



**WEST CHESTER AREA SCHOOL DISTRICT**  
*Inspiring students to achieve their personal best*

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# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2024**



West Chester Area School District  
782 Springdale Drive  
Exton, Pennsylvania 19341



**WEST CHESTER AREA SCHOOL DISTRICT**

*Inspiring students to achieve their personal best*

**ANNUAL  
COMPREHENSIVE  
FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2024**



**Prepared by the  
West Chester Area School District  
Business Office**

**Mr. John Scully, Director of Business Affairs  
Mr. Justin Matys, Assistant Director of Business Affairs  
Ms. Jennifer Matthews, Controller**

West Chester Area School District  
782 Springdale Drive  
Exton, Pennsylvania 19341

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**June 30, 2024**

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# WEST CHESTER AREA SCHOOL DISTRICT

## INTRODUCTORY SECTION





# WEST CHESTER AREA SCHOOL DISTRICT

*Inspiring students to achieve their personal best*

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February 7, 2025

Dear Community Member,

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of West Chester Area School District for the fiscal year ended June 30, 2024. This District's Business Office prepared this report.

The ACFR is published to present complete and accurate financial information on all the funds and financial activities of the District for the 2023-24 fiscal year. The Business Office staff and management are responsible for the accuracy of the statements, notes, schedules and statistical tables. We believe that the information in the report is a fair presentation of the financial position and the results of operations of the District based upon a comprehensive framework of internal controls that have been established for this purpose. The report is prepared in accordance with generally accepted accounting and financial reporting principles applicable to governmental entities in the United States of America. Most importantly, this report will provide the reader with a comprehensive understanding of the District's financial affairs.

WithumSmith+Brown, PC, an independent firm of certified public accountants, have audited the District's financial statements. They have issued an unmodified opinion on the West Chester Area School District's financial statements for the Year ending June 30, 2024. Their report is located at the beginning of the Financial Section of the ACFR.

The Management's Discussion and Analysis (MD&A), which follows the independent auditors' report, provides an overview of the District's financial performance during the fiscal year ending June 30, 2024. It should be read in conjunction with this transmittal letter and the District's basic financial statements.

## **Reporting Entity**

The West Chester Area School District is an independent reporting entity and a primary government as defined in the criteria established in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting*. The basic criteria for determining the inclusion in the reporting entity is financial accountability and the nature and significance of the relationship.

## **Profile of the District**

The West Chester Area School District was formed by Pennsylvania state law and began operations on July 1, 1966. The population of the school district is approximately 111,000. The District encompasses several communities in Chester County and one in western Delaware County. The District covers an area of approximately 75-square-miles. The School District's boundaries are coterminous with those of the Borough of West Chester, and the Townships of East Bradford, East Goshen, Thornbury, West Goshen, Westtown and West Whiteland in Chester County and the Township of Thornbury in Delaware County. The Borough of West Chester, located in the geographic center of the School District and is the county seat for Chester County, is approximately 25 miles west of Philadelphia. The Borough of West Chester is the financial and professional center for the surrounding area. The Townships are principally residential in character, with regional shopping centers and industrial parks.

The School District is governed by a nine-member Board of School Directors (the "School Board") who are elected for four-year terms. The Superintendent is the chief administrative officer of the School District, with overall responsibility for all aspects of operations including education. The Director of Business Affairs is responsible for budget and financial operations. Both of these officials are appointed by the School Board.

The purpose of the District is to provide an education system Kindergarten through 12<sup>th</sup> grade, including regular instruction, special instruction, vocational education and support services to the approximately 15,300 students that live within the School District boundaries. To accomplish this goal, the District operates eleven (11) elementary schools, three (3) middle schools and three (3) high schools. The District maintains seventeen school buildings that were initially built in the years spanning 1940 through 2021 (for additional information please see the district facilities page in the statistical section of this report). Additionally, the District is required to pay the tuition for the 403 children that live within the District boundaries that attend charter schools. During the year ending June 30, 2024, the District paid \$7,580,797 in tuition to Charter Schools.

### **Budget Process**

The Board considers preparation of an annual budget to be one of its most important responsibilities because the budget is the financial reflection of the District's educational plan. The budget shall be designed to carry out that plan in a thorough and efficient manner, to maintain the facilities and to honor District obligations. Budget planning for the District is an integral part of program planning so that the annual operating budget may effectively express and implement all programs and activities of the District. Budget planning is a year-round process involving active participation by administrators, Board members, and appropriate District personnel. The District maintains budgetary controls to ensure compliance with legal provisions incorporated within the annual appropriated budget. The annual appropriated budget is adopted by the School Board by June 30 of each year. Legal budgetary control is maintained at the sub-function major object level.

The District follows the Pennsylvania Public School Code requirements, the procedures mandated by the Pennsylvania Department of Education and the District policies for annual General Fund budget approval. Pennsylvania State code requires that each Pennsylvania School District prepare and adopt an annual appropriation budget for the general fund. The District's annual general fund budget sets forth District expenditures and revenues and establishes the tax levy prior to the beginning of each fiscal year. The total amount of the budget may not exceed expected revenue plus a prudent and reasonable contingency and reserve. At least thirty days prior to adoption of the final budget, the Board prepares and presents a proposed budget, which is set forth in detail using the forms required by the Pennsylvania Department of Education. The Board holds one or more public hearings on the annual budget prior to the meeting at which it is formally adopted.

