Methacton
SCHOOL DISTRICT

Methacton School District

Financing Discussion

August 25, 2026

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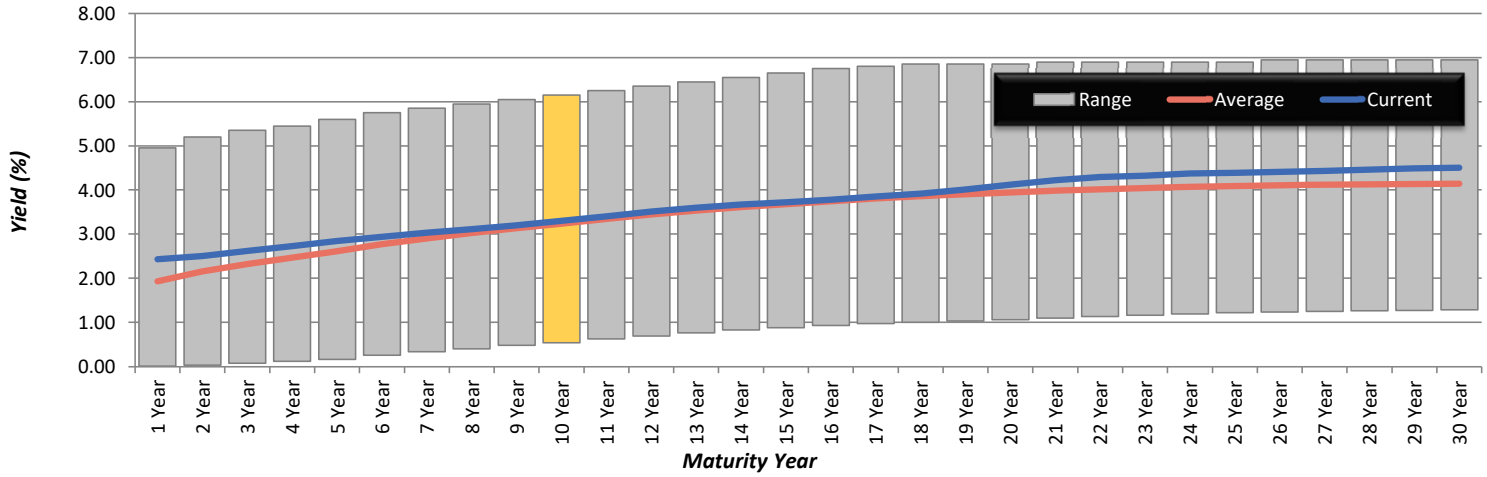
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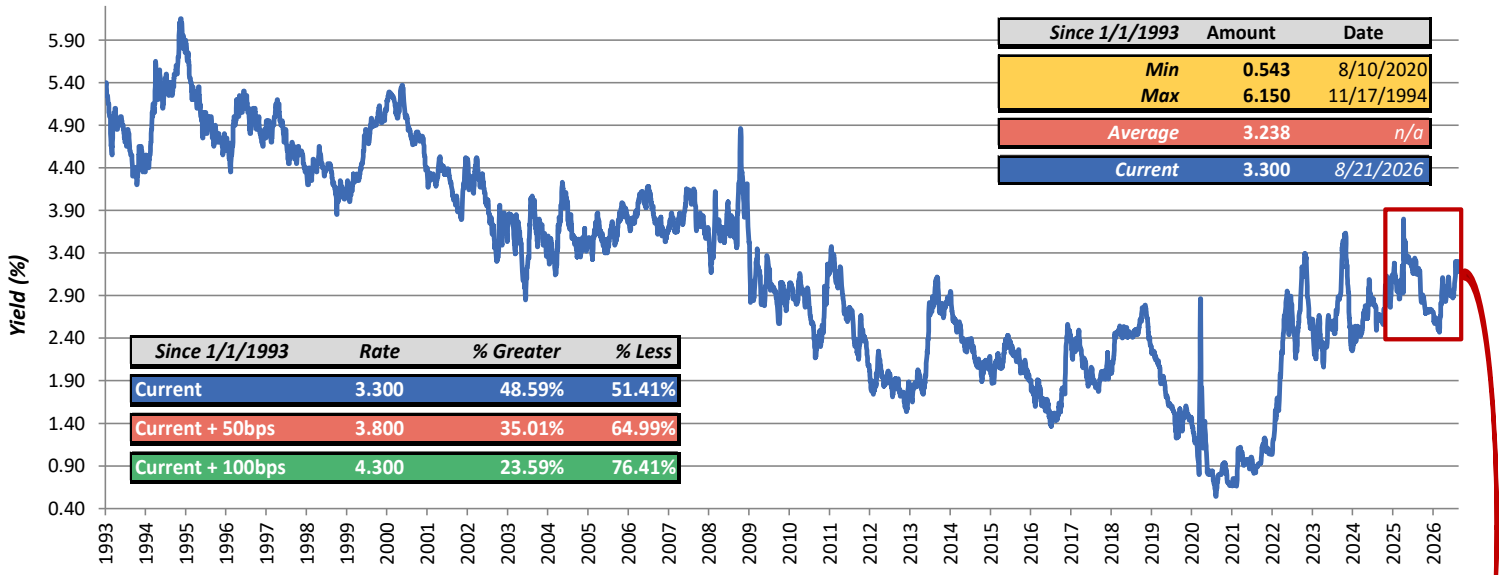
MUNICIPAL MARKET UPDATE

