 31

The discount (2%) is not applicable to installment payments; however, the penalty (10%) will be added if second and third installments are paid subsequent to the due dates.

G. Prepaid Items and Inventories

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

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

H. Unearned Revenues

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

I. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

Property, plant and equipment (net of salvage value) of the District is depreciated or amortized using the straight-line method over the following estimated useful lives:

Buildings and Improvements	20 to 40 Years
Land Improvements	15 to 20 Years
Furniture and Equipment	3 to 10 Years

J. Leases – Lessee

The District has entered in noncancellable leases as the lessee. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Impairment of Long-Lived Assets

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. If a capital asset is considered to be impaired, the amount of impairment is measured by the method that most reflects the decline in service utility of the capital asset at the lower of carrying value or fair value for impaired capital assets that will no longer be used by the District. No impairment losses were recognized in the year ended June 30, 2025.

L. Compensated Absences

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

M. Long-Term Obligations

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

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

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

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

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Unassigned

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

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

O. Use of Estimates

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

P. Implementation of New Accounting Pronouncements

Effective July 1, 2024, the District adopted the provisions of GASB Statement No. 101 *Compensated Absences*. GASB Statement No. 101 updated the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB Statement No. 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Implementation of New Accounting Pronouncements (Continued)

Effective July 1, 2024, the District adopted the provisions of GASB Statement No. 102, *Certain Risk Disclosures*. The objective of GASB Statement No. 102 is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

R. New Accounting Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for the District for the year ended June 30, 2026. The objective of GASB Statement No. 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for the District for the year ended June 30, 2026. The objective of GASB Statement No. 104 is to improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

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

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

Deficit Equity

At June 30, 2025, the Food Service Fund, a major fund, had a deficit in net position of \$2,373,516 resulting from allocating a portion of its net pension and OPEB liability to this fund. Since the Food Service Fund uses the economic resources measurement focus, these obligations are presented in the fund financial statements as liabilities and therefore reduces fund equity to an overall deficit. This deficit will be eliminated as resources are obtained (e.g., from revenues and transfers in) to make the periodic pension and OPEB contributions for active participants in these plans.

NOTE 3 DEPOSITS AND INVESTMENTS

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

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At June 30, 2025, the carrying amount of the District's deposits was \$77,150,090 and the bank balance was \$77,102,244. The District is required by state statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States, Commonwealth of Pennsylvania or any political subdivision. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$62,720,274 was collateralized by the District's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in pooled public funds. The remaining cash deposits of the District are in the Pennsylvania School District Liquid Asset Fund (PSDLAF) and the Pennsylvania Local Government Investment Trust (PLGIT). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF and PLGIT act like money market mutual funds in that their objective is to maintain a stable net asset value of \$1 per share, are rated by a nationally recognized statistical rating organization and are subject to independent annual audit. As of June 30, 2025, PSDLAF and PLGIT were rated as AAA by a nationally recognized statistical rating agency.

Reconciliation to Financial Statements

Uninsured Amounts	\$ 5,131,969
FDIC Insured Amounts	250,000
Reconciling Items	<u>(1,952,153)</u>
Carrying Amount, Bank Balances	3,429,816
Pooled Cash Equivalents in Government	
Investment Pools	<u>62,720,274</u>
Total Carrying Amount Deposits	<u><u>\$ 66,150,090</u></u>

Investments

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

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 - 5	6 - 10	11 - 15
Certificate of Deposits	<u>\$ 9,000,000</u>	<u>\$ 9,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PSDLAF and PLGIT collateralized investment pools are fully collateralized by U.S. government agency and Treasury obligations and certificates of deposit. PSDLAF and PLGIT collateralized investment pools and the U.S. Treasury bill were valued using Level 2 inputs.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral security that are in the possession of an outside party. The District had no investment subject to custodial credit risk as of June 30, 2025.

Interest Rate Risk

The District's investment policy limits investment maturities in accordance with state statutes as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investment policy limits its investments that are not backed by the "full faith and credit" of the federal and state government to those with the highest credit rating available for such investments issued by a recognized statistical rating organization.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 21,395,964	\$ -	\$ -	\$ 21,395,964
Construction in Progress	11,105,925	22,212,058	9,991,034	23,326,949
Total Capital Assets Not Being Depreciated	32,501,889	22,212,058	9,991,034	44,722,913
Capital Assets Being Depreciated/Amortized:				
Buildings and Improvements	153,445,456	8,954,216	-	162,399,672
Land Improvements	5,747,718	1,133,142	-	6,880,860
Furniture and Equipment	9,918,879	1,443,846	194,577	11,168,148
Right-to-Use Leased Equipment	2,659,780	103,020	631,457	2,131,343
Total Capital Assets Being Depreciated/Amortized	171,771,833	11,634,224	826,034	182,580,023
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(70,110,428)	(4,080,094)	-	(74,190,522)
Land Improvements	(4,330,470)	(112,908)	-	(4,443,378)
Furniture and Equipment	(5,903,819)	(1,088,162)	(194,577)	(6,797,404)
Right-to-Use Leased Equipment	(1,692,081)	(480,237)	(631,457)	(1,540,861)
Total Accumulated Depreciation/Amortization	(82,036,798)	(5,761,401)	(826,034)	(86,972,165)
Total Capital Assets Being Depreciated/Amortized, Net	89,735,035	5,872,823	-	95,607,858
Governmental Activities, Net	<u>\$ 122,236,924</u>	<u>\$ 28,084,881</u>	<u>\$ 9,991,034</u>	<u>\$ 140,330,771</u>
Business-Type Activities:				
Machinery and Equipment	\$ 936,607	\$ -	\$ -	\$ 936,607
Less: Accumulated Depreciation	(866,989)	(19,300)	-	(886,289)
Business-Type Activities, Net	<u>\$ 69,618</u>	<u>\$ (19,300)</u>	<u>\$ -</u>	<u>\$ 50,318</u>

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

Governmental Activities:	
Instruction	\$ 3,810,970
Instructional Student Support	551,146
Administrative and Financial Support Services	560,892
Operation and Maintenance of Plan Services	420,223
Pupil Transportation	321,776
Student Activities	96,394
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 5,761,401</u>
Business-Type Activities:	
Food Service	<u>\$ 19,300</u>

As of June 30, 2025, the District had outstanding construction commitments for various capital projects in the amount of \$13,955,932.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 NET INVESTMENT IN CAPITAL ASSETS

Components of the net position of the governmental activities net investment in capital assets at June 30, 2025 are as follows:

Capital Assets	\$ 227,302,936
Deferred Outflows of Resources	364,411
Unspent Bond Proceeds	13,740,841
Accumulated Depreciation	<u>(86,972,165)</u>
Total	154,436,023
Leases Payable	(615,494)
General Obligation Debt	<u>(123,605,983)</u>
Net Investment in Capital Assets	<u><u>\$ 30,214,546</u></u>

Components of the net position of the business-type activities net investment in capital assets at June 30, 2025 are as follows:

Capital Assets	<u><u>\$ 50,318</u></u>
----------------	-------------------------

NOTE 6 INTERNAL RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2025 is as follows:

Receivable To	Amount	Payable From	Amount
		Food Service Fund	\$ 45,912
General Fund	\$ 2,105,085	Capital Projects Fund	2,059,173
Total	<u><u>\$ 2,105,085</u></u>		<u><u>\$ 2,105,085</u></u>

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

A summary of interfund transfers for the year ended June 30, 2025, is as follows:

Transfers In	Amount	Transfers Out	Amount
Debt Service Fund	9,384,895	General Fund	9,384,895
Total	<u><u>\$ 9,384,895</u></u>		<u><u>\$ 9,384,895</u></u>

Transfers from the General Fund represent transfers to subsidize costs associated with debt service requirements.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 NONCURRENT LIABILITIES

The following summarizes the changes in noncurrent liabilities for the year ended June 30, 2025:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Amount Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds Payable	\$ 119,215,000	\$ -	\$ 5,050,000	\$ 114,165,000	\$ 4,050,000
Bond Premiums	10,121,552	-	680,569	9,440,983	539,282
Total General Obligation Debt	129,336,552	-	5,730,569	123,605,983	4,589,282
Other Noncurrent Liabilities:					
Leases Payable	995,775	103,020	483,301	615,494	320,759
Compensated Absences	4,886,189	-	4,013,396	872,793	-
Accrued Severance	3,732,142	-	16,481	3,715,661	-
OPEB Liability	8,858,137	1,266,477	1,372,935	8,751,679	-
Net OPEB Liability - PSERS	7,847,417	-	74,621	7,772,796	-
Net Pension Liability - PSERS	194,841,482	-	11,831,034	183,010,448	-
Total Other Noncurrent Liabilities	221,161,142	1,369,497	17,791,768	204,738,871	320,759
Total Governmental Activities	350,497,694	1,369,497	23,522,337	328,344,854	4,910,041
Business-Type Activities:					
Compensated Absences	81,792	-	30,677	51,115	-
OPEB Liability	132,955	182,756	168,585	147,126	-
Net OPEB Liability - PSERS	169,263	-	38,593	130,670	-
Net Pension Liability - PSERS	2,944,963	131,666	-	3,076,629	-
Total Business-Type Activities	3,328,973	314,422	237,855	3,405,540	-
Total Noncurrent Liabilities	<u>\$ 353,826,667</u>	<u>\$ 1,683,919</u>	<u>\$ 23,760,192</u>	<u>\$ 331,750,394</u>	<u>\$ 4,910,041</u>

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

NOTE 8 GENERAL OBLIGATION DEBT

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

General obligation debt outstanding as of June 30, 2025 consisted of the following:

Description	Interest Rate(s)	Original Issue Amount	Final Maturity	Principal Outstanding
General Obligation Bonds:				
Series of 2019	2.45% - 5.00%	\$ 26,915,000	02/15/2040	\$ 26,885,000
Series of 2021	0.30% - 2.54%	24,935,000	02/15/2035	24,665,000
Series A of 2021	2.00% - 4.00%	26,900,000	02/15/2045	26,615,000
Series of 2024	5.00%	36,735,000	02/15/2045	36,000,000
Total General Obligation Debt				<u>\$ 114,165,000</u>

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 GENERAL OBLIGATION DEBT (CONTINUED)

General Obligation Bonds

<u>Description</u>	<u>Amount</u>
On February 12, 2019, the District issued \$26,915,000 of general obligation bonds, Series of 2019. The proceeds were used to finance the District's capital program, capitalized interest on the bond, and to pay for the costs of issuance. Principal is due February 15 each year with a maturity date of February 15, 2040. The bonds are payable in periodic installments and bear interest payable semi-annually on February 15 and August 15 at rates ranging from 2.45% to 5.00%.	\$ 26,885,000
On May 6, 2021, the District issued \$24,935,000 of general obligation bonds, Series of 2021. The proceeds were used to advance refund all the District's outstanding general obligation bonds, Series of 2015, and to pay for the costs of issuance. Principal is due February 15 each year with a maturity date of February 15, 2035. The bonds are payable in periodic installments and bear interest payable semi-annually on February 15 and August 15 at rates ranging from 0.30% to 2.54%. The District advance refunded the general obligation bonds to reduce future debt service payments by \$2,076,014.	24,665,000
On November 3, 2021, the District issued \$26,900,000 of general obligation bonds, Series A of 2021. The proceeds were used to finance the District's capital program and to pay for the costs of issuance. Principal is due February 15 each year and with a maturity date of February 15, 2045. The bonds are payable in periodic installments and bear interest payable semi-annually on February 15 and August 15 at rates ranging from 2.00% to 4.00%.	26,615,000
On May 22, 2024, the District issued \$36,735,000 of general obligation bonds, Series 2024. The proceeds were used to finance the District's capital program and to pay for the costs of issuance. Principal is due February 15 each year with a maturity date of February 15, 2045. The bonds are payable in periodic installments and bear interest payable semi-annually on February 15 and August 15 at 5.00%.	36,000,000
Total General Obligation Debt	<u>\$ 114,165,000</u>

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 GENERAL OBLIGATION DEBT (CONTINUED)

General Obligation Bonds (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Maturities</u>
2026	\$ 4,050,000	\$ 4,686,468	\$ 8,736,468
2027	4,085,000	4,597,527	8,682,527
2028	4,175,000	4,495,081	8,670,081
2029	4,290,000	4,382,763	8,672,763
2030	4,415,000	4,259,398	8,674,398
2031-2035	24,530,000	18,826,063	43,356,063
2036-2040	30,380,000	12,965,950	43,345,950
2041-2045	38,240,000	5,105,700	43,345,700
Total	<u>\$ 114,165,000</u>	<u>\$ 59,318,950</u>	<u>\$ 173,483,950</u>

NOTE 9 ACCRUED SEVERANCE

Upon retirement under the provisions of PSERS and so long as the employee provides the District 90 days calendar notice, the District will pay a professional employee for unused sick time. The reimbursement will be at one-third of the employee's full-time per diem rate per unused sick time, up to a maximum of 135 days.

Upon retirement under the provisions of PSERS and so long as the employee provides the District 90 days calendar notice, the District will pay a support staff employee for unused sick time. The reimbursement will be at 50% of the employee's per diem rate per unused sick time, up to a maximum of 135 days.

Upon retirement under the provisions of PSERS, the District will pay supervisors and confidential positions with at least 10 years of service for unused sick time. The reimbursement will be at 50% of the employee's per diem rate per unused sick time, up to a maximum of 135 days. Additionally, administrators with 20 to 15 years of continuous service with the District are eligible for a \$7,200 to \$3,600 annual credit toward their health insurance for 10 years from the date of retirement.

Upon retirement, administrators with 10 years of administrative service with the District are eligible to receive a severance payment equal to between 60% to 100% of the employee's final base salary, based upon years of service. Administrators with 5 to 10 years of administrative service with the District are eligible to receive a severance payment equal to 45% of the employee's final base salary. Additionally, administrators with 10 years of continuous service with the District are eligible for a \$7,200 annual credit toward their health insurance for 10 years from the date of retirement.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Single-Employer Defined Benefit OPEB Plan

The District's other postemployment benefits include a single-employer defined benefit plan that provides benefits to administrative personnel. Administrative personnel who retire under the normal PSERS guidelines with at least ten years of administrative service (if an administrator retires from an administrative position) are covered for ten years. Supervisory and confidential employees who retire under the normal PSERS guidelines with at least 20 years of service, the final ten years of which must be in supervisory and confidential positions, are covered for ten years. The benefits, benefits level, employee contribution and employer contribution are administered by management and can be amended by the District through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

OPEB Plan Membership

Membership in the OPEB plan consisted of the following at July 1, 2024:

Active Participants	733
Vested Former Participants	-
Retired Participants	44
Total	<u><u>777</u></u>

Funding Policy

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

OPEB Liability

The District's OPEB liability has been measured as of June 30, 2025. The total OPEB liability was determined by an actuarial valuation as of July 1, 2024, and by rolling forward the liabilities from the July 1, 2024 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The OPEB liability is \$8,898,805, all of which is unfunded. As of June 30, 2025, the OPEB liability of \$8,751,679 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining \$147,126 of the OPEB liability is recorded as a liability in the proprietary fund statement of net position (deficit), and in the business-type activities in the government-wide statement of net position (deficit).

