

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 17, 2026

NEW ISSUE—BOOK-ENTRY ONLY

**RATING: S&P Global Ratings “AA” (stable outlook) (BAM insured)
Moody’s: “A3” (Underlying)
(See “RATING” herein)**

In the opinion of Note Counsel, assuming compliance with certain covenants of the School District, interest on the 2026A Notes will be excludable from the gross income of the owners of the 2026A Notes for federal income tax purposes under existing law, as currently enacted and construed, and subject to and assuming compliance with certain tax covenants herein, including the conditions described in “TAX MATTERS” herein. Interest on the 2026A Notes is not an item of tax preference under the Internal Revenue Code of 1986, as amended (the “Code”) for purposes of determining the federal individual alternative minimum tax; however, such interest is taken into account in determining the “adjusted financial statement income” (as defined in the 2022 Inflation Reduction Act (the “2022 Act”) of “applicable corporations” (as defined in the 2022 Act) for purposes of computing the alternative minimum tax imposed on such corporations. Under the laws of the Commonwealth of Pennsylvania, as currently enacted and construed, the interest on the Notes will be exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax, however, such exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Notes or the interest therein. For further information relating to federal and state tax matters relative to the Notes, see “TAX MATTERS” herein.

\$34,855,000*

**BENSALEM TOWNSHIP SCHOOL DISTRICT
(Bucks County, Pennsylvania)
Consisting of:**

\$20,065,000* General Obligation Notes, Series A of 2026

\$14,790,000* General Obligation Notes, Series B of 2026 (Federally Taxable)

Dated: Date of Delivery
Interest Due: June 1 and December 1

Principal Due: as shown on inside cover
First Interest Payment: December 1, 2026

The Notes described herein are in the aggregate principal amount of \$34,855,000* and consist of two series, the \$20,065,000* General Obligation Notes, Series A of 2026 (the “2026A Notes”), and the \$14,790,000* General Obligation Notes (Federally Taxable), Series B of 2026 (the “2026B Notes”, and together with the 2026A Notes, the “Notes”). The Notes will be registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company (“DTC”), New York, New York. Beneficial ownership of the Notes may be acquired in denominations of \$5,000 or any integral multiple thereof only under the book-entry only system maintained by DTC through its brokers and dealers who are, or act through, DTC Participants. The purchasers of the Notes will not receive physical delivery of the Notes. For so long as any purchaser is the beneficial owner of a Note, that purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Notes. See **“BOOK-ENTRY ONLY SYSTEM”** herein. If, under the circumstances described herein, the Notes are ever issued in certificated form, the Notes will be subject to registration of transfer, exchange and payment as described herein.

The Notes are general obligations of the Bensalem Township School District, a public school district located in Bucks County, Pennsylvania (the “School District”), payable from local taxes, state subsidy and other general revenues. The School District has covenanted in the resolution authorizing the Notes adopted by the Board of School Directors of the School District on March 24, 2026, (the “Resolution”) that it will budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service due on the Notes for such year and will duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its legally available revenues or funds the principal of the Notes and the interest thereon on the dates, at the place and in the manner stated in the Notes, and for such budgeting, appropriation and payment the School District has irrevocably pledged its full faith, credit and all available taxing power, which taxing power includes the power to levy ad valorem taxes on all taxable real property within the School District, to the extent available by law. (See **“SECURITY FOR THE NOTES”** and **“PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS”**, including the description of the Taxpayer Relief Act and other legislation described herein).

Interest on each of the 2026A & 2026B Notes is payable initially on December 1, 2026, and thereafter semiannually on June 1 and December 1 of each year until the maturity date of such 2026 Bond or, if such 2026 Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for. The School District has appointed The Bank of New York Mellon Trust Company, N.A. (the “Paying Agent”), as paying agent and sinking fund depository for the Notes. So long as Cede & Co., as nominee for DTC, is the registered owner of the Notes, payments of the principal of, redemption premium, if any, and interest on the Notes, when due for payment, will be made directly to DTC by the Paying Agent, and DTC will in turn remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners of the Notes. If the use of the Book-Entry Only System for the Notes is ever discontinued, the principal of and redemption premium, if any, on each of the Notes will be payable, when due, upon surrender of such Note to the Paying Agent at its corporate trust office located in Pittsburgh, Pennsylvania (or any successor paying agent at its designated office(s)) and interest on such Note will be payable by check and mailed to the person(s) in whose name(s) such Note is registered as of the Record Date with respect to the particular interest payment date (See **“THE NOTES,”** infra).

The Notes are subject to redemption prior to maturity (See “REDEMPTION OF NOTES” herein).

Proceeds of the 2026A Notes will be used towards the refunding of all or a portion of the School District’s outstanding General Obligation Bonds, Series of 2013 (the “Refunded 2013 Bonds”) and paying the costs and expenses of issuance of the 2026A Notes. Proceeds of the 2026B Notes will be used towards the refunding of all or a portion of the School District’s outstanding General Obligation Bonds (Federally Taxable), Series of 2020 (the “Refunded 2020 Bonds”) and paying the costs and expenses of issuance the 2026B Notes. (See **“PURPOSE OF THE ISSUE.”**)

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

The scheduled payment of principal of interest on the Notes when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Notes by Build America Mutual (“BAM”). (See “Bond Insurance” herein).

**MATURITIES, AMOUNTS, RATES AND YIELDS/PRICES
See Inside Cover**

The Notes are offered for delivery when, as and if issued by the School District and received by the Underwriter and subject to the approving legal opinion of Obermayer Rebmann Maxwell & Hibel LLP, Philadelphia, Pennsylvania, Note Counsel. Certain legal matters will be passed upon for the School District by Hill Wallack, Yardley, Pennsylvania, Solicitor for the School District and by Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, Underwriter’s Counsel. PFM Financial Advisors LLC, Harrisburg, Pennsylvania will act as Financial Advisor to the School District in connection with the issuance of the Notes. It is expected that the Notes in definitive form will be available for delivery in New York, New York on or about _____, 2026.



Dated: _____, 2026
*Preliminary, subject to change

This Preliminary Official Statement is deemed final for purposes of SEC Rule 15c2-12. Certain information contained herein is subject to completion and amendment or other change without notice. The securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall the 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 District has deemed this Preliminary Official Statement to be final for purposes of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, except for certain information which has been omitted in accordance with such Rule and which will be provided in the final Official Statement.

\$34,855,000*
BENSALEM TOWNSHIP SCHOOL DISTRICT
(Bucks County, Pennsylvania)

\$20,065,000* General Obligation Notes, Series A of 2026

Dated: Date of Delivery
Interest Due: June 1 and December 1

Principal Due: June 1 (as shown below)
First Interest Payment: December 1, 2026

| Year of Maturity (June 1) | Principal Amount | Interest Rate | Yield | Price | CUSIP Numbers ⁽¹⁾ |
|------------------------------|---------------------|------------------|-------|-------|---------------------------------|
|------------------------------|---------------------|------------------|-------|-------|---------------------------------|

\$14,790,000* General Obligation Notes, Series B of 2026 (Federally Taxable)

Dated: Date of Delivery
Interest Due: June 1 and December 1

Principal Due: June 1 (as shown below)
First Interest Payment: December 1, 2026

| Year of Maturity (June 1) | Principal Amount | Interest Rate | Yield | Price | CUSIP Numbers ⁽¹⁾ |
|------------------------------|---------------------|------------------|-------|-------|---------------------------------|
|------------------------------|---------------------|------------------|-------|-------|---------------------------------|

*Term Note

**Yield/Price to First Optional Redemption Date of _____

⁽¹⁾The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the School District or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of Noteholders 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.

*Estimated, subject to change.

BENSALEM TOWNSHIP SCHOOL DISTRICT
(Bucks County, Pennsylvania)
3000 Donallen Drive
Bensalem, Pennsylvania 19020
(215) 750-2800
www.bensalemsd.org

BOARD OF SCHOOL DIRECTORS

| Name | Office |
|---------------------------------------|----------------|
| Dr. Deborah King | President |
| Stephanie A. Gonzalez Ferrandez, Esq. | Vice President |
| Rodger Allen | Member |
| Rachel M. Fingles, Esq. | Member |
| Leann Hart | Member |
| Rebecca Mirra, Esq. | Member |
| Heather Nicholas | Member |
| Kate Pascucci | Member |
| Karen A. Winters | Member |

INTERIM SUPERINTENDENT
DR. VICTORIA VELAZQUEZ

DIRECTOR OF BUSINESS OPERATIONS
JOHN STEFFY

SCHOOL DISTRICT SOLICITOR
HILL WALLACK LLP
Yardley, Pennsylvania

NOTE COUNSEL
OBERMAYER REBMANN MAXWELL & HIPPEL LLP
Philadelphia, Pennsylvania

MUNICIPAL ADVISOR
PFM FINANCIAL ADVISORS LLC
Harrisburg, Pennsylvania

PAYING AGENT
THE BANK OF NEW YORK MELLON TRUST COMPANY
Pittsburgh, Pennsylvania

UNDERWRITER
STIFEL, NICOLAUS & COMPANY, INCORPORATED
Conshohocken, Pennsylvania

UNDERWRITER'S COUNSEL
ECKERT SEAMANS CHERIN & MELLOTT, LLC
Harrisburg, Pennsylvania

No dealer, broker, salesperson or other person has been authorized by the School District or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, any such other information or representations 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 Notes 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 the information set forth herein has been obtained from the School District and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter or, as to information from other sources, by the School District. The information and expressions of opinion herein 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 there has been no change in any of the information set forth herein since the date hereof or the earliest date of which said information is given.

THE ORDER AND PLACEMENT OF THE MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE NOTES IS MADE ONLY BY 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 IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER, THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE NOTES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE NOTES OR THE RESOLUTION IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF CERTAIN STATES, IF ANY, IN WHICH THE NOTES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE NOTES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT IS SUBMITTED IN CONNECTION WITH THE SALE OF THE SECURITIES REFERRED TO HEREIN, AND MAY NOT BE REPRODUCED OR BE USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE. NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES AT ANY TIME IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

Neither the School District's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the forecasted information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the forecasted information.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the revenues and obligations of the School District include, among others, changes in economic conditions, mandates from other governments and various other events, conditions and circumstances, many of which are beyond the control of the School District. Such forward-looking statements speak only as of the date of this Official Statement. The School District disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the School District's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The School District does not generally publish its business plans and strategies or make external disclosures of its anticipated financial position or results of operations. Accordingly, the School District does not intend to update or otherwise revise the forecasted financial information to reflect circumstances existing since its preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error. Furthermore, the School District does not intend to update or revise the forecasted financial information to reflect changes in general economic or industry conditions. Additional information relating to the principal assumptions used in preparing the projections is set forth herein.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Bond Insurance" and "Appendix E - Specimen Municipal Bond Insurance Policy".

SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained 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.

| | |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer | Bensalem Township School District, Bucks County, Pennsylvania (the "School District" or "District"). |
| The Notes | The Notes described herein are in the aggregate principal amount of \$34,855,000* and consists of two series, the \$20,065,000* General Obligation Notes, Series A of 2026 (the "2026A Notes"), and the \$14,790,000* General Obligation Notes, Series B of 2026 (Federally Taxable) (the "2026B Notes"), and together with the 2026A Notes, the "Notes". The Notes are initially dated the Date of Delivery and will mature as shown in the MATURITY SCHEDULES shown on the inside of the cover page of this Official Statement. Interest on the Notes will begin to accrue on the Date of Delivery. Interest on the Notes are payable initially on December 1, 2026, and on each June 1 and December 1 thereafter. (See " THE NOTES " herein.) |
| Redemption Provisions | The Notes are subject to redemption prior to their stated dates of maturity. (See " REDEMPTION OF NOTES " herein.) |
| Form of Notes | Book-entry form only. |
| Purpose of the Issue | Proceeds of the 2026A Notes will be used towards the refunding of all or a portion of the School District's outstanding General Obligation Bonds, Series of 2013 (the "Refunded 2013 Bonds") and paying the costs and expenses of issuance of the 2026A Notes. Proceeds of the 2026B Notes will be used towards the refunding of all or a portion of the School District's outstanding General Obligation Bonds (Federally Taxable), Series of 2020 (the "Refunded 2020 Bonds") and paying the costs and expenses of issuance the 2026B Notes. (See " PURPOSE OF THE ISSUE ".) |
| Security for the Notes | The Notes are general obligations of Bensalem Township School District, a public school district located in Bucks County, Pennsylvania payable from local taxes, state subsidy and other general revenues. The School District has covenanted in the Resolution authorizing the Notes adopted by the Board of the School District on March 24, 2026, (the "Resolution") that it will budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service due on the Notes for such year and will duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its legally available revenues or funds the principal of every Note and the interest thereon on the dates, at the place and in the manner stated in the Notes, and for such budgeting, appropriation and payment the School District has irrevocably pledged its full faith, credit and all available taxing power, which taxing power includes the power to levy ad valorem taxes on all taxable real property within the School District, subject to the provisions of the Taxpayer Relief Act, as amended. (See " SECURITY FOR THE NOTES " and " Act 1 of Special Session of 2006 (The Taxpayer Relief Act) " herein). |
| Rating | The Notes are expected to receive an underlying credit rating of "A3" from Moody's Investors Service, New York, New York, ("Moody's"), with the understanding that the above-described municipal bond insurance policy will be issued at the time of settlement of the Notes.. (See " RATING " herein.) |
| Credit Enhancement | The scheduled payment of principal of and interest on the Notes when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Notes by Build America Mutual "BAM" (See " BOND INSURANCE " herein.) |
| Continuing Disclosure Undertaking | The 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 and Exchange Act of 1934, as amended and interpreted (the "Rule"). (See " CONTINUING DISCLOSURE UNDERTAKING " herein.) |

*Preliminary, subject to change

This Table of Contents is for convenience of reference only and does not list all of the subjects in this Official Statement. In all instances reference should be made to the complete Official Statement to determine the subjects discussed in it. The order and placement of material in the Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance and this Official Statement including Appendices must be considered in its entirety.

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PRELIMINARY OFFICIAL STATEMENT

\$34,855,000*
BENSALEM TOWNSHIP SCHOOL DISTRICT
(Bucks County, Pennsylvania)

Consisting of:
\$20,065,000* General Obligation Notes, Series A of 2026
\$14,790,000* General Obligation Notes, Series B of 2026 (Federally Taxable)

INTRODUCTION

This Official Statement, including the cover page and inside cover pages hereof and Appendices hereto, is furnished by Bensalem Township School District (the "School District" or "District"), located in Bucks County, Pennsylvania, in connection with the offering of its \$34,855,000* General Obligation Notes, consisting of two series; the \$20,065,000* General Obligation Notes, Series A of 2026 (the "2026A Notes"), and the \$14,790,000* General Obligation Notes, Series B of 2026 (Federally Taxable) (the "2026B Notes", and together with the 2026A Notes, the "Notes"). The Notes are being issued pursuant to a resolution of the Board of School Directors of the School District adopted on March 24, 2026 (the "Resolution"), and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth"), 53 Pa. C.S.A. §8001 et seq., as amended (the "Debt Act").

The Notes will be issued in denominations of \$5,000 or any integral multiple thereof. Interest on the 2026A Notes is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2026. Interest on the 2026B Notes is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2026. Subject to the applicable provisions for Book-Entry payment of the Notes, interest on any Note is payable to the registered owner which appears on the registration books of the Paying Agent on the appropriate Record Date as described below. The principal of the Notes is payable at the designated corporate trust office of The Bank of New York Mellon Trust Company, National Association, Pittsburgh, Pennsylvania (the "Paying Agent" or "Sinking Fund Depository"). The Notes are only transferable on the registration books maintained by the Paying Agent upon presentation and surrender thereof (see "**THE NOTES**" herein). The Notes are subject to optional and mandatory redemption as stated herein.

The information which follows contains summaries of the Resolution, the Notes, relevant provisions of state and federal laws, and the School District's budget and financial statements, among others. Such summaries do not purport to be complete and reference is made to the Resolution, the School District's budget and financial statements and other documents, copies of which are on file and available for examination at the offices of the School District. Reference is also made to the Notes and to the full text of the cited laws and regulations.

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

PURPOSE OF THE ISSUE

Proceeds of the 2026A Notes will be used towards the refunding of all or a portion of the School District's outstanding General Obligation Bonds, Series of 2013 (the "Refunded 2013 Bonds") and paying the costs and expenses of issuance of the 2026A Notes.

Proceeds of the 2026B Notes will be used towards the refunding of all or a portion of the School District's outstanding General Obligation Bonds (Federally Taxable), Series of 2020 (the "Refunded 2020 Bonds") and paying the costs and expenses of issuance of the 2026B Notes.

On the date of issuance of the 2026B Notes, the School District will deposit approximately \$_____ of the proceeds of the 2026B Notes with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent") pursuant to an Escrow Agreement to be dated the date of issuance of the 2026B Notes by and between the School District and the Escrow Agent. In accordance with the provisions of the Escrow Agreement, the Escrow Agent shall purchase certain direct obligations of the United States, which will be sufficient, together with interest earnings, to pay all of the principal of and interest becoming due on the Refunded 2020 Bonds through and including June 1, 2028 and to pay the redemption price of the Refunded 2020 Bonds on June 1, 2028.

Escrow Verification

The accuracy of the mathematical computations supporting the adequacy of the maturing principal amounts of, and interest earned on, the United States Treasury Obligations deposited pursuant to the escrow agreement to pay the principal of, and interest when due on the Refunded 2020 Bonds, will be verified by Causey Public Finance, LLC as a condition to the delivery of the 2026B Notes.

Estimated Sources and Uses of the Notes

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

| SOURCE OF FUNDS | 2026A | 2026B | Total |
|-------------------------------------------------|--------------|--------------|--------------|
| Par Amount of the Notes | | | |
| Plus/Less: Net Original Issue Premium/Discount | | | |
| TOTAL SOURCES OF FUNDS | | | |
| USE OF FUNDS | | | |
| Amount Required to Call the Refunded 2013 Bonds | | | |
| Escrow Deposit for Refunded 2020 Bonds | | | |
| Costs of Issuance ⁽¹⁾ | | | |
| TOTAL USES OF FUNDS | | | |

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

*Preliminary, subject to change

THE NOTES

Description

The Notes will be issued in registered form, without coupons, in denominations of \$5,000 principal amount and integral multiples thereof, will be in the aggregate principal amount of \$34,855,000* and will be dated the date of delivery, when interest begins to accrue. The Notes will bear interest at the rates and mature in the amounts and on the dates set forth on the inside front cover of this Official Statement.

When issued, the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. Purchasers of the Notes (the "Beneficial Owners") will not receive any physical delivery of Notes certificates, and beneficial ownership of the Notes will be evidenced only by book entries. Each Beneficial Owner of a Note may desire to make arrangements with a DTC Participant to receive notices or communications with respect to matters described herein. 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 Notes, payments of principal of, redemption premium, if any, and interest on the Notes, when due, are to be made to DTC, and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the School District with respect to, and to the extent of, principal, redemption premium, if any, and interest so paid. If the use of the Book-Entry Only System for the Notes is discontinued for any reason, Notes certificates will be issued to the Beneficial Owners of the Notes and payment of principal, redemption premium, if any, and interest on the Notes shall be made as described in the following paragraphs:

The principal of certificated Notes, when due upon maturity or upon any earlier redemption, will be paid to the registered owners of such Notes, or registered assigns, upon surrender of such Notes to The Bank of New York Mellon Trust Company, National Association (the "Paying Agent"), acting as paying agent and sinking fund depository for the Notes, at its specified corporate trust office (or to any successor paying agent or alternate designated office(s)). Interest on each of the Notes will be payable initially on December 1, 2026, and thereafter, semiannually, on June 1 and December 1 of each year until the maturity date of such Note or, if such Note 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. Interest shall be computed on the basis of a 30-day month and a 360-day year.

*Preliminary, subject to change

Interest will be payable to the registered owner of a Note from the interest payment date next preceding the date of registration and authentication of such Note, unless: (a) such Note is registered and authenticated as of an interest payment date, in which event such Note shall bear interest from said interest payment date, or (b) such Note is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Note shall bear interest from such interest payment date, or (c) such Note is registered and authenticated on or prior to the Record Date preceding December 1, 2026, in which event such Note shall bear interest from the date of delivery, or (d) as shown by the records of the Paying Agent, interest on such Note shall be in default, in which event such Note shall bear interest from the date to which interest was last paid on such Note. Interest on each certificated Note 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 15th day of the calendar month (whether or not a day on which the Paying Agent is open for business) next preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of such Note 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 alternative, interest shall be paid by wire transfer to a designated account, provided that any such election shall be received by the Paying Agent in writing not less than ten (10) days prior to the first payment of interest to which it relates. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Note 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 this Note not less than ten (10) days preceding such special record date, but not more than thirty (30) days prior to the payment of such defaulted interest. Such notice shall be mailed to the person in whose name this Note is 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 this Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania are authorized by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

Transfer, Exchange and Registration of Notes

Subject to the provisions described below under "**BOOK-ENTRY ONLY SYSTEM**," certificated Notes are transferable or exchangeable upon surrender of such Note 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 Note or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of a certificated Note in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered Note or Bond of authorized denominations of the same series, maturity date and interest rate for the aggregate principal amount which the registered owner is entitled to receive. The School District and the Paying Agent may deem and treat the registered owner of a Note as the absolute owner thereof (whether or not a Note 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.

Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations of the same series, maturity date and interest rate.

The School District and the Paying Agent shall not be required to issue, or register the transfer or exchange of any Note: (a) during the period beginning at the opening of business on any Record Date for interest payments and ending at the close of business on such interest payment date; (b) during the beginning of the opening of business on the fifteenth (15th) business day next preceding any date of selection of Notes to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed; (c) during the period beginning at the opening of business on the first business day next succeeding the business day the Paying Agent determines the registered owners of the Notes to receive notice of any special record date and the close of business on the special record date; or (d) after it has been selected or called for redemption, in whole or in part.

SECURITY FOR THE NOTES

General Obligation Pledge

The Notes are general obligations of the School District and are payable from its local taxes, state subsidies and other general revenues. The School District has covenanted in the Resolution that it will provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of the debt service due on the Notes for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund, as hereinafter defined, or any other of its revenues or funds, the principal of each of the Notes and the interest thereon at the dates and place and in the manner stated on the Notes, and for such budgeting, appropriation and payment the School District irrevocably has

pledged its full faith, credit and all available taxing power, which taxing power presently includes *ad valorem* taxes on all taxable property within the School District, within limitations provided by law (See “**TAXING POWERS AND LIMITS**” and “**PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS**” herein.)

The Debt Act presently provides for enforcement of debt service payments as hereinafter described (See “**Actions in the Event of Default on the Notes**” herein), and the Public School Code of 1949, as amended (the “Public School Code”) presently provides for the withholding and application of subsidies in the event of failure to pay debt service (See “**Commonwealth Enforcement of Debt Service Payments**” and “**COMMONWEALTH AID TO SCHOOL DISTRICTS**” herein).

Sinking Fund

A sinking fund for the payment of debt service for each the Notes, which may be designated “Sinking Fund, General Obligation Notes, Series A of 2026” and Sinking Fund, General Obligation Notes, Series B of 2026 (Federally Taxable) (collectively, the “Sinking Fund”), has been created in accordance with the Resolution and will be maintained by the Paying Agent, as sinking fund depository, The School District shall deposit in the respective Sinking Fund not later than the respective principal and interest payment dates, sums sufficient to pay the principal of and interest on the Notes.

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

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

Commonwealth Enforcement of Debt Service Payments

Section 633 of the Public School Code, presently provides that in all cases where the board of school directors of any school district fails to pay or to provide for the payment of any indebtedness on the date of maturity or date of mandatory redemption or on any sinking fund deposit date, or any interest due on such indebtedness on any interest payment date or on any sinking fund deposit date, in accordance with the schedule under which the Notes were issued, the Secretary of Education shall notify such board of school directors of its obligation and shall withhold out of any state 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 Notes and may be amended or repealed by future legislation.

