NEW ISSUE—BOOK-ENTRY ONLY

RATINGS: Moody's: "Aa2" (Underlying)
(See Ratings herein)

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds 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 interest income therefrom, are free from taxation for purposes of personal income, corporate net income and personal property taxes within the Commonwealth of Pennsylvania.

The School District has designated the Bonds as "qualified tax-exempt obligations" for the purposes and effect contemplated by Section 265 of the Code (regarding the deductibility of interest expense related to tax-exempt income of certain financial institutions).

For further information concerning federal and state tax matters relating to the Bonds, see "Tax Exemption" herein.

$8,965,000
Quaker Valley School District
Allegheny County, Pennsylvania
General Obligation Bonds, Series of 2019

Dated: Date of Delivery
Interest Due: April 1 and October 1

Principal Due: October 1, as shown on inside cover
First Interest Payment: April 1, 2020

The General Obligation Bonds, Series of 2019 (the "Bonds") in the aggregate principal amount of $8,965,000 will be issued in registered form in denominations of $5,000 or any integral multiple thereof. The Bonds will be registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or any integral multiple thereof only under the book-entry only system maintained by DTC through its brokers and dealers who are, or act through, DTC Participants. The purchasers of the Bonds will not receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond, that purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein. If, under the circumstances described herein, Bonds are ever issued in certificated form, the Bonds will be subject to registration of transfer, exchange and payment as described herein.

The Bonds are general obligations of the Quaker Valley School District, Allegheny County, 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, hereinafter defined, or from 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 irrevocably has pledged its full faith, credit and available taxing power. ***(But see "SECURITY FOR THE BONDS" and "The Taxpayer Relief Act (Act 1)" herein).***

Interest on each of the Bonds is payable initially on April 1, 2020 and thereafter semiannually on April 1 and October 1 of each year until the maturity date of such Bond. The School District has appointed U.S. Bank National Association (the "Paying Agent"), as paying agent, registrar and sinking fund depository for the Bonds. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, payments of the principal of, redemption premium, if any, and interest on the Bonds, when due for payment, will be made directly to DTC by the Paying Agent, and DTC will in turn remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds. If the use of the Book-Entry Only System for the Bonds is ever discontinued, the principal of and redemption premium, if any, on each of the Bonds will be payable, when due, upon surrender of such Bond to the Paying Agent at its corporate trust office in Pittsburgh, Pennsylvania (or any successor paying agent at its designated office(s)) and interest on such Bond will be payable by check and mailed to the person(s) in whose name(s) such Bond is registered as of the Record Date with respect to the particular interest payment date (See "THE BONDS," *infra*). **The Bonds are subject to redemption prior to maturity.**

Proceeds of the Bonds will be used to pay the costs of (1) site development for the School District's High School Project (herein defined), (2) certain capital improvements to existing facilities, and (3) issuance of the Bonds.

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

MATURITIES, AMOUNTS, RATES AND PRICES/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 Dinsmore & Shohl LLP, of Pittsburgh, Pennsylvania, Bond Counsel, to be furnished upon delivery of the Bonds. Certain other legal matters will be passed upon for the School District by Goehring, Rutter & Boehm, of Pittsburgh, Pennsylvania, School District Solicitor. PFM Financial Advisors LLC, Harrisburg, Pennsylvania, serves as Financial Advisor to the School District in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery in New York, New York, on or about December 19, 2019.

Janney

Official Statement Dated: November 21, 2019

$8,965,000
Quaker Valley School District
Allegheny County, Pennsylvania
General Obligation Bonds, Series of 2019

Dated: Date of Delivery
Interest Due: April 1 and October 1

Principal Due: October 1, as shown below
First Interest Payment: April 1, 2020

BOND MATURITY SCHEDULE:

Year of Maturity (October 1)	Principal Maturity Amount	Interest Rate	Initial Offering Yields	CUSIP Numbers(1)
2020	$5,000	2.000%	1.310%	747442ME8
2021	5,000	2.000	1.350	747442MF5
2022	5,000	2.000	1.400	747442MG3
2023	5,000	2.000	1.450	747442MH1
2024	5,000	2.000	1.500	747442MJ7
2025	5,000	2.000	1.550*	747442MK4
2026	5,000	2.000	1.630*	747442ML2
2027	345,000	4.000	1.640*	747442MM0
2028	360,000	4.000	1.760*	747442MN8
2029	375,000	4.000	1.850*	747442MP3
2030	390,000	4.000	1.960*	747442MQ1
2031	405,000	4.000	2.010*	747442MR9
2032	420,000	4.000	2.100*	747442MS7
2033	440,000	4.000	2.140*	747442MT5
2034	460,000	4.000	2.170*	747442MU2
2035	475,000	4.000	2.210*	747442MV0
2036	495,000	4.000	2.250*	747442MW8
2037	515,000	4.000	2.260*	747442MX6
2038	535,000	4.000	2.290*	747442MY4
2039	560,000	4.000	2.320*	747442MZ1
2044**	3,155,000	4.000	2.500*	747442NA5

(1) These 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 have agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

*Yield to Optional Redemption Date: April 1, 2025
**Term Bond

QUAKER VALLEY SCHOOL DISTRICT

Allegheny County, Pennsylvania

BOARD OF SCHOOL DIRECTORS

Ms. Sarah Heres	President
Mr. Robert Riker	Vice-President
Mr. Jeffrey Watters	Treasurer
Ms. Marna Blackmer	Member
Ms. Kati Doebler	Member
Mr. Gianni Floro	Member
Ms. Daniela Helkowski	Member
Mr. Jonathan Kuzma	Member
Mr. David Pusateri	Member
Ms. Christine Kardong	Secretary*

*Non-Voting Member

SUPERINTENDENT
DR. TAMMY ANDREYKO

DIRECTOR OF FINANCE & OPERATIONS
SCOTT ANTOLINE

SOLICITOR TO THE SCHOOL DISTRICT
DONALD J. PALMER, ESQ.
GOEHRING, RUTTER, & BOEHM
Pittsburgh, Pennsylvania

BOND COUNSEL
DINSMORE & SHOHL LLP
Pittsburgh, Pennsylvania

FINANCIAL ADVISOR
PFM FINANCIAL ADVISORS LLC
Harrisburg, Pennsylvania

UNDERWRITER
JANNEY MONTGOMERY SCOTT LLC
Pittsburgh, Pennsylvania

PAYING AGENT
U.S. BANK NATIONAL ASSOCIATION
Pittsburgh, Pennsylvania

SCHOOL DISTRICT ADDRESS
100 LEETSDALE INDUSTRIAL DRIVE, SUITE B
Leetsdale, Pennsylvania 15056

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 Official Statement, and if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds 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 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.

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OFFICIAL STATEMENT

$8,965,000
Quaker Valley School District
Allegheny County, Pennsylvania
General Obligation Bonds, Series of 2019

INTRODUCTION

This Official Statement, including the cover and inside cover pages hereof, is furnished by the Quaker Valley School District, Allegheny County, Pennsylvania (the "School District") in connection with the offering of its $8,965,000, aggregate principal amount, General Obligation Bonds, Series of 2019 (the "Bonds"). The Bonds are dated as of December 19, 2019 and are being issued pursuant to a Resolution of the Board of School Directors of the School District adopted on November 19, 2019 (the "Resolution"), in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, Act of December 19, 1996, P.L. 1158, No. 177 (the "Act").

PURPOSE OF THE ISSUE

The School District is currently undertaking a construction project to replace its existing grades 9-12 High School, which was originally constructed in 1926 and twice renovated, in 1988 and in 1998 (the "High School Project") Proceeds of the Bonds will be used to pay: (a) a portion of the costs of the High School Project, including particularly, but without limitation, the costs of site development (surveys, geotechnical exploration, permits and tap-in fees), along with grading and building pad preparation, and architectural, engineering and construction manager fees related thereto; (b) costs of certain capital improvements and repairs to existing School District educational facilities; and (c) the costs of issuance of the Bonds.

Sources and Uses of Bond Proceeds

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

Sources of Funds	**Total**
Bond Proceeds	$8,965,000.00
Original Issue Premium	778,575.20
Total Sources of Funds	$9,743,575.20
Uses of Funds	
Deposit to Construction Fund	$9,595,241.95
Issuance Costs[1]	148,333.25
Total Uses of Funds	$9,743,575.20

[1]Includes bond discount, legal, financial advisor, CUSIP, printing, rating, paying agent, and miscellaneous fees.

THE BONDS

Description

The Bonds will be issued in fully registered form in denominations of $5,000 and integral multiples thereof, will be in the aggregate principal amount of $8,965,000, will be dated as of December 19, 2019, and will bear interest at the rates and mature in the amounts and on the dates set forth on the inside front cover of this Official Statement. Interest on the Bonds will be payable initially on April 1, 2020, and thereafter, semiannually on April 1 and October 1 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for.

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

Payment of Principal and Interest

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

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

The principal of the Bonds, when due upon maturity or upon any earlier redemption, will be paid to the registered owners of the Bonds, or registered assigns, upon surrender of the Bonds to U.S. Bank National Association (the "Paying Agent"), acting as paying agent, registrar and sinking fund depository for the Bonds, at its corporate trust office in Pittsburgh (or to any successor paying agent at its designated office(s)).

Interest on the Bonds will be payable to the registered owner of a Bond from the interest payment date next preceding the date of registration and authentication of the Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding April 1, 2020, in which event such Bond shall bear interest from December 19, 2019, or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond. Interest on each Bond will be payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the 15th day of the month (whether or not a day on which the Paying Agent is open for business) next preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such interest payment date, unless the School District shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of such Bonds not less than ten (10) days preceding such special record date.

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

Transfer, Exchange and Registration of Bonds

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

SECURITY FOR THE BONDS

General Obligation Pledge

The Bonds will be general obligations of the School District, payable from its tax and other general revenues. The School District has covenanted that it will provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Bonds for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund, as hereinafter defined, or any other of its revenues or funds, the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated on the Bonds, and for such budgeting, appropriation and payment the School District irrevocably has pledged its full faith, credit and available taxing power, which taxing power includes the power to levy ad valorem taxes on all taxable property within the School District within the limits provided by law (See "**TAXES AND TAXING POWERS OF THE SCHOOL DISTRICT**" herein). The Act presently provides for enforcement of debt service payments as hereinafter described (see "**DEFAULTS AND REMEDIES**" herein), and the Public School Code presently provides for the withholding and application of subsidies in the event of failure to pay debt service (see "**Commonwealth Enforcement of Debt Service Payments**" herein).

Commonwealth Enforcement of Debt Service Payments

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

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

Pennsylvania Budget Adoption

Over the past several years the Commonwealth of Pennsylvania has, from time to time, started its fiscal year without a fully adopted state budget. In the state's 2015-16 fiscal year, a final budget was not enacted until 270 days following the beginning of the fiscal year on March 27, 2016 when the Governor failed to sign or veto the state budget that was adopted by the General Assembly on April 17, 2016.

For the 2016-17 fiscal year, the state budget became law, known as Act 16A of 2016, on July 12, 2016 when the Governor failed to sign or veto the state budget that was adopted by the General Assembly on July 1, 2016. On July 13, 2016, the General Assembly adopted and Governor signed into law additional tax and revenue package, known as Act 85 of 2016, which was needed to balance the 2016-17 state budget.

For the 2017-18 fiscal year, the state budget became law, known as Act 1A of 2017, on July 11, 2017 when the Governor failed to sign or veto the state budget that was adopted by the General Assembly on June 30, 2017. Act 1A of 2017 did not have any accompanying legislation regarding the potential revenue that would be needed to fund the balance of the 2017-18 Budget at the time of its enactment. On October 25, 2017, the General Assembly adopted House Bill 542 which contained the necessary revenue to fund the balance of the previously adopted Act 1A of 2017. On October 30, 2017 the Governor approved and signed House Bill 542 and it became known as Act 43 of 2017.

For the 2018-19 and 2019-20 fiscal years, the state budget was adopted timely.

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 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 Official Statement for the relevant bonds or notes or the loan documents relating to the obligations, within thirty (30) days of receipt of the proceeds of the obligations. The School District intends on submitting this information with respect to the Bonds to PDE within the prescribed timeframe following the issuance of the Bonds. Act 85 of 2016 provides that any obligation for which PDE does not receive the required documents shall not be subject to the applicable intercept statute or intercept agreement.

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

Sinking Fund

A sinking fund for the payment of debt service on the Bonds, designated "Sinking Fund, General Obligation Bonds, Series of 2019" (the "Sinking Fund"), has been created under the Resolution and is maintained by the Paying Agent, as Sinking Fund Depository. The School District shall deposit in the Sinking Fund a sufficient sum, not later than the date when interest and/or principal is to become due on the Bonds, so that on each payment date the Sinking Fund will contain an amount which, together with any other funds available therein, is sufficient to pay, in full, interest and/or principal then due on the Bonds.

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

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

REDEMPTION OF BONDS

Mandatory Redemption

The Bonds stated to mature on October 1, 2044 are subject to redemption prior to maturity as required by the Resolution, in the amounts and on October 1 of the years shown below, from moneys in the 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 October 1, 2044:

2040	$580,000
2041	605,000
2042	630,000
2043	655,000
2044*	685,000

*Final Maturity

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

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

Optional Redemption

The Bonds stated to mature on or after October 1, 2025 shall be subject to redemption prior to maturity, at the option of the School District, as a whole, or from time to time, in part, on April 1, 2025, or on any date thereafter, (and if in part, in any order of maturity as selected by the School District and within a maturity by lot), in either case upon payment of a redemption price of 100% of the principal amount of such Bonds, together with accrued interest to the redemption date.

Notice of Redemption

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

Notice of any redemption of certificated Bonds shall be given by depositing a copy of the redemption notice by first class mail not more than sixty (60) day nor 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 time of mailing of a notice of redemption the School District shall not have deposited with the Paying Agent, as sinking fund depository, money sufficient to redeem all Bonds called for redemption, the notice of redemption may state that it is conditional, *i.e.*, that it is subject to the deposit of sufficient redemption money with the Paying Agent not later than the opening of business on the redemption date, and such notice shall be of no effect unless such money is so deposited. If the Bonds to be called for redemption shall have been refunded, money sufficient to redeem such Bonds shall be deemed to be on deposit with the Paying Agent for the purposes of this paragraph and the notice of redemption need not state that it is conditional, if the redemption money has been deposited irrevocably with another bank or bank and trust company which shall have been given irrevocable instructions to transfer the same to the Paying Agent not later than the opening of business on the redemption date.

Manner of Redemption

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

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

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. 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 (the "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 Standard & Poor's highest rating, "AAA." 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 and www.dtc.org.

Purchases of the 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 (the "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 Owners 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 the Beneficial Owners. *Beneficial Owners will not receive certificates representing their ownership interests in the 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 effect 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 transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security 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 Paying Agent and request that copies of the notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

So long as the Bonds are held by DTC under a book-entry system, payments of the principal of and interest on the Bonds and, if applicable, any premium payable upon redemption thereof, 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 the Issuer or the Paying Agent on the 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 Participants and not of DTC, the Paying Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of the principal of and interest on Bonds and, if applicable, any premium payable upon redemption thereof to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The 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. So long as a nominee of DTC is the registered owner of the Bonds, references herein to the Bondholders or the holders or owners of the Bonds shall mean DTC and shall not mean the Beneficial Owners of the Bonds. The Issuer and the Paying Agent will recognize DTC or its nominee as the holder of all of the Bonds for all purposes, including the payment of the principal or redemption price of and interest on the Bonds, as well as the giving of notices and any consent or direction required or permitted to be given to or on behalf of the Bondholders under the Resolution. Neither the Issuer nor the Paying Agent will have any responsibility or obligation to Participants or Beneficial Owners with respect to payments or notices to Bondholders.

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

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

THE SCHOOL DISTRICT

Introduction

The Quaker Valley School District is located on the Ohio River twelve miles northwest of the City of Pittsburgh, in the northwest corner of Allegheny County. The School District is comprised of the Boroughs of Bell Acres, Edgeworth, Glenfield, Haysville, Leetsdale, Glen Osborne, Sewickley, Sewickley Heights and Sewickley Hills and the Townships of Aleppo and Leet (collectively, the “Component Municipalities”). The School District is bound on the northeast by the North Allegheny School District, on the east by the Avonworth School District, on the southwest by the Moon Area School District and on the south by Cornell School District. The northwest boundary is shared with the Ambridge Area School District located in Beaver County.

Administration

The School District is governed by a nine member Board of School Directors (the "School Board"), comprised of residents of the School District who are elected on a staggered basis for four-year terms. The daily operations and management of the School District are overseen by the Superintendent of Schools, who serves as the chief educational and financial officer of the School District. Budget preparation and control are overseen by the Director of Finance and Operations.

School Facilities

The School District presently owns and operates two elementary schools, a middle school and a senior high school, all as described in the following table.

TABLE 1
QUAKER VALLEY SCHOOL DISTRICT
FACILITIES*

Building	Original Construction Date	Addition/ Renovation Date(s)	Grades	Rated Pupil Capacity	2019-20 Enrollment
Elementary:					
Edgeworth & Osborne.....................	1975	1997/2005/2006	K-5	550	812
Middle School					
Quaker Valley Middle.......................	1926	1988/1998/2011	6-8	1,273	477
Quaker Valley High.........................	1926	1988/1998	9-12	1,242	644

Source: School District officials.

Enrollment Trends

Table 2 presents recent trends in school enrollment and projections of enrollment, as prepared by School District officials.

TABLE 2
QUAKER VALLEY SCHOOL DISTRICT
ENROLLMENT TRENDS

School Year Ending June 30,	K-5	6-8	9-12	Total
2016	782	447	644	1,874
2017	779	465	641	1,885
2018	795	476	654	1,925
2019	808	457	670	1,935
2020 (est)	812	477	644	1,933
2021 (est)	818	467	649	1,934
2022 (est)	820	478	644	1,942

Source: School District officials.

SCHOOL DISTRICT FINANCES

Introduction

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

Financial Reporting

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

Budgeting Process in School Districts under Act 1 of 2006 (Taxpayer Relief Act)

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

Procedures for Adoption of the Annual Budget. Under Act No. 1 of the Special Session of 2006, as amended, entitled the Taxpayer Relief Act ("Act 1" or the "Taxpayer Relief Act"), all school districts of the first class A, second class, third class and fourth class (except as described below) must adopt a preliminary budget proposal (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the election immediately preceding the fiscal year. The preliminary budget proposal must be printed and made available for public inspection at least 20 days prior to its adoption; the board of school directors may hold a public hearing on the budget; and the board must give at least 10 days' public notice of its intent to adopt the final budget.

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

With respect to the utilization of any of the three Act 1 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 Act 1 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 Act 1, and the referendum question is not approved by a majority of the voters voting on the question, the board of school directors may not approve an increase in the tax rate greater than the applicable Index.

Simplified Procedures if Index will not be Exceeded. 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, Act 1 requires only that the proposed annual budget be prepared at least 30 days, and made available for public inspection at least 20 days, prior to its adoption, and that at least ten (10) days' public notice be given of the board's intent to adopt the annual budget. No referendum exceptions are available to a school district adopting such a resolution.

Summary and Discussion of Financial Results

The General Fund Balance Sheet and a summary of the changes in fund balances is presented in Tables 3 and 4. Table 5 shows revenues and expenditures for the past five years, and the 2019-20 Budget. The Budget for 2019-20 projected revenues of $51,705,448 and expenditures of $51,707,959, which included a budgetary reserve of $250,000.

Revenue

The School District received $50,456,319 in revenue in 2018-19 and has budgeted revenue of $51,705,448 in 2019-20. Local sources decreased as a share of total revenue in the past five years, from 84.4 percent in 2014-15 to 82.9 percent in 2018-19. Revenue from State sources increased as a share of total revenue from 12.9 percent to 15.0 percent over this period. Federal and other sources have decreased as a share of total revenue during this period from 2.5 percent to 2.0 percent during this period.