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Liability (Continued)

The District's change in its OPEB liability for the year ended June 30, 2025, was as follows:

Balances as of July 1, 2024	\$ 8,991,092
Changes for the Year:	
Service Cost	369,324
Interest on Total OPEB Liability	379,409
Changes to the Benefit Terms	349,159
Differences Between Expected and Actual Experience	(789,106)
Changes of Assumptions	(80,315)
Benefit Payments	(320,758)
Net Changes	<u>(92,287)</u>
Balances as of June 30, 2025	<u>\$ 8,898,805</u>

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 \$785,898. At June 30, 2025, the District had deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ -	\$ 1,398,266
Changes in Assumptions	1,111,024	2,940,305
Payments Subsequent to Measurement Date	283,837	-
Total	<u>\$ 1,394,861</u>	<u>\$ 4,338,571</u>

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$320,758 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (311,994)
2027	(311,994)
2028	(311,994)
2029	(311,994)
2030	(311,992)
Thereafter	(1,667,579)
Total	<u><u>\$ (3,227,547)</u></u>

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

The following presents the OPEB liability for June 30, 2025, calculated using current healthcare cost trends as well as what the OPEB liability would be if health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
OPEB Liability	\$ 8,351,485	\$ 8,898,805	\$ 9,542,282

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District calculated using the discount rate of 4.29%, as well as what the OPEB liability would be if it were calculated using the discount rate that is one percentage point lower (3.29%) or 1-percentage point higher (5.29%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>3.29%</u>	<u>4.29%</u>	<u>5.29%</u>
OPEB Liability	\$ 9,813,940	\$ 8,898,805	\$ 8,093,796

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Significant Assumptions

The OPEB liability as of June 30, 2025, was determined by rolling forward the OPEB liability as of July 1, 2024 to June 30, 2025 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – entry age normal
- Discount rate – 4.29% – Standard and Poors 20-year municipal bond rate. The discount rate changed from 4.13% to 4.29%.
- Salary growth – salary increases are composed of inflation of 2.50%, 1.50% for real wage growth and 0.00% to 2.75% for merit or seniority increases.
- Assumed healthcare cost trends – 7.00% in 2023 with 0.50% decrease per year until 5.50% in 2026. Rates gradually decrease from 5.40% in 2027 to 4.10% in 2075 and later.
- 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 administrators and all other employees.

Cost Sharing Multiple-Employer Defined Benefit OPEB Plan

PSERS provides health insurance premium assistance which is a governmental cost sharing, multiple-employer OPEB plan for all eligible retirees who qualify and elect to participate. Employer contribution rates for health insurance premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of health insurance premium assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' health options program. As of June 30, 2024, there were no assumed future benefit increases to participating eligible retirees.

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

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

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Cost Sharing Multiple-Employer Defined Benefit OPEB Plan (Continued)

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

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

Benefits Provided

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

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2025 was 0.63% 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 \$465,487 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 \$7,903,466 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 PSERS' 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 0.4449%, which was an increase of 0.0018% from its proportion measured as of June 30, 2024. As of June 30, 2025, the OPEB liability of \$7,772,796 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining \$130,670 of the OPEB liability is recorded as a liability in the proprietary fund statement of net position (deficit), and in the business-type activities in the government-wide statement of net position (deficit).

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$321,000. 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
Difference Between Expected and Actual Experience	\$ 30,000	\$ 119,000
Changes in Assumptions	482,000	1,207,000
Net Difference Between Projected and Actual Investment Earnings	8,000	-
Changes in Proportions	164,000	48,000
Contributions Subsequent to the Measurement Date	465,487	-
Total	<u>\$ 1,149,487</u>	<u>\$ 1,374,000</u>

\$465,487 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (182,000)
2026	(205,000)
2027	(250,000)
2028	(35,000)
2029	(18,000)
Total	<u>\$ (690,000)</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2024, was determined by rolling forward the PSERS' 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 % of pay
- Investment return – 4.21% – Standard & Poor's 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.

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

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 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 OPEB plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 mortality improvement scale.
- Investments consist primarily of short-term assets designed to protect the principal of the OPEB plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

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

OPEB - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.00%	1.70%

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.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability was 4.21%. Under the OPEB plan's funding policy, contributions are structured for short term funding of health insurance premium assistance. The funding policy sets contribution rates necessary to assure solvency of health insurance premium assistance through the third fiscal year after the actuarial valuation date. The health insurance premium assistance account is funded to establish reserves that are sufficient for the payment of health insurance premium assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the OPEB plan is considered a "pay-as-you-go" plan. A discount rate of 4.21% which represents the Standard & Poor's 20-year municipal bond rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual premium assistance. As of June 30, 2024, retirees premium assistance benefits are not subject to future healthcare cost increases. The healthcare insurance premium assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the net OPEB liability for June 30, 2024, calculated using current healthcare cost trends as well as what net OPEB liability would be if health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
District's Proportionate Share of the Net OPEB Liability	\$ 7,902,768	\$ 7,903,466	\$ 7,904,031

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:

	<u>1% Decrease 3.21%</u>	<u>Current Discount Rate 4.21%</u>	<u>1% Increase 5.21%</u>
District's Proportionate Share of the Net OPEB Liability	\$ 8,928,516	\$ 7,903,466	\$ 7,045,036

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan Fiduciary Net Position

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

NOTE 11 PENSION PLAN

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

Plan Description

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

Benefits Provided

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

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

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

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

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

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (10 years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Contributions

Member Contributions

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

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

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 PENSION PLAN (CONTINUED)

Contributions (Continued)

Member Contributions (Continued)

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

Employer Contributions

The District's contractually required contribution rate for fiscal year ended June 30, 2025 was 32.92% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$24,323,548 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$186,087,077 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 PSERS' total pension liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District's proportion was 0.4446%, which was the same percent from its proportion measured as of June 30, 2024. As of June 30, 2025, the net pension liability of \$183,010,448 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining \$3,076,629 of the net pension liability is recorded as a liability in the proprietary fund statement of net position, and in the business-type activities in the government-wide statement of net position (deficit).

For the year ended June 30, 2025, the District recognized net pension expense of \$18,522,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 2,926,000
Changes in Assumptions	-	-
Net Difference Between Projected and Actual		
Investment Earnings	3,081,000	-
Changes in Proportions	155,000	380,000
Contributions Subsequent to the Measurement Date	24,323,548	-
Total	<u>\$ 27,559,548</u>	<u>\$ 3,306,000</u>

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 PENSION PLAN (CONTINUED)

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

\$24,323,548 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (5,239,000)
2026	4,972,000
2027	820,000
2028	(623,000)
Total	<u>\$ (70,000)</u>

Actuarial Assumptions

The total pension liability as of June 30, 2025 was determined by rolling forward PSERS' total pension liability at June 30, 2023 to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation date – June 30, 2024
- Actuarial cost method – entry age normal – level % of pay
- Investment return – 7.00%, includes inflation at 2.50%
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 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, 2022 and as of 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.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

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.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Public Equity	30.00%	4.80%
Private Equity	12.00	6.70
Fixed Income	33.50	3.90
Commodities	5.00	2.50
Infrastructure/MLPs	10.00	6.40
Real Estate	9.50	5.90
Total	<u>100.00%</u>	

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.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 PENSION PLAN (CONTINUED)

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

The following represents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's Proportionate Share of the Net OPEB Liability	\$ 245,133,411	\$ 186,087,077	\$ 136,226,627

Pension Plan Fiduciary Net Position

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

NOTE 12 LEASES PAYABLE

The District has entered into long-term lease agreements as lessee for the use of vehicles and equipment. Initial lease liabilities were recorded in the amount of \$2,131,342. As of June 30, 2025, the value of the lease liabilities is \$615,495. The leases have an imputed interest rate of 3.00%. The vehicle and equipment's estimated useful lives range from 39 months to 5 years as of their contract commencements. The value of the intangible right-to-use assets as of June 30, 2025 is \$590,482, net of accumulated amortization of \$1,540,860, and is included with noncurrent assets on the statement of net position.

Future minimum lease payments under these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 330,108
2027	141,296
2028	121,855
2029	30,694
2030	17,383
Less: Amount Representing Interest	(25,841)
Present Value of Minimum Lease Payments	<u>\$ 615,495</u>

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATION

Technical College High School Pennock's Bridge

The District and other Chester County school districts participate in the Technical College High School Pickering Campus (TCHS Pickering). The TCHS Pickering provides vocational-technical training and education to students of the participating school districts. The TCHS Pickering is controlled by a joint Board comprised of representative school board members of the participating school districts. District oversight of the TCHS Pickering operations is the responsibility of the joint board. The District's share of operating costs for the TCHS Pickering fluctuates based on the District's percentage of enrollment. The District's share of operating costs for 2024-2025 was \$903,672.

The TCHS Pickering prepares financial statements that are available to the public from their administrative offices.

Chester County Intermediate Unit

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

NOTE 14 CONTINGENCIES AND COMMITMENTS

Government Grants and Awards

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

Litigation

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

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 RISK MANAGEMENT

Health Insurance

The District administers a self-insurance program to provide health and prescription insurance for eligible employees, spouses and their dependents. Accordingly, benefit payments plus an administrative charge are made to a third-party administrator, who approves and processes all claims. The District has recorded a liability for claims incurred through June 30, 2025 and are typically satisfied shortly after year end.

	2025	2024
Net Self-Insurance Asset (Liability) - Beginning of Year	\$ 11,720,400	\$ 13,462,163
Beginning of Year as Restated	1,075,989	-
Payments Made/Claims and Fees Paid	60,407	1,741,763
Net Self-Insurance Asset (Liability) - End of Year	<u>\$ 1,136,396</u>	<u>\$ 11,720,400</u>

Workers' Compensation

The District and other participating Pennsylvania school districts and educational agencies participate in the School District Insurance Consortium (SDIC), which is a voluntary trust. The District and the other participating members pay premiums to SDIC for the purpose of seeking prevention or lessening of claims due to injuries of employees of the participating members and pooling workers' compensation and occupational disease insurance risks, reserves claims and losses and providing self-insurance and reinsurance thereof. It is the intent of the participating members of SDIC that the SDIC will utilize funds contributed by the participating members, which shall be held in trust by SDIC, to provide self-insurance and reimbursements to the members for their obligations to pay compensation as required under the Workers' Compensation Act and the Pennsylvania Occupational Disease Act and to purchase excess and aggregate insurance. As of June 30, 2025, the District is not aware of any additional assessments relating to SDIC.

Other Risks

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. For insured programs, there were no significant reductions in insurance coverages during the 2024-2025 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 RESTATEMENT OF BEGINNING NET POSITION

Error Correction

During fiscal year 2025, the District identified an error in the accounting for its self-funded healthcare incurred but not reported (IBNR) liability. In prior fiscal years, the liability included accumulated premium that did not represent healthcare claims incurred as of the applicable reporting dates. The liability had not been reconciled to the consultant-supported IBNR estimates or actual claims experience.

The error overstated accrued benefits and healthcare-related expenditures and expenses in prior periods. As a result, General Fund fund balance and governmental activities net position were understated. The District corrected the error by reducing accrued benefits and increasing beginning General Fund fund balance and beginning governmental activities net position by \$10,644,411 as of July 1, 2024.

The effects of the error correction on beginning balances are as follows.

	<u>Major Fund</u>	<u>Government-Wide</u>	
	General Fund	Governmental Activities	Business-Type Activities
June 30, 2024, As Previously Reported	\$ 33,841,973	\$ (126,773,927)	\$ (2,234,039)
Error Correction	10,644,411	10,644,411	-
June 30, 2024, As Adjusted or Restated	<u>\$ 44,486,384</u>	<u>\$ (116,129,516)</u>	<u>\$ (2,234,039)</u>

NOTE 17 SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 16, 2026, the date on which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2025 that required recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Local Sources	\$ 152,690,836	\$ 152,690,836	\$ 151,869,315	\$ (821,521)
State Sources	26,473,559	26,473,559	28,868,877	2,395,318
Federal Sources	1,949,110	1,949,110	2,327,792	378,682
Total Revenues	181,113,505	181,113,505	183,065,984	1,952,479
EXPENDITURES				
Instruction:				
Regular Programs	74,620,415	75,496,388	75,895,603	(399,215)
Special Programs	34,832,736	34,252,419	37,060,018	(2,807,599)
Vocational Programs	900,000	903,672	903,672	-
Other Instructional Programs	146,629	146,629	168,256	(21,627)
Total Instruction	110,499,780	110,799,108	114,027,549	(3,228,441)
Support Services:				
Pupil Support Services	8,822,432	8,822,098	9,342,323	(520,225)
Instructional Staff Services	4,538,110	4,564,595	4,821,508	(256,913)
Administrative Services	9,190,197	9,189,697	9,673,594	(483,897)
Pupil Health	2,467,484	2,467,298	2,524,317	(57,019)
Business Services	1,580,172	1,580,173	1,498,984	81,189
Operation and Maintenance of Plant Services	13,603,088	13,615,088	15,607,718	(1,992,630)
Student Transportation Services	8,698,563	8,698,563	9,298,352	(599,789)
Support Services - Central	4,826,818	4,826,818	4,638,449	188,369
Other Support Services	956,646	619,852	604,401	15,451
Total Support Services	54,683,510	54,384,182	58,009,646	(3,625,464)
Operation of Noninstructional Services:				
Student Activities	474,881	474,881	2,872,269	(2,397,388)
Total Expenditures	165,658,171	165,658,171	174,909,464	(9,251,293)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	15,455,334	15,455,334	8,156,520	(7,298,814)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(17,064,165)	(17,064,165)	(9,384,895)	7,679,270
Budgetary Reserve	(3,000,000)	(3,000,000)	-	3,000,000
Total Other Financing Sources (Uses)	(20,064,165)	(20,064,165)	(9,384,895)	10,679,270
NET CHANGE IN FUND BALANCE	<u>\$ (4,608,831)</u>	<u>\$ (4,608,831)</u>	(1,228,375)	<u>\$ 3,380,456</u>
Net Position (Deficit) - Beginning of Year, as Previously Reported			33,841,973	
Restatement for Error Correction (Note 16)			10,644,411	
Net Position (Deficit) - Beginning of Year, Restated			44,486,384	
FUND BALANCE - END OF YEAR			<u>\$ 43,258,009</u>	

