PRELIMINARY OFFICIAL STATEMENT DATED JULY 28, 2026

NEW ISSUE – BOOK-ENTRY ONLY

RATING: Moody's: "Aa2" (Underlying)
(See "RATING" herein)

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds (including, in the case of Bonds sold at an original issue discount, if any, the difference between the initial offering price and par) is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds is not a specific item of tax preference under §57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of Federal individual alternative minimum taxes. The Bonds, and the interest income therefrom, are free from taxation for purposes of personal income, corporate net income and personal property taxes within the Commonwealth of Pennsylvania. (See "TAX MATTERS" herein.)

$46,850,000*
Unionville-Chadds Ford School District
Chester and Delaware Counties, Pennsylvania
$7,835,000* General Obligation Bonds, Series of 2026
$39,015,000* General Obligation Bonds, Series A of 2026

Dated: Date of Delivery
Principal Due: June 1, as shown on inside front cover
Interest Due: June 1 and December 1
First Interest Payment: December 1, 2026

The Bonds described herein are in the aggregate principal amount of $46,850,000* and consist of two series, the $7,835,000* General Obligation Bonds, Series of 2026 (the "2026 Bonds"), and the $39,015,000* General Obligation Bonds, Series A of 2026 (the "2026A Bonds"). The 2026 Bonds and 2026A Bonds are collectively referred to as the "Bonds" herein. The Bonds will be issued in registered form in denominations of $5,000 or any integral multiple thereof. The Bonds will be registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or any integral multiple thereof only under the book-entry only system maintained by DTC through its brokers and dealers who are, or act through, DTC Participants. The purchasers of the Bonds will not receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond, that purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein. If, under the circumstances described herein, Bonds are ever issued in certificated form, the Bonds will be subject to registration or transfer, exchange and payment as described herein. The principal of the Bonds will be paid to the registered owners or assigns, when due, upon presentation and surrender of the Bonds to Manufacturers and Traders Trust Company (the "Paying Agent"), acting as paying agent, registrar and sinking fund depository, at its corporate trust office in Harrisburg, Pennsylvania and Buffalo, New York. Interest on the Bonds is payable initially on December 1, 2026 and thereafter semiannually on December 1 and June 1 of each year, until the principal sum thereof is paid. DTC Participants and Indirect Participants will be responsible for remitting such payments to Beneficial Owners of the Bonds.

The Bonds are general obligations of the Unionville-Chadds Ford School District, Chester and Delaware Counties, Pennsylvania (the "School District"), payable from its tax and other general revenues. The School District has covenanted that it will provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Bonds for such year and will duly and punctually pay or cause to be paid from the sinking fund established under the Resolution (herein defined) or any other of its revenues or funds the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District pledges its full faith, credit and taxing power, which taxing power presently includes the power to levy *ad valorem* taxes on all taxable property within the School District within limitations provided by law. (See "**SECURITY FOR THE BONDS**" and "**TAXING POWERS OF THE SCHOOL DISTRICT**" infra).

The 2026 Bonds are subject to redemption prior to maturity as described herein. The 2026A Bonds are not subject to optional redemption prior to maturity as described herein. See "REDEMPTION OF BONDS" herein.

Proceeds of the 2026 Bonds will be used to finance: (1) the funding of various capital projects of the School District including the planning, designing, installation, equipping and construction thereof; and (2) paying the costs and expenses of issuing the 2026 Bonds.

Proceeds of the 2026A Bonds will be used to finance: (1) the current refunding of all or a portion of the School District's General Obligation Bonds, Series of 2016, currently outstanding in the principal amount of $35,250,000, (the "Refunded 2016 Bonds"); (2) the current refunding of all or a portion of the School District's General Obligation Bonds, Series of 2019, currently outstanding in the principal amount of $4,725,000, (the "Refunded 2019 Bonds"); and (3) paying the costs and expenses of issuing the 2026A Bonds.

The Bonds are authorized investments 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.

MATURITIES, AMOUNTS, RATES AND YIELDS
As Shown on Inside Front Cover

The Bonds are offered when, as and if issued, subject to withdrawal or modification of the offer without notice, and subject to the approving legal opinion of Fennemore Craig, P.C., Bond Counsel, to be furnished upon delivery of the Bonds. Certain other legal matters will be passed upon for the School District by McNees Wallace & Nurick LLC, of Plymouth Meeting, Pennsylvania, School District Solicitor and by Stevens & Lee, P.C. of Reading, Pennsylvania, Underwriter's Counsel. PFM Financial Advisors LLC, Harrisburg, Pennsylvania, will act as Municipal Advisor to the School District in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery at DTC or its agent, on or about September __, 2026.

STIFEL

Dated:

*Preliminary, subject to change.

$46,850,000*
Unionville-Chadds Ford School District
Chester and Delaware Counties, Pennsylvania
$7,835,000* General Obligation Bonds, Series of 2026
$39,015,000* General Obligation Bonds, 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

BOND MATURITY SCHEDULE: GENERAL OBLIGATION BONDS, SERIES OF 2026

Maturity Date (June 1) Year	Principal Amounts	Interest Rates	Initial Offering Yields	Initial Offering Prices	CUSIP Numbers[(1)]
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					

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

*Preliminary, subject to change.

$46,850,000*
Unionville-Chadds Ford School District
Chester and Delaware Counties, Pennsylvania
$7,835,000* General Obligation Bonds, Series of 2026
$39,015,000* General Obligation Bonds, 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

BOND MATURITY SCHEDULE: GENERAL OBLIGATION BONDS, SERIES A OF 2026

Maturity Date (June 1) Year	Principal Amounts	Interest Rates	Initial Offering Yields	Initial Offering Prices	CUSIP Numbers[(1)]
2027					
2028					
2029					
2030					
2031					
2032					
2033					

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

*Preliminary, subject to change.

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
Chester and Delaware Counties, Pennsylvania

BOARD OF SCHOOL DIRECTORS

Victoria Baratta	President
Erin Talbert	Vice President
Rashi Akki	Member
Jody Allen	Member
Susan Elks	Member
Joe Everett	Member
Sandra Litvin	Member
Brian Schartz	Member
Steve Simonson	Member

SUPERINTENDENT
DR. TIMOTHY HOFFMAN

DIRECTOR OF FINANCE
JOSEPH DEADY

SCHOOL DISTRICT SOLICITOR
MCNEES WALLACE & NURICK LLC
Plymouth Meeting, Pennsylvania

BOND COUNSEL
FENNEMORE CRAIG, P.C.
Philadelphia, Pennsylvania

MUNICIPAL ADVISOR
PFM FINANCIAL ADVISORS LLC
Harrisburg, Pennsylvania

PAYING AGENT
MANUFACTURERS AND TRADERS TRUST COMPANY
Harrisburg, Pennsylvania and Buffalo, New York

UNDERWRITER
STIFEL, NICOLAUS & COMPANY, INCORPORATED
Conshohocken, Pennsylvania

UNDERWRITER'S COUNSEL
STEVENS & LEE, P.C.
Reading, Pennsylvania

SCHOOL DISTRICT ADDRESS
740 Unionville Road
Kennett Square, Pennsylvania 19348-1531

SUMMARY STATEMENT – 2026 BONDS

This Summary Statement is subject in all respects to more complete information in this Preliminary Official Statement. No person is authorized to detach this Summary Statement from this Preliminary Official Statement or otherwise use it without the entire Preliminary Official Statement.

Issuer....................................... Unionville-Chadds Ford School District, Chester and Delaware Counties, Pennsylvania.

Bonds .... General Obligation Bonds, Series of 2026, in the aggregate principal amount of $7,835,000* (the "2026 Bonds"), dated the date of delivery, maturing or subject to mandatory sinking fund redemptions in various principal amounts as herein described on June 1 of each of the years 2027 through and including 2042, with interest payable June 1 and December 1, with the first interest payment on December 1, 2026.

Redemption Provisions........... *Optional Redemption*

The 2026 Bonds maturing on or after June 1, 20__ are subject to redemption prior to maturity at the option of the School District, at the redemption price of 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the date fixed for redemption, in whole or, from time to time, in part (and if in part, in such order of maturity or portion of a maturity as the School District shall select and within a maturity by lot) at any time on and after ________.

Mandatory Redemption

The 2026 Bonds stated to mature on June 1, 20__ are subject to redemption prior to maturity as required by the Resolution, in the amounts and on June 1 of the years shown below, from moneys in the Mandatory Sinking Funds created pursuant to the Resolution, upon payment of the principal amount being redeemed, together with interest accrued to the date fixed for redemption.

Bonds stated to mature June 1, 20__:

Year	Amount

____
*Term Bond Maturity

Form... Book-entry only.

Application of Proceeds.......... Proceeds of the 2026 Bonds will be used to finance: (1) the funding of various capital projects of the School District including the planning, designing, installation, equipping and construction thereof; and (2) paying the costs and expenses of issuing the 2026 Bonds.

Security.................................... The 2026 Bonds are general obligations of the Unionville-Chadds Ford School District, Chester and Delaware Counties, Pennsylvania (See "**SECURITY FOR THE BONDS**" and "**TAXING POWERS OF THE SCHOOL DISTRICT**" herein).

Rating .... See "Rating" herein.

____
*Preliminary, subject to change.

SUMMARY STATEMENT – 2026A BONDS

This Summary Statement is subject in all respects to more complete information in this Preliminary Official Statement. No person is authorized to detach this Summary Statement from this Preliminary Official Statement or otherwise use it without the entire Preliminary Official Statement.

Issuer....................................... Unionville-Chadds Ford School District, Chester and Delaware Counties, Pennsylvania.

Bonds .... General Obligation Bonds, Series A of 2026, in the aggregate principal amount of $39,015,000* (the "2026A Bonds"), dated the date of delivery, maturing or subject to mandatory sinking fund redemptions in various principal amounts as herein described on June 1 of each of the years 2027 through and including 2033, with interest payable June 1 and December 1, with the first interest payment on December 1, 2026.

Redemption Provisions........... *Optional Redemption*

The 2026A Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption

The 2026A Bonds stated to mature on June 1, 20__ are subject to redemption prior to maturity as required by the Resolution, in the amounts and on June 1 of the years shown below, from moneys in the Mandatory Sinking Funds created pursuant to the Resolution, upon payment of the principal amount being redeemed, together with interest accrued to the date fixed for redemption.

Bonds stated to mature June 1, 20__:

Year	Amount

*Term Bond Maturity

Form... Book-entry only.

Application of Proceeds.......... Proceeds of the 2026A Bonds will be used to finance: (1) the current refunding of all or a portion of the School District's General Obligation Bonds, Series of 2016, currently outstanding in the principal amount of $35,250,000, (the "Refunded 2016 Bonds"); (2) the current refunding of all or a portion of the School District's General Obligation Bonds, Series of 2019, currently outstanding in the principal amount of $4,725,000, (the "Refunded 2019 Bonds"); and (3) paying the costs and expenses of issuing the 2026A Bonds.

Security.................................... The 2026A Bonds are general obligations of the Unionville-Chadds Ford School District, Chester and Delaware Counties, Pennsylvania (See "**SECURITY FOR THE BONDS**" and "**TAXING POWERS OF THE SCHOOL DISTRICT**" herein).

Rating .... See "Rating" herein.

*Preliminary, subject to change.

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

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

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS OR THE RESOLUTION IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF CERTAIN STATES, IF ANY, IN WHICH THE BONDS 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 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

TABLE OF CONTENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

PRELIMINARY OFFICIAL STATEMENT
$46,850,000*
Unionville-Chadds Ford School District
Chester and Delaware Counties, Pennsylvania
$7,835,000* General Obligation Bonds, Series of 2026
$39,015,000* General Obligation Bonds, Series A of 2026

INTRODUCTION

This Preliminary Official Statement, including the cover page and inside cover page hereof and Appendices hereto, is furnished by Unionville-Chadds Ford School District, Chester and Delaware Counties, Pennsylvania (the "School District"), in connection with the offering of $46,850,000* combined aggregate principal amount of general obligation bonds consisting of two series, the $7,835,000* General Obligation Bonds, Series of 2026 (the "2026 Bonds"), and the $39,015,000* General Obligation Bonds, Series A of 2026 (the "2026A Bonds"). The 2026 Bonds and 2026A Bonds are collectively referred to as the "Bonds" herein. The Bonds are being issued pursuant to a Resolution of the Board of School Directors of the School District adopted on June 15, 2026 (the "Resolution"), and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth"), 53 Pa. Cons. Stat. §8001 *et seq.*, as amended (the "Debt Act"). Manufacturers and Traders Trust Company, Harrisburg, Pennsylvania and Buffalo, New York, will act as paying agent, sinking fund depository and bond registrar for the Bonds (in each capacity referred to as "Paying Agent").

The Bonds are general obligations of the School District and the School District shall pledge its full faith, credit and taxing power to pay the principal of and interest on the Bonds.

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

PURPOSE OF THE ISSUE

Proceeds of the 2026 Bonds will be used to finance: (1) the funding of various capital projects of the School District including the planning, designing, installation, equipping and construction thereof; and (2) paying the costs and expenses of issuing the 2026 Bonds.

Proceeds of the 2026A Bonds will be used to finance: (1) the current refunding of all or a portion of the School District's General Obligation Bonds, Series of 2016, currently outstanding in the principal amount of $35,250,000, (the "Refunded 2016 Bonds"); (2) the current refunding of all or a portion of the School District's General Obligation Bonds, Series of 2019, currently outstanding in the principal amount of $4,725,000, (the "Refunded 2019 Bonds"); and (3) paying the costs and expenses of issuing the 2026A Bonds.

Upon issuance of the 2026A Bonds, a portion of the proceeds will be irrevocably deposited under an escrow agreement (the "Escrow Agreement") with Manufacturers and Traders Trust Company, as escrow agent (the "Escrow Agent"), and such proceeds will be held in cash and/or invested in United States Treasury Securities and United States Treasury Securities, State and Local Government Series (the "Government Obligations"), the principal of which, together with cash and any investment earnings thereon, will be in an amount sufficient to redeem the Refunded 2016 Bonds on December 1, 2026, at a redemption price of 100% of principal amount of the Refunded 2016 Bonds plus accrued interest thereon, pursuant to the optional redemption provisions of the Refunded 2016 Bonds.

Upon issuance of the 2026A Bonds, a portion of the proceeds will be irrevocably deposited with Manufacturers and Traders Trust Company (the "Paying Agent"), as the Paying Agent and sinking fund depository for the Refunded 2019 Bonds. Such proceeds will be applied to redeem the Refunded 2019 Bonds in whole on the date of issuance of the 2026A Bonds, at a redemption price of 100% of the principal amount thereof, together with accrued interest to the redemption date.

The following is a summary of the sources and uses of the proceeds of the Bonds:

Sources and Uses of Bond Proceeds

Source of Funds	**2026 Bonds Total**	**2026A Bonds Total**	**Total**
Par Amount			
Net Original Issue Premium/(Discount)			
Total Source of Funds			
Use of Funds			
Construction Fund Deposit			
Refunded 2016 Bonds Escrow Fund Deposit			
Amount Required to Call Refunded 2019 Bonds			
Costs of Issuance(1)			
Total Use of Funds			

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

*Preliminary, subject to change.

THE BONDS

Description

The Bonds will be issued in fully registered book-entry only form in the denomination of $5,000 or any integral multiples thereof and will be in the aggregate principal amount $46,850,000* representing the combined principal of general obligation bonds consisting of two series, the $7,835,000* General Obligation Bonds, Series of 2026 (the "2026 Bonds"), and the $39,015,000* General Obligation Bonds, Series A of 2026 (the "2026A Bonds"). The 2026 Bonds and 2026A Bonds are collectively referred to as the "Bonds" herein. The Bonds will be issued as one fully registered Bond, for each maturity of the Bonds, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of all Bonds. See "**BOOK-ENTRY ONLY SYSTEM**" herein. The Bonds will be dated as of the date of delivery, and will bear interest at the rates and mature in the amounts and on the dates set forth on the inside cover of this Preliminary Official Statement. Interest on the Bonds will be payable initially on December 1, 2026 and semiannually thereafter on and June 1 and December 1 until the principal sum thereof is paid.

Payment of Principal and Interest

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of and interest on the Bonds, when due, are to be made to DTC and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the School District with respect to, and to the extent of, principal and interest so paid.

If the use of the Book-Entry Only System for the Bonds is discontinued for any reason, bond certificates will be issued to the Beneficial Owners of the Bonds and payment of principal and interest on the Bonds shall be made as described in the following paragraphs.

Subject to the provisions described under "**BOOK-ENTRY ONLY SYSTEM**" herein, principal of the Bonds will be paid to the registered owners thereof or assigns, when due, upon surrender of the Bonds at the designated office of the Paying Agent.

Interest is payable to the registered owner of a Bond from the interest payment date next preceding the date of authentication of the Bond, unless: (a) such Bond is authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is authenticated after a Regular Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such succeeding interest payment date, or (c) such Bond is authenticated on or prior to the Regular Record Date preceding December 1, 2026, in which event such Bond shall bear interest from the date of delivery. Interest shall be paid initially on December 1, 2026, and thereafter, semiannually on June 1 and December 1 of each year, until the principal sum is paid. Interest on each Bond is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day of the calendar month (whether or not a business day) immediately preceding each interest payment date (the "Regular Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bond subsequent to such Regular Record Date and prior to such interest payment date, unless the School District shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date (which shall be a business day) for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of such Bonds at least ten (10) days preceding such special record date but not more than thirty (30) days prior to the payment date of such defaulted interest.

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

Transfer, Exchange and Registration of Bonds

Subject to provisions described below under "**BOOK-ENTRY ONLY SYSTEM**", Bonds may be transferred or exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate.

Bonds are transferable or exchangeable by the registered owners thereof upon surrender of Bonds to the Paying Agent, at its designated office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of such Bond or his attorney-in- fact or other legal representative. The Paying Agent shall enter any transfer of ownership of Bonds in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same maturity date and interest rate for the aggregate principal amount which the registered owner is entitled to receive. The Paying Agent is not required to transfer or exchange any Bond during the fifteen (15) days immediately preceding the date of mailing of any notice of redemption or at any time following the mailing of any such notice, if the Bond to be transferred or exchanged has been called for such redemption. The School District and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner thereof (whether or not a Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the School District and the Paying Agent shall not be affected by any notice to the contrary.

---

*Preliminary, subject to change.

SECURITY FOR THE BONDS

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

The Bonds will be general obligations of the School District, payable from its tax and other general revenues. The School District has covenanted that it will include the amount of the debt service for the Bonds for each fiscal year in which such sums are payable in its budget for that fiscal year, appropriate from its general revenues in each such fiscal year the amount of the debt service on the Bonds for such fiscal year and duly and punctually pay or cause to be paid from the related sinking fund or any other of its revenues or funds the principal of and the interest on each Bond on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District irrevocably has pledged its full faith, credit and taxing power, within the limits established by law. (See "**SCHOOL DISTRICT FINANCES**" and "**TAXING POWERS OF THE SCHOOL DISTRICT**" herein). The Act presently provides for enforcement of debt service payments as hereinafter described (see "**DEFAULTS AND REMEDIES**" herein), and the Pennsylvania Public School Code (defined below) 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" below).

Commonwealth Enforcement of Debt Service Payments

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

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

Pennsylvania Budget Adoption

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

After a week's delay, a $45.2 billion budget for the state's 2022-2023 fiscal year was signed by then Governor Tom Wolf on July 8, 2022, which included $7.6 billion for the basic education funding appropriation and $225 million to supplement those school districts with a higher at-risk student population. The total amount was a $767.8 million (10.83%) increase over the 2021-2022 fiscal year appropriation.

After over a month delay, 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 $8.4 billion for the basic education funding appropriation. The total amount is a $796.6 million (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. Certain funds authorized within the 2023-2024 Budget required companion implementation language amending the Fiscal Code to be fully implemented. On December 13, 2023 multiple code bills were passed finalizing the 2023-24 Budget for education.

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

After months of negotiations, Governor Josh Shapiro signed the state's budget for the 2025-26 fiscal year late on November 12, 2025. The $50.1 billion budget includes (i) $8.262 billion for the basic education funding appropriation, which is more than a $100 million increase over the basic education funding appropriation for the 2024-25 fiscal year, and (ii) $1.526 billion for the special education appropriation, which is a $40,000,000 increase over the same appropriation for the 2024-25 fiscal year. The budget also increases the Ready to Learn Block Grant program appropriation by approximately 68% from the 2024-25 fiscal year. In addition, the budget hopes to provide $175 million in estimated savings for school districts through reforms to the existing cyber charter school law.

On June 30, 2026 Pennsylvania lawmakers missed the June 30th deadline to pass the state budget for the fifth consecutive year. Governor Josh Shapiro has proposed a $53.3 billion spending plan for the 2026-2027 fiscal year. On July 12, 2026, Governor Josh Shapiro signed the state's budget for the 2026-2027 fiscal year. The $50.85 billion budget includes $11.85 billion for basic education funding appropriation.

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

During a state budget impasse, school districts in Pennsylvania cannot be certain that state subsidies and revenues owed them from the Commonwealth will become available. This includes many of the major state subsidies, and overall revenues, that a Pennsylvania school district receives including basic education funding, special education funding, PlanCon reimbursements, and certain block grants, among many others.

Future budget impasses may affect the timeliness or amount of payments by the Commonwealth under the withholding provisions of Section 633 of the Public School Code, however recent 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 for intercept of subsidy payments by the Pennsylvania Department of Education ("PDE") to a school district subject to an intercept statute or an intercept agreement in the event of a Commonwealth budget impasse in any fiscal year.