August 21, 2026

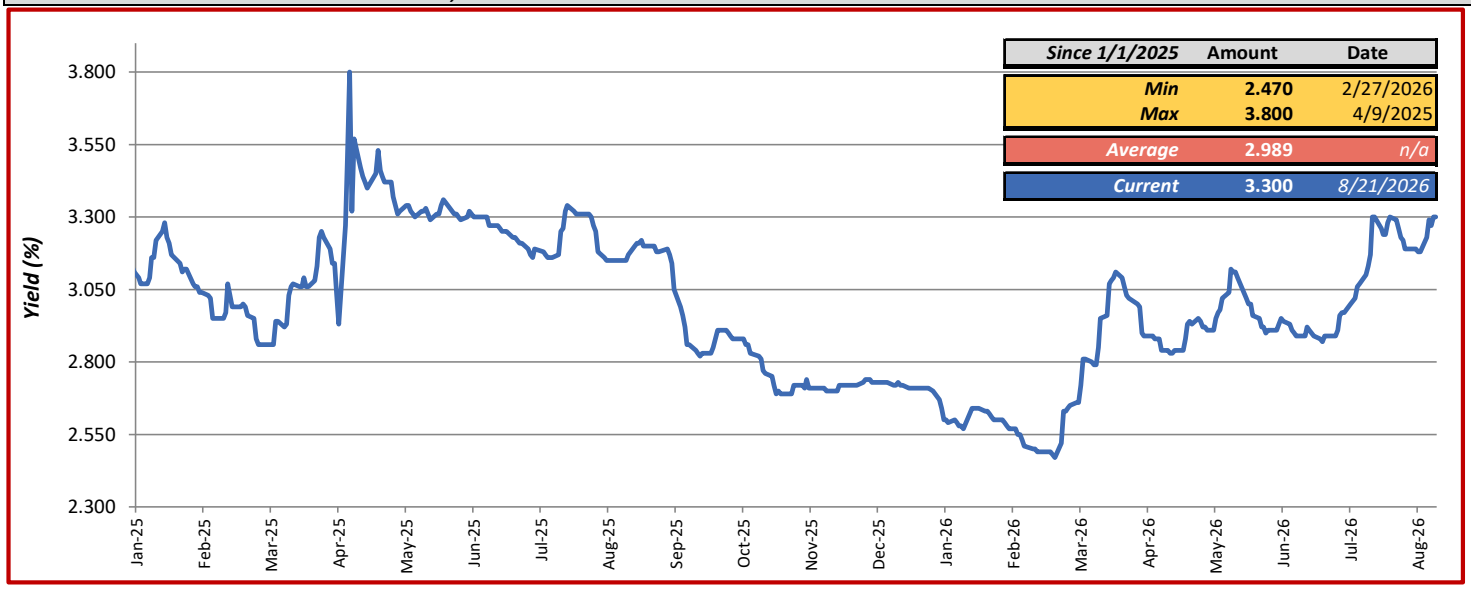
HISTORICAL BVAL CURVE ILLUSTRATION - SINCE JANUARY 1, 1993 [1]



SPOT ANALYSIS - 10 YEAR BVAL - SINCE JANUARY 1, 1993 [1]



SPOT ANALYSIS - 10 YEAR BVAL - SINCE JANUARY 1, 2025



[1] Datapoints prior to January 4, 2010 are provided by MMD, datapoints after January 4, 2010 are provided by BVAL.