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – PSERS
LAST TEN FISCAL YEARS

	Measurement Date									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Pension Liability	0.4446%	0.4446%	0.4439%	0.4472%	0.4356%	0.4300%	0.4342%	0.4302%	0.4376%	0.4355%
District's Proportionate Share of the Net Pension Liability	\$ 186,087,077	\$ 197,786,445	\$ 197,352,267	\$ 183,605,697	\$ 214,485,154	\$ 201,165,214	\$ 208,438,000	\$ 212,469,000	\$ 216,861,000	\$ 188,638,000
District's Covered-Employee Payroll	\$ 70,629,890	\$ 67,878,422	\$ 65,220,266	\$ 63,268,598	\$ 60,948,835	\$ 59,296,675	\$ 58,475,423	\$ 57,275,359	\$ 56,680,014	\$ 56,037,504
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	263.47%	291.38%	302.59%	290.20%	351.91%	339.25%	356.45%	370.96%	382.61%	336.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.63%	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.00%

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION PLAN CONTRIBUTIONS – PSERS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 24,323,548	\$ 23,562,173	\$ 23,278,947	\$ 22,126,405	\$ 21,250,789	\$ 20,350,827	\$ 19,256,415	\$ 19,249,000	\$ 18,553,000	\$ 16,737,000
Contributions in Relation to the Contractually Required Contribution	<u>24,323,548</u>	<u>23,562,173</u>	<u>23,278,947</u>	<u>22,126,405</u>	<u>21,250,789</u>	<u>20,350,827</u>	<u>19,256,415</u>	<u>19,249,000</u>	<u>18,553,000</u>	<u>16,737,000</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 73,886,841	\$ 70,630,015	\$ 67,878,422	\$ 65,220,266	\$ 63,268,598	\$ 60,948,835	\$ 59,296,675	\$ 59,046,012	\$ 58,475,423	\$ 57,275,359
Contributions as a Percentage of Covered-Employee Payroll	32.92%	33.36%	34.30%	33.93%	33.59%	33.39%	32.47%	32.60%	31.73%	29.22%

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
SCHEDULE OF CHANGES IN OPEB LIABILITY – SINGLE EMPLOYER PLAN
LAST EIGHT FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	\$ 369,324	\$ 347,645	\$ 596,342	\$ 608,051	\$ 450,166	\$ 456,400	\$ 447,319	\$ 463,308
Interest on Total OPEB Liability	379,409	354,260	262,048	212,908	328,365	290,170	303,300	245,302
Change of Benefit Terms	349,159	-	-	-	(558,806)	-	-	-
Difference Between Expected and Actual Experience	(789,106)	-	(570,504)	-	(118,753)	-	(290,520)	-
Change of Assumptions	(80,315)	38,645	(2,536,572)	(510,680)	1,676,729	(425,925)	(119,812)	(533,219)
Benefit Payments	<u>(320,758)</u>	<u>(278,058)</u>	<u>(261,228)</u>	<u>(240,867)</u>	<u>(286,298)</u>	<u>(270,097)</u>	<u>(340,204)</u>	<u>(297,865)</u>
Net Change in Total OPEB Liability	(92,287)	462,492	(2,509,914)	69,412	1,491,403	50,548	83	(122,474)
Total OPEB Liability - Beginning of Year	<u>8,991,092</u>	<u>8,528,600</u>	<u>11,038,514</u>	<u>10,969,102</u>	<u>9,477,699</u>	<u>9,427,151</u>	<u>9,427,068</u>	<u>9,549,542</u>
Total OPEB Liability - End of Year	<u><u>\$ 8,898,805</u></u>	<u><u>\$ 8,991,092</u></u>	<u><u>\$ 8,528,600</u></u>	<u><u>\$ 11,038,514</u></u>	<u><u>\$ 10,969,102</u></u>	<u><u>\$ 9,477,699</u></u>	<u><u>\$ 9,427,151</u></u>	<u><u>\$ 9,427,068</u></u>
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	\$ 69,695,345	\$ 62,360,346	\$ 62,360,346	\$ 58,220,568	\$ 58,220,568	\$ 54,617,864	\$ 54,617,864	\$ 50,507,324
Net OPEB Liability as a Percentage of Covered Payroll	12.77%	14.42%	13.68%	18.96%	18.84%	17.35%	17.26%	18.66%

* In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a 10-year trend is available.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – PSERS
LAST EIGHT FISCAL YEARS*

	Measurement Date							
	2024	2023	2022	2021	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability	0.4449%	0.4431%	0.4435%	0.4463%	0.4342%	0.4300%	0.4342%	0.4302%
District's Proportionate Share of the Net OPEB Liability	\$ 7,903,466	\$ 8,016,680	\$ 8,163,819	\$ 10,577,680	\$ 9,381,746	\$ 9,145,421	\$ 9,053,000	\$ 8,765,000
District's Covered-Employee Payroll	\$ 70,629,890	\$ 67,878,422	\$ 65,220,266	\$ 63,268,598	\$ 60,948,835	\$ 59,296,675	\$ 58,433,735	\$ 57,275,359
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	11.19%	11.81%	12.52%	16.72%	15.39%	15.42%	15.49%	15.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.13%	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

* In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a 10-year trend is available.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEN PLAN CONTRIBUTIONS – PSERS
LAST NINE FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	\$ 465,487	\$ 510,796	\$ 506,720	\$ 517,888	\$ 519,337	\$ 511,153	\$ 492,655	\$ 490,000	\$ 485,000
Contributions in Relation to the									
Contractually Required Contribution	<u>465,487</u>	<u>510,796</u>	<u>506,720</u>	<u>517,888</u>	<u>519,337</u>	<u>511,153</u>	<u>492,655</u>	<u>490,000</u>	<u>485,000</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 73,886,841	\$ 70,630,015	\$ 67,878,422	\$ 65,220,266	\$ 63,268,598	\$ 60,948,835	\$ 59,296,675	\$ 59,046,012	\$ 58,475,423
Contributions as a Percentage of									
Covered-Employee Payroll	0.63%	0.64%	0.75%	0.79%	0.82%	0.84%	0.83%	0.83%	0.83%

* In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a 10-year trend is available.



Tredyffrin/Easttown School District

STATISTICAL SECTION



**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
STATISTICAL SECTION – UNAUDITED
YEAR ENDED JUNE 30, 2025**

Unaudited

The Statistical Section of the Tredyffrin/Easttown School District's Annual Comprehensive Financial Report (ACFR) presents other detailed information to allow the reader a better understanding of the Government's overall financial health in conjunction with the information in the financial statements, note disclosures, and required supplementary information.

Contents	Pages
Financial Trends	94-99
These schedules contain selected information from current and previous years' financial statements to allow users to assess financial trends.	
Revenue Capacity	100-104
These schedules contain information useful in assess the District's ability to raise own-source revenue.	
Debt Capacity	105-108
These schedules contain information useful in assessing the District's ability to afford the existing debt as well as the District's ability to issue new debt.	
Demographic and Economic Information.....	109-111
These schedules contain information about the socio-economic environment within which the District's financial activities take place.	
Operating Information	112-125
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NET POSITION (DEFICIT) BY COMPONENT – UNAUDITED
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 30,214,546	\$ 11,905,643	\$ 11,757,920	\$ 5,150,922	\$ 3,245,315	\$ (20,559,749)	\$ 39,455,882	\$ 42,016,537	\$ 37,144,324	\$ 31,989,983
Restricted	10,582,475	21,171,873	15,365,116	10,008,211	4,332,941	22,678,263	17,181,439	12,939,421	17,236,017	23,155,339
Unrestricted (Deficit)	<u>(145,380,101)</u>	<u>(149,207,032)</u>	<u>(162,350,980)</u>	<u>(170,172,843)</u>	<u>(178,984,215)</u>	<u>(178,160,487)</u>	<u>(178,831,845)</u>	<u>(174,567,166)</u>	<u>(154,747,556)</u>	<u>(146,209,688)</u>
Total Governmental Activities										
Net Position (Deficit)	<u>\$ (104,583,080)</u>	<u>\$ (116,129,516)</u>	<u>\$ (135,227,944)</u>	<u>\$ (155,013,710)</u>	<u>\$ (171,405,959)</u>	<u>\$ (176,041,973)</u>	<u>\$ (122,194,524)</u>	<u>\$ (119,611,208)</u>	<u>\$ (100,367,215)</u>	<u>\$ (91,064,366)</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 50,318	\$ 69,618	\$ 91,697	\$ 83,189	\$ 108,989	\$ 140,247	\$ 371,088	\$ 404,196	\$ 338,162	\$ 347,260
Unrestricted	<u>(2,423,834)</u>	<u>(2,303,657)</u>	<u>(2,632,679)</u>	<u>(3,097,416)</u>	<u>(3,670,340)</u>	<u>(3,137,772)</u>	<u>(3,002,013)</u>	<u>(3,081,522)</u>	<u>(2,692,158)</u>	<u>(2,600,606)</u>
Total Business-Type Activities										
Net Position	<u>\$ (2,373,516)</u>	<u>\$ (2,234,039)</u>	<u>\$ (2,540,982)</u>	<u>\$ (3,014,227)</u>	<u>\$ (3,561,351)</u>	<u>\$ (2,997,525)</u>	<u>\$ (2,630,925)</u>	<u>\$ (2,677,326)</u>	<u>\$ (2,353,996)</u>	<u>\$ (2,253,346)</u>
Primary Government										
Net Investment in Capital Assets	\$ 30,264,864	\$ 11,975,261	\$ 11,849,617	\$ 5,234,111	\$ 3,354,304	\$ (20,419,502)	\$ 39,826,970	\$ 42,420,733	\$ 37,482,486	\$ 32,337,243
Restricted	10,582,475	21,171,873	15,365,116	10,008,211	4,332,941	22,678,263	17,181,439	12,939,421	17,236,017	23,155,339
Unrestricted (Deficit)	<u>(147,803,935)</u>	<u>(151,510,689)</u>	<u>(164,983,659)</u>	<u>(173,270,259)</u>	<u>(182,654,555)</u>	<u>(181,298,259)</u>	<u>(181,833,858)</u>	<u>(177,648,688)</u>	<u>(157,439,714)</u>	<u>(148,810,294)</u>
Total Primary Government Net										
Position (Deficit)	<u>\$ (106,956,596)</u>	<u>\$ (118,363,555)</u>	<u>\$ (137,768,926)</u>	<u>\$ (158,027,937)</u>	<u>\$ (174,967,310)</u>	<u>\$ (179,039,498)</u>	<u>\$ (124,825,449)</u>	<u>\$ (122,288,534)</u>	<u>\$ (102,721,211)</u>	<u>\$ (93,317,712)</u>

Source: District's Audited Financial Statements

Note: Starting in 2014-15, the District booked their share of the PSERS multiple employer pension plan liability to comply with GASB 67/68.

Note: Starting in 2017-18, the District booked their share of the PSERS multiple employer net OPEB liability and the District's single employer total OPEB to comply with GASB 75.

Note: Fiscal year 2024 amounts have been restated to correct an error in the District's self-funded healthcare incurred but not reported (IBNR) liability. Amounts presented for fiscal years 2023 through 2016 have not been restated because it was not practicable to determine the year-by-year impact of the accumulated error on previously reported balances and changes therein. See Note 16 to the financial statements for additional information.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
CHANGES IN NET POSITION (DEFICIT) – GOVERNMENTAL ACTIVITIES – UNAUDITED
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities:										
Program Revenues:										
Charges for Services	\$ 919,263	\$ 1,771,642	\$ 890,788	\$ 980,505	\$ 227,411	\$ 706,166	\$ 718,246	\$ 630,634	\$ 622,712	\$ 620,917
Operating Grants and Contributions:										
Instruction	15,945,493	15,300,350	15,717,244	14,811,719	15,465,981	12,441,991	11,894,921	11,723,097	10,665,074	9,844,362
Instructional Student Support Services	1,458,975	1,355,535	1,248,190	1,129,131	1,135,544	892,421	1,497,412	2,098,069	1,007,528	1,134,363
Administrative and Financial Support Services	1,484,776	1,438,757	1,465,213	1,397,079	1,314,898	1,136,036	1,236,391	1,154,351	1,141,472	930,332
Operation and Maintenance of Plant Services	1,112,399	1,246,991	724,284	1,095,888	1,117,761	1,948,645	1,025,034	1,038,459	1,046,147	917,838
Pupil Transportation	1,986,704	1,824,022	2,078,451	1,822,354	2,086,926	2,274,904	2,347,391	2,305,695	2,210,114	2,383,876
Student Activities	609,802	544,679	208,512	188,978	166,652	152,687	182,519	180,818	171,042	155,113
Community Services	-	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	-	-	-	-	-	79,169	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	318,161	318,221	636,003	157,567
Total Program Revenues	23,517,412	23,481,976	22,332,682	21,425,654	21,515,173	19,632,019	19,220,075	19,449,344	17,500,092	16,144,368
Program Expenses:										
Instruction	111,041,937	108,268,254	101,320,771	94,167,704	98,738,936	97,205,484	94,570,298	92,405,658	88,973,844	82,247,684
Instructional Student Support Services	16,171,853	15,984,808	12,581,876	11,485,892	12,648,401	11,676,998	11,580,269	11,291,068	11,060,294	10,707,647
Administrative and Financial Support Services	16,559,943	16,495,050	14,980,865	14,367,516	14,620,219	14,678,425	14,721,330	14,159,271	15,221,545	12,874,422
Operation and Maintenance of Plant Services	14,211,933	14,329,851	7,197,541	11,376,501	13,927,664	12,835,506	12,100,709	12,794,344	13,386,648	12,466,679
Pupil Transportation	9,373,163	8,350,173	7,142,501	6,369,911	6,474,614	7,511,791	7,707,623	7,953,992	7,966,053	7,962,086
Student Activities	2,821,001	2,664,310	2,148,567	1,947,605	1,702,301	1,996,331	2,163,484	2,206,544	2,198,335	2,134,632
Community Services	-	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	3,372,429	3,499,278	2,760,599	2,282,809	1,776,040	2,692,964	2,574,736	1,672,776	1,852,490	2,080,641
Total Program Expenses	173,552,259	169,591,724	148,132,720	141,997,938	149,888,175	148,597,499	145,418,449	142,483,653	140,659,209	130,473,791
Net Program Expense	(150,034,847)	(146,109,748)	(125,800,038)	(120,572,284)	(128,373,002)	(128,965,480)	(126,198,374)	(123,034,309)	(123,159,117)	(114,329,423)
General Revenues:										
Taxes:										
Property Taxes, Net	142,168,086	134,950,177	129,894,336	125,975,187	120,558,093	118,720,616	111,217,624	107,196,781	103,455,473	98,978,044
Other Taxes	4,114,136	2,852,725	3,701,759	4,511,184	4,009,972	4,963,721	3,437,061	3,145,898	3,598,104	3,939,971
Unrestricted Grants and Subsidies	9,018,538	7,986,059	7,280,467	6,137,207	5,859,893	5,859,689	5,778,461	5,649,862	5,568,914	5,402,773
Investment Earnings	6,280,524	7,074,772	4,688,081	249,955	304,591	2,676,229	2,772,536	1,246,492	677,745	433,199
Gain (Loss) on Sale of Capital Assets	-	(18,214)	21,161	91,000	-	(409)	455,844	407,529	-	(23,119)
Miscellaneous	-	-	-	-	-	-	(46,469)	(902)	556,084	326,748
Refund of Prior Year Receipts	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total General Revenues and Transfers	161,581,284	152,845,519	145,585,804	136,964,533	130,732,549	132,219,846	123,615,057	117,645,660	113,856,320	109,057,616
Total Changes in Net Position (Deficit)	\$ 11,546,437	\$ 6,735,771	\$ 19,785,766	\$ 16,392,249	\$ 2,359,547	\$ 3,254,366	\$ (2,583,317)	\$ (5,388,649)	\$ (9,302,797)	\$ (5,271,807)