During the course of the year, the Pennsylvania School Code prohibits spending to exceed the approved budget. To adjust for price changes and other changes to the original budget assumptions, the District allows for the transfer of funds among budget line items upon the recommendation of the Superintendent and the Director of Business Affairs. By law, such transfers may only be made during the last nine months of the fiscal year and all transfers require Board approval.

### **Internal Controls**

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

### **Economic Condition and Outlook**

The area's economy remains healthy, with Chester County economic indicators surpassing state wide data. The county has one of the lowest unemployment rates among the Commonwealth's 67 counties. Moody's Investors Service reaffirmed the District's Triple-A rating based on the sizeable and affluent residential tax base, solid financial position that is expected to remain stable and manageable debt burden.

That having been said, the District has been impacted by a number of factors. In 2006, the Pennsylvania General Assembly passed into law Act 1 of 2006. This law places restrictions on the amount that School Districts can raise property taxes to within a cost of living increase. The law does allow for exceptions to Act 1 tax increase above the index for Special Education and State Retirement purposes. In 2023-24, the index allowed for a 4.1% increase in property taxes and the School Board opted to not increase property tax and the tax rate in Chester County remained at 22.4364 mills.



As the District continues to navigate under the budgetary constraints of Act 1 funding restrictions, other school districts throughout Pennsylvania incurred a number of unfavorable budgetary impacts. The Pennsylvania economy, which has a direct effect on the District's earned income tax and other local revenues, has seen a slight growth over the past few years. The District pension program, which is administered by the State, saw a decrease in the pension contribution rate from 35.26% in 2022-23 to 34.00% for 2023-24. The pension rates are expected to increase through 2028-29. State revenue increased moderately during the past year although the District anticipates minimal increases in the upcoming years. The District's experienced a decrease in federal revenues during the 2023-24 fiscal year, as the remaining available CARES federal funds were spent down in the prior fiscal year.

Annually, The District compiles student enrollment projections for the upcoming five school years. Enrollment projections are based on cohort survival calculation method and do not include new student growth. The District projects student enrollment to increase from 11,993 in 2024-25 to 12,383 in 2029-30.

As a result of the above noted economic conditions, the District's Comprehensive Plan has incorporated a financial goal of funding priorities based on fiscal realities. Part of the goal requires the District to control debt spending and fund balance limits. The District continues to closely manage economic indicators that will impact the next few budget cycles.

### **Long Term Financial Planning and Financial Policies**

As stated earlier, the District budgeting process is a year-round process. As part of that process, the Business Office forecasts revenues and expenditures going five years into the future. This long term financial planning is essential to absorbing the anticipated changes to mandated expenditure patterns and revenue streams. To assist with this management, the District has many policies in place which include, but are not limited to, fund balance policies and debt policies.

### **Major Initiatives**

The District is in the midst of a multiyear elementary school renovation project. The most recent elementary school master plan includes renovations of the District's existing ten (10) elementary schools between 2011-2012 and 2028-2029. In 2023-2024, the District completed the final phase of construction of Glen Acres Elementary School and started the design and construction of Mary C Howse Elementary. The original construction and renovation of the District buildings is included in the statistical section of the ACFR under operating information.

The District will be implementing a new elementary special area class called Design Lab that integrates the new STEELS (Science, Technology & Engineering, Environmental Literacy & Sustainability) standards with an emphasis on Design Thinking.

### **Independent Audit**

The District engages an independent certified public accounting firm to audit the School District's annual financial statements. The auditor's report on the Fiscal 2023-2024 financial statements is included in the Financial Section of this report and complies with applicable guidelines.

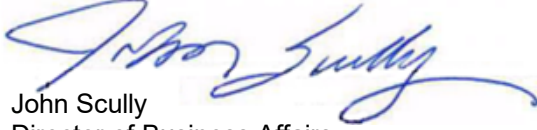
### **Awards**

The Association of School Business Officials International (ASBO) awarded the Certificate of Excellence (COE) in Financial Reporting to the West Chester Area School district for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This award confirms the school business officials' commitment to financial accountability and transparency. Recognition through the COE program can help strengthen a district's presentation for bond issuance statements and promotes a high level of financial reporting.

## Acknowledgements

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Business Office. Each member has our sincere appreciation for contributions made in the preparation of this report.

Respectfully,

A handwritten signature in blue ink, appearing to read "John Scully", written in a cursive style.