TABLE 3
QUAKER VALLEY SCHOOL DISTRICT
BALANCE TRENDS – GENERAL FUND
(Years ending June 30)*

REVENUES	**2015**	**2016**	**2017**	**2018**	**2019**	**Budgeted 2020[(1)]**
Local Sources	$36,755,816	$36,773,006	$38,051,618	$39,969,405	$41,832,439	$42,714,867
State Sources	5,654,699	6,434,494	6,986,189	7,522,157	7,602,716	7,923,022
Federal Sources	1,105,888	852,189	750,911	980,265	1,021,164	1,067,559
Sale of Fixed Assets	0	5,648	0	0	0	0
Refund of Prior Year's Expenses	0	9,489	10,267	18,179	7,234	0
Incoming Transfers	0	0	0	0	0	0
TOTAL REVENUE & OTHER	$43,516,403	$44,074,826	$45,798,985	$48,490,006	$50,463,553	$51,705,448
EXPENDITURES						
Instruction	$20,994,866	$22,129,749	$23,325,103	$24,186,735	$24,483,179	$26,445,814
Support Services	12,987,557	13,482,360	14,424,036	14,775,944	15,207,989	15,782,975
Operating on Noninstructional Services	1,475,316	1,530,759	1,639,384	1,643,670	1,628,603	1,756,903
Capital Outlay	0	0	0	0	0	0
Debt Service	6,670,049	6,683,743	6,637,189	6,272,801	6,655,683	6,627,267
Refund of Prior Year's Receipts	0	0	0	70,670	0	0
Appropriation of Prior Year Encumbrances	0	0	0	0	0	0
Transfer Out to Food Service Fund	0	84,917	0	60,000	20,000	0
Transfer Out	807,997	265,000	15,000	1,143,500	2,115,000	845,000
Budgetary Reserve	0	0	0	0	0	250,000
TOTAL EXPENDITURES & OTHER	$42,935,785	$44,176,528	$46,040,712	$48,153,319	$50,110,454	$51,707,959

*Totals may not add due to rounding.
(1)Budget as adopted May 22, 2019.
Source: School District Annual Financial Reports.

TABLE 4
QUAKER VALLEY SCHOOL DISTRICT GENERAL FUND
SUMMARY OF CHANGES IN FUND BALANCE*

	Years Ending June 30					**Budget**
	2015	**2016**	**2017**	**2018**	**2019**	**2020[(1)]**
Beginning Fund Balance	$6,780,102	$7,360,720	$7,259,018	$7,017,291	$7,353,977	$7,707,076
Revenues over (under) Expenditure	580,618	(101,702)	(241,727)	336,686	353,099	(2,511)
Ending Fund Balance	$7,360,720	$7,259,018	$7,017,291	$7,353,977	$7,707,076	$7,704,565

*Totals may not add due to rounding.
(1)Budget as adopted May 22, 2019. See "Summary and Discussion of Financial Results" herein.
Source: School District Annual Financial Reports and Budget

TABLE 5
QUAKER VALLEY SCHOOL DISTRICT
SUMMARY STATEMENT OF ASSETS, LIABILITIES,
AND FUND EQUITY – GENERAL FUND
(For years ending June 30)

	Actual				
ASSETS	**2014**	**2015**	**2016**	**2017**	**2018**
Cash	$10,062,273	$11,571,654	$11,075,450	$10,781,803	$12,287,632
Tax Receivable (Net)	2,34,389	2,188,923	2,280,176	2,292,443	2,372,641
Interfund Receivables	8,714	0	0	0	0
Intergovernmental Receivables	388,258	489,464	869,729	969,012	1,327,155
Interfund Advance Receivable	0	164,190	129,163	129,908	82,090
Advance Receivable	429,306	0	0	0	0
Prepaid Assets	260,045	240,597	252,115	259,724	253,218
Due From Other Funds	0	4,463	0	267	622
Other Funds	6,956	20,858	57,121	43,831	27,230
Total Assets	$13,529,941	$14,680,149	$14,663,754	$14,476,988	$16,350,588
LIABILITIES					
Accounts Payable	$1,002,94	$900,299	$713,613	$638,162	$432,560
Accrued Salaries and Benefits	3,816,182	4,108,493	4,628,327	5,000,256	5,372,559
Due to Other Funds	20,254	608,000	254,917	5,844	1,135,392
Deposits Payable	0	150,119	140,402	148,127	252,468
Unearned Revenues	170,544	0	0	0	0
Deferred Revenues	1,739,919	1,522,518	1,667,477	1,667,308	1,803,632
Total Liabilities	$6,749,839	$7,319,429	$7,404,736	$7,459,697	$8,996,611
FUND BALANCE					
Non-Spendable	$689,351	$404,787	$381,278	$389,632	$335,308
Committed	1,075,000	1,075,000	1,075,000	1,075,000	1,075,000
Assigned	2,425,000	2,925,000	2,925,000	2,567,500	2,567,500
Unassigned	2,590,751	2,955,933	2,877,740	2,985,159	3,376,169
Total Fund Equity	$6,780,102	$7,360,720	$7,259,018	$7,017,291	$7,353,977
TOTAL LIABILITIES DEFERRED INFLOW OF RESOURCES AND FUND BALANCE	$13,529,941	$14,680,149	$14,663,754	$14,476,988	$16,350,588

*Totals may not add due to rounding
Source: School District Annual Financial Reports and Budget.

TAXES AND TAXING POWERS OF THE SCHOOL DISTRICT

General

The School District, as a school district of the third class, is permitted to impose the following taxes under the School Code:

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

2. An annual tax on all taxable real estate to provide for the payment of:

   (a) Salaries and increments of the teaching and supervisory staff.
   (b) Rentals due any municipal authority, non-profit corporation or the State Public School Building Authority.
   (c) Sinking fund charges incurred in connection with school building projects.
   (d) The amortization of a bond issue which financed the construction of school facilities if issued prior to the first Monday of July, 1959.

3. An annual per capita tax on each resident over eighteen years of age of not more than $5.00.

The School District may also levy under The Local Tax Enabling Act, Act No. 511, approved December 31, 1965, as amended (the "Tax Enabling Act"), an additional per capita tax, wage taxes, and other taxes as provided for therein; provided, however, that the aggregate amount of taxes imposed under the Tax Enabling Act may not exceed 1.25% of the market valuation of the real estate in the School District as determined by the State Tax Equalization Board, and subject to certain other limitations.

The taxing powers described under "General" above have been modified and are limited by the provisions of the Taxpayer Relief Act, Act 1 of Special Session 2006. See **"The Taxpayer Relief Act (Act 1)"** herein.

The Taxpayer Relief Act (Act 1)

Under the Taxpayer Tax Relief Act, a school district may not levy any new tax for the support of the public schools or 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 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. See "**Budgeting Process in School Districts under Act 1 of 2006 (Taxpayer Relief Act)"** herein.

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 fiscal years are as follows:

Fiscal Year	Index
2015-16	1.9%
2016-17	2.4%
2017-18	2.5%
2018-19	2.4%
2019-20	2.3%

In accordance with Act 1, the School District put a referendum question on the ballot at the April 1, 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 in a future municipal election seeking approval to levy or increase the rate of an EIT or a PIT for the purpose of funding homestead and farmstead exclusions, but the proposed rate of the EIT or PIT shall not exceed the rate that is required to provide the maximum homestead and farmstead exclusions allowable under law.

Legislation Limiting Unreserved Fund Balances

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

Tax Levy Trends

Table 6 which follows 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 within the School District and the County.

TABLE 6
QUAKER VALLEY SCHOOL DISTRICT
TAX RATES

	Real Estate (mills)	Per Capita ($)	Real Estate Transfer (%)	Earned Income (%)
2015-16	17.3232	10.00	0.5	0.5
2016-17	17.7389	10.00	0.5	0.5
2017-18	18.4009	10.00	0.5	0.5
2018-19	18.9086	10.00	0.5	0.5
2019-20	19.4711	10.00	0.5	0.5

Source: School District officials.

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

	2015-16	2016-17	2017-18	2018-19	2019-20
School District	17.3232	17.7389	18.4009	18.9086	19.4711
	2015	**2016**	**2017**	**2018**	**2019**
Aleppo Township	3.5000	3.5000	3.5000	3.5000	3.5000
Bell Acres Borough	4.3200	4.3200	4.3200	4.3200	4.3200
Edgeworth Borough..	4.1500	4.1500	4.1500	4.1500	4.1500
Glen Osborne Borough....................................	4.6000	4.6000	5.2000	5.2000	5.2000
Glenfield Borough	4.1500	4.1500	4.1500	4.1500	4.1500
Haysville Borough...	4.1800	4.3900	4.3900	4.6095	4.6095
Leet Township	5.3000	6.7000	6.7000	6.7000	7.7000
Leetsdale Borough...	10.0000	10.0000	10.0000	10.0000	10.0000
Sewickley Borough	6.5000	6.2500	6.2500	6.5000	6.2500
Sewickley Heights Borough	4.0000	4.0000	5.0000	5.5000	5.5000
Sewickley Hills Borough.................................	2.8400	2.8400	2.8400	2.8400	2.8400
Allegheny County..	4.7300	4.7300	4.7300	4.7300	4.7300

Source: Department of Community and Economic Development – Municipal Statistics

Real Property Tax

The real property tax (excluding delinquent collections) produced $33,471,602 in 2018-19, or approximately 66.33 percent of revenue. The tax is levied on July 1 of each year. Taxpayers who remit within 60 days receive a 2 percent discount, and those who remit subsequent to 120 days after July 1 are assessed a 10 percent penalty.

The following tables summarize recent trends of assessed and market valuations of real property and real property tax collection data.

TABLE 8
QUAKER VALLEY SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA

Year	Market Value	Assessed Value	Ratio
2014-15	$1,678,246,749	$1,826,898,674	108.86%
2015-16	$1,692,345,861	$1,841,657,762	108.82%
2016-17	$1,732,698,848	$1,848,908,212	106.71%
2017-18	$1,752,931,541	$1,868,108,059	106.57%
2018-19	$1,809,196,430	$1,886,659,146	104.28%
Compound Average Annual Percentage Change	1.51%	0.65%	

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

TABLE 9
QUAKER VALLEY SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA BY MUNICIPALITY

	2017 Market Value	2017 Assessed Value	2018 Market Value	2018 Assessed Value
School District	$1,752,931,541	$1,868,108,059	$1,809,196,430	$1,886,659,146
Aleppo Township	128,661,649	138,756,480	133,489,883	139,440,700
Bell Acres Borough	167,269,667	187,422,450	173,274,082	188,415,983
Edgeworth Borough	364,157,323	368,849,056	368,270,292	371,423,656
Glen Osborne Borough	13,196,269	10,230,450	11,903,501	10,521,450
Glenfield Borough	4,986,469	4,731,800	4,647,915	4,731,800
Haysville Borough	102,167,218	115,828,200	106,101,889	116,529,400
Leet Township	130,650,602	139,722,655	128,926,858	139,963,555
Leetsdale Borough	73,875,653	73,743,900	74,957,537	74,624,000
Sewickley Borough	427,664,923	460,316,688	458,422,636	471,754,199
Sewickley Heights Borough	254,283,218	276,206,530	261,789,361	276,523,653
Sewickley Hills Borough	86,018,550	92,299,850	87,412,476	92,730,750
Allegheny County	76,784,055,051	83,719,759,715	79,973,894,934	85,075,504,053

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

TABLE 10
QUAKER VALLEY SCHOOL DISTRICT
ASSESSMENT BY LAND USE

	2014	2015	2016	2017	2018
Residential	$1,529,696,994	$1,541,367,874	$1,548,170,924	$1,574,001,471	$1,580,019,841
Trailers	339,900	339,900	339,900	286,800	286,800
Lots	27,219,100	24,984,772	24,564,172	23,962,822	24,771,422
Industrial	29,151,340	27,731,840	27,731,840	27,794,740	27,646,900
Commercial	219,795,940	228,747,276	229,596,676	224,193,476	235,073,533
Agriculture	17,410,700	15,465,700	15,478,700	14,684,950	15,740,350
Land	3,284,700	3,020,400	3,026,000	3,183,800	3,120,300
Total	$1,826,898,674	$1,841,657,762	$1,848,908,212	$1,868,108,059	$1,886,659,146

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

TABLE 11
QUAKER VALLEY SCHOOL DISTRICT
REAL PROPERTY TAX COLLECTION DATA

	Fiscal Years Ending June 30				
Item	**2015**	**2016**	**2017**	**2018**	**2019**
Assessed Valuation	$1,813,977,698	$1,839,465,774	$1,839,094,962	$1,849,909,812	$1,874,257,603
State Property Tax Subsidy	679,288	669,910	670,925	669,472	670,262
Millage Rate	17.1548	17.3232	17.7389	18.4009	18.9086
Levy	30,653,353	31,865,433	32,623,522	34,040,005	35,439,587
Current Collections	29,118,221	29,633,956	30,556,445	32,031,394	33,471,602
Delinquent Collections	1,290,127	1,049,408	1,298,311	1,389,116	1,071,801
Current & Delinquent Collections	30,408,348	30,683,364	31,854,756	33,420,510	34,543,403
% of Current Collections	94.99%	93.00%	93.66%	94.10%	94.45%
% of Total Collections	99.20%	96.29%	97.64%	98.18%	97.47%

Source: School District Financial Reports and Budget.

The ten largest real property taxpayers, together with their assessed values, are shown on Table 12. The aggregate assessed value of these ten taxpayers totals approximately 6.3 percent of the total assessed value of the School District.

TABLE 12
QUAKER VALLEY SCHOOL DISTRICT
TEN LARGEST REAL PROPERTY TAXPAYERS, 2019-20

Owner	**2019-20 Assessed Value**
BUNCHER COMPANY	$27,974,200
LEETSDALE INDUSTRIAL II LP	24,256,000
SUN LIFE ASSURANCE COMPANY OF CANADA	21,448,400
GUMBERG MARCIA M	8,800,000
B & B TRUST	7,786,000
LIP III LP	7,021,100
ESMARK CENTER LLC	5,914,500
HUDSON INVESTMENT PROPERTIES	5,683,900
LINDEN PLACE CORP	5,324,600
HEALTHSOUTH PENNSYLVANIA REALESTATE LLC	5,000,000
Total	$119,208,700

Source: School District officials.

Other Taxes

The School District under Act 511 collected $5,415,245 in other taxes in 2018-19. Of the various taxes authorized by Act 511, the Real Estate Transfer, Earned Income, and Per Capita taxes are levied by the School District. Its limit under Act 511, equal to 12 mills on the market value of real property, was $21,710,357.

COMMONWEALTH AID

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

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

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

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

Current Lack of State Appropriations for Debt Service Subsidies

Commonwealth law presently provides that school districts will receive, subject to state legislative appropriation, reimbursement from the Commonwealth for a portion of debt service paid on outstanding indebtedness (for this purpose, "project bonds") following final project approval by PDE. Commonwealth reimbursement is calculated based on the "Reimbursable Percentage" assigned to an individual series of project bonds by the PDE and, in the case of the School District, its permanent Capital Account Reimbursement Fraction ("CARF") (9.72%) 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 has a number of outstanding project bonds which are eligible for, and which receive, PlanCon reimbursement. See "Debt and Debt Limits—Table 14" herein.

Notwithstanding this provision of Commonwealth law, neither of the Commonwealth's 2015-16 and 2016-17 budgets appropriated funds for PlanCon reimbursements to any school district. Subsequent state budgets have included PlanCon reimbursement funding adequate for existing, but not for new, indebtedness.

Rather than appropriate the amounts committed over the 2015-2017 time frame to be paid from current state revenues, the General Assembly determined to issue bonds through the Commonwealth Financing Authority (the "CFA") to fund those fiscal 2015-16 and 2016-17 obligations. Act 25 of 2016 ("Act 25") included an authorization to issue up to $2.5 billion of bonds to fund the obligations, and became law despite the Governor's refusal to sign the legislation. The first CFA bond issue closed on October 31, 2016, and the proceeds were used to fund the past due PlanCon reimbursements for the 2015-16 as well as the 2016-17 fiscal year reimbursements. A second CFA bond issue to fund PlanCon reimbursements closed on January 18, 2018 and a third CFA bond issue closed on May 22, 2019.

Act 25 also instituted a moratorium on new projects entering the PlanCon process in order to allow an advisory committee established under Act 25 to consider amendments to the PlanCon reimbursement program. This moratorium went into effect on May 15, 2016 and expired on June 30, 2017. On November 6, 2017, House Bill 178 became law without the signature of the Governor and became known as Act 55 of 2017. Contained in Act 55 of 2017 was an extension of the PlanCon moratorium through the end of the 2017-18 fiscal year and a retroactive effective date of July 1, 2017. (Subsequently, the Commonwealth enacted Act 42 of 2018, which permitted PlanCon applications submitted between July 1, 2017 and November 6, 2017, and whose school district votes to proceed with construction and award bids on their construction contracts no later than July 1, 2021, to receive PlanCon funding as permitted by law, if made available by the Commonwealth.) On June 22, 2018, the Governor approved and signed Act 39 of 2018, extending the PlanCon moratorium through the end of the 2018-2019 fiscal year, and on June 28, 2019, the Governor approved and signed Act 16 of 2019, continuing the moratorium on new Part A submittals through the end of the 2019-20 fiscal year.

Act 70 of 2019 (approved July 2, 2019), which was developed from the work of the PlanCon Advisory Committee formed pursuant to Act 25, reforms the PlanCon program by, among other things, reducing the number of individual parts to the program, adjusting the reimbursement formulae, providing reimbursement for certain repair and maintenance projects and limiting state reimbursement payments to fixed amount over a twenty-year period. However, Act 70 did not appropriate, and the General Assembly did not include new PlanCon funding in the 2019-20 fiscal year budget, and so the moratorium on new projects first imposed by Act 25 of 2016 continues. To the extent that Act 70, or 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 project bonds.

Given these legislative uncertainties, there can be no assurance that the School District will be able to successfully apply for, be awarded, and receive PlanCon reimbursement for any portion of the debt service on the Bonds, or on any future project bonds to be issued for the High School Project. See "Future Financing" herein. A failure by the School District to receive such reimbursement will require the School District to budget and apply other available funds to the payment of debt service on the Bonds. However, in light of its historically low CARF and MVAR values, a lack of PlanCon reimbursement for the Bonds is not expected to have a materially adverse effect on the financial affairs of the School District or on its ability to pay the debt service on the Bonds. Currently, the School District has undertaken all of its financial planning for the High School Project with the expectation that no State PlanCon reimbursement will be able to be obtained. Nonetheless, the School District expects to apply for, and to pursue, an award of PlanCon reimbursement for the Bonds, and any project bonds to be issued for the High School Project, in the event that the moratorium is lifted and projects become eligible for reimbursement pursuant to the terms of Act 70.

DEBT AND DEBT LIMITS

Debt Statement

Table 13 which follows shows the debt of the School District as of November 21, 2019, including the issuance of the Bonds.

TABLE 13
QUAKER VALLEY SCHOOL DISTRICT
DEBT STATEMENT
(As of November 21, 2019)*

	Gross Outstanding
NONELECTORAL DEBT	
General Obligation Bonds, Series of 2019 (last maturity 2044)	$8,965,000
General Obligation Bonds, Series of 2017 (last maturity 2037)	9,540,000
General Obligation Bonds, Series of 2016 (last maturity 2027)	6,160,000
General Obligation Bonds, Series of 2015 (last maturity 2023)	12,005,000
General Obligation Bonds, Series of 2014 (last maturity 2024)	5,455,000
General Obligation Bonds, Series B of 2010 (last maturity 2035)	22,735,000
General Obligation Bonds, Series B of 1997 (last maturity 2022)	649,180
TOTAL NONELECTORAL DEBT	$65,509,180
LEASE RENTAL DEBT	
TOTAL LEASE RENTAL DEBT	$0
TOTAL PRINCIPAL OF DIRECT DEBT	$65,509,180

*Includes the Bonds offered through this Official Statement.

Table 14 presents the overlapping indebtedness and debt ratios of the School District. After issuance of the Bonds, the principal of direct debt of the School District will total $65,509,180. After adjustment for available funds and estimated State Aid, and assuming approval by the Department of Education, local effort of direct debt will total $64,890,968.

TABLE 14
QUAKER VALLEY SCHOOL DISTRICT
BONDED INDEBTEDNESS AND DEBT RATIOS*
(As of November 21, 2019)

	Gross Outstanding	Local Effort or Net of Available Funds and Estimated State Aid[(1)]
DIRECT DEBT		
Nonelectoral Debt	$65,509,180	$64,890,968
Lease Rental Debt	0	0
TOTAL DIRECT DEBT	$65,509,180	$64,890,968
OVERLAPPING DEBT		
Allegheny County, General Obligation[(2)]	$19,317,067	$19,317,067
Municipal Debt	41,555,741	41,555,741
TOTAL OVERLAPPING DEBT	$60,872,808	$60,872,807
TOTAL DIRECT AND OVERLAPPING DEBT	$126,381,988	$125,763,775
DEBT RATIOS		
Per Capita	$8,983.01	$8,939.07
Assessed Value	6.70%	6.67%
Market Value	6.99%	6.95%

*Includes the Bonds offered through this Official Statement.
[(1)]Gives effect to current appropriations for payment of debt service and expected future State Reimbursement of School District sinking fund payments based on current Aid Ratio. See "COMMONWEALTH AID TO SCHOOL DISTRICTS".
[(2)]Pro rata 2.3 percent of $853,893,529 principal amount outstanding.