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

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

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

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

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

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

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

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

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

Sinking Fund

There has been created under the Resolution sinking funds for the Bonds designated as "Sinking Fund, Unionville-Chadds Ford School District, General Obligation Bonds, Series of 2026" and "Sinking Fund, Unionville-Chadds Ford School District, General Obligation Bonds, Series A of 2026" (collectively, the "Sinking Fund", which shall be maintained by the Paying Agent, as sinking fund depository. The School District shall deposit in the Sinking Fund a sufficient sum not later than the date when interest and/or principal is to become due on the Bonds so that on each payment date the Sinking Fund will contain an amount which, together with any other funds available therein, is sufficient to pay, in full, interest and/or principal then due on the Bonds.

The Sinking Fund shall be held by the Paying Agent, as sinking fund depository, and invested by the Paying Agent in such securities or shall be deposited in such funds or accounts as are authorized by law, 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 funds depository, is authorized without further order from the School District to pay from the Sinking Fund the principal of and interest on the Bonds, as and when due and payable.

BONDHOLDER CONSIDERATIONS

The Bonds, like all investment securities, carry a risk of loss of the investment, in whole or in part. This Preliminary Official Statement does not purport to describe all of the risks of an investment in the Bonds; both the School District and the Underwriter disclaim any responsibility to advise prospective investors of such risks either as they may exist at the date of dissemination of this Preliminary Official Statement or as they may appear or change from time to time in the future. Prospective purchasers of the Bonds should consult their own legal and tax advisors as to the risks associated with an investment in the Bonds, their ability to bear a loss from an investment in the Bonds, and the suitability of investing in the Bonds, in light of their particular, individual circumstances. Prospective purchasers should carefully consider the matters described below, as well as all the information contained within this entire Preliminary Official Statement inclusive of its Appendices.

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).

Cybersecurity

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

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

Risk of Audit by Internal Revenue Service

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

BOOK-ENTRY ONLY SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

NEITHER THE SCHOOL DISTRICT NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT, INDIRECT PARTICIPANT OR BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY TO ANY BENEFICIAL OWNER BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE

WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

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

REDEMPTION OF BONDS

Optional Redemption – 2026 Bonds

The 2026 Bonds maturing on or after June 1, 20__ are subject to redemption prior to maturity at the option of the School District, at the redemption price of 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the date fixed for redemption, in whole or, from time to time, in part (and if in part, in such order of maturity or portion of a maturity as the School District shall select and within a maturity by lot) at any time on and after ________.

Mandatory Redemption – 2026 Bonds

The 2026 Bonds stated to mature on June 1, 20__ are subject to redemption prior to maturity as required by the Resolution, in the amounts and on June 1 of the years shown below, from moneys in the Mandatory Sinking Fund created pursuant to the Resolution, upon payment of the principal amount being redeemed, together with interest accrued to the date fixed for redemption.

Bonds stated to mature June 1, 20__:

Year	Amount

*Final Stated Maturity

In lieu of such Mandatory Redemption, the Paying Agent, on behalf of the School District, may purchase from money in the Sinking Fund, at a price not to exceed the principal amount plus accrued interest, or the School District may tender to the Paying Agent, all or part of the Bonds subject to being drawn for redemption in any such year.

Optional Redemption – 2026A Bonds

The 2026A Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption – 2026A Bonds

The 2026A Bonds stated to mature on June 1, 20__ are subject to redemption prior to maturity as required by the Resolution, in the amounts and on June 1 of the years shown below, from moneys in the Mandatory Sinking Fund created pursuant to the Resolution, upon payment of the principal amount being redeemed, together with interest accrued to the date fixed for redemption.

Bonds stated to mature June 1, 20__:

Year	Amount

*Final Stated Maturity

In lieu of such Mandatory Redemption, the Paying Agent, on behalf of the School District, may purchase from money in the Sinking Fund, at a price not to exceed the principal amount plus accrued interest, or the School District may tender to the Paying Agent, all or part of the Bonds subject to being drawn for redemption in any such year.

Notice of Redemption

Notice of any redemption shall be given by mailing a copy of the redemption notice by first class United States mail, postage prepaid, or by another method of giving notice which is acceptable to the Paying Agent and customarily used by fiduciaries for similar notices at the time such notice is given, not less than thirty (30) days prior to the date fixed for redemption addressed to each of the registered owners of Bonds to be redeemed, in whole or in part, at the addresses shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given.

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

If at the time of the mailing of any notice of optional redemption the School District shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional, that is, subject to the deposit or transfer of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such moneys are so deposited.

Manner of Redemption

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

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

THE SCHOOL DISTRICT

Introduction

The School District is a school district of the third class and is comprised of the Townships of Birmingham, a portion of East Marlborough, Newlin, Pennsbury, Pocopson and West Marlborough in Chester County, and Chadds Ford Township in Delaware County, Pennsylvania, and covers an area of approximately 78 square miles. Geographically, the area is just north of New Castle County, Delaware, in southern Chester County and a small portion of western Delaware County. The School District lies 5 miles north of Wilmington, Delaware, 22 miles west of Philadelphia, Pennsylvania, 5 miles southwest of West Chester, Pennsylvania. Many well-known unincorporated communities are located within the School District and these include: Chadds Ford in Chadds Ford Township and Pennsbury Township, Radley Run in Birmingham Township, Unionville in East Marlborough Township, London Grove in West Marlborough, Lenape in Pocopson Township and Fairville and Mendenhall in Pennsbury Township.

Administration

The School District is governed by a board of nine School Directors who are residents of the School District and who are elected every two years, on a staggered basis, for four-year terms. The daily operations and management of the School District are performed by the administrative staff of the School District headed by the Superintendent appointed by the Board of School Directors. The Director of Business and Operations is responsible for budget and financial operation and is also appointed by the Board of School Directors.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

School Facilities

The School District presently operates four elementary schools, one middle school and one high school, all as described in Table 1. Students also attend the Chester County Technical College High School and the Chester County Child Development Center, which are operated in conjunction with neighboring school districts.

TABLE 1
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
SCHOOL DISTRICT FACILITIES

Building	Original Construction Date	Addition/ Renovation Date(s)	Grades	Rated Pupil Capacity	2025-26 Enrollment
Elementary:					
Chadds Ford Elementary..	1927	1963/70/78/03	K-5	525	313
Hillendale Elementary......	1962	1987	K-5	600	340
Pocopson Elementary.......	2001	---	K-5	725	491
Unionville Elementary	1923	1927/52/02	K-5	700	359
Elementary/Secondary:					
Charles F. Patton Middle..	1973	1981/87/98/15/16	6-8	1,250	844
Secondary:					
Unionville High................	1959	1965/80/94/06/12	9-12	2,050	1,239

Source: School District Officials.

Enrollment Trends

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

TABLE 2
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
ENROLLMENT TRENDS

Actual Enrollments					Projected Enrollments				
School Year	K-5	6-8	9-12	Total	School Year	K-5	6-8	9-12	Total
2021-22	1,575	976	1,351	3,902	2026-27	1,508	893	1,143	3,544
2022-23	1,594	915	1,315	3,824	2027-28	1,527	919	1,123	3,569
2023-24	1,602	875	1,274	3,751	2028-29	1,569	877	1,119	3,565
2024-25	1,576	847	1,301	3,724	2029-30	1,616	828	1,143	3,587
2025-26	1,503	844	1,239	3,586	2030-31	1,631	804	1,174	3,609

Source: School District Officials.

Charter Schools

There are no charter schools currently located within the School District. However, the brick-and-mortar Avon Grove Charter School is located within a neighboring school district which serves as an option for residents of the School District. In total, the School District is responsible for approximately 5 students enrolled in Avon Grove Charter School and 37 in cyber charters. The cost, including tuition, for fiscal year ending June 30, 2025 was approximately $1.1 million which is approximately 1% of the School District’s budgeted expenditures. The cost, including tuition, for fiscal year ending June 30, 2026 is estimated to be approximately $1 million. The School District also offers its own cyber program, the Unionville-Chadds Ford Virtual Academy.

SCHOOL DISTRICT FINANCES

Introduction

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

Financial Reporting

The School District has organized its accounts on the basis of funds or groups of funds, each of which is a separate accounting entity. It maintains a General Fund for instructional operation and administrative expenses, a Food Services Fund, Capital Fund, Debt Service Fund, and various school activity funds. Federal funds are appropriated by the School District during the fiscal year after grant commitments and project approvals are received. The School District keeps the books and prepares the financial reports for the General Fund according to a modified accrual basis of accounting. Major accrual items are payrolls, payroll taxes and pension fund contributions payable, loans receivable from other funds, and revenues receivable from other governmental units. The School District financial statements are audited annually by a firm of independent certified public accountants, as required by State law. The firm of BBD, LLP, of Philadelphia, Pennsylvania, currently serves as auditor.

The School District's auditor has not been engaged to perform, and has not performed, since the date of its report included at Appendix D to this Preliminary Official Statement, any procedure on the financial statement addressed in that report. Nor has the School District's auditor performed any procedures relating to this Preliminary Official Statement.

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

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

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

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

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

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

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

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Summary and Discussion of Financial Results

Table 3 shows the General Fund Balance Sheet for fiscal year 2020-21 through 2024-25. Table 4 shows audited annual changes in ending general fund balances from fiscal year 2020-21 through 2024-25, the 2025-26 budget, and the 2026-27 budget. Table 5 shows audited Revenue and Expenditures for fiscal year 2020-21 through 2024-25, the 2025-26 budget, and the 2026-27 budget.

TABLE 3
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEET
(Years ending June 30)

	Actual				
ASSETS	**2021**	**2022**	**2023**	**2024**	**2025**
Cash and Cash Equivalents	$14,334,746	$13,377,961	$9,722,862	$9,853,572	$8,873,640
Investments	1,245,000	2,985,000	4,192,000	4,449,000	3,569,000
Taxes Receivable	1,170,993	1,059,210	941,242	1,077,769	1,040,448
Due from Other Funds	0	1,200,000	821,875	1,488,998	3,107,453
Due to From Governments	5,186,185	4,858,440	4,687,792	5,181,763	5,313,213
Prepaid Expenses	12,937	5,299	5,880	78,965	355,051
Other Receivables	3,319	0	53,027	188,878	195,756
TOTAL ASSETS	$21,953,180	$23,485,910	$20,424,678	$22,318,945	$22,454,561
LIABILITIES					
Due to Other Funds	$241,003	$992,092	$0	$0	$0
Accounts Payable	892,629	1,533,799	783,961	1,774,472	1,625,740
Unearned Revenue	0	0	0	737,279	0
Accrued Salaries & Benefits	10,953,161	11,441,377	11,374,787	12,899,487	13,947,644
Other	757,345	660,238	0	2,114	12,508
TOTAL LIABILITIES	$12,844,138	$14,627,506	$12,158,748	$15,413,352	$15,585,892
DEFERRED INFLOWS OF RESOURCES	$0	$0	$597,212	$0	$770,399
FUND EQUITIES					
Nonspendable Fund Balance	$12,937	$5,299	$5,880	$78,965	$355,051
Committed Fund Balance	3,885,201	3,754,674	2,971,787	2,971,787	2,880,199
Unassigned Fund Balance	5,210,904	5,098,431	4,691,051	3,854,841	2,863,020
TOTAL FUND EQUITIES	$9,109,042	$8,858,404	$7,668,718	$6,905,593	$6,098,270
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITIES	$21,953,180	$23,485,910	$20,424,678	$22,318,945	$22,454,561

Source: School District PDE-2057 Annual Financial Reports.

TABLE 4
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT GENERAL FUND
SUMMARY OF CHANGES IN FUND BALANCE*

	Actual					Budgeted	Budgeted
	2021	**2022**	**2023**	**2024**	**2025**	**2026(1)**	**2027(2)**
Beginning Fund Balance	$9,544,826	$9,109,040	$8,858,403	$7,668,716	$6,905,591	$6,098,268	$6,033,639
Surplus (Deficit) of Revenue over Expenditures	(435,786)	(250,637)	(1,189,686)	(763,125)	(807,323)	(64,629)	0
Ending Fund Balance	$9,109,040	$8,858,403	$7,668,716	$6,905,591	$6,098,268	$6,033,639	$6,033,639

*Totals may not add due to rounding.
(1) Budget as adopted June 16, 2025.
(2) Budget as adopted June 15, 2026.
Source: School District PDE-2057 Annual Financial Reports and PDE-2028 Budgets.

Revenue & Expenditures

The School District received $105,180,422 in revenue in 2024-25, budgeted $108,353,101 in total revenues in 2025-26, and budgeted $111,265,549 in total revenues for 2026-27. Local sources increased slightly as a share of revenue from fiscal year 2020-21 through 2024-25, from 79.76 percent in 2020-21 to 79.94 percent in 2024-25. Revenue from State sources increased slightly as a share of total revenue from 18.10 percent to 18.93 percent over this period. Revenue from Federal and Other sources decreased slightly as a share of total revenue from 2.14 percent to 1.13 percent over this period.

TABLE 5
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
SUMMARY OF SCHOOL DISTRICT GENERAL FUND
REVENUES AND EXPENDITURES*

REVENUE:			Actual			Budgeted	Budgeted
Local Sources:	2021	2022	2023	2024	2025	2026(1)	2027(2)
Real Estate Taxes	$67,843,311	$70,117,325	$72,329,549	$75,261,362	$77,903,184	$81,475,963	$84,118,444
Interim Real Estate	241,621	359,451	311,027	352,196	189,211	400,000	400,000
Act 511 Taxes	1,493,979	2,532,003	1,672,099	1,431,888	1,451,865	1,350,000	1,350,000
Public Utility Realty Tax	67,546	70,573	69,017	66,430	70,477	62,000	62,000
Delinquencies on Taxes Levied/Assessed	1,421,397	1,255,219	1,369,985	944,007	1,199,786	1,250,000	1,250,000
Interest Earnings	51,448	29,287	1,466,428	2,307,696	2,075,729	1,300,000	1,300,000
Revenue from Student Activities	121,471	333,560	375,373	407,896	336,865	306,000	321,000
Federal IDEA Pass Through Revenue	569,054	543,070	572,193	619,691	611,553	605,000	605,000
Rentals	11,916	47,836	121,585	132,933	130,712	20,000	20,000
Tuition from Patrons	18,191	28,845	27,040	13,831	10,840	280,000	280,000
Receipts from Other LEAs	243,828	215,175	16,115	86,944	(9,989)	0	0
Refunds of Prior Years' Expenditures	44,231	0	0	0	56,000	80,000	100,000
Contributions & Donations-Prvt. Sources	0	0	0	450,000	50	0	0
Other/Refunds/Misc. Rev.	116,991	93,197	67,977	72,201	55,886	0	0
Total Local Sources	$72,244,983	$75,625,539	$78,398,388	$82,147,075	$84,082,170	$87,128,963	$89,806,444
State Sources:							
Basic Instructional Subsidy	$3,368,198	$3,515,630	$3,879,738	$4,390,314	$4,568,137	$4,594,425	$4,646,978
Migratory Children	0	0	0	120	280	0	0
Charter Schools	0	0	0	0	69,580	0	0
Tuition Orphans/Children in Prvt. Homes	31,335	16,106	2,025	8,573	2,997	30,000	30,000
Special Education	1,841,570	1,886,638	1,939,653	1,979,980	2,040,304	2,034,437	2,093,929
Transportation	553,140	551,991	506,151	539,127	501,483	564,889	564,889
Rental & Sinking Fund Payments	289,876	279,024	301,358	313,735	322,459	301,808	306,108
Health Services	79,128	76,990	78,172	76,844	77,510	80,000	80,000
State Property Tax Reduction Alloc.	1,488,736	1,488,647	1,876,394	1,876,394	2,272,383	2,536,375	2,536,375
Ready to Learn Block Grant	127,325	127,325	127,325	127,325	127,325	127,325	0
Safety & Security Grants	0	0	0	230,745	199,202	206,920	206,920
Revenue for Social Security	1,587,742	1,531,278	1,594,450	1,651,381	1,731,062	1,877,279	1,895,264
Revenue for Retirement Payments	7,011,106	7,346,471	7,629,696	7,669,267	7,873,939	8,234,243	8,234,880
Other	21,196	15,518	64,401	0	120,000	0	227,325
Total State Sources	$16,399,351	$16,835,619	$17,999,363	$18,863,806	$19,906,661	$20,587,701	$20,822,668
Federal Sources:							
Total Federal Sources	$1,754,571	$1,057,018	$1,077,870	$1,229,279	$1,112,650	$636,437	$636,437
Other Sources:							
Total Other Sources	$183,572	$3,626	$32,633	$500,062	$78,941	$0	$0
TOTAL REVENUE	$90,582,478	$93,521,802	$97,508,254	$102,740,221	$105,180,422	$108,353,101	$111,265,549
EXPENDITURES:							
Instruction	$51,852,042	$53,435,268	$57,248,180	$60,447,760	$61,863,687	$63,004,030	$64,428,803
Pupil Personnel	4,047,405	4,282,509	4,391,375	4,400,057	4,685,386	5,016,374	5,282,244
Instructional Staff	5,212,625	5,477,797	5,580,758	5,834,367	5,879,449	6,076,842	6,265,784
Administration	4,073,722	4,544,516	4,666,407	4,801,618	4,827,104	4,945,740	4,942,100
Pupil Health	784,620	932,705	954,241	1,018,549	1,056,691	986,249	1,016,132
Business	1,108,181	1,003,336	980,118	922,896	931,892	1,153,110	1,198,127
Operation and Maintenance of Plant	7,388,906	7,574,092	7,523,559	8,249,041	8,220,809	8,311,436	8,582,506
Transportation	4,294,148	4,319,059	4,451,909	4,328,674	4,050,184	4,577,886	4,703,472
Central	1,053,330	1,118,289	1,250,977	1,723,810	1,522,517	1,493,365	1,511,805
Other Support Services	40,968	40,595	40,789	40,328	40,137	40,789	40,789
Operation of Non-Instructional Srvs.	1,664,763	1,826,809	1,959,435	2,273,413	2,673,310	2,554,859	2,650,039
Debt Service	8,488,994	8,452,997	9,150,193	9,462,833	10,236,579	9,957,050	10,343,748
Fund Transfers	1,008,560	764,467	500,000	0	0	0	0
Budgetary Reserve	0	0	0	0	0	300,000	300,000
TOTAL EXPENDITURES	$91,018,264	$93,772,438	$98,697,940	$103,503,347	$105,987,746	$108,417,730	$111,265,549
SURPLUS (DEFICIT) OF REVENUES OVER EXPENDITURES	($435,786)	($250,637)	($1,189,686)	($763,125)	($807,323)	($64,629)	$0

*Totals may not add due to rounding.
(1) Budget as adopted June 16, 2025.
(2) Budget as adopted June 15, 2026.
Source: School District PDE-2057 Annual Financial Reports and PDE-2028 Budgets.

TAXING POWERS OF THE SCHOOL DISTRICT

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

1. A basic annual tax on all real property taxable for school purposes, not to exceed 25 mills on each dollar of assessed valuation, to be used for general school purposes.

2. An unlimited ad valorem tax on the property taxable for school purposes to provide funds:

   a. for minimum salaries and increments of the teaching and supervisory staff;

   b. to pay rentals due any municipality authority or non-profit corporation or due the State Public School Building Authority;

   c. to pay interest and principal on any indebtedness incurred pursuant to the Local Government Unit Debt Act, or any prior or subsequent act governing the incurrence of indebtedness of the school district; and

   d. to pay for the amortization of a bond or note issue which provided a school building prior to the first Monday of July, 1959.

3. An annual per capita tax on each resident or inhabitant over 18 years of age of not less than $1.00 and not more than $10.00.

4. Additional taxes subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege, under Act No. 511, enacted December 31, 1965, as amended ("The Local Tax Enabling Act"). These taxes, which may include, among others, an additional per capita tax, a wage and other earned income tax, a real estate transfer tax, a gross receipts tax, a local services tax and an occupation tax, shall not exceed, in the aggregate, an amount equal to the product of the market valuation of real estate in the School District (as certified by the State Tax Equalization Board of the Commonwealth – "STEB") multiplied by twelve mills. All local taxing authorities are required by the Local Tax Enabling Act to exempt disabled veterans and members of the armed forces reserve who are called to active duty at any time during the tax year from any local services tax and to exempt from any local services tax levied at a rate in excess of $10 those persons whose total income and net profits from all sources within the political subdivision is less than $12,000 for the tax year. The Local Tax Enabling Act also authorizes, but does not require, taxing authorities to exempt from per capita, occupation, and earned income taxes and any local services tax levied at a rate of $10 or less per year, any person whose total income from all sources is less than $12,000 per year.

The Taxpayer Relief Act (Act 1)

Under Pennsylvania Act No. 1 of the Special Session of 2006, as amended by Act 25 of 2011 ("The Taxpayer Tax Relief Act" or "Act 1"), a school district may not, in fiscal year 2007-2008 or in any subsequent fiscal year, levy any tax for the support of the public schools which was not levied in the 2006-2007 fiscal year, raise the rate of any earned income and net profits tax if already imposed under the authority of the Local Tax Enabling Act (Act 511), or increase the rate of any tax for school purposes by more than the Index (defined below), unless in each case either (a) such increase is approved by the voters in the school district at a public referendum or (b) one of the exceptions summarized below is applicable and the use of such exception is approved by the Pennsylvania Department of Education (PDE):

1. to pay interest and principal on indebtedness incurred (i) prior to September 4, 2004, in the case of a school district which had elected to become subject to the provisions of the prior Homeowner Tax Relief Act, Act 72 of 2004, or (ii) prior to June 27, 2006, in the case of a school district which had not elected to become subject to Act 72 of 2004; to pay interest and principal on any indebtedness approved by the voters at referendum (electoral debt); and to pay interest and principal on debt refunding or refinancing debt for which one of the above exceptions is permitted, as long as the refunding or refinancing incurs no additional debt other than for costs and expenses related to the refunding or refinancing and the funding of appropriate debt service reserves;
2. to pay costs incurred in providing special education programs and services to students with disabilities, under specified circumstances; and
3. to make payments into the State Public School Employees' Retirement System when the increase in the estimated payments between the current year and the upcoming year is greater than the Index, as determined by 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 Act 1 Index applicable to the School District in the current, and prior five fiscal years are as follows:

Fiscal Year	Index
2021-22	3.0%
2022-23	3.4%
2023-24	4.1%
2024-25	5.3%
2025-26	4.0%
2026-27	3.5%

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 PIT for the purpose of funding homestead and farmstead exclusions, but the proposed rate of the EIT or PIT shall not exceed the rate that is required to provide the maximum homestead and farmstead exclusions allowable under law.