John Scully  
Director of Business Affairs

**West Chester Area School District  
List of Board of School Directors and District Administrators  
June 30, 2024**

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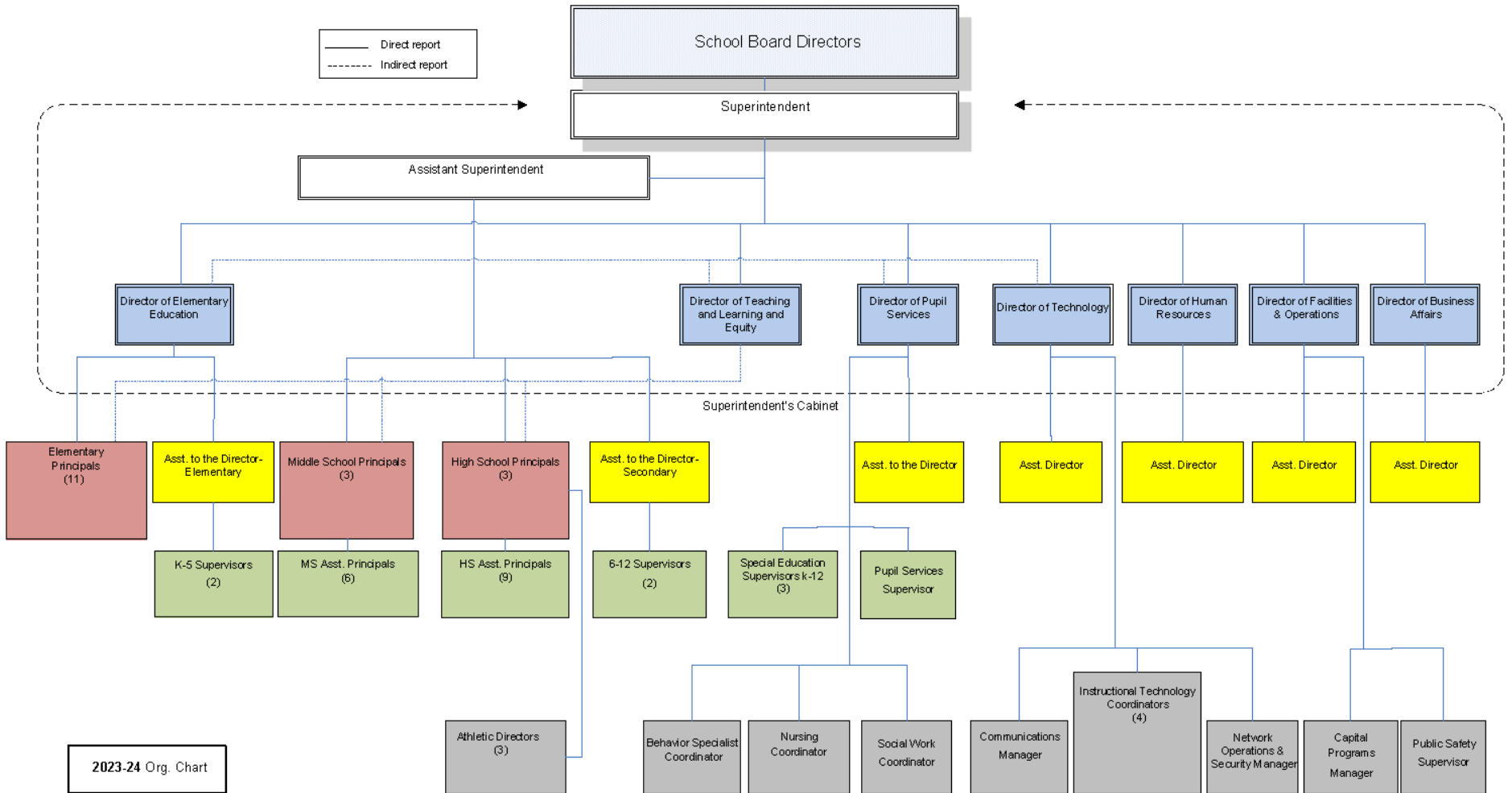
**2023-24 School Board Members**

Karen Fleming	School Board President
Gary Bevilacqua	School Board Vice President
Alex Christy	Member
Laura Detre	Member
Daryl Durnell	Member
Katy Frey	Member
Karen Herrmann	Member
Jewell Parkinson	Member
Stacey Whomsley	Member

**District Administrators**

Dr. David Christopher	Superintendent
Dr. Kalia Reynolds	Assistant Superintendent
Dr. Sara Missett	Director of Elementary Education
Wayne Birster	Director of Facilities and Operations
John McGowan	Director of Information Technology
Dr. Jeff Ulmer	Director of Human Resources
John Scully	Director of Business Affairs
Melissa Kleiman	Director of Pupil Services
Dr. Stephen Brown	Director of Teaching and Learning and Equity

**West Chester Area School District**  
**West Chester Area School District Organization Chart**  
**June 30, 2024**





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## West Chester Area School District

for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2023.

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



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

**Ryan S. Stechschulte**  
SFO  
President

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

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

# WEST CHESTER AREA SCHOOL DISTRICT

## FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

To the Board of School Directors of  
West Chester Area School District:

### Report on the Audit of Financial Statements

#### Opinions

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 West Chester Area School District, Exton, Pennsylvania as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise West Chester Area School District's basic financial statements as listed in the table of contents.

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 West Chester Area School District, Exton, Pennsylvania as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of West Chester Area School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about West Chester Area School District's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the District's proportionate share of the net pension liability - PSERS and pension plan contributions - PSERS, schedule of changes in OPEB liability single-employer plan, and the schedules of the District's proportionate share of the net OPEB liability -PSERS and OPEB plan contributions – PSERS on pages 11 through 20 and 64 through 68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 West Chester Area School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

### Other Information Included in the Financial Statements

Management is responsible for the other information in the financial statements. The other information comprises the introductory and statistical sections, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 7, 2025, on our consideration of West Chester Area School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of West Chester Area School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering West Chester Area School District's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC".

February 7, 2025

# **West Chester Area School District Management's Discussion and Analysis - Unaudited June 30, 2024**

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## **INTRODUCTION**

The discussion and analysis of the financial performance of West Chester Area School District (the "District") provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers also should review the financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance.

## **DISTRICT MISSION STATEMENT**

The Districts' mission is to educate and inspire our students to achieve their personal best.

## **DISTRICT PROFILE**

The District consists of eleven elementary schools, three middle schools and three high schools, serving 12,100 students. The District serves a 75 square-mile suburban, urban and rural area in Chester County, Pennsylvania and is comprised of West Chester Borough and the surrounding townships of East Goshen, West Goshen, East Bradford, West Whiteland, Westtown and Thornbury in Chester County and Thornbury Township in Delaware County. The Staff, headed by Superintendent Dr. David Christopher, includes more than 1,000 teachers, 70 administrators and 400 support staff. More than 63% of our certified teaching staff, and 100% of our administrative staff hold advanced degrees.