Methacton School District
Topics of Discussion
August 25, 2026

New Money Financing Analysis

1) The District Administration has asked PFM to update its existing financing plan for approximately $172 million.

2) The borrowing plan is estimated and currently takes place over ten years. As we move forward, the District and its Architect will need to provide PFM with a draw schedule so we can finetune timing as well as any potential interest earnings that may be used to downsize the total cost of the project.

Federal Tax Laws & Arbitrage Rebate Considerations

3) Federal tax laws permit an Issuer to borrow at a tax-exempt interest rate and invest the proceeds at an unlimited (taxable) yield subject to arbitrage requirements during the period of project construction, but only if the following three tests can be satisfied. The governing board must reasonably expect at the time the borrowing:

   a. **Expenditure Test** – issuer will spend 85% of the proceeds within three years.

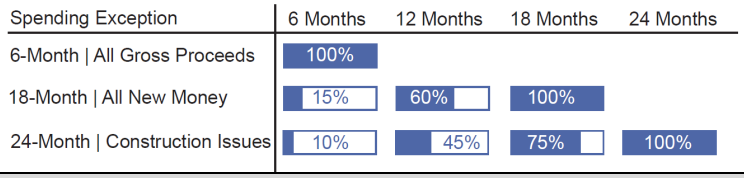
   b. **Time Test** – issuer will incur a substantial binding obligation (sign a design contract, award a construction bid) within six months, equal to at least 5% of the borrowing amount.

   c. **Due Diligence Test** – construction of the project will proceed, and the bonds funds will be spent, with due diligence to completion.

4) An issue is exempt from arbitrage rebate if they qualify under size-based and time-base exemptions:

   a. **Small Issuer Exception** – As long as the issuer has governmental taxing base powers and does not expect to or has not issued more than $15,000,000 in tax-exempt bonds in a calendar year, an exemption would apply.

   b. **Time Based/Spending Exception** – The issuer must meet the following spending exceptions:



Borrowing Strategy

5) The District's overall borrowing strategy is to borrow only as funds are needed, so that the District does not incur excess interest expense, while also pursuing bank qualification status where applicable in order to obtain lower interest rates and a shorter optional prepayment date.

   a. **Flexible Financing Plan** – The plan presented today reflects a current point in time, and not all variables are known – including final project costs once the work is bid. After each borrowing and each change in the draw schedule, the financing team will readjust the financing plan so that the District remains positioned in favorable conditions.

   b. **Timing and Structuring Flexibility** – Borrowing timing and payment dates can be adjusted to phase in debt service over time.

   c. **Dedicated Capital Reserve Strategy** – The District maintains a capital reserve. The current plan reflects a worst-case scenario and assumes no cash is applied; however, nearer the end of the project, later borrowings can be downsized should the District elect to use available cash.

   d. **Interest Earnings** – Proceeds that are borrowed and held pending expenditure will earn interest, and those earnings are assumed to downsize the amount of later borrowings.

   e. **Refinancing Opportunities** – The financing team will continue to monitor refinancing opportunities, including upcoming optional prepayment dates in 2028, 2029, and 2032.