Debt Limit and Remaining Borrowing Capacity

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

Total Revenues for 2016-17	$45,706,461
Total Revenues for 2017-18	48,209,248
Total Revenues for 2018-19	50,360,687
Total	$144,276,396
Annual Arithmetic Average (Borrowing Base)	$48,092,132

Under the Act as presently in effect, new lease rental debt or new nonelectoral debt may not be incurred if the net amount of such new debt plus all outstanding net nonelectoral debt and net lease rental debt would cause the total net nonelectoral plus net lease rental debt to exceed 225% of the Borrowing Base. The application of the aforesaid percentage to the School District's Borrowing Base produces the following product:

	Legal Limit	**Net Debt Outstanding***	**Remaining Borrowing Capacity**
Net Nonelectoral and Lease Rental Debt Limit:			
225% of Borrowing Base	$108,207,297	$65,509,180	$42,698,117

*Includes the Bonds described herein; does not reflect credits against gross indebtedness that may be claimed for a portion of principal of debt estimated to be reimbursed by State aid.

Debt Service Requirements

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

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

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

TABLE 15
QUAKER VALLEY SCHOOL DISTRICT
DEBT SERVICE REQUIREMENTS*

Year	Other General Obligation Debt[1]	Series of 2019 Principal	Series of 2019 Interest	Series of 2019 Subtotal	Total Requirements
2019-20	$6,105,353	$0	$101,405	$101,405	$6,206,758
2020-21	6,105,986	5,000	357,850	362,850	6,468,836
2021-22	6,106,208	5,000	357,750	362,750	6,468,958
2022-23	5,668,830	5,000	357,650	362,650	6,031,480
2023-24	5,676,973	5,000	357,550	362,550	6,039,523
2024-25	5,655,800	5,000	357,450	362,450	6,018,250
2025-26	5,598,452	5,000	357,350	362,350	5,960,802
2026-27	5,595,305	5,000	357,250	362,250	5,957,555
2027-28	3,550,643	345,000	350,300	695,300	4,245,943
2028-29	3,554,304	360,000	336,200	696,200	4,250,504
2029-30	3,548,586	375,000	321,500	696,500	4,245,086
2030-31	3,549,665	390,000	306,200	696,200	4,245,865
2031-32	3,546,076	405,000	290,300	695,300	4,241,376
2032-33	3,537,692	420,000	273,800	693,800	4,231,492
2033-34	3,535,152	440,000	256,600	696,600	4,231,752
2034-35	3,533,103	460,000	238,600	698,600	4,231,703
2035-36	3,531,444	475,000	219,900	694,900	4,226,344
2036-37	963,050	495,000	200,500	695,500	1,658,550
2037-38	0	515,000	180,300	695,300	695,300
2038-39	0	535,000	159,300	694,300	694,300
2039-40	0	560,000	137,400	697,400	697,400
2040-41	0	580,000	114,600	694,600	694,600
2041-42	0	605,000	90,900	695,900	695,900
2042-43	0	630,000	66,200	696,200	696,200
2043-44	0	655,000	40,500	695,500	695,500
2044-45	0	685,000	13,700	698,700	698,700
Total	$79,362,622	$8,965,000	$6,201,055	$15,166,055	$94,528,677

*Totals may not add due to rounding.
[1]Net of Federal reimbursement on District's Series B of 2010 Build America Bonds.

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

2018-19 State Aid Received	$7,602,716
2018-19 Debt Service Requirements	6,655,683
Maximum Future Debt Service Requirements after Issuance of Bonds	6,468,958
Coverage of 2018-19 Debt Service Requirements	1.14 times
Coverage of Maximum Future Debt Service Requirements after Issuance of Bonds	1.18 times

*Assumes current State Aid Ratio. See "COMMONWEALTH AID TO SCHOOL DISTRICTS."

Future Financing

Proceeds of the School District's previously issued General Obligation Bonds, Series of 2017 Bonds were used to purchase land for its proposed new High School, and a substantial portion of the proceeds of the Bonds are expected to be used for necessary site development costs, including surveys, geotechnical exploration and related architectural and engineering fees, along with grading and building pad preparation. At this time, the School District has not approved specific plans for the High School Project. Pending further decisions regarding size, room schedule, architectural lay-out and inclusions, the School District has not yet determined the total cost of the new structure. However, the School District reasonably expects to pursue and complete construction of the new High School over the next five years and estimates its total cost (which includes the land acquisition and development costs already funded) to be in a range of $85 million to $115 million. The School District expects to fund building construction costs in one or more future series of general obligation bonds to be issued, as needed, over the project development time frame.

LABOR RELATIONS

School District Employees

There are approximately 309 employees of the School District, including 192 teachers and administrators, and 117 support personnel including secretaries, maintenance staff and monitors.

Quaker Valley School District Education Association contract expires on June 30, 2023.

Quaker Valley School District Education Personnel Support Association Unit II contract expires June 30, 2024.

Quaker Valley School District Education Personnel Support Association Unit I contract expires June 30, 2023.

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 contribute in a 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 contribute 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 33.43% of total compensation for the fiscal year 2018-19. Current financial projections indicate the possibility of increases in the contribution rate in the next five years.

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:

2015-16	$4,848,586
2016-17	$5,729,605
2017-18	$6,326,674
2018-19	$6,623,466
2019-20 (budgeted)	$7,143,935

At June 30, 2018, the School District reported a liability of $71,811,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2016 to June 30, 2017.

As of June 30, 2017, the PSERS plan was 56.3% funded, with an unfunded actuarial accrued liability of approximately $44.5 billion. PSERS' rate of return for fiscal year ended June 30, 2018 was 9.27%. The Fund had plan net assets of $56.7 billion at June 30, 2018. For more information, visit the PSERS website at www.psers.pa.gov, which is not incorporated by specific reference into this Official Statement.

Source: School District Administrative Officials and PSERS.

Other Post-Employment Benefits

For a full description of the District's post-employment benefit plan, please refer to Appendix C– Audited Financial Report – Notes 9 and 10.

LITIGATION

At the time of settlement, the School Board will deliver a certificate and the Solicitor will deliver an opinion stating that there is no litigation pending with respect to the Bonds, the Resolution or the right of the School District to issue the Bonds.

DEFAULTS AND REMEDIES

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

TAX EXEMPTION

State Tax Matters

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

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

Federal Income Tax Matters

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds 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 Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of Federal individual alternative minimum taxes.

Original Issue Premium

All of the Bonds are being offered and sold to the public at an original issue premium ("OIP") and so are, for purposes of this paragraph, referred to as "Tax-Exempt Premium Bonds". An amount equal to the excess of the issue price of a Tax-Exempt Premium Bond over its stated redemption price at maturity constitutes OIP on such Tax-Exempt Premium Bond. An initial purchaser of a Tax-Exempt Premium Bond must amortize any OIP over such Tax-Exempt Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Tax-Exempt Premium Bonds callable prior to their maturity, by amortizing the OIP to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As OIP is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Tax-Exempt Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Tax-Exempt Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed.

Purchasers of the Tax-Exempt Premium Bonds should consult their own tax advisors with respect to the determination and treatment of OIP for federal income tax purposes.

Interest Expense Deductions for Financial Institutions

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 is a qualified issuer and the School District has designated the Bonds as "qualified tax-exempt obligations" for the purposes and effect contemplated by Section 265 of the Code.

Financial institutions intending to purchase Bonds should consult their own tax advisors to determine the effect of the interest expense deduction on their federal tax liability.

Continuing Compliance

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

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

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

Collateral Tax Liabilities

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

Examples of such other tax consequences for certain taxpayers include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies under Section 832 of the Code, increasing the federal tax liability of certain S corporations subject to Sections 1362 and 1375 of the Code, increasing the federal tax liability of certain individual recipients of social security or railroad retirement benefits under Section 86 of the Code, limiting the use of the Earned Income Credit under Section 32 of the Code, limiting the use of the refundable credit for coverage under a qualified health plan under Section 36B of the Code, and denying an interest expense deduction to certain financial institutions under Section 265 of the Code (unless, and in the circumstance when, the Bonds have been designated by the issuer as "qualified tax-exempt obligations").

Change in Law; Adverse Determinations

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

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

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

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

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of the Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), the School District (being an "obligated person" with respect to the Bonds, within the meaning of the Rule), will agree to provide the following to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB, either directly or indirectly through a designated agent:

(A) Annually, not later than **270 days** following the end of each fiscal year, beginning with the fiscal year ended June 30, 2019, the following financial information and operating information for the School District:

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

(2) certain annual information and operating data (collectively, the "Annual Information"), generally consistent with the information contained under the following captions contained herein:

i. The School District
  - (1) School Facilities
  - (2) Enrollment Trends

ii. Taxes and Taxing Powers of the School District
  - (1) Real Property Tax Collection Data
  - (2) Ten Largest Real Property Taxpayers

iii. Labor Relations
  - (1) School District Employees
  - (2) Pension Program

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

(C) In a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
(7) modifications to rights of holders of the Bonds, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution, or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the School District;
(13) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(14) appointment of a successor or additional trustee or the change of name of a trustee, if material; and
(15) incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties and

(D) in a timely manner, notice of a failure of the School District to provide the required annual financial information specified above, on or before the date specified above.

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 events listed in (C) above are those specified in the Rule, not all of which may be relevant to the Bonds. The School District may from time to time choose to file notice of the occurrence of other events, in addition to the events listed in (C) above, but the School District does not commit to provide notice of the occurrence of any events except those specifically listed in (C) above.

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.

Existing Continuing Disclosure Filing History

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

Fiscal Year	Filing	Financial Statements		Operating Data		
Ending	Deadline [1]	Filing Date	EMMA ID [2]	Filing Date		EMMA ID [2]
6/30/2014	12/27/2014	12/06/2014	EA558865	12/06/2014	[3]	EA558865
6/30/2015	12/27/2015	12/07/2015	ER737371	12/07/2015	[3]	ER737382
6/30/2016	12/27/2016	12/14/2016	ES788213	12/14/2016		ES788218
6/30/2017	12/27/2017	11/29/2017	ES836432	11/29/2017		ES836435
6/30/2018	12/27/2018	12/07/2018	ES942543	12/07/2018		ES942620

Notes

[1] *For these purposes, assumes the shortest filing deadline of the School District's previous Continuing Disclosure Agreements*

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

[3] *A Failure to File Additional Operating Data notice was filed on December 14, 2016 (EMMA ID: ES788200).*

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

For fiscal year ending June 30, 2014 and June 30, 2015 the Financial Statements and portions of the Operating data was filed timely. A notice and the missing Operating Data was filed on December 6, 2014.

For fiscal year ending June 30, 2016 to June 30, 2018, the School District filed the Financial Statements and Operating Data timely.

Failure to Provide Annual Financial Information

As outlined in the table above, the School District failed to provide certain annual financial information in a timely manner during the past (5) five years. The School District filed a "Failure to Provide Annual Financial Information" notice to EMMA on December 14, 2016.

Future Continuing Disclosure Compliance

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

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

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

RATING

Moody's Investors Services has assigned the School District an underlying rating of "Aa2".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 at 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Underwriter has agreed to purchase the Bonds from the School District, subject to certain conditions precedent, and will purchase all of the Bonds if any of such Bonds are purchased. The Bonds will be purchased for a purchase price of $9,678,578.95, equal to the par value of the Bonds less an underwriters' discount of $64,996.25, plus original issue premium of $778,575.20.

LEGAL OPINION

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 Dinsmore & Shohl LLP, of Pittsburgh, Pennsylvania, Bond Counsel, to be furnished upon delivery of the Bonds. Certain other legal matters will be passed upon for the School District by Goehring, Rutter & Boehm, of Pittsburgh, Pennsylvania, Solicitor to the School District.

FINANCIAL ADVISOR

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

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

QUAKER VALLEY SCHOOL DISTRICT
Allegheny County, Pennsylvania

By: /s/ Ms. Sarah Heres
President, Board of School Directors

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APPENDIX A
Demographic and Economic Information
Relating to the Quaker Valley School District

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Population

Table A-1 shows recent population trends for Allegheny County and the Commonwealth. Table A-2 shows 2015 age composition and average number of persons per household in Allegheny County and in the Commonwealth.

TABLE A-1
RECENT POPULATION TRENDS

Area	2010	2015	Compound Average Annual Percentage Change 2010-2015
Allegheny County	1,281,666	1,223,348	-0.46%
Pennsylvania	12,702,379	12,779,559	0.12%

Source: U.S. Census Bureau, Census 2010 & U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates.

TABLE A-2
AGE COMPOSITION

	0-17 Years	18-64 Years	65+ Years	Persons Per Household
Allegheny County	19.1%	63.7%	17.1%	19.1%
Pennsylvania	21.3%	62.4%	16.3%	21.3%

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates.

Employment

Overall employment data is not compiled for the School District but is compiled for Allegheny County (an area which includes the School District).

Major employers within or near the School District include:

Name
UPMC Presbyterian Shadyside
University of Pittsburgh
Federal Government
PNC Bank NA
Western Penn Allegheny Health
Giant Eagle Inc.
Allegheny County
Carnegie Mellon University
Bank of New York Mellon
School District of Pittsburgh

Source: Quarterly Census of Employment and Wages, Q1 in 2019.

Table A-3 shows the distribution of employment for the MSA for May 2019.

TABLE A-3
DISTRIBUTION OF EMPLOYMENT*

	Industry Employment					
ESTABLISHMENT DATA	**May 2019**	**Apr 2019**	**Mar 2019**	**May 2018**	**Apr 2019**	**May 2018**
Total Nonfarm	**1,202,200**	1,194,400	1,182,100	1,193,100	7,800	9,100
Total Private	**1,086,200**	1,077,400	1,065,000	1,076,800	8,800	9,400
Goods Producing	**160,600**	155,700	153,100	157,700	4,900	2,900
Mining and Logging	**11,000**	10,900	11,000	10,900	100	100
Construction	**64,500**	61,000	57,700	60,300	3,500	4,200
Specialty trade contractors	**35,800**	34,200	32,300	33,000	1,600	2,800
Manufacturing	**85,100**	83,800	84,400	86,500	1,300	-1,400
Durable Goods	**62,000**	60,800	61,400	63,400	1,200	-1,400
Primary metal mfg.	**11,000**	11,000	11,000	10,800	0	200
Iron and steel mills and ferroalloy mfg.	**5,600**	5,700	5,700	5,700	-100	-100
Non-Durable Goods	**23,100**	23,000	23,000	23,100	100	0
SERVICE-PROVIDING	**1,041,600**	1,038,700	1,029,000	1,035,400	2,900	6,200
PRIVATE SERVICE-PROVIDING	**925,600**	921,700	911,900	919,100	3,900	6,500
Trade, Transportation, and Utilities	**208,900**	208,600	207,800	211,500	300	-2,600
Wholesale Trade	**43,400**	43,800	43,500	42,500	-400	900
Retail Trade	**118,000**	117,600	116,600	122,000	400	-4,000
Building material and supplies dealers	**8,500**	8,200	7,900	8,500	300	0
Food and beverage stores	**21,900**	21,700	21,700	22,000	200	-100
Clothing and clothing accessories stores	**8,200**	8,100	8,100	8,600	100	-400
General merchandise stores	**23,200**	23,100	23,200	24,100	100	-900
Department stores	**9,400**	9,500	9,600	10,000	-100	-600
Transportation, Warehousing and Utilities	**47,500**	47,200	47,700	47,000	300	500
Utilities	**5,700**	5,700	5,700	5,800	0	-100
Truck Transportation	**12,000**	11,900	11,800	11,800	100	200
Information	**19,800**	19,500	19,500	19,400	300	400
Financial Activities	**74,700**	74,600	74,900	74,500	100	200
Finance and Insurance	**61,400**	60,800	60,300	60,000	600	1,400
Credit intermediation and related activates	**28,300**	28,100	28,200	28,400	200	-100
Depository credit intermediation	**25,300**	25,100	25,200	25,200	200	100
Insurance carriers and related activities	**25,300**	25,200	25,200	24,500	100	800
Professional and Business Services	**185,400**	184,400	179,200	183,500	1,000	1,900
Professional and technical services	**84,900**	84,500	83,200	84,100	400	800
Architectural and engineering services	**17,800**	17,700	17,000	17,300	100	500
Scientific research and development services	**8,800**	8,700	8,700	8,500	100	300
Management of companies and enterprises	**40,900**	40,800	41,000	38,900	100	2,000
Administrative and waste services	**59,600**	59,100	55,000	60,500	500	-900
Administrative and support services	**55,800**	55,200	51,200	56,900	600	-1,100
Employment services	**19,000**	19,000	18,300	19,400	0	-400
Educational and Health Services	**257,600**	261,200	261,600	255,900	-3,600	1,700
Educational services	**53,100**	57,300	57,000	52,400	-4,200	700
Colleges and universities	**38,800**	43,400	43,200	38,100	-4,600	700
Health care and social assistance	**204,500**	203,900	204,600	203,500	600	1,000
Ambulatory health care services	**70,800**	70,600	71,200	71,000	200	-200
Offices of physicians	**26,600**	26,500	26,500	26,400	100	200
Hospitals	**57,300**	57,400	57,600	57,100	-100	200
General medical and surgical hospitals	**51,900**	51,900	52,100	51,300	0	600
Nursing and residential care facilities	**36,400**	36,300	36,400	36,600	100	-200
Social assistance	**40,000**	39,600	39,400	38,800	400	1,200
Leisure and Hospitality	**126,700**	121,900	118,800	123,700	4,800	3,000
Accommodation and food service	**101,000**	98,600	97,100	100,800	2,400	200
Food services and drinking places	**91,100**	89,300	88,500	91,200	1,800	-100
Full time service restaurants	**45,400**	44,700	44,300	46,000	700	-600
Limited-service eating places	**34,000**	32,700	33,100	33,700	1,300	300
Other Services	**52,500**	51,500	50,100	50,600	1,000	1,900
Government	**116,000**	117,000	117,100	116,300	-1,000	-300
Federal Government	**18,100**	18,200	18,000	17,900	-100	200
State Government	**14,000**	15,300	15,200	13,400	-1,300	600
Local Government	**83,900**	83,500	83,900	85,000	400	-1,100
Local government educational services	**50,000**	49,900	50,000	50,500	100	-500
Other Local Government	**33,900**	33,600	33,900	34,500	300	-600
Data benchmarked to March 2018						

Source: Pennsylvania State Employment Service.

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

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

Allegheny County	**2014**	**2015**	**2016**	**2017**	**2018**	**2019[1]**	**Compound Average Annual % Rate**
Civilian Labor Force (000) ..	644.80	647.80	649.70	645.90	645.20	648.90	0.13%
Employment (000)	610.50	616.60	615.70	615.20	619.10	625.50	0.49%
Unemployment (000)	34.3	31.2	34.0	30.7	26.1	23.4	-7.36%
Unemployment Rate	5.30%	4.80%	5.20%	4.80%	4.00%	3.60%	
Pennsylvania							
Civilian Labor Force (000) ..	6,378.0	6,424.0	6,472.0	6,427.0	6,424.0	6,471.0	0.29%
Employment (000)	6,009.0	6,094.0	6,120.0	6,112.0	6,149.0	6,228.0	0.72%
Unemployment (000)	370.0	330.0	352.0	316.0	276.0	243.0	-8.06%
Unemployment Rate	5.80%	5.10%	5.40%	4.90%	4.30%	3.80%	

[1]As of May 2019
Source: Pennsylvania State Employment Service.

Income

Table A-5 shows recent trends in per capita income for the Allegheny County and Pennsylvania over the 2010-2015 period. Per capita incomes in the School District and for the County are higher than per capita income in the Commonwealth.

TABLE A-5
RECENT TRENDS IN PER CAPITA INCOME*

	2010	**2015**	**Percentage Change 2010-2015**
Allegheny County	29,549	32,848	1.06%
Pennsylvania	27,049	29,291	1.61%

*Income is defined by the Bureau of the Census as the sum of wage and salary income, non-farm self-employment income, net self-employment income, Social Security and Railroad retirement income, public assistance income, interest, dividends, pensions, etc. before deductions for personal income taxes, Social Security, etc. School District income is the population-weighted average for political subdivisions.
Source: U.S. Census Bureau, Census 2010 & U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates.

Table A-6 shows trends for retail sales for Allegheny County and the Commonwealth.