Student achievement is the primary focus in the district as it is consistently ranked among the best in the state and nation, with 93% of its graduates attending college after graduation. Recognition includes US News and World Report, and Newsweek's Best Public High Schools in the nation. Niche, a national database of public schools, rated the district as 31 out of 500 Pennsylvania school districts, and The National Music Merchants rated the District as one of 37 districts in the state and 570 in the nation as Best Communities in Education.

## **FINANCIAL HIGHLIGHTS**

- The largest District revenue stream is local property tax. In 2023-24, the School Board did not raise property taxes to balance the budget. The taxpayers in Chester County were assessed for property taxes at 22.4364 mills. (Please note that one mill is equal to one-tenth of a cent or \$0.001 of assessed value.) Delaware County tax rate was assessed based upon the equalized millage calculation, which resulted in a tax rate of 9.9424 mills in 2023-24.
- On a fund level reporting basis, compared to the prior year, the District's General Fund total revenues, excluding other financing sources, increased 2.10% or \$6,075,239. This increase was driven primarily by property tax revenue growth, earned income tax, investment income, basic education state funding, and retirement state subsidy revenue. The Increases were offset by a reduction in federal Coronavirus Aid, Relief, and Economic Security ("CARES") and American Rescue Plan ("ARP") funding.
- On a fund level reporting basis, compared to the prior year, the District's General Fund expenditures increased \$9,376,456 or 3.44%. This increase was the result of planned contract increases in salaries for the professional staff, medical benefits costs, student transportation costs and student tuition expense. Salary expense increased by \$4,663,917 or 4.13%. Medical expenses increased by \$4,131,268 or 24.50%. Student transportation expense increased by \$677,286 or 5.03% and Student tuition expense increased by \$542,871 or 3.66%. The increases were partially offset by a decrease in construction and equipment expense of \$2,379,341.

**West Chester Area School District  
Management's Discussion and Analysis – Unaudited  
June 30, 2024**

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- The statement of Net position reflects the actuarially determined net pension liability of \$324,751,000, deferred outflows of resources of \$59,198,129 comprising contributions made by the District made after the measurement date of June 30, 2023 and deferred inflows of resources of \$4,446,000 comprised of investment returns on pension assets over projected returns. The governmental activities increase in net position was driven by the combined change in the District's actuarially determined proportionate share of the PSERS liability, and related deferred outflows and deferred inflows, resulting in a reduction of expenses which increased net position.
- On an entity-wide basis, the District's total net position was negative \$80,898,052 at June 30, 2024. This represented a decrease of 17.87% from the prior year.

**OVERVIEW OF FINANCIAL STATEMENTS**

The accompanying financial statements have been prepared in accordance with GASB Statement Number 34 and present both entity-wide and fund level financial statements using both the accrual basis and modified accrual basis of accounting, respectively.

**Entity-Wide Financial Statements**

The first two statements are entity-wide financial statements - the Statement of Net Position and the Statement of Activities. These provide both long-term and short-term information about the District's overall financial status.

The entity-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two entity-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the District, the reader needs to consider additional nonfinancial factors, such as changes in the District's property tax base and the performance of the students.

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

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

**Fund Level Financial Statements**

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

**West Chester Area School District  
Management's Discussion and Analysis – Unaudited  
June 30, 2024**

- Governmental Funds** - Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. The District's major governmental funds are the General Fund, the Capital Projects Fund and the Capital Reserve Fund. Governmental funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.
- Proprietary Funds** - These funds are used to account for District activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position and a significant portion of funding through user charges. When the District charges customers for services it provides - whether to outside customers or to other units in the District - these services generally are reported in proprietary funds. The Food Service Fund is the District's proprietary fund and is the same as the business-type activities reported in the entity-wide statements.
- Fiduciary Funds** - The District is the trustee, or fiduciary, for some scholarship funds. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations.

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

**FINANCIAL ANALYSIS OF THE DISTRICT - ENTITY-WIDE STATEMENTS**

The District's total net position was negative \$80,898,052 at June 30, 2024. This represents a decrease of \$17,598,652 over the prior year. The table below presents condensed financial information for the net position of the District as of June 30, 2024 and 2023.