Status of the Bonds

The Bonds do not qualify for an exception to the Index and referendum requirement for debt incurred prior to the effective date of Act 1 (or its predecessor statute Act 72).

Act 24 of 2001

Act 24 of 2001 of the Commonwealth of Pennsylvania, which became law on June 22, 2001, authorizes a board of school directors to schedule a public hearing and conduct a ballot referendum on replacing the school district's occupation tax with an increase in the local earned income tax. Currently, school districts in Pennsylvania share a 1.0% (each receives 0.5%) tax on the annual amount of residents' wages and other earned income (which excludes unearned or investment income), with the resident municipality. Under the new law, this tax could be increased by the percentage necessary to generate revenue equal to what was collected during the preceding year on the occupation tax. The occupation tax is a flat amount for all employed individuals, or assessed by various trade, occupation and professional titles, regardless of income. The restructured tax is designed to be revenue neutral to the school district. The School District has no current plans to implement Act 24.

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:

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

"Estimated ending unassigned fund balance" is defined in Act 2003-48 as that portion of the fund balance which is appropriable for expenditure or not legally or otherwise segregated for a specific or tentative future use, projected for the close of the school year for which a school district's budget was adopted and held in the general fund accounts of the school district. The School District's ending unreserved undesignated fund balance as a percentage of total budgeted expenditures was 5.3%.

*GASB 54 required effective with the June 30, 2011 financial statements, fund balances are designated as assigned or unassigned, not reserved and unreserved.

Tax Levy Trends

Table 6 shows the recent trend of tax rates levied by the School District. Table 7 shows the comparative trend of real property tax rates for the School District, the municipalities and Chester and Delaware Counties.

TABLE 6
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT TAX RATES

	Real Estate		
Fiscal Year	Chester County (mills)	Delaware County (mills)	Real Estate Transfer (%)
2022-23	30.7300	15.9800	0.50
2023-24	31.9500	16.7200	0.50
2024-25	32.6100	18.5700	0.50
2025-26	33.9100	19.2400	0.50
2026-27	34.9500	20.2100	0.50

Source: School District PDE-2028 Budgets.

TABLE 7
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
COMPARATIVE REAL PROPERTY TAX RATES
(Mills on Assessed Value)

School District	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026-27**
Chester County	30.7300	31.9500	32.6100	33.9100	34.9500
Delaware County	15.9800	16.7200	18.5700	19.2400	20.2100
Municipalities within the School District (or portions)	**2022**	**2023**	**2024**	**2025**	**2026**
Birmingham Township	1.6000	1.6000	1.6000	1.9000	2.2000
East Marlborough Township (portion)	2.1830	2.1830	2.1830	4.8830	4.8830
Newlin Township	1.5000	2.1000	2.1000	2.1000	2.1000
Pennsbury Township	1.4900	1.4900	1.4900	1.4900	1.4900
Pocopson Township	2.2000	2.2000	2.2000	2.2000	2.2000
West Marlborough Township	2.0000	2.0000	2.0000	2.0000	2.0000
Chadds Ford Township (Delaware County)	0.5922	0.5922	0.6247	0.6247	0.6247

Source: School District PDE-2028 Budgets and PA DCED – Municipal Statistics.

Real Property Tax

The real property tax (excluding delinquent collections) produced $77,903,184 in 2024-25, approximately 74.07 percent of total revenue according to the School District's PDE-2057 Annual Financial Report. The tax is levied on July 1 of each year. The tax bills are dated July 1 and taxpayers who remit within 62 days receive a 2 percent discount, and those who remit subsequent to November 1 are assessed a 7.5 percent penalty. Installment payments are based upon three (3) one-third payments of the base tax amount. The due dates for installment payments are August 31, September 30, and October 31.

The following tables summarize recent trends of assessed and market valuations of real property and real property tax collection data. The last county-wide assessment in Chester County was effective in 1998. The last county-wide assessment in Delaware County was effective in 2021.

TABLE 8
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA

Fiscal Year	Market Value	Assessed Value	Ratio
2021-22	$4,010,471,504	$2,925,480,981	72.9%
2022-23	4,352,123,302	2,928,790,084	67.3%
2023-24	4,359,348,422	2,925,567,506	67.1%
2024-25	4,767,986,353	2,926,016,316	61.4%
2025-26	4,753,968,824	2,915,911,799	61.3%
Compound Average Annual Percentage Change	4.34%	-0.08%	

Source: Pennsylvania Department of Community & Economic Development.

TABLE 9
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA BY MUNICIPALITY

	2024-25 Market Value	2024-25 Assessed Value	2025-26 Market Value	2025-26 Assessed Value
School District	$4,767,986,353	$2,926,016,316	$4,753,968,824	$2,915,911,799
Birmingham Township	$917,926,518	$485,940,740	$916,368,046	$485,304,195
East Marlborough Township (portion)	1,063,161,556	555,996,410	1,062,071,329	555,385,480
Newlin Township	260,434,344	131,009,810	263,715,919	132,349,210
Pennsbury Township	703,734,959	401,451,790	700,744,963	400,017,130
Pocopson Township	656,150,447	350,708,950	655,140,638	350,373,060
West Marlborough Township	162,671,424	77,281,360	163,310,703	77,478,880
Chadds Ford Township (Delaware County)	1,003,907,105	923,627,256	992,617,225	915,003,844
Chester County	$79,300,010,423	$40,796,022,894	$79,972,434,966	$41,042,066,702
Delaware County	64,277,562,936	58,914,546,778	64,337,992,599	58,976,985,374

Source: Pennsylvania Department of Community & Economic Development.

TABLE 10
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
ASSESSMENT BY LAND USE*

	2020-21	2021-22	2022-23	2023-24	2024-25
Residential	$2,090,189,341	$2,316,398,642	$2,403,066,564	$2,415,698,277	$2,420,853,427
Lots	26,395,814	31,587,138	26,912,099	26,565,659	26,658,525
Industrial	2,578,160	4,980,130	2,578,160	3,157,870	3,157,870
Commercial	275,287,145	453,788,631	375,796,941	359,926,830	358,616,414
Agriculture	109,629,240	112,431,720	111,702,370	111,830,500	108,685,060
Trailers	1,287,750	1,039,810	980,390	980,390	1,050,050
Land	5,277,755	5,254,910	7,753,560	7,407,980	6,994,970
Totals	$2,510,645,205	$2,925,480,981	$2,928,790,084	$2,925,567,506	$2,926,016,316

*2025-26 Land Assessed Values are not yet available.
Source: Pennsylvania Department of Community & Economic Development.

TABLE 11
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
REAL PROPERTY TAX COLLECTION DATA

Fiscal Year	Total Flat Billing(1)	Current Year Collections (July-June)	Current Year Collections as Percent of Total Adjusted Flat Billing	Total Current Plus Delinquent Collections(2)	Total Collections as Percent of Total Adjusted Flat Billing
2021-22	$72,263,538	$70,389,528	97.41%	$71,661,847	99.17%
2022-23	74,462,210	72,268,361	97.05%	73,638,344	98.89%
2023-24	77,553,467	75,261,362	97.04%	76,205,369	98.26%
2024-25	80,261,245	78,054,137	97.25%	79,253,924	98.74%
2025-26 estimate	83,045,717	80,582,444	97.03%	81,781,444	98.48%

(1) Flat billing plus penalties, less discounts, rebates and exonerations.
(2) Delinquent for real property tax collection.
Source: School District Officials.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

The ten largest real property taxpayers, together with their assessed values are shown on Table 12 which follows. The aggregate assessed value of these ten taxpayers totals approximately 6.26 percent of total assessed value.

TABLE 12
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
TEN LARGEST REAL PROPERTY TAXPAYERS

Owner	2025-26 Assessed Value
Henderson Group/Brandywine Assoc/Painters Crossing Assoc	$65,647,940
Kendal/Crosslands Corporation	34,354,520
VMDT Partnership	21,382,720
LCB Chadds Ford LLC	15,792,020
Car-D84 LP	12,068,950
Franklin Mint Federal Credit Union	11,085,900
Piazza Family Limited Partnership	7,574,240
Glen Eagle Retail	6,105,620
Doe Run LP	4,944,010
Radley Run Country Club	3,550,990
Total	$182,506,910

Source: School District Officials.

Other Taxes

Under Act 511, the School District collected $1,451,865 in other taxes in 2024-25 according to the PDE-2057 Annual Financial Report. Among the taxes authorized by Act 511, the Real Estate Transfer Tax is levied by the School District. The Act 511 limit, equal to 12 mills on the market value of real property, was $57,215,836.

COMMONWEALTH AID TO SCHOOL DISTRICTS

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

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 are also received by the school district.

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 2026 Bonds following final approval by PDE. Commonwealth reimbursement is calculated based on the “Reimbursable Percentage” assigned to the Bonds by the PDE and the School District's permanent Capital Account Reimbursement Fraction (“CARF”) (18.53%) or the wealth based Market Value Aid Ratio (“MVAR”) currently (10.00%), whichever is higher. The Reimbursable Percentage is determined through a process known as the “Planning and Construction Workbook” or “PlanCon”.

The School District estimates the 2026 Bonds will not be subject to reimbursement by the Commonwealth.

Based on the current PlanCon program, School District officials have estimated that the Reimbursable Percentage of the 2026A Bonds will be 18.96% (there has been no determination by the PDE). The School District's CARF (which is higher than the MVAR) is 18.53%. The product of these two factors is approximately 3.51%, 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 contains authorization for the Commonwealth Finance Authority (“CFA”) to issue up to $2.5 billion of debt to fund PlanCon reimbursements to school districts. Act 25 also instituted a moratorium on new projects entering the PlanCon process while an advisory committee established under Act 25 considers amendments to the PlanCon reimbursement program. This moratorium went into effect on May 15, 2016 and most recently became indefinite with the adoption of Act No. 33 of 2023 on December 13, 2023.

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

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

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

DEBT AND DEBT LIMITS

Debt Statement

Table 13 which follows shows the debt of the School District as of July 20, 2026, including the issuance of the estimated Bonds.

TABLE 13
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
DEBT STATEMENT
(As of July 20, 2026)*

NONELECTORAL DEBT	**Gross Outstanding**
General Obligation Bonds, Series of 2026 (last maturity 2042)	$7,835,000*
General Obligation Bonds, Series A of 2026 (last maturity 2033)	39,015,000*
General Obligation Bonds, Series of 2024 (last maturity 2039)	12,780,000
General Obligation Bonds, Series of 2022 (last maturity 2042)	9,990,000
TOTAL NONELECTORAL DEBT	$69,620,000
LEASE RENTAL DEBT	
TOTAL LEASE RENTAL DEBT	$0
TOTAL PRINCIPAL OF DIRECT DEBT	$69,620,000

*Includes the estimated Bonds offered through this Preliminary Official Statement. Does not include the refunded principal balance of the Refunded 2016 Bonds or the Refunded 2019 Bonds, as described herein.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Table 14 presents the overlapping indebtedness and debt ratios of the School District. After issuance of the estimated Bonds, the principal of direct debt of the School District will total $69,620,000. After adjustment for available funds and estimated Commonwealth aid, the local effort of direct debt will total $68,249,291.

TABLE 14
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
BONDED INDEBTEDNESS AND DEBT RATIOS
(As of July 20, 2026)*

	Gross Outstanding	Local Effort or Net of Available Funds and Estimated State Aid[1]
DIRECT DEBT		
Nonelectoral Debt	$69,620,000	$68,249,291
Lease Rental Debt	0	0
TOTAL DIRECT DEBT	$69,620,000	$68,249,291
OVERLAPPING DEBT		
Chester County[2]	$26,851,720	$26,851,720
Delaware County[3]	6,788,619	6,788,619
Municipal Debt	9,241,501	9,241,501
TOTAL OVERLAPPING DEBT	$42,881,839	$42,881,839
TOTAL DIRECT AND OVERLAPPING DEBT	$112,501,839	$112,501,839
DEBT RATIOS		
Direct Debt Per Capita (2020)	$2,849.66	$2,793.55
Direct Debt 2025-26 Percent Assessed Value	2.39%	2.34%
Direct Debt 2025-26 Percent Market Value	1.46%	1.44%
Direct & Overlapping Debt Per Capita (2020)	$4,604.88	$4,548.78
Direct & Overlapping Debt 2025-26 Percent Assessed Value	3.86%	3.81%
Direct & Overlapping Debt 2025-26 Percent Market Value	2.37%	2.34%

*Includes the estimated Bonds offered through this Preliminary Official Statement. Does not include the refunded principal balance of the Refunded 2016 Bonds or the Refunded 2019 Bonds, as described herein.
(1) The School District may, at any time, claim a credit against the gross principal of debt outstanding equal to the amount to be reimbursed by state sources.
(2) Pro rata 4.88% share of $550,775,000 principal amount outstanding.
(3) Pro rata 1.55% share of $444,131,500 principal amount outstanding.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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:

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

Total Revenues for 2023-24	$101,925,981
Total Revenues for 2024-25	104,779,022
Total Revenues for 2025-26 (Budgeted)	108,051,293
Totals	$314,756,296
Annual Arithmetic Average (Borrowing Base)	$104,918,765

	Legal Limit	Net Debt Outstanding	Borrowing Capacity
Net Nonelectoral Debt and Lease Rental Debt Limit:			
225% of Borrowing Base	$236,067,222	$69,620,000	$166,447,222

*Includes the estimated Bonds offered through this Preliminary Official Statement. Does not include the refunded principal balance of the Refunded 2016 Bonds or the Refunded 2019 Bonds, as described herein. Does not reflect all credits against gross indebtedness that may be claimed for the portion of principal of debt estimated to be reimbursed by Commonwealth aid.

Debt Service Requirements

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

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

TABLE 15
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
DEBT SERVICE REQUIREMENTS*

		Series of 2026			Series A of 2026			
Year	Other General Obligation Debt	Principal	Interest	Subtotal	Principal	Interest	Subtotal	Total Debt Service
2025-26	$9,957,050							
2026-27	1,503,600							
2027-28	1,499,950							
2028-29	1,500,700							
2029-30	1,500,650							
2030-31	1,499,800							
2031-32	1,498,150							
2032-33	3,060,700							
2033-34	3,059,250							
2034-35	3,058,000							
2035-36	3,056,750							
2036-37	3,065,250							
2037-38	3,062,800							
2038-39	3,064,600							
2039-40	855,200							
2040-41	859,800							
2041-42	858,000							
Totals	$42,960,250							

*Totals may not add due to rounding. Does not include the outstanding debt service of the Refunded 2016 Bonds or the Refunded 2019 Bonds, as described herein.

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

TABLE 16
UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
COVERAGE OF DEBT SERVICE
REQUIREMENTS BY STATE AID*

2025-26 (Budgeted) Commonwealth Aid Received	$20,587,701
2025-26 (Budgeted) Debt Service Requirements	$9,957,050
Maximum Future Debt Service Requirements after Issuance of Bonds	
2025-26 (Budgeted) Debt Service Requirements	2.07 times
Coverage of Maximum Future Debt Service Requirements after Issuance of Bonds	times

*Assumes current Commonwealth CARF. See "COMMONWEALTH AID TO SCHOOL DISTRICTS."

Future Financing

The School District has a Long Range Facilities Plan that it continually reviews and updates on an annual basis. The School District currently plans on issuing approximately $15 million of additional long-term debt in the next year.

LABOR RELATIONS

School District Employees

There are approximately 715 employees of the School District.

The School District has a contract that expires on June 30, 2027 with the Unionville-Chadds Ford Education Association (the "Association"), which is affiliated with the Pennsylvania State Education Association (PSEA), covering the professional employees of the School District other than administrators. The PSEA acts as a bargaining agent for Association employees under the conditions of Pennsylvania Law (Act 195) providing for collective bargaining. Professional employees have a right to strike under Act 195, as amended, if bargaining, fact-finding and mediation do not result in agreement on a new contract.

Pension Program

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

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

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

Under Act 5 of 2017 ("Act 5") PSERS 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.

Annual School District contributions have been as follows:

2021-22	$7,327,281
2022-23	$7,693,129
2023-24	$7,612,758
2024-25	$7,886,090
2025-26 (estimated)	$8,034,779
2026-27 (budgeted)	$8,128,556

At June 30, 2025, the School District reported a liability of $117,947,229 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the PSERS total pension liability as of June 30, 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, 2025, the School District's proportion was 0.2818% which was a decrease of 0.0037% from its proportion measured as of June 30, 2024.

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

Source: School District Administrative Officials, School District Audited Financial Statements, and PSERS.

Other Post-Employment Benefits (OPEB)

The School District is obligated under collective bargaining agreements to provide in the future health insurance coverage for current and future retired employees, and to provide retirement severance pay for existing employees. The School District became subject to the requirements of GASB Statements No. 43 and 45 commencing with the School District's annual financial statements for the fiscal year ending June 30, 2009.

For further details please refer to Appendix D – Audited Financial Statements for the Year Ended June 30, 2025.

LITIGATION

At the time of settlement, the President or Vice-President of the School District will deliver a certificate dated as of the date of delivery of and payment for the Bonds, certifying that there is no litigation pending which challenges the validity or enforceability of the Bonds and there is no litigation which would materially affect the School District's financial condition; or in the event that such litigation is pending, a description of the nature of such litigation, together with an opinion of legal counsel approved by the School District, to the effect that such litigation is without legal merit.

DEFAULTS AND REMEDIES

In the event of failure of the School District to pay or cause to be paid the interest on or principal of the Bonds, the holders of the Bonds shall be entitled to certain remedies provided by the Act. Among the remedies, if the failure to pay shall continue for 30 days, holders of the Bonds shall have the right to recover the amount due by bringing actions in the Court of Common Pleas of Chester and/or Delaware County. 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 30 days, holders of at least 25 percent of the Bonds may appoint a trustee to represent them. The Act provides certain other remedies in the event of default, and further qualifies the remedies hereinbefore described.

TAX MATTERS

Federal Tax Exemption

Bond Counsel will deliver, concurrently with the issuance of the Bonds, its opinion to the effect that under existing statutes, regulations, rulings and court decisions, interest on the Bonds is excludable from in the gross income of the holders thereof for federal income tax purposes and will not be a preference item for purposes of calculating federal alternative minimum taxable income. In addition, interest on the Bonds may be included in a foreign corporation's effectively connected earnings and profits upon which certain foreign corporations are required to pay the foreign branch profits tax imposed under Section 884 of the Internal Revenue Code of 1986, as amended (the "Code").

[Certain maturities of the Bonds have been offered at a discount ("original issue discount") equal generally to the difference between public offering price and principal amount. For federal income tax purposes, original issue discount on a Bond accrues periodically over the term of the Bond 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 Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Prospective purchasers of the Bonds should consult their tax advisers for an explanation of the treatment of original issue discount.]

[Certain maturities of the Bonds have been 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 Bond through reductions in the holder' s tax basis for the Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Bond rather than creating a deductible expense or loss. Prospective purchasers of the Bonds should consult their tax advisers for an explanation of the treatment of original issue premium.]

Ownership of the Bonds may result in collateral federal tax consequences to certain taxpayers, including, without limitation, financial institutions, S corporations with excess net passive income, property and casualty companies, individual recipients of social security or railroad retirement benefits and taxpayers who may be deemed to have inc1med indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion with respect to these or any other collateral tax consequences of the ownership of the Bonds. The nature and extent of the tax benefit to a taxpayer of ownership of the Bonds will generally depend upon the particular nature of such taxpayer or such taxpayer's own particular circumstances, including other items of income or deduction. Accordingly, prospective purchasers of the Bonds should consult their own tax advisors.

Under Section 265 of the Code, financial institutions are denied any deduction for interest expenses that are allocable, by a formula, to tax-exempt obligations acquired after August 7, 1986. An exception, which permits a deduction for 80% of such interest expenses, is provided in respect of certain tax-exempt obligations issued by a qualified issuer that specifically designates such obligations as "qualified tax-exempt obligations" under Section 265 of the Code. The School District has not designated the Bonds as "qualified tax-exempt obligations" for the purposes and effect contemplated by Section 265 of the Code.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. Ongoing requirements include, among other things, the provisions of Section 148 of the Code which prescribe yield and other limits within which the proceeds of the Bonds are to be invested and which may require that certain excess earnings on investments made with the proceeds of the Bonds be rebated on a periodic basis to the United States. The School District will make certain representations and undertake certain agreements and covenants in the tax compliance agreement to be delivered concurrently with the issuance of the Bonds that are designed to ensure compliance with the applicable provisions of the Code. The inaccuracy of these representations or the failure on the part of the School District to comply with such covenants and agreements could result in the interest on the Bonds being included in the gross income of the holder for federal income tax purposes, in certain cases retroactive to the date of original issue of the Bonds.