There can be no assurance, however, that any payments pursuant to this withholding provision will be made by the date on which such payments are due to the Noteholders. The effectiveness of Section 633 of the Public School Code may be limited by the application of other withholding provisions contained in the Public School Code, such as provisions for withholding and paying over of appropriations for payment of unpaid teachers’ salaries. Enforcement may also be limited by bankruptcy, insolvency, or other laws or equitable principles affecting the enforcement of creditors’ rights generally (see “**Pennsylvania Budget Adoption**” hereinafter).

Pennsylvania Budget Adoption

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

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

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

The deadline for Pennsylvania's 2025-2026 budget was June 30, 2025. After several months of delay and intense negotiations, on November 12, 2025 Governor Josh Shapiro signed the state's \$50.1 billion 2025-26 budget which included over \$900 million for new funding for public schools and an increase in basic and special education funding.

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

Act 85 of 2016

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

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

Act 85 of 2016 provides that the amounts that may be necessary for PDE to comply with the provisions of the applicable intercept statute or intercept agreement "shall be appropriated" to PDE from the General Fund of the Commonwealth after PDE submits justification (in the form of the following certifications) 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 any, 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 a school district; and
- (3) The Secretary of PDE, in consultation with the Secretary of the Budget, determines that there are no payments or allocations due to be paid to the applicable school districts from which PDE may withhold money as required by the applicable intercept statute or intercept agreement.

The necessary amounts shall be appropriated and paid to the paying agent on the day the scheduled payment for principal and interest is due, but not earlier than the expiration of the tenth (10th) day following submission of the justification described above to the majority and minority chairs of the appropriations committees, who may comment on the justification but cannot prevent the effectiveness of the appropriation. The total of all intercept payments under Article XVII-E.4 for a school district may not exceed 50% of the total nonfederal general fund subsidy payments made to that school district in the prior fiscal year.

Act 85 of 2016 requires that each school district with notes or bonds subject to an intercept statute or intercept agreement must deliver to PDE, in such format as PDE may direct, a copy of the final Official Statement for the relevant notes or bonds or other relevant loan documents relating to the obligations, within thirty (30) days of receipt of the proceeds of the obligations. The School District intends to submit this information with respect to the Notes to PDE within the prescribed timeframe following the issuance of the Notes. 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 Notes and may be amended or repealed by future legislation. No assurances can be provided regarding the timeliness and manner of PDE application and enforcement of Act 85's provisions in the event of a budget impasse. Given Act 85's requirements for the presentation of a justification to leadership chairs in the General Assembly, and their generation of comment, no assurances can be given regarding the timeliness of payments, even if funds are available for the same.

Actions in the Event of Default on the Notes

Subject to the exclusive representation of Noteholders by a trustee appointed under the Debt Act as described in the following paragraph, if the School District fails or neglects to pay principal or interest on any of the Notes as it becomes due and payable, and such failure continues for thirty days, the holder of such Note may bring suit in the Court of Common Pleas of the county in which the School District is located (Bucks County) and any judgment recovered shall have an appropriate priority upon the money next coming into the treasury of the School District, all as provided in the Debt Act. The Debt Act also provides other remedies to Noteholders to enforce the School District's covenants in respect of payment of the Notes.

In the event the School District defaults in the payment of the principal of or the interest on any of the Notes after the same shall become due, whether at the stated maturity or upon call for prior redemption, and such default shall continue for thirty days, or if the School District fails to comply with any provision of the Notes or the Resolution, the Debt Act provides that the holders of 25% in aggregate principal amount of the Notes then outstanding may, upon appropriate action, appoint a trustee to represent the Noteholders. The trustee may, and upon request of the holders of 25% in principal amount of the Notes then outstanding and upon being provided with indemnity satisfactory to it, shall, take such action on behalf of the Noteholders as is more specifically set forth in the Debt Act. Such representation by the trustee shall be exclusive.

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 Underwriters 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 Notes. The Notes 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 Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes 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 Notes 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 Notes 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

NEITHER THE ISSUER NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT, INDIRECT PARTICIPANT OR BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (1) THE NOTES; (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 NOTES; (4) THE DELIVERY TO ANY BENEFICIAL OWNER BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO NOTEHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE NOTES; OR (6) ANY OTHER ACTION TAKEN BY DTC AS NOTEHOLDER.

The Issuer and the Paying Agent cannot give any assurances that DTC or the Participants will distribute payments of the principal or redemption price of and interest on the Notes paid to DTC or its nominee, as the registered owner of the Notes, 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.

Disclaimer of Liability for Failures of DTC

The School District and the Underwriter cannot and do not give any assurances that DTC, the Direct and Indirect Participants or others will distribute payments of principal, interest or premium with respect to the Notes paid to DTC or its nominee as the owner of Notes, or will distribute any redemption or other notices, to the Beneficial Owners, or

that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The School District and the Underwriter are not responsible or liable for the failure of DTC or any Participant to make any payment or give any notice to a Beneficial Owner with respect to the Notes, or any error or delay relating thereto.

So long as Cede & Co. is the registered owner of the Notes, as nominee of DTC, references herein to the Noteholders or registered owners of the Notes (other than under the caption "**TAX MATTERS**" and "**TAX EXEMPTION**") shall mean Cede & Co. and shall not mean the beneficial owners of the Notes. Payments made by the paying agent to DTC or its nominee shall satisfy the School District's obligations with respect to the Notes to the extent of such payments.

Discontinuance of Book-Entry-Only System

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the School District and the Paying Agent. In addition, the School District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Under either of such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered, and the following provisions will apply: (i) principal or redemption price of the Notes will be payable upon surrender of the Notes at the designated corporate trust office of the Paying Agent; (ii) Notes may be transferred or exchanged for other Notes of authorized denominations at the designated office of the Paying Agent of the Notes, without cost to the owner thereof except for any tax or other governmental charge; and (iii) Notes will be issued in denominations as described above under "**THE NOTES**".

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2025 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$514.1 million, \$290 million and \$224 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

BOND INSURANCE RISK FACTORS

In the event of a default in the payment of principal or interest with respect to the Bonds when any such payment becomes due, any owner of the Bonds shall have a claim under the applicable Municipal Bond Insurance Policy (the "Policy") for such payment. However, in the event of any acceleration of the due date of such principal resulting from any default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, any payments to be made pursuant to the Policy will be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. In addition, the Policy does not insure the payment of any redemption premium.

Under most circumstances, any default in the payment of principal and interest does not accelerate the obligations of the Bond Insurer without its consent. The Bond Insurer may direct, and must consent to, any remedies that a trustee might exercise following such a default and the Bond Insurer's consent may be required in connection with amendments to the Resolution in those circumstances.

In the event that the Bond Insurer is unable to make any payments of principal and interest as such payments become due under the Policy, the Bonds will be payable solely from the money received by the Paying Agent pursuant to

the Resolution. In the event that the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors that could change over time. No assurance is given that the long-term ratings of the Bond Insurer and, therefore, the ratings on the Bonds insured, will not be subject to downgrade, and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "**RATING**" herein.

The obligations of the Bond Insurer under the Policy are general obligations of the Bond Insurer and, upon an event of default by the Bond Insurer, the remedies available to a trustee may be limited by applicable bankruptcy law or other similar laws related to the insolvency of entities like the Bond Insurer.

NEITHER THE SCHOOL DISTRICT, NOR THE UNDERWRITER, HAS MADE AN INDEPENDENT INVESTIGATION INTO THE CLAIMS PAYING ABILITY OF THE BOND INSURER AND NO ASSURANCE OR REPRESENTATION REGARDING THE FINANCIAL STRENGTH OR PROJECTED FINANCIAL STRENGTH OF THE BOND INSURER IS GIVEN. THUS, WHEN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS SHOULD CAREFULLY CONSIDER THE ABILITY OF THE SCHOOL DISTRICT TO PAY PRINCIPAL AND INTEREST ON THE BONDS AND THE CLAIMS PAYING ABILITY OF THE BOND INSURER, PARTICULARLY OVER THE LIFE OF THE INVESTMENT. SEE "BOND INSURANCE" HEREIN FOR FURTHER INFORMATION PROVIDED BY THE BOND INSURER WITH RESPECT TO ITSELF AND THE POLICY, WHICH INCLUDES FURTHER INSTRUCTIONS FOR OBTAINING CURRENT FINANCIAL INFORMATION CONCERNING THE BOND INSURER.

REDEMPTION OF NOTES

Optional Redemption

The 2026A Notes maturing on or after June 1, 2033* are subject to optional redemption prior to maturity, at the option of the School District out of monies deposited with or held by the Paying Agent for such purpose as a whole or in part on June 1, 2034 or any date thereafter, in either case upon payment of a redemption price of 100% of principal amount plus interest accrued to the redemption date. If less than all 2026A Notes of any particular maturity are to be so redeemed, the 2026A Notes are to be redeemed by maturities and amounts designated by the School District and by lot within each maturity.

The 2026B Notes are not subject to optional redemption prior to maturity.

Mandatory Redemption

The 2026A Notes maturing on June 1 of the years 20[] and 20[] (the "Term Notes") are subject to mandatory redemption prior to maturity, in part, by lot from monies to be deposited in the sinking fund created under the Resolution at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date. The School District covenants that it will or will cause the Paying Agent to select by lot, give notice of redemption, and redeem Term Notes at said redemption price in the principal amount, as outlined in the Resolution, on June 1 of the following years in the following amounts:

Bonds stated to mature on June 1, ____* Bonds stated to mature on June 1, ____*

*Term Note Maturity

Such mandatory redemption shall be made upon payment of the principal amount of the Notes being redeemed, plus accrued interest to the date fixed for redemption.

Notice of Redemption

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

*Preliminary, subject to change

Notice of any redemption shall be given by depositing a copy of the redemption notice by first class mail, postage prepaid, not less than thirty (30) days nor more than forty-five (45) days prior to the date fixed for redemption addressed to each of the registered owners of Notes to be redeemed, in whole or in part, at the addresses shown on the registration books maintained by the Paying Agent; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Notes so called for redemption as to which proper notice has been given.

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

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

Manner of Redemption

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Notes, payment of the redemption price shall be made to Cede & Co. in accordance with the existing arrangements by and among the School District, the Paying Agent and DTC and, if less than all Notes of any particular maturity are to be redeemed, the amount of the interest of each DTC Participant, Indirect Participant and Beneficial Owner in such Notes 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 Notes registered in the name of Cede & Co.*

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

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

In the case of any prior, optional redemption in part of a Note that is subject to future mandatory redemption, the District shall be entitled to designate whether the principal amount of such Notes redeemed upon optional redemption shall be credited against the principal amount of such Notes to be paid by the District at the stated maturity of such Notes or credited against the principal amount of such Notes scheduled to be called for mandatory sinking fund redemption on any particular date or dates, in each case in an integral multiple of \$5,000 principal amount.

THE SCHOOL DISTRICT

Introduction

The District is a public school district of the second class, organized under the laws of the Commonwealth. The District is coterminous with Bensalem Township, located in lower Bucks County, along the Delaware River and is bordered by the City of Philadelphia on the southwest, by Lower Southampton Township on the northwest, Middletown Township and Hulmeville Borough on the northeast, Bristol Township on the east, and by the Delaware River on the south. The District covers approximately 21 square miles and includes the unincorporated communities of Andalusia, Cornwell Heights, Eddington and part of both Oakford and Trevoise.

The District has a balance of residential, commercial and industrial activities. As a result of the District's proximity to the City of Philadelphia and the availability of metropolitan transportation facilities, a substantial increase in residential, commercial and industrial development has taken place over the past twenty-five years.

Administration

The District is governed by a nine-member Board of School Directors (the “School Board”). The Superintendent is the chief administrative officer of the District, with overall responsibility for all aspects of operations, including education and finance. The Director of Business Operations is responsible for budget and financial operations. Both of these officials are appointed by the School Board.

School District Facilities

The following table depicts the component elements of the existing physical facilities of the School District.

**TABLE 1
SCHOOL FACILITIES**

| Building | Original Construction Date | Addition/ Renovation Date(s) | Grades | 2025-26 Enrollment |
|-----------------------------------|-----------------------------------|-------------------------------------|---------------|---------------------------|
| <u>Elementary:</u> | | | | |
| Belmont Hills | 1969 | 2004 | K-6 | 602 |
| Benjamin Rush | 1964 | 1997 | K-6 | 408 |
| Cornwells..... | 1998 | -- | K-6 | 560 |
| Russell C. Struble..... | 1976 | 2004 | K-6 | 517 |
| Samuel K. Faust..... | 1956 | 1970, 1992, 2008 | K-6 | 512 |
| Valley..... | 1975 | 2009 | K-6 | 612 |
| <u>Secondary:</u> | | | | |
| Cecilia Snyder Middle School..... | 1960 | 2009 | 7-8 | 440 |
| Robert K. Shafer Middle School | 1980 | 2008 | 7-8 | 516 |
| Bensalem High School | 1969 | 1973, 2002-2006, 2011-2015 | 9-12 | 2,149 |

Enrollment Trends

The following table presents recent trends in school enrollment and projections of enrollments.

**TABLE 2
ENROLLMENT TRENDS**

| Actual Enrollments | | | | Projected Enrollments | | | |
|---------------------------|-------------------|------------------|--------------|------------------------------|-------------------|------------------|--------------|
| School Year | Elementary | Secondary | Total | School Year | Elementary | Secondary | Total |
| 2020-21 | 3,231 | 3,024 | 6,255 | 2026-27* | 3,235 | 3,122 | 6,357 |
| 2021-22 | 3,149 | 3,118 | 6,267 | 2027-28* | 3,188 | 3,160 | 6,348 |
| 2022-23 | 3,162 | 3,188 | 6,350 | 2028-29* | 3,182 | 3,091 | 6,273 |
| 2023-24 | 3,161 | 3,169 | 6,330 | 2029-30* | 3,151 | 3,097 | 6,248 |
| 2024-25 | 3,276 | 3,185 | 6,461 | | | | |
| 2025-26 | 3,211 | 3,105 | 6,316 | | | | |

*Projected
Source: School District Officials and Pennsylvania Department of Education

SCHOOL DISTRICT FINANCES

Introduction

The School District budgets and expends funds according to procedures mandated by the Department of Education of the Commonwealth (“PDE”). An annual operating budget is prepared by the Superintendent and Director of Business and Finance and submitted to the School Board for approval prior to the July 1 beginning of each fiscal year.

Financial Reporting

The financial statements of the School District are prepared in accordance with accounting principles generally accepted in the United States of America. The School District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

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

Budgeting Process in School Districts under the Taxpayer Relief Act

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

Procedures for Adoption of the Annual Budget. Under the Taxpayer Relief Act (as defined hereinafter), all school districts of the first-class A, second-class, third-class and fourth-class (except as described below) must adopt a preliminary budget proposal (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the election immediately preceding the fiscal year. The preliminary budget proposal must be printed and made available for public inspection at least 20 days prior to its adoption; the board of school directors may hold a public hearing on the budget; and the board must give at least 10 days' public notice of its intent to adopt the final budget.

If the adopted preliminary budget includes an increase in the rate of any tax levy, the preliminary budget must be submitted to the PDE no later than 85 days prior to the date of the election immediately preceding the fiscal year. PDE is to compare the proposed percentage increase in the rate of any tax with the school district's Index (as defined hereinafter) (See **Act 1 of Special Session of 2006 (the "Taxpayer Relief Act")** herein) and within 10 days, but not later than 75 days prior to the upcoming election, inform the school district whether the proposed percentage increase is less than or equal to the Index. If PDE determines that a proposed tax increase will exceed the Index, the school district must reduce the proposed tax increase, seek voter approval for the tax increase at the upcoming election, or seek approval to utilize one of the referendum exceptions authorized under the Taxpayer Relief Act. The current referendum exceptions relate to increases in pension, special education and debt service expenses.

With respect to the utilization of any of the Taxpayer Relief Act referendum exceptions for which PDE approval is required, 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.

To use any of the referendum exceptions for which court approval is required under the Taxpayer Relief Act, the school district must petition the court of common pleas no later than 75 days prior to the upcoming election, after giving one week's public notice of the intent to file such petition. The court may schedule a hearing on the petition, and the school district must prove by clear and convincing evidence that it qualifies for the exception sought. The Taxpayer Relief Act requires that the court rule on the petition and inform the school district of its decision no later than 55 days prior to the upcoming election. The Taxpayer Relief Act provides that the court in approving the petition shall determine the dollar amount for which the exception is granted, the tax rate increase required to fund the exception and the appropriate duration of the tax increase. If the court denies the school district's petition, the Taxpayer Relief Act permits the school district to submit a referendum question to the local election officials at least 50 days before the upcoming election, if it so chooses.

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

Simplified Procedures in Certain Cases. The above budgetary procedures will not apply to a school district if the board of school directors adopts a resolution no later than 110 days prior to the election immediately preceding the upcoming fiscal year declaring that it will not increase any tax at a rate that exceeds the Index and that a tax increase at or below the rate of the Index will be sufficient to balance its budget. In that case, the Taxpayer Relief Act requires only that the proposed annual budget be prepared at least 30 days, and made available for public inspection at least

20 days, prior to its adoption, and that at least ten (10) days' public notice be given of the board's intent to adopt the annual budget. No referendum exceptions are available to a school district adopting such a resolution.

Summary and Discussion of Financial Results

A summary of comparative General Fund Balance Sheets and changes in fund balances is presented in Tables 3 and 4 which follow. Table 3 shows the General Fund Balance Sheets for the past five (5) years. Table 5 shows a summary of Revenues and Expenditures during the past five (5) years.

**TABLE 3
BENSALEM TOWNSHIP SCHOOL DISTRICT
SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEET
(Fiscal Years Ending June 30th)**

| | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$20,300,041 | \$19,524,138 | \$18,074,986 | \$14,864,620 | \$17,960,972 |
| Investments | 10,976,919 | 5,351,221 | 7,852,928 | 3,045,977 | 1,985,824 |
| Taxes Receivable | 2,561,539 | 2,211,145 | 2,609,896 | 2,266,224 | 2,060,913 |
| Interfund Receivables | 1,221,052 | 1,010,628 | 1,117,105 | 981,118 | 777,755 |
| Intergov'tal Receivables | 7,900,883 | 8,903,698 | 8,335,149 | 9,427,554 | 6,711,925 |
| Prepaid Expenses | 17,396 | 1,605,661 | 2,501,005 | 2,309,524 | 726,936 |
| Other Receivables | 157,615 | 446,505 | 484,597 | 1,346,476 | 1,536,444 |
| TOTAL ASSETS | <u>\$43,135,445</u> | <u>\$39,052,996</u> | <u>\$40,975,666</u> | <u>\$34,241,493</u> | <u>\$31,760,769</u> |
| LIABILITIES | | | | | |
| Accounts Payable | 11,348,785 | 12,343,626 | 2,334,015 | 2,665,338 | 5,099,750 |
| Accrued Salaries & Benefits | 7,046,375 | 7,279,674 | 4,226,566 | 4,512,268 | 4,736,223 |
| Payroll Deductions & Withholdings | 118,401 | 124,227 | 11,077,837 | 11,380,258 | 12,117,882 |
| Other Current Liabilities | 660,247 | 628,000 | 810,264 | 725,675 | 864,476 |
| Deferred Revenues | 37,045 | 1,032,187 | 81,941 | 214,588 | 0 |
| Due to other funds | 2,727 | 2,727 | 0 | 0 | 2,727 |
| TOTAL LIABILITIES | <u>\$19,213,580</u> | <u>\$21,410,441</u> | <u>\$18,530,623</u> | <u>\$19,498,127</u> | <u>\$22,821,058</u> |
| Deferred Inflows of Resources | \$1,864,275 | \$1,538,732 | \$1,606,691 | \$1,716,465 | \$2,060,913 |
| FUND EQUITIES | | | | | |
| Non-spendable Fund Balance | 17,396 | 1,605,661 | 2,501,005 | 2,309,524 | 726,936 |
| Restricted Fund Balance | 0 | 0 | 0 | 0 | 0 |
| Committed Fund Balance | 5,000,000 | 5,000,000 | 5,000,000 | 0 | 0 |
| Unassigned Fund Balance | 17,040,194 | 9,498,162 | 13,337,347 | 10,717,377 | 6,151,862 |
| TOTAL FUND EQUITY | <u>\$22,057,590</u> | <u>\$16,103,823</u> | <u>\$20,838,352</u> | <u>\$13,026,901</u> | <u>\$6,878,798</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITIES | <u>\$43,135,445</u> | <u>\$39,052,996</u> | <u>\$40,975,666</u> | <u>\$34,241,493</u> | <u>\$31,760,769</u> |

Source: School District Financial Statements for the years ended June 30, 2021, through and including 2025.

TABLE 4
BENSALEM TOWNSHIP CHOO L DISTRICT
SUMMARY OF CHANGES IN FUND BALANCE (GENERAL FUND)
(Years Ending June 30)

| | Actual | | | | |
|-------------------------------------|---------------------|---------------------|---------------------|----------------------------|--------------------|
| | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| Beginning Fund Balance | \$16,743,402* | \$22,057,590 | \$16,103,823 | \$20,838,352 | \$13,026,901 |
| Revenues over (under) | | | | | |
| Expenditure | 5,677,141 | 5,614,059 | 5,337,959 | (2,565,395) | (5,611,306) |
| Refund of Prior Year Revenues | 236,311 | (84,036) | 0 | 0 | 0 |
| Other | 137,406 | 0 | 0 | 0 | 0 |
| Transfers | (466,670) | (11,483,790) | (603,430) | (5,246,056) ⁽¹⁾ | 0 |
| Ending Fund Balance..... | <u>\$22,057,590</u> | <u>\$16,103,823</u> | <u>\$20,838,352</u> | <u>\$13,026,901</u> | <u>\$6,878,798</u> |

*As restated.

(1) Transfer includes \$516,056 in indirect costs of custodian expenses for the food service program and \$4,730,000 for capital projects. Source: School District Financial Statements for the years ended June 30, 2021 through and including 2025.

Revenue

The School District received \$181,596,926 in revenue in fiscal year 2024-25. Local sources decreased as a share of total revenue in the past five years, from 71.8% in 2020-21 to 67.3% in 2024-25. Revenue from Commonwealth sources increased slightly as a share of total revenue from 23.0% to 28.8% over this period. Federal revenue decreased slightly as a share of total revenue from 5.1% to 3.8% during this period.

TABLE 5
BENSALEM TOWNSHIP CHOO L DISTRICT
SUMMARY OF SCHOOL DISTRICT GENERAL FUND REVENUES & EXPENDITURES
(Years Ending June 30)

| | Actual | | | | |
|---------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| REVENUE: | | | | | |
| Local Sources | \$113,118,946 | \$113,221,860 | \$115,629,436 | \$117,222,078 | \$122,234,243 |
| State Sources: | 36,202,834 | 38,456,915 | 44,611,905 | 46,431,614 | 52,379,903 |
| Federal Sources: | 8,133,088 | 11,884,439 | 11,926,694 | 11,982,142 | 6,982,780 |
| TOTAL REVENUE | <u>\$157,454,868</u> | <u>\$163,563,214</u> | <u>\$172,168,035</u> | <u>\$175,635,834</u> | <u>\$181,596,926</u> |
| EXPENDITURES: | | | | | |
| Instruction | \$100,998,371 | \$104,999,042 | \$108,613,247 | \$115,871,473 | \$126,213,287 |
| Support Services | 39,112,338 | 41,221,386 | 45,607,709 | 47,814,213 | 48,303,379 |
| Operation of Noninstructional Services | 1,390,121 | 1,538,444 | 1,708,920 | 1,965,746 | 2,011,283 |
| Facilities Acquisitions, Construction and Improvement Service | 0 | 0 | 0 | 0 | 0 |
| Debt Service | 10,276,897 | 10,190,283 | 10,657,576 | 10,648,679 | 10,680,283 |
| Interfund Transfers | 0 | 0 | 0 | 0 | 0 |
| Refund of Prior Year Receipts | 0 | 0 | 242,624 | 1,901,118 | 0 |
| TOTAL EXPENDITURES | <u>\$151,777,727</u> | <u>\$157,949,155</u> | <u>\$166,830,076</u> | <u>\$178,201,229</u> | <u>\$187,208,232</u> |
| REVENUES UNDER (OVER) | | | | | |
| EXPENDITURES | \$5,677,141 | \$5,614,059 | \$5,337,959 | (\$2,565,395) | (\$5,611,306) |

Source: School District Financial Statements for the years ended June 30, 2021 through and including 2025.