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Current and other assets	\$ 165,808,313	\$ 178,964,716	\$ 3,064,501	\$ 2,846,284	\$ 168,872,814	\$ 181,811,000
Capital assets	<u>325,538,505</u>	<u>326,984,993</u>	<u>904,132</u>	<u>782,489</u>	<u>326,442,637</u>	<u>327,767,482</u>
Total assets	<u>491,346,818</u>	<u>505,949,709</u>	<u>3,968,633</u>	<u>3,628,773</u>	<u>495,315,451</u>	<u>509,578,482</u>
<b>Deferred outflows of resources</b>	<u>65,612,507</u>	<u>65,239,690</u>	<u>-</u>	<u>-</u>	<u>65,612,507</u>	<u>65,239,690</u>
<b>Liabilities</b>						
Current liabilities	52,175,634	60,566,709	854,267	757,366	53,029,901	61,324,075
Noncurrent liabilities	<u>575,693,704</u>	<u>593,900,409</u>	<u>-</u>	<u>-</u>	<u>575,693,704</u>	<u>593,900,409</u>
Total liabilities	<u>627,869,338</u>	<u>654,467,118</u>	<u>854,267</u>	<u>757,366</u>	<u>628,723,605</u>	<u>655,224,484</u>
<b>Deferred inflows of resources</b>	<u>13,102,405</u>	<u>18,090,392</u>	<u>-</u>	<u>-</u>	<u>13,102,405</u>	<u>18,090,392</u>
<b>Net position (deficit)</b>						
Net investment in capital assets	90,657,451	82,415,067	904,132	782,489	91,561,583	83,197,556
Restricted for capital projects	33,101,201	32,138,400	-	-	33,101,201	32,138,400
Unrestricted (Deficit)	<u>(207,771,070)</u>	<u>(215,921,578)</u>	<u>2,210,234</u>	<u>2,088,918</u>	<u>(205,560,836)</u>	<u>(213,832,660)</u>
Total net position (deficit)	<u>\$ (84,012,418)</u>	<u>\$ (101,368,111)</u>	<u>\$ 3,114,366</u>	<u>\$ 2,871,407</u>	<u>\$ (80,898,052)</u>	<u>\$ (98,496,704)</u>

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The governmental activities restricted net position in the amount of \$33,101,201 is set aside to fund capital improvements, the replacement of and additions to public works, and deferred maintenance. The total unrestricted net position in the amount of negative \$205,560,836 included \$2,210,234 which could be used for capital and other expenditures within the District's food service program.

The results of this year's operations as a whole are reported in the Statement of Activities. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that relate directly to specific expense categories are presented to determine the final amount of the District's activities that are supported by other general revenues. The largest revenues are property taxes, local taxes and the state basic education subsidy.

The table below presents condensed financial information for the Statement of Activities in a different format so that the reader can see the total revenues for the year. Compared to the prior year, the District's total revenues increased by \$6,629,551 or 2.24%. The largest changes in revenue occurred in property taxes, other revenues and operating grants and contributions. Other revenues increased by \$3,514,310 or 41.61% related to increases in investment revenue. Property taxes increased by \$1,701,977 or 0.89%. Grants and subsidies not restricted to specific programs increased by \$1,590,656 or 10.46% due to increases in state subsidy funding.

Expenses increased by \$23,360,290 or 8.93%. The largest drivers of this increase were instruction, student support services, administrative and financial support services, and pupil transportation. The main driving factors for the increase were related to contracted salaries increases, retirement expense and contracted professional services.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenues</b>						
Program services						
Charges for services	\$ 1,346,203	\$ 1,381,820	\$ 2,906,819	\$ 2,381,987	\$ 4,253,022	\$ 3,763,807
Operating grants and contributions	39,805,060	41,272,583	1,941,784	1,928,693	41,746,844	43,201,276
General revenues						
Property taxes	192,916,118	191,214,141	-	-	192,916,118	191,214,141
Other taxes	35,001,582	34,213,757	-	-	35,001,582	34,213,757
Grants and subsidies not restricted to specific programs	16,803,823	15,213,167	-	-	16,803,823	15,213,167
Other revenues	<u>11,787,755</u>	<u>8,326,618</u>	<u>172,744</u>	<u>119,571</u>	<u>11,960,499</u>	<u>8,446,189</u>
Total revenues	<u>297,660,541</u>	<u>291,622,086</u>	<u>5,021,347</u>	<u>4,430,251</u>	<u>302,681,888</u>	<u>296,052,337</u>
<b>Expenses</b>						
Instruction	178,747,627	163,696,662	-	-	178,747,627	163,696,662
Instructional student support services	22,945,048	20,769,504	-	-	22,945,048	20,769,504
Administrative and financial support services	26,333,243	23,733,426	-	-	26,333,243	23,733,426
Operation and maintenance of plant services	23,867,995	21,275,695	-	-	23,867,995	21,275,695
Pupil transportation	15,202,250	14,310,797	-	-	15,202,250	14,310,797
Student activities	6,221,829	5,699,023	-	-	6,221,829	5,699,023
Community services	20,533	187,223	-	-	20,533	187,223
Interest on long-term debt	6,966,323	7,675,847	-	-	6,966,323	7,675,847
Food service	-	-	<u>4,778,388</u>	<u>4,374,769</u>	<u>4,778,388</u>	<u>4,374,769</u>
Total expenses	<u>280,304,848</u>	<u>257,348,177</u>	<u>4,778,388</u>	<u>4,374,769</u>	<u>285,083,236</u>	<u>261,722,946</u>
Change in net position	17,355,693	34,273,909	242,959	55,482	17,598,652	34,329,391
<b>Net position (deficit)</b>						
Beginning of year	<u>(101,368,111)</u>	<u>(135,642,020)</u>	<u>2,871,407</u>	<u>2,815,925</u>	<u>(98,496,704)</u>	<u>(132,826,095)</u>
End of year	<u>\$ (84,012,418)</u>	<u>\$ (101,368,111)</u>	<u>\$ 3,114,366</u>	<u>\$ 2,871,407</u>	<u>\$ (80,898,052)</u>	<u>\$ (98,496,704)</u>