The opinion of Bond Counsel assumes the accuracy of these representations and the future compliance by the School District with its covenants and agreements. Moreover, Bond Counsel has not undertaken to evaluate, determine or inform any person, including any holder of the Bonds, whether any actions taken or not taken, events occurring or not occurring, or other matters that might come to the attention of Bond Counsel, would adversely affect the value of, or tax status of the interest on, the Bonds.

There can be no assurance that currently existing or future legislative proposals by the United States Congress limiting or further qualifying the excludability of interest on tax-exempt bonds from gross income for federal tax purposes, or changes in federal tax policy generally, will not adversely affect the market for the Bonds.

Pennsylvania Tax Exemption

Bond Counsel will also deliver an opinion to the effect that under existing law as enacted and construed on the date of such opinion, the Bonds are exempt from personal property taxes in Pennsylvania, and interest on the Bonds is exempt from the Pennsylvania personal income tax and the Pennsylvania corporate net income tax. However, under the laws of the Commonwealth as presently enacted and construed, any profits, gains or income derived from the sale, exchange or other disposition of the Bonds will be subject to Pennsylvania taxes within the Commonwealth.

The Bonds and the interest thereon may be subject to state or local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws.

PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL INCOME TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS AND ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED TAX LEGISLATION.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of the Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") and the Resolution authorizing the issuance of the Bonds, the School District (being an "obligated person" with respect to the Bonds, within the meaning of the Rule), will execute and deliver a written continuing disclosure certificate with respect to the Bonds. See the form of Continuing Disclosure Certificate (the "Agreement") in Appendix C to this Preliminary Official Statement.

Under the terms of the Agreement, and as reflected in Appendix C, the School District will undertake to file with the Municipal Securities Rulemaking Board (the "MSRB") financial and other information concerning the School District, including notices of certain enumerated events. The School District's obligations with respect to continuing disclosure relative to the Bonds shall terminate upon the prior redemption or payment in full of all of the Bonds.

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

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

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

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

Certain 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.

Summary of Continuing Disclosure Undertaking Compliance

The School District has entered into prior undertakings to provide certain annual financial information, as defined in the continuing disclosure agreements or certificates associated with prior bond issues, audited financial statements, and notice of certain events under the Rule (collectively, the "Prior Undertakings"). In the previous five years, the School District was unable to file timely its audited financial statements for the fiscal years ending June 30, 2024 and June 30, 2025. However, the School District timely filed a failure to file notice in each case and subsequently filed its audited financial statements when they became available on July 30, 2025 with respect to the fiscal year 2024 audited financial statements and July 14, 2026 with respect to the fiscal year 2025 audited financial statements. Certain of the School District's required operating data was unavailable at the time of filing for fiscal years 2024 and 2025, and has been included in TABLE 8 "REAL PROPERTY ASSESSMENT DATA – Market Value" herein.

RATING

Moody's Investors Service has assigned an underlying rating of "Aa2" to this issue of Bonds. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by the rating agency. The rating agency has recently issued press releases or reports stating that they are examining the potential effects of downturns in the market for structured finance (SF) instruments, including collateralized debt obligations ("CDOs"), on the claims-paying ability of the bond insurance companies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the "Underwriter" or "Stifel") has agreed, subject to certain conditions, to purchase the Bonds from the School District at an aggregate purchase price of $__, comprised of the par amount of the Bonds plus/minus a net original issue premium/(discount) of $__, and less an underwriter's discount of $__. The Underwriter's obligations to purchase the Bonds are subject to certain conditions precedent; however, the Underwriter is obligated to purchase all such Bonds if any such Bonds are purchased.

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 OPINIONS

The Bonds are offered subject to the receipt of the approving legal opinion of Fennemore Craig, P.C., Bond Counsel. Certain other legal matters will be passed upon for the School District by McNees Wallace & Nurick LLC, of Plymouth Meeting, Pennsylvania, School District Solicitor and by Stevens & Lee, P.C. of Reading, Pennsylvania, Underwriter's Counsel.

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 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Preliminary Official Statement. PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

MISCELLANEOUS

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

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

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
CHESTER AND DELAWARE COUNTIES, PENNSYLVANIA

By: ______________________________
President, Board of School Directors

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A
Demographic and Economic Information
Relating to the Unionville-Chadds Ford School District

[THIS PAGE INTENTIONALLY LEFT BLANK]

Population

Table A-1 which follows shows recent population trends for the School District, Chester County and the Commonwealth. Table A-2 shows 2024 age composition and average persons per household in Chester County and for the Commonwealth.

TABLE A-1
RECENT POPULATION TRENDS

Area	2010	2020	Compound Average Annual Percentage Change
School District	23,691	24,431	0.31%
Chester County	499,132	534,413	0.69%
Pennsylvania	12,702,379	13,002,700	0.23%

Source: U.S. Bureau of the Census – Decennial Census - 2010 & 2020.

TABLE A-2
AGE COMPOSITION

	0-17 Years	18-64 Years	65+ Years	Average Persons Per Household
Chester County	21.3%	60.0%	18.7%	2.60
Pennsylvania	20.1%	59.5%	20.4%	2.39

Source: U.S. Bureau of the Census - American Community Survey – 2024 5-year estimates.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Employment

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

DISTRIBUTION OF EMPLOYMENT BY INDUSTRY
MONTGOMERY-BUCKS-CHESTER, PA METROPOLITAN DIVISION
NONFARM JOBS - NOT SEASONALLY ADJUSTED
(April 2026)

	Industry Employment				Net Change From:	
Establishment Data	**Apr 2026**	**Mar 2026**	**Feb 2026**	**Apr 2026**	**Mar 2026**	**Apr 2025**
TOTAL NONFARM	1,135,300	1,123,900	1,113,600	1,132,400	11,400	2,900
TOTAL PRIVATE	1,046,500	1,035,400	1,025,400	1,044,900	11,100	1,600
GOODS PRODUCING	148,900	144,900	140,600	148,300	4,000	600
Mining, Logging, and Construction	58,900	55,500	51,900	58,700	3,400	200
Manufacturing	90,000	89,400	88,700	89,600	600	400
Durable Goods	44,700	44,400	44,100	44,700	300	0
Non-Durable Goods	45,300	45,000	44,600	44,900	300	400
Chemical mfg.	20,200	20,300	20,200	20,300	-100	-100
SERVICE-PROVIDING	986,400	979,000	973,000	984,100	7,400	2,300
PRIVATE SERVICE-PROVIDING	897,600	890,500	884,800	896,600	7,100	1,000
Trade, Transportation, and Utilities	200,700	200,800	200,300	201,900	-100	-1,200
Wholesale Trade	58,200	58,400	58,300	58,400	-200	-200
Retail Trade	106,700	106,700	105,900	107,900	0	-1,200
General merchandise retailers	17,500	17,500	17,500	17,700	0	-200
Transportation, Warehousing, and Utilities	35,800	35,700	36,100	35,600	100	200
Information	23,400	23,400	23,500	24,000	0	-600
Financial Activities	90,500	90,200	90,300	89,400	300	1,100
Finance and insurance	76,000	75,700	75,700	74,900	300	1,100
Credit Intermediation and Related Activities	17,500	17,500	17,500	17,300	0	200
Depository Credit Intermediation	10,200	10,200	10,200	10,100	0	100
Insurance carriers and related activities	28,500	28,500	28,600	29,000	0	-500
Real estate and rental and leasing	14,500	14,500	14,600	14,500	0	0
Professional and Business Services	214,400	210,100	207,900	213,600	4,300	800
Professional and technical services	111,200	110,300	109,800	112,800	900	-1,600
Management of companies and enterprises	31,400	30,600	30,600	31,700	800	-300
Administrative and waste services	71,800	69,200	67,500	69,100	2,600	2,700
Education and Health Services	229,700	229,400	228,300	227,000	300	2,700
Educational services	34,000	34,100	33,800	33,200	-100	800
Health care and social assistance	195,700	195,300	194,500	193,800	400	1,900
Ambulatory health care services	74,600	74,000	73,700	73,300	600	1,300
Hospitals	31,300	31,400	31,300	31,600	-100	-300
Nursing and residential care facilities	36,100	36,100	36,000	36,100	0	0
Social assistance	53,700	53,800	53,500	52,800	-100	900
Leisure and Hospitality	90,200	88,600	86,200	92,000	1,600	-1,800
Accommodation and food services	71,800	71,100	69,400	73,300	700	-1,500
Other Services	48,700	48,000	48,300	48,700	700	0
Government	88,800	88,500	88,200	87,500	300	1,300
Federal Government	5,600	5,600	5,600	6,200	0	-600
State Government	11,000	10,900	10,900	11,100	100	-100
Local Government	72,200	72,000	71,700	70,200	200	2,000
Local government educational services	51,200	51,100	51,000	49,800	100	1,400
Local government excluding educational service	21,000	20,900	20,700	20,400	100	600
Data benchmarked to March 2025	***Data changes of 100 may be due to rounding***					

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

Major employers located within Chester County include:

Name
The Vanguard Group Inc
The Chester County Hospital
Chester County
Main Line Hospitals Inc
Giant Food Stores LLC
Federal Government
PA State System of Higher Education
Downingtown Area School District
West Chester Area School District
Chester County Intermediate

Source: PA Department of Labor & Industry, Center for Workforce Information & Analysis, 4th Quarter of 2025.

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

TABLE A-4
RECENT TRENDS IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT*

	2021	2022	2023	2024	2025	2026[1]	Compound Average Annual Percentage Change[2]
Chester County							
Civilian Labor Force	287,400	296,600	302,400	302,400	301,600	307,100	1.27%
Employment	276,100	287,500	293,900	294,100	293,600	298,200	1.45%
Unemployment	11,300	9,100	8,400	8,400	8,000	8,900	-3.50%
Unemployment Rate	3.9%	3.1%	2.8%	2.8%	2.6%	2.9%	
Pennsylvania							
Civilian Labor Force	6,439,000	6,479,000	6,559,000	6,572,000	6,553,000	6,639,000	0.40%
Employment	6,059,000	6,209,000	6,318,000	6,321,000	6,310,000	6,392,000	0.83%
Unemployment	380,000	270,000	241,000	251,000	243,000	246,000	-9.85%
Unemployment Rate	5.9%	4.2%	3.7%	3.8%	3.7%	3.7%	

(1) As of April 2026.
(2) Compound average annual percentage change is calculated from 2021-2025.
Source: Pennsylvania Department of Labor & Industry – Center for Workforce Information & Analysis website.

Income

The data on Table A-5 shows recent trends in per capita income for the School District, Chester County and the Commonwealth over the 2010-2020 period. Per capita income for the residents of the School District is higher than average per capita income for the Commonwealth and the County.

TABLE A-5
RECENT TRENDS IN PER CAPITA INCOME*

	2010	2020	Compound Average Annual Percentage Change
School District	$60,592	$67,173	1.04%
Chester County	40,138	52,711	2.76%
Pennsylvania	26,374	35,518	3.02%

*Income is defined by the Bureau of the Census as the sum of wage and salary income, non-farm self-employment income, net self-employment income, Social Security and Railroad retirement income, public assistance income, interest, dividends, pensions, etc. before deductions for personal income taxes, Social Security, etc. School District income is the population-weighted average for political subdivisions.
Source: U.S. Bureau of the Census - American Community Surveys – 5-year estimates for 2010 & 2020.

Commercial

Commercial activity for the residents of the School District is centered in and around the Borough of Kennett Square and at Longwood Centre, which are located just south of the central portion of the School District. In the eastern portion of the School District residents use two regional shopping centers (Painters Crossing and Glen Eagle), which are located around the intersections of U.S. Route 1 and 202.

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

TABLE A-6
TOTAL RETAIL SALES

	2021	2022	2023	2024	2025
Chester County	$16,689,538,744	$20,551,778,075	$19,467,582,236	$19,141,485,685	$24,027,133,651
MSA	117,611,765,726	129,095,108,203	138,955,072,044	135,906,640,309	173,872,719,696
Pennsylvania	274,685,600,234	297,770,326,880	310,912,244,437	317,239,286,955	403,629,014,772

Source: Claritas, Inc.

Transportation

The School District's position as a residential community is bolstered by a fine network of federal and state highways which make commuting to the major employment centers convenient. U.S. Route 1 crosses the area in a north-south direction connecting the area with Philadelphia via Media to the north, and Baltimore to the south. U.S. Route 202 also crosses the area in a north-south direction and connects the area with Wilmington to the south and Valley Forge to the north. State routes #52, 82, 100, 162, 841, 842 and 926 also cross the School District.

Commuter bus service is provided to the eastern portion of the School District by the Southeastern Pennsylvania Transportation Authority (SEPTA).

Commercial airline service is conveniently available to residents (30 minutes) at Philadelphia International Airport.

Tourism and Recreation

The School District attracts several hundred thousand visitors annually to its cultural and educational facilities. Longwood Gardens is world-renowned for its gardens, fountain displays, conservatories and greenhouses which feature plants from around the world. The gardens are located on the former Pierre DuPont estate and funded by the Longwood Foundation. The area was also home to nationally-known local painters N.C., Andrew and Jamie Wyeth, many of whose paintings hang in Brandywine River Museum, located in Chadds Ford. The Commonwealth of Pennsylvania maintains a state park at the Brandywine Battlefield, which was the site of a major Revolutionary War battle and the County of Chester owns 677 acres which is being developed as a County Park along the banks of the Brandywine Creek in Newlin Township to provide recreational facilities to County residents. Also located in the School District is New Bolton Center, the School of Veterinary Medicine of the University of Pennsylvania. New Bolton Center is internationally famous as an equine center and draws a number of prominent horsemen to the area each year.

Residents have access to a variety of recreational facilities through public and private agencies. Two golf and country clubs have facilities in the School District: Kennett Square Golf & Country Club and Country Club at Radley Run.

Utilities

Electric and Gas service is furnished by the PECO Energy Company. Water is provided mainly by private wells or municipally owned water systems and sewer service on site systems and municipally owned systems.

All communities support their local volunteer fire companies.

APPENDIX B
FORM OF BOND COUNSEL OPINION

[THIS PAGE INTENTIONALLY LEFT BLANK]

PROPOSED FORM OF BOND COUNSEL OPINION

September __, 2026

Unionville-Chadds Ford School District
Kennett Square, Pennsylvania

Manufacturers and Traders Trust Company
Harrisburg, Pennsylvania

Re: $__________________ Unionville-Chadds Ford School District General Obligation Bonds, Series of 2026 and General Obligation Bonds, Series A of 2026

You have requested our opinion as to the legality of the above-referenced series of general obligation bonds, consisting of $_____________ General Obligation Bonds, Series of 2026 and $_________ General Obligation Bonds, Series A of 2026 (the "Bonds"), which are being issued on the date hereof by Unionville-Chadds Ford School District, Chester and Delaware Counties, Pennsylvania (the "Issuer" or "School District"), under the provisions of the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq*., as amended (the "Act"), and pursuant to a Resolution duly enacted by the Issuer's Board of School Directors on June 15, 2026 (the "Resolution"). The 2026 Bonds are being issued for the purpose of providing funds to finance: (i) the funding for various capital projects of the School District, including the planning, designing, installation, equipping and construction thereof (the "Capital Project"); (ii) the current refunding (the "Refunding Project") of all or a portion of the School District's General Obligation Bonds, Series of 2016 (the "2016 Refunded Bonds") and the General Obligation Bonds, Series of 2019 (the "2019 Refunded Bonds", and together with the 2016 Refunded Bonds, the "Refunded Bonds"); and (iii) the payment of the costs of issuance on the Bonds. The 2026 Bonds are being issued to finance the Capital Project, and the 2026A Bonds are being issued to finance the Refunding Project, each as authorized by the Resolution.

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

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

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

In rendering this opinion we have examined and relied upon (a) the opinion of counsel to the Issuer with respect to, *inter alia*, the due approval by the Issuer of the Resolution in accordance with applicable laws; and (b) the accuracy of the statements and representations and the performance by the Issuer of its covenants set forth in the Resolution and the Issuer’s Tax Certificate and other documentation delivered on this date in connection with the issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Resolution and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

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

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

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

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

5. Interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes under existing law, as currently enacted and construed. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals by the Internal Revenue Code of 1986, as amended (the “Code”).

In providing this opinion, we advise you that it may be determined in the future that interest on the Bonds, retroactive to the date of issuance thereof or prospectively, will not be excluded from the gross income of the owners of the Bonds for federal income tax purposes if certain requirements of the Code are not met. The Issuer has covenanted in the Resolution and the Tax Certificate to comply with such requirements.

Purchasers of the Bonds should consult their own tax advisors as to collateral state or federal income tax consequences. We express no opinion regarding state or federal tax consequences arising with respect to the Bonds other than as expressly set forth in numbered paragraphs 4 and 5 hereof.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

These opinions are rendered on the basis of federal law and the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof. We express no opinion as to, and we assume no responsibility for, any matter or information not set forth in the numbered paragraphs above including, without limitation, with respect to the accuracy, adequacy or completeness of, the Preliminary Official Statement or the Official Statement prepared in respect of the Bonds, including, in both cases, the appendices thereto, and make no representation that we have independently verified any such matter or information.

The opinions set forth herein are given solely for the benefit of the purchasers of the Bonds and may not be relied on by any other person or entity without our express prior written consent. The opinions set forth herein are given solely as of the date hereof, and we do not undertake to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

FENNEMORE CRAIG, P.C.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C
FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (the "Certificate") is executed and delivered the 23rd day of September __, 2026, by Unionville-Chadds Ford School District (the "Issuer"), in connection with the issuance of its $[________ General Obligation Bonds, Series of 2026 and $_________ General Obligation Bonds, Series A of 2026 (collectively, the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Board of Issuer on June 15, 2026 (the "Authorizing Resolution"). The Issuer certifies covenants and agrees as follows:

1. Purpose of Continuing Disclosure Certificate.

This Certificate is being executed and delivered by the Issuer to provide for the disclosure of certain information concerning the Bonds on an on-going basis as set forth herein for the benefit of Bondholders (as hereinafter defined) in accordance with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended from time to time (the "Rule").

2. Definitions.

All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Authorizing Resolution and the Bonds. The following capitalized terms shall have following meanings:

"Annual Financial Information" shall mean a copy of the annual audited financial information prepared for the Issuer. All such financial information shall be prepared using generally accepted accounting principles for governmental units, provided, however, that the Issuer may change the accounting principles used for preparation of such financial information so long as the Issuer includes as information provided to the public a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles. Any or all of the items listed above may be set forth in other documents, including Offering Documents of debt issues of the Issuer or related public entities, which have been transmitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB's Internet Website or filed with the SEC.

"*Annual Filing*" shall mean the annual information filing provided by the Issuer pursuant to, and as described in, Section 3(A)(1) herein.

"*Beneficial Owner*" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including personal holding Bonds through nominees, depositories or other intermediaries).

"*Bondholders*" shall mean any holder of the Bonds and any Beneficial Owner thereof.

"EMMA" means the Electronic Municipal Market Access System of the MSRB or any successor system or process of disclosure.

"Event" shall mean any of the following events with respect to the Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;

(vii) Modifications to rights of security holders, if material;

(viii) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the obligated person *(Note: For the purposes of this event, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing 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)*;

(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 trustee or the change of name of a trustee, if material;

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

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties.

The SEC requires the listing of (i) through (xvi) although some of such events may not be applicable to the Bonds.

"Filing Date" shall mean 270 days following the end of each fiscal year.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person" shall mean any person, including the Issuer, who is generally committed by contract or other arrangement to support payment of all or part of the Bonds. The Issuer is the only Obligated Person for the Bonds.

"Offering Document" shall mean the final Official Statement, dated __________, 2026.

"Operating Data" shall mean (a) a summary of the adopted budget for the current fiscal year, and (b) annual updates of the following information contained in the Offering Document (under the noted tables): (i) Enrollment Trends (Table 2), Tax Rates (Table 6), Real Property Assessment Date (Table 8), Real Property Tax Collection Data (Table 11), and Ten Largest Real Property Taxpayers (Table 12).

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

"Commonwealth" shall mean the Commonwealth of Pennsylvania.

3. Disclosure of Information.

(A) Information to be Provided and Filing Date. Except to the extent this Certificate is modified or otherwise altered in accordance with Section 4 hereof, the Issuer shall make through the MSRB (EMMA system), the information set forth in subsections (1), (2) and (3) below:

(1) Annual Financial Information and Operating Data. Annual Financial Information and Operating Data at least annually not later than the Filing Date following the end of each fiscal year beginning with the fiscal year ending June 30, 2026 and continuing with each fiscal year thereafter. The Annual Financial Information and Operating Data may be submitted as a single

document or as separate documents comprising a package, and may cross-reference other information; provided that the Annual Financial Information may be submitted separately if the audited financial statements of the Issuer are not available by the filing date set forth above, in which case those audited financial statements of the Issuer will be submitted when and if available.

(2) Events Notices. Notice of the occurrence of an Event, in a timely manner, not in excess of ten (10) business days after the occurrence of the Event.

(3) Failure to Provide Annual Financial Information or Operating Data. Notice of the failure of the Issuer to provide the Annual Financial Information or Operating Data by the Filing Date.

(B) Filing of Information.

Annual Financial Information, Operating Data and notice of all Event occurrences shall be filed with MSRB (EMMA), in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB.

To the extent the Issuer is obligated to file any Annual Financial Information or Operating Data with the MSRB pursuant to this Certificate, such Annual Financial Information or Operating Data may be set forth in the document or set of documents transmitted to the MSRB, or may be included by specific reference to documents transmitted to the MSRB or SEC.