TAXING POWERS AND LIMITS

Subject to certain limitations imposed by the Taxpayer Relief Act, as amended, (“Act 1”) (see “PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS – The Taxpayer Relief Act, as Amended (Act 1)” herein), the School District is empowered by the School Code and other statutes to levy the following taxes:

1. An *ad valorem* tax on all 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 ad valorem tax on the property taxable for school purposes to provide funds:
 - a) for minimum salaries and increments for the teaching and supervisory staff;
 - b) to pay rentals due any municipal authority, or non-profit corporation, or due the State Public School Building Authority;
 - c) to pay interest and principal on any indebtedness incurred under the 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 bonds to finance construction of school facilities, if issued prior to the first Monday in July, 1959.
3. An annual per capita tax on each resident over eighteen years old 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 by Act 32 of 2008, enacted July 2, 2008 (53 P.S. §6924.101) the (“The Local Tax Enabling Act”). These taxes, which may include, among others, an additional per capita tax, a wage and other earned income tax, a real estate transfer tax, a gross receipts tax, a local services tax and an occupation tax, shall not exceed, in the aggregate, an amount equal to the product of the market valuation of real estate in the School District (as certified by the State Tax Equalization Board of the Commonwealth – “STEB”) multiplied by twelve mills. All local taxing authorities are required by the Local Tax Enabling Act to exempt disabled veterans and members of the armed forces reserve who are called to active duty at any time during the tax year from any local services tax and to exempt from any local services tax levied at a rate in excess of \$10 those persons whose total income and net profits from all sources within the political subdivision is less than \$12,000 for the tax year. The Local Tax Enabling Act also authorizes, but does not require, taxing authorities to exempt from per capita, occupation, and earned income taxes and any local services tax levied at a rate of \$10 or less per year, any person whose total income from all sources is less than \$12,000 per year.

PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS

The Taxpayer Relief Act, as Amended (Act 1)

Pennsylvania Act No. 1 of the Special Session of 2006, as amended (“Act 1” or the “Taxpayer Relief Act”), which became effective June 27, 2006 provides, *inter alia*, that a school district may not levy any tax for the support of the public schools which was not levied in the 2006-2007 fiscal year, raise the rate of any earned income and net profits tax, if already imposed under the authority of the Local Tax Enabling Act (Act 511), or increase the rate of any tax for school purposes by more than the Index (defined below), unless in each case either (a) such increase is approved by the voters in the school district at a public referendum or (b) one of the exceptions provided below applies.

The Index exceptions in Act 1 are:

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

2. to pay costs incurred in providing special education programs and services to students with disabilities, under specified circumstances; and
3. to make payments into the Public School Employees' Retirement System when the increase in the estimated payments between the current year and the upcoming year is greater than the Index, as determined by PDE in accordance with the provisions of Act 1.

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

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

The Indexes applicable to the School District in the current and previous fiscal years (not including exemptions) are as follows:

| Fiscal Year (ending June 30) | Applicable Index |
|-----------------------------------------|-----------------------------|
| 2020-21 | 2.60% |
| 2021-22 | 3.50% |
| 2022-23 | 3.40% |
| 2023-24 | 4.70% |
| 2024-25 | 6.30% |
| 2025-26 | 4.80% |
| 2026-27 | 4.20% |

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

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

Status of the 2026A&B Notes under Act 1

The debt evidenced by the 2026A&B Notes refunds the Refunded 2013 Bonds and a portion of the 2020 Bonds (Federally Taxable). The 2020 Bonds refunded a portion of the 2013 Bonds which were authorized prior to the effective date of Act 1. Consequently, the School District believes it is entitled by Act 1 to apply to the Pennsylvania Department of Education (PDE) for approval to utilize an Act 1 referendum exception, if and to the extent a tax increase greater than the Index is needed to pay an increase in the principal and interest due on the 2026A&B Notes in any particular fiscal year (see "**The Taxpayer Relief Act, as Amended (Act 1)**" herein). Act 1 provides that PDE shall approve a school district's request if a review of the data demonstrates that the school district qualifies for the exception sought and the sum of the dollar amounts of all exceptions for which the school district qualifies is not more than what is necessary to balance the budget after giving effect to the revenue to be raised by the allowable tax increase under the Index. There can be no assurance however, that approval will be given by PDE to utilize a reference exception in any future fiscal year or years.

THE SUMMARY OF ACT 1, IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OR A LEGAL REPRESENTATION THEREOF, AND A PROSPECTIVE PURCHASER OF THE NOTES SHOULD REVIEW THE FULL TEXT OF ACT 1, AS PART OF ANY DECISION TO PURCHASE THE NOTES.

Act 130 of 2008

Act 130 of 2008 of the Commonwealth amended the Local Tax Enabling Act so as to authorize school districts levying an occupation tax to replace that occupation tax with an increased earned income tax or, if the school district has implemented a personal income tax in accordance with the Taxpayer Relief Act, an increased personal income tax, in a revenue neutral manner. To so replace an occupation tax, by increasing the rate of income tax the board of school directors must first give public notice of its intent to adopt a resolution to place a referendum question on the ballot at the general or municipal election preceding the fiscal year when the maximum rate of the income tax will be increased, hold at least one public hearing on the matter and then place a binding referendum question on the ballot at a general or municipal election preceding the fiscal year when the maximum rate of the income tax will be increased for approval by the voters.

The School District has not placed, and does not expect to place, a referendum question on the ballot that would authorize a change in the occupation tax.

Act 48 of 2003

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

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

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

SET FORTH IN THE TWO IMMEDIATELY PRECEDING SUBSECTIONS ARE SUMMARIES OF PORTIONS OF ACT 130 OF 2008 AND ACT 48 OF 2003. THESE SUMMARIES ARE NOT INTENDED TO BE EXHAUSTIVE DISCUSSIONS OF THE PROVISIONS OF ACT 130 OF 2008 OR ACT 48 OF 2003 NOR A LEGAL INTERPRETATION OF ANY PROVISIONS THEREOF. A PROSPECTIVE PURCHASER OF THE NOTES SHOULD REVIEW THE FULL TEXT OF ACT 130 OF 2008 AND ACT 48 OF 2003 AND CONSULT WITH HIS OR HER ATTORNEY AND/OR TAX ADVISOR AS PART OF ANY DECISION TO PURCHASE THE NOTES.

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Tax Levy Trends

Table 6 shows the recent trend of tax rates levied by the School District. Table 7 shows the comparative trend of real property tax rates for the School District, Bensalem Township, and Bucks County.

**TABLE 6
BENSALEM TOWNSHIP SCHOOL DISTRICT
TAX RATES**

| Year | Real Estate (mills) | Real Estate Transfer | Occupational Privilege | Business Privilege (mills) | Mechanical Devise Tax |
|-------------|--------------------------------|---------------------------------|-----------------------------------|---------------------------------------|----------------------------------|
| 2020-21 | 164.9508 | 0.50% | \$5.00 | 1.5 | \$15-80 |
| 2021-22 | 164.9508 | 0.50% | \$5.00 | 1.5 | \$15-80 |
| 2022-23 | 166.1879 | 0.50% | \$5.00 | 1.5 | \$15-80 |
| 2023-24 | 167.8498 | 0.50% | \$5.00 | 1.5 | \$15-80 |
| 2024-25 | 177.0815 | 0.50% | \$5.00 | 1.5 | \$15-80 |
| 2025-26 | 181.3315 | 0.50% | \$5.00 | 1.5 | \$15-80 |

Source: School District General Fund Budgets and officials.

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

| | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY 2025-26 |
|-------------------|------------------|------------------|------------------|------------------|-------------------|
| School District | 164.9508 | 166.1879 | 167.8498 | 177.0815 | 181.3315 |
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| Bensalem Township | 20.500 | 20.500 | 20.500 | 23.000 | 23.000 |
| Bucks County | 24.450 | 24.450 | 24.450 | 27.450 | 27.450 |

Sources: School District General Fund Budgets, Bucks County website and Department of Community and Economic Development – Municipal Statistics

Real Property Tax

The real property tax (excluding delinquent collections) produced an estimated \$104,056,200 in 2023-24, approximately 59 percent of total revenue. The tax is levied on July 1 of each year. The tax bills are dated July 1 and taxpayers who remit within 60 days of July 1 receive a 2 percent discount, and those who remit subsequent to 120 days after July 1 are assessed a 10 percent penalty. Eligible taxpayers can opt into an installment method of payment for their school taxes. Installment payments are based upon three (3) one-third payments of the base tax amount. The following tables summarize recent trends of assessed and market valuations of real property and real property tax collection data.

**TABLE 8
BENSALEM TOWNSHIP SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA**

| Year | Market Value | Assessed Value | Ratio |
|-------------|-------------------------|---------------------------|--------------|
| 2019-20 | \$5,555,084,526 | \$653,829,040 | 11.77% |
| 2020-21 | 5,706,042,495 | 652,234,530 | 11.43% |
| 2021-22 | 5,645,526,342 | 643,646,440 | 11.40% |
| 2022-23 | 6,192,332,346 | 647,531,880 | 10.46% |
| 2023-24 | 6,228,356,601 | 650,165,990 | 10.44% |

Source: Pennsylvania State Tax Equalization Board.

**TABLE 9
BENSALEM TOWNSHIP SCHOOL DISTRICT
COMPARATIVE MARKET AND ASSESSED VALUATIONS**

| | 2023 | 2023 | 2024 | 2024 |
|------------------------|---------------------|---------------------|---------------------|---------------------|
| | Market | Assessed | Market | Assessed |
| | <u>Value</u> | <u>Value</u> | <u>Value</u> | <u>Value</u> |
| School District | \$6,228,356,601 | \$650,165,990 | \$6,192,332,346 | \$651,971,530 |
| Bensalem Township | 6,228,356,601 | 650,165,990 | 6,192,332,346 | 651,971,530 |
| Bucks County | 81,363,949,916 | 8,453,524,260 | 82,620,700,000 | 8,700,000,000 |

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

**TABLE 10
BENSALEM TOWNSHIP SCHOOL DISTRICT
ASSESSMENT BY LAND USE**

| Land Type | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Residential | \$367,374,240 | \$369,150,460 | \$371,723,780 | \$374,722,050 | \$377,876,770 |
| Lots | 2,405,260 | 2,350,810 | 2,059,950 | 2,226,560 | 2,060,030 |
| Industrial | 49,341,150 | 50,925,970 | 52,263,210 | 52,617,460 | 52,201,340 |
| Commercial | 229,141,690 | 216,721,760 | 216,618,990 | 215,916,710 | 214,881,020 |
| Agriculture | 562,630 | 562,630 | 564,350 | 574,710 | 574,710 |
| Land | 669,370 | 1,187,090 | 1,175,010 | 894,730 | 890,730 |
| Seasonal | 7,200 | 7,200 | 7,200 | 7,200 | 7,200 |
| Trailers | 2,732,990 | 2,740,520 | 3,119,390 | 3,206,570 | 3,265,570 |
| Total | \$652,234,530 | \$643,646,440 | \$647,531,880 | \$650,165,990 | \$651,757,370 |

**TABLE 11
BENSALEM TOWNSHIP SCHOOL DISTRICT
REAL PROPERTY TAX COLLECTION DATA**

| School Year | Mills | Gross Adjusted Levy | Current Collections Amount | Current Year Collections As a Percent | Total Collections Amount | Total Collections As a Percent |
|--------------------|--------------|----------------------------|-----------------------------------|----------------------------------------------|---------------------------------|---------------------------------------|
| 2019-20 | 164.9508 | \$106,352,065 | \$99,851,036 | 93.89% | \$103,149,387 | 96.99% |
| 2020-21 | 164.9508 | 106,078,351 | 101,199,864 | 94.42% | 104,684,208 | 97.67% |
| 2021-22 | 164.9508 | 106,481,439 | 101,181,128 | 94.89% | 103,558,373 | 97.12% |
| 2022-23 | 166.1879 | 107,809,777 | 101,993,972 | 94.61% | 104,115,101 | 96.57% |
| 2023-24 | 167.8498 | 109,220,882 | 103,192,346 | 94.48% | 105,258,488 | 96.37% |
| 2024-25 | 177.0815 | 115,452,096 | 107,915,354 | 93.47% | 110,298,350 | 95.54% |
| 2025-26 | 181.3315 | 118,070,702 | | In Collection | | |

Source: School District Officials.

The School District's ten highest-valued real estate tax parcels based on assessed valuation are shown on Table 12. The aggregate assessed value of these ten highest-valued tax parcels totals approximately 11.8 percent of the total assessed value.

**TABLE 12
BENSALEM TOWNSHIP SCHOOL DISTRICT
TEN LARGEST REAL PROPERTY TAXPAYERS**

| Owner | 2024-25 Assessed Values |
|-----------------------------------|------------------------------------|
| Keystone Turf Club/PARX Casino | \$50,277,800 |
| Salem Harbour Assoc. | 5,045,800 |
| Creekside Associates | 3,723,270 |
| Bensalem 11 LLC | 3,050,040 |
| RPS Partnership LP | 3,048,000 |
| 4800 (Four) Street Rd, LLC | 2,544,000 |
| Franklin Commons | 2,415,360 |
| Neshaminy Mall Jt. Venture* | 2,251,720 |
| THG Owner LP & THG II Owner LP | 2,100,000 |
| Juniper Bensalem RE Holdings, LLC | 2,080,000 |
| | 76,535,990 |

*Taxpayer initiated appeal pending. The School District does not anticipate this appeal will have a material effect on its finances.

Other Taxes

Under Act 511, the School District expects to collect, based on the fiscal year 2025-26 Budget, approximately \$7,859,205 in other taxes. Among the taxes authorized by Act 511 are the Real Estate Transfer Tax, Business Privilege Tax, Local Services Tax and the Mechanical Device Tax which are levied by the School District. The Act 511 limit, equal to 12 mills on the market value of real property, is \$74,740,279.

Real Estate Transfer. The School District collects a tax of 0.5% of the value of real estate transfers. It expects to collect, based on the fiscal year 2025-26 Budget, approximately \$2,185,673 in transfer taxes, which is approximately 1% of the District's revenues*.

Business Privilege Tax. The School District levies a 1.5 mill tax on Gross Receipts tax annually. It expects to collect, based on the fiscal year 2025-26 Budget, approximately \$5,508,994 in business privilege taxes, which is approximately 3% of the District's revenues*.

Local Services Tax. The School District collects a tax of \$5.00. It expects to collect, based on the fiscal year 2025-26 Budget, approximately \$158,200 in local services taxes, which is less than 1.0% of the District's revenues*.

Mechanical Device Tax. The School District levies a tax of \$15-\$80 on mechanical devices. It expects to collect, based on the fiscal year 2025-26 Budget, approximately \$6,338 in mechanical device taxes, which is less than 1.0% of the District's revenues*.

*Total fiscal year 2025-26 estimated revenues \$183,180,285 (based on fiscal year 2025-26 Budget)

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COMMONWEALTH AID TO SCHOOL DISTRICTS

General

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

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

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>

Current Lack of State Appropriations for Debt Service Subsidies

Commonwealth law presently provides that the School District will receive, subject to state legislative appropriation, reimbursement from the Commonwealth for a portion of debt service paid on the Notes following final approval by PDE. Commonwealth reimbursement is calculated based on the "Reimbursable Percentage" assigned to the Notes by the PDE and the School District's permanent Capital Account Reimbursement Fraction ("CARF") (28.60%) or the wealth based Market Value Aid Ratio ("MVAR") currently (37.55%), whichever is higher. The Reimbursable Percentage is determined through a process known as the "Planning and Construction Workbook" or "PlanCon".

Based on the current PlanCon program, School District officials have estimated that the Reimbursable Percentage of the 2026 A & B Notes will be 25.01% (there has been no determination by the PDE). The School District's MVAR (which is higher than the CARF) is 37.55%. The product of these two factors is 6.30%, which is the estimated percentage of debt service which may be reimbursed by the Commonwealth, subject to annual appropriation. In future years, this percentage may change as the School District's MVAR changes, or as a result of future legislation regarding changes to, or even elimination of, the PlanCon program.

In May of 2016, the Commonwealth enacted appropriation legislation known as Act 25 ("Act 25"), which contained 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 new moratorium went into effect on June 1, 2016 and most recently became indefinite with the adoption of Act No. 33 of 2023 on December 13, 2023.

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

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

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

DEBT AND DEBT LIMITS

Debt Statement

Table 13 which follows shows the debt of the School District as of the date of settlement, assuming the issuance of the Notes.

TABLE 13

**BENSALEM TOWNSHIP SCHOOL DISTRICT
INDEBTEDNESS AND DEBT RATIOS
(As of April 1, 2026)***

| DIRECT DEBT | Gross <u>Outstanding</u> | Net <u>Outstanding</u> |
|--------------------------------------------------------|-------------------------------------|-----------------------------------|
| Nonelectoral Debt | | |
| GON, Series A of 2026 | \$20,065,000 * | \$18,180,645 |
| GON, Series B of 2026 | 14,790,000 * | 13,401,033 |
| GOB, Series A of 2025 | 8,045,000 | 7,532,958 |
| GOB, Series B of 2025 | 20,425,000 | 20,425,000 |
| GOB, Series B of 2020 (Federally Taxable) | 6,240,000 | 6,240,000 |
| GOB, Series of 2020 (Federally Taxable) ⁽²⁾ | 13,450,000 | 12,186,876 |
| GOB, Series of 2013 ⁽¹⁾ | 0 | 0 |
| | | |
| Total Nonelectoral Debt | \$83,015,000 | \$77,966,512 |
| | | |
| Lease rental Debt | | |
| 2023 Note | 3,320,734 | \$3,320,734 |
| 2022 Note | 1,401,299 | 1,401,299 |
| Total Lease Rental Debt | \$4,722,033 | \$4,722,033 |
| | | |
| TOTAL PRINCIPAL OF DIRECT DEBT | \$87,737,033 | \$82,688,545 |

*Preliminary, subject to change. Includes the estimated Notes offered through this Official Statement.

⁽¹⁾ Bonds to be refunded under Series A of 2026.

⁽²⁾ Remaining Bonds after a portion are refunded under Series B of 2026.

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| | <u>Gross Outstanding</u> | <u>Net Outstanding</u> |
|---------------------------------------------------------|--------------------------|------------------------|
| OVERLAPPING DEBT | | |
| Municipal Debt (Bensalem Township) | \$22,246,000 | \$22,246,000 |
| Bucks County ⁽¹⁾ | 8,457,846 | 8,457,846 |
| TOTAL OVERLAPPING DEBT | \$30,703,846 | \$30,703,846 |
| | | |
| TOTAL DIRECT AND OVERLAPPING DEBT | \$118,440,879 | \$113,392,391 |
| | | |
| DEBT RATIOS | | |
| Direct Debt to: | | |
| Market Value | 1.42% | 1.34% |
| Assessed Value | 13.46% | 12.68% |
| Per Capita | \$1,391 | \$1,311 |
| | | |
| Direct and Overlapping Debt to: | | |
| Market Value | 1.91% | 1.83% |
| Assessed Value | 18.17% | 17.39% |
| Per Capita | \$1,878 | \$1,798 |
| | | |
| Bucks County Assessed Value (2024) | \$8,700,000,000 | |
| Bensalem Township School District Assessed Value (2024) | \$651,971,530 | |
| Bensalem Township School District Market Value (2024) | \$6,192,332,346 | |
| Population (2024 Estimate) | 63,080 | |

⁽¹⁾Pro rata 7.49% share of \$112,862,694 principal outstanding as of April 1, 2026.

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Debt Limit and Remaining Borrowing Capacity

The statutory borrowing limit of the School District under the Debt Act is computed as a percentage of the School District’s “Borrowing Base”. The “Borrowing Base” is defined as the annual arithmetic average of “Total Revenues” (as defined by the Debt Act), for the three full fiscal years ended next preceding the date of incurring debt. The School District calculates its present borrowing base and borrowing capacity as follows:

| | |
|--------------------------------------------|----------------------|
| Total Revenues for 2022-23 | \$170,584,904 |
| Total Revenues for 2023-24 | 173,820,179 |
| Total Revenues for 2024-25 | 180,824,960 |
| Total Revenues, Past Three Years | <u>\$525,230,043</u> |
| Annual Arithmetic Average (Borrowing Base) | \$ 175,076,681 |

Under the Debt Act as presently in effect, no school district may incur any nonelectoral debt or lease rental debt, if the aggregate net principal amount of such new debt together with any other net nonelectoral debt and lease rental debt then outstanding, would cause the net nonelectoral debt plus net lease rental debt to exceed 225% of the Borrowing Base. The application of the aforesaid percentage to the School District’s Borrowing Base produces the following product:

| | Legal | Direct Debt | Remaining |
|----------------------------------------------------|---------------------|----------------------------|-------------------------|
| | <u>Limit</u> | <u>Outstanding*</u> | <u>Borrowing</u> |
| | | | <u>Capacity*</u> |
| Net Nonelectoral Debt and Lease Rental Debt Limit: | | | |
| 225% of Borrowing Base | \$ 393,922,533 | \$87,737,033 | \$306,185,500 |

*Preliminary, Subject to Change

Debt Service Requirements

Table 14 represents the debt service requirements on the School District’s outstanding general obligations including debt service on the Notes.

Table 15 represents data on the extent to which Commonwealth Aid provides coverage for debt service and lease rental requirements.

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

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**TABLE 14
BENSALEM TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE REQUIREMENTS***

| <u>30-Jun</u> | <u>Outstanding Debt Service</u> | <u>Series A&B of 2026</u> | | | <u>Total Requirements</u> |
|---------------|-------------------------------------|-------------------------------|-----------------|-----------------|-------------------------------|
| | | <u>Principal</u> | <u>Interest</u> | <u>Subtotal</u> | |
| 2026 | \$11,344,794 | | | | |
| 2027 | 11,469,265 | | | | |
| 2028 | 11,458,621 | | | | |
| 2029 | 11,860,451 | | | | |
| 2030 | 11,848,825 | | | | |
| 2031 | 11,841,883 | | | | |
| 2032 | 12,051,416 | | | | |
| 2033 | 1,729,398 | | | | |
| 2034 | 1,727,593 | | | | |
| 2035 | 1,715,398 | | | | |
| 2036 | 1,712,155 | | | | |
| 2037 | 2,863,500 | | | | |
| 2038 | 2,866,250 | | | | |
| 2039 | 2,864,250 | | | | |
| 2040 | 2,867,500 | | | | |
| 2041 | 2,865,500 | | | | |
| 2042 | 2,868,250 | | | | |
| 2043 | 2,865,250 | | | | |
| 2044 | 2,866,500 | | | | |
| 2045 | 2,866,500 | | | | |
| Total | \$114,553,299 | \$0 | \$0 | \$0 | \$ |

*Totals may not add due to rounding.

**TABLE 15
BENSALEM TOWNSHIP SCHOOL DISTRICT
COVERAGE OF DEBT SERVICE AND LEASE RENTAL
REQUIREMENTS BY STATE AID***

| | |
|------------------------------------------------------------------------------|--------------|
| 2025-26 Estimated Commonwealth Aid to be Received | \$53,915,166 |
| 2025-26 Debt Service Requirements | 11,344,794 |
| Maximum Future Debt Service Requirements after Issuance of Notes | |
| Coverage of 2025-26 Debt Service | 4.75x |
| Coverage of Maximum Future Debt Service Requirements after Issuance of Notes | x |

*Preliminary and subject to change.
Assumes current State Aid Ratio. See "Commonwealth Aid to School Districts."

Future Financing

The School District previously evaluated multiple design alternatives, including construction of a new middle school and the renovation of the existing middle school complex. Due to circumstances beyond its control, the School District elected to defer the middle school capital plan until a later date.