Source: District's Audited Financial Statements

Note: Fiscal year 2024 amounts have been restated to reflect the correction of an error in the District's self-funded healthcare incurred but not reported (IBNR) liability. Amounts presented for fiscal years 2023 through 2016 have not been restated because it was not practicable to determine the year-by-year effect of the accumulated error on prior period expenses and changes in net position. See Note 16 to the financial statements for additional information.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
CHANGES IN NET POSITION (DEFICIT) – BUSINESS-TYPE ACTIVITIES – UNAUDITED
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Business-Type Activities:										
Program Revenues:										
Charges for Services	\$ 2,269,119	\$ 2,144,719	\$ 2,101,422	\$ 758,915	\$ 17,408	\$ 1,722,115	\$ 2,392,678	\$ 2,433,130	\$ 2,481,392	\$ 2,409,916
Operating Grants and Contributions:										
Food Service	1,086,232	1,229,688	1,190,186	2,629,241	846,584	582,015	542,716	544,157	448,282	522,405
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Program Revenues	<u>3,355,351</u>	<u>3,374,407</u>	<u>3,291,608</u>	<u>3,388,156</u>	<u>863,992</u>	<u>2,304,130</u>	<u>2,935,394</u>	<u>2,977,287</u>	<u>2,929,674</u>	<u>2,932,321</u>
Program Expenses:										
Food Services	<u>3,530,231</u>	<u>3,093,123</u>	<u>2,833,946</u>	<u>2,842,914</u>	<u>1,428,381</u>	<u>2,484,039</u>	<u>2,914,197</u>	<u>2,974,064</u>	<u>3,034,989</u>	<u>2,878,164</u>
Net Program Revenue (Expense)	(174,880)	281,284	457,662	545,242	(564,389)	(179,909)	21,197	3,223	(105,315)	54,157
General Revenues:										
Investment Earnings	35,403	25,659	15,583	1,882	563	15,803	25,204	12,717	4,665	6,788
Transfers	-	-	-	-	-	-	-	-	-	-
Total General Revenues and Transfers	<u>35,403</u>	<u>25,659</u>	<u>15,583</u>	<u>1,882</u>	<u>563</u>	<u>15,803</u>	<u>25,204</u>	<u>12,717</u>	<u>4,665</u>	<u>6,788</u>
Total Changes in Net Position (Deficit)	<u>\$ (139,477)</u>	<u>\$ 306,943</u>	<u>\$ 473,245</u>	<u>\$ 547,124</u>	<u>\$ (563,826)</u>	<u>\$ (164,106)</u>	<u>\$ 46,401</u>	<u>\$ 15,940</u>	<u>\$ (100,650)</u>	<u>\$ 60,945</u>

Source: District's Audited Financial Statements

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
CHANGES IN NET POSITION (DEFICIT) – PRIMARY GOVERNMENT – UNAUDITED
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Primary Government:										
Program Revenues:										
Charges for Services:										
Governmental Activities	\$ 919,263	\$ 1,771,642	\$ 890,788	\$ 980,505	\$ 227,411	\$ 706,166	\$ 718,246	\$ 630,634	\$ 622,712	\$ 620,917
Business-Type Activities	2,269,119	2,144,719	2,101,422	758,915	17,408	1,722,115	2,392,678	2,433,130	2,481,392	2,409,916
Operating Grants and Contributions:										
Instruction	15,945,493	15,300,350	15,717,244	14,811,719	15,465,981	12,441,991	11,894,921	11,723,097	10,665,074	9,844,362
Instructional Student Support Services	1,458,975	1,355,535	1,248,190	1,129,131	1,135,544	892,421	1,497,412	2,098,069	1,007,528	1,134,363
Administrative and Financial Support Services	1,484,776	1,438,757	1,465,213	1,397,079	1,314,898	1,136,036	1,236,391	1,154,351	1,141,472	930,332
Operation and Maintenance of Plant Services	1,112,399	1,246,991	724,284	1,095,888	1,117,761	1,948,645	1,025,034	1,038,459	1,046,147	917,838
Pupil Transportation	1,986,704	1,824,022	2,078,451	1,822,354	2,086,926	2,274,904	2,347,391	2,305,695	2,210,114	2,383,876
Student Activities	609,802	544,679	208,512	188,978	166,652	152,687	182,519	180,818	171,042	155,113
Community Services	-	-	-	-	-	-	-	-	-	-
Food Services	1,086,232	1,229,688	1,190,186	2,629,241	846,584	582,015	542,716	544,157	448,282	522,405
Interest on Long-Term Debt	-	-	-	-	-	79,169	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	318,161	318,221	636,003	157,567
Total Program Revenues	<u>26,872,763</u>	<u>26,856,383</u>	<u>25,624,290</u>	<u>24,813,810</u>	<u>22,379,165</u>	<u>21,936,149</u>	<u>22,155,469</u>	<u>22,426,631</u>	<u>20,429,766</u>	<u>19,076,689</u>
Program Expenses:										
Instruction	111,041,937	108,268,254	101,320,771	94,167,704	98,738,936	97,205,484	94,570,298	92,405,658	88,973,844	82,247,684
Instructional Student Support Services	16,171,853	15,984,808	12,581,876	11,485,892	12,648,401	11,676,998	11,580,269	11,291,068	11,060,294	10,707,647
Administrative and Financial Support Services	16,559,943	16,495,050	14,980,865	14,367,516	14,620,219	14,678,425	14,721,330	14,159,271	15,221,545	12,874,422
Operation and Maintenance of Plant Services	14,211,933	14,329,851	7,197,541	11,376,501	13,927,664	12,835,506	12,100,709	12,794,344	13,386,648	12,466,679
Pupil Transportation	9,373,163	8,350,173	7,142,501	6,369,911	6,474,614	7,511,791	7,707,623	7,953,992	7,966,053	7,962,086
Student Activities	2,821,001	2,664,310	2,148,567	1,947,605	1,702,301	1,996,331	2,163,484	2,206,544	2,198,335	2,134,632
Community Services	-	-	-	-	-	-	-	-	-	-
Food Services	3,530,231	3,093,123	2,833,946	2,842,914	1,428,381	2,484,039	2,914,197	2,974,064	3,034,989	2,878,164
Interest on Long-Term Debt	3,372,429	3,499,278	2,760,599	2,282,809	1,776,040	2,692,964	2,574,736	1,672,776	1,852,490	2,080,641
Total Program Expenses	<u>177,082,490</u>	<u>172,684,847</u>	<u>150,966,666</u>	<u>144,840,852</u>	<u>151,316,556</u>	<u>151,081,538</u>	<u>148,332,646</u>	<u>145,457,717</u>	<u>143,694,198</u>	<u>133,351,955</u>
Net Program Expense	(150,209,727)	(145,828,464)	(125,342,376)	(120,027,042)	(128,937,391)	(129,145,389)	(126,177,177)	(123,031,086)	(123,264,432)	(114,275,266)
General Revenues:										
Taxes:										
Property Taxes, Net	142,168,086	134,950,177	129,894,336	125,975,187	120,558,093	118,720,616	111,217,624	107,196,781	103,455,473	98,978,044
Other Taxes	4,114,136	2,852,725	3,701,759	4,511,184	4,009,972	4,963,721	3,437,061	3,145,898	3,598,104	3,939,971
Unrestricted Grants and Subsidies	9,018,538	7,986,059	7,280,467	6,137,207	5,859,893	5,859,689	5,778,461	5,649,862	5,568,914	5,402,773
Investment Earnings	6,315,927	7,100,431	4,703,664	251,837	305,154	2,692,032	2,797,740	1,259,209	682,410	439,987
Gain on Sale of Capital Assets	-	(18,214)	21,161	91,000	-	(409)	455,844	407,529	-	(23,119)
Miscellaneous	-	-	-	-	-	-	(46,469)	(902)	556,084	326,748
Refund of Prior Year Receipts	-	-	-	-	-	-	-	-	-	-
Total General Revenues	<u>161,616,687</u>	<u>152,871,178</u>	<u>145,601,387</u>	<u>136,966,415</u>	<u>130,733,112</u>	<u>132,235,649</u>	<u>123,640,261</u>	<u>117,658,377</u>	<u>113,860,985</u>	<u>109,064,404</u>
Total Changes in Net Position (Deficit)	<u>\$ 11,406,960</u>	<u>\$ 7,042,714</u>	<u>\$ 20,259,011</u>	<u>\$ 16,939,373</u>	<u>\$ 1,795,721</u>	<u>\$ 3,090,260</u>	<u>\$ (2,536,916)</u>	<u>\$ (5,372,709)</u>	<u>\$ (9,403,447)</u>	<u>\$ (5,210,862)</u>

Source: District's Audited Financial Statements

Note: Fiscal year 2024 amounts have been restated to reflect the correction of an error in the District's self-funded healthcare incurred but not reported (IBNR) liability. The restatement affected governmental activities and total primary government amounts presented for fiscal year 2024. Amounts presented for fiscal years 2023 through 2016 have not been restated because it was not practicable to determine the year-by-year effect of the accumulated error on prior period revenues, expenses, and changes in net position. See Note 16 to the financial statements for additional information.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS – UNAUDITED
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Nonspendable:										
Prepaid Expenditures	\$ 197,304	\$ -	\$ 5,185	\$ 43,575	\$ 6,468	\$ -	\$ -	\$ -	\$ -	\$ -
Committed for:										
Next Year's Budget	6,116,607	4,608,831	6,355,471	6,406,382	10,870,680	7,923,426	6,206,629	5,245,509	5,824,815	2,766,651
Capital Projects	11,500,000	6,000,000	4,006,072	4,006,072	4,006,072	4,006,072	4,006,072	4,006,072	5,206,072	5,206,072
Vested Employee Services	10,347,822	8,700,124	8,626,655	7,441,138	8,353,572	7,820,079	7,344,669	12,388,333	12,185,311	10,697,277
PSERS Contingency	5,145,235	8,938,898	8,566,765	9,127,679	3,960,459	7,077,137	8,251,384	4,248,676	4,158,731	9,219,862
Healthcare Contingency	9,656,921	5,300,000	5,300,000	5,300,000	4,900,000	4,900,000	4,900,000	4,200,000	4,450,000	4,340,000
Committed:										
Assigned for Athletics	294,120	294,120	238,984	229,943	190,432	177,039	147,715	254,313	715,774	656,941
Unassigned (Deficit)	-	-	-	-	-	-	-	-	-	-
Total General Fund	43,258,009	33,841,973	33,099,132	32,554,789	32,287,683	31,903,753	30,856,469	30,342,903	32,540,703	32,886,803
Restatement (See Note 16)	-	10,644,411	-	-	-	-	-	-	-	-
Total General Fund (as Restated)	43,258,009	44,486,384	33,099,132	32,554,789	32,287,683	31,903,753	30,856,469	30,342,903	32,540,703	32,886,803
All Other Governmental Funds:										
Restricted:										
Capital Projects Fund	18,823,316	40,723,349	22,730,615	24,785,522	3,003,787	34,344,284	40,977,931	12,939,421	17,236,071	23,155,339
Unassigned:										
Capital Projects Fund	-	-	-	-	-	-	-	(465,747)	-	-
Total All Other Governmental Funds	18,823,316	40,723,349	22,730,615	24,785,522	3,003,787	34,344,284	40,977,931	12,473,674	17,236,071	23,155,339
Total Governmental Funds	<u>\$ 62,081,325</u>	<u>\$ 85,209,733</u>	<u>\$ 55,829,747</u>	<u>\$ 57,340,311</u>	<u>\$ 35,291,470</u>	<u>\$ 66,248,037</u>	<u>\$ 71,834,400</u>	<u>\$ 42,816,577</u>	<u>\$ 49,776,774</u>	<u>\$ 56,042,142</u>