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**EXPENSES**

The table below presents condensed financial information on the expenses of the District by function. The table illustrates both the gross and net costs of services. Unrestricted grants, subsidies and contributions are deducted to reflect the amount needed to be funded by other revenue sources. The amount needed to be funded by other revenue sources increased by \$22,869,155 or 11.5% over the prior year. The table for business-type activity reflects condensed financial activities of the food service program, the only business-type activity of the District.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Governmental activities</b>				
Expenses				
Instruction	\$ 178,747,627	\$ 163,696,662	\$ 152,072,109	\$ 134,863,930
Instructional student support	22,945,048	20,769,504	18,966,442	16,886,754
Administrative and financial support	26,333,243	23,733,426	23,933,451	21,520,666
Operation and maintenance of plant services	23,867,995	21,275,695	19,911,999	17,474,044
Pupil transportation	15,202,250	14,310,797	12,256,117	11,584,489
Student activities	6,221,829	5,699,023	5,026,677	4,500,845
Community services	20,533	187,223	20,467	187,199
Interest on long-term debt	<u>6,966,323</u>	<u>7,675,847</u>	<u>6,966,323</u>	<u>7,675,847</u>
Total expense	<u>\$ 280,304,848</u>	<u>\$ 240,265,013</u>	239,153,585	199,447,306
Less: Grants, subsidies and contributions not restricted			<u>(16,803,823)</u>	<u>(15,213,167)</u>
Amount needed to be funded by other revenue sources			<u>\$ 222,349,762</u>	<u>\$ 199,480,607</u>
<b>Business-type activities</b>				
Food services	<u>\$ 4,778,388</u>	<u>\$ 4,374,769</u>	<u>\$ (70,215)</u>	<u>\$ (1,482,889)</u>

**THE DISTRICT FUNDS**

**General Fund**

At June 30, 2024, the District reported a total fund balance of \$94,036,156 which was an increase of \$5,475,532 over the prior year. Of this amount, the District committed \$66,044,229 of the fund balance towards tax rate stabilization. These funds will be used to offset the 2024-25 budget gaps and eliminate the need for future tax increases. Due to the nature of self-insuring health insurance claims, the District experiences volatility in annual health insurance costs, to smooth these expenditures, the District established a health insurance rate stabilization fund and committed \$4,159,909 which is consistent with the prior year. The District assigned \$2,000,000 to fund fluctuations in alternative education cost and \$1,000,000 to help minimize the property assessment fluctuations, which both are consistent with the prior year. In 2024 the District assigned \$1,100,000 to fund future staffing needs. The remaining assigned fund balance of \$52,138 is assigned for athletic activities. There are nonspendable amounts of \$2,299,476 in fund balance for prepaid expenditures. The remaining fund balance of \$17,380,404 is classified as unassigned and represents 6.17% of total expenditures.

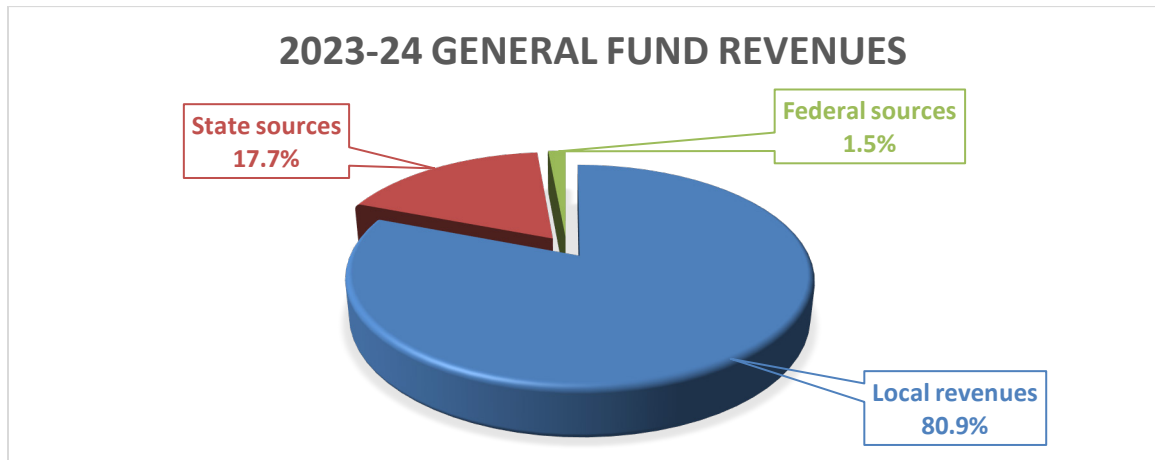
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The School Board of West Chester Area School District manages the fund balance to respond to unforeseen contingencies and economic conditions. This philosophy was established during a healthy and growing economy within the District and accurate and timely forecasting allows the District to constantly monitor economic trends within our community. This philosophy conforms to the Board’s belief that the tax burden should be aligned with the current funding needs of the District.

**REVENUE**

General Fund Revenues, excluding other financing sources, total \$295,873,775 which is an increase from the collections in the prior year. The table below reflects a comparison of current year revenues to prior year revenues:

	<u>General Fund Revenue 2024</u>	<u>Percentage of Total</u>	<u>Increase/ (Decrease) from 2023</u>	<u>Variance Over/(Under) Final Budget</u>
Local revenues	\$ 239,264,892	80.9%	\$ 5,956,126	\$ 23,045,759
State sources	52,257,112	17.7%	2,887,887	1,549,838
Federal sources	<u>4,351,771</u>	<u>1.4%</u>	<u>(2,768,774)</u>	<u>771,875</u>
Total	<u>\$ 295,873,775</u>	<u>100.00%</u>	<u>\$ 6,075,239</u>	<u>\$ 25,367,472</u>



Local revenues Increased by \$5,956,126. The Districts real estate tax revenue increased \$2,016,250, or 1.07% from the prior year due to overall property growth within the District. The District’s investment revenues increased \$3,258,922, or 49.71% from the prior year. The District’s earned income tax revenues increased \$1,651,613, or 5.98% from the prior year. Additionally, real estate transfer tax revenue and delinquent tax collection revenue decreased by \$641,203 or 10.39% and \$314,273 or 10.76%, respectively, from the prior year.