TABLE A-6
TOTAL RETAIL SALES
(000)

	2014	**2015**	**2016**	**2017**	**2018**
Allegheny County	$19,788,727	$20,073,407	$21,398,017	$24,648,584	$22,908,719
Pennsylvania	199,975,257	198,215,135	207,887,941	213,005,475	188,389,810

Source: The Nielsen Company

APPENDIX B
Opinion of Bond Counsel

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FORM OF OPINION OF BOND COUNSEL

The form of the approving legal opinion of Dinsmore & Shohl LLP, Bond Counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the Bonds and may vary from the form set forth to reflect circumstances both factual and legal at the time of such delivery. Bond Counsel has no duty, and has assumed no obligation, to revise, update or supplement its opinion to address or reflect a change or changes in such circumstances subsequent to the date of delivery of the Bonds, whether or not it has notice or obtains knowledge of the same, and whether or not this Official Statement shall be recirculated. The approving legal opinion of Bond Counsel represents its considered professional judgment, following a comparison of relevant factual certifications to applicable law. Such opinion is not a guarantee of a particular result, nor is such opinion binding on any administrative or judicial tribunal.

We have served as Bond Counsel to Quaker Valley School District (Allegheny County, Pennsylvania) (the "Local Government Unit") and do hereby undertake to advise you in connection with the issuance, sale and delivery of its $8,965,000, aggregate principal amount, General Obligation Bonds, Series of 2019 (the "Bonds"), issued in fully registered form, dated and bearing interest from December 19, 2019, maturing on various annual dates ending October 1, 2044 and subject to redemption prior to maturity at the option of the Local Government Unit beginning April 1, 2025.

In that capacity, we have examined the Constitution of the Commonwealth of Pennsylvania; the Public School Code of 1949, Act of March 10, 1949, P.L. 30, No. 14, as amended (the "School Code"); the Local Government Unit Debt Act, 53 Pa.C.S.A. §8001 *et seq.*, as amended (the "Debt Act"); the formal action of the Governing Body of the Local Government Unit authorizing the incurrence of nonelectoral debt evidenced by the Bonds (the "Debt Ordinance"); the corresponding Certificate of Approval of the Department of Community and Economic Development; the Internal Revenue Code of 1986, as amended (the "Tax Code"); and such other proceedings and law as we deemed necessary in order to render this opinion. We have reviewed the Federal Income Tax Certificate of an authorized officer of the Local Government Unit, along with other closing certificates of the Local Government Unit and other parties to the issuance and sale of the Bonds. Unless separately noted, we have relied upon, but have not independently verified, factual certifications made to us by the Local Government Unit, its officers and agents, and by said other parties, both in such certificates and otherwise during the course of our engagement.

Both principal of and interest on the Bonds are payable at the designated corporate trust office of U.S. Bank National Association, Pittsburgh, Pennsylvania, as Paying Agent for the Local Government Unit; the bank has additionally been appointed Registrar and Sinking Fund Depository for the Bonds.

These proceedings demonstrate that, in the absence of any meritoriously-based action in a governmental or judicial forum affecting the validity of the Bonds, the same have been delivered upon full payment.

Based on the foregoing, we are of the opinion on this date as follows:

1. The Bonds are valid and binding general obligations of the Local Government Unit.

   (a) The Bonds are issued for a valid purpose under the School Code.

   (b) The Bonds, and all other outstanding debt of the Local Government Unit, are within constitutional and statutory limitations.

(c) The Debt Ordinance authorizing the Bonds was duly and properly enacted and is in full force and effect.

(d) The Bonds conform, in all substantial respects, to the form provided in the Debt Ordinance.

2. The Bonds are secured by a pledge of the full faith, credit and taxing power of the Local Government Unit. The Local Government Unit has effectively covenanted in the Debt Ordinance to include the amount of debt service on this issue, in each fiscal year for which such sums are due, in its budget for that year; to appropriate such amounts to the payment of such debt service; and to pay or cause to be paid, from time to time as and when due, the principal of the Bonds and the interest thereon on the dates, at the place and in the manner stated in the Bonds.

3. Presently included among the general revenues of the Local Government Unit available for the payment of the Bonds are ad valorem real estate taxes, whose levy upon all taxable real property situate within the corporate limits of the Local Government Unit is subject to the limitations of Pennsylvania Act No. 1 of Special Session 2006 ("Act 1"), which became effective June 27, 2006.

4. The Bonds are payable and enforceable according to their own terms, those of the Debt Ordinance and all provisions of the Debt Act; however, any such payment and enforcement could be restrained by a court of proper jurisdiction operating under the authority of bankruptcy, receivership and other similar laws of accommodation and adjustment of creditors' rights, as then applicable.

5. The Bonds, having all the qualities and incidents of securities under Article 8 of the Uniform Commercial Code, are negotiable instruments.

6. The Bonds are an authorized investment, under the Probate, Estates and Fiduciaries Code, as amended, for fiduciaries and personal representatives (as such terms are therein defined) within the Commonwealth of Pennsylvania.

7. Under the laws, regulations, rulings and judicial decisions in effect as of the date hereof, interest on the Bonds is excludable from gross income for Federal income tax purposes, pursuant to the Tax Code. Furthermore, interest on the Bonds will not be treated as a specific item of tax preference, under Section 57(a)(5) of the Tax Code, in computing the alternative minimum tax for individuals. Due to the designation of the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, certain financial institutions may be able to deduct 80% of the interest expense incurred in purchasing or carrying the Bonds. In rendering the opinions in this paragraph, we have assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Tax Code. We express no opinion as to any other Federal income tax consequence arising from ownership of the Bonds.

8. The Bonds, and interest income therefrom, are free from taxation for purposes of personal income, corporate net income and personal property taxes within the Commonwealth of Pennsylvania.

This opinion is rendered as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter be brought to our attention, or any changes in law that may hereafter arise.

APPENDIX C
Audited Financial Report

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Quaker Valley School District

Financial Statements and
Required Supplementary and
Supplementary Information

Year Ended June 30, 2018 with
Independent Auditor's Report

MaherDuessel

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QUAKER VALLEY SCHOOL DISTRICT

YEAR ENDED JUNE 30, 2018

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QUAKER VALLEY SCHOOL DISTRICT

YEAR ENDED JUNE 30, 2018

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Supplementary Information:

Independent Auditor's Report

Board of Directors
Quaker Valley School District

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Quaker Valley School District (School District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2018, 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" which requires the School District to record its proportionate share of the Public School Employees' Retirement System (PSERS) net OPEB liability and related items on the government-wide financial statements and to record the School District's total OPEB liability. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through xiii and the required supplementary information on pages 54 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Maher Duessel

Pittsburgh, Pennsylvania
November 2, 2018

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Management's Discussion and Analysis

As management of the Quaker Valley School District (School District), we offer the following overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2018.

Financial Highlights

- The School District has consistently operated with positive fiscal results while providing outstanding educational programs. The District continues to receive local, state, and national notoriety related to outstanding educational programs and services for students. Regional and national publications identify the School District as a premier school district whose students, faculty, and administration perform at exemplary levels.

- The School District implemented Governmental Accounting Standards Board Statement No. 68 during fiscal year 2015. This Statement required the School District to record their portion of the Public School Employees' Retirement System (PSERS) unfunded liability. As of June 30, 2018, the School District's portion of the unfunded liability is $71,811,000.

- The School District implemented Governmental Accounting Standards Board Statement No. 75 during fiscal year 2018. This Statement required the School District to record their full Other (than PSERS pension) Post-Employment Benefits (OPEB) liability. As of June 30, 2018, the School District's net OPEB liability is $12,354,427.

- The liabilities and deferred inflows of the School District exceeded its assets and deferred outflows at the close of the most recent fiscal year by ($49,673,344), resulting in a deficit net position.

- The School District's total net position increased $1,199,213 over the previous year. Net position of governmental activities increased by $1,216,610 and net position from business-type activities decreased by $17,397.

- As of the current fiscal year, the School District's governmental funds reported combined ending fund balances of $12,459,769, an increase of $2,352,484 in comparison to the prior year. The increase was primarily related to an operational surplus and $1,373,669 of unexpended funds from bond proceeds borrowed for the purchase of property as a potential new high school site and other future capital project needs throughout the district. Of this ending fund balance amount, $8,748,292 has been restricted either by outside parties or imposed by the School District's Board of Directors (Board). $4,978,033 is committed for capital improvements and construction costs. The Board committed $1,075,000 for anticipated increases in future retirement cost. The Board also assigned $817,500 for future pension contributions, $250,000 for future healthcare costs, and $1,500,000 for future facilities, technology, and equipment purchases.

- Local revenues represent 82.5 percent of the total General Fund revenues. Real estate tax collection is the School District's single largest revenue. For the 2017-2018 fiscal year, current real estate tax collections totaled $32,568,141 or approximately 67.2 percent of total revenue. Collections increased by $1,460,132 from 2016-2017 due to an increase in assessments from growth in the community and an annual increase in the millage. The tax rate assessed for the 2017-2018 school year was equal to 18.4009 mills, an increase from the 2016-2017 school year of .6620 mills.

- At the end of the 2017-2018 fiscal year, the unassigned fund balance for the General Fund was $3,376,169 or 7.01 percent of total General Fund expenditures.

Overview of the Financial Statements

The School District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. In addition to the basic financial statements, this report also contains required supplementary information and supplementary information.

Government-wide Financial Statements - The government-wide financial statements are designed to provide a broad overview of the School District's finances in a manner similar to a private-sector business.

The statement of net position and the statement of activities show how the School District performed financially during the fiscal year. These two statements report the School District's net position and changes in those net positions. Changes in net position can result from financial and non-financial factors. Some examples of non-financial factors are School District property tax base and mandated educational programs.

The School District does not have a profit motive, so a true comparison is impossible. The statement of net position includes all of the School District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

Both government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through sales and subsidies (business-type activities). The business-type activities of the School District include only the Food Service Fund.

The government-wide financial statements can be found on pages 1 through 3 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Some funds are mandated by state law and by bond requirements.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the School District's activities are reported in governmental funds that focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called "modified accrual accounting," which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the School District's operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. The relationship (or difference) between governmental activities (reported in the statement of net position and the statement of activities) and the governmental funds are reflected in reconciliations on pages 5 and 7.

The School District maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the School District's most significant funds. The School District's major governmental funds are the General Fund and the Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major funds are provided in the form of combined statements elsewhere in this report.

The basic governmental funds financial statements can be found on pages 4 and 6 of this report.

Proprietary Fund - The School District maintains one proprietary fund to account for its food service program. The fund is presented as a business-type activity in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the food service operation. This fund is used to account for activities that are similar to business operations in the business sector. The basic proprietary fund financial statements can be found on pages 8 through 11 of this report.

Fiduciary Fund - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 12 of this report.

Notes to Financial Statements - The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 13 through 53 of this report.

Required Supplementary Information - The required supplementary information includes the statement of revenues, expenditures, and changes in fund balance on budget and actual for the General Fund on pages 54-55; the schedule of the School District's proportionate share of the net pension liability and schedule of School District contributions on page 56; the schedule of the School District's proportionate share of PSERS net OPEB liability and schedule of School District contributions to the PSERS Premium Assistance on page 57; and the schedule of the School District's total liability for its retiree plan on page 58.

Supplementary Information - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. The combining statements in connection with other governmental funds are presented in this section. Combining and individual fund statements can be found on pages 63 through 65 of this report.

Government-wide Financial Analysis

The School District's total net position was $(49,022,067) and $(50,221,280) at June 30, 2018 and 2017, respectively.

Table 1
Fiscal Year Ended June 30, 2018
Net Position

	Governmental Activities	Business-type Activities	Total
Assets			
Current and other assets	$ 20,417,948	$ 121,588	$ 20,539,536
Capital assets (net)	75,717,782	561,318	76,279,100
Total Assets	**96,135,730**	**682,906**	**96,818,636**
Deferred Outflows of Resources			
Deferred charge on refunding	1,645,149	-	1,645,149
Deferred outflows of resources for pension	11,461,000	-	11,461,000
Deferred outflows of resources for OPEBs	678,619	-	678,619
Total Deferred Outflows of Resources	**13,784,768**	**-**	**13,784,768**
Liabilities			
Current and other liabilities	6,768,260	31,629	6,799,889
Long-term liabilities:			
Due within one year	3,880,000	-	3,880,000
Due in more than one year	147,833,520	-	147,833,520
Total Liabilities	**158,481,780**	**31,629**	**158,513,409**
Deferred Inflows of Resources			
Deferred inflows of resources for pension	812,000	-	812,000
Deferred inflows of resources for OPEBs	300,062	-	300,062
Total Deferred Inflows of Resources	**1,112,062**	**-**	**1,112,062**
Net Position			
Net investment in capital assets	12,745,155	561,318	13,306,473
Restricted	1,422,452	-	1,422,452
Unrestricted	(63,840,951)	89,959	(63,750,992)
Total Net Position	**$ (49,673,344)**	**$ 651,277**	**$ (49,022,067)**

Fiscal Year Ended June 30, 2017
Net Position

	Governmental Activities	Business-type Activities	Total
Assets			
Current and other assets	$ 18,006,742	$ 70,917	$ 18,077,659
Capital assets (net)	69,310,763	628,956	69,939,719
Total Assets	**87,317,505**	**699,873**	**88,017,378**
Deferred Outflows of Resources			
Deferred charge on refunding	1,919,340	-	1,919,340
Deferred outflows of resources for pension	13,628,452	-	13,628,452
Total Deferred Outflows of Resources	**15,547,792**	**-**	**15,547,792**
Liabilities			
Current and other liabilities	6,658,427	31,199	6,689,626
Long-term liabilities:			
Due within one year	3,685,000	-	3,685,000
Due in more than one year	142,352,824	-	142,352,824
Total Liabilities	**152,696,251**	**31,199**	**152,727,450**
Deferred Inflows of Resources			
Deferred inflows of resources for pension	1,059,000	-	1,059,000
Total Deferred Inflows of Resources	**1,059,000**	**-**	**1,059,000**
Net Position			
Net investment in capital assets	13,138,166	628,956	13,767,122
Restricted	30,159	-	30,159
Unrestricted	(64,058,279)	39,718	(64,018,561)
Total Net Position, restated	**$ (50,889,954)**	**$ 668,674**	**$ (50,221,280)**

Government-wide Financial Analysis - The School District’s capital assets increased $6,339,381 from fiscal year ended June 30, 2017 to fiscal year ended June 30, 2018. The School District's buildings include two elementary schools, one middle school, and one high school. It also includes technology and other assets net of depreciation. This increase in capital assets was a net result of additions to include the new property purchase less the annual depreciation expense.

The current liabilities lie in four line items: accounts payable and other current liabilities; accrued salaries and benefits; deposits payable; and accrued interest payable. Non-current liabilities consist of long-term debt and related premiums and discounts associated with renovation and additions of the School District's four buildings. The other components are the compensated absence liability, net pension liability, and net OPEB liability.

The School District's net position has increased by $1,199,213 during the current fiscal year.

Table 2 takes the information from the statement of activities, rearranges it slightly, to show the total revenues, expenses, and change to the net position of both the governmental activities and the business-type activities for fiscal years ended June 30, 2018 and 2017.

Table 2
Fiscal Year Ended June 30, 2018
Change in Net Position

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	$ 298,811	$ 571,113	$ 869,924
Operating grants and contributions	6,788,751	300,506	7,089,257
Capital grants and contributions	25,000	-	25,000
General revenues:			
Property taxes	34,186,226	-	34,186,226
Other taxes	5,126,432	-	5,126,432
Grants, subsidies/contributions, unrestricted	2,100,399	-	2,100,399
Investment earnings	234,422	605	235,027
Gain (loss) on sale of capital assets	(153,948)	-	(153,948)
Miscellaneous income	1,781	-	1,781
Transfers	(60,000)	60,000	-
Total revenues	**48,547,874**	**932,224**	**49,480,098**
Expenses:			
Instruction	24,678,155	-	24,678,155
Support services	14,888,163	-	14,888,163
Non-instructional services	1,752,775	-	1,752,775
Interest on long-term debt	2,948,707	-	2,948,707
Unallocated depreciation expense	3,063,464	-	3,063,464
Food services	-	949,621	949,621
Total expenses	47,331,264	949,621	48,280,885
Change in Net Position	**$ 1,216,610**	**$ (17,397)**	**$ 1,199,213**

Fiscal Year Ended June 30, 2017
Change in Net Position

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	$ 27,950	$ 557,458	$ 585,408
Operating grants and contributions	6,315,152	294,144	6,609,296
Capital grants and contributions	-	-	-
General revenues:			
Property taxes	32,518,060	-	32,518,060
Other taxes	4,938,644	-	4,938,644
Grants, subsidies/contributions, unrestricted	2,059,938	-	2,059,938
Investment earnings	98,726	603	99,329
Gain on sale of capital assets	-	-	-
Miscellaneous income	6,419	-	6,419
Transfers	-	-	-
Total revenues	**45,964,889**	**852,205**	**46,817,094**
Expenses:			
Instruction	24,684,443	-	24,684,443
Support services	15,014,515	-	15,014,515
Non-instructional services	1,734,199	-	1,734,199
Interest on long-term debt	3,177,993	-	3,177,993
Unallocated depreciation expense	3,078,769	-	3,078,769
Food services	-	929,327	929,327
Total expenses	47,689,919	929,327	48,619,246
Change in Net Position	**$ (1,725,030)**	**$ (77,122)**	**$ (1,802,152)**

The information labeled Table 3 shows the School District's largest functions as well as each program's net cost (total cost, less revenue generated by the activity). This table also shows the net costs offset by the other grants to articulate the remaining financial needs for these activities, which must be supported by local taxes and other miscellaneous revenue.

Table 3
Fiscal Year Ended June 30, 2018
Governmental Activities

Functions/Programs	Total Cost of Services	Net Cost of Services
Instruction	$ 24,678,155	$ 20,426,936
Support services	14,888,163	12,973,341
Non-instructional services	1,752,775	1,497,363
Interest on long-term debt	2,948,707	2,257,598
Unallocated depreciation expense	3,063,464	3,063,464
Total governmental activities	**$ 47,331,264**	40,218,702
Less:		
Unrestricted grants, subsidies		2,100,399
Total Needs from Local Taxes and Other Revenues		**$ 38,118,303**

Financial Analysis of the School District's Funds

As previously noted, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, an unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported combined ending fund balances of $12,459,769. Approximately, 27.1 percent or $3,376,169 of this total amount constitutes unassigned fund balance, which is available for spending at the School District's discretion. The remainder of the fund balance is restricted to indicate that it is not available for new spending, because it has already been constrained for future pension contributions, capital projects, interfund advance receivable, and prepaid expenses.

The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $3,376,169, while the total fund balance amounted to $7,353,977. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to the total fund expenditures. The unassigned fund balance represents 7.01 percent of total General Fund expenditures, while the total fund balance represents 15.27 percent of that same amount.

The fund balance of the School District's General Fund increased by $336,686 during the current fiscal year.

The Capital Projects Fund has a fund balance of $4,978,033, of which $4,978,033 is committed for future capital needs of the School District.

Proprietary Funds - The School District's business-type activities provide the same type of information found in the government-wide financial statements.

Net position of the Food Service Fund at the end of the year resulted in a balance of $651,277. Total net position decreased by $17,397. Management is committed and continues to implement different strategies that will make the School District's food service operation self-sustaining.

General Fund Budgetary Highlights - The School District's budget is prepared according to the laws of the Commonwealth of Pennsylvania (Commonwealth) and is based on the modified accrual system of accounting. The most significant fund in the School District's financial statements is the General Fund.

During the current fiscal year, the School Board authorized revisions to the original budget to accommodate differences from the original budget to actual expenditures of the School District. The budgeting systems are designed to tightly control budgets by administrators responsible for their respective accounts. Internal control procedures are built into the system by requiring purchase orders, which are approved at several levels, and with required signatures for all budget transfers and payment of expenditures. A schedule showing the School District's original and final budget amounts compared with the amounts actually paid and received is provided on pages 54 and 55.

For the General Fund, revenues and other financing sources were higher than budgeted amounts by $469,696 or 0.98 percent. The District received final approval of debt service reimbursements for the Middle School Project totaling approximately $162,000. Real Estate and Earned Income Tax collections were also higher than budgeted.

General Fund expenditures and other financing uses for the School District totaled $48,153,320 for the current fiscal year and were $1,106,006 lower than budgeted. The reduction was due to some employee positions being left vacant by retirement or resignation and spending less in benefits, purchased professional services, and other purchased services. Total expenditures include interfund transfers to the Athletic Fund of $15,000, to the Food Service Fund of $60,000, and to the Capital Projects Fund of $1,128,500.