METHACTON SCHOOL DISTRICT
SUMMARY OF OUTSTANDING INDEBTEDNESS

Debt Service Requirements

1	2	3	4	5	6	7	8	9	10	11	12	13
Fiscal Year Ended	G.O. Bonds Series B of 2017	G.O. Bonds Series A of 2018	G.O. Bonds Series of 2019	G.O. Bonds Series A of 2019	G.O. Bonds Series AA of 2019	G.O. Bonds Series of 2020	G.O. Notes Series of 2020	G.O. Bonds Series A of 2020	G.O. Bonds Series of 2021	G.O. Bonds Series of 2024	G.O. Bonds Series of 2025	**Total Debt Service**
6/30/2026	639,379	776,475	38,400	171,300	1,600,500	2,208,300	93,519	633,200	528,550	2,025,875	236,412	**8,951,909**
6/30/2027	951,813		353,225	217,900			3,874,756	633,138	528,500	2,016,875	778,644	**9,354,850**
6/30/2028	967,125		446,600	337,750			1,402,997	633,063	528,438	1,336,500	778,506	**6,430,978**
6/30/2029	1,151,025			492,275				1,235,625	1,101,600	784,375	778,369	**5,543,269**
6/30/2030	1,148,275							1,235,325	1,097,600	1,281,750	778,231	**5,541,181**
6/30/2031	1,154,625							1,235,713	1,102,600	1,269,750	778,094	**5,540,781**
6/30/2032	1,167,900							1,240,000	1,032,900	1,324,000	777,938	**5,542,738**
6/30/2033	1,179,825							1,241,400	1,033,600	1,309,375	777,763	**5,541,963**
6/30/2034	1,180,550							1,241,600	1,033,300	1,312,000	777,588	**5,545,038**
6/30/2035	106,575							1,230,800	885,000		777,413	**2,999,788**
6/30/2036								1,224,100	991,600		777,238	**2,992,938**
6/30/2037								1,221,300	995,000		777,025	**2,993,325**
6/30/2038								1,222,200	997,200		776,775	**2,996,175**
6/30/2039								1,221,700	998,200		776,525	**2,996,425**
6/30/2040								1,224,700	993,100		776,275	**2,994,075**
6/30/2041								1,221,200	996,800		776,025	**2,994,025**
6/30/2042								1,221,200	999,100		775,775	**2,996,075**
6/30/2043								1,224,500	995,100		775,525	**2,995,125**
6/30/2044								1,221,100	999,700		775,275	**2,996,075**
6/30/2045								1,221,000	997,800		775,025	**2,993,825**
6/30/2046								1,224,000	994,500		774,775	**2,993,275**
6/30/2047											2,045,263	**2,045,263**
6/30/2048											2,044,650	**2,044,650**
6/30/2049											2,045,231	**2,045,231**
6/30/2050											2,041,875	**2,041,875**
6/30/2051											2,044,319	**2,044,319**
6/30/2052											2,042,300	**2,042,300**
6/30/2053											2,040,688	**2,040,688**
6/30/2054											2,044,088	**2,044,088**
6/30/2055											2,042,238	**2,042,238**
TOTAL	**9,647,091**	**776,475**	**838,225**	**1,219,225**	**1,600,500**	**2,208,300**	**5,371,271**	**24,006,863**	**19,830,188**	**12,660,500**	**34,165,843**	**112,324,480**

Local Effort Requirements

14	15	16	17	18	19	20	21	22	23	24	25	26
Fiscal Year Ended	G.O. Bonds Series B of 2017	G.O. Bonds Series A of 2018	G.O. Bonds Series of 2019	G.O. Bonds Series A of 2019	G.O. Bonds Series AA of 2019	G.O. Bonds Series of 2020	G.O. Notes Series of 2020	G.O. Bonds Series A of 2020	G.O. Bonds Series of 2021	G.O. Bonds Series of 2024	G.O. Bonds Series of 2025	**Total Local Effort**
6/30/2026	639,379	736,567	38,400	171,300	1,506,947	2,107,030	86,537	633,200	528,550	2,025,875	236,412	**8,710,196**
6/30/2027	951,813		353,225	217,900			3,585,501	633,138	528,500	2,016,875	778,644	**9,065,594**
6/30/2028	967,125		446,600	337,750			1,298,261	633,063	528,438	1,336,500	778,506	**6,326,242**
6/30/2029	1,151,025			492,275				1,235,625	1,101,600	784,375	778,369	**5,543,269**
6/30/2030	1,148,275							1,235,325	1,097,600	1,281,750	778,231	**5,541,181**
6/30/2031	1,154,625							1,235,713	1,102,600	1,269,750	778,094	**5,540,781**
6/30/2032	1,167,900							1,240,000	1,032,900	1,324,000	777,938	**5,542,738**
6/30/2033	1,179,825							1,241,400	1,033,600	1,309,375	777,763	**5,541,963**
6/30/2034	1,180,550							1,241,600	1,033,300	1,312,000	777,588	**5,545,038**
6/30/2035	106,575							1,230,800	885,000		777,413	**2,999,788**
6/30/2036								1,224,100	991,600		777,238	**2,992,938**
6/30/2037								1,221,300	995,000		777,025	**2,993,325**
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6/30/2039								1,221,700	998,200		776,525	**2,996,425**
6/30/2040								1,224,700	993,100		776,275	**2,994,075**
6/30/2041								1,221,200	996,800		776,025	**2,994,025**
6/30/2042								1,221,200	999,100		775,775	**2,996,075**
6/30/2043								1,224,500	995,100		775,525	**2,995,125**
6/30/2044								1,221,100	999,700		775,275	**2,996,075**
6/30/2045								1,221,000	997,800		775,025	**2,993,825**
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6/30/2051											2,044,319	**2,044,319**
6/30/2052											2,042,300	**2,042,300**
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6/30/2054											2,044,088	**2,044,088**
6/30/2055											2,042,238	**2,042,238**
TOTAL	**9,647,091**	**736,567**	**838,225**	**1,219,225**	**1,506,947**	**2,107,030**	**4,970,299**	**24,006,863**	**19,830,188**	**12,660,500**	**34,165,843**	**111,688,777**