Source: District's Audited Financial Statements

Note: Fiscal year 2024 amounts have been restated to reflect the correction of an error in the District's self-funded healthcare incurred but not reported (IBNR) liability. The restatement increased fiscal year 2024 General Fund balance by \$10,644,411. Amounts presented for fiscal years 2023 through 2016 have not been restated because it was not practicable to determine the year-by-year effect of the accumulated error on prior period governmental fund balances. See Note 16 to the financial statements for additional information.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
CHANGES IN GOVERNMENTAL FUND BALANCES – UNAUDITED
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Local Sources	\$ 153,234,299	\$ 147,435,174	\$ 139,376,739	\$ 132,089,647	\$ 125,571,909	\$ 125,458,681	\$ 120,350,627	\$ 114,363,723	\$ 109,682,897	\$ 104,891,598
State Sources	28,773,877	26,757,133	25,713,932	23,848,128	23,588,707	22,532,021	22,611,660	22,126,993	21,100,979	19,292,616
Federal Sources	2,327,792	2,568,494	2,658,914	2,527,156	3,459,883	2,048,632	796,040	1,472,508	487,133	854,682
Total Revenues	184,335,968	176,760,801	167,749,585	158,464,931	152,620,499	150,039,334	143,758,327	137,963,224	131,271,009	125,038,896
Expenditures:										
Current:										
Instruction	114,027,549	107,372,677	103,313,371	98,095,506	96,277,935	91,354,287	86,730,836	86,782,669	78,937,472	75,310,892
Support Services	58,529,451	55,201,658	48,840,012	45,457,613	44,865,531	43,255,277	43,061,525	42,720,030	42,999,847	40,697,832
Operation of Noninstructional Services	2,872,269	2,619,227	2,163,739	2,010,504	1,654,800	1,862,732	2,026,192	2,044,663	2,002,018	1,964,445
Capital Outlay	22,753,232	27,969,421	8,433,178	16,411,721	34,496,809	12,379,533	5,925,970	6,399,297	6,500,261	7,456,208
Debt Service:										
Principal	5,050,000	4,150,000	4,065,000	4,145,000	3,875,000	3,575,000	4,790,000	4,871,150	4,690,000	4,335,000
Interest	4,334,895	3,216,073	3,304,994	2,362,386	2,728,135	3,163,748	2,950,673	2,105,612	2,559,081	2,571,258
Total Expenditures	207,567,396	200,529,056	170,120,294	168,482,730	183,898,210	155,590,577	145,485,196	144,923,421	137,688,679	132,335,635
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,231,428)	(23,768,255)	(2,370,709)	(10,017,799)	(31,277,711)	(5,551,243)	(1,726,869)	(6,960,197)	(6,417,670)	(7,296,739)
Other Financing Sources (Uses):										
Refund of Prior Year Receipts	-	-	(2,042)	-	(231)	(36,120)	-	-	-	-
Refund of Prior Year Expenditures	-	-	-	270	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	22,691	91,000	-	-	-	-	-	-
Proceeds from Extended Term Financing	103,020	410,302	839,496	700,654	-	-	-	-	-	-
Issuance of Debt	-	36,735,000	-	26,900,000	-	-	26,915,000	-	-	-
Proceeds from Bond Premiums	-	3,640,282	-	4,374,716	-	-	3,830,692	-	1,978,029	-
Issuance of Debt - Refunding	-	-	-	-	32,050,000	-	-	-	13,040,000	-
Payment of Debt - Refunding	-	-	-	-	(31,728,625)	-	-	-	(14,865,727)	-
Transfers In	9,384,895	12,366,073	12,369,994	13,505,886	9,603,135	11,938,748	10,863,954	8,440,525	-	6,435,426
Transfers Out	(9,384,895)	(12,366,073)	(12,369,994)	(13,505,886)	(9,603,135)	(11,938,748)	(10,863,954)	(8,440,525)	-	(6,435,426)
Total Other Financing Sources (Uses)	103,020	40,785,584	860,145	32,066,640	321,144	(36,120)	30,745,692	-	152,302	-
Net Change in Fund Balances	\$ (23,128,408)	\$ 17,017,329	\$ (1,510,564)	\$ 22,048,841	\$ (30,956,567)	\$ (5,587,363)	\$ 29,018,823	\$ (6,960,197)	\$ (6,265,368)	\$ (7,296,739)
Debt Service as a Percentage of Noncapital Expenditures	5.08%	4.27%	4.56%	4.28%	4.42%	4.71%	5.55%	5.04%	5.53%	5.53%
Debt Service as a Percentage of Total Expenditures	4.52%	3.67%	4.33%	3.86%	3.59%	4.33%	5.32%	4.81%	5.26%	5.22%

Source: District's Audited Financial Statements

Note: Fiscal year 2024 amounts have been restated to reflect the correction of an error in the District's self-funded healthcare incurred but not reported (IBNR) liability. Amounts presented for fiscal years 2023 through 2016 have not been restated because it was not practicable to determine the year-by-year effect of the accumulated error on prior period governmental fund balances. See Note 16 to the financial statements for additional information.

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
ASSESSMENT VALUE BY LAND USE – UNAUDITED
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Property Type:										
Commercial	\$ 1,198,394,446	\$ 1,197,981,032	\$ 1,181,163,650	\$ 1,154,283,570	\$ 1,134,887,340	\$ 1,136,092,640	\$ 1,115,269,112	\$ 1,105,139,562	\$ 1,117,210,217	\$ 1,101,128,195
Agriculture	18,509,310	18,451,910	18,170,750	18,424,410	18,841,500	18,841,500	18,792,180	18,337,650	18,185,760	18,043,950
Manufacturing	17,027,590	17,027,590	17,027,590	17,027,590	17,027,590	17,027,590	17,027,590	17,027,590	17,027,590	17,027,590
Residential	3,940,888,727	3,934,257,453	3,898,851,937	3,864,976,929	3,845,141,059	3,826,247,347	3,789,313,974	3,756,221,015	3,717,065,625	3,697,750,660
Vacant	18,218,392	20,818,152	22,843,652	21,898,752	21,245,772	21,873,472	20,558,850	18,185,300	20,285,820	24,105,312
Total	<u>\$ 5,193,038,465</u>	<u>\$ 5,188,536,137</u>	<u>\$ 5,138,057,579</u>	<u>\$ 5,076,611,251</u>	<u>\$ 5,037,143,261</u>	<u>\$ 5,020,082,549</u>	<u>\$ 4,960,961,706</u>	<u>\$ 4,914,911,117</u>	<u>\$ 4,889,775,012</u>	<u>\$ 4,858,055,707</u>

Source: Chester County Assessment Office

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
ASSESSED VALUE AND MARKET VALUE OF TAXABLE PROPERTY – UNAUDITED
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Total Taxable Assessed Value</u>	<u>Estimated (1) Actual Value of Taxable Property</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value as A Percentage of Market Value</u>
2025	\$ 5,193,038,465	\$ 9,853,962,932	28.3373	52.70%
2024	5,188,536,137	9,680,104,733	26.7585	53.60%
2023	5,138,057,579	9,476,823,741	25.8536	54.22%
2022	5,076,611,251	9,355,505,105	25.1128	54.26%
2021	5,037,143,261	9,058,087,616	24.5003	55.61%
2020	5,020,082,549	8,941,758,580	23.8795	56.14%
2019	4,960,961,706	8,563,911,215	22.9810	57.93%
2018	4,914,911,117	8,525,707,090	22.4381	57.65%
2017	4,889,775,012	8,152,508,719	21.7423	59.98%
2016	4,858,055,707	8,113,681,613	20.9868	59.87%

Source: Chester County Assessment Office

(1) Market value as determined by the Pennsylvania State Tax Equalization Board, or estimated.

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
PROPERTY TAX RATES – ALL OVERLAPPING GOVERNMENTS – UNAUDITED
LAST TEN FISCAL YEARS**

Fiscal Year	Overlapping Governments			Total Direct and Overlapping Rates	Act 1 Index *
	Direct Rate School District	Chester County	Tredyffrin Township		
2025	28.3373	5.1640	4.1620	44.38	4.00%
2024	26.7585	4.5510	3.9140	41.21	4.10%
2023	25.8536	4.5510	2.6820	37.56	3.40%
2022	25.1128	4.5510	2.5690	36.37	3.00%
2021	24.5003	4.3690	2.5000	35.38	2.60%
2020	23.8795	4.3690	2.4200	34.68	2.30%
2019	22.9810	4.3690	2.3800	33.74	2.40%
2018	22.4381	4.3690	2.3800	33.20	2.50%
2017	21.7423	4.1630	2.3800	32.30	2.40%
2016	20.9868	4.1630	2.3800	31.54	1.90%

* Pennsylvania school districts' major revenue source, property taxes, are subject to a legislated cap, which limits property taxes above the cap subject to certain exceptions. This cap is referred to as the Act 1 Index, and the exceptions are for costs exceeding that cap for employee retirement and special education expenditures. The Act 1 Index is used to determine the maximum tax increases for each tax the school district levies without Pennsylvania Department of Education exception or voter approval.

Source: District and Municipality Records

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
PRINCIPAL TAXPAYERS – UNAUDITED
JUNE 30, 2025 AND NINE YEARS AGO JUNE 30, 2016**

June 30, 2025

Taxpayer	Nature of Business	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
Vanguard (Horatio/Nelson)	Office	\$ 92,274,070	1.78%
Cbcc Acquisition Llc	Mixed Use; Office/Commercial	86,762,660	1.67%
Westlakes Kpg Iii Llc	Office	25,214,310	0.49%
Prime Us Crosspoint At Valley Forge	Office	40,500,000	0.78%
Pa/Md Nnn Office Berwyn Park Llc	Office	32,035,500	0.62%
Wpt Land 2 Lp	Office	26,458,950	0.51%
Bbcp Realty Trust Office	Office	25,883,960	0.50%
Gv Center Llv	Office	24,269,870	0.47%
Devon Lanern Owner Llc	Apartments	22,418,930	0.43%
Shi - Iii Sage Atwater Reit Llc	Commercial	24,089,200	0.46%
Total Principal Taxpayers		<u>\$ 399,907,450</u>	<u>7.71%</u>

June 30, 2016

Taxpayer	Nature of Business	Taxable Assessed Value	Percentage of Total Taxable Assessed Valuation
Vanguard (Horatio/Nelson)	Office	\$ 92,274,070	1.78%
Chesterbrook Partners Lp	Mixed Use; Office/Commercial	78,048,520	1.54%
Westlakes Kpg Iii Llc	Office	42,340,760	0.82%
Prime Us Crosspoint At Valley Forge	Office	40,102,450	0.78%
Brandywine Operating	Office	38,002,155	0.68%
Wpt Land 2 Lp	Office	34,334,270	0.64%
Bbcp Realty Trust Office	Office	25,003,900	0.50%
Gv Center Llv	Office	24,050,100	0.47%
Devon Lanern Owner Llc	Apartments	24,003,100	0.47%
Southpoint Land Holdings Inc.	Office	22,418,930	0.43%
Total Principal Taxpayers		<u>\$ 420,578,255</u>	<u>8.69%</u>

Source: Chester County Assessment Office

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS – UNAUDITED
LAST TEN FISCAL YEARS**

Fiscal Year	Total Levy	Homestead Exemptions	Net Levy	Collected Within Fiscal Year of Levy		Subsequent Collections	Total Collections to Date	
				Face Amount	Percentage of Net Levy		Amount	Percentage of Levy
2025	\$ 147,156,689	\$ 3,294,868	\$ 143,861,821	\$ 140,805,202	97.88%	\$ 1,816,001	\$ 142,621,203	99.14%
2024	139,245,607	2,646,885	136,598,722	133,482,125	97.72%	1,883,143	135,365,268	99.10%
2023	133,904,036	2,646,885	131,257,151	130,139,847	99.15%	2,077,809	132,217,656	100.73%
2022	128,022,833	2,099,920	125,922,913	121,719,972	96.66%	2,316,041	124,036,013	98.50%
2021	123,588,965	2,100,045	121,488,920	118,530,985	97.57%	1,300,970	119,831,955	98.64%
2020	120,241,024	2,099,793	118,141,231	115,374,217	97.66%	1,037,480	116,411,697	98.54%
2019	114,862,160	2,099,869	112,762,291	109,970,864	97.52%	1,200,692	111,171,556	98.59%
2018	110,802,693	2,099,853	108,702,840	106,436,005	97.91%	927,774	107,363,779	98.77%
2017	106,149,370	2,099,988	104,049,382	101,737,051	97.78%	972,332	102,709,383	98.71%
2016	104,491,640	2,099,834	102,391,806	97,226,501	94.96%	996,433	98,222,934	95.93%

Source: District Records

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE – UNAUDITED
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>General Obligation Bonds and Notes</u>	<u>Leases Payable</u>	<u>Total</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2025	\$ 123,605,983	\$ 615,494	\$ 124,221,477	0.21%	\$ 2,914
2024	129,336,552	995,775	130,332,327	0.23%	3,051
2023	93,892,760	1,205,158	95,097,918	0.17%	2,212
2022	98,573,783	1,079,483	99,653,266	0.20%	2,311
2021	72,060,090	889,345	72,949,435	0.15%	1,692
2020	75,871,593	-	75,871,593	0.16%	1,768
2019	79,983,383	-	79,983,383	0.17%	1,998
2018	55,017,418	-	55,017,418	0.12%	1,369
2017	60,414,756	-	60,414,756	0.15%	1,504
2016	64,741,617	-	64,741,617	0.16%	1,619

Note: See the Schedule of Demographic and Economic Statistics for personal income and population data.

Source: District Records

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
RATIOS OF TOTAL DEBT OUTSTANDING – UNAUDITED
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Total Debt Outstanding</u>	<u>Total Taxable Assessed Value</u>	<u>Percentage of Total Taxable Value of Property</u>	<u>Per Capita</u>
2025	\$ 123,605,983	\$ 5,193,038,465	2.38%	\$ 2,914
2024	129,336,552	5,188,536,137	2.49%	3,051
2023	93,892,760	5,138,057,579	1.83%	2,212
2022	98,573,783	5,076,611,251	1.94%	2,311
2021	72,060,090	5,037,143,261	1.43%	1,692
2020	75,871,593	5,020,082,549	1.51%	1,768
2019	79,983,383	4,960,961,706	1.61%	1,998
2018	55,017,418	4,914,911,117	1.12%	1,369
2017	60,414,756	4,889,775,012	1.24%	1,504
2016	64,741,617	4,858,055,707	1.33%	1,619

Note: See the Schedule of Demographic and Economic Statistics for population data.