4. Amendment or Modification.

The Issuer reserves the right to amend this Certificate, and noncompliance with any provision of this Certificate may be waived, as may be necessary or appropriate to (a) achieve its compliance with any applicable federal securities law or rule, (b) cure any ambiguity, inconsistency or formal defect or omission, and (c) address any change in circumstances arising from a change in legal requirements, change in law or change in the identity, nature or status of the Issuer or type of business conducted by the Issuer. Any such amendment or waiver shall not be effective unless the Certificate (as amended or taking into account such waiver) would have materially complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the Issuer shall have received either (i) a written opinion of bond counsel or other qualified independent special counsel selected by the Issuer that the amendment or waiver would not materially impair the interests of Bondholders or Beneficial Owners, or (ii) the written consent to the amendment or waiver of the Bondholders of at least a majority of the principal amount of the Bonds then outstanding.

5. Miscellaneous.

(A) Termination. The Issuer's obligations under this Certificate shall terminate when all of the Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at maturity.

(B) Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Filing or notice of the occurrence of an Event, in addition to that which is required by this Certificate. If the Issuer chooses to include any information in any Annual Filing or notice of the occurrence of an Event in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in a future Annual Filing or notice of the occurrence of an Event.

(C) Defaults: Remedies. In the event of a failure of the Issuer to comply with any provision of this Certificate, any Bondholder may take such action as may be necessary and appropriate, including seeking an action in mandamus or specific performance to cause the Issuer to comply with its obligations under this Certificate. A default under this Certificate shall not constitute a default on the Bonds or any trust agreement pursuant to which they are issued, and the sole remedy available in any proceeding to enforce this Certificate shall be an action to compel specific performance.

(D) Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Disclosure Agent, the Participating Underwriter and Bondholders, or beneficial owners thereof, and shall create no rights in any other person or entity.

(E) Dissemination Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist in carrying out its obligations under this Certificate, and may discharge any such agent, with or without appointing a successor disseminator agent.

6. Notices.

Any notices or communications to the Issuer may be given as follows:

To the Issuer:

Unionville-Chadds Ford School District
740 Unionville Road
Kennett Square, Pennsylvania 19348-1531
Attention: Secretary

[Remainder of page intentionally left blank]

[Signature page to Continuing Disclosure Certificate]

IN WITNESS WHEREOF, the Issuer has caused its duly authorized officer to execute this Certificate as of the day and year first above written.

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT (Issuer)

By: ______________________________
President

APPENDIX D
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

[THIS PAGE INTENTIONALLY LEFT BLANK]

UCF | Unionville-Chadds Ford School District

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
KENNETT SQUARE, PENNSYLVANIA
CHESTER COUNTY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

[THIS PAGE INTENTIONALLY LEFT BLANK]

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025

INDEPENDENT AUDITORS' REPORT

Board of School Directors
Unionville-Chadds Ford School District
Kennett Square, 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 Unionville-Chadds Ford School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Unionville-Chadds Ford School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis-of-Matter – Implementation of New Standard

As discussed in Note 2 and 17 to the financial statements, Unionville-Chadds Ford School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Unionville-Chadds Ford School District adopted the requirements of the guidance effective July 1, 2024 and has applied the provisions of this standard to the beginning of the period of adoption as applicable. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Unionville-Chadds Ford School District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Unionville-Chadds Ford School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule – General Fund, and the schedules of the District's proportionate share of the net pension liability-PSERS and pension plan contributions-PSERS, schedule of changes in OPEB liability single employer plan, and the schedules of the District's proportionate share of the net OPEB liability-PSERS and OPEB plan contributions-PSERS be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Unionville-Chadds Ford School District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of School Directors
Unionville-Chadds Ford School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **July 10, 2026**July 9, 2026, on our consideration of Unionville-Chadds Ford School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unionville-Chadds Ford School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unionville-Chadds Ford School District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
July 9, 2026

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

DISTRICT PROFILE

The District consists of four elementary schools, a middle school and a high school consisting of approximately 3,665 students. The District is located in southeastern Chester County and western Delaware County and covers a 77 square mile area encompassing the Townships of East Marlborough, West Marlborough, Newlin, Pocopson, Birmingham, Chadds Ford, and Pennsbury. During 2024-2025, there are approximately 700 employees in the District, consisting of teachers, administrators, including general administration, principals and supervisors, and support personnel including administrative assistants, maintenance staff, custodial staff, transportation staff, food service staff and classroom assistants.

The mission of the District is to empower each student to succeed in life and contribute to society.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, including all governmental activities and the business-type activities, the liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources resulting in a deficit in total net position at the close of the 2024-2025 fiscal year of $51,454,781. During the 2024-2025 fiscal year, the District had an increase in total net position of $3,258,224. The net position of governmental activities increased by $3,211,157 and the net position of business-type activities increased by $47,067.

- The General Fund reported a decrease in fund balance of $807,323, bringing the cumulative balance to $6,098,270 at the conclusion of the 2024-2025 fiscal year.

- At June 30, 2025, the General Fund fund balance includes $355,051 which is considered nonspendable, $250,000 committed to accrued severance obligations, $64,629 committed to balance the 2025-2026 budget and unassigned amounts of $5,428,590 or 5.01% of the $108,417,730 2025-2026 General Fund expenditure budget. Guidelines prescribed by the Pennsylvania Department of Education allow a district to maintain a maximum General Fund fund balance of 8% of the following year's expenditure budget.

- Total General Fund revenues and other financing sources were $631,947 or 0.60% less than budgeted amounts and total General Fund expenditures and other financing uses were $148,943 or 0.14% more than budgeted amounts resulting in a net negative variance of $780,890.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

Governmental Activities

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

Business-Type Activities

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

The government-wide financial statements can be found on pages 18 and 19 of this report.

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

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

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

The governmental fund financial statements can be found on pages 20 through 23 of this report.

Proprietary Funds

The District maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Food Service Fund is reported as an enterprise fund of the proprietary fund type. Internal service funds are used to accumulate and allocate certain costs internally among the District's various functions. The District uses its internal service fund to account for the District's self-funded healthcare program. Because an internal service fund predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The proprietary fund financial statements can be found on pages 24 through 26 of this report.

Fiduciary Funds

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

The fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Notes to the Financial Statements

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

The notes to the financial statements can be found on pages 29 through 65 of this report.

Other Information

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

The required supplementary information can be found on pages 66 through 71 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted above, net position may serve over time as a useful indicator of the District's financial condition. At the close of the 2024-2025 fiscal year the District's liabilities and deferred inflows exceeded assets and deferred outflows by $51,454,781. The following table presents condensed information for the statement of net position (deficit) of the District at June 30, 2025 and 2024.

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Assets						
Current Assets	$ 35,811,333	$ 43,538,162	$ 547,893	$ 583,237	$ 36,359,226	$ 44,121,399
Capital Assets	126,513,319	125,524,119	132,208	127,794	126,645,527	125,651,913
Total Assets	162,324,652	169,062,281	680,101	711,031	163,004,753	169,773,312
Deferred Outflows						
Deferred Amounts on Debt Refunding	3,352,702	3,738,866	-	-	3,352,702	3,738,866
Deferred Charges - OPEB	955,906	1,172,705	11,722	17,869	967,628	1,190,574
Deferred Charges - Pensions	16,847,723	20,383,247	232,380	280,189	17,080,103	20,663,436
Total Deferred Outflows	21,156,331	25,294,818	244,102	298,058	21,400,433	25,592,876
Liabilities						
Current Liabilities	17,600,583	17,752,196	85,632	81,361	17,686,215	17,833,557
Noncurrent Liabilities	208,800,152	222,383,541	1,749,846	1,830,107	210,549,998	224,213,648
Total Liabilities	226,400,735	240,135,737	1,835,478	1,911,468	228,236,213	242,047,205
Deferred Inflows						
Deferred Credits - OPEB	3,668,620	4,072,006	18,134	25,067	3,686,754	4,097,073
Deferred Credits - Pensions	3,883,436	3,832,321	53,564	52,679	3,937,000	3,885,000
Total Deferred Outflows	7,552,056	7,904,327	71,698	77,746	7,623,754	7,982,073
Net Position (Deficit)						
Net Investment in Capital Assets	62,589,011	60,046,553	132,208	127,794	62,721,219	60,174,347
Restricted	739,722	706,546	-	-	739,722	706,546
Unrestricted (Deficit)	(113,800,541)	(114,436,064)	(1,115,181)	(1,107,919)	(114,915,722)	(115,543,983)
Total Net Position (Deficit)	$ (50,471,808)	$ (53,682,965)	$ (982,973)	$ (980,125)	$ (51,454,781)	$ (54,663,090)

The District's total assets as of June 30, 2025 were $163,004,753 of which $29,179,814 or 17.90% consisted of cash and investments and $126,645,527 or 77.69% consisted of the District's investment in capital assets. The District's total liabilities as of June 30, 2025 were $228,236,213 of which $76,972,698 or 33.73% consisted of general obligation debt used to acquire and construct capital assets and $117,947,229 or 51.68% consisted of the actuarially determined net pension liability.

The District had a deficit in unrestricted net position of $114,915,722 at June 30, 2025. The District's deficit in unrestricted net position increased by $628,261 during 2024-2025 primarily due to current year results of operations and the change in the District's actuarially determined net pension liability and related deferred outflows and inflows or resources.

A portion of the District's net position reflects its restricted net position which totaled $739,722 as of June 30, 2025. All of the District's restricted net position related to amounts restricted for capital expenditures.

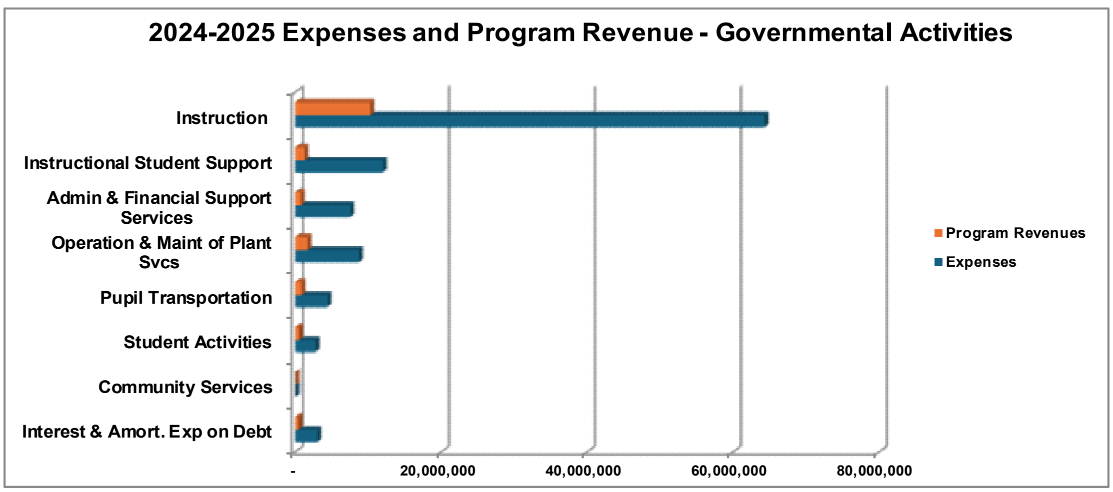
Another portion of the District's net position reflects its investment in capital assets net of accumulated depreciation/amortization less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For the year ended June 30, 2025, the District's net investment in capital assets increased by $2,546,872 because the debt used to acquire the capital assets was being repaid faster than the capital assets were being depreciated and capital assets were acquired with funding sources other than long-term debt.

The following table presents condensed information for the statement of activities of the District for 2025 and 2024:

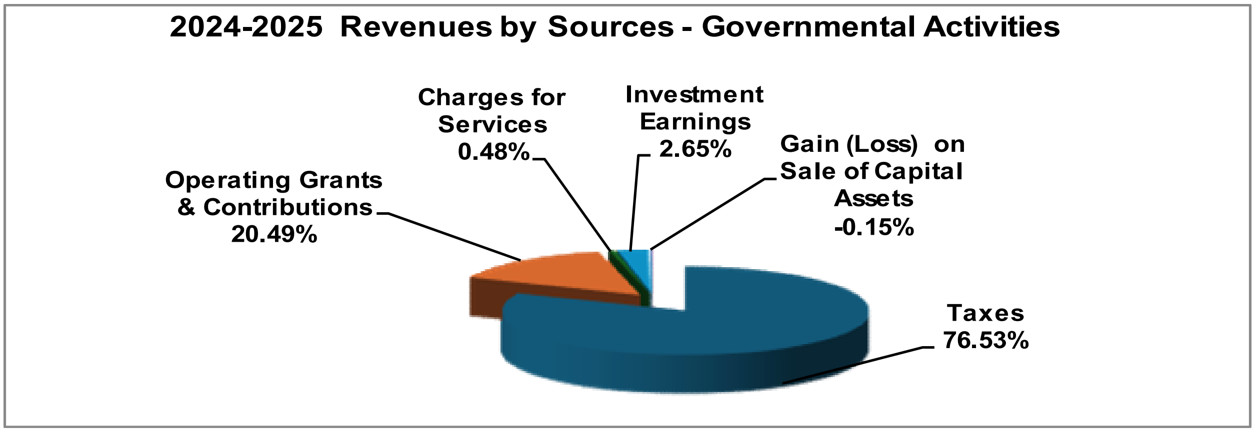
	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for Services	$ 512,350	$ 693,111	$ 1,708,987	$ 1,589,822	$ 2,221,337	$ 2,282,933
Operating Grants and Contributions	14,802,360	14,916,762	14,802,360	671,310	22,272,774	15,588,072
General Revenues:						
Property Taxes Levied for General Purposes	79,325,301	76,697,631	-	-	79,325,301	76,697,631
Other Taxes Levied for General Purposes	1,522,342	1,498,319	-	-	1,522,342	1,498,319
Grants and Entitlements not Restricted to Specific Programs	6,840,519	6,266,709	-	-	-	6,266,709
Investment Earnings	2,798,092	2,883,578	48,921	36,856	2,847,013	2,920,434
Gain (Loss) on Sale of Capital Assets	(150,071)	31,571	-	-	(150,071)	31,571
Total Revenues	105,650,893	102,987,681	2,387,803	2,297,988	108,038,696	105,285,669
Expenses						
Instruction	64,241,966	61,841,841	-	-	64,241,966	61,841,841
Instructional Student Support Services	11,973,421	11,747,018	-	-	11,973,421	11,747,018
Administrative and Financial Support Services	7,475,473	7,447,812	-	-	7,475,473	7,447,812
Operation and Maintenance of Plant Services	8,669,813	7,405,682	-	-	8,669,813	7,405,682
Pupil Transportation	4,373,821	4,745,538	-	-	4,373,821	4,745,538
Student Activities	2,745,427	2,289,756	-	-	2,745,427	2,289,756
Community Services	370	13,013	-	-	370	13,013
Interest and Amortization Expense			-	-		
Related to Noncurrent Liabilities	2,959,445	2,549,221	-	-	2,959,445	2,549,221
Food Service	-	-	2,340,736	2,245,223	2,340,736	2,245,223
Total Expenses	102,439,736	98,039,881	2,340,736	2,245,223	104,780,472	100,285,104
Change In Net Position (Deficit)	$ 3,211,157	$ 4,947,800	$ 47,067	$ 52,765	$ 3,258,224	$ 5,000,565

Overall, the District's financial position has been improving but challenges such as increased medical costs, pension contributions, state-mandated programs and negotiated contracts have a potential to offset these gains in future fiscal years. Management of the District continues to aggressively implement cost efficiencies and revenue-generating strategies to combat these factors. In the governmental activities, the District's assessed property tax base drives the majority of the revenue generated. A majority of the District's property tax base is in the form of residential housing whose growth has slowed in recent years. Although more developable open land remains within the District, there is a trend for municipalities and landowners to commit more land to open space and land trusts, thus restricting development. The District is primarily a residential community but has a property tax base derived from commercial facilities located mostly around the Borough of Kennett Square and at Longwood Centre, which are located just south of the central portion of the District.

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



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



GOVERNMENTAL FUNDS

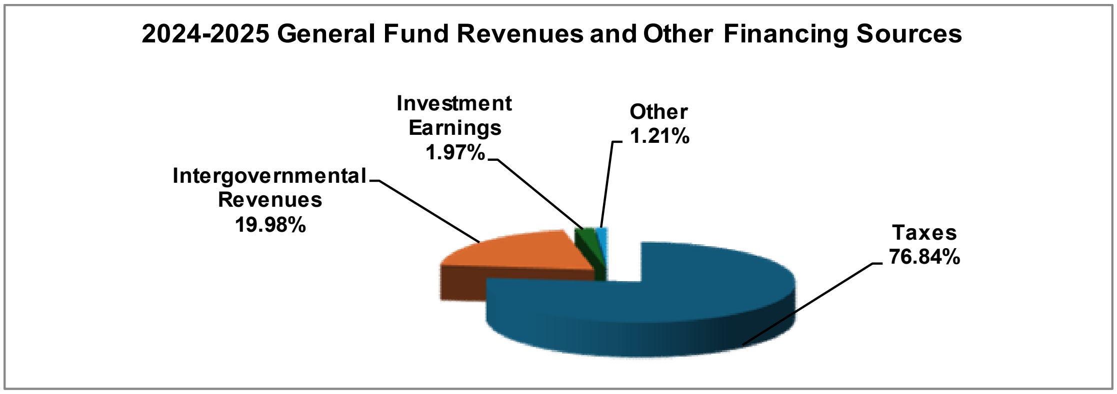
The governmental fund financial statements provide detailed information on the District's major funds. Some funds are required to be established by State statute while other funds are established by the District to manage monies restricted for a specific purpose. As of June 30, 2025, the District's governmental funds reported a combined fund balance of $17,398,229 which is a decrease of $5,830,168 from the prior year. The following table summarizes the District's total governmental fund balances as of June 30, 2025 and 2024 and the total 2025 change in governmental fund balances.

	2025	2024	$ Change
General Fund	$ 6,098,270	$ 6,905,593	$ (807,323)
Capital Projects Fund	11,299,959	16,322,804	(5,022,845)
Total	$ 17,398,229	$ 23,228,397	$ (5,830,168)

GENERAL FUND

The General Fund is the District's primary operating fund. At the conclusion of the 2024-2025 fiscal year, the General Fund fund balance was $6,098,270 representing a decrease of $807,323 from the prior year. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2024-2025 fiscal year.

The District's reliance upon tax revenues is demonstrated by the graph below that indicates 76.84% of General Fund revenues are derived from local taxes.



General Fund Revenues and Other Financing Sources

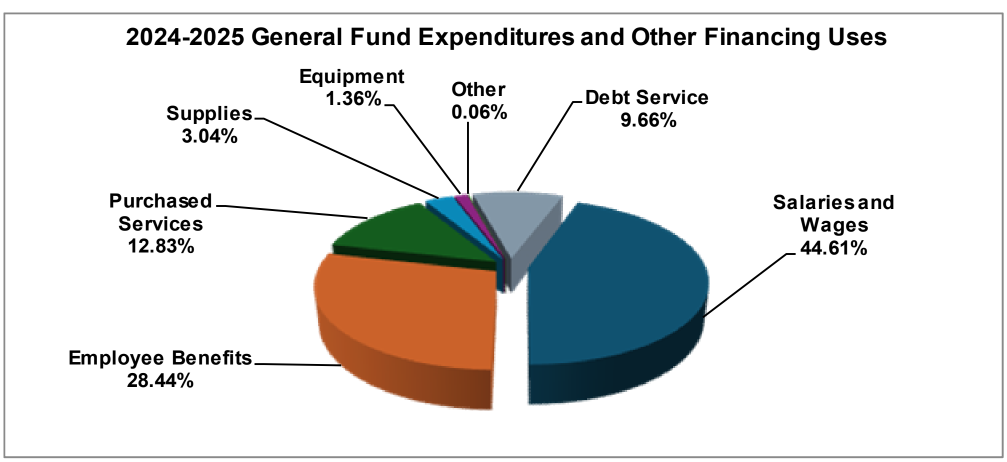
	2025	2024	$ Change	% Change
Taxes Revenues	$ 80,814,524	$ 78,055,883	$ 2,758,641	3.53%
Intergovernmental Revenues	21,019,311	20,799,720	219,591	1.06%
Investment Earnings	2,075,729	2,307,696	(231,967)	-10.05%
Other	1,270,858	1,268,238	2,620	0.21%
Total	$ 105,180,422	$ 102,431,537	$ 2,748,885	2.68%

Net tax revenues increased by $2,758,641 or 3.53% in 2024-2025 compared to 2023-2024 primarily due to a millage increase of 2.07% in Chester County and 11.06% in Delaware County, offset by decreases in realty transfer and delinquent taxes.

Investment earnings decreased $231,967 or 10.05% as a result of a decrease in deposits on hand and a decrease in interest rates.

General Fund Expenditures and Other Financing Uses

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



	2025	2024	$ Change	% Change
Salaries and Wages	$ 47,290,427	$ 45,903,705	$ 1,386,722	3.02%
Employee Benefits	30,138,864	29,359,179	779,685	2.66%
Purchased Services	13,594,612	12,920,025	674,587	5.22%
Supplies	3,220,856	3,537,696	(316,840)	-8.96%
Equipment	1,442,379	2,133,631	(691,252)	-32.40%
Other	64,028	38,301	25,727	67.17%
Debt Service	10,236,579	9,302,125	934,454	10.05%
Total	$ 105,987,745	$ 103,194,662	$ 2,793,083	2.71%

Salaries and wages increased by $1,386,722 or 3.02% in 2024-2025 compared to 2023-2024 as a result of salary increases according to our collective bargaining agreement with professional staff and employment agreements with support and administrative employees.

Employee benefits increased primarily due to an increase in medical and prescription claims, due in large part to significantly high claims.

Purchased services increased by $674,587 or 5.22% in 2024-2025 compared to 2023-2024 primarily due to increased cost and higher need for substitute employees and contracted services and tuition primarily for special education.