Principal [1]:	7,975,000	0	775,000	1,000,000	0	0	5,205,000	15,795,000	13,090,000	7,230,000	14,755,000	**65,825,000**
PE%:	0.00%	24.71%	0.00%	0.00%	28.10%	22.05%	35.89%	0.00%	0.00%	0.00%	0.00%	
PE% Status:	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	
AR (2025-26)	20.80%	20.80%	20.80%	20.80%	20.80%	20.80%	20.80%	20.80%	20.80%	20.80%	20.80%	
Call Date:	3/15/2023	9/15/2023	9/15/2024	3/1/2025	Non-Callable	Non-Callable	Non-Callable	9/15/2028	7/15/2029	Non-Callable	7/15/2032	
Purpose:	New Money	Cur Ref 2013 Notes	New Money	New Money	Cur Ref 2012A & 2013	Cur Ref 2013A	Adv Ref Portion of 2016	New Money	New Money	Cur Ref 2018,2019, 2019A	New Money	
BQ Status:	BQ	Non-BQ	BQ	BQ	BQ	Non-BQ	Non-BQ	Non-BQ	Non-BQ	Non-BQ	Non-BQ	
Average Rate:	2.58%	2.07%	2.95%	2.68%	3.25%	1.82%	1.82%	3.26%	3.23%	5.00%	4.43%	

[1] *Outstanding as of August 24, 2026*

CAPTIAL BORROWING PLAN[2]	YR1 2025-2026	YR2 2026-2027	YR3 2027-2028	YR4 2028-2029	YR5 2029-2030	YR6 2030-2031	YR7 2031-2032	YR8 2032-2033	YR9 2033-2034	YR10 2034-2035	Total
New Debt Issued - Project Fund Deposit	$14,746,469	$9,800,000	$36,000,000	$45,000,000	$22,000,000	$20,000,000		$9,800,000	$6,500,000	$6,435,911	**$170,282,380**
10 YEAR MAINTENANCE											
Draws	$2,000,000	$7,894,663	$1,116,666	$590,892	$2,185,222	$4,980,374	$16,228,185	$4,730,930	$2,137,218	$17,219,367	**$59,083,517**
HIGH SCHOOL											
Draws	$1,777,245	$2,654,554	$45,275,796	$43,834,336	$19,546,968	$5,000	$0	$0	$0	$0	**$113,093,899**
Anticipated YE Spend	**$3,777,245**	**$10,549,217**	**$46,392,462**	**$44,425,228**	**$21,732,190**	**$4,985,374**	**$16,228,185**	**$4,730,930**	**$2,137,218**	**$17,219,367**	**$172,177,416**
Est. Interest Earnings[1]		$356,500	$344,678	$17,184	$36,422	$46,310	$537,258	$25,835	$191,419	$339,431	**$1,895,036**
Remaining Bond Funds	**$10,969,224**	**$10,576,507**	**$528,723**	**$1,120,679**	**$1,424,911**	**$16,485,847**	**$794,919**	**$5,889,824**	**$10,444,026**	**$0**	**$0**

[1] Interest earnings are assumed to be an estimate and actual rates may vary based on market conditions during the project period.