Fund Balance Analysis - The School District's General Fund balance increased by $336,686. At June 30, 2018, the Board committed $1,075,000 for future pension costs. $817,500 was assigned for future pension contributions, $250,000 assigned for future healthcare costs, and $1,500,000 assigned for facilities, equipment, and technology purchases. The fund balance is within acceptable guidelines established by the Commonwealth.

The School District will continue to monitor operations keeping this fund balance within acceptable levels.

Table 4
Fiscal Years Ended June 30, 2018 and 2017
Summary of Governmental Change in General Fund Balance

	June 30, 2018	June 30, 2017
Beginning General Fund Balance	$ 7,017,291	$ 7,259,018
Net Change in Fund Balance	336,686	(241,727)
Ending General Fund Balance	$ 7,353,977	$ 7,017,291

Capital Asset and Debt Administration

Capital Assets - At June 30, 2018, the School District had $76,279,100 invested in a broad range of capital assets, including land, buildings and system, improvements, construction in progress, machinery and equipment, technology infrastructure, text and library books, and vehicles. This amount represents a net increase (including additions, deletions, and depreciation) of $6,218,068 or 8.89 percent from last year.

The significant additions to capital assets was from the purchase of properties as a potential future site of a new high school facility totaling approximately $8.4 million. The School District had started two major projects, the upgrade of the School District's network infrastructure and the replacement of the HVAC chiller unit at Osborne Elementary, which added approximately $1.3 million to the capital asset balance as of June 30, 2018. The School District sold two properties carried at approximately $400,000 and applied the current year depreciation, both of which decreased the capital asset balance. Additional information on the School District's capital assets can be found in the notes to financial statements on page 26 of this report.

Long-term Debt - At the end of the current fiscal year, the School District had total bonded outstanding debt of $66,442,718. This debt is comprised of various bond issues, which were to provide renovation and additions to the high school and middle school (1997-1998 and 2011-2012), as well as Edgeworth and Osborne elementary schools (2005-2007). The District issued General Obligation Bonds in the amount of $9,915,000 during the 2017-2018 fiscal year for the acquisition of property previously noted and for various other capital project needs throughout the School District. After application of principal payments made during the year, the net increase to outstanding debt was $6,087,379.

The School District's total debt obligations (including accrued compensated absences, net pension liability, and net OPEB liability) total $151,713,520. Additional information can be found in notes to financial statements on page 27 of this report.

The School District maintains an "Aa2" insured rating from Moody's. Additional information on the School District's long-term debt can be found in the notes to financial statements on pages 27 through 30 of this report.

Economic Factors and Next Year's Budgets and Rates

The School District, encompassing a land area of 24.2 square miles, is located in Allegheny County along the Ohio River, 12 miles northwest of Pittsburgh, Pennsylvania. The School District altogether serves approximately 2,000 students from 11 municipalities: Aleppo Township, Bell Acres Borough, Edgeworth Borough, Glenfield Borough, Glen Osborne Borough, Haysville Borough, Leet Township, Leetsdale Borough, Sewickley Borough, Sewickley Heights Borough, and Sewickley Hills Borough.

Our elected officials and administration considered many factors when setting the School District's fiscal year 2017-2018 budget. The largest economic impact for future budgets will be the increases in salaries, health benefits, charter school tuition, and employer contributions to the Public School Employees' Retirement System (PSERS). The School District has positioned itself with committed and assigned fund balance for some of the increases in the retirement contribution rates and health care costs.

Our elected officials and administration considered many factors when setting the School District's fiscal year 2017-2018 budget. The largest economic impact for future budgets will be the increases in salaries, health benefits, charter school tuition, and employer contributions to the Public School Employees' Retirement System (PSERS) and capital needs for a high school facility. The School District has positioned itself with committed and assigned fund balance for some of the increases in the retirement contribution rates and health care costs.

The revenue budget for fiscal year 2018-2019 is $1,527,257 more than the budget for the 2017-2018 fiscal year. This represents a 3.18 percent increase in budgeted revenues. Real estate revenue was increased from new development within the School District, as well as an increase in the millage rate of 0.5077. Allegheny County reassessed the real estate values in 2013-2014. The School District continues to have appeal hearings on assessments from the prior year reassessment, but the development of business and residential assessments appears to keep increasing the tax base.

The expenditure budget for fiscal year 2018-2019 is $818,782 more than the budget for the 2017-2018 fiscal year. The majority of the increase is due to contractual and mandated personnel salary and benefit annual increases and an increase in debt service for the 2017 General Obligation Bonds. The remaining increase is primarily due to increases in charter school tuition rates, special education services and cost-of-living increases.

Requests for Information

This financial report is designed to provide a general overview of the School 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 Finance and Operations, Quaker Valley School District, 100 Leetsdale Industrial Drive, Suite B, Leetsdale, Pennsylvania 15056.

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QUAKER VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 16,266,698	$ 123,868	$ 16,390,566
Property taxes receivable, net of allowance for uncollectibles	2,184,121	-	2,184,121
Earned income taxes receivable	188,520	-	188,520
Internal balances	75,374	(75,374)	-
Intergovernmental receivables	1,422,787	55,916	1,478,703
Other receivables	27,230	3,166	30,396
Prepaid assets	253,218	-	253,218
Inventory	-	14,012	14,012
Capital assets not being depreciated	9,777,501	-	9,777,501
Capital assets, net of accumulated depreciation	65,940,281	561,318	66,501,599
Total Assets	96,135,730	682,906	96,818,636
Deferred Outflows of Resources			
Deferred charge on refunding	1,645,149	-	1,645,149
Deferred outflows of resources for pension	11,461,000	-	11,461,000
Deferred outflows of resources for OPEBs	678,619	-	678,619
Total Deferred Outflows of Resources	13,784,768	-	13,784,768
Liabilities			
Accounts payable and other current liabilities	433,888	67	433,955
Accrued salaries and benefits	5,372,559	-	5,372,559
Accrued interest payable	709,345	-	709,345
Unearned revenue	-	31,562	31,562
Deposits payable	252,468	-	252,468
Non-current liabilities:			
Due within one year	3,880,000	-	3,880,000
Due in more than one year	147,833,520	-	147,833,520
Total Liabilities	158,481,780	31,629	158,513,409
Deferred Inflows of Resources			
Deferred inflows of resources for pension	812,000	-	812,000
Deferred inflows of resources for OPEBs	300,062		300,062
Total Deferred Outflows of Resources	1,112,062	-	1,112,062
Net Position			
Net investment in capital assets	12,745,155	561,318	13,306,473
Restricted	1,422,452	-	1,422,452
Unrestricted	(63,840,951)	89,959	(63,750,992)
Total Net Position	$ (49,673,344)	$ 651,277	$ (49,022,067)

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

QUAKER VALLEY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

		Program Revenues			Net (Expense) Revenue and Change in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instructional services:							
Regular instruction	$ 19,236,578	$ 115,298	$ 2,093,834	$ -	$ (17,027,446)	$ -	$ (17,027,446)
Special instruction	5,239,866	-	2,023,607	-	(3,216,259)	-	(3,216,259)
Vocational instruction	198,805	-	17,973	-	(180,832)	-	(180,832)
Other instructional programs	1,886	-	507	-	(1,379)	-	(1,379)
Nonpublic programs	1,020	-	-	-	(1,020)	-	(1,020)
Total instructional services	24,678,155	115,298	4,135,921	-	(20,426,936)	-	(20,426,936)
Support services:							
Pupil personnel	1,634,899	-	146,974	-	(1,487,925)	-	(1,487,925)
Instructional staff	2,319,026	-	250,943	-	(2,068,083)	-	(2,068,083)
Administration	2,555,082	-	227,425	-	(2,327,657)	-	(2,327,657)
Pupil health	354,868	-	85,781	-	(269,087)	-	(269,087)
Business services	718,789	-	63,644	-	(655,145)	-	(655,145)
Operation of plant and maintenance services	4,244,661	130,785	381,481	-	(3,732,395)	-	(3,732,395)
Student transportation services	2,066,539	-	527,541	-	(1,538,998)	-	(1,538,998)
Central administration	820,083	-	83,320	-	(736,763)	-	(736,763)
Other support services	174,216	-	16,928	-	(157,288)	-	(157,288)
Total support services	14,888,163	130,785	1,784,037	-	(12,973,341)	-	(12,973,341)
Non-instructional services:							
Student activities	1,214,800	52,728	111,717	25,000	(1,025,355)	-	(1,025,355)
Community services	537,975	-	65,967	-	(472,008)	-	(472,008)
Total non-instructional services	1,752,775	52,728	177,684	25,000	(1,497,363)	-	(1,497,363)
Unallocated expenses - excluding direct expenses reported as a function above:							
Depreciation expense	3,063,464	-	-	-	(3,063,464)	-	(3,063,464)
Interest on long-term debt	2,948,707	-	691,109	-	(2,257,598)	-	(2,257,598)
Total governmental activities	47,331,264	298,811	6,788,751	25,000	(40,218,702)	-	(40,218,702)

(Continued)

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

QUAKER VALLEY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018
(Continued)

		Program Revenues			Net (Expense) Revenue and Change in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:							
Food service	949,621	571,113	300,506	-	-	(78,002)	(78,002)
Total Primary Government	$ 48,280,885	$ 869,924	$ 7,089,257	$ 25,000	(40,218,702)	(78,002)	(40,296,704)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net of uncollectibles					34,186,226	-	34,186,226
Earned income taxes					4,237,396	-	4,237,396
Other taxes levied for general purposes					889,036	-	889,036
Grants, subsidies, and contributions not restricted to specific programs					2,100,399	-	2,100,399
Investment earnings					234,422	605	235,027
Miscellaneous income					1,781	-	1,781
Loss on sale of capital assets					(153,948)	-	(153,948)
Transfers					(60,000)	60,000	-
Total general revenues, special item and transfers					41,435,312	60,605	41,495,917
Change in Net Position					1,216,610	(17,397)	1,199,213
Net Position:							
Beginning of year, restated					(50,889,954)	668,674	(50,221,280)
End of year					$ (49,673,344)	$ 651,277	$ (49,022,067)

(Concluded)

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

QUAKER VALLEY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2018

	General Fund	Capital Projects	Other Governmental Funds	Total
Assets				
Cash and cash equivalents	$ 12,287,632	$ 3,849,533	$ 129,533	$ 16,266,698
Taxes receivable, net	2,372,641	-	-	2,372,641
Intergovernmental receivables	1,327,155	-	-	1,327,155
Other receivables	27,230	-	-	27,230
Prepaid assets	253,218	-	-	253,218
Due from other funds	622	1,128,500	-	1,129,122
Interfund advance receivable	82,090	-	-	82,090
Total Assets	$ 16,350,588	$ 4,978,033	$ 129,533	$ 21,458,154
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	$ 432,560	$ -	$ 1,328	$ 433,888
Accrued salaries and benefits	5,372,559	-	-	5,372,559
Due to other funds	1,135,392	-	446	1,135,838
Deposits payable	252,468	-	-	252,468
Total Liabilities	7,192,979	-	1,774	7,194,753
Deferred Inflows of Resources:				
Unavailable revenue - real estate taxes	1,803,632	-	-	1,803,632
Fund Balance:				
Nonspendable:				
Prepaids	253,218	-	-	253,218
Interfund advance	82,090	-	-	82,090
Restricted:				
Grant purposes	-	-	48,783	48,783
High School Construction	-	1,373,669	-	1,373,669
Committed:				
Future pension contributions	1,075,000	-	-	1,075,000
Capital Projects	-	3,604,364	-	3,604,364
Assigned:				
Future pension contributions	817,500	-	-	817,500
Future healthcare costs	250,000	-	-	250,000
Facilities, equipment, and technology	1,500,000	-	-	1,500,000
Athletics	-	-	78,976	78,976
Unassigned	3,376,169	-	-	3,376,169
Total Fund Balance	7,353,977	4,978,033	127,759	12,459,769
Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 16,350,588	$ 4,978,033	$ 129,533	$ 21,458,154

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

QUAKER VALLEY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

YEAR ENDED JUNE 30, 2018

Total Fund Balance - Governmental Funds		$ 12,459,769
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		75,717,782
Property taxes receivable received after 60 days are not considered available soon enough to pay for the current year's expenditures and, therefore, are reported as unavailable in the funds.		1,803,632
Governmental funds report the effect of deferred charge on refunding when debt is first issued, whereas this amount is a deferred outflow and amortized in the statement of activities.		1,645,149
Accrued interest payable is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds.		(709,345)
Reimbursements due from governmental grantors for accrued debt service expenditures are not recorded in the funds, as the related debt service expenditures are not recorded until paid.		95,632
The actuarially accrued net OPEB liability, net pension liability, and deferred inflows and outflows of resources for OPEBS and pension for the School District's employees are not recorded on the fund financial statements.		(73,137,870)
Long-term liabilities, including bonds payable, are not due and payable in the current year and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds payable	$ (64,617,776)	
Unamortized discount/premium	(1,824,942)	
Compensated absences	(1,105,375)	(67,548,093)
Total Net Position - Governmental Activities		$ (49,673,344)

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

QUAKER VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2018

	General Fund	Capital Projects	Other Governmental Funds	Total
Revenues:				
Local sources	$ 39,969,405	$ 82,687	$ 156,022	$ 40,208,114
State sources	7,522,157	-	-	7,522,157
Federal sources	980,265	-	-	980,265
Total revenues	48,471,827	82,687	156,022	48,710,536
Expenditures:				
Current:				
Instruction	24,186,735	-	-	24,186,735
Support services	14,775,944	-	64,670	14,840,614
Operation of non-instructional services	1,643,670	-	56,441	1,700,111
Capital outlay	-	9,265,150	-	9,265,150
Debt service:				
Principal and interest	6,272,801	94,990	-	6,367,791
Bond issuance costs	-	165,610	-	165,610
Total expenditures	46,879,150	9,525,750	121,111	56,526,011
Excess (Deficiency) of Revenues over Expenditures	1,592,677	(9,443,063)	34,911	(7,815,475)
Other Financing Sources (Uses):				
Bond premium	-	83,018	-	83,018
Refund of prior year's expenditures	18,179	-	-	18,179
Refund of prior year's revenues	(70,670)	-	-	(70,670)
Bond proceeds	-	9,915,000	-	9,915,000
Sale of capital assets	-	282,432	-	282,432
Transfer out to Food Service Fund	(60,000)	-	-	(60,000)
Transfers in (out)	(1,143,500)	1,128,500	15,000	-
Total other financing sources (uses)	(1,255,991)	11,408,950	15,000	10,167,959
Net Change in Fund Balance	336,686	1,965,887	49,911	2,352,484
Fund Balance:				
Beginning of year	7,017,291	3,012,146	77,848	10,107,285
End of year	$ 7,353,977	$ 4,978,033	$ 127,759	$ 12,459,769

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

QUAKER VALLEY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

Net Change in Fund Balance - Governmental Funds		$ 2,352,484
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year:		
Capital asset additions	$ 9,785,550	
Less: depreciation expense	(3,063,464)	6,722,086
Some taxes and state grants will not be collected for several months until after Quaker Valley School District's (School District) year-end; they are not considered "available" revenues in the governmental funds. The unavailable revenue changed by this amount during the year.		121,956
The net effect of various transactions involving capital assets (i.e., sales and donations).		(436,380)
The issuance of long-term obligations (e.g., bonds, leases, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.		(6,361,570)
Interest on long-term obligations in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The difference between interest accrued in the statement of activities over the amount due is shown here.		(51,754)
In the statement of activities, certain operating expenses (compensated absences, other postemployment benefits, and pension benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.		(1,130,212)
Change in Net Position of Governmental Activities		$ 1,216,610

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

QUAKER VALLEY SCHOOL DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUND

JUNE 30, 2018

		Enterprise Fund Food Service
Assets		
Current assets:		
Cash and cash equivalents	$	123,868
Intergovernmental receivables		55,916
Other receivables		3,166
Due from other fund		6,716
Inventory		14,012
Total current assets		203,678
Non-current assets:		
Machinery and equipment		1,251,182
Less accumulated depreciation		(689,864)
Total non-current assets		561,318
Total Assets	$	764,996
Liabilities and Net Position		
Liabilities:		
Accounts payable	$	67
Unearned revenue		31,562
Interfund advance payable		82,090
Total Liabilities		113,719
Net Position:		
Net investment in capital assets		561,318
Unrestricted		89,959
Total Net Position		651,277
Total Liabilities and Net Position	$	764,996

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

QUAKER VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUND

YEAR ENDED JUNE 30, 2018

	Enterprise Fund Food Service
Operating Revenues:	
Food service revenue	$ 571,113
Operating Expenses:	
Salaries	297,723
Employee benefits	196,832
Other purchased services	1,655
Food	304,292
Supplies	63,302
Equipment	18,179
Depreciation	67,638
Total operating expenses	949,621
Net Operating Loss	(378,508)
Non-Operating Revenues:	
State subsidies	71,386
Federal revenues	186,164
Donated commodities	42,956
Interest income	605
Total non-operating revenues	301,111
Income (loss) before transfer in	(77,397)
Transfer in	60,000
Change in Net Position	(17,397)
Net Position:	
Beginning of year	668,674
End of year	$ 651,277

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

QUAKER VALLEY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

YEAR ENDED JUNE 30, 2018

	Enterprise Fund Food Service
Cash Flows From Operating Activities:	
Receipts from users	$ 571,668
Payments to employees	(494,555)
Payments to suppliers	(346,815)
Net cash provided by (used in) operating activities	(269,702)
Cash Flows From Financing Activities:	
Operating transfers	12,182
Federal subsidies	138,076
State subsidies	66,825
Net cash provided by (used in) financing activities	217,083
Cash Flows From Investing Activities:	
Interest income	605
Net Increase (Decrease) in Cash and Cash Equivalents	(52,014)
Cash and Cash Equivalents:	
Beginning of year	175,882
End of year	$ 123,868

(Continued)

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

QUAKER VALLEY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

YEAR ENDED JUNE 30, 2018
(Continued)

Reconciliation of Net Operating Loss to Net Cash Provided by (Used in) Operating Activities:		
Net operating loss	$	(378,508)
Adjustments to reconcile net operating loss to net cash provided by (used in) operating activities:		
Donated commodities		42,956
Depreciation		67,638
Change in assets and liabilities:		
Due from other funds		(511)
Other receivables		(1,750)
Inventory		43
Accounts payable		(125)
Unearned revenue		555
Net cash provided by (used in) operating activities	$	(269,702)

(Concluded)

Non-Cash Financing Transaction:

The Food Service Fund received donated commodities from the Department of Agriculture in the amount of $42,521 during the year.

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

QUAKER VALLEY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2018

	Agency Fund
Assets	
Cash and cash equivalents	$ 115,507
Liabilities	
Other current liabilities	$ 115,507

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

1. Summary of Significant Accounting Policies

The financial statements are prepared in accordance with the accounting system and procedures prescribed for school districts by the Commonwealth of Pennsylvania, Department of Education, which conforms to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

Reporting Entity

In evaluating the Quaker Valley School District (School District) as a primary government, management has addressed all potential component units. Consistent with applicable guidance, the criteria used by the School District to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given situation, the School District reviews the applicability of the following criteria:

1. Organizations that make up the legal entity.

2. Legally separate organizations if the Commissioners appoint a voting majority of the organization’s governing body and the School District is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the School District.

    a. Impose its Will - If the School District can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.

    b. Financial Benefit or Burden - Exists if the School District (1) is entitled to the organization's resources, (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization, or (3) is obligated in some manner for the debt of the organization.

3. Organizations that are fiscally dependent on the School District. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the School District.

4. In management’s judgment, exclusion of the component unit would render the financial statements misleading.

None of the potential component units evaluated meets the above criteria.

Related Organization

The Sewickley Public Library (Library) has a separately appointed Board and provides services to residents, generally within the geographic boundaries of the School District. During fiscal year 2018, the School District contributed $525,000 to the Library.

The Library is excluded from the reporting entity because it is not considered fiscally dependent on the School District for the following reasons: (1) the Library receives funds from state and county governments and (2) the School District does not appoint a majority of the Library's Board or approve the Library's budget.

Joint Venture

The Parkway West Career and Technology Center and related Authority, as described more fully in Note 9, is considered a non-equity joint venture of the School District. Accordingly, the School District's net investment and share of operating results are not included in the School District's financial statements. Separate audited financial statements are available in the School District's business office.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the School District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of net position presents the financial condition of the governmental and business-type activities of the School District at year-end. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not considered program related revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual proprietary fund are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for real estate revenues and 30 days for all other revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to pensions, other post-employment benefits, compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

State and federal grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Deferred inflows of resources reported on the governmental funds balance sheet arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the unavailable revenue is removed as a deferred inflow of resources and the revenue is recognized.