LABOR RELATIONS

School District Employees

There are presently approximately 1,126 employees of the School District, including 552 teachers and administrators, and 574 full/part-time support personnel. The support personnel includes secretaries, maintenance staff, custodial, food-service and aides. The School District's teachers are represented by the Bensalem Township Education Association (the "Association") under a contract with the School District which expires June 30, 2028. The Association is the representative bargaining unit.

Source: School District Officials.

PENSION PROGRAM

Currently, all Pennsylvania school districts intermediate units participate in a pension program administered 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 34.0% for the fiscal year 2025-26.

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

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

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

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

The School District's gross contributions to PSERS, prior to Commonwealth Reimbursement, are as follows:

| <u>Fiscal Year</u> | <u>Contributions</u> |
|--------------------|----------------------|
| 2019-20 | \$20,904,303 |
| 2020-21 | 20,108,008 |
| 2021-22 | 21,692,478 |
| 2022-23 | 22,599,998 |
| 2023-24 | 23,585,632 |
| 2024-25 | 23,386,588 |

At June 30, 2025, the School District reported a liability of \$176,963,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to

calculate the net pension liability was determined by rolling forward the PSERS total pension liability as of June 30, 2023 to June 30, 2024. The School District's proportion of the net pension liability was calculated utilizing its one-year reported covered payroll as it relates to the total one-year reported covered payroll of all school districts. At June 30, 2024, the School District's proportion was 0.4228%, which was a decrease of 0.0035% from its proportion measured as of June 30, 2023.

Source: School District Administrative Officials, School District Audit and PSERS.

Other Post-Employment Benefits

The School District is obligated under collective bargaining agreements to provide health insurance coverage for current and future retired employees, and to provide retirement severance pay for existing employees. The School District became subject to the requirements of GASB Statements No. 74 (effective after fiscal years beginning June 15, 2016) and No. 75 commencing with the School District's annual financial statements for the fiscal year ending June 30, 2018.

Additional information relating to Other Post-Employment Benefits can be found in the District's "**Audited Financial Statements for the Fiscal Year Ended June 30, 2025**" in Appendix B of this document.

NOTEHOLDER CONSIDERATIONS

The Notes, 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 Notes; 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 Notes should consult their own legal and tax advisors as to the risks associated with an investment in the Notes and the suitability of investing in the Notes in light of their particular, individual, circumstances. Prospective purchasers should evaluate their ability bear the risk of a loss from an investment in the Notes and should carefully consider, among other things, the matters described below, as well as the information within this entire Official Statement.

Economic Factors Affecting the Financial Condition of the School District

Changes in current economic conditions, on local, regional and national levels, could adversely affect the School District's operating revenues and expenses and, consequently, the School District's ability to pay debt service on the Notes. Among the factors that could have such adverse effects are: changes in local demographics; closures or relocation of key industries and employers; increases in local rates of unemployment; decreases in the assessed value of real estate within the School District; decreases in real estate tax collections; future contract negotiations with organized labor and the consequent impact on wage scales and operating costs; increasing costs of special education or the costs of other physical or mental health care mandated by the State or federal governments; loss of reduction of State and federal subsidies and reimbursements for operating and capital costs; delays in adoption of, failure to budget and appropriate within or other adverse changes to, the Commonwealth's budget, as the same may effect School District revenues or the timely payment thereof. For further information regarding recent Commonwealth budget experiences, See "**COMMONWEALTH AID TO SCHOOL DISTRICTS – Current Lack of State Appropriations for Debt Service**" and "**SECURITY FOR THE NOTES**" – Pennsylvania Budget Adoption".

State Appropriation Risk

While the Commonwealth's appropriations to the School District were not interrupted during previous budget impasses, there is no assurance future budget impasses will not prevent the Commonwealth from appropriating subsidies to the School District, Act 85 notwithstanding (see "Act 85 of 2016" herein).

Adverse Legislative Changes

The School District has been adversely impacted by changes in Pennsylvania law and the inability of the Commonwealth to deal with the adequacy and equity of school funding in general. Changes in the way the Commonwealth reimburses school districts for the cost of special education have shifted a substantial burden from the Commonwealth to the School District. Moreover, legislative changes have adversely impacted the School District pertaining to the manner in which "charter schools" are financed within the Commonwealth. The charter school law provides for the creation of schools outside the management and control of a school district, which provide education to students according to the schools' respective charters. The school district in which the charter school student lives is required to pay a per student amount to the charter school to provide for the education of the student. The school district pays the prescribed amount to the charter school, but cannot immediately recover the amount by an equivalent reduction in school district costs. Legislative action providing for charter school subsidy in 2013 did not include

authorization for appropriations to school districts in any future year. Accordingly, the School District will be required to continue to monitor the impact of local charter schools carefully and make appropriate adjustments to its budget. In addition, budgetary and other legislative changes may impact the level of reimbursement that the Commonwealth provides to the School District for capital projects or other purposes.

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 not been the subject of a cybersecurity breach that has had a material adverse impact on the operations or financial condition of the School District.

The School District has measures in place to respond to and mitigate cybersecurity incidents. 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 the Notes, including the possibility of impacting the timely payments of debt service on the Notes or timely filings pursuant to the Continuing Disclosure Undertaking.

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 Notes. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the School District as the taxpayer and Note purchasers may have no right to participate in such procedure. None of the School District, the Underwriter or Note Counsel is obligated to defend the tax-exempt status of the Notes on behalf of the Note purchasers, nor to pay or reimburse the cost of any Note purchaser with respect to any audit or litigation relating to the Notes. See "**TAX MATTERS**" herein.

LITIGATION

Upon delivery of the Notes, the School District shall furnish, or cause to be furnished, a certificate, in form satisfactory to Note Counsel and the Underwriter, to the effect that, among other things, there is no litigation threatened or pending in any court against the School District, which, in any way, questions or affects the validity or the security mentioned herein of the Notes, or any proceedings or transactions relating to their issuance, sale and delivery.

DEFAULTS AND REMEDIES

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

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code") contains provisions relating to the tax-exempt status of interest on obligations issued by governmental entities which apply to the 2026A Notes. These provisions include, but are not limited to, requirements relating to the use and investment of the proceeds of the 2026A Notes and the rebate of certain investment earnings derived from such proceeds to the United States Treasury Department on a

periodic basis. These and other requirements of the Code must be met by the School District subsequent to the issuance and delivery of the 2026A Notes in order for interest thereon to be and remain excludable from gross income for purposes of federal income taxation.

In the opinion of Note Counsel, under existing law, interest on the 2026A Notes is excludable from gross income of the owners of the 2026A Notes for federal income tax purposes and is not an item of tax preference under the ("Code") for purposes of calculating the federal alternative minimum tax imposed on individuals; however such interest is taken into account in determining the "adjusted financial statement income" as defined in the 2022 Inflation Reduction Act (the "2022 Act") of applicable corporations for purposes of computing the alternative minimum tax imposed on such corporations. This opinion is subject to the condition that the School District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2026A Notes 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 such requirements. Failure to comply with certain of such requirements may cause interest on the 2026A Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2026A Notes.

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

Certain Notes may be offered at a discount ("original issue discount") equal generally to the difference between their public offering price and their principal amount. For federal income tax purposes, original issue discount on a Note accrues periodically over the term of the Note as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holder's tax basis in the Note for determining taxable gain or loss from sale or from redemption prior to maturity. Holders should consult their tax advisers for an explanation of the accrual rules.

Certain Notes may be offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Note through reductions in the holder's tax basis for the Note for determining taxable gain or loss upon sale or redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Holders should consult their tax advisors for an explanation of the amortization rules.

In addition to the matters addressed above, prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral tax consequences to certain taxpayers, including, but not limited to, foreign corporations, certain S corporations, recipients of social security and railroad retirement benefits and property or casualty insurance companies. Note Counsel expresses no opinion regarding any other federal tax consequences relating to the Notes or the receipt of interest thereon. Accordingly, prospective purchasers of the Notes should consult their own tax advisors.

Note Counsel is also of the opinion that, under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date of initial delivery of the Notes, interest on the Notes is exempt from Pennsylvania personal income tax and corporate net income tax, and the Notes are exempt from personal property taxes in Pennsylvania.

The opinions expressed by Note Counsel above are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Notes, and Note Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Under the provisions of the Code the Treasury Department is authorized and empowered to promulgate regulations implementing the intent of Congress under the Code, which could affect the tax-exemption and/or tax consequences of holding tax-exempt obligations, such as the Notes. In addition, legislation may be introduced and enacted in the future which could change the provisions of the Code relating to tax-exempt Notes of a state or local government unit, such as the School District, or the taxability of interest in general. No representation is made or can be made by the School District, or any other party associated with the issuance of the Notes as to whether or not any legislation now or hereafter introduced and enacted will be applied retroactively so as to subject interest on the Notes to federal income taxes or so as to otherwise affect the marketability, tax status, or market value of the Notes

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 NOTES 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 NOTES OR RECEIVING INTEREST THEREON.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of the Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”), the School District (being an “obligated person” with respect to the Notes, within the meaning of the Rule), will execute a Continuing Disclosure Agreement. See Appendix D for the proposed form of Continuing Disclosure Undertaking (the “Continuing Disclosure Agreement”).

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

The School District acknowledges that its undertaking pursuant to the Rule described herein is intended to be for the benefit of the Beneficial Owners of the Notes and shall be enforceable by the Beneficial Owners of the Notes, but the right of the Beneficial Owners of the Notes 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 Notes.

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

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

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

Summary of Continuing Disclosure Compliance

The School District has entered into prior undertakings to provide certain annual financial information as described in the continuing disclosure agreements or certificates associated with prior bond issues, including audited financial statements, certain operating data and notices of certain events under the Rule. The School District has conducted a thorough review of its continuing disclosure obligations and submissions. Upon discovering any inadvertent omissions with respect to these filings, the School District, to the best of its knowledge, has attempted to bring its continuing disclosure filings up to date. In summary, the School District, with respect to certain issues to which the School District is an Obligated Person under the Rule, has failed to comply in the past five years in that it: (1) filed audited financial statements and certain annual operating data late for fiscal years 2022, 2023, and 2024 without notice of late filing which have been remediated and include notice of failure to file; (2) failed to file its audited financial statements and annual operating data for fiscal year 2025 which has been remediated and includes notice of failure to file; (3) failed to file its budget for fiscal years 2024-25 and 2025-2026 which have been remediated and include notices of failure to file; and (4) failed to associate its audited financial statements and annual operating data for fiscal years 2022 through 2025 to the Bucks County Technical School Bonds CUSIPs, which has been remediated.

RATING

S&P Global Ratings (“S&P”) is expected to assign an insured bond rating of “AA” (Stable) to the Notes with the understanding that, upon delivery of the Notes, a Municipal Bond Insurance Policy guaranteeing when due the scheduled payment of the principal of and the interest on the Notes will be issued concurrently with the delivery of the Notes by BAM. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: 55 Water Street, 38th Floor, New York, New York 10041.

Moody’s Investors Service has assigned an underlying rating of “A3” to the Notes. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating may be obtained only from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will be in effect for any given period of time or that it will not be revised downward or withdrawn entirely by the rating

agency if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Notes.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has agreed, subject to certain conditions, to purchase the Notes from the School District, and will purchase all of the Notes, if any of such Notes are purchased. The aggregate purchase price of the Notes, exclusive of accrued interest, is equal to \$_____, (which represents par, less underwriter's discount of \$_____, plus/less net original issue premium/discount of \$_____). The Notes may be offered and sold to certain dealers (including dealers depositing such Notes 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.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the School District and to persons and entities with relationships with the School District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the School District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the School District.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the School District.

LEGAL OPINION

The issuance and delivery of the Notes is subject to the unqualified approving legal opinion of Obermayer Rebmann Maxwell & Hippel LLP, Philadelphia, Pennsylvania, Note Counsel. Certain legal matters of a local nature have been passed upon by Hill Wallack LLP, Yardley, Pennsylvania, Solicitor to the School District and for the Underwriter by Eckert Seamans Cherin & Mellott, LLC, of Harrisburg, Pennsylvania.

Note Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Note Counsel as of the date thereof. Note Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Note Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Note Counsel's opinions are not a guarantee of a particular result and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Note Counsel's professional judgment based on its review of existing law and in reliance on the representations and covenants that it deems relevant to such opinions.

MUNICIPAL ADVISOR

The School District has retained PFM Financial Advisors LLC, Harrisburg, Pennsylvania, as municipal advisor (the "Municipal Advisor") in connection with the preparation, authorization and issuance of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

MISCELLANEOUS

The information set forth in this Official Statement has been obtained from the School District and from other sources believed to be reliable. Insofar as any statement herein includes matters of opinion or estimates about future conditions, it is not intended as representation of fact, and there is no guarantee that it is, or will be, realized. Summaries or descriptions of provisions of the Notes, the Resolution, and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof. Reference is hereby made to the complete documents, copies of which will be furnished by the School District or the Underwriter upon request. The information assembled in this Official Statement is not to be construed as a contract with holders of the Notes.

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

BENSALEM TOWNSHIP SCHOOL DISTRICT
Bucks County, Pennsylvania

By: _____
President, Board of School Directors

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APPENDIX A
DEMOGRAPHIC AND ECONOMIC INFORMATION
RELATING TO BENSLEM TOWNSHIP SCHOOL DISTRICT

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Introduction

The School District is located in Bucks County, in eastern Pennsylvania, bordering the northeast section of Philadelphia. The School District is coterminous with the Township of Bensalem.

Population

Table A-1 shows recent population trends for the School District, the County, and the Commonwealth of Pennsylvania. The School District's population increased from 60,427 to 62,707 between 2010 and 2020. Table A-2 shows age composition and average number of persons per household in the School District, Bucks County and the Commonwealth.

TABLE A-1
RECENT POPULATION TRENDS

| <u>Component Municipality</u> | <u>2010 U.S. Census Population</u> | <u>2020 U.S. Census Population</u> |
|-------------------------------|------------------------------------|------------------------------------|
| School District | 60,427 | 62,707 |
| Bucks County | 625,249 | 627,987 |
| Commonwealth of Pennsylvania | 12,702,379 | 13,002,700 |

Sources: American Community Survey 5-Year Estimate and U.S. Bureau of the Census

TABLE A-2
AGE COMPOSITION

| <u>Area</u> | <u>0-17</u> | <u>18-64</u> | <u>65 and over</u> |
|--------------|-------------|--------------|--------------------|
| Bucks County | 20.0% | 60.5% | 19.5% |
| Pennsylvania | 20.5% | 60.8% | 18.7% |

Source: U.S. Census Bureau, American Community Survey (ACS)

Table A-3 shows recent trends in labor force, employment, and unemployment for Bucks County and the Commonwealth.

TABLE A-3

RECENT TRENDS IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT

| | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025⁽¹⁾</u> |
|----------------------------|-------------|-------------|-------------|-------------|---------------------------|
| <i>Bucks County</i> | | | | | |
| Civilian Labor Force | 342.6 | 347.0 | 350.8 | 351.7 | 351.3 |
| Employment | 324.4 | 336.8 | 341.8 | 340.2 | 339.8 |
| Unemployment | 18.2 | 10.2 | 9.0 | 11.5 | 11.5 |
| Unemployment Rate | 5.30% | 2.90% | 2.60% | 3.30% | 3.30% |
| <i>Pennsylvania</i> | | | | | |
| Civilian Labor Force (000) | 6,349 | 6,452 | 6,493 | 6,577 | 6,558 |
| Employment (000) | 6,109 | 6,204 | 6,303 | 6,337 | 6,318 |
| Unemployment (000) | 241 | 248 | 190 | 213 | 240 |
| Unemployment Rate | 3.80% | 3.80% | 2.90% | 3.30% | 3.70% |

Source: Pennsylvania State Employment Service: www.paworkstats.state.pa.us

⁽¹⁾ As of December, 2025

Leading Employers

Major employers located within Bucks County are listed below:

| <u>Company</u> | <u>Product/Service</u> |
|-------------------------------|------------------------|
| Giant Food Stores | Retail Supermarkets |
| Central Bucks School District | Education |
| Bucks County | Government |
| Wal-Mart Assoc., Inc. | Retail |
| Doylestown Hospital | Healthcare |
| St. Mary's Medical Center | Healthcare |
| Grand View Health | Healthcare |
| ELC Beauty | Retail Trade |
| Pennsbury School District | Education |
| Council Rock School District | Education |

Source: Pennsylvania Center for Workforce Information & Analysis

Income

The data in Table A-5 shows recent trends in per capita income for Bucks County and the Commonwealth. Per capita income in Bucks County is higher than average per capita income in the Commonwealth.

TABLE A-4
RECENT TRENDS IN PER CAPITA INCOME*

| <u>Geographic Area</u> | <u>2010</u> | <u>2020</u> |
|------------------------|-------------|-------------|
| Bucks County | 35,687 | 55,464 |
| Pennsylvania | 27,049 | 41,489 |

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

Source: U.S. Census Bureau

Higher Education

There are three colleges and three vocational and technical schools in the County as follows: Philadelphia Bible College, Delaware Valley College of Science and Agriculture, Bucks County Community College, Bucks County Area Technical School, Middle Bucks County Institute of Technology, and Upper Bucks County Area Vo-Tech School. The major colleges and universities located in Philadelphia are within commuting distance from the School District.

Health Care

Below is a listing of healthcare facilities located in the County. Residents also have access to seven teaching hospitals in Philadelphia and other major hospitals located in metropolitan Philadelphia.

| <u>Facility</u> | <u>Licensed Bed Capacity</u> | <u>Location</u> |
|-----------------------------------------------------|------------------------------|-----------------|
| Saint Mary Medical Center | 373 | Middletown |
| Doylestown Hospital | 247 | Doylestown |
| Lower Bucks Hospital | 175 | Bristol |
| Grand View Hospital | 202 | Sellersville |
| St. Luke's Healthcare Network- Quakertown Campus | 62 | Quakertown |
| Foundations Behavioral Health | 54 | Doylestown |
| Rothman Specialty Hospital | 24 | Bensalem |

Source: Pennsylvania Department of Health

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APPENDIX B

**AUDITED FINANCIAL STATEMENT
FOR YEAR ENDED JUNE 30, 2025**

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**BENSALEM TOWNSHIP SCHOOL DISTRICT
BENSALEM, PENNSYLVANIA**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

BENSALEM TOWNSHIP SCHOOL DISTRICT

YEAR ENDED JUNE 30, 2025

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Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

INDEPENDENT AUDITOR'S REPORT

To the Board of School Directors
Bensalem Township School District
Bensalem, 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 Bensalem Township School District (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 as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the 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.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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

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

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 the District's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAS, 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Adoption of Governmental Accounting Standards Boards Statements

The District adopted the provisions of Governmental Accounting Standards Board's Statement No. 102, *Certain Risk Disclosures*. Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund, notes to the budgetary comparison schedule, the schedule of the District's proportionate share of the net pension liability, schedule of district pension contributions, the schedule of the District's proportionate share of the net OPEB liability – PSERS plan, the schedule of the District's OPEB contributions – PSERS plan, and the schedule of changes in the total OPEB liability and related ratios – retirees health plan on pages 4-12 and 54-60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Zelenkofske Axelrod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Zelenkofske Axelrod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
February 3, 2026

BENSALEM TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED JUNE 30, 2025

The Management's Discussion and Analysis ("MD&A") of the Bensalem Township School District's ("the District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of the MD&A is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The District's total net position increased in the amount of \$2.1 million on an entity-wide basis which is mainly the result of increased local and state revenues.
- Revenue for the current year remained largely unchanged from the prior year at the entity-wide level. The retirement rate decreased from 34.00 percent in 2024 to 33.90 percent in 2025. Program revenues at the entity-wide level accounted for \$39.6 million, or 21.17 percent, of total revenues of \$187.14 million, and general revenues accounted for \$147.5 million, or 78.84 percent. Pennsylvania's Special Session Act 1 of 2006 provides property tax relief for homestead and farmstead owners through gaming revenue. Approved homestead/farmstead property owners received approximately \$298 in property tax relief per property for the 2024-2025 fiscal year. The District received approximately \$3.44 million from state sources to distribute tax relief to approved property owners.
- The General Fund ended the fiscal year with a total fund balance of \$6.8 million. Total General Fund balance equates to 3.98 percent of the 2024-2025 \$178.4 million operating budget.
- In the General Fund, the instructional programs (including special education, vocational education, summer school, homebound instruction, and adjudicated programs) cost \$126 million for salaries, benefits, technical services, tuition for private and approved private schools, tuition for charter schools, supplies, and equipment. The cost of the instructional programs was supported by 69.51 percent of total revenue.
- In the General Fund, the instructional support services programs (including pupil services, guidance, psychological services, home and school visitor, child accounting, curriculum and assessment, school and central office administration, school board of director services, tax collection, legal services, community relations, student health services, operation and maintenance of plant services, and student transportation) cost \$48.3 million for salaries, benefits, supplies, utilities, diesel fuel and gasoline, the insurance program, and equipment. The cost of the support programs was supported by 26.6 percent of total revenue.
- In the General Fund, the operation of non-instructional services programs (including student activities, crossing guards and athletics) cost \$2 million for salaries, supplemental contracts, dues, fees for officials, supplies, and equipment. The cost of the non-instructional services programs was supported by 1.11 percent of total revenue.
- Overall, General Fund revenue was \$181 million, and expenditures were \$187 million for the 2024-2025 fiscal year. This resulted in expenditures exceeding revenues by \$5.6 million.

BENSALEM TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED JUNE 30, 2025

OVERVIEW OF FINANCIAL STATEMENTS

The accompanying financial statements have been prepared in accordance with GASB Statement No. 34 and present both entity-wide and fund level financial statements using both the accrual basis and modified accrual basis of accounting, respectively.

Entity-wide Financial Statements

The first two statements are entity-wide financial statements - the statement of net position and the statement of activities. These provide both long-term and short-term information about the District's overall financial status.

The statement of net position and the statement of activities report information about the District as a whole and about its overall activities. These statements include all the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District (except for fiduciary funds held in trust for student purposes), using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes in the net position during the fiscal year. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as the District's property tax base, current property tax laws, student enrollment, and facility conditions in arriving at a conclusion regarding the overall health of the District.

The entity-wide financial statements of the District are divided into two categories:

- **Governmental Activities** - All of the District's basic services are included here, such as instruction, administration, and community services. Property taxes and state and federal subsidies and grants finance most of these activities.
- **Business-Type Activities** - The District operates a food service operation and charges fees to staff and students to cover the costs of the food service operation.

Fund Level Financial Statements

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail than the entity-wide statements. The governmental funds statements tell how the District's general services were financed in the short term as well as what remains for future spending. Proprietary fund statements offer short-term and long-term financial information about the activities that the District operates like a business. For the District, this is our Food Service Fund. Fiduciary fund statements provide information about financial relationships for which the District acts solely as a trustee or agent for the benefit of others.

- **Governmental Funds** - Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. The District's major governmental funds are the General Fund and the Capital Projects Fund. Governmental funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

BENSALEM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

- Proprietary Funds - These funds are used to account for District activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding through user charges. When the District charges customers for services it provides - whether to outside customers or to other units in the District - these services generally are reported in proprietary funds. The Food Service Fund is the District's proprietary fund and is the same as the business-type activities reported in the entity-wide statements.
- Fiduciary Funds - The District is the trustee, or fiduciary, for some student activity and scholarship funds. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Impact of GASB Statements No. 68 and 75

The District follows the accounting guidance of Governmental Accounting Standards Board ("GASB") Statement No. 68, "Accounting and Financial Reporting for Pensions," and GASB Statement No. 75, "Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions." The purpose of these statements is to improve the transparency, consistency, and comparability of the pension information reported by state and local governments (e.g. intermediate units, school districts, and OPEB).

The adoption of GASB Statements No. 68 and No. 75 have had, and will continue to have, a profound effect on the financial statements and net position of governments not only in Pennsylvania, but across the nation. By recognizing the impact of any unfunded liability faced by defined benefit pension and OPEB plans, plan administrators (at the direction of elected officials) and participants will be required to evaluate the cost of providing these benefits as compared to the benefit to be derived through providing for certain retirement benefits to the work force.