[2] Draws provided by the District. They are estimated and subject to change.

METHACTON SCHOOL DISTRICT
SUMMARY OF REQUESTED NEW MONEY FINANCING PLAN
ESTIMATED - For Illustrative Purposes

LONG-TERM CAPITAL FINANCING PLAN

	1	2	3	4	5	6	7	8	9
	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	
	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9	TOTAL
Total Reserves in Capital Projects Fund[6]	-	-	-	-	-	-	-	-	$14,746,469
Available for Projects	$9,800,000	$36,000,000	$45,000,000	$22,000,000	$20,000,000	$9,800,000	$6,500,000	$6,435,911	$155,535,911
Estimated Interest Earnings[1]	-	-	-	-	-	-	-	-	$1,895,036
Bank Qualified Status	BQ	Non-BQ	Non-BQ	Non-BQ	Non-BQ	BQ	BQ	BQ	Grand Total $172,177,416
Settlement	April, 2027	January, 2028	October, 2028	October, 2029	October, 2031	October, 2033	October, 2034	October, 2035	
Term (Years)	30	30	30	30	30	30	30	30	

10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Fiscal Year Ending	Existing Local Effort	Est. New Local Effort[2][3]	Est. New Local Effort[2][3]	Est. New Local Effort[2][3]	Est. New Local Effort[2][3]	Est. New Local Effort[2][3]	Est. New Local Effort[2][3]	Est. New Local Effort[2][3]	Est. New Local Effort[2][3]	Est. Total High School Local Effort	Est. Total OVERALL Local Effort	Use of District Cash	Net OVERALL Local Effort	Total Millage Impact[4]
6/30/2026	8,710,080										8,710,080		8,710,080	
6/30/2027	9,065,455										9,065,455		9,065,455	0.14
6/30/2028	6,326,192	408,644	62,517							471,161	6,797,353		6,797,353	(0.88)
6/30/2029	5,543,269	561,875	1,875,500	677,517						3,114,892	8,658,160		8,658,160	0.72
6/30/2030	5,541,181	559,625	2,007,125	2,345,250	330,706					5,242,706	10,783,887		10,783,887	0.83
6/30/2031	5,540,781	562,250	2,005,250	2,535,375	1,144,750					6,247,625	11,788,406		11,788,406	0.39
6/30/2032	5,542,738	559,750	2,003,125	2,535,375	1,252,000					6,350,250	11,892,988		11,892,988	0.04
6/30/2033	5,541,963	562,125	2,000,750	2,539,750	1,251,375	1,344,633				7,698,633	13,240,596		13,240,596	0.52
6/30/2034	5,545,038	559,375	2,003,000	2,533,625	1,255,375	1,131,000				7,482,375	13,027,413		13,027,413	(0.08)
6/30/2035	2,999,788	707,750	2,463,000	3,165,875	1,629,375	1,380,000	674,733	102,628		10,123,361	13,123,149		13,123,149	0.04
6/30/2036	2,992,938	716,750	2,460,250	3,165,500	1,628,000	1,386,875	606,375	355,250		10,319,000	13,311,938		13,311,938	0.07
6/30/2037	2,993,325	715,000	2,460,875	3,167,750	1,625,375	1,387,625	607,000	399,125	452,400	10,815,150	13,808,475		13,808,475	0.19
6/30/2038	2,996,175	712,750	2,459,750	3,167,500	1,626,375	1,387,375	607,375	396,875	355,875	10,713,875	13,710,050		13,710,050	(0.04)
6/30/2039	2,996,425	710,000	2,461,750	3,169,625	1,625,875	1,386,125	607,500	399,500	355,625	10,716,000	13,712,425		13,712,425	
6/30/2040	2,994,075	711,625	2,461,750	3,169,000	1,623,875	1,388,750	607,375	397,000	355,375	10,714,750	13,708,825		13,708,825	
6/30/2041	2,994,025	712,500	2,464,625	3,165,625	1,625,250	1,385,250	607,000	399,375	355,125	10,714,750	13,708,775		13,708,775	
6/30/2042	2,996,075	712,625	2,460,375	3,169,250	1,624,875	1,385,625	606,375	401,500	354,875	10,715,500	13,711,575		13,711,575	
6/30/2043	2,995,125	712,000	2,463,875	3,164,750	1,627,625	1,389,625	605,500	398,500	354,625	10,716,500	13,711,625		13,711,625	