Source: District Records

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT – UNAUDITED
JUNE 30, 2025

Fiscal Year	Total Debt	Percentage Applicable to District	Amount Applicable to District
Direct Debt			
General Obligation Bonds/Notes:			
GOB Series 2019	\$ 29,371,039	100.00%	\$ 29,567,574
GOB Series 2021	24,665,000	100.00%	24,665,000
GOB Series 2021A	30,260,596	100.00%	30,260,596
GOB Series 2024	39,309,348	100.00%	39,309,348
Total	<u>123,605,983</u>		<u>123,802,518</u>
Leases Payable	<u>615,495</u>	100.00%	<u>615,495</u>
Total Direct Debt	124,221,478		124,418,013
Overlapping Debt ⁽¹⁾			
Chester County	428,090,000	12.60%	53,939,340
Easttown Township	16,465,000	100.00%	16,465,000
Tredyffrin Township	15,930,000	100.00%	15,930,000
Total Overlapping Debt	<u>460,485,000</u>		<u>86,334,340</u>
Total Direct and Overlapping Debt	<u>\$ 584,706,478</u>		<u>\$ 210,752,353</u>

(1) Debt as of December 31, 2024. This debt is paid from taxes levied by governments other than the District. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Tredyffrin Easttown School District. One hundred percent of Tredyffrin Township and Easttown Township is located in Tredyffrin/Easttown School District. Chester County Government calculated the 12.6% by dividing the assessed values of properties in Tredyffrin and Easttown Townships by the total assessed values of properties in Chester County. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: District Records

Source: Pennsylvania Department of Community & Economic Development (DCED)

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
LEGAL DEBT LIMIT AND REMAINING BORROWING CAPACITY – UNAUDITED
LAST TEN FISCAL YEARS
(EXPRESSED IN THOUSANDS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Borrowing Base Revenues:										
Two Years Prior	\$ 166,929,045	\$ 158,269,507	\$ 152,449,461	\$ 149,292,939	\$ 142,891,821	\$ 137,471,866	\$ 130,467,777	\$ 124,914,350	\$ 118,022,606	\$ 111,291,024
Prior Year	175,584,925	166,929,045	158,269,507	152,449,461	149,292,939	142,891,821	137,471,866	130,467,777	124,914,350	118,022,606
Current Year	<u>183,065,984</u>	<u>175,584,925</u>	<u>166,929,045</u>	<u>158,269,507</u>	<u>152,449,461</u>	<u>149,292,939</u>	<u>142,891,821</u>	<u>137,471,866</u>	<u>130,467,777</u>	<u>124,914,350</u>
Total Revenues	525,579,954	500,783,477	477,648,013	460,011,907	444,634,221	429,656,626	410,831,464	392,853,993	373,404,733	354,227,980
Debt Limit for General Obligation Bonds:										
Average Borrowing Base Revenues	175,193,318	166,927,826	159,216,004	153,337,302	148,211,407	143,218,875	136,943,821	130,951,331	124,468,244	118,075,993
Debt Limit Percentage	X 2.25	X 2.25	X 2.25	X 2.25	X 2.25	X 2.25	X 2.25	X 2.25	X 2.25	X 2.25
Debt Limit	<u>394,184,966</u>	<u>375,587,609</u>	<u>358,236,009</u>	<u>345,008,930</u>	<u>333,475,666</u>	<u>322,242,469</u>	<u>308,123,597</u>	<u>294,640,495</u>	<u>280,053,549</u>	<u>265,670,984</u>
Total Outstanding Bonded Debt	<u>114,165,000</u>	<u>119,215,000</u>	<u>86,630,000</u>	<u>90,695,000</u>	<u>67,940,000</u>	<u>69,000,000</u>	<u>72,575,000</u>	<u>50,450,000</u>	<u>55,070,000</u>	<u>59,755,000</u>
Legal Debt Margin	<u>\$ 280,019,966</u>	<u>\$ 256,372,609</u>	<u>\$ 271,606,009</u>	<u>\$ 254,313,930</u>	<u>\$ 265,535,666</u>	<u>\$ 253,242,469</u>	<u>\$ 235,548,597</u>	<u>\$ 244,190,495</u>	<u>\$ 224,983,549</u>	<u>\$ 205,915,984</u>
Total Outstanding Bonded Debt as a Percentage of Debt Limit	28.96%	31.74%	24.18%	26.29%	20.37%	21.41%	23.55%	17.12%	19.66%	22.49%

Source: District Records

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
PRINCIPAL EMPLOYERS IN CHESTER COUNTY – UNAUDITED
JUNE 30, 2025 AND NINE YEARS AGO JUNE 30, 2016**

June 30, 2025			
Company	Nature of Business	Number of Employees	Percentage of Total Employees
Vanguard Group	Investment Management	6,532	16.94%
Delage Landen Financial Services	Private Label Leasing and Financing Programs	845	2.19%
Tredyffrin/Easttown School District	Public Education	840	2.18%
Comcast Corporation	Telecommunications Conglomerate	709	1.84%
Iqvia, Inc.	Pharmaceutical	691	1.79%
Infosys BPM Limited	Business Process Management Services	580	1.50%
AmerisourceBergen	Healthcare Delivery	569	1.48%
Renal Treatment Centers Mid-Atlantic	Dialysis Services	484	1.26%
Johnson Mathey Inc.	Specialty Chemicals	475	1.23%
Cardionet LLC	Physiological Laboratory	432	1.12%
Total Principal Taxpayers		<u>12,157</u>	<u>43.40%</u>

June 30, 2016			
Company	Nature of Business	Number of Employees	Percentage of Total Employees
Vanguard	Investment Management	7,402	26.02%
Tredyffrin/Easttown School District	Public Education	1,088	3.82%
Delage Landen Financial Services	Private Label Leasing and Financing Programs	726	2.55%
Shire	Specialty Biopharmaceuticals	678	2.38%
Johnson Mathey	Specialty Chemicals	614	2.16%
Sungard	Software and Processing Solutions	564	1.98%
Unisys	Information Technology Services & Solutions	508	1.79%
Centorcor	Pharmaceuticals	499	1.75%
Planco	Distributor/Wholesaler of Retirement	476	1.67%
Total Renal Care	Dialysis Services	422	1.48%
Total Principal Taxpayers		<u>12,977</u>	<u>45.61%</u>

Source: School District and Township Officials

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS – UNAUDITED
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population of County</u>	<u>Population of District</u>	<u>Personal Income (000)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate County</u>	<u>District School Enrollment</u>
2025	556,076	42,622	\$ 59,494,975	\$ 108,215	2.90%	6,856
2024	549,784	42,715	57,266,051	104,161	3.10%	6,939
2023	534,414	42,991	56,281,810	105,315	2.10%	6,893
2022	529,924	43,341	51,423,276	97,039	3.60%	6,928
2021	528,339	43,125	49,923,276	94,491	4.20%	6,957
2020	526,759	42,911	48,423,276	91,927	10.00%	7,182
2019	525,059	40,040	46,416,892	88,403	3.30%	7,058
2018	522,256	40,174	44,368,143	84,955	3.50%	6,900
2017	519,057	40,160	41,312,630	79,592	3.80%	6,749
2016	516,768	39,996	39,277,266	76,006	4.10%	6,573

Source:

U.S. Census Bureau

U.S. Department of Commerce – Bureau of Economic Analysis. Amounts expressed in thousands

U.S. Department of Labor – Bureau of Labor Statistics

School District Officials

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION – UNAUDITED
LAST TEN FISCAL YEARS**

Employee Category ⁽¹⁾	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Professional (includes Teachers)	531	523	513	509	511	501	490	485	475	466
Administration	32	32	32	31	31	31	30	30	30	29
Suprvr/Confid	30	30	30	30	30	31	32	32	32	32
Secretarial	50	50	49	49	49	48	48	49	49	49
Custodial	52	52	50	50	50	50	50	50	50	50
Maintenance	16	16	16	15	15	15	15	15	15	15
Security	10	10	10	10	10	8	8	8	8	8
Transportation	4	-	-	-	-	-	-	-	-	-
Food Service	32	32	32	32	32	32	32	32	32	32
Health Rm Nurse	5	5	5	5	5	4	4	4	4	4
Reg Ed Aide/Para	10	10	11	12	14	15	19	25	25	30
Spec Ed Aide/Para	9	9	16	17	18	22	28	34	34	38
Total	<u>781</u>	<u>769</u>	<u>764</u>	<u>760</u>	<u>765</u>	<u>757</u>	<u>756</u>	<u>764</u>	<u>754</u>	<u>753</u>

(1) Employee information from School District Budget documentation

Source: Tredyffrin Easttown School District Office of Human Resources

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
REVENUES BY SOURCE – GENERAL FUND – UNAUDITED
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Local Income:										
Real Estate Taxes	\$ 138,400,076	\$ 132,976,191	\$ 127,950,661	\$ 121,719,972	\$ 118,530,985	\$ 115,374,217	\$ 109,970,864	\$ 106,436,005	\$ 101,737,051	\$ 97,226,501
Intern R.E. Taxes	1,424,587	507,632	573,482	1,733,878	723,659	495,980	930,465	738,471	663,071	604,219
Public Utility	126,978	116,430	119,711	121,502	113,064	102,231	109,269	105,740	109,011	109,405
R.E. Transfer - 511	3,987,157	2,736,296	3,582,048	4,389,683	3,895,762	4,829,630	3,291,879	3,015,583	3,458,333	3,801,093
Amusement Tax	-	-	-	-	1,146	31,859	35,913	24,575	30,760	31,195
Delinquent Tax	1,582,213	1,883,143	1,230,699	2,316,041	1,300,970	1,037,480	1,200,692	927,774	972,332	996,433
Investment Income	5,010,540	5,898,896	3,867,542	201,992	148,279	2,009,003	2,214,420	1,032,459	506,879	271,617
Parking Revenue	63,870	54,000	54,000	54,000	-	54,000	54,000	54,000	54,000	54,000
Student Activities Revenue	354,631	315,069	335,821	153,071	85,672	150,889	163,630	149,777	191,014	146,396
IDEA	-	-	-	-	-	-	874,690	871,816	859,434	780,285
Rentals	511,804	794,372	646,223	647,687	7,216	521,512	675,455	592,095	563,879	581,768
Field Rental	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	9,485	-	600	70	62,784	410
Miscellaneous Income	407,459	977,269	196,012	703,859	599,359	184,654	280,405	242,221	307,120	163,732
Total Local Income	151,869,315	146,259,298	138,556,199	132,041,685	125,415,597	124,791,455	119,802,282	114,190,586	109,515,668	104,767,054
State Income:										
Basic Subsidy	5,722,153	5,337,476	4,625,337	4,037,288	3,759,848	3,759,896	3,627,911	3,545,004	3,468,926	3,302,938
Tuition for Orphans	55,094	-	8,539	-	-	28,418	25,682	5,005	-	35,065
Special Education	2,755,694	2,656,710	2,600,284	2,530,885	2,511,566	2,478,962	2,597,079	2,517,421	2,400,294	2,390,615
Transportation	892,399	861,643	880,664	1,028,499	1,414,232	1,486,774	1,692,717	1,640,515	1,569,667	1,791,799
Rentals and Sinking Fund	178,640	192,885	192,885	-	-	79,169	318,161	318,221	636,003	-
Health Services	171,597	157,278	155,236	156,163	155,072	153,124	151,390	150,171	155,135	157,567
State Property Tax Reduction	3,294,868	2,646,885	2,646,885	2,099,920	2,100,045	2,099,793	2,099,869	2,099,853	2,099,988	2,099,834
Safety Grant	252,430	312,526	113,491	212,274	222,791	45,000	-	-	-	-
PA Accountability Grants	199,614	199,614	199,614	199,614	199,614	199,614	199,614	199,614	199,614	199,614
PA Smart Grants	-	-	-	-	35,000	-	-	-	-	-
Other State Rev.	95,000	-	-	-	-	-	25,000	-	-	-
Social Security	2,730,303	2,606,645	2,475,411	2,389,090	2,493,262	1,979,774	2,307,800	2,289,213	2,100,401	2,185,204
Retirement	12,521,084	11,785,471	11,815,586	11,194,395	10,697,277	10,221,497	9,566,437	9,361,976	8,470,951	7,129,980
Total State Income	28,868,876	26,757,133	25,713,932	23,848,128	23,588,707	22,532,021	22,611,660	22,126,993	21,100,979	19,292,616

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
REVENUES BY SOURCE – GENERAL FUND – UNAUDITED (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Federal Income:										
Federally Impacted Areas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,879	\$ -
IDEA	1,083,539	1,099,196	1,028,187	1,183,928	982,931	938,241	-	-	-	-
Title I	232,428	238,523	162,993	171,230	201,448	236,998	278,822	327,974	362,547	413,301
Title II	107,202	92,115	99,091	73,248	91,990	92,101	134,087	116,540	71,921	80,280
Title III	59,375	45,250	39,902	29,848	27,624	-	-	-	-	-
Title IV	18,501	12,677	18,017	12,251	22,321	14,836	-	-	-	-
CARES Act	-	-	-	-	862,795	80,056	-	-	-	-
GEER	-	-	-	-	69,748	-	-	-	-	-
ESSER	201,938	586,166	595,085	324,503	683,612	194,657	-	-	-	-
Med. Asst. Reimb.	624,810	494,567	715,639	732,148	517,414	491,743	383,131	1,027,994	6,786	361,101
Total Federal Income	<u>2,327,793</u>	<u>2,568,494</u>	<u>2,658,914</u>	<u>2,527,156</u>	<u>3,459,883</u>	<u>2,048,632</u>	<u>796,040</u>	<u>1,472,508</u>	<u>487,133</u>	<u>854,682</u>
 Total Revenue	 <u>\$ 183,065,984</u>	 <u>\$ 175,584,925</u>	 <u>\$ 166,929,045</u>	 <u>\$ 158,416,969</u>	 <u>\$ 152,464,187</u>	 <u>\$ 149,372,108</u>	 <u>\$ 143,209,982</u>	 <u>\$ 137,790,087</u>	 <u>\$ 131,103,780</u>	 <u>\$ 124,914,352</u>

Source: District Records

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
EXPENDITURES BY FUNCTION – GENERAL FUND – UNAUDITED
LAST TEN FISCAL YEARS

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Regular Programs	\$ 75,895,603 41.18%	\$ 71,873,205 41.11%	\$ 70,953,085 42.64%	\$ 68,440,705 43.28%	\$ 67,644,295 44.48%	\$ 64,055,356 43.19%	\$ 61,953,511 43.42%	\$ 62,112,440 40.34%	\$ 58,575,757 41.28%	\$ 55,329,481 44.47%
Special Programs	37,060,018 20.11%	33,380,758 19.09%	31,405,644 18.88%	28,837,733 18.23%	27,913,434 18.35%	26,604,238 17.94%	24,049,048 16.85%	24,078,223 15.79%	19,355,235 14.94%	19,206,529 15.44%
Vocational Programs	903,672 0.49%	843,036 0.48%	782,696 0.47%	681,178 0.43%	632,281 0.42%	643,503 0.43%	675,627 0.47%	727,536 1.06%	702,725 1.11%	687,028 0.55%
Other Instructional Programs	168,256 0.09%	127,890 0.07%	171,946 0.10%	132,318 0.08%	87,925 0.06%	51,190 0.03%	52,651 0.04%	67,503 1.16%	100,733 1.14%	87,854 0.07%
Nonpublic School Programs	- 0.00%	- 0.00%	- 0.00%	3,572 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.01%	- 0.01%	- 0.00%
Higher Education Programs	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Pupil Personnel Services	9,342,323 5.07%	8,402,857 4.81%	6,349,826 3.82%	5,998,837 3.79%	5,813,510 3.82%	5,466,593 3.69%	5,276,562 3.70%	4,968,815 3.73%	5,012,600 3.57%	4,591,731 3.69%
Instructional Staff Services	4,821,508 2.62%	4,551,174 2.60%	4,390,673 2.64%	4,118,528 2.60%	4,698,682 3.09%	4,006,208 2.70%	3,961,583 2.78%	4,039,296 4.18%	3,538,864 4.33%	3,654,802 2.94%
Administrative Services	9,673,594 5.25%	8,937,303 5.11%	9,110,166 5.48%	8,651,861 5.47%	8,424,188 5.54%	8,501,888 5.73%	8,195,675 5.74%	8,088,677 5.15%	8,471,382 5.09%	7,180,754 5.77%
Pupil Health	2,524,317 1.37%	2,356,616 1.35%	2,175,596 1.31%	1,895,255 1.20%	1,748,709 1.15%	1,414,468 0.95%	1,451,113 1.02%	1,394,082 0.96%	1,346,240 0.91%	1,546,516 1.24%
Business Services	1,498,984 0.81%	1,424,581 0.81%	1,364,949 0.82%	1,400,101 0.89%	1,368,378 0.90%	1,338,333 0.90%	1,347,527 0.94%	1,363,952 0.82%	1,484,170 0.76%	1,355,910 1.09%
Operation and Maintenance Plant Services	15,607,718 8.47%	15,015,574 8.59%	13,866,503 8.33%	12,339,033 7.80%	12,068,886 7.94%	11,393,355 7.68%	11,379,130 7.97%	11,742,792 7.60%	12,245,018 7.70%	11,584,555 9.31%
Student Transportation Services	9,298,352 5.05%	8,081,392 4.62%	6,885,235 4.14%	6,242,686 3.95%	6,338,294 4.17%	7,115,360 4.80%	7,267,679 5.09%	7,521,765 7.23%	7,496,345 7.21%	7,498,427 6.03%
Central Support Services	4,638,449 2.52%	4,339,958 2.48%	3,893,692 2.34%	3,346,292 2.12%	3,533,018 2.32%	3,554,621 2.40%	3,597,436 2.52%	3,046,586 1.51%	2,844,381 1.45%	2,735,232 2.20%
Other Support Services	604,401 0.33%	548,214 0.31%	498,916 0.30%	544,144 0.34%	550,491 0.36%	343,110 0.23%	584,819 0.41%	554,055 0.44%	560,846 0.04%	549,904 0.44%
Student Activities	2,872,269 1.56%	2,593,453 1.48%	2,163,739 1.30%	2,010,504 1.27%	1,654,800 1.09%	1,862,732 1.26%	2,026,192 1.42%	2,044,663 1.92%	2,002,018 1.74%	1,964,445 1.58%
Community Services	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.02%	- 0.03%	- 0.00%