Unearned revenues arise when resources are received by the School District before it has legal claim to them, such as when intergovernmental funds are received prior to the occurrence of qualifying expenditures. During subsequent periods, when the School District has a legal claim to the resources, the unearned revenue is removed as a liability and the revenue is recognized.

The School District reports the following major governmental funds:

The General Fund is the School 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 the acquisition and construction of the government's major capital facilities, including the new high school construction, other than those financed by proprietary funds.

Additionally, the School District reports the following other governmental funds:

Special Revenue Funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes. The Special Revenue Funds utilized by the School District are the Athletics Fund and the Grant Fund.

The School District reports the following major proprietary fund:

The Food Service Fund is authorized under Section 504 of the Public School Code of 1949 to account for all revenues and expenses pertaining to cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (i.e., expenses, including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the School District reports the following fiduciary fund type:

> The School District's Agency Fund is used to account for assets held by the School District in a trustee capacity for student activities. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District's Food Service Fund are charges to customers for the sale of food. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Deposits and Investments

For the purposes of the statement of cash flows, the School District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition and pooled funds investments subject to daily withdrawal.

Investments are stated at fair value. The School District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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 "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All tax receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied as of July 1 on property values assessed as of the same date. The billings are considered past due on November 1, and penalties and interest are assessed.

Inventory and Prepaid Items

Textbooks and library books are recorded as instructional expenditures of the General Fund when purchased and recorded as capital assets in the government-wide financial statements.

Inventories of the Food Service Fund, consisting of food and paper supplies, are carried at cost using the first-in, first-out method. Federal donated commodities are valued at their fair market value as determined by the U.S. Department of Agriculture at the date of donation.

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

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than $5,000. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Assets	Years
Buildings	30 - 50
Building improvements	20
Vehicles	5 - 10
Office equipment	3 - 20
Computer equipment	5 - 10
Food service equipment	6 - 12
Text and library books	5 - 10

Compensated Absences

The School District accrues for certain accumulated employee benefits, such as unpaid sick days and retirement bonuses. The amount of the accrual is based on the sick and retirement payments which are expected to be paid to employees upon their termination or retirement from the School District. These amounts are reflected as long-term liabilities unless retirements are likely within the upcoming fiscal year. The entire accumulated employee benefits liability is reported on the government-wide financial statements, and the current portion of the liability is reported within accrued salaries and benefits in the fund statements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the related bonds. Bonds are reported net of the applicable bond premium or discount.

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

In the government-wide financial statements, long-term liabilities related to postemployment benefits, including pensions, health insurance, and life insurance are calculated based on actuarial valuations as described in Notes 8, 9, and 10.

Refunding Transactions

In accordance with applicable guidance, the excess of the reacquisition price over the net carrying amount of refunded debt is recorded as a deferred outflow of resources on the statements of net position and amortized as a component of interest expense over the shorter of the term of the refunding issue or the refunded bonds.

Deferred Inflows and Outflows of Resources Related to Pensions and OPEBS

In conjunction with pension and OPEB accounting requirements, differences between expected and actual experience, changes in assumptions, the effect of the change in the School District's proportion, the net difference between expected and actual investment earnings, and payments made to the plans subsequent to the measurement date are recorded as a deferred inflow or outflow of resources related to pensions or a deferred inflow or outflow of resources related to OPEBs on the government-wide financial statements. These amounts are determined based on the actuarial valuation performed for each plan. Notes 8 through 10 present additional information about the School District's pension and OPEB plans.

Fund Balance

In the fund financial statements, governmental funds report fund balance in categories based on the level of restriction placed upon the funds. These levels are as follows:

- Nonspendable – This category represents funds that are not in spendable form and includes such items as prepaid expenditures and long-term interfund advances.

- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties.

- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the School Board. Such commitment is made via a School Board resolution and must be made prior to the end of the fiscal year. Removal of this commitment requires a School Board resolution.

- Assigned – This category represents intentions of the School Board to use the funds for specific purposes. Such assignment is made by the Director of Finance and Operations, but approval is obtained from the School Board for all such assignments.

- Unassigned – This category represents all other funds not otherwise defined.

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

Net Position

The government-wide and proprietary fund financial statements are required to report three components of net position:

Net investment in capital assets - The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.

Restricted - The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. As of June 30, 2018, the School District had restrictions relating to the new high school construction and grant funds.

Unrestricted - The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

403(b) Retirement Plan

Employees of the School District may participate in a 403(b) retirement plan. Contributions are made under a Salary Reduction Agreement with the School District. This agreement allows the School District to withhold money from the employee's paycheck to be contributed directly into a 403(b) account. The School District does not contribute to this plan. Maximum contributions follow the limits given by the Internal Revenue Service.

Adoption of Accounting Pronouncements

Governmental Accounting Standards Board (GASB) Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,"* was adopted in the current year by the School District. As a result of this implementation, the government-wide net position as of July 1, 2017 was restated with a decrease of $10,248,970 to record the School District's proportionate share of PSERS' net OPEB liability and to record the School District's total OPEB liability as it relates to their post-employment benefits plan. Both OPEB liabilities are further described in Notes 9 and 10.

The following GASB statements were also adopted for the year ended June 30, 2018: Statement Nos. 81 (Split-Interest Agreements), 82 (Pensions; requirements of paragraph 7), 85 (Omnibus), and 86 (Certain Debt Extinguishment issues). These statements had no significant impact on the School District's financial statements for the year ended June 30, 2018.

Pending Pronouncements

GASB has issued several statements that will become effective in future years including Statement Nos. 83 (Certain Asset Retirement Obligations), 84 (Fiduciary Activities), 87 (Leases), 88 (Certain Debt Disclosures), 89 (Interest Costs before the End of a Construction Period), and 90 (Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61). Management has not yet determined the impact of these statements on the School District's financial statements.

2. Cash and Cash Equivalents

Under Section 440.1 of the Public School Code of 1949, as amended, the School District is permitted to invest funds consistent with sound business practices in the following types of investments:

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

Deposits in savings accounts or time deposits or share accounts of institutions insured by Federal Deposit Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.

In March 2016, Act 10 was passed which expanded the scope of investment options available to school districts including repurchase agreements, commercial paper, negotiable certificates of deposit, and banker's acceptances. The School District elected to maintain its current investment policy due to the additional risk and oversight associated with the expanded investment options under Act 10.

The deposit and investment policy of the School District adheres to state statutes and prudent business practices. Deposits of the governmental funds are either maintained in demand deposits or savings accounts, certificates of deposit, or cash equivalents held by a Trustee of the School District. There were no deposits or investments made during the year which violated either the state statutes or the policy of the School District.

The following is a description of the School District's deposit and investment risks:

Credit Risk. The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. A portion of the School District's investments are held in U.S. Government Obligations and are therefore not exposed to this type of risk. These include investments in Pennsylvania School District Liquid Asset Fund (PSDLAF) (described below), which has received a AAA rating from Standard & Poor's.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a formal deposit policy for custodial credit risk, as there is an existing requirement under Act 72 of the Pennsylvania state legislature whereby banking institutions are required to pool collateral for all governmental deposits, and have the collateral held by an approved custodian in the institution's name. As of June 30, 2018, $2,633,851 of the School District's bank balance of $2,985,419 was exposed to custodial credit risk. Deposits are collateralized in accordance with Act 72 of the Pennsylvania state legislature. These deposits have a carrying amount of $2,566,414 as of June 30, 2018.

Investments

PSDLAF and PLGIT were established as a common law trust organized under laws of the Commonwealth of Pennsylvania. Shares of the funds are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools, and municipalities. The purpose of these funds is to enable such governmental units to pool available funds for investment in instruments authorized by Section 440.1 of the Pennsylvania Public School Code of 1949, as amended. The School District's deposits in these pooled funds are not subject to direct custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. These investments are reflected as cash and cash equivalents on the balance sheet and the statement of net position. The fair value of the School District's position in the external investment pools is the same as the value of the pool shares. All investments in an external investment pool that is not SEC-registered are subject to oversight by the Commonwealth of Pennsylvania. The School District can withdraw funds from the external investment pool without limitations or fees upon adequate notice. Otherwise, breakage fees may be charged.

The School District's pooled investment funds consist of the above-noted PSDLAF and PLGIT accounts. The School District's PSDLAF and PLGIT investments have a maturity of less than 90 days, and a fair market value of $13,844,093 as of June 30, 2018. The carrying amount of the School District's investments in PSDLAF and PLGIT is $13,824,152 as of June 30, 2018.

Fiduciary Fund

The School District maintains bank accounts for the various student activities funds. The balance of these accounts is reflected in the statement of net position. Receipts and disbursements for student activities were $225,786 and $226,211, respectively, for the year ended June 30, 2018. The carrying amount of deposits for the fiduciary funds was $115,507 and the bank balance was $118,044. The entire bank balance was not covered by federal depository insurance. This uninsured bank balance is collateralized in accordance with Act 72 of the Pennsylvania State Legislature.

3. Real Estate Taxes

Real estate taxes are levied each July 1 on the assessed value listed as of the prior January 1 for all real estate located in the School District. These taxes are billed and collected by each municipality served by the School District. Taxes paid through August 31st are given a 2% discount. Amounts paid after October 31st are assessed a 10% penalty. An outside service collects delinquent real estate taxes and handles the property liens. The lien date for the 2017/2018 levy will be November 1, 2018.

The levy for fiscal year 2018 was based on assessed value on January 1, 2017 of approximately $1.85 billion. The tax rate assessed for the year ended June 30, 2018 was equal to 18.4009 mills. General Fund property taxes receivables have been reported net of an allowance for doubtful accounts of approximately $1,221,000 at June 30, 2018.

There is an appeal process through which a taxpayer may contest the assessed value of their property. This process could result in the reduction of future assessed values and consequently a loss of tax revenues. There are outstanding appeals at June 30, 2018, the results of which have yet to be determined. The revenue recorded in the financial statements reflects the estimated amount of net real estate tax revenue for the year.

4. Capital Assets

A summary of changes in capital assets during fiscal year 2018 is as follows:

	Balance at July 1, 2017	Additions	Deletions/ Transfers	Balance at June 30, 2018
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 801,958	$ 8,489,239	$ (436,380)	$ 8,854,817
Construction in progress	203,702	718,982	-	922,684
Total capital assets, not being depreciated	1,005,660	9,208,221	(436,380)	9,777,501
Capital assets, being depreciated:				
Site improvements	4,996,996	95,640	-	5,092,636
Building and improvements	86,358,403	-	-	86,358,403
Machinery and equipment	4,570,791	315,105	-	4,885,896
Text and library books	2,035,827	166,584	(165,428)	2,036,983
Vehicles	327,547	-	-	327,547
Total capital assets, being depreciated	98,289,564	577,329	(165,428)	98,701,465
Less: accumulated depreciation for:				
Site improvements	(2,828,085)	(347,355)	-	(3,175,440)
Building and improvements	(21,935,279)	(2,232,587)	-	(24,167,866)
Machinery and equipment	(3,275,931)	(297,673)	-	(3,573,604)
Text and library books	(1,638,463)	(148,847)	165,428	(1,621,882)
Vehicles	(185,390)	(37,002)	-	(222,392)
Total accumulated depreciation	(29,863,148)	(3,063,464)	165,428	(32,761,184)
Capital assets being depreciated, net	68,426,416	(2,486,135)	-	65,940,281
Governmental activities capital assets, net	$ 69,432,076	$ 6,722,086	$ (436,380)	$ 75,717,782

Depreciation expense was not allocated for the year ended June 30, 2018.

	Balance at July 1, 2017	Additions	Deletions	Balance at June 30, 2018
Business-Type Activities:				
Capital assets, being depreciated:				
Machinery and equipment	$ 1,251,182	$ -	$ -	$ 1,251,182
Less: accumulated depreciation for:				
Machinery and equipment	(622,226)	(67,638)	-	(689,864)
Business-type activities capital assets, net	$ 628,956	$ (67,638)	$ -	$ 561,318

5. Long-Term Obligations

The Series B of 1997 General Obligation Bonds (1997 Bonds) were issued for the purpose of financing various capital and technology projects of the School District, which consisted of renovations and additions to the School District's Middle School and High School. The 1997 Bonds were composed of the Current Interest Bonds and the Capital Appreciation Bonds. The Current Interest Bonds bear interest at rates ranging from 4.15% to 4.40%. The Capital Appreciation Bonds accrue and compound interest on an annual basis and are carried at cost plus interest.

During July 2008, the School District issued Series 2008 A General Obligation Bonds in the amount of $10,065,000, for the purpose of currently refunding the School District's Series of 1998 General Obligation Bonds. The Series 2008 A General Obligation Bonds bear interest at rates ranging from 3.00% to 5.00%. Payments are due semi-annually on the Series 2008 A General Obligation Bonds through October 2018.

On July 1, 2010, the School District issued Series 2010 B (Federally Taxable Build America Bonds – Direct Payment) General Obligation Bonds in the amount of $22,745,000 to be used for renovations and additions to the School District Middle School. The Series 2010 B (Federally Taxable Build America Bonds – Direct Payment) General Obligation Bonds bear interest at rates ranging from 5.30% to 6.06%. The School District elected to receive a credit payment from the federal government equal to 35% (less sequestration reduction rate) of each interest payment on the Series 2010 B Bonds. The credit payment will be paid directly to the School District as required under the Recovery Act. Principal payments are due annually on the Series 2010 B Bonds beginning in October 2020 through October 2036. Interest is due semi-annually in October and April on Series B.

In November 2014, the School District issued Series 2014 General Obligation Bonds in the amount of $8,355,000, to advance refund Series B of 2005 General Obligation Bonds and advance refund Series of 2011 General Obligation Bonds. The Series 2014 General Obligation Bonds bear interest at rates ranging from .25% to 3.00%. Principal payments are due annually on the Series 2014 Bonds through April 2025. Interest is due semi-annually in April and October.

In December 2014, the School District issued Series 2015 General Obligation Bonds in the amount of $20,630,000, to currently refund Series A of 2005 General Obligation Bonds. The Series 2015 General Obligation Bonds bear interest at rates ranging from .25% to 5.00%. Principal payments are due annually on the Series 2015 Bonds through October 2024. Interest is due semi-annually in April and October. The refunding resulted in a deferred charge on refunding of $2,741,913 which is being amortized over the life of the refunded debt. The unamortized balance of the deferred charge on refunding is $1,645,149 at June 30, 2018.

In January 2016, the School District issued Series 2016 General Obligation Bonds in the amount of $6,700,000, to currently refund Series A of 2010 General Obligation Bonds and advance refund Series A of 2011 General Obligation Bonds. The Series 2016 General Obligation Bonds bear interest at rates ranging from .400% to 2.375%. Principal payments are due annually on the Series 2016 Bonds through October 2026. Interest is due semi-annually in April and October.

During November 2017, the School District issued Series 2017 General Obligation Bonds in the amount of $9,915,000, for the acquisition of property and related site development costs for a new high school and various capital projects within the School District. The Series 2017 General Obligation Bonds bear interest at rates ranging from 2.25% to 4.00%. Payments are due semi-annually on the Series 2017 General Obligation Bonds through April 2037.

Changes in the School District's long-term liabilities for the year ended June 30, 2018 were as follows:

	Balance at July 1, 2017	Additions	Deletions	Balance at June 30, 2018	Amounts Due Within One Year
Series of 1997 B	$ 3,013,250	$ 174,526	$ (5,000)	$ 3,182,776	$ 10,000
Series of 2008 A	2,170,000	-	(1,060,000)	1,110,000	1,110,000
Series of 2010	22,745,000	-	-	22,745,000	-
Series of 2014	6,880,000	-	(705,000)	6,175,000	720,000
Series of 2015	16,895,000	-	(1,800,000)	15,095,000	1,510,000
Series of 2016	6,510,000	-	(115,000)	6,395,000	155,000
Series of 2017	-	9,915,000	-	9,915,000	375,000
Unamortized discount	(127,555)	-	7,087	(120,468)	-
Unamortized premium	2,269,644	-	(324,234)	1,945,410	-
	60,355,339	10,089,526	(4,002,147)	66,442,718	3,880,000
Net OPEB liability	12,492,187 *	-	(137,760)	12,354,427	-
Net pension liability	72,155,000	-	(344,000)	71,811,000	-
Accumulated employee benefits	1,035,298	70,077	-	1,105,375	-
	$ 146,037,824	$ 10,159,603	$ (4,483,907)	$ 151,713,520	$ 3,880,000

* - restated as of July 1, 2017

Additions to the General Obligation Bond Series of 1997 B are the increase in accreted value for fiscal year 2018.

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal Payment	Interest Payment	Total Payment
2019	$ 3,880,000	$ 2,722,381	$ 6,602,381
2020	3,970,000	2,582,531	6,552,531
2021	4,100,000	2,452,901	6,552,901
2022	4,220,000	2,333,036	6,553,036
2023	3,935,000	2,180,658	6,115,658
2024-2028	19,830,000	8,491,063	28,321,063
2029-2033	14,290,000	5,011,565	19,301,565
2034-2037	10,840,000	1,163,829	12,003,829
	65,065,000	26,937,964	92,002,964
Unamortized premium	1,945,410	-	1,945,410
Unamortized discount	(120,468)	-	(120,468)
Deferred interest	(447,224)	447,224	-
	$ 66,442,718	$ 27,385,188	$ 93,827,906

6. Leases and Commitments

Operating Lease

During February 2010, the School District entered into a new lease for office space. The term of the lease is for ten years commencing on July 1, 2010 and ending on June 30, 2020. The general terms of the lease require the lessor to provide for utilities, building repairs, and maintenance. During July 2015, the School District entered into a new four-year lease for copiers ending July 28, 2019. Payments under the leases totaled $180,884 during fiscal year 2018.

The total minimum future commitments under the leases for the year ended June 30, 2018 are as follows:

2019	$ 183,204
2020	124,900
	$ 308,104

7. Health Consortium

The School District is one of fifty-two members of the Allegheny County Schools Health Insurance Consortium (Consortium). The Consortium is a public entity risk pool which affords health care coverage for members' employees on a pooled basis. The School District pays premiums to the Consortium based upon rates established by the trustees of the Consortium. The Consortium establishes rates with the objective of satisfying current costs and claims of covered health care services, as well as maintaining working capital requirements and a Premium Stabilization Fund for periods when actual costs of coverage exceed premiums collected from members. At the end of each fiscal year, actual claims experience is compared with premiums paid. The difference results in either a retroactive refund or charge. Included in the retroactive refund/charge is a calculation for the reserve needed to cover expenses incurred but not yet reported by health providers. Any retroactive charge may be paid from the Premium Stabilization Fund, up to ten percent of total premiums paid. The remainder may be charged to the Schools. At June 30, 2018, the Consortium's net assets available for benefits approximated $64 million. The School District’s share of this amount is approximately $937,000. The Consortium also maintains a portion of the Premium Stabilization Fund to cover potential future catastrophic losses. Independent insurance coverage for catastrophic losses is not maintained by the Consortium or the School District.

The School District paid premiums during the year of approximately $3.6 million. The Consortium's agreement permits participants to withdraw from the Consortium under specified terms. In such an event, the withdrawing member is entitled to or responsible for a proportionate share of the Consortium fund balance or deficit as determined on the date of withdrawal.

8. Public School Employees’ Retirement System (PSERS)

Plan Description

PSERS administers a governmental cost-sharing, multi-employer defined benefit pension plan (Pension Plan) and a governmental cost-sharing, multi-employer defined benefit Health Insurance Premium Assistance Program (Premium Assistance), an OPEB plan, to public school employees of the Commonwealth of Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Employees eligible for PSERS benefits include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania.

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

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the PSERS Health Options Program or an employer-sponsored health insurance program.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions or OPEBs, pension expense, and OPEB expense, information about the fiduciary net position of 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 (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability and the net OPEB liability are recorded as governmental activities expected to be paid from the General Fund.

Benefits Provided – Pension Plan

Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes: Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of three 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. Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. 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 T-F members, the right to benefits is vested after ten years of service.

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

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.

Benefits Provided – Premium Assistance

Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible annuitants are entitled to receive Premium Assistance payments equal to the lesser of $100 per month or their out-of-pocket monthly health insurance premium. As of June 30, 2017, there were no assumed future benefit increases to participating eligible retirees.

Member Contributions

The following illustrates the member's contribution as a percent of the member's qualifying compensation:

- Active members who joined PSERS prior to July 22, 1983:
    - Membership Class T-C 5.25%
    - Membership Class T-D 6.50%

- Members who joined PSERS on or after July 22, 1983, and who were active or inactive as of July 1, 2001:
    - Membership Class T-C 6.25%
    - Membership Class T-D 7.50%

- Members who joined PSERS after June 30, 2001, and before July 1, 2011:
    - Membership Class T-D 7.50%

- Members who joined PSERS after June 30, 2011:
    - Membership Class T-E* 7.50%
    - Membership Class T-F** 10.30%

  * Shared risk program could cause future contribution rates to fluctuate between 7.50% and 9.50%.