More specifically, the District contributes to the Pennsylvania Public School Employees' Retirement System ("PSERS"), a governmental cost-sharing multiple-employer defined benefit pension and OPEB plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. In cost-sharing multiple-employer plans, the plan assets and liabilities are shared. Plan assets can be used to pay the benefits of the employees of any employer that provides benefits through the plan.

The standards have shifted pension and OPEB reporting from a funding-based approach, in which the District reported only its contributions to the plan, to an accounting-based approach. Under this approach, the District will report its proportionate share of the net pension and OPEB liability on the statement of net position of the government-wide and proprietary fund financial statements. Reporting in the governmental fund statements is not affected by the implementation of these statements.

The net pension and OPEB liability is the difference between the market value of pension fund assets and the actuarial present value of projected benefit payments at the measurement date. Included in the calculation are projected employer and employee contributions as well as the expectation that the assets will grow at the long-term assumed rate of return on plan investments.

While the net pension liability and net OPEB liability are significant to the District's financial statements, they are liabilities the District has limited control over. Over the last ten years, the PSERS employer contribution rate has risen significantly, from 4.0 percent in 2009-2010 to 33.90 percent in 2024-2025. These increases are expected to improve the plan's funding level, which will reduce the net liabilities in future years.

BENSALEM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

REPORTING THE DISTRICT AS A WHOLE

Entity-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$131 million at the close of the most recent fiscal year. In the prior year, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$133 million.

A portion of the District's total net position, \$31.6 million, reflects its net investment in capital assets. The District uses capital assets to provide services; 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.

Table 1
Statement of Net Position
As of June 30, 2025 and 2024

| | Governmental Activities | | Business-Type Activities | | Totals | | Change |
|---------------------------------------------------------------|-------------------------|-------------------------|--------------------------|-----------------------|-------------------------|-------------------------|---------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | |
| Current and Other Assets | \$ 35,205,157 | \$ 42,707,556 | \$ 2,627,122 | \$ 2,019,750 | \$ 37,832,279 | \$ 44,727,306 | \$ (6,895,027) |
| Capital Assets | 98,861,661 | 101,757,057 | 180,316 | 169,344 | 99,041,977 | 101,926,401 | (2,884,424) |
| TOTAL ASSETS | 134,066,818 | 144,464,613 | 2,807,438 | 2,189,094 | 136,874,256 | 146,653,707 | (9,779,451) |
| Deferred Outflows of Resources (deferred loss, pension, OPEB) | 30,316,633 | 35,776,892 | 572,994 | 781,000 | 30,889,627 | 36,557,892 | (5,668,265) |
| Long-Term Liabilities | 252,388,520 | 272,508,912 | 3,741,329 | 4,528,000 | 256,129,849 | 277,036,912 | (20,907,063) |
| Other Liabilities | 34,139,908 | 29,966,357 | 204,188 | 142,287 | 34,344,096 | 30,108,644 | 4,235,452 |
| TOTAL LIABILITIES | 286,528,428 | 302,475,269 | 3,945,517 | 4,670,287 | 290,473,945 | 307,145,556 | (16,671,611) |
| Deferred Inflows of Resources (pension, OPEB) | 8,190,025 | 9,044,658 | 115,660 | 151,000 | 8,305,685 | 9,195,658 | (889,973) |
| Net Position | | | | | | | |
| Net Investment in Capital Assets | 31,571,042 | 25,862,613 | - | 169,344 | 31,571,042 | 26,031,957 | 5,539,085 |
| Restricted | 3,541,898 | 6,833,375 | - | - | 3,541,898 | 6,833,375 | (3,291,477) |
| Unrestricted | (165,447,942) | (163,974,410) | (680,745) | (2,020,537) | (166,128,687) | (165,994,947) | (133,740) |
| TOTAL NET POSITION | \$ (130,335,002) | \$ (131,278,422) | \$ (680,745) | \$ (1,851,193) | \$ (131,015,747) | \$ (133,129,615) | \$ 2,113,868 |

The statement of activities shows the cost of program services, the charges for services, and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental and business-type activities.

Current assets decreased by approximately \$6.9 million mainly due to a decrease in Cash and cash equivalents, investments and prepaid expenses. Total non-current assets decreased by approximately \$2.9 million mainly due to the depreciation. This decrease in cash and cash equivalents and investments was due partly to increased spending for long-term debt as well as to cover increasing expenses incurred by the School District. Total liabilities decreased by a net amount \$16.7 million mainly due to a decrease in bonds payable.

Overall, the \$2 million increase in total net position will go towards funding future projects.

BENSALEM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

The results of this year’s operations as a whole are reported in the Statement of Activities. Table 2 is a comparative summary of changes in net position for the periods ended June 30, 2025 and 2024. Revenues are defined as either program or general revenues. Program revenues are generated by the services themselves or provided externally for use in a particular function. Program revenues reduce the net expense to the public. General revenues include the Basic Education Subsidy provided by the State of Pennsylvania, local taxes assessed to community taxpayers and other general revenues the District uses to finance the total net cost of programs.

Table 2
Changes in Net Position
Fiscal Years Ended June 30, 2025 and 2024

| | Governmental Activities | | Business-Type Activities | | Totals | | Change |
|-----------------------------------------------|-------------------------|-------------------------|--------------------------|-----------------------|-------------------------|-------------------------|---------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | |
| REVENUES | | | | | | | |
| Program Revenues | | | | | | | |
| Charges for Services | \$ 707,708 | \$ 386,309 | \$ 281,028 | \$ 315,105 | \$ 988,736 | \$ 701,414 | \$ 287,322 |
| Operating Grants and Contributions | 33,922,118 | 28,624,041 | 4,723,662 | 4,250,121 | 38,645,780 | 32,874,162 | 5,771,618 |
| General Revenues | | | | | | | |
| Taxes | 118,174,176 | 112,633,412 | - | - | 118,174,176 | 112,633,412 | 5,540,764 |
| Unrestricted Grants and Subsidies | 25,440,565 | 30,602,833 | - | - | 25,440,565 | 30,602,833 | (5,162,268) |
| Unrestricted Investment Earnings | 3,379,819 | 3,958,411 | - | 90,370 | 3,379,819 | 4,048,781 | (668,962) |
| Restitution | 3,808 | 1,618 | - | - | 3,808 | 1,618 | 2,190 |
| Miscellaneous Income | 542,996 | (1,989,452) | - | - | 542,996 | (1,989,452) | 2,532,448 |
| Transfers | (536,797) | (516,056) | 536,797 | 516,056 | - | - | - |
| TOTAL REVENUES | 181,634,393 | 173,701,116 | 5,541,487 | 5,171,652 | 187,175,880 | 178,872,768 | 8,303,112 |
| EXPENSES | | | | | | | |
| Instruction | 123,033,975 | 112,245,761 | - | - | 123,033,975 | 112,245,761 | 10,788,214 |
| Instructional Student Support | 16,600,493 | 15,336,434 | - | - | 16,600,493 | 15,336,434 | 1,264,059 |
| Administrative and Financial Support Services | 11,420,876 | 10,968,962 | - | - | 11,420,876 | 10,968,962 | 451,914 |
| Operation and Maintenance of Plant Services | 15,119,936 | 17,167,953 | - | - | 15,119,936 | 17,167,953 | (2,048,017) |
| Pupil Transportation | 10,040,080 | 10,830,679 | - | - | 10,040,080 | 10,830,679 | (790,599) |
| Student Activities | 1,647,126 | 1,463,007 | - | - | 1,647,126 | 1,463,007 | 184,119 |
| Community Services | 388,440 | 477,919 | - | - | 388,440 | 477,919 | (89,479) |
| Interest on Long-Term Debt | 2,440,047 | 2,711,120 | - | - | 2,440,047 | 2,711,120 | (271,073) |
| Food Service | - | - | 4,371,039 | 4,622,977 | 4,371,039 | 4,622,977 | (251,938) |
| TOTAL EXPENSES | 180,690,973 | 171,201,835 | 4,371,039 | 4,622,977 | 185,062,012 | 175,824,812 | 9,237,200 |
| CHANGE IN NET POSITION | 943,420 | 2,499,281 | 1,170,448 | 548,675 | 2,113,868 | 3,047,956 | (934,088) |
| Net position - beginning of year, restated | (131,278,422) | (133,777,703) | (1,851,193) | (2,399,868) | (133,129,615) | (136,177,571) | 3,047,956 |
| Net position - end of year | <u>\$ (130,335,002)</u> | <u>\$ (131,278,422)</u> | <u>\$ (680,745)</u> | <u>\$ (1,851,193)</u> | <u>\$ (131,015,747)</u> | <u>\$ (133,129,615)</u> | <u>\$ 2,113,868</u> |

For the District as a whole, revenues increased by \$8.26 million, while expenses increased by \$9.23 million. Notably, revenue from Grants, subsidies, and contributions not restricted (Federal ESSER funds) increased as expected. These funds are expected to see a decrease going forward as the deadline for Federal ESSER funding related to the COVID-19 pandemic has expired and this revenue source has ended. Substantial increases were realized related to instructional expenditures.

FUND FINANCIAL STATEMENTS

The fund financial statements of the District’s major funds provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by state statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District’s three types of funds, governmental, proprietary, and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

BENSALEM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

| | <u>June 30,</u> | | Increase (Decrease) |
|--------------------------|---------------------|----------------------|--------------------------------|
| | <u>2025</u> | <u>2024</u> | |
| General Fund | \$ 6,878,798 | \$ 13,026,901 | \$ (6,148,103) |
| Capital Projects Fund | 3,541,898 | 6,833,375 | (3,291,477) |
| School Construction Fund | (2,891,662) | - | (2,891,662) |
| | <u>\$ 7,529,034</u> | <u>\$ 19,860,276</u> | <u>\$ (12,331,242)</u> |

The District’s governmental funds reported a combined fund balance of \$7.53 million, which is a decrease of \$12.33 million over last year’s total of \$19.86 million. The decrease is mainly attributable to rising expenses which outpaced the increase in revenues in the 24-25 fiscal year and capital outlay for school construction.

General Fund

Overall, fund balance decreased by \$6.18 million, or 47.47 percent. The fund balance decrease was mainly due to increased expenses related to unanticipated special education instructional costs and an increase in special education charter school costs. While revenues from state and local sources all boasted increased revenues over the prior year, these were outpaced by increased expenditures. Specifically, instructional expenditures saw an increase of \$10.3 million or 8.9 percent. Instructional increases stemmed from special educations, charter school expenses and teacher salary and benefit increases.

Other Funds

The Capital Project Funds decreased by \$3.29 million or 48.17 percent. Capital project at the Bensalem High School for repairs to the schools geothermal HVAC system accounted for all of the capital expenditures.

The School Construction Fund is a new fund in 2024-2025.

Business-Type Activities

The only business-type activity in the District is the Food Service program. This program had an increase in net position of approximately \$1.17 million for the fiscal year due to a decrease in the current year operating expenses.

General Fund Budget Information

The District keeps its books and prepares its financial reports on 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 District’s financial statements are audited annually by a firm of independent certified public accountants, as required by Commonwealth Law. The District budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education. An annual operating budget is prepared by the Superintendent and Director of Business Operations and submitted to the Board of School Directors for approval prior to the beginning of the fiscal year on July 1 each year. The most significant budgeted fund is the General Fund.

BENSALEM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

Spending Review

Budgetary transfers are required to meet actual expenditures, when the original estimates are exceeded. These transfers, when needed, are approved by the Board throughout the year.

The most significant changes in the District’s final budgeted revenues and expenditures versus actual revenues and expenditures for General Fund were:

- Federal revenue sources were \$3.9 million or 130.30 percent over the final budget due to 21st Century Grant
- State revenue sources were \$2.8 million or 5.62 percent over the final budget due to additional state subsidies allocated after the budget adoption of July 1, 2024
- Expenditures for instruction were \$13.9 million, or 12.38 percent over the final budget.
- Expenditures for support services were \$1.8 million, or 3.82 percent over the final budget.

The largest portions of General Fund expenditures are for salaries and benefits. The District is an educational service entity and, as such, is labor-intensive. Additional information of the Bensalem Township School District’s general fund budget vs actual can be found on page 54 of this report.

CAPITAL ASSETS

At June 30, 2025, the District’s governmental activities had \$98,891,661 of capital assets, net of accumulated depreciation, invested in a broad range of capital assets, including land, buildings, and furniture and equipment.

| | Governmental Activities | |
|--------------------------------|--------------------------------|-----------------------|
| | 2025 | 2024 |
| Land | \$ 3,198,902 | \$ 3,198,902 |
| Construction in Progress | 6,722,767 | 1,901,105 |
| Land Improvements | 6,222,551 | 6,222,551 |
| Buildings and Improvements | 222,732,175 | 222,423,258 |
| Furniture and Equipment | 36,490,580 | 34,225,097 |
| Less: Accumulated Depreciation | (176,505,314) | (166,213,856) |
| | <u>\$ 98,861,661</u> | <u>\$ 101,757,057</u> |

The District’s business-type activities had \$180,316 of capital assets, net of accumulated depreciation. More detailed information about the District’s capital assets is presented in the notes to the financial statements.

As of July 1, 2024, the District had total outstanding debt \$77,849,851. Total debt outstanding as of June 30, 2025 was \$69,351,532 of which \$8,535,454 is to be paid within the next year.

| | June 30, | |
|----------------------------------|----------------------|----------------------|
| | 2025 | 2024 |
| General Obligation Bonds -2013 | \$ 21,355,000 | \$ 24,590,000 |
| General Obligation Bonds -2017 | 11,935,000 | 11,940,000 |
| General Obligation Bonds -2020 | 28,120,000 | 28,545,000 |
| General Obligation Bonds -2020 A | - | 3,815,000 |
| General Obligation Bonds -2020B | 6,815,000 | 7,380,000 |
| Bond Premium | 1,126,532 | 1,579,851 |
| | <u>\$ 69,351,532</u> | <u>\$ 77,849,851</u> |

BENSALEM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

FACTORS EXPECTED TO HAVE A SIGNIFICANT EFFECT ON FUTURE OPERATIONS

The District's general obligation bond rating is a Moody's Aa3. The District's Aa3 rating reflects strong financial management practices and consistent budgeting leading to large reserve levels and stable operations. It also reflects a large tax base, with an average socio-demographic profile, and modest debt burden. The District's bonds payable total as of June 30, 2025 is \$68.2 million.

At the time that these financial statements are being prepared, management is aware of the following factors which could have significant impact on its future financial health:

- State legislation will continue to have an impact on the nature of school funding and budgeting. Specifically, a district cannot enact a tax increase in any year in which the budgeted unassigned fund balance exceeds eight percent of the budgeted expenditures. Act 1 of 2006, the "Homeowner Tax Relief Act," links several separate funding concepts. Gaming revenues received by the state, along with local earned income or personal income tax receipts, is used to lower real estate taxes. Initiated under Act 72, the District is required to adhere to an earlier budget adoption timetable. Real estate tax increases are limited to an inflation-related index, unless approved by referendum or needed to cover certain exceptions related to specified extraordinary increases requiring PDE or court approval.
- The state enacted budget was approved after the district approved its General Fund Budget in June of 2025. Approved subsidies were higher than budgeted and should result in much needed fiscal relief for the district.
- The Board of School Directors approved a 2.4% RE tax Increase for the 2025-2026 School Year. Despite increases in state funding, administration anticipates a draw on fund balance due to substantial anticipated increases in special education costs over budgeted amounts.
- Local revenues increased due mainly to increased RE Tax Revenues. Local revenues are projected to rise due to the 2.4% RE tax increase for 2025-2026
- State Revenues were up approximately \$5.9 million. Increase was due to greater funding levels in the Basic Ed subsidy, pupil transportation funding, Special Education Funding, Ready to Learn Block grant and increase in the State property tax allocation. 2025-2026 will see an another material increase in dollars from state sources.
- Instructional costs for the district increased approximately \$10.2 million. Charter school costs increased significantly. Overall enrollment increased slightly but identification of special education needs increased dramatically pushing the districts charter school costs up close to \$2 million dollars.
- The district's General Fund balance decreased for the year by \$6.18 million. General Fund had revenues of \$181,560,701 and expenditures of \$187,208,232. Expenditures for the year exceeded revenues for the year by \$6.65 million. The district's general fund also supports the food service program with an annual interfund transfer of over \$500,000.
- The District currently has collective bargaining or similar agreements which include various expiration dates. They cover:
 - Aides, through June 30, 2029;
 - Bus and van drivers, through June 30, 2026;
 - Cafeteria workers, through June 30, 2029;
 - Custodial and maintenance employees, through June 30, 2029;
 - Secretaries, through June 30, 2026 and;
 - Teachers, through June 30, 2028.

BENSALEM TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The District's financial report is designed to provide citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to show the Board's accountability for the monies it oversees. If you have questions about this report or wish to request additional financial information, please contact John Steffy, Director of Business Operations, Bensalem Township School District, 3000 Donallen Drive, Bensalem, PA 19020. General District office phone number is: (215) 750-2800.

**BENSALEM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025**

| | Governmental Activities | Business-Type Activities | Total |
|------------------------------------------------------------------------------|----------------------------|-----------------------------|-----------------------|
| ASSETS AND DEFERRED OUTFLOWS | | | |
| ASSETS: | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 21,471,214 | \$ 2,524,256 | \$ 23,995,470 |
| Investments | 1,985,824 | - | 1,985,824 |
| Taxes Receivable, net | 2,060,913 | - | 2,060,913 |
| Internal Balances | 636,713 | (636,713) | - |
| Due from Other Governments | 6,711,925 | 577,140 | 7,289,065 |
| Due from Fiduciary Funds | 33,532 | - | 33,532 |
| Other Receivables | 1,578,100 | - | 1,578,100 |
| Inventories | - | 162,439 | 162,439 |
| Prepaid Expenses | 726,936 | - | 726,936 |
| Total Current Assets | 35,205,157 | 2,627,122 | 37,832,279 |
| Noncurrent Assets | | | |
| Land | 3,198,902 | - | 3,198,902 |
| Construction in Process | 6,722,767 | - | 6,722,767 |
| Land Improvements | 6,222,551 | - | 6,222,551 |
| Buildings and Improvements | 222,732,175 | - | 222,732,175 |
| Furniture and Equipment | 36,490,580 | 796,828 | 37,287,408 |
| Accumulated Depreciation | (176,505,314) | (616,512) | (177,121,826) |
| Total Noncurrent Assets | 98,861,661 | 180,316 | 99,041,977 |
| TOTAL ASSETS | 134,066,818 | 2,807,438 | 136,874,256 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| Deferred Loss on Refunding, net of Accumulated Amortization | 1,674,799 | - | 1,674,799 |
| OPEB | 1,608,938 | 21,302 | 1,630,240 |
| Pensions | 27,032,896 | 551,692 | 27,584,588 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 30,316,633 | 572,994 | 30,889,627 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 164,383,451 | \$ 3,380,432 | \$ 167,763,883 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | | | |
| LIABILITIES: | | | |
| Current Liabilities | | | |
| Accounts Payable | \$ 7,896,629 | \$ 98,130 | \$ 7,994,759 |
| Accrued Salaries and Benefits | 4,736,223 | - | 4,736,223 |
| Payroll Deductions and Withholdings | 12,117,882 | - | 12,117,882 |
| Other Liabilities | 864,476 | - | 864,476 |
| Unearned Revenues | - | 106,058 | 106,058 |
| Accrued Interest on Long-Term Debt | 314,698 | - | 314,698 |
| Current Portion of Long-Term Debt | 8,210,000 | - | 8,210,000 |
| Total Current Liabilities | 34,139,908 | 204,188 | 34,344,096 |
| Noncurrent Liabilities | | | |
| Bonds Payable | 60,015,000 | - | 60,015,000 |
| Bond Premiums, net of Amortization | 1,126,532 | - | 1,126,532 |
| Compensated Absences | 7,921,882 | - | 7,921,882 |
| Net Pension Liability | 173,423,740 | 3,539,260 | 176,963,000 |
| Net OPEB Liability | 9,901,366 | 202,069 | 10,103,435 |
| Total Noncurrent Liabilities | 252,388,520 | 3,741,329 | 256,129,849 |
| TOTAL LIABILITIES | 286,528,428 | 3,945,517 | 290,473,945 |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| OPEB | 3,984,845 | 29,840 | 4,014,685 |
| Pensions | 4,205,180 | 85,820 | 4,291,000 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 8,190,025 | 115,660 | 8,305,685 |
| NET POSITION: | | | |
| Net Investment in Capital Assets | 31,571,042 | - | 31,571,042 |
| Restricted | 3,541,898 | - | 3,541,898 |
| Unrestricted | (165,447,942) | (680,745) | (166,128,687) |
| TOTAL NET POSITION | (130,335,002) | (680,745) | (131,015,747) |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 164,383,451 | \$ 3,380,432 | \$ 167,763,883 |

The accompanying notes are an integral part of the financial statements.

**BENSALEM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

| Functions/Programs | Expenses | Program Revenue | | | Net Revenue (Expense) and Changes in Net Position | | |
|-----------------------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|---------------------------------------------------|--------------------------|-------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities: | | | | | | | |
| Instruction | \$ 123,033,975 | \$ 434,056 | \$ 16,002,602 | \$ - | \$ (106,597,317) | \$ - | \$ (106,597,317) |
| Instructional Student Support | 16,600,493 | - | - | - | (16,600,493) | - | (16,600,493) |
| Administrative and Financial Support Services | 11,420,876 | - | - | - | (11,420,876) | - | (11,420,876) |
| Operation and Maintenance of Plant Services | 15,119,936 | - | - | - | (15,119,936) | - | (15,119,936) |
| Pupil Transportation | 10,040,080 | 217,662 | 2,425,607 | - | (7,396,811) | - | (7,396,811) |
| Student Activities | 1,647,126 | - | 277,262 | - | (1,369,864) | - | (1,369,864) |
| Community Services | 388,440 | 55,990 | 14,444,681 | - | 14,112,231 | - | 14,112,231 |
| Interest on Long-Term Debt | 2,440,047 | - | 771,966 | - | (1,668,081) | - | (1,668,081) |
| Total Governmental Activities | 180,690,973 | 707,708 | 33,922,118 | - | (146,061,147) | - | (146,061,147) |
| Business-Type Activities: | | | | | | | |
| Food Services | 4,371,039 | 281,028 | 4,723,662 | - | - | 633,651 | 633,651 |
| Total Primary Government | \$ 185,062,012 | \$ 988,736 | \$ 38,645,780 | \$ - | \$ (146,061,147) | \$ 633,651 | \$ (145,427,496) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes, net | | | | | \$ 110,642,798 | \$ - | \$ 110,642,798 |
| Real Estate Transfer, Mercantile, and Other | | | | | 7,531,378 | - | 7,531,378 |
| Unrestricted Grants and Subsidies | | | | | 25,440,565 | - | 25,440,565 |
| Unrestricted Investment Earnings | | | | | 3,379,819 | - | 3,379,819 |
| Restitution | | | | | 3,808 | - | 3,808 |
| Miscellaneous Income | | | | | 542,996 | - | 542,996 |
| Transfers | | | | | (536,797) | 536,797 | - |
| Total General Revenues | | | | | 147,004,567 | 536,797 | 147,541,364 |
| Changes in Net Position | | | | | 943,420 | 1,170,448 | 2,113,868 |
| Net position - beginning of year | | | | | (131,278,422) | (1,851,193) | (133,129,615) |
| Net position - end of year | | | | | \$ (130,335,002) | \$ (680,745) | \$ (131,015,747) |

The accompanying notes are an integral part of the financial statements.