6/30/2044	2,996,075	710,625	2,464,875	3,167,000	1,623,500	1,387,250	609,250	395,500	354,375	10,712,375	13,708,450		13,708,450	
6/30/2045	2,993,825	713,375	2,463,375	3,165,750	1,627,375	1,388,500	602,750	402,250	354,125	10,717,500	13,711,325		13,711,325	
6/30/2046	2,993,275	715,125	2,464,250	3,165,875	1,624,125	1,388,250	606,000	398,750	353,875	10,716,250	13,709,525		13,709,525	
6/30/2047	2,045,263	759,750	3,110,750	3,362,125	1,277,625	1,332,875	681,875	336,750	480,375	11,342,125	13,387,388		13,387,388	
6/30/2048	2,044,650	757,250	3,092,375	3,359,125	1,302,500	1,322,625	690,125	346,000	473,625	11,343,625	13,388,275		13,388,275	
6/30/2049	2,045,231	758,625	3,060,500	3,366,250	1,314,875	1,321,125	702,250	359,625	462,000	11,345,250	13,390,481		13,390,481	
6/30/2050	2,041,875	758,750	3,040,000	3,363,250	1,325,000	1,327,875	708,250	372,500	450,625	11,346,250	13,388,125		13,388,125	
6/30/2051	2,044,319	757,625	3,020,375	3,365,000	1,342,625	1,327,750	708,375	384,625	439,500	11,345,875	13,390,194		13,390,194	
6/30/2052	2,042,300	760,125	3,006,250	3,361,250	1,357,500	1,330,750	707,750	396,000	428,625	11,348,250	13,390,550		13,390,550	
6/30/2053	2,040,688	761,125	3,006,875	3,366,625	1,355,000	1,331,750	701,500	411,500	408,250	11,342,625	13,383,313		13,383,313	
6/30/2054	2,044,088	760,625	2,996,875	3,365,750	1,370,000	1,335,625	694,750	426,000	393,500	11,343,125	13,387,213		13,387,213	
6/30/2055	2,042,238	763,500	2,996,000	3,363,500	1,372,250	1,337,250	692,375	434,625	384,125	11,343,625	13,385,863		13,385,863	
6/30/2056		915,750	3,793,250	3,510,750	1,454,875	1,361,000	767,250	501,000	594,375	12,898,250	12,898,250		12,898,250	
6/30/2057		912,250	3,587,500	3,507,000	1,467,375	1,361,750	778,875	514,875	598,625	12,728,250	12,728,250		12,728,250	
6/30/2058				5,704,125	2,383,125	1,457,500	793,625	527,500	1,050,375	11,916,250	11,916,250		11,916,250	
6/30/2059					2,941,750	1,462,875	796,625	763,125	586,000	6,550,375	6,550,375		6,550,375	
6/30/2060						1,616,125	803,000	1,000,625	596,750	4,016,500	4,016,500		4,016,500	
6/30/2061						1,422,000	812,500	990,625	596,250	3,821,375	3,821,375		3,821,375	
6/30/2062						1,414,500	815,125	984,000	604,500	3,818,125	3,818,125		3,818,125	
6/30/2063							1,508,250	1,214,500	611,250	3,334,000	3,334,000		3,334,000	
6/30/2064							1,291,500	1,153,125	611,625	3,056,250	3,056,250		3,056,250	
6/30/2065									986,125	986,125	986,125		986,125	
6/30/2066									989,125	989,125	989,125		989,125	
6/30/2067														
TOTAL	111,688,471	20,989,144	76,216,767	94,165,142	45,010,331	41,180,258	22,001,233	15,563,253	15,391,900	330,518,028	442,206,499	0	442,206,499	1.94

[1] District provided an estimated draw schedule. Estimated interest earnings are being used to downsize total amount borrowed. 3.25% investment rate assumed.
[2] Estimated based on current market rates. Actual rates to be determined at time of pricing.
[3] Assumes no state reimbursement
[4] 1 mill = 2,573,840
[5] Borrowing plan is estimated and for illustrative purposes only. The actual size and timing of borrowing plan may vary.
[6] Represents project fund deposit of Series of 2025 issue.

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