  ** Shared risk program could cause future contribution rates to fluctuate between 10.30% and 12.30%.

Employer Contributions

The School District's contractually required PSERS contribution rate for fiscal year ended June 30, 2018 was 32.57% 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. This rate is composed of a 31.74% rate for the Pension Plan and a 0.83% rate for the Premium Assistance.

The combined rate for the fiscal year ended June 30, 2018 was an increase from the fiscal year ended June 30, 2017 combined rate of 30.03%. The combined contribution rate will increase to 33.43% in fiscal year 2019 and is projected to grow to 36.32% by fiscal year 2023.

The School District remits contributions to PSERS on a quarterly basis. Approximately $2.45 million is owed to PSERS as of June 30, 2018, which represents the School District's required contribution for the end-of-year payroll. The School District's contributions which were recognized by PSERS for the year ended June 30, 2018 were as follows:

Pension Plan	$ 6,246,000
Premium Assistance	163,332
Total	$ 6,409,332

In accordance with Act 29, the Commonwealth of Pennsylvania reimburses school districts for at least one-half of contributions made to PSERS. The School District recorded reimbursements from the Commonwealth approximating $3.1 million during the current year. Because the Commonwealth payments are received as a reimbursement, and are not made directly to PSERS, they do not qualify as a special funding situation.

Proportionate Share

The School District's proportion of PSERS' net pension liability and PSERS' net OPEB liability were calculated utilizing the School District's one-year reported covered payroll as it relates to PSERS' total one-year reported covered payroll. At June 30, 2017 (measurement date), the School District's proportion was .1454%, which was a decrease of .0002% from its proportion measured as of June 30, 2016.

9. Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2018, the School District reported a liability of $71,811,000 for its proportionate share of PSERS' net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2016 to June 30, 2017.

For the year ended June 30, 2018, the School District recognized pension expense of $7,822,452. At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 749,000	$ 434,000
Changes in assumptions	1,951,000	-
Net difference between projected and actual earnings on pension plan investments	1,664,000	-
Changes in proportion	851,000	378,000
School District contributions subsequent to the measurement date	6,246,000	-
Total	$ 11,461,000	$ 812,000

$6,246,000 reported as deferred outflows of resources resulting from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. 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:		
2019	$	1,103,000
2020		2,044,000
2021		1,506,000
2022		(250,000)
Total	$	4,403,000

Actuarial Assumptions

The total pension liability as of June 30, 2017 was determined by rolling forward PSERS' total pension liability as of the June 30, 2016 actuarial valuation to June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level % of pay
- Investment return – 7.25%, includes inflation at 2.75%
- Salary increases – Effective average of 5.00%, comprised of 2.75% for inflation and 2.25% for real wage growth and merit or seniority increases
- Mortality rates were 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.

Changes in Assumptions

The actuarial assumptions used in the June 30, 2016 valuation were based on the experience study that was performed for the five-year period ending June 30, 2015. The recommended assumption changes based on this experience study were adopted by the PSERS Board at its June 10, 2016 Board meeting and were effective beginning with the June 30, 2016 actuarial valuation. These changes included:

- The investment rate of return was adjusted from 7.50% to 7.25%. The inflation assumption was decreased from 3.00% to 2.75%.

- Salary growth changed from an effective average of 5.50%, which was comprised of 3.00% for inflation and 2.50% for real wage growth and for merit or seniority increases, to an effective average of 5.00%, comprised of 2.75% for inflation and 2.25% for real wage growth and for merit or seniority increases.
- Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back 3 years for both males and females to 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. For disabled annuitants, the RP-2000 Combined Disabled Tables (male and female) with age set back 7 years for males and 3 years for females to 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.

Changes in Benefit Terms

With the passage of Act 5 on June 12, 2017, vested Class T-E and Class T-F members can now withdraw their accumulated contributions and interest from the Members' Savings Account upon their retirement. In addition, members hired on or after July 1, 2019 will be required to select one of three new plan design options: either one of two side-by-side hybrid defined benefit/defined contribution plans or a stand-alone defined contribution plan. No changes will be made to retirement benefits for current employees, but they would have the option to choose one of the new plan designs.

Pension Plan Investments

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public entity	20.0%	5.1%
Fixed income	36.0%	2.6%
Commodities	8.0%	3.0%
Absolute return	10.0%	3.4%
Risk parity	10.0%	3.8%
Infrastructure/MLPs	8.0%	4.8%
Real estate	10.0%	3.6%
Alternative investments	15.0%	6.2%
Cash	3.0%	0.6%
Financing (LIBOR)	-20.0%	1.1%
	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the contributions from plan members will be made at the current contribution rate and that the contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District’s Proportionate Share of PSERS’ Net Pension Liability to Changes in the Discount Rate

The following presents the School District’s proportionate share of PSERS’ net pension liability calculated using the discount rates described above, as well as what the School District’s proportionate share of PSERS’ net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of PSERS' net pension liability	$ 88,393,000	$ 71,811,000	$ 57,811,000

Pension Plan Fiduciary Net Position

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

10. Net OPEB Liability, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

The School District maintains two separate OPEB plans – the Premium Assistance previously described in Note 8 and the School District’s retiree plan described below. At June 30, 2018, the School District reported a net OPEB liability composed of the following:

School District's proportionate share of PSERS' net OPEB liability	$ 2,962,000
School District's total OPEB liability for its retiree plan	9,392,427
Net OPEB liability	$ 12,354,427

PSERS’ net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate PSERS’ net OPEB liability was determined by rolling forward PSERS’ total OPEB liability as of June 30, 2016 to June 30, 2017. The School District’s retiree plan’s total OPEB liability was measured as of June 30, 2016, and the total OPEB liability used to calculate the retiree plan's total OPEB liability was determined by rolling forward the retiree plan's total OPEB liability as of July 1, 2016 to June 30, 2017.

For the year ended June 30, 2018, the School District recognized OPEB expense as follows:

OPEB expense related to PSERS Premium Assistance	$ (35,000)
OPEB expense related to School District's retiree plan	741,937
Total OPEB expense	$ 706,937

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources:	PSERS Premium Assistance	School District's Retiree Plan	Total Deferred Outflows of Resources
Differences between expected and actual experience	$ -	$ -	$ -
Changes in assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	3,000	-	3,000
Changes in proportion	-	-	-
School District contributions subsequent to the measurement date	163,332	512,287	675,619
Total	$ 166,332	$ 512,287	$ 678,619

Deferred Inflows of Resources:	PSERS Premium Assistance	School District's Retiree Plan	Total Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -	$ -
Changes in assumptions	138,000	158,062	296,062
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion	4,000	-	4,000
Total	$ 142,000	$ 158,062	$ 300,062

$163,332 reported as deferred outflows of resources resulting from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. 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:	
2019	$ (42,758)
2020	(42,758)
2021	(42,758)
2022	(42,758)
2023	(42,758)
2024	(83,272)
Total	$ (297,062)

Additional Required Disclosures for PSERS Premium Assistance

Actuarial Assumptions

The total OPEB liability as of June 30, 2017 was determined by rolling forward PSERS' total OPEB liability as of the June 30, 2016 actuarial valuation to June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level % of pay

- Investment return – 3.13% - S&P 20-year Municipal Bond Rate
- Salary increases – Effective average of 5.00%, comprised of 2.75% for inflation and 2.25% for real wage growth and 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 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
- Participation rate –
    - Eligible retirees will elect to participate pre-age 65 at 50%
    - Eligible retirees will elect to participate post-age 65 at 70%.

Changes in Assumptions

The actuarial assumptions used in the June 30, 2015 valuation determined the contribution rate for fiscal year 2017. These assumptions included:

- Actuarial cost method – Amount necessary to assure solvency of the Premium Assistance through the third fiscal year after the valuation date
- Asset valuation method – market value
- Participation rate – 63% of eligible retirees were assumed to elect the Premium Assistance
- Mortality rates for healthy annuitants and dependent beneficiaries were based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 years for both males and females. For disabled annuitants, rates were based on the RP-2000 Combined Disabled Table with age set back 7 years for males and 3 years for females.

Changes in Benefit Terms

There were no changes in benefit terms for the Premium Assistance.

OPEB Plan Investments

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

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS Board. Employer contribution rates are established to provide reserves in the Health Insurance Account that are sufficient for the payment of the Premium Assistance for each succeeding year. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	76.4%	0.6%
Fixed income	23.6%	1.5%
	100.0%	

Discount Rate

The discount rate used to measure the total OPEB liability was 3.13%. Under the Premium Assistance plan's funding policy, contributions are structured for short-term funding of the Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of the 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 the 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 3.13%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2017, was applied to all projected benefit payments to measure the total OPEB liability. This previous discount rate used as of June 30, 2016 was 2.71%.

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

The following presents the School District's proportionate share of PSERS' net OPEB liability calculated using the discount rates described above, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
School District's proportionate share of PSERS' net OPEB liability	$ 3,367,000	$ 2,962,000	$ 2,626,000

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

Healthcare cost trend rates were applied to retirees receiving less than $1,200 in annual Premium Assistance. As of June 30, 2017, retirees' Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of $1,200. 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 the healthcare cost trends as depicted below.

The following presents the School District's proportionate share of PSERS' net OPEB liability calculated using current healthcare cost trend rates as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease	Current Trend	1% Increase
School District's proportionate share of PSERS' net OPEB liability	$ 2,962,000	$ 2,962,000	$ 2,963,000

OPEB Plan Fiduciary Net Position

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

Additional Required Disclosures for the School District's Retiree Plan

Plan Description

The School District administers a single-employer defined benefit healthcare plan to provide additional postemployment benefits to eligible retirees (retiree plan). The School District has not accumulated assets for the retiree plan in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75; benefits are paid on a pay-as-you-go basis.

Benefits Provided

The benefit limits and employee and employer contributions are established through employee contracts and past practices. Details of the benefits provided are as follows:

All Employees

Life Insurance will be provided for any employee who has attained 15 years with the School District. Employees who retired between July 1, 1976 and June 30, 1991 receive $2,400; employees who retired between July 1, 1991 and June 30, 2000 receive $5,000; employees who retired after July 1, 2000 received $10,000.

Administrators

Administrators who retired prior to July 1, 2009 must reach 15 years with the School District and reach age 55. Administrators who retire under the PSERS system may opt to continue medical, prescription drug, dental, and vision benefit coverages until age 70 or Medicare eligibility if School District service exceeds 35 years. If the member has reached 15 years with the School District, the member and spouse will receive full paid benefits until Medicare eligibility. The member may continue coverage under a Medicare supplement plan until age 70 and shall be reimbursed for 50% of the premiums. The member and spouse may elect dental and vision coverage by paying the full premium. If the member exceeds 35 years of service, the spouse contribution will be 50% of the premium and the member will not be eligible for post-Medicare benefits. The member must enroll to receive the PSERS supplements and forward them to the School District. If the member elects a Medicare supplement plan, the PSERS supplement will be deducted from the total premium, and then the 50% reimbursement will be calculated from the new total. If the member has not reached 15 years with the School District, the member may elect the ACT 110/43 Benefit if eligible. In the event of the member's death, the spouse may continue equal coverage at the time of the member's death.

Administrators who retired between July 1, 2009 and June 30, 2012 must reach 10 years with the School District and 20 years with PSERS. Administrators who retire under the PSERS system may opt to continue medical, prescription drug, dental, and vision benefit coverages until Medicare age. If the member has reached 10 years with the School District and 20 years with PSERS, the member and spouse will receive full paid benefits for the earlier of 10 years or Medicare eligibility, less the $100 PSERS supplement (if eligible). The member and spouse must contribute the active co-pays. The member and spouse may elect dental and vision coverage by paying the full premium. If the member has not reached 10 years with the School District and 20 years with PSERS, the member may elect the ACT 110/43 Benefit if eligible. In the event of the member's death, the spouse may continue equal coverage at the time of the member's death.

Administrators who retire between July 1, 2012 and June 30, 2015 are the same as above except the member must reach 12 years with the School District and 20 years with PSERS.

Administrators who retire after July 1, 2015 are the same as above except the member must reach five years with the School District.

Teachers

Teachers who retired prior to July 1, 2008 from the School District receive the same benefits as described above for Administrator who retired prior to July 1, 2009.

Teachers who retired between July 1, 2008 and June 30, 2015 under the PSERS system may opt to continue medical, prescription drug, dental, and vision benefit coverages until age 70 or Medicare eligibility if district service exceeds 35 years. If the member has reached 15 years with the School District and 30 years with PSERS, the member and spouse will receive full paid benefits for the earlier of 10 years or Medicare eligibility. The member and spouse must contribute the active co-pays. The member may continue coverage under a Medicare supplement plan until age 70 and shall be reimbursed for 50% of the premiums. The member and spouse may elect dental and vision coverage by paying the full premium. If the 10 years of coverage are exhausted, and the member and/or spouse have not reached Medicare age, they may continue by paying the full premium. The member must enroll to receive the PSERS supplements and forward them to the School District. If the member has not reached 15 years with the School District and 30 years with PSERS, the member may elect the ACT 110/43 Benefit if eligible. In the event of the member's death, the spouse may continue equal coverage at the time of the member's death.

Teachers who retire after July 1, 2015 receive the same as the teachers in the paragraph above except the member must reach 15 years with the School District and 30 years with PSERS.

Educational, Paraprofessionals, and Support Personnel

Educational, paraprofessionals, and support personnel who retired between January 1, 2010 and June 30, 2011 from the School District under the PSERS system may opt to continue medical, prescription drug, dental, and vision benefit coverages until Medicare age. If the member has reached 15 years with PSERS, the member will receive full paid benefits until Medicare eligibility. The School District's contributions will freeze at the 2010-2011 premium rate and the member must contribute any increase in premiums. The School District will also contribute a one-time cash payment based on the following schedule: two participants, $250 payment; three participants, $500 payment; and four or more participants, $750 payment. Alternatively, the member may elect a one-time cash payment in lieu of any coverage or reimbursement based on the following schedule: one participant, $7,500 payment; two participants, $9,000 payment; three participants, $10,000 payment; and four or more participants, $12,000 payment. If the member has reached 15 years with the School District yet has not accrued 15 years of service with PSERS, the member may elect a $2,500 cash payment. The member and spouse may elect dental and vision coverage by paying the full premium. The member must enroll to receive the PSERS supplements and forward them to the School District. If the member has not reached 15 years with PSERS, the member may elect the ACT 110/43 Benefit if eligible. In the event of the member's death, the spouse may continue equal coverage at the time of the member's death.

Educational, paraprofessionals, and support personnel who retire between January 1, 2012 and June 30, 2014 from the School District receive the same benefits as above except the member must reach 20 years with PSERS to qualify for the School District subsidy and 15 years with the School District, but not 20 years with the PSERS to qualify for the $2,500 cash payment, and the School District's contributions freeze at the 2011-2012 premium rates.

Educational, paraprofessionals, and support personnel who retired between January 1, 2015 and December 31, 2016 from the School District under the PSERS system may opt to continue medical, prescription drug, dental, and vision benefit coverages until Medicare age. If the member has reached 20 years with PSERS, the member will receive full paid benefits until Medicare eligibility. The School District's contributions will freeze at the 2014-2015 premium rate and the member must contribute any increase in premiums. In addition, the member must enroll to receive the PSERS supplement and forward it to the School District. The School District will also contribute a one-time cash payment based on the following schedule: three participants, $150 payment; and four or more participants, $200 payment. Alternatively, the member may elect a one-time cash payment in lieu of any coverage or reimbursement based on the following schedule if retiring before June 30, 2016: one participant, $9,500 payment; two to three participants, $10,000 payment; and four or more participants, $11,000 payment. If retiring after June 30, 2016, the member may elect a one-time cash payment in lieu of any coverage or reimbursement based on the following schedule: one to two participants, $5,000 payment; and three or more participants, $6,000 payment. If the member has not reached 20 years with PSERS, the member may elect the ACT 110/43 Benefit if eligible. In the event of the member's death, the spouse may continue equal coverage at the time of the member's death.

Educational, paraprofessionals, and support personnel who retired between January 1, 2017 and June 30, 2017 from the School District under the PSERS system may opt to continue medical, prescription drug, dental, and vision benefit coverages until Medicare age. If the member has reached 15 years with the School District and 20 years with PSERS, the member will receive full paid benefits until Medicare eligibility. The School District's contributions will freeze at the 2016-2017 premium rate and the member must contribute any increase in premiums. In addition, the member must enroll to receive the PSERS supplement and forward it to the School District. The School District will also contribute a one-time cash payment based on the following schedule: one to two participants, $25 payment; and three or more participants, $100 payment. Alternatively, the member may elect a one-time cash payment in lieu of any coverage or reimbursement based on the following schedule: one to two participants, $5,000 payment; and three or more participants, $6,000 payment. If the member has not reached 15 years with the School District and 20 years with PSERS, the member may elect the ACT 110/43 Benefit if eligible. In the event of the member's death, the spouse may continue equal coverage at the time of the member's death.

Educational, paraprofessionals, and support personnel who retire outside of the date ranges above from the School District are eligible under ACT 110/43. All employees are eligible under ACT 110/43 if they retire with 30 years of PSERS service or upon superannuation retirement. Retired employees under ACT 110/43 are allowed to continue coverage for themselves and dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment equal to the premium determined for the purpose of COBRA.

Food Service and Operation and Maintenance

Full-time 12-month Food Service and Operation and Maintenance employees who retire between July 1, 2014 and June 30, 2018 from the School District under the PSERS system may opt to continue medical, prescription drug, dental, and vision benefit coverages until Medicare age. If the member has reached 20 years with the School District and superannuation, the member will receive full paid benefits until Medicare eligibility. The School District's contributions will freeze at the 2014-2015 premium rate and the member must contribute any increase in premiums. In addition, the member must enroll to receive the PSERS supplement and forward it to the School District. If the member has between 10 and 20 years with the School District and superannuation, the School District will contribute $200 per month. The member and spouse are responsible for the remaining premium. If the member has not reached 10 years with the School District or superannuation, the member may elect the Act 110/43 benefit if eligible. In the event of the member's death, the spouse may continue equal coverage at the time of the member's death.

All other Food Service and Operation and Maintenance employees who retire from the School District are eligible under ACT 110/43. All employees are eligible under ACT 110/43 if they retire with 30 years of PSERS service or upon superannuation retirement. Retired employees under ACT 110/43 are allowed to continue coverage for themselves and dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment equal to the premium determined for the purpose of COBRA.

At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	179
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	262
	441

These benefits are expensed when incurred and are financed on a pay-as-you-go basis. For the year ended June 30, 2018, the School District recognized $547,635 for current premiums.

Actuarial Assumptions

The total OPEB liability was determined as of the June 30, 2016 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal
- Investment return – 3.13% - S&P 20-year Municipal Bond Rate
- Salary increases – comprised of 2.5% cost of living and 1.0% for real wage growth and for teachers and administrators a merit increase which varies by age from 2.75% to 0%.
- Assumed healthcare cost trends - 6.0% in 2017 and 5.5% in 2018 through 2023. Rates gradually decrease from 5.4% in 2024 to 3.9% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend.
- Mortality rates are assumed preretirement and postretirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. Incorporated into the table are rates projected by the Buck Modified 2016 Projection scale to reflect mortality improvement.
-

Changes in Assumptions

For the June 30, 2016 actuarial valuation, the discount rate changed from 2.49% to 3.13%. The trend assumption was updated. Assumptions for salary mortality, withdrawal and retirement were updated based on new PSERS assumptions.

Changes in Benefit Terms

No changes noted.

Changes in the Total OPEB Liability

The changes in the total OPEB liability for the School District's retiree plan for the year ended June 30, 2018 were as follows:

Total OPEB liability, July 1, 2017	$	9,356,187
Changes for the year:		
Service cost		523,088
Interest on the total OPEB liability		238,607
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes of assumptions		(177,820)
Benefit payments		(547,635)
Total OPEB liability, June 30, 2018	$	9,392,427

Sensitivity of the School District's Total OPEB Liability to Changes in the Discount Rate

The following presents the School District's total OPEB liability calculated using the discount rate described above, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (4.13%)	Current Discount Rate (3.13%)	1% Increase (2.13%)
School District's total OPEB liability	$ 8,621,272	$ 9,392,427	$ 10,247,567

Sensitivity of the School District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease	Current Trend	1% Increase
School District's total OPEB liability	$ 8,320,001	$ 9,392,427	$ 10,684,346

11. Parkway West Career and Technology Center and Related Authority

The School District is one of twelve-member School Districts of the Parkway West Career and Technology Center and related Authority (Parkway). Parkway, which provides vocational-technical education and training for high school students, is controlled and governed by the Joint Board, which is composed of all of the school board members of the entire member School Districts. Direct oversight of Parkway's operations is the responsibility of the Joint Committee, which consists of one representative from each participating School District. The School District's share of annual operating and capital costs for Parkway fluctuates based on the percentage enrollment in the school and is reflected as expenditures of the General Fund. The amount paid by the School District in the current fiscal year was approximately $202,000. The net current assets of Parkway at June 30, 2018 are to be used to fund future years' operations and are not significant to the School District. Separate audited financial statements are available in the School District's business office.