**BENSALEM TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025**

| | General Fund | Capital Projects Fund | School Construction Fund | Total Governmental Funds |
|--------------------------------------------------------------------------------|----------------------|-----------------------------|-----------------------------|-----------------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 17,960,972 | \$ 3,510,242 | \$ - | \$ 21,471,214 |
| Investments | 1,985,824 | - | - | 1,985,824 |
| Taxes Receivable | 2,060,913 | - | - | 2,060,913 |
| Due From Other Governments | 6,711,925 | - | - | 6,711,925 |
| Other Receivables | 1,536,444 | 41,656 | - | 1,578,100 |
| Interfund Receivable | 744,223 | - | - | 744,223 |
| Due from Fiduciary Funds | 33,532 | - | - | 33,532 |
| Prepaid Expenses | 726,936 | - | - | 726,936 |
| TOTAL ASSETS | \$ 31,760,769 | \$ 3,551,898 | \$ - | \$ 35,312,667 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts Payable | \$ 5,099,750 | \$ 10,000 | \$ 2,786,879 | \$ 7,896,629 |
| Accrued Salaries and Benefits | 4,736,223 | - | - | 4,736,223 |
| Accrued Deductions and Withholdings | 12,117,882 | - | - | 12,117,882 |
| Interfund payable | 2,727 | - | 104,783 | 107,510 |
| Other current liabilities | 864,476 | - | - | 864,476 |
| TOTAL LIABILITIES | 22,821,058 | 10,000 | 2,891,662 | 25,722,720 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Tax Revenues - Property Taxes | 2,060,913 | - | - | 2,060,913 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 2,060,913 | - | - | 2,060,913 |
| FUND BALANCES | | | | |
| Nonspendable | 726,936 | - | - | 726,936 |
| Restricted | - | 3,541,898 | - | 3,541,898 |
| Unassigned | 6,151,862 | - | (2,891,662) | 3,260,200 |
| TOTAL FUND BALANCES | 6,878,798 | 3,541,898 | (2,891,662) | 7,529,034 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 31,760,769 | \$ 3,551,898 | \$ - | \$ 35,312,667 |

The accompanying notes are an integral part of the financial statements.

**BENSALEM TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total fund balance - governmental funds \$ 7,529,034

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds. Those assets consist of:

| | | |
|---------------------------------------------------------------------------|----|------------|
| Land | \$ | 3,198,902 |
| Construction in Process | | 6,722,767 |
| Land Improvements, net of \$6,143,970 accumulated depreciation | | 78,581 |
| Buildings and Improvements, net of \$143,776,499 accumulated depreciation | | 78,955,676 |
| Furniture and Equipment, net of \$26,584,845 accumulated depreciation | | 9,905,735 |
| | | 9,905,735 |

Total capital assets 98,861,661

Property taxes receivable are available for collection this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. 2,060,913

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

| | | |
|-------------------------------------------------|--|---------------|
| Bonds Payable | | (68,225,000) |
| Accrued Interest on Long-Term Debt | | (314,698) |
| Deferred Loss on Refunding, net of Amortization | | 1,674,799 |
| Net Pension Liability | | (173,423,740) |
| Deferred Outflows of Resources - Pensions | | 27,032,896 |
| Deferred Inflows of Resources - Pensions | | (4,205,180) |
| Bond Premium, net of Amortization | | (1,126,532) |
| Compensated Absences | | (7,921,882) |
| Other Post-Employment Benefits (OPEB) | | (9,901,366) |
| Deferred Outflows of Resources - OPEB | | 1,608,938 |
| Deferred Inflows of Resources - OPEB | | (3,984,845) |
| | | (238,786,610) |

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ (130,335,002)

The accompanying notes are an integral part of the financial statements.

**BENSALEM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

| | General Fund | Capital Projects Fund | School Construction Fund | Total Governmental Funds |
|----------------------------------------------------------------|---------------------|-----------------------------|-----------------------------|-----------------------------|
| REVENUES | | | | |
| Local Sources: | \$ 122,234,243 | \$ 229,816 | \$ - | \$ 122,464,059 |
| State Sources | 52,379,903 | - | - | 52,379,903 |
| Federal Sources | 6,982,780 | - | - | 6,982,780 |
| Total Revenues | 181,596,926 | 229,816 | - | 181,826,742 |
| EXPENDITURES | | | | |
| Instructional Services | 126,213,287 | - | - | 126,213,287 |
| Support Services | 48,303,379 | 895,269 | 156,817 | 49,355,465 |
| Noninstructional Services | 2,011,283 | 69,667 | - | 2,080,950 |
| Facilities acquisition, construction, and improvement services | - | 2,556,357 | 2,734,845 | 5,291,202 |
| Debt Service | | | | |
| Principal | 8,045,000 | - | - | 8,045,000 |
| Interest | 2,635,283 | - | - | 2,635,283 |
| Total Expenditures | 187,208,232 | 3,521,293 | 2,891,662 | 193,621,187 |
| Excess of Revenues Over (Under) Expenditures | (5,611,306) | (3,291,477) | (2,891,662) | (11,794,445) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (536,797) | - | - | (536,797) |
| Total Other Financing Sources | (536,797) | - | - | (536,797) |
| Net Changes in Fund Balance | (6,148,103) | (3,291,477) | (2,891,662) | (12,331,242) |
| Fund Balances - Beginning of Year | 13,026,901 | 6,833,375 | - | 19,860,276 |
| Fund Balances - End of Year | \$ 6,878,798 | \$ 3,541,898 | \$ (2,891,662) | \$ 7,529,034 |

The accompanying notes are an integral part of the financial statements.

**BENSALEM TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Net changes in fund balances - total governmental funds \$ (12,331,242)

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays 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. The amount by which depreciation exceeds capital outlays in the period is as follows:

| | | |
|----------------------|------------------|-------------|
| Depreciation expense | \$ (10,291,458) | |
| Capital outlays | <u>7,396,062</u> | (2,895,396) |

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

| | | |
|-------------------------|-----------|-----------|
| Repayments: | | |
| General obligation debt | 8,045,000 | 8,045,000 |

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The differences for the items discussed above are:

| | | |
|----------------------------------------------|---------------|-----------|
| Compensated absences expense | (204,944) | |
| Pension benefit expense | 7,447,976 | |
| Other postemployment benefits expense | 342,342 | |
| Amortization of debt premium/discount | 453,319 | |
| Amortization of deferred loss from refunding | (280,608) | |
| Accrued interest on long-term debt | <u>22,525</u> | 7,780,610 |

Because some property taxes will not be collected for several months after the School District's fiscal year ends, they are not considered available revenues in the governmental funds. Deferred tax revenues decreased by this amount this year.

| | | |
|---------------------------------------------------|----|-----------------------|
| | | <u>344,448</u> |
| Change in net position of governmental activities | \$ | <u><u>943,420</u></u> |

The accompanying notes are an integral part of the financial statements.

**BENSALEM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025**

| | Enterprise Fund Food Service |
|----------------------------------------------------------------------|---------------------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | |
| Current Assets | |
| Cash and Cash Equivalents | \$ 2,524,256 |
| Due from Other Governments | 577,140 |
| Inventories | 162,439 |
| Total Current Assets | 3,263,835 |
| Noncurrent Assets | |
| Furniture and Equipment | 796,828 |
| Accumulated Depreciation | (616,512) |
| Total Noncurrent Assets | 180,316 |
| TOTAL ASSETS | 3,444,151 |
| Deferred Outflows of Resources | |
| Pensions | 551,692 |
| OPEB | 21,302 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 572,994 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 4,017,145 |
| LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND NET POSITION | |
| Current Liabilities | |
| Accounts Payable | \$ 98,130 |
| Interfund payable | 636,713 |
| Unearned revenue | 106,058 |
| Total Current Liabilities | 840,901 |
| Noncurrent Liabilities | |
| Net OPEB | 202,069 |
| Net Pension Liability | 3,539,260 |
| Total Noncurrent Liabilities | 3,741,329 |
| TOTAL LIABILITIES | 4,582,230 |
| DEFERRED INFLOWS OF RESOURCES | |
| Pensions | 85,820 |
| OPEB | 29,840 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 115,660 |
| NET POSITION | |
| Unrestricted | (680,745) |
| TOTAL NET POSITION | (680,745) |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ 4,017,145 |

The accompanying notes are an integral part of the financial statements.

**BENSALEM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

| | Enterprise Fund Food Service |
|----------------------------------|---------------------------------|
| Operating Revenues | |
| Food Service Revenue | \$ 281,028 |
| Total Operating Revenues | 281,028 |
| Operating Expenses | |
| Salaries | 1,719,391 |
| Employee Benefits | 592,407 |
| Purchased Property Services | 78,601 |
| Other Purchased Services | 8,685 |
| Supplies | 1,939,153 |
| Depreciation | 29,160 |
| Miscellaneous | 3,642 |
| Total Operating Expenses | 4,371,039 |
| Operating Loss | (4,090,011) |
| Nonoperating Revenues | |
| Interest and Investment Revenue | 116,415 |
| State Sources | 584,457 |
| Federal Sources | 4,022,790 |
| Total Nonoperating Revenues | 4,723,662 |
| Income Before Transfers | 633,651 |
| Transfers In | 536,797 |
| Change in Net Position | 1,170,448 |
| Net Position - Beginning of year | (1,851,193) |
| Net Position - End of Year | \$ (680,745) |

The accompanying notes are an integral part of the financial statements.

**BENSALEM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

| | Enterprise Fund Food Service |
|-----------------------------------------------------------------------------------------------------------|---------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash Received from Customers | \$ 281,028 |
| Cash Payments to Suppliers for Goods and Services | (1,975,319) |
| Cash Payments to Employees for Services | (2,925,803) |
| Net Cash Used in Operating Activities | (4,620,094) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| State Sources | 584,457 |
| Federal Sources | 3,968,788 |
| Internal Activity | 213,495 |
| Net Cash Provided by Noncapital Financing Activities | 4,766,740 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Purchase of capital assets | (40,132) |
| Net Cash Used in Capital and related Financing Activities | (40,132) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Investment Earnings | 116,415 |
| Net Cash Provided by Investing Activities | 116,415 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 222,929 |
| Cash and Cash Equivalents - Beginning of Year | 2,301,327 |
| Cash and Cash Equivalents - End of Year | \$ 2,524,256 |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES | |
| Operating Loss | \$ (4,090,011) |
| ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | |
| Depreciation | 29,160 |
| Change in assets and liabilities | |
| Inventory | (3,976) |
| Accounts Payable | 58,738 |
| Net Pension Liability and Pension Deferred Inflows/Outflows | (703,592) |
| Other Postemployment Benefits and Deferred Inflows/Outflows | 89,587 |
| Total Adjustments | (530,083) |
| Net Cash Used In Operating Activities | \$ (4,620,094) |

The accompanying notes are an integral part of the financial statements.

**BENSALEM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025**

| | Custodial Fund |
|-----------------------------------|----------------|
| <u>ASSETS</u> | |
| Cash and Cash Equivalents | \$ 639,597 |
| <u>LIABILITIES</u> | |
| Accounts Payable | 27,564 |
| Due to General Fund | 33,532 |
| TOTAL LIABILITIES | 61,096 |
| <u>NET POSITION</u> | |
| Restricted for custodial purposes | 578,501 |
| TOTAL NET POSITION & LIABILITIES | \$ 639,597 |

The accompanying notes are an integral part of the financial statements.

**BENSALEM TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

| | Custodial Fund |
|----------------------------------|----------------|
| Operating Revenues | |
| Student Activities Income | \$ 714,227 |
| Total Operating Revenues | 714,227 |
| Operating Expenses | |
| Student Activities | 685,980 |
| Total Operating Expenses | 685,980 |
| Operating (Loss) Gain | 28,247 |
| Net Position - Beginning of year | 550,254 |
| Net Position - End of Year | \$ 578,501 |

The accompanying notes are an integral part of the financial statements.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Bensalem Township School District have been prepared in accordance with the accounting system and procedures prescribed for school districts by the Commonwealth of Pennsylvania, Department of Education, which is in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

Reporting Entity

The Bensalem Township School District (the "District") is a school district of the Commonwealth of Pennsylvania Department of Education, governed by an elected nine-member school board, located in Bucks County. The statements reflect all funds and accounts directly under the control of the District. Using the criteria of financial accountability, there are no component units that are or should be included in the District's reporting entity.

District's operations are located in the Township of Bensalem, Pennsylvania. Its service area is located within the geographic boundaries of the District. The District assesses taxpayers within its service area based upon taxing powers at its disposal. The ability of each of the District's taxpayers to honor their assessed obligations to the District is dependent upon economic and other factors affecting the taxpayers.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The statements distinguish between governmental and business-type activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the Proprietary Funds financial statements but differs from the manner in which Governmental Funds financial statements are prepared. Governmental Funds financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for Governmental Funds. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as an expense against current operations and accumulated depreciation is reported on the statement of net position.

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

Fund Financial Statements

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

Governmental Fund financial statements are accounted for on "the flow of current financial resources" measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded as a fund liability when expected to be paid with expendable available financial resources. The financial statements for Governmental Funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financial sources) and uses (i.e. expenditures and other financing sources) of current financial resources.

The Proprietary Fund is accounted for on an "economic resources" measurement focus. Accordingly, the Statement of Revenues, Expenses and Changes in Fund Net Position for the Proprietary Fund reports increases and decreases in total economic net worth. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Fiduciary Funds are reported using the economic resources measurement focus.

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which constitutes a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts. The various funds of the District are grouped into the categories governmental, proprietary, and fiduciary.

Governmental Funds

Governmental Funds are those through which most District functions are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except those accounted for in the Proprietary Fund and Fiduciary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial resources rather than upon determination of net income. The following are the District's major Governmental Funds:

General Fund

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

Capital Projects Fund

The Capital Projects Fund accounts for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specified purposes.

School Construction Fund

The School Construction Fund accounts for the proceeds of bond issue in 2025-2026 that are being used for acquisition, construction and renovation of capital facilities.

Proprietary Funds

Proprietary Funds are used to account for ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary 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 a proprietary fund's principal ongoing operations. The principal operating revenues of the government's proprietary fund are charges to customers for sales and services.

Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. All proprietary activities are accounted for using GASB pronouncements as established by GASB No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA Pronouncements*. The Proprietary Fund is classified as an Enterprise Fund for the District's Food Service operations. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the District on behalf of other funds within the District. The Fiduciary Funds are prepared under the economic resources measurement focus and the accrual basis of accounting.

Custodial Funds

Custodial Funds consist of student activities funds, which are established to account for the receipts and disbursements of various school activities administered for the general welfare of the students. The organizations exist at the explicit approval of and are subject to revocation by the Board of School Directors. However, this is the extent of the District's involvement. The students of the student activity organizations are involved with the decision making process of the custodial funds. The accounting reflects the District's custodial relationship with the student activity organizations.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Investments

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks and highly-liquid investments with original maturities of less than 90 days and no restrictions on withdrawal.

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

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

Intergovernmental Receivables/Payables

During the course of operations, numerous transactions occur between governmental units for payment of services and subsidy payments. These receivables and payables are classified as intergovernmental receivables/payables on the balance sheet.

Inventories

Inventory of the Food Service Fund is presented at the lower of cost or market. Cost is determined on a first in, first out basis, and is expensed when used.

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Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, and furniture and equipment, are reported in the governmental column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

The District's capitalization level for capital assets is assets with an initial, individual cost equal to or greater than \$5,000 and aggregate purchase greater than \$25,000 and an estimated useful life in excess of one year. Depreciation is computed using the straight-line method over the following estimated useful lives:

| | <u>Estimated Lives</u> |
|--------------------------------|------------------------|
| School buildings | 50 years |
| Land and building improvements | 20-50 years |
| Furniture and equipment | 5-15 years |
| Vehicles | 8-12 years |
| Computer hardware | 5 years |

Compensated Absences

District employees earn vacation and sick leave in accordance with the terms of their respective collective bargaining agreements. Compensated absences are recognized as a liability for leave attributable to past service that is more likely than not to be paid to employees upon separation or through continued employment.

The liability for compensated absences is reported in the government-wide financial statements as a long-term liability, with the current portion representing amounts expected to be liquidated within one year. The current portion is estimated based on historical leave usage and payout experience.

Deferred Inflows and Unearned Revenue

Food Service Fund unearned revenues represent food received in its food service operations that is on hand at June 30, 2025. Such revenues will be recognized when the food commodities are used.

The District previously implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows on the statement on net position consist of deferred charges on debt refunding, net of accumulated amortization and the deferred outflows related to pension and OPEB activity. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition prices. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pension and OPEB activity are reported in the

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statement of net position and are deferred and recognized as an outflow of resources in the period to which the expense applies.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items, that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. The second item, deferred inflows related to pension and OPEB activity, are reported in the government-wide statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

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

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the government activities column of the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds.

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

Interfund Assets/Liabilities

For fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables/Payables". Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position.

PSERS Pensions and OPEB

For purposes of measuring net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Public School Employee's 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 benefit terms investments are reported at fair value.

Equity Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- ***Net Investment in Capital Assets*** – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of these assets.
- ***Restricted*** – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- ***Unrestricted*** – All other net position that does not meet the definition of “investment in capital assets” or “restricted”.

Fund Balance Classifications

The Governmental Accounting Standards Board (GASB) released Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) on March 11, 2009 which was effective for the District's fiscal year ending June 30, 2011. This Statement is intended to improve the usefulness of the amounts reported in fund balance by providing more structural classifications. Under GASB 54, fund balance is reported under the following five classifications:

- ***Nonspendable*** – Consists of amounts that are not in a spendable form or are required to be maintained intact. Nonspendable fund balance of \$726,936 represents prepaid expense.
- ***Restricted*** – Consists of amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. The Capital Projects Fund balance reflects amounts that are restricted for construction.

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- **Committed** – Consists of amounts that can only be used for the specific purposes determined by a formal action of the District's highest level of decision-making authority (the Board of Directors) and do not lapse at year end. The committed fund balance consists of a commitment by the board for future retirement benefits.
- **Assigned** – Consists of amounts intended for a specific purpose by the Board of Directors that has been delegated authority to assign amounts. This fund balance classification reflects funds assigned for capital projects.
- **Unassigned** – Consists of any remaining fund balance that has not been reported in any other classification.

The Board of School Directors establishes (and modifies or rescinds) fund balance commitments by the passage of a resolution. When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTE B CASH AND INVESTMENTS

Cash

Under Act No. 72 enacted by the general assembly of the Commonwealth of Pennsylvania, the funds deposited with the depository are permitted to be secured on a pooled basis with all other public funds which the banking institution has on deposit in excess of the Federal Depository Insurance limit. These may be bonds of the United States, any State of the United States, or bonds of any political subdivision of Pennsylvania, or the general state authority or other authorities created by the General Assembly of the Commonwealth of Pennsylvania or insured with the Federal Deposit Insurance Corporation.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2025, the carrying amount of district's deposit was \$24,635,067 and the bank balance of \$31,587,664. None of the balance was covered by federal depository insurance.

Cash deposits totaling \$31,587,664 are in the Pennsylvania School District Liquid Asset Fund (PSDLAF) and Pennsylvania Local Government Investment Trust (PLGIT). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF and PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized organization and is subject to an independent annual audit. As of June 30, 2025, PSDLAF and PLGIT had a Standard and Poor's rating of AAAM.

Investments

Credit Risk - State law permits the District to invest funds in the following types of investments:

Obligations of (1) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (2) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (3) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

The District's investment policy does not further limit its investment choices.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District's investment policy does not further limit its investment choices. As of June 30, 2025, the District's investments in the state investment pool was rated AAAM by Standard & Poor's.

The District's investments are in the PSDLAF program, of which are funds similar to mutual funds. GASB Statement No. 3, Paragraph 69, provides that certain types of cash and investments, such as cash investments in a State Treasurer's investment pool or mutual fund, cannot be assigned a credit risk category because the government does not own specific securities. Therefore, the PGLIT cash investments included in these statements will not be assigned a credit risk category. The carrying amount of these investments at June 30, 2025, is \$1,985,824. These assets maintain a stable net asset value of \$1 per share.

Interest Rate Risk

As of June 30, 2025 all of the School District's investments were invested in External Investment Pools and not subject to Interest Rate Risk.

Participation in External Investment Pools

Investment Pool investments are multiple investment portfolios with PSDLAF similar to a money market fund. The portfolio securities are valued at amortized cost, which approximates market value. At June 30, 2025, the District has investments classified as cash and cash equivalents in money market holdings of \$9,381,616. The District has no regulatory oversight for the pool, which is governed by the Board of Trustees. The pool is audited annually by PricewaterhouseCoopers LLP. The pool is rated AAAM by Standard & Poor's. PSDLAF issues separate financial statements available at www.psdlaf.org

NOTE C SCHOOL TAXES

The tax on real estate, as levied by the School Board, was 178.4243 mills (\$178.4243 per \$1,000 of assessed value) for fiscal year 2024-2025. Assessed valuation of property is

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established by the Board of Assessments, and the elected or appointed tax collectors are responsible for collection. Real property in the District for the July 1, 2024 levy was assessed at \$ 651,757,370.

The schedule for real estate taxes levied for each fiscal year is as follows:

| | |
|--------------------------|---------------------------|
| Levy date | July 1 |
| 2% discount period | July 1 to August 31 |
| Face value period | September 1 to October 31 |
| 10% penalty period | November 1 to Collection |
| Lien date | March 1 |

Real estate taxes unpaid by January 1 must be liened with Tax Claim Bureau in Doylestown by the tax collector. For government-wide financial statements, the school district, in accordance with GAAP, recognized the delinquent and unpaid taxes receivable. A portion of the amount estimated to be collectible, which was measurable and available within 60 days, was recognized as revenue and the balance deferred in the fund financial statements.