Equipment increased by $691,252 or 32.40% in 2024-2025 compared to 2023-2024 primarily to a decrease in transportation and operation maintenance equipment.

Debt service increased by $934,454 or 10.05% in 2024-2025 compared to 2023-2024 due to new general obligation debt, leases and subscription-based information technology arrangements (SBITAs).

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for construction and renovation activity associated with the District's buildings and major equipment purchases. The Capital Projects Fund receives the majority of its revenues from the issuance of general obligation debt and transfers from the General Fund. During 2024-2025, the Capital Projects Fund reported a decrease in fund balance of $5,022,845 primarily due to current year capital expenditures. The remaining fund balance of $11,299,959 as of June 30, 2025 is restricted for future capital expenditures.

GENERAL FUND BUDGET INFORMATION

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

General Fund revenues and other financing sources were $631,947 or 0.60% less than budgeted amounts and total General Fund expenditures and other financing uses were $148,943 or 0.14% more than budgeted amounts resulting in a net negative variance of $780,890. Major budgetary highlights for 2024-2025 were as follows:

- Actual local source revenues were $1,522,560 less than budgeted amounts primarily due to real estate tax collection less than anticipated and reduction in total assessment.

- Actual expenditures were $448,943 more than budgeted primarily due to significant increases in the cost of employee benefits and contracted services.

BUSINESS-TYPE ACTIVITIES AND FOOD SERVICE FUND

During 2024-2025, the net position of business-type activities and Food Service Fund increased by $47,067. As of June 30, 2025, the business-type activities and Food Service Fund had a deficit in net position of $982,973 primarily due to the allocation of the Food Service Fund's proportion of the District's net pension and other postemployment benefit liabilities with PSERS totaling $1,692,076.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2025 amounted to $126,645,527 net of accumulated depreciation/amortization. This investment in capital assets includes land, land improvements, buildings and improvements, furniture and equipment, and right-to-use leased equipment and subscriptions. The total increase in the District's investment in capital assets for the current fiscal year was $993,614 or 0.79%. The increase was the result of current year capital additions in excess of disposals and depreciation/amortization expense.

Current year capital additions were $6,803,908 and depreciation/amortization expense and net book value of disposed of capital assets were $5,825,868.

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

• Unionville High/Middle School Roof Replacement	$	2,207,230
• Chiller Equipment	$	515,410
• 5 Buses	$	726,941

NONCURRENT LIABILITIES

At the end of the current fiscal year, the District had total general obligation debt of $76,972,698 consisting of $69,605,000 of bonds payable and bond premiums of $7,367,698. The entire amount is backed by the full faith and credit of the District. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior obligation debt. The District's general obligation debt decreased by $7,454,686 or 8.83% during the fiscal year.

State statutes limit the amount of general obligation debt the District may issue up to 225% of its borrowing base capacity which is calculated as the annual arithmetic average of the total revenues for the preceding three fiscal years. The District's outstanding general obligation debt of $76,972,698 is within the current debt limitation of the District which was $228,931,883 as of June 30, 2025.

The District reports its allocated portion of its defined benefit unfunded benefit obligation related to its participation in the Pennsylvania State Employee Retirement System (PSERS). The District's allocated portion of the net pension liability is an actuarially determined estimate of the unfunded cost of the pension plan obligation which totaled $117,947,229 as of June 30, 2025. The District's net pension liability decreased by $9,061,386 or 7.13% during the fiscal year.

The District reports a liability for its other postemployment benefits (OPEB) related to its single employer OPEB plan and its participation in the PSERS health insurance premium assistance program. The District's OPEB liability is an actuarially determined estimate of the unfunded cost of the OPEB obligation which totaled $8,279,305 as of June 30, 2025. The District's OPEB liability decreased by $27,843 or 0.34% during the fiscal year.

Other noncurrent liabilities consist of the District's liabilities for compensated absences, accrued severance obligations and early retirement incentive plans, subscription and lease liabilities, which totaled $7,350,766 as of June 30, 2025. These liabilities increased by $2,830,350 or 62.61% during the fiscal year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The District has a negotiated four-year contract with the Unionville-Chadds Ford Education Association covering July 1, 2023 through June 30, 2027. The economic package (salaries and fringe benefits) included full step and prep level movement in each year of the contract. The base medical and prescription benefit plans were unchanged from the previous base plans, employee premium shares will increase by 1% per year for each year of the agreement. The prescription plan was also changed from FutureScripts 10/35/50 to FutureScripts 5/50/70 with the $50 copay being only $40 if there is no generic drug alternative available. Employee premium share for prescription, dental and vision coverages remained at 10%.
- The District expects the historical trend for greater local tax effort to fund instructional programs and services to continue as state and federal funding for public education is expected to remain limited. Local sources of revenue, primarily property taxes, now support approximately 80% of the costs of educational programs and services in the District while Federal and state pass-through funds make up the balance.
- The District adopted a 2025-2026 budget totaling $108,417,730 in which the real estate tax millage rate was increased by 3.22% for Chester County and increased by 3.61% for Delaware County.
- In 2006, Act 1 was passed which repealed Act 72, which provides taxpayer relief through gambling revenues generated at the State level. The intent of this legislation is to provide a mechanism to relieve the burden of funding public education from property owners. This new legislation has put a "ceiling" on the percentage increase of local real estate taxes that can be levied year-to-year in order to balance the school district budget. Pennsylvania school districts are now required to seek approval through back-end referendum to increase taxes higher than the approved index. This law puts an already increased burden on the District's revenue stream in future years. This legislation introduced certain new requirements on school districts which include the following:

  - That in the event a school district wishes to increase the property tax millage rate by more than an index annually prescribed by the state (4.00% for Unionville-Chadds Ford School District for 2025-2026), the school district must seek voter approval (known commonly as a back-end referendum) prior to implementing the millage rate increase. In the event voters do not approve the millage rate increase, the school district must limit its millage rate increase to the index.
  - Certain exceptions are provided under Act 1 that, if approved by the appropriate authority, may permit increases above the Act 1 index without the need for a back-end referendum. Typically, these exceptions relate to emergencies and cost increases in excess of the Act 1 index (e.g., retirement system contributions) over which the school district has no control.
  - Any revenues distributed under the provisions of Act 1 are to be used for the purpose of reducing property taxes for homesteaders and farmsteaders. (Act 1 permitted slot machine gambling in Pennsylvania.)

- In November 2010, and again in 2017, legislation was signed into law to implement a series of actuarial and funding changes to the Public School Employees' Retirement System (PSERS). The 2017 law took effect July of 2019. The law will change the pension plans for all new hires effective July 1, 2019. The new legislation does not impact the pension benefits of current or retired PSERS members. Based on available projections, school districts will not see relief from the new legislation until 10-20 years in the future. Currently, the employer contribution rate for 2025-2026 is 34.00% which is a increase of 0.10% from the 2024-2025 employer contribution rate of 33.90%.
- The District has plans to construct a new middle school to replace the existing Charles F. Patton Middle School building. The proposed project is estimated at approximately $120 million and is currently in the design and planning phase, with a long-term timeline targeting completion around the 2030–31 school year.
- Strategic planning is a hallmark of the District's approach to effective governance, responsible stewardship and excellence in education. The District develops long range strategic plans in many areas including curriculum, technology, facilities/grounds, and our comprehensive plan. Long range planning allows the district to focus on the highest priorities in order to best meet the safety and instructional needs of students. Planning supports continually looking at current and future needs – adapting to change and adopting best practices.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Business and Operations, Unionville-Chadds Ford School District, 740 Unionville Road, Kennett Square, Pennsylvania 19348.

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash	$ 21,453,180	$ 1,157,634	$ 22,610,814
Investments	6,569,000	-	6,569,000
Taxes Receivable	1,040,448	-	1,040,448
Due from Other Governments	5,313,213	16,390	5,329,603
Internal Balances	651,167	(651,167)	-
Other Receivables	195,756	-	195,756
Prepaid Expenses and Deposits	588,569	-	588,569
Inventories	-	25,036	25,036
Total Current Assets	35,811,333	547,893	36,359,226
NONCURRENT ASSETS			
Nondepreciable Capital Assets	11,429,939	-	11,429,939
Capital Assets, Net	115,083,380	132,208	115,215,588
Total Noncurrent Assets	126,513,319	132,208	126,645,527
Total Assets	162,324,652	680,101	163,004,753
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges - OPEB	955,906	11,722	967,628
Deferred Charges - Pension	16,847,723	232,380	17,080,103
Deferred Amounts on Debt Refunding	3,352,702	-	3,352,702
Total Deferred Outflows of Resources	21,156,331	244,102	21,400,433
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)			
Current Liabilities			
Accounts Payable	2,559,837	-	2,559,837
Accrued Salaries, Payroll Withholdings, and Benefits	13,730,667	-	13,730,667
Insurance Claims Liability	1,043,714	-	1,043,714
Accrued Interest Payable	253,857	-	253,857
Unearned Revenue	12,508	85,632	98,140
Total Current Liabilities	17,600,583	85,632	17,686,215
NONCURRENT LIABILITIES			
Due Within One Year	9,450,849	13,009	9,463,858
Due in More than One Year	199,349,303	1,736,837	201,086,140
Total Noncurrent Liabilities	208,800,152	1,749,846	210,549,998
Total Liabilities	226,400,735	1,835,478	228,236,213
DEFERRED INFLOWS OF RESOURCES			
Deferred Credits - OPEB	3,668,620	18,134	3,686,754
Deferred Credits - Pension	3,883,436	53,564	3,937,000
Total Deferred Inflows of Resources	7,552,056	71,698	7,623,754
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	62,589,011	132,208	62,721,219
Restricted	739,722	-	739,722
Unrestricted (Deficit)	(113,800,541)	(1,115,181)	(114,915,722)
Total Net Position (Deficit)	$ (50,471,808)	$ (982,973)	$ (51,454,781)

See accompanying Notes to Financial Statements.

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position (Deficit)		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
Instruction	$ 64,241,966	$ 291,628	$ 9,918,028	$ -	$ (54,032,310)	$ -	$ (54,032,310)
Instructional Student Support	11,973,421	-	1,222,243	-	(10,751,178)	-	(10,751,178)
Administrative and Financial Support Services	7,475,473	-	690,224	-	(6,785,249)	-	(6,785,249)
Operation and Maintenance of Plant Services	8,669,813	130,712	1,500,685	-	(7,038,416)	-	(7,038,416)
Pupil Transportation	4,373,821	46,700	753,465	-	(3,573,656)	-	(3,573,656)
Student Activities	2,745,427	43,310	395,256	-	(2,306,861)	-	(2,306,861)
Community Services	370	-	-	-	(370)	-	(370)
Interest and Amortization Expense Related to Noncurrent Liabilities	2,959,445	-	322,459	-	(2,636,986)	-	(2,636,986)
Total Governmental Activities	102,439,736	512,350	14,802,360	-	(87,125,026)	-	(87,125,026)
BUSINESS-TYPE ACTIVITIES							
Food Service	2,340,736	1,708,987	629,895	-	-	(1,854)	(1,854)
Total Primary Government	$ 104,780,472	$ 2,221,337	$ 15,432,255	$ -	(87,125,026)	(1,854)	(87,126,880)
GENERAL REVENUES							
Property Taxes Levied for General Purposes					79,325,301	-	79,325,301
Other Taxes Levied for General Purposes					1,522,342	-	1,522,342
Grants and Entitlements Not Restricted to Specific Programs					6,840,519	-	6,840,519
Investment Earnings					2,798,092	48,921	2,847,013
Gain (Loss) on Sale of Capital Assets					(150,071)	-	(150,071)
Total General Revenues					90,336,183	48,921	90,385,104
CHANGE IN NET POSITION (DEFICIT)					3,211,157	47,067	3,258,224
Net Position (Deficit) - Beginning of Year, as previously stated					(53,682,965)	(980,125)	(54,663,090)
Change in Accounting Principle (See Note 17)					-	(49,915)	(49,915)
Net Position (Deficit) - Beginning of Year, as restated					(53,682,965)	(1,030,040)	(54,713,005)
NET POSITION (DEFICIT) - END OF YEAR					$ (50,471,808)	$ (982,973)	$ (51,454,781)

See accompanying Notes to Financial Statements.

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	Major Funds		
	General Fund	Capital Projects Fund	Total
ASSETS			
Cash	$ 8,873,640	$ 12,211,666	$ 21,085,306
Investments	3,569,000	-	3,569,000
Taxes Receivable	1,040,448	-	1,040,448
Due from Other Funds	3,107,453	-	3,107,453
Due from Other Governments	5,313,213	-	5,313,213
Other Receivables	195,756	-	195,756
Prepaid Items	355,051	22,390	377,441
Total Assets	$ 22,454,561	$ 12,234,056	$ 34,688,617
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 1,625,740	$ 934,097	$ 2,559,837
Accrued Salaries, Payroll Withholdings, and Benefits	13,947,644	-	13,947,644
Other Liabilities	12,508	-	12,508
Total Liabilities	15,585,892	934,097	16,519,989
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues - Property Taxes	770,399	-	770,399
FUND BALANCES			
Nonspendable:			
Prepaid Items	355,051	22,390	377,441
Restricted for:			
Capital Projects	-	11,277,569	11,277,569
Committed to:			
Accrued Severance	250,000	-	250,000
Balance 2025-2026 Budget	64,629	-	64,629
Unassigned	5,428,590	-	5,428,590
Total Fund Balances	6,098,270	11,299,959	17,398,229
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 22,454,561	$ 12,234,056	$ 34,688,617

See accompanying Notes to Financial Statements.

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

TOTAL GOVERNMENTAL FUND BALANCES	$ 17,398,229
Amounts reported for governmental activities in the Statement of Net Position (Deficit) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	126,513,319
Deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits are not reported in the governmental funds balance sheet.	10,251,573
Deferred outflows of resources for deferred amounts on debt refunding are currently expended in the governmental funds, whereas they are capitalized and amortized over the life of the respective debt in the government-wide Statement of Net Position (Deficit).	3,352,702
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred inflows of resources on the governmental funds balance sheet.	770,399
The Internal Service Fund is used by management to charge the cost of health insurance premiums and claims to the General Fund. The assets and liabilities of the District's Internal Service Fund are included in the governmental activities on the government-wide Statement of Net Position (Deficit).	79,002
Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet.	(208,583,175)
Accrued interest payable on long-term liabilities is included in the Statement of Net Position (Deficit), but is excluded from the governmental funds balance sheet until due and payable.	(253,857)
NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	$ (50,471,808)

See accompanying Notes to Financial Statements.

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

	Major Funds		
	General Fund	Capital Projects Fund	Totals
REVENUES			
Local Sources	$ 83,470,617	$ 674,016	$ 84,144,633
State Sources	19,766,421	-	19,766,421
Federal Sources	1,864,443	-	1,864,443
Total Revenues	105,101,481	674,016	105,775,497
EXPENDITURES			
Current:			
Instruction	61,968,896	-	61,968,896
Support Services	31,108,960	565,822	31,674,782
Operation of Noninstructional Services	2,673,310	-	2,673,310
Facilities Acquisition, Construction, and Improvement Services	-	5,696,861	5,696,861
Debt Service			
Principal	6,739,315	-	6,739,315
Interest	3,497,264	-	3,497,264
Total Expenditures	105,987,745	6,262,683	112,250,428
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(886,264)	(5,588,667)	(6,474,931)
OTHER FINANCING SOURCES (USES)			
Sale of/Compensation for Capital Assets	1,204	-	1,204
Issuance of Right to Use Arrangements	77,737	565,822	643,559
Total Other Financing Sources (Uses)	78,941	565,822	644,763
NET CHANGE IN FUND BALANCES	(807,323)	(5,022,845)	(5,830,168)
Fund Balances - Beginning of Year	6,905,593	16,322,804	23,228,397
FUND BALANCES - END OF YEAR	$ 6,098,270	$ 11,299,959	$ 17,398,229

See accompanying Notes to Financial Statements.

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

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ (5,830,168)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlay expenditures exceeded depreciation/amortization expense and the net book value of disposed assets in the current period.		
Capital Outlay Expenditures	$ 6,834,299	
Net Book Value of Disposed Capital Assets	(151,275)	
Depreciation/Amortization Expense	(5,643,445)	1,039,579
Because some taxes will not be collected for several months after the District's fiscal year ends, they are not considered as available revenues in the governmental funds. Deferred inflows of resources increased by this amount this year.		
Deferred Inflows of Resources June 30, 2024	(737,279)	
Deferred Inflows of Resources June 30, 2025	770,399	33,120
The Internal Service Fund is used by management to charge the cost of health insurance premiums and claims to the General Fund. The change in net position of the Internal Service Fund is reported with the governmental activities.		(1,951,654)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on the change in net net assets of governmental activities. Also, governmental funds report the effect of premiums, discounts and similar items when long-term debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Repayment of Bonds Payable	6,555,000	
Issuance of Right-to-Use Leases Payable	(565,822)	
Issuance of Right-to-Use Subscriptions Payable	(77,737)	
Repayment of Leases Payable	119,804	
Repayment of Right-to-Use Subscriptions Payable	63,512	
Amortization of Bond Premiums and Deferred Amounts on Refunding	513,522	6,608,279
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and, therefore are not reported as expenditures in the governmental funds.		
Current Year Change in Accrued Interest Payable	25,296	
Change in Net Pension Liability and Related Deferred Inflows and Outflows	5,357,264	
Current Year Change in Compensated Absences	(2,363,115)	
Current Year Change in Retirement Severance/Early Retirement Incentive	98,674	
Change in Net Postemployment Benefit (OPEB) Liability and Related Deferred Inflows and Outflows	193,882	3,312,001
CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES		$ 3,211,157

See accompanying Notes to Financial Statements.

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Major Fund Food Service Fund	Internal Service Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash	$ 1,157,634	$ 367,874
Investments	-	3,000,000
Due from Other Governments	16,390	-
Deposits	-	211,128
Inventories	25,036	-
Total Current Assets	1,199,060	3,579,002
NONCURRENT ASSETS		
Capital Assets, Net	132,208	-
Total Assets	1,331,268	3,579,002
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges - OPEB	11,722	-
Deferred Charges - Pension	232,380	-
Total Deferred Outflows of Resources	244,102	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)		
CURRENT LIABILITIES		
Due to Other Funds	651,167	2,456,286
Insurance Claims Liability	-	1,043,714
Unearned Revenue	85,632	-
Compensated Absences	13,009	-
Total Current Liabilities	749,808	3,500,000
NONCURRENT LIABILITIES		
Compensated Absences, Net of Current Portion	3,693	-
Severance/Early Retirement Incentive	41,068	-
Net OPEB Liability	87,367	-
Net Pension Liability	1,604,709	-
Total Noncurrent Liabilities	1,736,837	-
Total Liabilities	2,486,645	3,500,000
DEFERRED INFLOWS OF RESOURCES		
Deferred Credits - OPEB	18,134	-
Deferred Credits - Pension	53,564	-
Total Deferred Inflows of Resources	71,698	-
NET POSITION (DEFICIT)		
Net Investment in Capital Assets	132,208	-
Unrestricted (Deficit)	(1,115,181)	79,002
Total Net Position (Deficit)	$ (982,973)	$ 79,002

See accompanying Notes to Financial Statements.

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Major Fund Food Service Fund	Internal Service Fund
OPERATING REVENUES		
Charges for Services	$ 1,708,987	$ 10,229,035
OPERATING EXPENSES		
Salaries	641,726	-
Employee Benefits	441,927	12,221,274
Purchased Services	-	7,761
Supplies	1,241,509	-
Depreciation	15,574	-
Total Operating Expenses	2,340,736	12,229,035
OPERATING INCOME (LOSS)	(631,749)	(2,000,000)
NONOPERATING REVENUES		
Earnings on Investments	48,921	48,346
State Sources	266,870	-
Federal Sources	363,025	-
Total Nonoperating Revenues	678,816	48,346
CHANGE IN NET POSITION (DEFICIT)	47,067	(1,951,654)
Net Position (Deficit) - Beginning of Year, as previously stated	(980,125)	2,030,656
Change in Accounting Principle (See Note 17)	(49,915)	-
Net Position (Deficit) - Beginning of Year, as restated	(1,030,040)	2,030,656
NET POSITION (DEFICIT) - END OF YEAR	$ (982,973)	$ 79,002

See accompanying Notes to Financial Statements.

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Major Fund Food Service Fund	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Charges for Services	$ 1,713,258	$ -
Cash Received from Assessments Made to Other Funds	-	12,084,605
Cash Payments to Employees for Services	(1,398,613)	-
Cash Payments for Insurance Claims	-	(12,076,844)
Cash Payments to Suppliers for Goods and Services	(1,118,489)	-
Cash Payments for Other Operating Expenses	-	(7,761)
Net Cash Provided (Used) by Operating Activities	(803,844)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	305,832	-
Federal Sources	228,690	-
Net Cash Provided by Noncapital Financing Activities	534,522	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(19,988)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (Purchase) of Investments	-	(3,000,000)
Earnings on Investments	48,921	48,346
Net Cash Provided (Used) by Investing Activities	48,921	(2,951,654)
NET CHANGE IN CASH	(240,389)	(2,951,654)
Cash - Beginning of Year	1,398,023	3,319,528
CASH - END OF YEAR	$ 1,157,634	$ 367,874
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ (631,749)	$ (2,000,000)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	15,574	-
Donated Commodities Used	123,965	-
(Increase) Decrease In:		
Inventories	(945)	-
Deferred Outflows or Resources	53,956	-
Increase (Decrease) In:		
Due to Other Funds	(232,692)	1,855,570
Insurance Claims Liability	-	144,430
Unearned Revenue	4,271	-
Compensated Absences	7,855	-
OPEB Liability	(20,548)	-
Net Pension Liability	(117,483)	-
Deferred Inflows of Resources	(6,048)	-
Net Cash Provided (Used) by Operating Activities	$ (803,844)	$ -
SUPPLEMENTAL DISCLOSURE OF NONCASH NONCAPITAL FINANCING ACTIVITY		
USDA Donated Commodities	$ 123,965	$ -

See accompanying Notes to Financial Statements.