12. Advances and Interfunds Receivable, Payable, and Interfund Transfers

Interfund receivables and payables and transfers at June 30, 2018 are summarized below:

Fund	Due From Other Funds	Due to Other Funds
Major Funds:		
General	$ 622	$ 1,135,392
Capital Projects	1,128,500	-
Enterprise	6,716	-
Other governmental funds	-	446
Total	$ 1,135,838	$ 1,135,838

Fund	Advances Receivable	Advances Payable
Major Funds:		
General	$ 82,090	$ -
Enterprise	-	82,090
Total	$ 82,090	$ 82,090

Fund	Transfer In	Transfer Out
Major Funds:		
General	$ -	$ 1,203,500
Capital Projects	1,128,500	-
Enterprise	60,000	-
Other governmental funds	15,000	-
Total	$ 1,203,500	$ 1,203,500

Transactions between funds which are not expected to be repaid are accounted for as transfers. In those cases when repayment is expected within the next fiscal year, the transactions are accounted for through the various due from and due to accounts. When repayment is not expected to be made with the next fiscal year, the transactions are accounted for through advances receivable and advances payable. The due to other funds represents the reimbursement of expenditures incurred on that fund's behalf.

The advance payable from the Enterprise Fund to the General Fund represents amounts expected to be repaid from Enterprise Fund operations in future years.

The transfer into the Capital Projects Fund represents a contribution from the General Fund for future capital projects.

The transfer into the other governmental funds represents a contribution from the General Fund to cover expenditures in excess of revenues.

13. Contingencies and Commitments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omission; and natural disasters for which the School District carries commercial insurance. Management believes the insurance coverage is sufficient to cover the School District against potential losses. There have been no significant changes in insurance coverage since the prior fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

QUAKER VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2018

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues and Other Financing Sources:				
Revenues:				
Local sources:				
Current real estate taxes	$ 32,300,896	$ 32,300,896	$ 32,568,141	$ 267,245
Public utility realty tax	40,000	40,000	36,745	(3,255)
Per capita taxes	71,900	71,900	70,430	(1,470)
Earned income tax	4,200,000	4,200,000	4,237,396	37,396
Real estate transfer tax	670,000	670,000	781,861	111,861
Delinquent taxes	1,370,000	1,370,000	1,552,431	182,431
Interest	60,000	60,000	176,003	116,003
Rentals	137,500	137,500	130,785	(6,715)
Tuition	94,690	94,690	115,298	20,608
Contributions	18,000	18,000	17,212	(788)
Federal revenue from intermediary sources	275,000	275,000	281,322	6,322
Miscellaneous	500	500	1,781	1,281
Total local sources	39,238,486	39,238,486	39,969,405	730,919
State sources:				
Basic instructional subsidy	1,449,261	1,449,261	1,430,927	(18,334)
Special education	825,666	825,666	825,157	(509)
Transportation	315,000	315,000	329,250	14,250
Other state grants	6,000	6,000	-	(6,000)
Rentals and sinking fund	110,000	110,000	262,579	152,579
Medical and dental services	54,000	54,000	50,419	(3,581)
State Property Tax Reduction Allocation	669,472	669,472	669,472	-
Safe schools grant	24,500	24,500	40,000	15,500
Ready to learn block grant	66,366	66,366	66,366	-
Social Security payments	780,588	780,588	750,629	(29,959)
Retirement contributions	3,274,942	3,274,942	3,097,358	(177,584)
Total state sources	7,575,795	7,575,795	7,522,157	(53,638)
Federal sources:				
Title I Grants to Local Educational Agencies	183,217	183,217	164,230	(18,987)
Improving Teacher Quality	47,902	47,902	44,570	(3,332)
Safe and Drug Free Schools and Communities	-	-	10,000	10,000
ARRA - Build America Bonds	442,660	442,660	442,898	238
School Based Access Medicaid Reimbursement Program	275,000	275,000	312,000	37,000
Medical Assistance Reimbursement for Administrative Claims	6,000	6,000	5,272	(728)
Title III English as a Second Language	1,250	1,250	1,295	45
Total federal sources	956,029	956,029	980,265	24,236
Other financing sources:				
Refund of prior year's expenditures	-	-	18,179	18,179
Transfers in	250,000	250,000	-	(250,000)
Total revenues and other financing sources	48,020,310	48,020,310	48,490,006	469,696

(Continued)

See accompanying notes to required supplementary schedules.

QUAKER VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2018
(Continued)

	Budget			Variance with
	Original	Final	Actual	Final Budget
Expenditures and Other Financing Uses:				
Instruction:				
Regular programs	19,966,622	19,674,657	18,925,397	749,260
Special programs	5,123,421	5,375,852	5,059,717	316,135
Vocational education programs	195,705	198,805	198,805	-
Other instructional programs	5,609	5,609	1,796	3,813
Nonpublic school programs	7,000	6,500	1,020	5,480
Total instruction	25,298,357	25,261,423	24,186,735	1,074,688
Support services:				
Pupil personnel	1,659,174	1,625,743	1,555,115	70,628
Instructional staff	2,804,677	2,775,797	2,612,226	163,571
Administration	2,493,328	2,515,653	2,403,494	112,159
Pupil health	388,051	391,151	341,285	49,866
Business	701,998	703,998	694,596	9,402
Operation and maintenance of plant services	4,217,240	4,219,740	4,131,995	87,745
Student transportation services	2,235,678	2,193,388	2,069,740	123,648
Central services	816,217	921,642	795,202	126,440
Other support services	196,346	187,246	172,291	14,955
Total support services	15,512,709	15,534,358	14,775,944	758,414
Operation of non-instructional services:				
Student activities	1,222,146	1,235,756	1,105,695	130,061
Community services	539,300	539,300	537,975	1,325
Total operation of non-instructional services	1,761,446	1,775,056	1,643,670	131,386
Debt service	6,272,814	6,272,814	6,272,801	13
Other financing uses:				
Interfund transfer out	95,000	95,000	1,203,500	(1,108,500)
Refund of prior year's revenues	69,000	70,675	70,670	5
Budgetary reserve	250,000	250,000	-	250,000
Total expenditures and other financing sources (uses)	49,259,326	49,259,326	48,153,320	1,106,006
Net Change in Fund Balance	$ (1,239,016)	$ (1,239,016)	336,686	$ 1,575,702
Fund Balance:				
Beginning of year			7,017,291	
End of year			$ 7,353,977	

(Concluded)

See accompanying notes to required supplementary schedules.

QUAKER VALLEY SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

Last 10 Fiscal Years[1]

	2018	2017	2016	2015
School District's proportion of the net pension liability	0.1454%	0.1456%	0.1428%	0.1446%
School District's proportionate share of the net pension liability	$ 71,811,000	$ 72,155,000	$ 61,854,000	$ 57,234,000
School District's covered payroll	$ 19,359,728	$ 18,857,547	$ 18,375,701	$ 18,447,580
School District's proportionate share of the net pension liability as a percentage of its covered payroll	370.9298%	382.6320%	336.6076%	310.2521%
PSERS' plan fiduciary net position as a percentage of PSERS' total pension liability	51.84%	50.14%	54.36%	57.24%

[1] The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the immediately preceding fiscal year. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the School District is presenting information for those years only for which information is available.

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS

Last 10 Fiscal Years[2]

	2018	2017	2016	2015
Contractually required employer contribution	$ 6,246,000	$ 5,645,835	$ 4,680,608	$ 3,660,073
Contributions recognized by PSERS	6,246,000	5,645,835	4,680,608	3,660,073
Difference between contractually required employer contribution and contributions recognized by PSERS	$ -	$ -	$ -	$ -
School District's covered payroll	$ 19,099,501	$ 19,298,717	$ 18,908,109	$ 18,311,205
Contributions as a percentage of covered payroll	32.70%	29.25%	24.75%	19.99%

[2] The amounts presented for each fiscal year were determined as of the fiscal year-end date. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the School District is presenting information for those years only for which information is available.

See accompanying notes to required supplementary schedules.

QUAKER VALLEY SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF PSERS' NET OPEB LIABILITY

Last 10 Fiscal Years[1]

		2018
School District's proportion of PSERS' net OPEB liability		0.1454%
School District's proportionate share of PSERS' net OPEB liability	$	2,962,000
School District's covered payroll	$	19,359,728
School District's proportionate share of PSERS' net OPEB liability as a percentage of its covered payroll		15.2998%
PSERS' plan fiduciary net position as a percentage of PSERS' total OPEB liability		5.73%

[1] The amounts presented for each fiscal year were determined as of the measurement date, which is June 30 of the immediately preceding fiscal year. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the School District is presenting information for those years only for which information is available.

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS TO THE PSERS PREMIUM ASSISTANCE

Last 10 Fiscal Years[2]

		2018
Contractually required employer contribution	$	163,332
Contributions recognized by PSERS		163,332
Difference between contractually required employer contribution and contributions recognized by PSERS	$	-
School District's covered payroll	$	19,099,501
Contributions as a percentage of covered payroll		0.8552%

[2] The amounts presented for each fiscal year were determined as of the fiscal year-end date. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the School District is presenting information for those years only for which information is available.

See accompanying notes to required supplementary schedules.

QUAKER VALLEY SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY FOR ITS RETIREE PLAN

Last 10 Fiscal Years[1]

	2018
Total OPEB Liability:	
Service cost	$ 523,088
Interest	238,607
Changes of benefit terms	-
Differences between actual and expected experience	-
Changes of assumptions	(177,820)
Benefit payments	(547,635)
Net Changes in Total OPEB Liability	36,240
Total OPEB Liability - Beginning	9,356,187
Total OPEB Liability - Ending	$ 9,392,427
Covered Payroll	$ 18,041,625
Total OPEB Liability as a Percentage of Covered Payroll	52.06%

[1] The amounts presented for each fiscal year were determined as of the fiscal year-end date. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the School District is presenting information for those years only for which information is available.

See accompanying notes to required supplementary schedules.

1. Budgetary Information

The Quaker Valley School District (School District) is required by state law to adopt an annual budget for the General Fund. The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

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

1. Prior to May of the preceding fiscal year, the School District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.

2. A meeting of the Board of Directors (Board) is then called for the purpose of adopting the proposed budget after 30 days' public notice of the meeting has been given.

3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board.

4. The budget must be filed with the Pennsylvania Department of Education by July 31 of the fiscal year.

The Public School Code allows the Board to authorize budget transfer amendments between functions during the year. The budget data reflected in the required supplementary information includes the effect of such approved budget transfer amendments. The School District's management does not have the authority to approve the budget or any budget transfer amendments. The School District's expenditures may not legally exceed the revised budget amounts by function and object. Accordingly, the legal level of budgetary control is at the object level within each function and fund. Function is defined as a program area such as instructional services, and object is defined as the nature of the expenditure, such as salaries or supplies.

Annual appropriations lapse at year-end. No supplemental appropriations were required during the current fiscal year. Budgetary control for the capital projects and special revenue funds is maintained through provisions of related grant agreements and bond indentures.

2. Factors and Trends Used in the Actuarial Valuation for PSERS Pension Benefits

Changes in Benefit Terms

With the passage of Act 5, Class T-E and T-F members are now permitted to elect a lump sum payment of member contributions upon retirement.

Changes in Assumptions Used in the Measurement of PSERS' Total Pension Liability Beginning June 30, 2017

None.

Changes in Assumptions Used in the Measurement of PSERS' Total Pension Liability Beginning June 30, 2016

The investment rate of return was adjusted from 7.50% to 7.25%. The inflation assumption was decreased from 3.00% to 2.75%.

Salary growth changed from an effective average of 5.50% (including inflation at 3.00%) to an effective average of 5.00% (including inflation at 2.75%).

Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) to 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.

Actuarial Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contributions are calculated as of the June 30 preceding the fiscal year in which contributions are made. That is, the contributions calculated as of the June 30, 2016 actuarial valuation were made during the fiscal year ended June 30, 2018. The following actuarial methods and assumptions were used to determine contribution rates reported in the pension required supplementary schedules:

- Investment return – 7.25%, includes inflation at 2.75%
- Salary increases – Effective average of 5.00%, comprised of 2.75% for inflation and 2.25% for real wage growth and merit or seniority increases

- Benefit payments – no postretirement benefit increases assumed in the future
- Mortality rates were 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.

3. Factors and Trends Used in the Actuarial Valuation for the PSERS Postemployment Benefits Other Than Pension Benefits (OPEBs)

Changes in Benefit Terms

None.

Changes in Assumptions Used in the Measurement of PSERS' Total OPEB Liability Beginning June 30, 2017

The discount rate increased from 2.71% to 3.13%.

Changes in Assumptions Used in the Measurement of PSERS' Total OPEB Liability Beginning June 30, 2016

Salary growth changed from an effective average of 5.50% (including inflation at 3.00%) to an effective average of 5.00% (including inflation at 2.75%).

Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) to 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.

Actuarial Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contributions are calculated as of the June 30 preceding the fiscal year in which contributions are made. That is, the contributions calculated as of the June 30, 2016 actuarial valuation were made during the fiscal year ended June 30, 2018. The following actuarial methods and assumptions were used to determine contribution rates reported in the OPEB required supplementary schedules:

- Investment return – 3.13% - 20-year S&P Municipal Bond Rate
- Salary increases – Effective average of 5.00%, comprised of 2.75% for inflation and 2.25% for real wage growth and merit or seniority increases
- Benefit payments – no postretirement benefit increases assumed in the future
- Mortality rates were 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
- Assumed healthcare cost trends were applied to retirees with less than $1,200 in Premium Assistance per year.

4. Factors and Trends Used in the Actuarial Valuation for the Retiree OPEB Plan

Changes in Benefit Terms

None.

Changes in Assumptions

For the June 30, 2016 actuarial valuation, the discount rate changed from 2.49% to 3.13%. The trend assumption was updated. Assumptions for salary mortality, withdrawal and retirement were updated based on new PSERS assumptions.

SUPPLEMENTARY INFORMATION

QUAKER VALLEY SCHOOL DISTRICT

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

JUNE 30, 2018

	Athletics Fund	Grant Fund	Total Other Governmental Funds
Assets			
Cash and cash equivalents	$ 80,304	$ 49,229	$ 129,533
Total Assets	$ 80,304	$ 49,229	$ 129,533
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	$ 1,328	$ -	$ 1,328
Due to other funds	-	446	446
Total Liabilities	1,328	446	1,774
Fund Balance:			
Restricted	-	48,783	48,783
Assigned	78,976	-	78,976
Total Fund Balance	78,976	48,783	127,759
Total Liabilities and Fund Balance	$ 80,304	$ 49,229	$ 129,533

QUAKER VALLEY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2018

	Athletics Fund	Grant Fund	Total Other Governmental Funds
Revenues:			
Local sources	$ 52,728	$ 103,294	$ 156,022
Expenditures:			
Current:			
Support services	-	64,670	64,670
Operation of non-instructional services	36,441	20,000	56,441
Total expenditures	36,441	84,670	121,111
Excess (Deficiency) of Revenues Over Expenditures	16,287	18,624	34,911
Other Financing Sources (Uses):			
Transfers in (out)	15,000	-	15,000
Total other financing sources (uses)	15,000	-	15,000
Net Change in Fund Balance	31,287	18,624	49,911
Fund Balance:			
Beginning of year	47,689	30,159	77,848
End of year	$ 78,976	$ 48,783	$ 127,759

QUAKER VALLEY SCHOOL DISTRICT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITIES

JUNE 30, 2018

	Balance at June 30, 2017	Additions	Deletions	Balance at June 30, 2018
Assets				
Cash and cash equivalents	$ 115,932	$ 225,786	$ 226,211	$ 115,507
Liabilities				
Other current liabilities	$ 115,932	$ 225,786	$ 226,211	$ 115,507

APPENDIX D
Continuing Disclosure Certificate

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$8,965,000
QUAKER VALLEY SCHOOL DISTRICT
(Allegheny County, Pennsylvania)
Dated December 19, 2019 - Final Maturity October 1, 2044
GENERAL OBLIGATION BONDS, SERIES OF 2019

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Quaker Valley School District (the "Issuer"), in connection with the issuance of its $8,965,000 General Obligation Bonds, Series of 2019 (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Board of School Directors of the Issuer on November 19, 2019 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. ***Purpose of the Disclosure Certificate***. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to comply with, and constitutes the written undertaking for the benefit of the holders of the Bonds required by, Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12) (the "Rule").

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

"*Annual Report*" means any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Disclosure Representative*" means the Director of Finance and Operations of the Issuer or his or her designee, or such other officer or employee as the Issuer shall designate from time to time.

"*Dissemination Agent*" means any person or entity designated by the Issuer.

"*EMMA*" means the continuing disclosure service of the MSRB's Electronic Municipal Market Access system, as established by SEC Release No. 34-58256, as amended, and approved by SEC Release No. 34-59061.

"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.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate, if such event is material with respect to the Bonds.

"Operating Data" means an update of tabular data generally consistent with the information contained in the Official Statement under the following captions:

- THE SCHOOL DISTRICT
  - School Facilities
  - Enrollment Trends

- TAXES AND TAXING POWERS OF THE SCHOOL DISTRICT -
  - Real Property Tax Collection Data
  - Ten Largest Real Property Taxpayers

- LABOR RELATIONS
  - School District Employees
  - Pension Program

"*Tax-exempt*" means that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax.

Section 3. ***Provision of Annual Reports***. The Issuer shall provide the Annual Report within 270 days following the end of each fiscal year (the "Report Date"), beginning with the fiscal year ended June 30, 2019 to EMMA which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate, provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

Section 4. ***Content of Annual Reports***. The Issuer's Annual Report shall contain or incorporate by reference the following financial information and operating information for the Issuer:

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

(b) if not submitted as part of the Annual Report, then when and if available, audited financial statements for the Issuer;

(c) a summary of the budget for the current fiscal year; and

(d) current Operating Data.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to EMMA. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board or EMMA. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. ***Reporting of Significant Events***. (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events if such event is material 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 or Notices of Proposed Issue (IRS Form 5701-TEB) or other similar events affecting the tax-exempt status of the security;

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

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

(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, such as determination of distressed status, affecting the Issuer;

(xiii) the consummation of a merger, consolidation, or acquisition of the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) the appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) the incurrence of a Financial Obligation of the Issuer, if material, or the agreement, in connection with a Financial Obligation, to new, or additional, covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

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

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event the Issuer shall as soon as practicable determine if such event is material information for holders of Bonds, provided, that any event under subsection (a)(xi) will always be deemed to be material.

(c) If the Issuer has determined that knowledge of the occurrence of a Listed Event is material, the Issuer shall promptly notify the Paying Agent in writing and report the event pursuant to subsection (d).

(d) If the Issuer determines to report the occurrence of Listed Events pursuant to subsection (c) above, then the Issuer shall file a notice of such occurrence with EMMA. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.

Section 6. ***Termination of Reporting Obligation***. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. ***Dissemination Agent***. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent. If no replacement Dissemination Agent is appointed, the Issuer shall undertake all obligations thereof hereunder.

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

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

Section 10. ***Default***. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Certificate any holder of Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed a default under the Resolution or the Bonds and the rights and remedies provided by the Resolution and the Bonds upon the occurrence of a default shall not apply to any such failure. The sole remedy under this Disclosure Certificate in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. ***Immunities of Individuals***. No recourse shall be had for any claim based hereon against any member, officer or employee, past, present or future, of the Issuer or the officers of the Issuer or of any successor body, as such.

Section 12. ***Beneficiaries.*** This Disclosure Certificate shall inure solely to the benefit of the Issuer, the initial purchaser of the Bonds, and holders from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. ***Notices***.

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

Quaker Valley School District
100 Leetsdale Industrial Drive, Suite B
Leetsdale, PA 15056
Attention: Director of Finance and Operations

IN WITNESS WHEREOF, the Issuer has caused its duly authorized officer to execute this Certificate as of this 19th day of December, 2019.

QUAKER VALLEY SCHOOL DISTRICT

By:___________________________________
President, Board of School Directors

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