NOTE D INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The following is a summary of interfund activity for the year ending June 30, 2025:

| | Due from Other Funds | Due to Other Funds |
|---------------------------------|--------------------------|--------------------------|
| <u>Governmental Funds</u> | | |
| General Fund | \$ 744,223 | \$ 2,727 |
| School Construction Fund | - | 104,783 |
| <i>Total Governmental Funds</i> | <u>744,223</u> | <u>107,510</u> |
| <u>Proprietary Funds</u> | | |
| Food Service | - | 636,713 |
| <i>Total Proprietary Funds</i> | <u>-</u> | <u>636,713</u> |
| Total | <u>\$ 744,223</u> | <u>\$ 744,223</u> |
| | | |
| | Transfers In | Transfers Out |
| <u>Governmental Funds</u> | | |
| General Fund | \$ - | \$ 536,797 |
| <i>Total Governmental Funds</i> | <u>-</u> | <u>536,797</u> |
| <u>Proprietary Funds</u> | | |
| Food Service | 536,797 | - |
| <i>Total Proprietary Funds</i> | <u>536,797</u> | <u>-</u> |
| Total | <u>\$ 536,797</u> | <u>\$ 536,797</u> |

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These balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

NOTE E CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2025 is as follows:

| Governmental Activities: | <u>Balance July 1, 2024</u> | <u>Additions</u> | <u>Disposals</u> | <u>Balance June 30, 2025</u> |
|----------------------------------------------|---------------------------------|-----------------------|------------------|----------------------------------|
| Capital Assets not Being Depreciated (cost): | | | | |
| Land | \$ 3,198,902 | \$ - | \$ - | \$ 3,198,902 |
| Construction in Process | 1,901,105 | 4,821,662 | - | 6,722,767 |
| Total Capital Assets not Being Depreciated | <u>5,100,007</u> | <u>4,821,662</u> | <u>-</u> | <u>9,921,669</u> |
| Capital Assets Being Depreciated: | | | | |
| Land Improvements | 6,222,551 | - | - | 6,222,551 |
| Buildings and Improvements | 222,423,258 | 308,917 | - | 222,732,175 |
| Furniture and Equipment | 34,225,097 | 2,265,483 | - | 36,490,580 |
| Total Capital Assets Being Depreciated | <u>262,870,906</u> | <u>2,574,400</u> | <u>-</u> | <u>265,445,306</u> |
| Less Accumulated Depreciation for: | | | | |
| Land Improvements | (6,106,155) | (37,815) | - | (6,143,970) |
| Buildings and Improvements | (136,200,451) | (7,576,048) | - | (143,776,499) |
| Furniture and Equipment | (23,907,250) | (2,677,595) | - | (26,584,845) |
| Total Accumulated Depreciation | <u>(166,213,856)</u> | <u>(10,291,458)</u> | <u>-</u> | <u>(176,505,314)</u> |
| Capital Assets Being Depreciated, Net | <u>96,657,050</u> | <u>(7,717,058)</u> | <u>-</u> | <u>88,939,992</u> |
| Governmental Activities, Capital Assets, Net | <u>\$ 101,757,057</u> | <u>\$ (2,895,396)</u> | <u>\$ -</u> | <u>\$ 98,861,661</u> |
| | | | | |
| Business Activities: | <u>Balance July 1, 2024</u> | <u>Additions</u> | <u>Disposals</u> | <u>Balance June 30, 2025</u> |
| Capital Assets Being Depreciated: | | | | |
| Furniture and Equipment | \$ 756,696 | \$ 40,132 | \$ - | \$ 796,828 |
| Total Capital Assets Being Depreciated | <u>756,696</u> | <u>40,132</u> | <u>-</u> | <u>796,828</u> |
| Less Accumulated Depreciation for: | | | | |
| Furniture and Equipment | (587,352) | (29,160) | - | (616,512) |
| Total Accumulated Depreciation | <u>(587,352)</u> | <u>(29,160)</u> | <u>-</u> | <u>(616,512)</u> |
| Business Activities, Capital Assets, Net | <u>\$ 169,344</u> | <u>\$ 10,972</u> | <u>\$ -</u> | <u>\$ 180,316</u> |

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Depreciation expense for Governmental Activities was charged as direct expense to programs of the primary government as follows:

| | |
|---------------------------------------|---------------|
| Instruction | \$ 7,115,317 |
| Instructional Student Support | 961,644 |
| Administration and Financial Services | 661,596 |
| Operation and Maintenance of Plant | 875,877 |
| Pupil Transportation | 581,608 |
| Student Activities | 95,416 |
| | \$ 10,291,458 |

NOTE F LONG-TERM LIABILITIES

The following is a summary of governmental long-term liability activity of the District for the year ended June 30, 2025:

| | Balance at July 1, 2024 | Additions | Reductions | Balance at June 30, 2025 | Due Within One Year |
|----------------------------------|----------------------------|------------|-----------------|-----------------------------|------------------------|
| <u>Governmental activities</u> | | | | | |
| General Obligation Bonds -2013 | \$ 24,590,000 | \$ - | \$ (3,235,000) | \$ 21,355,000 | \$ 3,410,000 |
| General Obligation Bonds -2017 | 11,940,000 | - | (5,000) | 11,935,000 | 3,795,000 |
| General Obligation Bonds -2020 | 28,545,000 | - | (425,000) | 28,120,000 | 430,000 |
| General Obligation Bonds -2020 A | 3,815,000 | - | (3,815,000) | - | - |
| General Obligation Bonds -2020 B | 7,380,000 | - | (565,000) | 6,815,000 | 575,000 |
| Total General obligation debt | 76,270,000 | - | (8,045,000) | 68,225,000 | 8,210,000 |
| Bond Premium | 1,579,851 | - | (453,319) | 1,126,532 | - |
| Compensated absences | 7,716,938 | 204,944 | - | 7,921,882 | - |
| Net OPEB liability | 10,157,442 | - | (256,076) | 9,901,366 | - |
| Net pension liability | 185,283,000 | - | (11,859,260) | 173,423,740 | - |
| | \$ 281,007,231 | \$ 204,944 | \$ (20,613,655) | \$ 260,598,520 | \$ 8,210,000 |
| <u>Business-type activities</u> | | | | | |
| Net OPEB liability | \$ 166,000 | \$ 36,069 | \$ - | \$ 202,069 | \$ - |
| Net pension liability | 4,362,000 | - | (822,740) | 3,539,260 | - |
| | \$ 4,528,000 | \$ 36,069 | \$ (822,740) | \$ 3,741,329 | \$ - |

The General Fund has been used to liquidate compensated absences, pension liabilities, and other postemployment benefits in prior years.

General Obligation Bonds, Series of 2013 was issued for the purpose of providing funds to pay for the construction costs associated with the renovation of the Bensalem High School and to pay for the cost of issuance, with original principal amount of \$78,000,000, maturing June 1, 2032, bearing interest from 2.0% to 5.0%. Interest is payable semi-annually on June 1 and December 1.

General Obligation Bonds, Series of 2017 was issued to refund the General Obligation Bond Series of 2007 and to pay for the cost of issuance, with original principal amount of \$11,970,000, maturing October 15, 2027, bearing interest from 2.0% to 5.0%. Interest is payable semi-annually on April 15 and October 15.

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General Obligation Bonds, Series of 2020 was issued to refund a portion of the General Obligation Bond Series of 2013 and to pay for the cost of issuance, with original principal amount of \$30,470,000, maturing October 15, 2027, bearing interest from 1.826% to 2.693%. Interest is payable semi-annually on June 1 and December 1.

General Obligation Bonds, Series B of 2020 was issued to refund the General Obligation Bond Series of 2016 and to pay for the cost of issuance, with original principal amount of \$7,740,000, maturing February 15, 2036 bearing interest from 0.674% to 2.747%. Interest is payable semi-annually on February 15 and August 15.

Principal and interest payments for bonds and notes for the succeeding fiscal years are as follows:

| | Principal Retirements | Interest Requirements | Total Debt Service Requirements |
|----------------------|--------------------------|--------------------------|---------------------------------------|
| Years Ended June 30: | | | |
| 2026 | \$ 8,210,000 | \$ 2,281,537 | \$ 10,491,537 |
| 2027 | 8,575,000 | 1,917,340 | 10,492,340 |
| 2028 | 8,970,000 | 1,514,496 | 10,484,496 |
| 2029 | 9,540,000 | 1,295,251 | 10,835,251 |
| 2030 | 9,765,000 | 1,058,800 | 10,823,800 |
| 2031-2035 | 22,495,000 | 1,448,413 | 23,943,413 |
| 2036 | 670,000 | 18,405 | 688,405 |
| | <u>\$ 68,225,000</u> | <u>\$ 9,534,243</u> | <u>\$ 77,759,243</u> |

Interest Expense

Interest expense for bonds for the year ended June 30, 2025 was \$2,635,283.

Compensated absences

An analysis of compensated absences at June 30, 2025, including the changes during the year, is presented below:

| | Outstanding June 30, 2024 | Increase / (Decrease) | Outstanding June 30, 2025 |
|------------------|------------------------------|--------------------------|------------------------------|
| Accrued vacation | \$ 2,028,553 | \$ 140,564 | \$ 2,169,117 |
| Accrued sick | 5,688,385 | 64,380 | 5,752,765 |
| | <u>\$ 7,716,938</u> | <u>\$ 204,944</u> | <u>\$ 7,921,882</u> |

Management has determined that no portion of compensated absences is expected to be liquidated within one year; accordingly, the entire balance is reported as a noncurrent liability.

NOTE G PENSION PLAN

Public School Employees' Retirement System

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.

General Information about the Pension Plan

Plan Description

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

Benefits Provided

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

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

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

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

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

Contributions

Member Contributions

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

| Membership Class | Continuous Employment Since: | Defined Benefit (DB) Contribution Rate | Defined Contribution (DC) Rate | Total Contribution Rate |
|------------------|------------------------------|---------------------------------------------|--------------------------------|---------------------------------------------------------------|
| T-C | Prior to July 22, 1983 | 5.25% | N/A | 5.25% |
| | 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% |
| | 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 July 1, 2021 – 7.50% After July 1, 2021 – 8.00% |
| T-F | On or after July 1, 2011 | 10.30% base rate with shared risk provision | N/A | Prior to July 1, 2021 – 10.30% After July 1, 2021 – 10.80% |
| T-G | On or after July 1, 2019 | 5.50% base rate with shared risk provision | 2.75% | Prior to July 1, 2021 – 8.25% After July 1, 2021 – 9.00% |
| T-H | On or after July 1, 2019 | 4.50% base rate with shared risk provision | 3.00% | Prior to July 1, 2021 – 7.50% After July 1, 2021 – 8.25% |
| DC | On or after July 1, 2019 | N/A | 7.50% | 7.50% |

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A summary of the shared risk parameters by membership class is presented below:

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

Employer Contributions

The School Districts' contractually required contribution rate for fiscal year ended June 30, 2025 was 33.27% 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 \$ 23,386,588 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$176,963,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2024, the District's proportion was 0.4228 percent, which was an decrease of 0.0035 percent from its proportion measured as of June 30, 2023.

BENSALEM TOWNSHIP SCHOOL DISTRICT
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For the year ended June 30, 2025, the District recognized pension expense of \$15,640,000. 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 |
|-----------------------------------------------------------------|-----------------------------------|----------------------------------|
| Net difference between projected and actual investment earnings | \$ 2,930,000 | \$ - |
| Difference between expected and actual experience | - | 2,782,000 |
| Changes in proportions | 1,268,000 | 1,509,000 |
| Contributions subsequent to the measurement date | 23,386,588 | - |
| Total | \$ 27,584,588 | \$ 4,291,000 |
| Split of Deferred Outflows/Inflows of Resources: | | |
| Governmental Activities | \$ 27,032,896 | \$ 4,205,180 |
| Business-Type Activities | 551,692 | 85,820 |
| Total | \$ 27,584,588 | \$ 4,291,000 |

\$23,386,588 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as 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:

| | Governmental Activities | Business-Type Activities | Total |
|---------------------|----------------------------|-----------------------------|--------------------|
| Year ended June 30: | | | |
| 2025 | \$ (3,911,180) | \$ (79,820) | \$ (3,991,000) |
| 2026 | 4,007,220 | 81,780 | 4,089,000 |
| 2027 | 393,960 | 8,040 | 402,000 |
| 2028 | (581,140) | (11,860) | (593,000) |
| Thereafter | - | - | - |
| | \$ (91,140) | \$ (1,860) | \$ (93,000) |

Actuarial Assumptions

The total pension liability as of June 30, 2024, was determined by rolling forward the System's total pension liability at 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 – 7.00%, includes inflation at 2.5%
-

BENSALEM TOWNSHIP SCHOOL DISTRICT

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- 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 was used to measure the Total Pension Liability was 7.00% as of June 30, 2023 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 seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
 - Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study that was performed for the five-year period ended June 30, 2020.

The long-term expected rate of return on 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.

BENSALEM TOWNSHIP SCHOOL DISTRICT

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| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|-------------------|----------------------------------------|
| Global public equity | 30.0% | 4.8% |
| Private equity | 12.0% | 6.7% |
| Fixed income | 33.5% | 3.9% |
| Commodities | 5.0% | 2.5% |
| Infrastructure | 10.0% | 6.4% |
| Real estate | 9.5% | 5.9% |
| | 100.0% | |

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

Discount Rate

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

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

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

| | 1% Decrease 6.00% | Current discount rate 7.00% | 1% Increase 8.00% |
|-----------------------------------------------|----------------------|-----------------------------------|----------------------|
| | | <i>(in Thousands)</i> | |
| District's share of the net pension liability | \$ 233,114 | \$ 176,963 | \$ 129,547 |

Payable to the Pension Plan

At June 30, 2025, the District reported a payable of \$5,823,170 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

Pension Plan Fiduciary Net Position

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

NOTE H OTHER POST-EMPLOYMENT BENEFITS PLAN - PSERS

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

General Information about the Health Insurance Premium Assistance Program

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible

retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2024 there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

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

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

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

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

BENSALEM TOWNSHIP SCHOOL DISTRICT
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Employer Contributions

The School District's contractually required contribution rate for the fiscal year ended June 30, 2024 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 \$447,092 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$7,500,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's proportion was 0.4222 percent, which was an decrease of 0.0036% from its proportion as of June 30, 2023.

For the year ended June 30, 2025, the District recognizes OPEB expense of \$140,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-----------------------------------------------------------------|-----------------------------------|----------------------------------|
| Net difference between projected and actual investment earnings | \$ 8,000 | \$ - |
| Difference between expected and actual experience | 28,000 | 113,000 |
| Changes in proportions | 124,000 | 234,000 |
| Changes in assumptions | 457,000 | 1,145,000 |
| Contributions subsequent to the measurement date | 447,092 | - |
| Total | \$ 1,064,092 | \$ 1,492,000 |
| Split of Deferred Outflows/Inflows of Resources: | | |
| Governmental Activities | \$ 1,043,790 | \$ 1,462,160 |
| Business-Type Activities | 20,302 | 29,840 |
| Total | \$ 1,064,092 | \$ 1,492,000 |

\$447,092 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.

BENSALEM TOWNSHIP SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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

| | Governmental Activities | Business- Type Activities | Total |
|---------------------|----------------------------|------------------------------|---------------------|
| Year ended June 30: | | | |
| 2025 | \$ (239,120) | \$ (4,880) | \$ (244,000) |
| 2026 | (248,920) | (5,080) | (254,000) |
| 2027 | (280,280) | (5,720) | (286,000) |
| 2028 | (54,880) | (1,120) | (56,000) |
| 2029 | (34,300) | (700) | (35,000) |
| Thereafter | - | - | - |
| | <u>\$ (857,500)</u> | <u>\$ (17,500)</u> | <u>\$ (875,000)</u> |

Actuarial Assumptions

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

- Actuarial cost method- Entry Age Normal- level % of pay.
- Investment return- 4.21%- S&P 20 Year Municipal Bond Rate
- Salary growth- Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate Pre age 65 at 50%.
 - Eligible retirees will elect to participate Post age 65 at 70%.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

BENSALEM TOWNSHIP SCHOOL DISTRICT

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The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% 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-2020 Mortality Improvement Scale.

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

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------|--------------------------|-----------------------------------------------|
| Cash | 100.0% | 1.7% |
| Total | 100.0% | |

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

Discount Rate

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

BENSALEM TOWNSHIP SCHOOL DISTRICT

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Sensitivity of the 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 annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2024, 92,149 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2022, 489 retirees were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

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

| | 1% Decrease | Current Medical Trend Rate | 1% Increase |
|----------------------------------------------------------|---------------------|-------------------------------|---------------------|
| District's proportionate share of the net OPEB liability | <u>\$ 7,500,000</u> | <u>\$ 7,500,000</u> | <u>\$ 7,501,000</u> |

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

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

| | 1% Decrease 3.21% | Current Discount Rate 4.21% | 1% Increase 5.21% |
|----------------------------------------------------------|----------------------|--------------------------------|----------------------|
| District's proportionate share of the net OPEB liability | <u>\$ 8,473,000</u> | <u>\$ 7,500,000</u> | <u>\$ 6,686,000</u> |

Payable to the Plan

At June 30, 2025, the District reported a payable of \$110,267 for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2025.

OPEB Plan Fiduciary Net Position

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

BENSALEM TOWNSHIP SCHOOL DISTRICT

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NOTE I OTHER POST-EMPLOYMENT BENEFITS PLAN – SINGLE EMPLOYER PLAN

Plan Description

The District administers a single employer defined benefit healthcare plan (the Retiree Health Plan) for employees who meet the eligibility requirements upon retirement. The District's retired employees are allowed to continue coverage for themselves and their dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment equal to the premium determined for the purpose of COBRA. Under GASB Statement No. 75, retiree benefits are viewed as a form of deferred compensation. As such, the benefits are treated as being earned over the working lifetime of the employee so that the cost is fully charged to operations by the earliest date of eligibility under the plan. A plan report is available in the District office

Plan Membership

At June 30, 2024, plan membership consisted of the following:

| | |
|----------------------|------------|
| Active Participants | 963 |
| Retired Participants | 12 |
| Total | <u>975</u> |

Funding Policy and Funding Status

The plan is an unfunded plan with no assets accumulated in a trust. Contributions to the plan are equal to benefit payments. For the year ending June 30, 2025 benefit payments paid as they came due were \$66,178.

Total OPEB Liability

The District's total OPEB liability of \$2,603,435 was measured as of July 1, 2024 and was rolled forward using actuarial assumptions at the valuation date of July 1, 2023 to July 1, 2024.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate - The discount rate was 4.29% percent, based on the S&P Municipal Bond 20-year High Grade Rate Index at July 1, 2024.

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

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

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

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

Disability - No disability was assumed.

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

Percent of Eligible Retirees Electing Coverage in Plan - Forty percent of Teachers and Administrators and 15 percent of the Support Staff are assumed to elect coverage.

Percent Married at Retirement - Fifteen percent of employees are assumed to be married and have a spouse covered by the plan at retirement. Non-spouse dependents are deemed to be immaterial.

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

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

| <u>Age</u> | <u>Medical and Prescription</u> | |
|------------|---------------------------------|----------------|
| | <u>Males</u> | <u>Females</u> |
| 45-49 | \$ 9,094 | \$ 13,134 |
| 50-54 | 12,044 | 14,844 |
| 55-59 | 14,670 | 15,532 |
| 60-64 | 19,143 | 17,843 |

Retiree Contributions - Retiree contributions are assumed to increase at the same rate as the healthcare cost trend rate.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Healthcare Cost Trend Rate - 7.0% in 2024 with 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Actuarial Value of Assets - Equal to the market value of assets.

Actuarial Cost Method - Entry Age Normal - Under the entry age normal cost method, the normal cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The accrued liability as of the valuation date is the excess of the present value of future benefits over the present value of future normal cost. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets. Actuarial gains and losses serve to reduce or increase the unfunded accrued liability.

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

Changes in Assumptions

In fiscal year ended June 30, 2025 (actuarial valuation as of July 1, 2024), the discount rate changed from 4.13% to 4.29%. The trend assumption was updated.

Changes in the Total OPEB Liability

Changes in the District's total OPEB liability for the plan for the fiscal year ended June 30, 2025 (actuarial valuation as of July 1, 2024) was as follows:

| | <u>Total OPEB Liability</u> |
|-------------------------------------------------------|---------------------------------|
| Balance at 6/30/2023, beginning of year | \$ 2,619,442 |
| Changes for the year: | |
| Service Cost | 163,169 |
| Interest | 113,441 |
| Differences between expected and actual experience | (216,097) |
| Changes in Assumptions | (10,342) |
| Benefit Payments | (66,178) |
| Net Changes | <u>(16,007)</u> |
| Balance at 6/30/2024, end of year | <u>\$ 2,603,435</u> |
| Split of Total OPEB Liability, end of year: | |
| Governmental Activities | \$ 2,551,366 |
| Business-Type Activities | 52,069 |
| Total | <u>\$ 2,603,435</u> |

BENSALEM TOWNSHIP SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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

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

| | Medical Trend Rate | | |
|----------------------|--------------------|--------------|--------------|
| | 1% Decrease | Current | 1% Increase |
| Total OPEB Liability | \$ 2,268,903 | \$ 2,603,435 | \$ 3,001,707 |

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

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

| | 1% Decrease 3.29% | Current Discount Rate 4.29% | 1% Increase 5.29% |
|----------------------|----------------------|--------------------------------|----------------------|
| Total OPEB Liability | \$ 2,845,918 | \$ 2,603,435 | \$ 2,376,144 |

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

For the year ended June 30, 2025, the School recognized OPEB expense of \$99,244. At June 30, 2025, the School 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 | \$ 48,863 | \$ 698,856 |
| Changes in assumptions | 430,398 | 1,823,829 |
| Contributions subsequent to the measurement date | 85,887 | - |
| Total Governmental Activities | \$ 565,148 | \$ 2,522,685 |

\$85,887 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year June 30, 2026.

BENSALEM TOWNSHIP SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in employee benefit expense as follows:

| | Governmental Activities | Total |
|---------------------|----------------------------|-----------------------|
| Year ended June 30: | | |
| 2026 | \$ (177,366) | \$ (177,366) |
| 2027 | (177,366) | (177,366) |
| 2028 | (177,366) | (177,366) |
| 2029 | (177,366) | (177,366) |
| 2030 | (177,366) | (177,366) |
| Thereafter | (1,156,594) | (1,156,594) |
| | <u>\$ (2,043,424)</u> | <u>\$ (2,043,424)</u> |

NOTE J JOINT VENTURES

The District is a participating member of the Bucks County Technical School (the Votech). The Votech is run by a joint board consisting of school directors from each member district. The board of directors from each member district must approve the Votech's annual operating budget. Each member district pays a private share of the operating costs of the Votech based on the number of students from each district. For the fiscal year ended June 30, 2025, the District's total payment to Votech was \$4,911,754. The Votech prepares financial statements which are available to the public.

NOTE K COMMITMENTS AND CONTINGENCIES**Government Grants and Awards**

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

Litigation

Certain litigation claims are pending against the District. In the opinion of District management and legal counsel, the potential losses, if any, on such claims would not have a materially adverse effect on the District's finances.

NOTE L RISK MANAGEMENT

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased various insurance policies to safeguard the assets of the District from the risk of loss.

NOTE M INSURANCE RECOVERY/RESTITUTION

Fraud was discovered at the District during the year ended June 30, 2012, which included the theft of items from the District by employees and employee falsification of attendance records. The police and district attorney's office investigated, and the employees involved with the fraud were prosecuted. The investigation determined the fraud occurred since the year 2001 through 2012. The loss to the District was determined to be \$822,359 for the theft of property and \$207,124 for theft of salary. For the year ended June 30, 2025, the District received restitution in the amount of \$3,808. As of June 30, 2025, the District has received insurance proceeds and restitution in the amount of \$45,126.

NOTE N ACCOUNTING PRONOUNCEMENTS

Adoption of Governmental Accounting Standards Board Statements

The District adopted the provisions of provisions of GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. The adoption of these statements had no effect on previously reported amounts.

Pending Changes in Accounting Principles

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The District is required to adopt Statement No. 103 for its fiscal year 2026 financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The District is required to adopt Statement No. 104 for its fiscal year 2026 statements.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. The District is required to adopt Statement No. 105 for its fiscal year 2027 statements.

The District has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

NOTE O SUBSEQUENT EVENTS

In preparing the financial statements, the School District evaluated events and transactions for potential recognition or disclosure through December 31, 2025, the date the financial statements were available to be issued, in accordance with GASB Statement No. 102, *Certain Risk Disclosures*.

Management evaluated whether any events occurring after year-end presented significant risks that (1) existed at the date of the financial statements or (2) arose after year-end but before the financial statements were available to be issued. Management has determined that no events occurring subsequent to June 30, 2025, required adjustment of, or disclosure in, the financial statements, and no significant risks were identified that met the criteria for disclosure under GASB 102.

BENSALEM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

| REVENUES | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-------------------------------------------------|----------------------|----------------------|-----------------------|---------------------------------------------------------|
| | Original | Final | | |
| Local Sources | \$ 125,777,050 | \$ 125,777,050 | \$ 122,234,243 | \$ (3,542,807) |
| State Sources | 49,594,768 | 49,594,768 | 52,379,903 | 2,785,135 |
| Federal Sources | 3,016,288 | 3,016,288 | 6,982,780 | 3,966,492 |
| Total Revenues | 178,388,106 | 178,388,106 | 181,596,926 | 3,208,820 |
| EXPENDITURES | | | | |
| Instructional Services | | | | |
| Regular Programs | 68,593,056 | 68,593,056 | 73,035,887 | (4,442,831) |
| Special Programs | 38,777,601 | 38,777,601 | 47,877,784 | (9,100,183) |
| Vocational Programs | 4,490,954 | 4,490,954 | 4,911,754 | (420,800) |
| Other Instructional Program | 447,567 | 447,567 | 387,862 | 59,705 |
| Total Instructional Services | 112,309,178 | 112,309,178 | 126,213,287 | (13,904,109) |
| Instructional Support Services | | | | |
| Pupil Personnel Services | 5,641,691 | 5,641,691 | 5,975,907 | (334,216) |
| Instructional Staff Services | 8,223,247 | 8,223,247 | 9,183,818 | (960,571) |
| Administrative Services | 8,100,033 | 8,100,033 | 8,796,505 | (696,472) |
| Pupil Health | 2,227,870 | 2,227,870 | 1,898,152 | 329,718 |
| Business Services | 1,568,384 | 1,568,384 | 1,659,675 | (91,291) |
| Operation of Plant and Maintenance Services | 10,496,643 | 10,496,643 | 9,877,310 | 619,333 |
| Student Transportation Services | 8,996,586 | 8,996,586 | 9,632,642 | (636,056) |
| Central and Other Business Services | 799,605 | 799,605 | 813,725 | (14,120) |
| Other Support Services | 471,350 | 471,350 | 465,645 | 5,705 |
| Total Instructional Support Services | 46,525,409 | 46,525,409 | 48,303,379 | (1,777,970) |
| Noninstructional Services | | | | |
| Student Activities | 1,501,231 | 1,501,231 | 1,622,843 | (121,612) |
| Community Services | 261,126 | 261,126 | 388,440 | (127,314) |
| Total Noninstructional Services | 1,762,357 | 1,762,357 | 2,011,283 | (248,926) |
| Debt Service | 11,306,082 | 11,306,082 | 10,680,283 | 625,799 |
| Total Expenditures | 171,903,026 | 171,903,026 | 187,208,232 | (15,305,206) |
| Excess of Revenues Over (Under) Expenditures | 6,485,080 | 6,485,080 | (5,611,306) | (12,096,386) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Interfund Transfers | (587,850) | (587,850) | (536,797) | 51,053 |
| Budgetary Reserve | 8,756,624 | 8,756,624 | - | (8,756,624) |
| Total Other Financing Sources (Uses) | 8,168,774 | 8,168,774 | (536,797) | (8,705,571) |
| Net Changes in Fund Balance | \$ 14,653,854 | \$ 14,653,854 | \$ (6,148,103) | \$ (20,801,957) |

**BENSALEM TOWNSHIP SCHOOL DISTRICT
 NOTES TO BUDGETARY SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2025**

NOTE A BUDGETARY INFORMATION

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

- Prior to May 31, the District Board submits a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the General Fund.
- Public hearings are conducted to obtain taxpayer comment.
- Prior to June 30, the budget is legally enacted through passage of an ordinance.
- Legal budgetary control is maintained by the School Board at the departmental level. Transfers between departments, whether between funds or within a fund, or revisions that alter the total revenues and expenditures of any fund must be approved by the School Board.
- Budgetary data are included in the District's management information system and are employed as a management control device during the year.
- Budgets for the General Fund are adopted substantially on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.
- Appropriations lapse at the end of the fiscal year.