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2024)

	Custodial Funds
ASSETS	
Cash	$ 595,031
LIABILITIES AND NET POSITION	
LIABILITIES	-
NET POSITION	
Restricted for Student Activities	343,141
Net Position for Scholarships	251,890
Total Net Position	$ 595,031

See accompanying Notes to Financial Statements.

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025

	Custodial Funds
ADDITIONS	
Receipts from Student Groups	$ 707,769
Local Contributions	296,945
Total Additions	1,004,714
DEDUCTIONS	
Student Activity Disbursements	735,130
Scholarships Awarded and Fees Paid	76,411
Total Deductions	811,541
CHANGE IN NET POSITION	193,173
Net Position - Beginning of Year	401,858
NET POSITION - END OF YEAR	$ 595,031

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND PURPOSE

Organization

The Unionville-Chadds Ford School District (the District) operates four elementary schools, a middle school and a high school to provide education and related services to the residents of southeastern Chester County in the townships of East Marlborough, West Marlborough, Newlin, Pocopson, Birmingham, and Pennsbury and the residents of western Delaware County in the township of Chadds Ford. The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania as a school district of the third class. The District operates under a locally elected nine-member board form of government (the School Board).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Basis of Presentation

Government-Wide Financial Statements

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements

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

Governmental Funds

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

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

The Capital Projects Fund accounts for financial resources restricted, committed or assigned to be used for capital expenditures or for the acquisition, construction of capital facilities, improvements and/or equipment.

Revenue Recognition

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

Expenditure Recognition

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

Proprietary Funds

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

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

The Internal Service Fund is used to account for the District's self-funded health insurance program.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets and are accounted for using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. The District has two custodial funds consisting of funds held on behalf of the students and the other accounts for activities in various scholarship accounts, whose sole purpose is to provide annual scholarships to particular students as described by donor stipulations.

Cash and Cash Equivalents

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

Investments

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

Interfund Receivables and Payables

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

Property Taxes

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

July 1 – August 31	Discount period, 2% of gross levy
September 1 – October 31	Face period
November 1 to collection	Penalty period, 7.5% of gross levy
January 1	Lien date

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

The County Board of Assessments determines assessed valuations of property and the District bills and collects its own property taxes. The tax on real estate for public school purposes for fiscal 2024-2025 was 32.61 mills ($32.61 for $1,000 of assessed valuation) for Chester County and 18.57 mills ($18.57 for $1,000 of assessed valuation) for Delaware County. The District experiences very small losses from uncollectible property taxes. Property taxes constitute a lien against real property and usually can be collected in full when title transfers. Only balances that remain after tax sales are written off each year. Accordingly, an allowance for doubtful accounts has not been established by the District for property taxes receivable.

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

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

The discount (2 percent) is not applicable to installment payments; however, the penalty (7.5 percent) will be added if second and third installments are paid subsequent to the due dates.

Prepaid Items and Inventories

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

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

Unearned Revenues

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

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

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

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

Buildings and Improvements	50 Years
Land Improvements	25 Years
Furniture and Equipment	5-10 Years

Impairment of Long-Lived Assets

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

Leases and Subscriptions

The District has entered into noncancellable leases and subscriptions. The District recognizes a lease or a subscription liability and an intangible right-to-use lease or subscription asset in the government-wide financial statements.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases and Subscriptions (Continued)

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

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

The lease or subscription term includes the noncancellable period of the lease or subscription. Lease and subscription payments included in the measurement of the lease or subscription liability is comprised of fixed payments.

Compensated Absences

District policies permit employees to accumulate earned but unused vacation days. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

Long-Term Obligations

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension

The District contributes to the Public School Employees Retirement System (PSERS), a cost-sharing multiple-employer defined benefit pension plan. GASB establishes standards for the measurement, recognition, and display of pension expense and related liabilities, deferred outflows and deferred inflows of resources related to pension, certain required supplementary information, and note disclosures.

For the purpose of measuring net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position of 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 refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

The District's OPEB plans are accounted for under the provisions of GASB establishes standards for the measurement, recognition, and display of OPEB expense and related liabilities, deferred outflows and deferred inflows of resources related to other postemployment benefits, certain required supplementary information, and note disclosures. The District provides OPEB under the following two plans:

<u>PSERS OPEB Plan</u>
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 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.

<u>District OPEB Plan</u>
The District sponsors a single-employer defined benefit OPEB plan. For purposes of measuring the total 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 OPEB plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. The District OPEB plan is unfunded.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows for Pension and OPEB

Deferred outflows of resources for pension relate to the District's net pension liability and pension expense and arise from changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, differences between employer contributions and the proportionate share of total contributions reported by the pension plan, or changes in the internal allocation of the net pension liability between governmental and business-type activities or funds. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred outflow. Also included in deferred outflows of resources are contributions made to the pension plan subsequent to the measurement date and prior to the District's year-end. The contributions will be recognized as a reduction in net pension liability in the following year.

Deferred outflows of resources for other OPEB liabilities relate to the District's liability for OPEB other than pensions and related expenses and arise from the changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, differences between employer contributions and the proportionate share of total contributions reported by the plan, or changes in the internal allocation of the net OPEB liability between governmental and business-type activities or funds. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred outflow. Also included in deferred outflows of resource are contributions or OPEB payments made subsequent to the measurement date and prior to the District's year-end. These payments will be recognized as a reduction to the net other postemployment benefit liability in the following year.

Deferred Inflows for Pension and OPEB

Deferred inflows of resources for pension relate to the District's net pension liability and pension expense and arise from changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, differences between employer contributions and the proportionate share of total contributions reported by the pension plan, or changes in the internal allocation of the net pension liability between governmental and business-type activities or funds. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred inflow.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows for Pension and OPEB (Continued)

Deferred inflows of resources for OPEB liabilities relate to the District's liability for OPEB other than pensions and related expenses and arise from the changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, differences between employer contributions and the proportionate share of total contributions reported by the plan, or changes in the internal allocation of the net OPEB liability between governmental and business-type activities or funds. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred inflow.

Fund Equity

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

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Assigned (Continued)

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

Unassigned

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

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

The School Board has set a policy to maintain an unassigned General Fund fund balance of not less than 5% and a maximum General Fund fund balance of 8% of the following year's expenditure budget. Unassigned General Fund fund balance in excess of 5% of the following year's expenditure budget may be approved by the School Board for nonrecurring expenditures.

Implementation of New Accounting Pronouncements

Effective July 1, 2024, the District adopted the provisions of GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*.

The objective of GASB Statement No. 101 is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB Statement No. 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The implementation of GASB Statement No. 101 increased liabilities and expenses in the entity-wide financial statements of the District for the year ended June 30, 2025. The implementation of GASB Statement No. 101 also impacted how the District measured its compensated absences in the proprietary fund financial statements of the District for the year ended June 30, 2025. The effect of the implementation of GASB Statement No. 101 on beginning net position is described in Note 17.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The objective of GASB Statement No. 102 is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to substantial impact. As a result, users have better information with which to understand and anticipate certain risks to a government’s financial condition. The Implementation of GASB Statement No. 102 had no impact on the financial statements of the District for the year ended June 30, 2025.

New Accounting Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The objective of GASB Statement No. 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability.

GASB Statement No. 104, *Disclosure of Capital Assets*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The objective of GASB Statement No. 104 is to improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

GASB Statement No. 105, *Subsequent Events*, will be effective for the District for the year ended June 30, 2027. The objective of GASB Statement No. 105 is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

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

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

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

Deficit in Fund Equity

At June 30, 2025, the Food Service Fund, a major fund, had a deficit fund balance of $982,973, resulting from allocating a portion of its net pension and OPEB liability to this fund. Since the Food Service Fund uses the economic resources measurement focus, these obligations are presented in the proprietary fund financial statements as liabilities and therefore reduces fund equity to an overall deficit. This deficit will be eliminated as resources are obtained (e.g. from revenues and transfers in) to make the periodic pension and OPEB contributions for participants in these plans.

Excess of Expenditures and Other Financing Uses Over Appropriations

The following General Fund functions and uses incurred expenditures and other financing uses in excess of appropriations in the following amounts for the year ended June 30, 2025:

Regular Programs	$ 1,512,882
Pupil Health	$ 97,003
Operation and Maintenance of Plant Services	$ 185,147
Support Services - Central	$ 83,675
Student Activities	$ 213,597
Debt Service	$ 286,122

NOTE 4 DEPOSITS AND INVESTMENTS

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

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At June 30, 2025, the carrying amount of the District's deposits was $23,205,845 and the bank balance was $23,416,729. The District is required by state statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States, Commonwealth of Pennsylvania or any political subdivision. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. Of the bank balance, $250,000 was covered by federal depository insurance, and $2,693,910 was collateralized by the District's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in pooled public funds. The remaining cash deposits of the District are in the Pennsylvania School District Liquid Asset Fund (PSDLAF), Pennsylvania Local Government Investment Trust (PLGIT) and the Pennsylvania Treasurer's Program for Local Governments (INVEST). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF, PLGIT and INVEST act like money market mutual funds in that their objective is to maintain a stable net asset value of $1 per share, are rated by a nationally recognized statistical rating organization and are subject to independent annual audit. As of June 30, 2025, PSDLAF, PLGIT and INVEST were rated as AAA by a nationally recognized statistical rating agency.

Investments

At June 30, 2025, the District had the following investments:

Investment Type	Fair Value	Due Within One Year
PSDLAF Collateralized Investment Pool	$ 3,000,000	$ 3,000,000
Certificates of Deposit	3,569,000	3,569,000
Total	$ 6,569,000	$ 6,569,000

The District holds investments in the PLGIT external investment pool, which is a qualifying external investment pool under GASB Statement No. 79. All investments in the pool are measured at amortized cost for financial reporting purposes. The pool invests exclusively in high-quality, highly liquid debt securities and monetary investments, commingled from multiple participants. The pool seeks to maintain a stable net asset value (NAV) of $1 per share. As of June 30, 2025, PLGIT was rated AAAm by S&P Global Ratings. Certificates of deposit are recorded at cost.

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

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

Interest Rate Risk

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

Credit Risk

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

NOTE 5 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated/ Amortized:				
Land	$ 9,508,839	$ -	$ -	$ 9,508,839
Construction in Progress	1,840,204	3,970,932	3,890,036	1,921,100
Total Capital Assets Not Being Depreciated/Amortized	11,349,043	3,970,932	3,890,036	11,429,939
Capital Assets Being Depreciated/ Amortized:				
Land Improvements	10,490,765	516,617	154,896	10,852,486
Buildings and Improvements	154,668,823	2,422,855	-	157,091,678
Furniture and Equipment	27,722,176	3,113,205	1,442,106	29,393,275
Right-to-Use Lease Equipment	757,913	565,822	409,068	914,667
Right-to-Use Subscription Assets	184,934	84,525	-	269,459
Total Capital Assets Being Depreciated/Amortized	193,824,611	6,703,024	2,006,070	198,521,565
Less Accumulated Depreciation/ Amortization for:				
Land Improvements	(4,556,289)	(378,278)	(154,896)	(4,779,671)
Buildings and Improvements	(61,328,894)	(3,030,016)	-	(64,358,910)
Furniture and Equipment	(13,271,231)	(1,986,468)	(1,290,831)	(13,966,868)
Right-to-Use Lease Equipment	(440,695)	(162,551)	(409,068)	(194,178)
Right-to-Use Subscription Assets	(52,426)	(86,132)	-	(138,558)
Total Accumulated Depreciation/Amortization	(79,649,535)	(5,643,445)	(1,854,795)	(83,438,185)
Total Capital Assets Being Depreciated/Amortized, Net	114,175,076	1,059,579	151,275	115,083,380
Governmental Activities, Net	$ 125,524,119	$ 5,030,511	$ 4,041,311	$ 126,513,319
Business-Type Activities:				
Machinery and Equipment	$ 1,367,017	$ 19,988	$ -	$ 1,387,005
Less: Accumulated Depreciation	(1,239,223)	(15,574)	-	(1,254,797)
Business-Type Activities, Net	$ 127,794	$ 4,414	$ -	$ 132,208

NOTE 5 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:		
Instruction	$	3,425,392
Instructional Student Support		637,948
Administrative and Financial Support Services		405,543
Operation and Maintenance of Plan Services		794,275
Pupil Transportation		232,234
Student Activities		148,053
Total Depreciation/Amortization Expense - Governmental Activities	$	5,643,445
Business-Type Activities:		
Food Service	$	15,574

As of June 30, 2025, the District had outstanding construction project commitments to be completed totaling $2,053,621.

NOTE 6 INTERNAL RECEIVABLES AND PAYABLES

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

Receivable To		Amount	Payable From		Amount
General Fund	$	651,167	Food Service Fund	$	651,167
General Fund		2,456,286	Internal Service Fund		2,456,286
Total	$	3,107,453	Total	$	3,107,453

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

NOTE 7 NONCURRENT LIABILITIES

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

	Beginning Balance Restated	Increases	Decreases	Ending Balance	Amount Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds Payable	$ 76,160,000	$ -	$ 6,555,000	$ 69,605,000	$ 6,860,000
Bond Premiums	8,267,384	-	899,686	7,367,698	-
Total General Obligation Debt	84,427,384	-	7,454,686	76,972,698	6,860,000
Other Noncurrent Liabilities:					
Right-to-Use Leases Payable	321,094	565,822	119,804	767,112	96,750
Right-to-Use Subscriptions Payable	83,212	77,737	63,512	97,437	69,014
Compensated Absences	1,119,135	2,363,115	-	3,482,250	2,007,277
Accrued Severance/Early Retirement Incentive	2,947,060	-	863	2,946,197	292,300
OPEB Liability	3,145,426	344,859	197,500	3,292,785	125,508
Net OPEB Liability - PSERS	5,053,807	-	154,654	4,899,153	-
Net Pension Liability - PSERS	125,286,423	-	8,943,903	116,342,520	-
Total Other Noncurrent Liabilities	137,956,157	3,351,533	9,480,236	131,827,454	2,590,849
Total Governmental Activities	222,383,541	3,351,533	16,934,922	208,800,152	9,450,849
Business-Type Activities:					
Compensated absences	16,013	689	-	16,702	13,009
Accrued Severance/Early Retirement	33,902	7,166	-	41,068	-
Net OPEB Liability - PSERS	107,915	-	20,548	87,367	-
Net Pension Liability - PSERS	1,722,192	-	117,483	1,604,709	-
Total Business-Type Activities	1,880,022	7,855	138,031	1,749,846	13,009
Total Noncurrent Liabilities	$ 224,263,563	$ 3,359,388	$ 17,072,953	$ 210,549,998	$ 9,463,858

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

The change in the compensated absence liability is presented as a net change.

NOTE 8 GENERAL OBLIGATION DEBT

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

NOTE 8 GENERAL OBLIGATION DEBT (CONTINUED)

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

Description	Interest Rate(s)	Original Issue Amount	Final Maturity	Principal Outstanding
Series of 2016	0.65% - 5.00%	$ 57,950,000	06/01/2032	$ 41,080,000
Series of 2019	2.00% - 4.00%	$ 8,430,000	06/01/2033	5,300,000
Series of 2022	2.00% - 4.00%	$ 11,385,000	06/01/2042	10,440,000
Series of 2024	5.00%	$ 12,790,000	06/01/2039	12,785,000
Total General Obligation Debt				$ 69,605,000

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

Year Ending June 30,	Principal Maturities	Interest Maturities	Total Maturities
2026	$ 6,860,000	$ 3,097,050	$ 9,957,050
2027	7,185,000	2,773,300	9,958,300
2028	7,465,000	2,485,850	9,950,850
2029	7,765,000	2,187,200	9,952,200
2030	8,145,000	1,810,350	9,955,350
2031 - 2035	19,220,000	4,956,500	24,176,500
2036 - 2040	11,345,000	1,759,600	13,104,600
2041 - 2042	1,620,000	97,800	1,717,800
Total	$ 69,605,000	$ 19,167,650	$ 88,772,650

NOTE 9 ACCRUED SEVERANCE AND EARLY RETIREMENT INCENTIVES

Upon retirement and 10 years of continuous service with the District or upon resignation and 15 years of continuous service with the District, a professional employee will receive a severance payment equal to the employee's highest base salary multiplied by the number of years of service with the District which is then multiplied by ½ percent.

Support staff employees at retirement are eligible to receive a severance payment equal to the employee's highest base salary multiplied by the number of years of service with the District which is than multiplied by ½ percent for employees with 10 years of continuous service and 1 percent for employees with 15 years of service. Additionally, support staff employees with 20 years of continuous service with the District and not eligible for Medicare are eligible for an early retirement incentive of $1,000 for three years to be used as a medical insurance contribution to defray the cost of the employee's medical insurance purchased through District's plan.

NOTE 9 ACCRUED SEVERANCE AND EARLY RETIREMENT INCENTIVES (CONTINUED)

Upon retirement, administrators with 10 years of continuous service with the District are eligible to receive a severance payment equal to the employee's highest base salary multiplied by the number of years of service with the District which is then multiplied by 1 percent. Additionally, administrators with 10 years of continuous service with the District and hired before July 1, 2010 are eligible for a $2,500 credit toward their health insurance until age 65 or a $25,000 contribution into the administrators' 403(b) account.

NOTE 10 SUBSCRIPTIONS PAYABLE

The District has entered into long-term lease agreements for subscription-based information technology arrangements. Initial subscription liabilities were recorded in the amount of $200,931. As of June 30, 2025, the value of the subscription liabilities is $97,437. The subscriptions have imputed interest rates of 5.25% and the subscriptions' estimated useful lives are three years as of their contract commencements. The net book value of the right-to-use subscription assets as of June 30, 2025 is $130,901, net of accumulated amortization of $138,558, and is included with noncurrent assets on the statement of net position (deficit).

Year Ending June 30,	Principal	Interest	Total
2026	$ 69,014	$ 5,170	$ 74,184
2027	28,423	1,520	29,943
Total	$ 97,437	$ 6,690	$ 104,127

NOTE 11 LEASES PAYABLE

The District entered into long-term lease agreements for copier equipment. Initial lease liabilities were recorded in the amount of $914,667. As of June 30, 2025, the value of the lease liabilities is $767,112. The leases have an imputed interest rates of 3.00% and the equipment's estimated useful lives were 4.5 to 5 years as of their contract commencements. The net book value of the right-to-use lease assets as of June 30, 2025 is $720,489, net of accumulated depreciation of $194,178, and is included with noncurrent assets on the statement of net position (deficit). Future minimum lease payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 96,750	$ 44,549	$ 141,299
2027	105,351	37,731	143,082
2028	114,595	30,323	144,918
2029	89,971	22,717	112,688
2030	47,655	19,212	66,867
2031 - 2035	312,790	52,865	365,655
Total	$ 767,112	$ 207,397	$ 974,509

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS

Single-Employer Defined Benefit OPEB Plan

The District's other postemployment benefits include a single-employer defined benefit plan that provides medical insurance to certain eligible retirees and their spouse and dependents. The School Board has the authority to establish and amend benefit provisions. The plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

OPEB Plan Membership

Membership in the OPEB plan consisted of the following at July 1, 2023:

Active Plan Members	526
Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	22
Total	548

Funding Policy

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

OPEB Liability

The District's OPEB liability has been measured as of July 1, 2024. The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, and by rolling forward the liabilities from the July 1, 2023 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The OPEB liability is $3,292,785, all of which is unfunded. As of June 30, 2025, the OPEB liability of $3,292,785 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit).

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

Balances as of July 1, 2023	$ 3,145,426
Changes for the Year:	
Service Cost	206,601
Interest on Total OPEB Liability	138,258
Changes of Assumptions	(71,992)
Benefit Payments	(125,508)
Net Changes	147,359
Balance as of July 1, 2024	$ 3,292,785

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Single-Employer Defined Benefit OPEB Plan (Continued)

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

For the year ended June 30, 2025, the District recognized OPEB expense of $63,869. At June 30, 2025, the District had deferred inflows and outflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 2,208,018
Changes in Assumptions	298,566	443,736
Total	$ 298,566	$ 2,651,754

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

Year Ending June 30,	Amount
2026	$ (280,990)
2027	(280,990)
2028	(280,990)
2029	(280,990)
2030	(280,990)
Thereafter	(948,238)
Total	$ (2,353,188)

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

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

	1% Decrease	Trend Rate	1% Increase
OPEB Liability	$ 2,914,065	$ 3,292,785	$ 3,736,043

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Single-Employer Defined Benefit OPEB Plan (Continued)

Sensitivity of the OPEB Liability to Changes in the Discount Rate

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

	1% Decrease 3.81%	Current Discount Rate 4.81%	1% Increase 5.81%
OPEB Liability	$ 3,537,615	$ 3,292,785	$ 3,061,656

Actuarial Methods and Significant Assumptions

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

- Actuarial cost method – entry age normal
- Discount rate – 4.81% – 20 Year High-Grade Municipal Rate Index The discount rate changed from 4.21% to 4.81%.
- Salary growth – comprised of inflation of 2.50%, 1.50% for real wage growth and 0.00 to 2.75% for merit or seniority increases.
- Assumed healthcare cost trends – 7.00% in 2025 with 0.50% decrease per year until 5.50% in 2028. Rates gradually decrease from 5.40% in 2029 to 4.00% in 2075 and later based on the Society of Actuaries long-run medical cost trend model.
- Mortality – PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubG-2010 headcount-weighted mortality table including rates for contingent survivors for administrators and all other employees. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Cost Sharing Multiple-Employer Defined Benefit OPEB Plan

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

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

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

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

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

Benefits Provided

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

Employer Contributions

The District’s contractually required contribution rate for the fiscal year ended June 30, 2025 was 0.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were $287,062 for the year ended June 30, 2025.