The increase in State revenues is due to increases in basic education funding, retirement subsidy revenue and social security and Medicare subsidy revenue. Basic education funding increased by \$1,699,525. State pension retirement and social security and Medicare subsidies increased by \$867,458 and \$237,519, respectively. The state reimburses the District for 50% of the District’s pension and social security and Medicare costs.

Federal revenues decreased by 38.88%, which is the result of the decrease in Coronavirus Aid, Relief, and Economic Security (“CARES”) and American Rescue Plan (“ARP”) funding totaling \$3,769,147. The decreases were offset by increases in IDEA funding of \$621,829, Title I funding of \$395,922, Title II funding of \$1,688 and Title III funding of \$10,673.

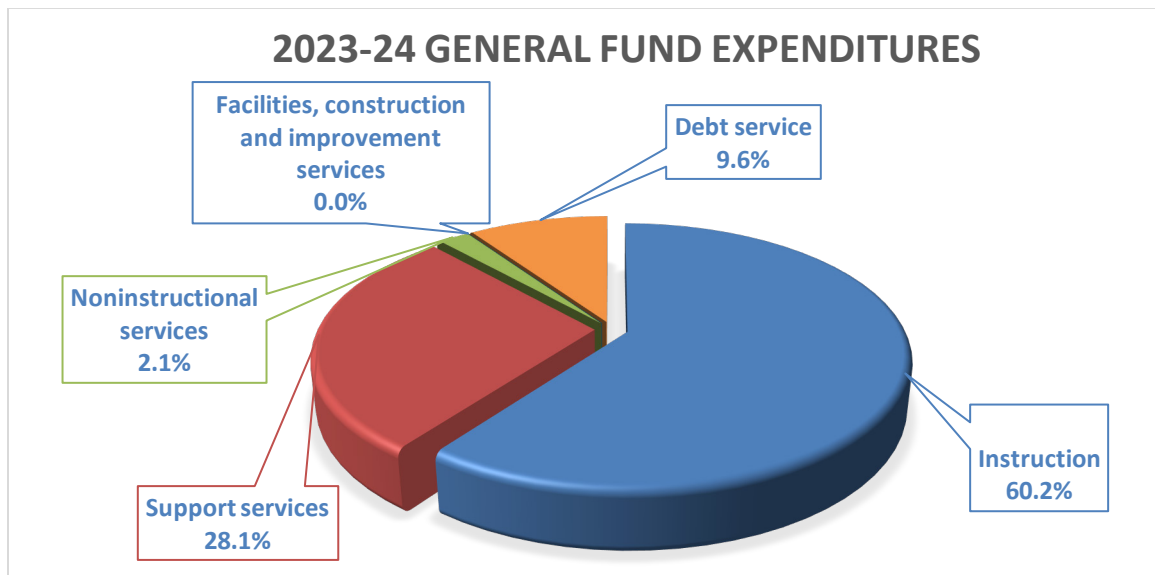
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**EXPENDITURES**

General Fund expenditures, excluding transfers to other governmental funds, totaled \$281,770,970. This was an increase of \$9,376,456 or 3.44% over the prior year, and it was \$11,885,448 under the approved budget. The expenditures were segregated into various programs depending on the functions of the activity. These programs and the costs associated with each, as well as comparison to the costs incurred in the prior year and the final 2023-24 budget, are as follows:

	<u>General Fund Revenue 2024</u>	<u>Percentage of Total</u>	<u>Increase/ (Decrease) from 2023</u>	<u>Variance Over/(Under) Final Budget</u>
Instruction	\$ 169,466,011	60.2%	\$ 7,793,787	\$ (5,387,813)
Support services	79,257,033	28.1%	4,609,247	(5,964,230)
Noninstructional services	5,896,493	2.1%	86,355	(323,260)
Facilities acquisition, construction and improvement services	-	0.0%	(2,382,380)	-
Debt service	<u>27,151,433</u>	<u>9.6%</u>	<u>(730,553)</u>	<u>(210,145)</u>
Total	<u>\$ 281,770,970</u>	<u>100.0%</u>	<u>\$ 9,376,456</u>	<u>\$ (11,885,448)</u>

The driving factors for the 2023-24 increases in instructional and support services were contracted salary increases, retirement expense and student transportation costs. The decrease in 2023-24 facilities acquisition, construction and improvement services was the result of one-time construction costs funded through a federal grant in the prior year.



**Capital Projects Fund**

Fiscal 2023-24 represented the fourteenth year of the District’s elementary school master plan renovations. By the completion of this plan, all ten existing elementary schools will have been renovated. In 2019 the District identified the need for an eleventh elementary school due to the student growth within the District. As of June 30, 2024, the District had a capital projects fund balance of \$7,087,644. This was a decrease of \$10,763,701 from the prior year. The District also reported expenditures of \$15,423,744 in 2023-24. These expenditures were primarily related to the design and renovation of the elementary schools.