A budget is not required for the Capital Projects fund and School Construction Fund.

NOTE B EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following major fund had an excess of actual expenditures over budget for the year ended June 30, 2025:

| | <u>Appropriations</u> | <u>Expenditures</u> | <u>Excess over Appropriations</u> |
|--------------|-----------------------|---------------------|---------------------------------------|
| General Fund | \$ 171,903,026 | \$ 187,208,232 | \$ 15,305,206 |

The excess expenditures over appropriation were funded by prior year fund balance in the General Fund

BENSALEM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - RETIREES HEALTH PLAN
JUNE 30, 2025

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB liability | | | | | | | | |
| Service cost | \$ 163,169 | \$ 152,118 | \$ 318,468 | \$ 310,997 | \$ 284,934 | \$ 284,059 | \$ 292,519 | \$ 267,979 |
| Interest | 113,441 | 102,261 | 94,203 | 74,891 | 133,877 | 116,540 | 130,236 | 96,739 |
| Changes of benefit terms | - | - | - | - | - | - | - | - |
| Differences between expected and actual experience | (216,097) | - | (37,200) | - | (727,075) | - | 91,619 | - |
| Changes of assumptions or other inputs | (10,342) | 30,024 | (1,717,959) | (142,720) | 488,917 | (126,628) | (491,042) | 210,180 |
| Benefit payments | (66,178) | (68,932) | (145,708) | (144,885) | (188,210) | (216,474) | (322,417) | (325,055) |
| Net change in total OPEB liability | (16,007) | 215,471 | (1,488,196) | 98,283 | (7,557) | 57,497 | (299,085) | 249,843 |
| Total OPEB liability - beginning | 2,619,442 | 2,403,971 | 3,892,167 | 3,793,884 | 3,801,441 | 3,743,944 | 4,043,029 | 3,793,186 |
| Total OPEB liability - ending | <u>\$ 2,603,435</u> | <u>\$ 2,619,442</u> | <u>\$ 2,403,971</u> | <u>\$ 3,892,167</u> | <u>\$ 3,793,884</u> | <u>\$ 3,801,441</u> | <u>\$ 3,743,944</u> | <u>\$ 4,043,029</u> |
| Covered payroll | \$ 67,239,466 | \$ 62,195,592 | \$ 62,195,582 | \$ 54,773,120 | \$ 54,773,120 | \$ 58,412,510 | \$ 58,412,510 | \$ 57,703,771 |
| District's total OPEB liability as a percentage of covered payroll | 3.87% | 4.21% | 3.87% | 7.11% | 6.93% | 6.51% | 6.41% | 7.01% |

Changes of Assumptions

Effective 7/1/23 - The discount rate changed from 4.13% to 4.29%
Effective 7/1/23 - The discount rate changed from 4.06% to 4.13%
Effective 7/1/22 - The discount rate changed from 2.28% to 4.06%
Effective 7/1/21 - The discount rate changed from 1.86% to 2.28%
Effective 7/1/20 - The discount rate changed from 3.36% to 1.86%
Effective 7/1/19 - The discount rate changed from 2.98% to 3.36%
Effective 7/1/18 - The discount rate changed from 3.13% to 2.98%
Effective 7/1/17 - The discount rate changed from 2.49% to 3.13%

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 ten-year trend is available.

BENSALEM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - PSERS
June 30, 2025

| | Measurement Date | | | | | | | |
|---------------------------------------------------------------------------------------------------------|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
| District's proportion of the net OPEB liability | 0.4222% | 0.4258% | 0.4277% | 0.4164% | 0.4302% | 0.4296% | 0.4377% | 0.4644% |
| District's proportionate share of the net OPEB liability | \$ 7,500,000 | \$ 7,704,000 | \$ 7,873,000 | \$ 9,869,000 | \$ 9,295,000 | \$ 9,137,000 | \$ 9,126,000 | \$ 9,462,000 |
| District's covered payroll | \$ 67,024,559 | \$ 65,239,889 | \$ 62,896,150 | \$ 59,032,053 | \$ 60,384,997 | \$ 59,246,210 | \$ 58,946,965 | \$ 60,672,271 |
| District's proportionate share of the netOPEB liability as a percentage of its covered-employee payroll | 11% | 11.81% | 12.52% | 16.72% | 15.39% | 15.42% | 15.48% | 15.60% |
| Plan fiduciary net position as a percentage of the total pension liability | 7.13% | 7.22% | 6.86% | 5.69% | 5.56% | 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 ten-year trend is available.

**BENSALEM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS - PSERS
June 30, 2025**

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually determined contribution | \$ 447,092 | \$ 424,000 | \$ 485,000 | \$ 502,000 | \$ 484,000 | \$ 506,000 | \$ 481,492 | \$ 489,492 |
| Contributions in relation to the contractually determined contribution | 447,092 | 424,000 | 485,000 | 502,000 | 484,000 | 506,000 | 481,492 | 489,492 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 70,868,285 | \$ 67,024,559 | \$ 65,239,889 | \$ 62,896,150 | \$ 59,032,053 | \$ 60,384,997 | \$ 59,246,210 | \$ 59,246,210 |
| Contributions as a percentage of covered payroll | 0.63% | 0.63% | 0.74% | 0.80% | 0.82% | 0.84% | 0.81% | 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 ten-year trend

BENSALEM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PSERS
June 30, 2025

| | Measurement Date | | | | | | | | | |
|----------------------------------------------------------------------------------------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| District's proportion of the net pension liability | 0.4228% | 0.4263% | 0.4280% | 0.4306% | 0.4306% | 0.4296% | 0.4377% | 0.4644% | 0.4437% | 0.4441% |
| District's proportionate share of the net pension liability | \$ 176,963,000 | \$ 189,645,000 | \$ 190,283,000 | \$ 171,207,000 | \$ 212,023,000 | \$ 200,978,000 | \$ 210,118,000 | \$ 229,360,000 | \$ 219,884,000 | \$ 192,364,000 |
| District's covered payroll | \$ 67,024,559 | \$ 65,239,889 | \$ 62,896,150 | \$ 59,032,053 | \$ 60,384,997 | \$ 59,246,210 | \$ 58,946,965 | \$ 60,672,271 | \$ 57,545,196 | \$ 55,633,200 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 264.03% | 290.69% | 302.54% | 290.02% | 351.12% | 339.23% | 356.45% | 378.03% | 382.11% | 345.77% |
| 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% | 45.64% |

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively to present a ten-year trend.

BENSALEM TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS - PSERS PLAN
June 30, 2025

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Contractually determined contribution | \$ 23,386,588 | \$ 21,902,000 | \$ 22,188,000 | \$ 21,313,000 | \$ 19,767,000 | \$ 20,079,000 | \$ 18,911,612 | \$ 18,723,314 | \$ 17,716,303 | \$ 14,386,299 |
| Contributions in relation to the contractually determined contribution | <u>23,386,588</u> | <u>21,902,000</u> | <u>22,188,000</u> | <u>21,313,000</u> | <u>19,767,000</u> | <u>20,079,000</u> | <u>18,911,612</u> | <u>18,723,314</u> | <u>17,716,303</u> | <u>14,386,299</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 70,868,285 | \$ 67,024,559 | \$ 65,239,889 | \$ 62,896,150 | \$ 59,032,053 | \$ 60,384,997 | \$ 59,246,210 | \$ 58,946,965 | \$ 60,672,271 | \$ 57,545,196 |
| Contributions as a percentage of covered payroll | 33.00% | 32.68% | 34.01% | 33.89% | 33.49% | 33.25% | 31.92% | 31.76% | 29.20% | 25.00% |

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively to present a ten-year trend.

APPENDIX C
FORM OF NOTE COUNSEL OPINION

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[_____], 2026

Stifel, Nicolaus & Company, Incorporated
20 Ash Street, 3rd Floor
Conshohocken, Pennsylvania 19428

Bensalem Township School District
3000 Donallen Drive
Bensalem, Pennsylvania 19020

**RE: Bensalem Township School District
Bucks County, Pennsylvania**

[\$[_____]] General Obligation Notes, Series A of 2026

[\$[_____]] General Obligation Notes, Series B of 2026 (Federally Taxable)

Ladies and Gentlemen:

We have acted as Note Counsel to Bensalem Township School District, Bucks County, Pennsylvania (the “School District”), a school district of the Commonwealth of Pennsylvania (the “Commonwealth”), in connection with the authorization, issuance and sale, by the School District of its \$[_____] General Obligation Notes, Series A of 2026 (the “2026A Notes”) and its \$[_____] General Obligation Notes, Series B of 2026, each dated the date hereof (the “2026B Notes” and, collectively with the 2026A Notes, the “Notes”).

The Board of School Directors of the School District (the “School Board”), by Resolution adopted on March 24, 2026 (the “Resolution”), has authorized and directed the issuance of the Notes pursuant to the Pennsylvania Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the “Debt Act”), to finance: (1) the refunding of all or a portion of the School District’s outstanding General Obligation Bonds, Series of 2013; (2) refunding all or a portion of the School District’s outstanding General Obligation Bonds (Federally Taxable) Series of 2020; and (3) the costs of issuing the Notes.

The School District has covenanted in the Note Resolution to include in each year’s budget, to the fullest extent authorized under law, sums sufficient to meet the requirements of all interest and principal payments due under the Notes, to appropriate such amounts from its general revenues necessary for the payment of such debt service and to pay the principal and interest due upon the

Notes to the extent of its obligation as and when due, and for such payment, budgeting and appropriation, it has pledged its full faith, credit and taxing power.

In the Resolution, the School District has established a sinking fund for the payment of the Notes (the “Sinking Fund”) and covenanted to make payments out of the Sinking Fund or out of any other of its revenue or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of the Notes.

As Note Counsel to the School District, we have examined and relied upon, among other things: (1) the proceedings of the School District related to the issuance and delivery of the Notes as filed with and approved by the Pennsylvania Department of Community and Economic Development (the “Department”) pursuant to the Debt Act; (2) an executed counterpart of the Resolution; (3) the form of the Notes; (4) a General Certificate of the School District; (5) the Federal Tax Compliance Certificate and Agreement dated as of the date hereof (the “Tax Certificate”); and (6) the customary closing affidavits, certificates and documents executed and delivered by the School District in connection with the issuance of the Notes.

In furnishing this opinion, we have examined and relied upon an opinion of even date of Hill Wallack LLP, solicitor to the School District, with respect to, among other things, the due enactment of the Resolution and the due authorization, execution and delivery of the Notes and related documents by the School District.

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

Based upon the foregoing, and the qualifications stated herein, and assuming continuing compliance by the School District with the Tax Certificate, the applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder, we are of the opinion that:

1. The School District is authorized under applicable laws of the Commonwealth to issue the Notes as provided in the Resolution.
2. The Notes are the legal and valid obligation of the School District enforceable in accordance with their terms.
3. The proceedings of the School District pursuant to which the Notes have been authorized and issued and the non-electoral debt of the School District evidenced by the Notes have been conducted and incurred in accordance with applicable law of the Commonwealth. The Notes are secured by the full faith and credit of the School District, the payment for which the School District is obligated, if necessary, to exercise its ad valorem taxing power upon all taxable property within the School District, subject to the limitations of Act 1 of the Commonwealth discussed below.

4. Under the laws of the Commonwealth, the interest on the Notes is exempt from Pennsylvania personal income tax and from Pennsylvania corporate net income tax, except gift, succession or inheritance taxes or other taxes not levied or assessed directly on the Notes or the interest paid thereon.

5. Under existing federal income tax law, interest on the 2026A Notes is excludable from gross income for federal income tax purposes and is not an item of “tax preference” for purposes of the federal alternative minimum tax imposed on individuals. Additionally, for purposes of the federal alternative minimum tax that is imposed on “applicable corporations” (as defined in the Inflation Reduction Act of 2022 (the “Inflation Act”)), interest on the 2026A Notes will be taken into account in determining “adjusted financial statement income” (as defined in the Inflation Act). The opinions set forth in this paragraph 5 are subject to the condition that the School District comply with all the requirements of the Code and the Treasury Regulations that must be satisfied subsequent to the issuance of the 2026A Notes in order that interest on the 2026A Notes be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The School District has covenanted in the Resolution and the Tax Certificate to comply with all such requirements. We express no opinion regarding other federal tax consequences arising in connection with or with respect to the Notes.

6. The Notes constitute indebtedness of the School District for purposes of Section 6-633 of the Pennsylvania Public School Code of 1949, as amended.

We call your attention that the Taxpayer Relief Act, Pennsylvania Special Session Act No. 1 of 2006 (“Act 1”) became effective on June 27, 2006, as amended by Act 25 of 2011. Act 1 generally provides that a school district may not, in fiscal year 2007-2008 or in any subsequent fiscal year, increase the rate of any tax for school purposes by more than an index based on factors described in Act 1 without voter approval by referendum. The Notes were not authorized before the effective date of Act 1, and as a result, are not “grandfathered” and the School District cannot be granted an exception to the Act 1 referendum requirements on the basis of the debt service due and payable on the Notes if a tax increase greater than the applicable index is needed.

It is to be understood that the rights of the owners of the Notes and the enforceability of the Notes may be subject to bankruptcy, insolvency, reorganization, moratorium, or other 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.

We have not been engaged to express and do not express any opinion herein with respect to the adequacy of the security for the Notes or the sources of payment for the Notes. We express no opinion with respect to any matters not specifically set forth herein.

This opinion is rendered solely for the benefit of the addressees hereof in connection with the initial issuance of the Notes. The addressees may not rely on this opinion letter for any other

purpose. This opinion letter is limited to the matters set forth herein. This opinion is subject to future changes in applicable law, and we do not undertake any obligation to update any of the opinions expressed in this letter. No opinion may be inferred or implied beyond the matters expressly stated herein, and our opinions expressed herein must be read in conjunction with the assumptions, limitations, exceptions, and qualifications set forth herein. The law covered by the opinions expressed herein is limited to the laws of the Commonwealth and the federal law of the United States of America.

Very truly yours,

Obermayer Rebmann Maxwell & Hippel LLP

APPENDIX D
FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered as of [_____], 2026, by the BENSLEM TOWNSHIP SCHOOL DISTRICT (the “School District”).

WITNESSETH:

WHEREAS, the School District is issuing in the aggregate principal amount of \$[_____], consisting of its \$[_____] General Obligation Notes, Series A of 2026 and \$[_____] General Obligation Notes, Series B of 2026 (Federally Taxable) (collectively the “Notes”) pursuant to a Note Purchase Proposal dated March 24, 2026, and Addendum to the Note Purchase Agreement dated [_____], 2026, by and between the School District and Stifel, Nicolaus & Company, Incorporated (the “Underwriter”); and

WHEREAS, in connection with the issuance of the Notes, the School District has delivered its Official Statement dated [_____], 2026 (the “Official Statement”); and

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

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

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

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

Section 1. Covenants of the School District. The School District covenants to comply with all requirements of the Rule in furtherance of the foregoing and without limiting the generality thereof:

(a) So long as any of the Notes are outstanding, the School District shall deliver in such format as is required by the Rule and the Municipal Securities Rulemaking Board (“MSRB”), and file by not later than the first day of the eight calendar month immediately following the end of each fiscal year of the School District, e.g., by not later than 270 days following the end of each fiscal year (the “Annual Financials Filing Date”), commencing with the

fiscal year ending June 30, 2026, the following financial information and operating data with respect to the school district:

- the financial statements for the most recent fiscal year, prepared in accordance with generally accepted accounting principles for local governmental units and audited in accordance with generally accepted auditing standards;
- a summary of the budget for the current fiscal year (i.e. the fiscal year following the fiscal year of the financial statements being provided in accordance with the preceding requirement);
- updated and current information consistent with the information appearing in the following identified tables in the Official Statement, under the following headings:
 - (i) TABLE 2 - “ENROLLMENT TRENDS”
 - (ii) TABLE 8 - “REAL PROPERTY ASSESSMENT DATA”
 - (iii) TABEL 11- “REAL PROPERTY TAX COLLECTION DATA”
 - (iv) TABLE 12 - “TEN LARGEST REAL PROPERTY TAXPAYERS”

(b) If not submitted as part of the annual financial information, then when and if available, audited financial statements for the School District.

(c) The School District shall promptly, upon receipt thereof, file the reports described in paragraph (a) with the MSRB, through the MSRB’s Electronic Municipal Market Access System (www.emma.msrb.org) (“EMMA”) or through alternate means as so provided by the MSRB.

(d) If the School District is unable to provide the MSRB the reports described in paragraph (a), it shall immediately file a notice with the MSRB, through EMMA or through alternate means as so provided by MSRB, of such failure.

(e) The School District shall, in a timely manner (but in no event later than ten (10) business days after the occurrence of the event), deliver to the MSRB notice, in such format as is required by the Rule and the MSRB, of any of the following events with respect to the Notes (each a “Reportable Event”), and the School District shall immediately file with the MSRB through EMMA (or through alternate means as so provided by the MSRB) notice of the occurrence of any of such events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material; financial difficulties; financial difficulties; to perform;
- (iii) Unscheduled draws on debt service reserves reflecting

- (iv) Unscheduled draws on credit enhancements reflecting
- (v) Substitution of credit or liquidity providers, or their failure
- (vi) Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, notices of proposed issue or other material notices or determinations with respect to the tax status of the Notes or events affecting the tax-exempt status of the Notes;
- (vii) Modifications to rights of bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Notes, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;¹
- (xiii) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional paying agent for the Notes or the change of name of a paying agent, if material;
- (xv) Incurrence of a financial obligation of the School District or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the School District or Obligated Person, any of which affect security holders, if material; or
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under terms of the financial obligation of the School District or Obligated Person, any of which reflect financial difficulties.

¹ This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person or, if such jurisdiction has been assumed, by leaving the existing 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 or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(f) The School District agrees to provide information required in subsection (a) or (e), above, for all persons who are determined by it to be “Obligated Persons” under the Rule.

(g) The School District agrees that the provisions of this Section 1 shall be for the benefit of the holders and beneficial owners of the Notes, and shall be enforceable by any holders or beneficial owners of the Notes, in accordance with the provisions of Section 4 herein.

Section 2. Termination of Reporting Obligations. The School District’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. If the School District’s obligations with respect to the payment of the Notes are assumed in full by some other entity, such other entity shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the School District’s, and the School District shall have no further responsibility hereunder, except as provided in Section 6 hereof. In addition, the School District’s obligation to provide information and notices as specified in Section 1 hereof shall terminate (i) at such other times as such information and notices (or any portion thereof) are no longer required to be provided by the Rule as it applies to the Notes, (ii) in the event of a repeal or rescission of the Rule, or (iii) upon a determination that the Rule is invalid or unenforceable.

Section 3. Amendment. The School District may amend this Disclosure Agreement and waive any of the provisions hereof, but no such amendment or waiver shall be executed and effective unless (i) the amendment or waiver is made in connection with a change in legal requirements, change in law or change in the identify, nature or status of the School District or the operations conducted by the School District, (ii) this Disclosure Agreement, as modified by the amendment or waiver, complies with the requirements of the Rule, and (iii) the amendment or waiver does not materially impair the interests of the beneficial Owners of the Notes. Prior to executing any requested amendment, the School District shall provide an opinion of counsel knowledgeable in federal securities laws to the effect that the proposed amendment satisfies the requirements described above. In the event of any amendment or waiver of a provision of this Disclosure Agreement, the School District shall describe such amendment in its next annual report delivered pursuant to Section 1(a) hereof, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the financial information or operating data being presented by the School District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i.e., changes other than those prescribed by generally accepted accounting principles), (i) notice of such change shall be given pursuant to the Reportable Event notice requirements, as set forth in this Disclosure Agreement; and (ii) the annual report for the year in which the change is made will present a comparison between the financial statements, as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. To the extent that the Rule requires or permits an approving vote of beneficial owners of the Notes in connection with an amendment, the approving vote of beneficial owners of Notes constituting more than 50% of the aggregate principal amount of the then outstanding Notes shall constitute such approval. The School District shall provide notice of any amendment to this Disclosure Agreement to the MSRB and to the registered holders of the Notes.

Section 4. Remedies for Default. In the event of a breach or default by the School District of its covenants to provide annual financial information and notices as provided in Section

1 hereof, the Underwriter, or any holder or beneficial owner of Notes, shall have the right to bring an action in a court of competent jurisdiction to compel specific performance by the School District. A breach or default under this Disclosure Agreement shall not constitute an event of default under the Notes or any other agreement.

Section 5. Electronic Filing Authorized. All filings with the MSRB pursuant to this Disclosure Agreement (a) shall be made in an electronic format as prescribed by the MSRB; and (b) shall be accompanied by identifying information as prescribed by the MSRB. Reference is made to Commission Release No. 34-59062, dated December 8, 2008 (the "Release"), relating to EMMA. To the extent applicable to its obligations pursuant to this Disclosure Agreement, the School District shall comply with the Release and with EMMA. Unless and until otherwise prescribed by the MSRB, all documents provided to the MSRB in compliance with this Disclosure Agreement shall be submitted through EMMA in format prescribed by the MSRB.

Section 6. Miscellaneous.

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

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

If to the School District:
Bensalem Township School District
3000 Donallen Drive
Bensalem, PA 19020
Attention: Business Administration

If to the MSRB:
Municipal Services Rulemaking Board
1900 Duke Street
Suite 600
Alexandria, VA 22314-2719
Attn.: CDI
Telecopy No. (203) 797-6700

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

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

(d) Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the School District, the paying agent, the Underwriter, and Holders from time to time of the Notes, and shall create no rights in any other person or entity.

[signature page to follow]

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date first above written.

BENSALEM TOWNSHIP SCHOOL DISTRICT

By: _____
Name: Dr. Deborah King
Title: President of School Board

Issuer: Bensalem Township School District, Bucks County, Pennsylvania
Issue: \$ _____, Bensalem Township School District, Bucks County, Pennsylvania,
\$ _____ General Obligation Notes, Series A of 2026
\$ _____ General Obligation Notes, Series B of 2026 (Federally Taxable)

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APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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BAM

**MUNICIPAL BOND
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the “Trustee”) or paying agent (the “Paying Agent”) for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner’s right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner’s rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner’s right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. “Due for Payment” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. “Nonpayment” means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. “Nonpayment” shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. “Notice” means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “Owner” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “Owner” shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

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