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

At June 30, 2025, the District reported a liability of $4,986,520 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward PSERS' total OPEB liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District's proportion was 0.2807 percent, which was a decrease of 0.0046 percent from its proportion measured as of June 30, 2024. As of June 30, 2025, the OPEB liability of $4,899,153 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining $87,367 of the OPEB liability is recorded as a liability in the proprietary fund statement of net position, and in the business-type activities in the government-wide statement of net position (deficit).

For the year ended June 30, 2025, the District recognized net OPEB expense of $136,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 19,000	$ 75,000
Changes of Assumptions	304,000	761,000
Net Difference Between Projected and Actual Investment Earnings	6,000	-
Changes in Proportions	53,000	199,000
Contributions Subsequent to the Measurement Date	287,062	-
Total	$ 669,062	$ 1,035,000

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

Contributions of $287,062 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2026	$ (161,000)
2027	(184,000)
2028	(225,000)
2029	(54,000)
2030	(29,000)
Total	$ (653,000)

Actuarial Assumptions

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

- Actuarial cost method – entry age normal – level % of pay
- Investment return – 4.21% – Standard & Poor's 20-year municipal bond rate
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium assistance reimbursement is capped at $1,200 per year.
- Assumed healthcare cost trends were applied to retirees with less than $1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 retiree tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 improvement scale.

Participation rate:

- Eligible retirees will elect to participate pre age 65 at 50%
- Eligible retirees will elect to participate post age 65 at 70%

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Actuarial Assumptions (Continued)

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost method – amount necessary to assure solvency of premium assistance through the third fiscal year after the valuation date.
- Asset valuation method: market value.
- Participation rate: the actual data for retirees benefiting under the OPEB plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 mortality improvement scale.

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

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

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

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

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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.

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

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

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

	1% Decrease	Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 4,986,080	$ 4,986,520	$ 4,986,877

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

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

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
District's Proportionate Share of the Net OPEB Liability	$ 5,633,253	$ 4,986,520	$ 4,444,913

OPEB Plan Fiduciary Net Position

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

NOTE 13 PENSION PLAN

Plan Description

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

NOTE 13 PENSION PLAN (CONTINUED)

Benefits Provided

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

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

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

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

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (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.

NOTE 13 PENSION PLAN (CONTINUED)

Contributions

Member Contributions

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

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

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

Employer Contributions

The District’s contractually required contribution rate for fiscal year ended June 30, 2025 was 32.92% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were $15,000,103 for the year ended June 30, 2025.

NOTE 13 PENSION PLAN (CONTINUED)

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

At June 30, 2025, the District reported a liability of $117,947,229 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward PSERS' total pension liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District's proportion was 0.2818 percent, which was a decrease of 0.0037 percent from its proportion measured as of June 30, 2024. As of June 30, 2025, the net pension liability of $116,342,520 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining $1,604,709 of the net pension liability is recorded as a liability in the proprietary fund statement of net position, and in the business-type activities in the government-wide statement of net position (deficit).

For the year ended June 30, 2025, the District recognized net pension expense of $9,514,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 1,854,000
Net Difference Between Projected and Actual Investment Earnings	1,953,000	-
Changes in Proportions	127,000	2,083,000
Contributions Subsequent to the Measurement Date	15,000,103	-
Total	$ 17,080,103	$ 3,937,000

Contributions of $15,000,103 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2026	$ (3,844,000)
2027	2,261,000
2028	121,000
2029	(395,000)
Total	$ (1,857,000)

NOTE 13 PENSION PLAN (CONTINUED)

Actuarial Assumptions

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

- Valuation date – June 30, 2023
- Actuarial cost method – entry age normal – level % of pay
- Investment return – 7.00%, includes inflation at 2.50%
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 retiree tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 improvement scale.
- The discount rate used to measure the total pension liability was 7.00% as of June 30, 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 or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
    - Mortality rates – Previously based on the RP-2014 mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 mortality improvement scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 retiree tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 improvement scale.

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

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

NOTE 13 PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

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

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

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

Discount Rate

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

NOTE 13 PENSION PLAN (CONTINUED)

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's Proportionate Share of the Net Pension Liability	$ 155,372,459	$ 117,947,229	$ 86,344,272

Pension Plan Fiduciary Net Position

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

NOTE 14 JOINTLY GOVERNED ORGANIZATIONS

Technical College High School Pennock's Bridge

The District and four other Chester County school districts participate in the Technical College High School Pennock's Bridge Campus (TCHS Pennock's Bridge). The TCHS Pennock's Bridge provides vocational-technical training and education to students of the participating school districts. The TCHS Pennock's Bridge is controlled by a joint Board comprised of representative school board members of the participating school districts. District oversight of the TCHS Pennock's Bridge operations is the responsibility of the joint board. The District's share of operating costs for the TCHS Pennock's Bridge fluctuates based on the District's percentage of enrollment. The District's share of operating costs for 2024-2025 was $1,072,663.

The TCHS Pennock's Bridge prepares financial statements that are available to the public from their administrative offices.

NOTE 14 JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

Chester County Intermediate Unit

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

NOTE 15 CONTINGENCIES AND COMMITMENTS

Government Grants and Awards

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

Litigation

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

NOTE 16 RISK MANAGEMENT

Other Risks

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District has purchased a commercial insurance policy for property and liability and errors and omissions. There were no significant reductions in insurance coverages during the 2024-2025 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 16 RISK MANAGEMENT (CONTINUED)

Medical

The District participates in a consortium with the CCIU to provide a self-insurance program for health insurance and related expenses for eligible employees, spouses and dependents. Accordingly, benefit payments plus an administrative charge are made to a third-party administrator, who approves and processes all claims.

The District has recorded a liability in the Internal Service Fund for claims incurred through June 30, 2025 which has historically been satisfied within 60 days after June 30. The following table presents the components of the self-insurance medical claims liability and the related changes in the claims liability for the years ended June 30, 2025 and 2024:

	2025	2024
Insurance Claims Surplus (Liability) - Beginning of Year	$ 899,284	$ 986,579
Current Year Insurance Claims and Changes in Estimates	12,229,035	9,874,926
Insurance Claims and Fees Paid	(12,084,605)	(9,962,221)
Insurance Claims Surplus (Liability) - End of Year	$ 1,043,714	$ 899,284

Workers' Compensation

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

NOTE 17 RESTATEMENT OF BEGINNING NET POSITION

Effective July 1, 2024, the District implemented GASB Statement No. 101, Compensated Absences. As a result of the implementation of GASB Statement No. 101, the compensated absences liability as of July 1, 2024 was understated in the business-type activities and Food Service Fund. The effect of the change in accounting principle and the resulting restatement of net position is as follows:

	Business-Type Activities & Food Service Fund
July 1, 2024 as previously reported	$ (980,125)
Change in accounting principle	(49,915)
July 1, 2024 as restated	$ (1,030,040)

[THIS PAGE INTENTIONALLY LEFT BLANK]

REQUIRED SUPPLEMENTARY INFORMATION

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Local Sources	$ 84,993,177	$ 84,993,177	$ 83,470,617	$ (1,522,560)
State Sources	19,613,701	19,613,701	19,766,421	152,720
Federal Sources	1,205,491	1,205,491	1,864,443	658,952
Total Revenues	105,812,369	105,812,369	105,101,481	(710,888)
EXPENDITURES				
Instruction:				
Regular Programs	40,904,522	40,894,458	42,407,340	(1,512,882)
Special Programs	18,869,089	18,869,089	18,441,399	427,690
Vocational Programs	1,206,919	1,206,919	1,072,663	134,256
Other Instructional Programs	374,094	374,095	47,494	326,601
Total Instruction	61,354,624	61,344,561	61,968,896	(624,335)
Support Services:				
Pupil Support Services	4,848,152	4,847,652	4,685,386	162,266
Instructional Staff Services	6,055,863	6,047,429	5,775,398	272,031
Administrative Services	4,851,300	4,852,300	4,827,104	25,196
Pupil Health	959,688	959,688	1,056,691	(97,003)
Business Services	1,123,458	1,123,458	931,892	191,566
Operation and Maintenance of Plant Services	8,033,482	8,033,481	8,218,628	(185,147)
Student Transportation Services	4,413,513	4,413,512	4,051,207	362,305
Support Services - Central	1,438,843	1,438,842	1,522,517	(83,675)
Other Support Services	40,789	40,789	40,137	652
Total Support Services	31,765,088	31,757,151	31,108,960	648,191
Operation of Noninstructional Services:				
Student Activities	2,441,343	2,459,343	2,672,940	(213,597)
Community Services	27,290	27,290	370	26,920
Total Operation of Noninstructional Services	2,468,633	2,486,633	2,673,310	(186,677)
Debt Service	9,950,457	9,950,457	10,236,579	(286,122)
Total Expenditures	105,538,802	105,538,802	105,987,745	(448,943)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	273,567	273,567	(886,264)	(1,159,831)
OTHER FINANCING SOURCES (USES)				
Sale of/Compensation for Capital Assets	-	-	1,204	1,204
Issuance of Right-to-Use Arrangements	-	-	77,737	77,737
Budgetary Reserve	(300,000)	(300,000)	-	300,000
Total Other Financing Sources (Uses)	(300,000)	(300,000)	78,941	378,941
NET CHANGE IN FUND BALANCE	$ (26,433)	$ (26,433)	(807,323)	$ (780,890)
Fund Balance - Beginning of Year			6,905,593	
FUND BALANCE - END OF YEAR			$ 6,098,270	

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – PSERS
LAST 10 YEARS

	Measurement Date									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.2818%	0.2855%	0.2895%	0.2884%	0.2952%	0.2888%	0.2888%	0.2928%	0.2829%	0.2813%
District's Proportionate Share of the Net Pension Liability	$ 117,947,229	$ 127,008,615	$ 128,708,000	$ 118,407,609	$ 145,353,575	$ 135,108,172	$ 138,638,339	$ 144,609,000	$ 140,196,000	$ 121,846,000
District's Covered-Employee Payroll	$ 44,565,726	$ 43,703,982	$ 42,551,200	$ 40,886,365	$ 41,513,445	$ 39,830,794	$ 38,886,336	$ 38,978,932	$ 36,632,664	$ 36,194,196
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	264.66%	290.61%	302.48%	289.60%	350.14%	339.21%	356.52%	370.99%	382.71%	336.65%
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%	52.00%	50.00%	54.00%

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION PLAN CONTRIBUTIONS – PSERS
LAST TEN YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 15,000,103	$ 14,891,436	$ 14,951,415	$ 14,429,437	$ 13,704,854	$ 13,791,658	$ 12,933,146	$ 12,255,000	$ 11,199,000	$ 9,000,000
Contributions in Relation to the Contractually Required Contribution	15,000,103	14,891,436	14,951,415	14,429,437	13,704,854	13,791,658	12,933,146	12,255,000	11,199,000	9,000,000
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
District's Covered-Employee Payroll	$ 45,565,397	$ 44,565,726	$ 43,703,982	$ 42,551,200	$ 40,886,365	$ 41,513,445	$ 39,830,794	$ 38,886,336	$ 38,978,932	$ 36,632,664
Contributions as a Percentage of Covered-Employee Payroll	32.92%	33.36%	34.21%	33.91%	33.52%	33.22%	32.47%	31.51%	28.73%	24.57%

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
SCHEDULE OF CHANGES IN OPEB LIABILITY – SINGLE EMPLOYER PLAN
LAST SEVEN YEARS

	Measurement Date						
	2025	2024	2023	2022	2021	2020	2019
Total OPEB Liability							
Service Cost	$ 206,601	$ 207,103	$ 236,263	$ 60,160	$ 84,648	$ 338,259	$ 318,842
Interest on Total OPEB Liability	138,258	138,825	148,286	210,834	217,102	104,445	95,268
Difference Between Expected and Actual Experience	-	(264,552)	-	(2,980,160)	-	1,451,010	(1,815)
Change of Assumptions	(71,992)	(21,584)	(479,676)	447,850	-	1,399,716	-
Benefit Payments	(125,508)	(149,763)	(128,257)	(531,492)	(421,486)	(130,676)	(120,996)
Net Change in Total OPEB Liability	147,359	(89,971)	(223,384)	(2,792,808)	(119,736)	3,162,754	291,299
Total OPEB Liability - Beginning	3,145,426	3,235,397	3,458,781	6,251,589	6,371,325	3,208,571	2,917,272
Total OPEB Liability - Ending	$ 3,292,785	$ 3,145,426	$ 3,235,397	$ 3,458,781	$ 6,251,589	$ 6,371,325	$ 3,208,571
Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	$ 39,368,002	$ 39,368,002	$ 35,604,629	$ 35,604,629	$ 41,284,376	$ 40,277,440	$ 38,970,344
Net OPEB Liability as a Percentage of Covered Payroll	8.36%	7.99%	9.09%	9.71%	15.14%	15.82%	8.23%

There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay benefits.

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.

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – PSERS
LAST EIGHT YEARS

	Measurement Date							
	2024	2023	2022	2021	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability	0.2807%	0.2853%	0.2894%	0.2884%	0.2958%	0.2888%	0.2888%	0.2928%
District's Proportionate Share of the Net OPEB Liability	$ 4,986,520	$ 5,161,722	$ 5,327,191	$ 6,835,319	$ 6,391,342	$ 6,142,320	$ 6,021,333	$ 5,966,000
District's Covered-Employee Payroll	$ 44,565,726	$ 43,703,982	$ 42,551,200	$ 40,886,365	$ 41,513,445	$ 39,830,794	$ 38,886,336	$ 38,978,932
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	11.19%	11.81%	12.52%	16.72%	15.40%	15.42%	15.48%	15.31%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.13%	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

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

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB PLAN CONTRIBUTIONS – PSERS
LAST NINE YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 287,062	$ 285,687	$ 326,263	$ 337,941	$ 335,597	$ 348,225	$ 330,881	$ 323,000	$ 324,000
Contributions in Relation to the Contractually Required Contribution	287,062	285,687	326,263	337,941	335,597	348,225	330,881	323,000	317,156
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	6,844
District's Covered-Employee Payroll	$ 45,565,397	$ 44,565,726	$ 43,703,982	$ 42,551,200	$ 40,886,365	$ 41,513,445	$ 39,830,794	$ 38,886,336	$ 38,978,932
Contributions as a Percentage of Covered-Employee Payroll	0.63%	0.64%	0.75%	0.79%	0.82%	0.84%	0.83%	0.83%	0.81%

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.

[THIS PAGE INTENTIONALLY LEFT BLANK]

SINGLE AUDIT

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Assistance Listing Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2024	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2025	Passed Through to Subrecipients
U.S. Department of Education											
Passed-Through the Pennsylvania Department of Education:											
Title I - Improving Basic Programs	I	84.010	013-240445	07/01/23 - 09/30/24	$ 116,101	$ 13,280	$ 13,109	$ 171	$ 171	$ -	$ -
Title I - Improving Basic Programs	I	84.010	013-250445	07/01/24 - 09/30/25	107,451	84,524	-	107,445	107,445	22,921	-
Total ALN 84.010						97,804	13,109	107,616	107,616	22,921	-
Title II - Improving Teacher Quality	I	84.367	020-240445	07/01/23 - 09/30/24	55,762	(133)	(2,114)	1,981	1,981	-	-
Title II - Improving Teacher Quality	I	84.367	020-250445	07/01/24 - 09/30/25	45,864	45,729	-	45,470	45,470	(259)	-
Total ALN 84.367						45,596	(2,114)	47,451	47,451	(259)	-
Title IV - Student Support and Academic Achievement	I	84.424	144-250445	07/01/24 - 09/30/25	10,000	10,000	-	10,000	10,000	-	-
Passed Through the Chester County I.U.:											
Title III - Language Instruction LEP/Immigrant Students	I	84.365	010-2400024	07/01/23 - 09/30/24	7,430	7,430	7,182	248	248	-	-
Title III - Language Instruction LEP/Immigrant Students	I	84.365	010-2500024	07/01/24 - 09/30/25	10,115	8,106	-	8,524	8,524	418	-
Total ALN 84.365						15,536	7,182	8,772	8,772	418	-
I.D.E.A. - Part B, Section 619	I	84.173	131-2400024B	07/01/23 - 09/30/24	1,062	1,062	1,062	-	-	-	-
I.D.E.A. - Part B, Section 619	I	84.173	131-2500024B	07/01/24 - 09/30/25	2,185	-	-	2,185	2,185	2,185	-
Total ALN 84.173						1,062	1,062	2,185	2,185	2,185	-
I.D.E.A. - Part B, Section 611	I	84.027	062-2400024	07/01/23 - 09/30/24	618,629	618,629	618,629	-	-	-	-
I.D.E.A. - Part B, Section 611	I	84.027	062-2500024	07/01/24 - 09/30/25	609,368	-	-	609,368	609,368	609,368	-
Total ALN 84.027						618,629	618,629	609,368	609,368	609,368	-
Total U.S. Department of Education						788,627	637,868	785,392	785,392	634,633	-
U.S. Department of the Treasury											
Passed-Through the Pennsylvania Commission on Crime and Delinquency:											
COVID-SFR School Mental Health Grants	I	21.027	2023-CM-0143471	01/01/24 - 12/31/2025	148,218	45,628	-	140,240	140,240	94,612	-
U.S. Department of the Treasury						45,628	-	140,240	140,240	94,612	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Assistance Listing Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2024	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2025	Passed Through to Subrecipients
U.S. Department of Health and Human Services											
Passed-Through the Pennsylvania Department of Human Services:											
Medical Assistance Program	I	93.778	N/A	07/01/24 - 09/30/25	N/A	16,572	-	16,572	16,572	-	-
Total U.S. Department of Health and Human Services						16,572	-	16,572	16,572	-	-
U.S. Department of Agriculture											
Passed-Through the Pennsylvania Department of Education:											
Breakfast Program	I	10.553	N/A	07/01/24 - 06/30/25	N/A	35,135	-	36,894	36,894	1,759	-
National School Lunch Program	I	10.555	N/A	07/01/24 - 06/30/25	N/A	193,555	-	202,166	202,166	8,611	-
Passed-Through the Pennsylvania Department of Agriculture:											
National School Lunch Program - Donated Commodities	I	10.555	N/A	07/01/24 - 06/30/25	N/A	123,965	-	123,965	123,965	-	-
Total ALN 10.555						317,520	-	326,131	326,131	8,611	-
Total U.S. Department of Agriculture						352,655	-	363,025	363,025	10,370	-
Total Federal Awards						$ 1,203,482	$ 637,868	$ 1,305,229	$ 1,305,229	$ 739,615	$ -
Special Education Cluster (IDEA) (ALN's 84.027 and 84.173)						$ 619,691	$ 619,691	$ 611,553	$ 611,553	$ 611,553	$ -
Child Nutrition Cluster (ALN's 10.553 and 10.555)						$ 352,655	$ -	$ 363,025	$ 363,025	$ 10,370	$ -
Medicaid Cluster (ALN 93.778)						$ 16,572	$ -	$ 16,572	$ 16,572	$ -	$ -

Source Codes
D - Direct Funding
I - Indirect Funding
ALN - Assistance Listing Number

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Unionville-Chadds Ford School District (the District) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement except as noted for the accounting of donated commodities in Note 3. Revenues are recorded when measurable and available. Expenditures are recorded when incurred.

NOTE 3 NONMONETARY FEDERAL AWARDS – DONATED FOOD

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals, and prisons) and to the needy. Expenditures reported in the Schedule of Expenditures of Federal Awards under ALN 10.555 National School Lunch Program and passed through the Pennsylvania Department of Agriculture represent federal surplus food consumed by the District during the 2024-2025 fiscal year.

NOTE 4 ACCESS PROGRAM

The District participates in the ACCESS Program which is a medical assistance program that reimburses local educational agencies for direct eligible health-related services provided to enrolled special needs students. Reimbursements are federal source revenues but are classified as fee-for-service and are not considered federal financial assistance. The amount of ACCESS funding recognized for the year ended June 30, 2025 was $922,239.

NOTE 5 INDIRECT COSTS

The District has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance. No indirect costs were charged to the District's Federal awards for the year ended June 30, 2025.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of School Directors
Unionville-Chadds Ford School District
Kennett Square, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Unionville-Chadds Ford School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Unionville-Chadds Ford School District's basic financial statements, and have issued our report thereon dated July 9, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Unionville-Chadds Ford School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unionville-Chadds Ford School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Unionville-Chadds Ford School District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
July 9, 2026

CliftonLarsonAllen LLP
CLAconnect.com

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

Board of School Directors
Unionville-Chadds Ford School District
Kennett Square, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unionville-Chadds Ford School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Unionville-Chadds Ford School District's major federal programs for the year ended June 30, 2025. Unionville-Chadds Ford School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Unionville-Chadds Ford School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
July 9, 2026

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Section I – Summary of the Auditors' Results

Basic Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? ______ yes __X__ no
   - Significant deficiency(ies) identified? ______ yes __X__ none reported

3. Noncompliance material to basic financial statements noted? ______ yes __X__ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? ______ yes __X__ no
   - Significant deficiency(ies) identified? ______ yes __X__ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ______ yes __X__ no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
Special Education Cluster:	
84.027	Special Education – Grants to States (IDEA, Part B)
84.173	Special Education – Preschool Grants (IDEA, Preschool)

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? ______ yes __X__ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Major Federal Program Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).