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
EXPENDITURES BY FUNCTION – GENERAL FUND – UNAUDITED (CONTINUED)
LAST TEN FISCAL YEARS

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt Service	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%
Interfund Transfers Out	9,384,895	12,366,073	12,369,994	13,505,886	9,603,135	11,938,748	10,863,954	8,440,525	7,510,542	6,435,426
	5.09%	7.07%	7.43%	0.085399144	0.063145179	0.080490017	0.076133868	0.0843448	0.08642965	0.051728147
Refunds of Prior Year Receipts	-	-	2,042	-	231	36,119	12,909	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.06%	0.02%	0.00%
Total	\$ 184,294,359	\$ 174,842,084	\$ 166,384,702	\$ 158,150,133	\$ 152,080,257	\$ 148,325,822	\$ 142,695,417	\$ 213,264,470	\$ 210,959,284	\$ 124,408,594
October 1 Pupil Count	6,856	6,939	6,893	6,928	6,957	7,182	7,058	6,900	6,749	6,573
Average Expenditures Per Pupil	\$ 26,881	\$ 25,197	\$ 24,138	\$ 22,828	\$ 21,860	\$ 20,652	\$ 20,218	\$ 30,908	\$ 31,258	\$ 18,927

Source: District Records

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School Building and Age:										
Beaumont Elementary School:										
Square Feet	75,740	75,740	75,740	75,740	75,740	75,740	75,740	75,740	75,740	75,740
Core Classrooms	24	24	24	24	24	24	24	24	24	24
Enrollment	459	454	465	443	513	475	392	404	401	387
Devon Elementary School:										
Square Feet	65,110	65,110	65,110	65,110	65,110	65,110	65,110	65,110	65,110	65,110
Core Classrooms	20	20	20	20	20	20	20	20	20	20
Enrollment	401	383	396	406	475	500	603	585	592	577
Hillside Elementary School:										
Square Feet	70,960	70,960	70,960	70,960	70,960	70,960	70,960	70,960	70,960	70,960
Core Classrooms	20	20	20	20	20	20	20	20	20	20
Enrollment	425	428	439	428	455	473	423	441	434	472
New Eagle Elementary School:										
Square Feet	66,640	66,640	66,640	66,640	66,640	66,640	66,640	66,640	66,640	66,640
Core Classrooms	24	24	24	24	24	24	24	24	24	24
Enrollment	472	505	505	516	530	486	480	467	441	415
Valley Forge Elementary School:										
Square Feet	73,480	73,480	73,480	73,480	73,480	73,480	73,480	73,480	73,480	73,480
Core Classrooms	25	25	25	25	25	25	25	25	25	25
Enrollment	552	565	581	576	564	567	502	532	558	573
Tredyffrin/Easttown Middle School:										
Square Feet	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750
Core Classrooms	39	39	39	39	39	39	39	39	39	39
Enrollment	1,056	1,099	1,052	1,098	1,166	1,134	1,157	1,101	1,073	1,094
Valley Forge Middle School:										
Square Feet	150,082	150,082	150,082	150,082	150,082	150,082	150,082	150,082	150,082	150,082
Core Classrooms	43	43	43	43	43	43	43	43	43	43
Enrollment	1,186	1,125	1,141	1,156	1,228	1,189	1,146	1,078	1,011	984
Conestoga High School:										
Square Feet	384,992	384,992	384,992	384,992	320,546	320,546	320,546	320,546	320,546	320,546
Core Classrooms	80	80	80	80	75	75	75	75	75	75
Enrollment	2,264	2,380	2,335	2,335	2,243	2,219	2,197	2,141	2,063	2,051

Source: District Records

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NATIONAL SCHOOL LUNCH PROGRAM FREE AND REDUCED DATA – UNAUDITED
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Enrollment</u>	<u>Percentage Reduced</u>	<u>Percentage Free</u>
2024-2025	6,856	0.51%	9.18%
2023-2024	6,939	0.64%	10.35%
2022-2023	6,893	0.25%	9.40%
2021-2022	6,928	0.27%	7.73%
2020-2021	6,957	0.30%	7.15%
2019-2020	7,182	0.58%	5.97%
2018-2019	7,058	0.89%	5.67%
2017-2018	6,900	0.82%	6.44%
2016-2017	6,749	0.86%	5.92%
2015-2016	6,573	0.93%	6.23%

Source: District Records

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
PUPIL/TEACHER RATIO – UNAUDITED
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Enrollment</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>
2024-2025	6,856	531	12.9
2023-2024	6,939	520	13.3
2022-2023	6,893	513	13.4
2021-2022	6,928	509	13.6
2020-2021	6,957	511	13.6
2019-2020	7,182	501	14.3
2018-2019	7,058	490	14.4
2017-2018	6,900	485	14.2
2016-2017	6,749	475	14.2
2015-2016	6,573	466	14.1

Source: District Records

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
GOVERNMENTAL FUNDS – MOST SIGNIFICANT OWN-SOURCED REVENUES – UNAUDITED
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Millage Rate</u>	<u>Current Property Taxes</u>	<u>Other Taxes (1)</u>	<u>Other Revenues</u>	<u>Total Revenues</u>
2025	28.34	\$ 138,400,076	\$ 7,120,935	\$ 7,713,288	\$ 153,234,299
2024	26.76	132,889,492	5,330,198	9,215,484	147,435,174
2023	25.85	127,942,415	5,514,186	6,079,233	139,535,834
2022	25.11	121,719,972	8,561,104	1,808,571	132,089,647
2021	24.50	118,530,985	6,034,601	1,006,323	125,571,909
2020	23.88	115,374,217	6,497,180	3,587,284	125,458,681
2019	22.98	109,970,864	5,568,218	4,811,545	120,350,627
2018	22.44	105,894,005	5,354,143	3,115,575	114,363,723
2017	21.74	101,737,051	5,233,507	2,712,339	109,682,897
2016	20.99	97,226,501	5,542,345	2,122,752	104,891,598

(1) Other taxes include delinquent, transfer, utility, and interim taxes.

(2) Other revenue includes tuition, rental income, interest, and miscellaneous income.

Source: Tredyffrin Easttown School District Annual Financial Statements

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
GOVERNMENTAL FUNDS – REVENUES BY SOURCE – UNAUDITED
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Local</u>	<u>State</u>	<u>Federal</u>	<u>Total Revenues</u>
2025	\$ 151,869,315	\$ 28,868,876	\$ 2,327,793	\$ 183,065,984
2024	147,435,174	26,757,133	2,568,494	176,760,801
2023	139,376,739	25,713,932	2,658,914	167,749,585
2022	132,089,647	23,848,128	2,527,156	158,464,931
2021	125,571,909	23,588,707	3,459,883	152,620,499
2020	125,458,681	22,532,021	2,048,632	150,039,334
2019	120,350,627	22,611,660	796,040	143,758,327
2018	114,363,723	22,126,993	1,472,508	137,963,224
2017	109,682,897	21,100,979	487,133	131,271,009
2016	104,891,598	19,292,616	854,682	125,038,896

Source: Tredyffrin Easttown School District Annual Financial Statements

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
GOVERNMENTAL FUNDS – EXPENDITURES BY FUNCTION – UNAUDITED
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Instruction</u>	<u>Support Services</u>	<u>Noninstructional Services</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total Expenditures</u>
2025	\$ 114,027,549	\$ 58,529,451	\$ 2,872,269	\$ 22,753,232	\$ 9,384,895	\$ 207,567,396
2024	106,224,889	54,656,974	2,593,453	27,969,421	7,366,073	198,810,810
2023	103,313,371	48,840,012	2,163,739	8,433,178	7,369,994	170,120,294
2022	98,095,506	45,457,613	2,010,504	16,411,721	6,507,386	168,482,730
2021	96,277,935	44,865,531	1,654,800	34,496,809	6,603,135	183,898,210
2020	91,354,287	43,255,277	1,862,732	12,379,533	6,738,748	155,590,577
2019	86,730,836	43,061,525	2,026,192	5,925,970	7,740,673	145,485,196
2018	86,782,669	42,720,030	2,044,663	6,399,297	6,976,762	144,923,421
2017	78,937,472	42,999,847	2,002,018	6,500,261	7,249,081	137,688,679
2016	75,310,892	40,697,832	1,964,445	7,456,208	6,906,258	132,335,635

Source: District's Audited Financial Statements

Source: Tredyffrin Easttown School District Annual Financial Statements

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
SCHEDULE OF MILLAGE RATES CHESTER COUNTY SCHOOL DISTRICTS (IN MILLS) – UNAUDITED
LAST TEN FISCAL YEARS

School District	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Tredyffrin-Easttown SD	28.3373	26.7585	25.8536	25.1128	24.5003	23.8795	22.9810	22.4381	21.7423	20.9868
Avon Grove SD	34.9500	34.9500	34.1000	33.5200	32.7100	31.6100	30.6900	29.7700	29.0400	28.1570
Coatesville Area SD	42.8640	41.8190	41.2190	39.6910	38.2018	38.2018	36.7537	34.9138	33.4598	32.7716
Downingtown Area SD	31.9100	29.5580	28.5580	27.7260	27.1820	27.1820	27.1820	27.1820	27.1820	27.1820
Great Valley SD	25.2800	23.6600	22.9200	22.3600	21.8100	21.5500	21.2950	20.8000	20.8000	20.3200
Kennett Consolidated SD	34.9942	32.7275	32.4358	31.8707	31.4852	30.9497	30.4479	29.8789	29.2408	28.6017
Octorara Area SD	42.2300	42.2800	41.9900	40.8200	40.8900	40.7900	39.9400	39.4900	38.6300	37.5100
Owen J Roberts SD	36.3599	34.5237	33.9299	33.2712	32.7858	31.9550	31.2366	30.5045	29.6305	28.8262
Oxford Area SD	36.9607	36.0592	34.6390	33.3548	32.0104	31.4599	31.1484	31.1484	30.8400	30.5347
Phoenixville Area SD	35.0794	33.0283	32.6399	32.3200	31.8200	31.2000	30.5200	29.5800	29.1600	28.8900
Unionville-Chadds Ford SD	33.9100	31.9500	30.7300	29.9600	29.0700	29.1600	28.5100	28.4100	27.6900	26.9900
West Chester Area SD	23.3800	22.4364	22.4364	22.0604	21.6622	21.6622	21.2723	20.6841	20.0982	19.5779
Average Chester County School District Millage	<u>33.8546</u>	<u>32.4792</u>	<u>31.7876</u>	<u>31.0056</u>	<u>30.3440</u>	<u>29.9667</u>	<u>29.3314</u>	<u>28.7333</u>	<u>28.1261</u>	<u>27.5290</u>

Source: County of Chester

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
ENROLLMENT HISTORY AND PROJECTIONS – UNAUDITED
LAST TEN FISCAL YEARS**

Year	K	Actual												K thru 4	5 thru 8	9 thru 12	Totals	% Change
		1	2	3	4	5	6	7	8	9	10	11	12					
2015-2016	356	496	463	529	582	506	525	511	542	510	550	499	504	2,426	2,084	2,063	6,573	0.21%
2016-2017	399	462	525	498	545	600	520	540	519	563	523	554	501	2,429	2,179	2,141	6,749	2.68%
2017-2018	378	484	481	543	514	575	625	548	555	551	569	528	549	2,400	2,303	2,197	6,900	2.24%
2018-2019	389	519	512	513	568	537	592	640	555	590	545	568	530	2,501	2,324	2,233	7,058	2.29%
2019-2020	419	504	539	539	536	570	576	601	648	557	576	548	569	2,537	2,395	2,250	7,182	1.76%
2020-2021	317	484	507	543	518	524	563	574	596	658	555	567	551	2,369	2,257	2,331	6,957	-3.13%
2021-2022	366	449	491	522	558	536	525	558	575	578	664	546	560	2,386	2,194	2,348	6,928	-0.42%
2022-2023	355	484	468	514	520	562	548	534	550	556	588	665	549	2,341	2,194	2,358	6,893	-0.51%
2023-2024	371	451	485	497	531	537	582	561	544	562	562	589	667	2,335	2,224	2,380	6,939	0.67%
2024-2025	354	481	555	506	493	533	561	596	564	552	574	580	567	2,389	2,254	2,213	6,856	-1.20%
2025-2026	400	455	492	483	504	531	561	553	582	559	547	560	570	2,334	2,227	2,236	6,797	-0.86%
2026-2027	377	517	464	508	490	513	539	563	553	579	562	545	559	2,356	2,168	2,245	6,769	-0.41%
2027-2028	380	489	528	481	517	501	523	543	565	552	585	562	545	2,395	2,132	2,244	6,771	0.03%
2028-2029	368	491	498	546	487	526	508	525	543	562	555	582	560	2,390	2,102	2,259	6,751	-0.30%
2029-2030	368	475	499	514	553	496	534	510	524	540	565	552	580	2,409	2,064	2,237	6,710	-0.61%

Source: School District Officials and demographic study by Sundance Associates

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
ENROLLMENT HISTORY BY INSTRUCTION LEVEL – UNAUDITED
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Elementary (K-6)</u>	<u>Secondary (7-12)</u>	<u>Totals</u>
2024-2025	3,423	3,433	6,856
2023-2024	3,454	3,485	6,939
2022-2023	3,451	3,442	6,893
2021-2022	3,447	3,481	6,928
2020-2021	3,456	3,501	6,957
2019-2020	3,683	3,499	7,182
2018-2019	3,630	3,428	7,058
2017-2018	3,600	3,300	6,900
2016-2017	3,549	3,200	6,749
2015-2016	3,457	3,116	6,573

Source: School District Officials

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
TEACHER SALARY SCHEDULE – UNAUDITED
2024 – 2025**

Step	Bachelor's Degree	Master's Degree	Master's Degree + 15	Master's Degree + 30	Master's Degree + 45	Master's Degree + 60	Doctorate Degree
1	\$ 60,284	\$ 68,283	\$ 75,443	\$ 79,673	\$ 82,127	\$ 85,478	\$ 89,755
2	60,950	70,077	76,450	80,680	83,134	86,485	90,762
3	62,589	71,820	77,457	81,687	84,141	87,492	91,769
4	63,562	72,845	78,464	82,694	85,148	88,499	92,776
5	64,997	74,383	82,709	87,669	90,123	93,474	97,751
6	66,500	76,587	86,810	90,335	91,814	94,499	98,776
7	68,400	77,971	90,910	92,283	93,762	97,472	102,774
8	70,500	80,227	92,141	93,513	94,992	98,702	104,005
9	72,200	83,815	93,186	94,558	96,038	99,748	105,050
10	74,200	86,173	95,954	97,327	98,806	102,516	107,818
11	79,200	91,147	98,722	100,095	101,574	105,284	110,586
12	84,569	96,122	102,823	104,195	105,675	109,385	114,687
13	92,953	101,097	106,719	108,091	109,571	113,280	118,583
14	99,805	105,072	111,694	113,066	114,546	118,255	123,558
15	101,570	107,660	113,080	114,450	115,820	119,400	124,550

Source: Collective Bargaining Agreement Between District and Tredyffrin/Easttown Education Association

SINGLE AUDIT

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND CERTAIN STATE GRANTS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal ALN	Pass- Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2024	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2025	Passed Through to Subrecipient
U.S. Department of Education											
Passed-Through the Pennsylvania Department of Education:											
Title I - Improving Basic Programs	I	84.010	013-240430	07/01/23 - 09/30/24	\$ 244,587	\$ 50,841	\$ 44,777	\$ 6,064	\$ 6,064	\$ -	\$ -
Title I - Improving Basic Programs	I	84.010	013-250430	07/01/24 - 09/30/25	226,364	178,064	-	226,364	226,364	48,300	-
Total ALN 84.010						228,905	44,777	232,428	232,428	48,300	-
Title II - Improving Teacher Quality	I	84.367	020-240430	07/01/23 - 09/30/24	109,744	62,773	45,144	17,629	17,629	-	-
Title II - Improving Teacher Quality	I	84.367	020-250430	07/01/24 - 09/30/25	89,572	82,523	-	89,572	89,572	7,049	-
Total ALN 84.367						145,296	45,144	107,201	107,201	7,049	-
Title III - Language Instruction for English Learners	I	84.365	010-240430	07/01/23 - 09/30/24	45,250	30,994	30,994	-	-	-	-
Title III - Language Instruction for English Learners	I	84.365	010-250430	07/01/24 - 09/30/25	59,375	21,205	-	59,375	59,375	38,170	-
Total ALN 84.365						52,199	30,994	59,375	59,375	38,170	-
Title IV - Student Support and Academic Achievement	I	84.424	144-240430	07/01/23 - 09/30/24	12,760	7,291	7,208	83	83	-	-
Title IV - Student Support and Academic Achievement	I	84.424	144-250430	07/01/24 - 09/30/25	18,419	5,263	-	18,419	18,419	13,156	-
Total ALN 84.424						12,554	7,208	18,502	18,502	13,156	-
COVID-19 ESSER III	I	84.425U	223-210430	03/13/20 - 09/30/24	1,504,664	164,145	(16,333)	180,478	180,478	-	-
COVID-19 ARP ESSER 7%	I	84.425U	225-210430	03/13/20 - 09/30/24	116,947	-	(7,256)	7,256	7,256	-	-
COVID-19 ARP ESSER											
Homeless Children and Youth	I	84.425W	181-212432	07/01/21 - 09/30/24	12,903	13,234	(970)	14,204	14,204	-	-
Total ALN 84.425						177,379	(24,559)	201,938	201,938	-	-
I.D.E.A. - Part B, Section 619	I	84.173	131-2500024B	07/01/24 - 09/30/25	3,335	3,335	-	3,335	3,335	-	-
I.D.E.A. - Part B, Section 611	I	84.027	062-2400024	07/01/23 - 09/30/24	\$ 1,096,010	1,096,010	1,096,010	-	-	-	-
I.D.E.A. - Part B, Section 611	I	84.027	062-2500024	07/01/24 - 09/30/25	1,080,205	1,080,205	-	1,080,205	1,080,205	-	-
Total ALN 84.027						2,176,215	1,096,010	1,080,205	1,080,205	-	-
Total U.S. Department of Education						2,795,883	1,199,574	1,702,984	1,702,984	106,675	-
U.S. Department of Health and Human Services											
Medical Assistance Program	D	93.778	N/A	07/01/24 - 06/30/25	N/A	14,996	-	14,996	14,996	-	-

See accompanying Notes to Schedule of Expenditures of Federal Awards and Certain State Grants.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND CERTAIN STATE GRANTS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal ALN	Pass- Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2024	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2025	Passed Through to Subrecipient
U.S. Department of Agriculture											
Passed-Through the Pennsylvania Department of Education:											
State Matching Share	S	N/A	N/A	07/01/23 - 06/30/24	N/A	\$ 8,836	\$ 8,836	\$ -	\$ -	\$ -	\$ -
State Matching Share	S	N/A	N/A	07/01/24 - 06/30/25	N/A	238,214	-	252,379	252,379	14,165	-
Total State Matching Share						247,050	8,836	252,379	252,379	14,165	-
Breakfast Program	I	10.553	N/A	07/01/23 - 06/30/24	N/A	3,328	3,328	-	-	-	-
Breakfast Program	I	10.553	N/A	07/01/24 - 06/30/25	N/A	83,323	-	88,200	88,200	4,877	-
Total ALN 10.553						86,651	3,328	88,200	88,200	4,877	-
Passed-Through the Pennsylvania Department of Agriculture:											
National School Lunch Program	I	10.555	N/A	07/01/23 - 06/30/24	N/A	14,078	14,078	-	-	-	-
National School Lunch Program	I	10.555	N/A	07/01/24 - 06/30/25	N/A	336,435	-	353,420	353,420	16,985	-
National School Lunch Program	I	10.555	N/A	07/01/24 - 06/30/25	N/A	148,009	-	148,009	148,009	-	-
Total ALN 10.555						498,522	14,078	501,429	501,429	16,985	-
Total U.S. Department of Agriculture						832,223	26,242	842,008	842,008	36,027	-
Total Federal Awards and Certain State Grants						<u>\$ 3,643,102</u>	<u>\$ 1,225,816</u>	<u>\$ 2,559,988</u>	<u>\$ 2,559,988</u>	<u>\$ 142,702</u>	<u>\$ -</u>
Total Federal Awards						<u>\$ 3,396,052</u>	<u>\$ 1,216,980</u>	<u>\$ 2,307,609</u>	<u>\$ 2,307,609</u>	<u>\$ 128,537</u>	<u>\$ -</u>
Total State Awards						<u>\$ 247,050</u>	<u>\$ 8,836</u>	<u>\$ 252,379</u>	<u>\$ 252,379</u>	<u>\$ 14,165</u>	<u>\$ -</u>
Special Education Cluster (IDEA) (ALN's 84.027 and 84.173)						<u>\$ 2,179,550</u>	<u>\$ 1,096,010</u>	<u>\$ 1,083,540</u>	<u>\$ 1,083,540</u>	<u>\$ -</u>	<u>\$ -</u>
Child Nutrition Cluster (ALN's 10.553 and 10.555)						<u>\$ 585,173</u>	<u>\$ 17,406</u>	<u>\$ 589,629</u>	<u>\$ 589,629</u>	<u>\$ 21,862</u>	<u>\$ -</u>
Medicaid Cluster (ALN's 93.778)						<u>\$ 14,996</u>	<u>\$ -</u>	<u>\$ 14,996</u>	<u>\$ 14,996</u>	<u>\$ -</u>	<u>\$ -</u>
Source Codes											
D - Direct Funding											
I - Indirect Funding											
S - State Share											
ALN - Assistance Listing Number											

See accompanying Notes to Schedule of Expenditures of Federal Awards and Certain State Grants.

TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND CERTAIN STATE GRANTS
JUNE 30, 2025

NOTE 1 FEDERAL EXPENDITURES

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 NONMONETARY FEDERAL AWARDS – DONATED FOOD

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals and prisons) and to the needy. Expenditures reported in the Schedule of Expenditures of Federal Awards and Certain State Grants under ALN 10.555 National School Lunch Program and passed through the Pennsylvania Department of Agriculture represent federal surplus food consumed by the District during the 2023-2024 fiscal year.

NOTE 4 ACCESS PROGRAM

The District participates in the ACCESS Program which is a medical assistance program that reimburses local educational agencies for direct eligible health-related services provided to enrolled special needs students. Reimbursements are federal source revenues but are classified as fee-for-service and are not considered federal financial assistance. The amount of ACCESS funding recognized for the year ended June 30, 2025 was \$609,814.

NOTE 5 INDIRECT COSTS

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance. No indirect costs were charged to the District's Federal awards for the year ended June 30, 2025.



**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***

Board of School Directors
Tredyffrin-Easttown School District
Wayne, 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 Tredyffrin-Easttown School District, Wayne, Pennsylvania (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 16, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

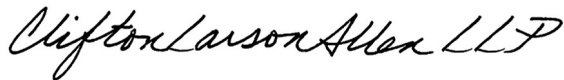
We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
September 16, 2026



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

Board of School Directors
Tredyffrin-Easttown School District
Wayne, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tredyffrin-Easttown 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 Tredyffrin-Easttown School District's major federal programs for the year ended June 30, 2025. Tredyffrin-Easttown 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, Tredyffrin-Easttown School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 (GAAS); 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 Tredyffrin-Easttown 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 Tredyffrin-Easttown 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 Tredyffrin-Easttown 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 Tredyffrin-Easttown School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Tredyffrin-Easttown School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Tredyffrin-Easttown 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 Tredyffrin-Easttown 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 Tredyffrin-Easttown 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-002. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Tredyffrin-Easttown School District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Tredyffrin-Easttown School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

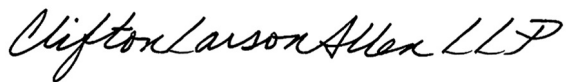
Report on Internal Control Over Compliance

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

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.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
September 16, 2026

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I – Summary of the Auditors' Results

Basic Financial Statements

- | | | | |
|--|---------------------|----------------------------|--|
| 1. Type of auditors' report issued: | Unmodified | | |
| 2. Internal control over financial reporting: | | | |
| • Material weakness(es) identified? | <u> X </u> yes | <u> </u> no | |
| • Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported | |
| 3. Noncompliance material to basic financial statements noted? | | | |
| | <u> </u> yes | <u> X </u> no | |

Federal Awards

- | | | | |
|---|---------------------|-------------------------------|--|
| 1. Internal control over major federal programs: | | | |
| • Material weakness(es) identified? | <u> </u> yes | <u> X </u> no | |
| • Significant deficiency(ies) identified? | <u> X </u> yes | <u> </u> none reported | |
| 2. Type of auditors' report issued on compliance for major federal programs: | | | |
| | Unmodified | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | | | |
| | <u> </u> yes | <u> X </u> no | |

Identification of Major Federal Programs

AL Number(s)

Name of Federal Program or Cluster

84.027

Special Education – Grants to States
(IDEA, Part B)

84.173

Special Education – Preschool Grants
(IDEA Preschool)

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 yes X no

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section II – Financial Statement Findings

Reference Number: 2025 – 001
Type of Finding: Material Weakness in Internal Control over Compliance

Criteria or Specific Requirement:

In accordance with generally accepted accounting principles (GAAP), IBNR should include only those claims that have been incurred but not yet reported as of the reporting date. Amounts associated with future cost stabilization, contingencies, or internal rate-setting mechanisms should not be recorded as liabilities.

Condition:

The IBNR balance included amounts related to phantom premiums and other forward-looking or contingent considerations that do not represent claims incurred as of the fiscal year-end.

Effect:

As a result, liabilities were overstated in both the current and prior year, and fund balance classifications were not presented in accordance with GAAP. This may impact the accuracy and transparency of the financial statements.

Cause:

The condition appears to have resulted from an effort to maintain a conservative financial position within the self-insurance fund, which led to the inclusion of operational or rate-stabilization amounts within the IBNR balance.

Recommendation:

Management should refine the IBNR reporting methodology to ensure that only incurred claims are included as liabilities at year-end. Amounts intended for conservatism or rate stabilization, including phantom premiums, should be evaluated for appropriate classification within assigned or committed fund balance.

Views of Responsible Officials:

Management acknowledges and accepts the finding and has implemented controls to ensure the finding will not reoccur.

Section III – Federal Award Findings and Questioned Costs

Reference Number: 2025 – 002
Federal Agency: U.S. Department of Education
Federal Program Name: IDEA
Assistance Listing Number: 84.027/84.173
Pass-through Agency: Chester County Intermediate Unity
Pass-through Entity Number: 062-2500024
Federal Award Identification Number and Year: H027A200093 - 2025
Award Period: 7/1/2024 to 6/30/2025
Compliance Requirement: Suspension and Debarment

**TREDYFFRIN-EASTTOWN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria or Specific Requirement:

Internal Control: 2 CFR 200.213 Suspension and Debarment restricts awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities

2 CFR 180.300 states that an entity may determine suspension and debarment status by:

- (a) Checking SAM (System for Award Management) Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person (7) Distribution of work to individuals and firms or economic considerations.

Condition:

The District could not provide supporting documentation that suspension and debarment status was determined prior to award.

Questioned Costs:

None

Context:

The District did not adhere to established internal controls over suspension and debarment transactions

Cause:

The District did not retain documentation that the vendor was not suspended or debarred at time of contract.

Effect:

There is a risk that vendors utilized are suspended by the SEC.

Repeat Finding:

No

Recommendation:

The District should ensure that employees are following the requirements they have outlined in their procurement policy.

Views of Responsible Officials:

Management acknowledges and accepts the finding and has implemented controls to ensure the finding will not reoccur.

Section IV – Summary Schedule of Prior Year Audit Findings

None.

APPENDIX F
BOND AMORTIZATION SCHEDULE