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**Capital Reserve Fund**

The Capital Reserve Fund had a fund balance of \$33,101,201 at June 30, 2024. This was a \$962,801 increase from the prior year. The Capital Reserve Fund is funded by transfers from the General Fund. In 2023-24, the capital outflows from the Capital Reserve Fund were spent on maintenance projects. The Capital Reserve Fund received a transfer in of \$3,980,986 from the General Fund. This transfer represented general fund maintenance projects and debt service savings achieved through refinancing an existing bond issue.

**GENERAL FUND BUDGET**

During the fiscal year, the Board of School Directors authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. All adjustments are confirmed again at the time the annual audit is accepted. This is done after the end of the fiscal year in accordance with state law. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in the financial statements.

Due to legislative restrictions, the District must adopt a preliminary budget six months before the start of the fiscal year. Subsequent to the start of the fiscal year, the District’s projections indicated that future budget years would experience a budgetary shortfall due to rising pension rates and limited local revenue increases. In reaction to this anticipated gap, the District has been conservative with spending. This is evident when reviewing the District’s actual expenditures versus the approved budget. Total revenues were collected above budgeted amounts at \$25,367,472 over budget or 9.38%. Total expenditures were under the amended budget by \$11,885,448 or 4.05%.

**CAPITAL ASSETS**

At June 30, 2024, the District had \$326,442,637 invested in a broad range of governmental capital assets, including land, buildings, furniture and equipment. This amount represents a net decrease (including additions, deletions and depreciation) of \$1,324,845 or .004% from the prior year. Additionally, the District’s construction in progress balance decreased by \$16,577,774 from the prior year.

The following schedule depicts the capital assets for the period July 1, 2023 through June 30, 2024. More detailed information about Capital assets is included in the notes to the financial statements.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Assets</u>
Capital assets			
Land	\$ 28,289,916	\$ -	\$ 28,289,916
Land improvements	18,032,787	-	18,032,787
Buildings	501,902,105	-	501,902,105
Construction-in-progress	30,445,829	-	30,445,829
Furniture and equipment	58,874,995	1,852,398	60,727,393
Right-to-use leased equipment	1,063,021	-	1,063,021
Total capital assets	<u>638,608,653</u>	<u>1,852,398</u>	<u>640,461,051</u>
Total accumulated depreciation	<u>313,070,148</u>	<u>948,266</u>	<u>314,018,414</u>
Capital assets, net	<u>\$ 325,538,505</u>	<u>\$ 904,132</u>	<u>\$ 326,442,637</u>

**West Chester Area School District  
Management’s Discussion and Analysis – Unaudited  
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**DEBT ADMINISTRATION**

As of June 30, 2024, the District had total outstanding bonds and related charges of \$242,267,739, a decrease of \$20,124,178 from the prior year. Based upon a projection of future debt margins, the retirement of principal on current issues and estimated future borrowing, the District is certain that it will not exceed its debt limit.

	<b>Principal Outstanding June 30, 2023</b>	<b>Maturities/ Refinancing</b>	<b>Additions</b>	<b>Principal Outstanding June 30, 2024</b>
General obligation bonds and notes	\$ 242,135,000	\$ 29,975,000	\$ 11,300,000	\$ 223,460,000
Deferred amounts				
Net Issuance premium	<u>20,256,917</u>	<u>2,450,780</u>	<u>1,001,602</u>	<u>18,807,739</u>
Long-term debt	<u>\$ 283,168,168</u>	<u>\$ 32,425,780</u>	<u>\$ 12,301,602</u>	<u>\$ 242,267,739</u>

**OTHER LONG-TERM LIABILITIES**

Other obligations include accrued vacation pay and severance for specific employees of the District and lease liability on buildings and equipment. More detailed information about long-term liabilities is included in the notes to the financial statements.

**THE DISTRICT’S FUTURE**

West Chester Area School District forecasts budgetary impacts on a rolling five-year cycle. Looking forward, the District is expecting revenues to fall short of anticipated expenditures, creating a budgetary gap. Local revenue is the Districts largest budgetary stream has shown signs of growth over the past year. Earned income tax and growth in real estate tax base both follow local economic trends. The District has seen a large increase in investment earning over the past year which is in line with the current market trend, however the District does recognize the volatility in market return and will continue to be conservative in budgeting in this area. While State funding has increased recently, with increases in basic education funding, pension and social security subsidies. Pension and social security subsidy increases are mirrored by the cost and do not assist in addressing budgetary gaps.

Expense growth in the future will continue to be driven by staffing, pension and employee benefit costs. The District’s employer pension contribution rate decreased from 35.26% in 2022-2023 to 34.00% in 2023-2024 and is projected to increase moving forward. The District also projects an annual increase of 7.57% per year in health benefits. The District uses fund balance management techniques to reserve funds for future staffing needs, potential health care costs, alternative education costs and reduce millage impact. The District has changed health care plans for all its labor groups in an attempt to limit health care expenses. While currently, the District is showing a deficit, the District School Board and staff are working hard to develop methods to address the District’s long-term financial needs.

During the past few years, the District has continued to see a large number of residential development projects approved within the School District’s boundaries. In anticipation of the influx of new students, the District has adjusted its long-term elementary school master plan that included an 11th elementary school. The District will continue the renovations and/or additions to each of its existing 10 elementary schools. The District has completed seven building renovations and is in progress with the eighth and ninth renovations. The remaining elementary school renovations are estimated to be completed through 2029. As for the financing of the remaining renovations plan, the District has always exercised caution in a conservative approach to borrowing, including waiting until long-term bonds (20-year notes) were capable of being sold at advantageous, fixed rates of interest.

**West Chester Area School District  
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**FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to show the Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact Mr. John Scully, Director of Business Affairs at The West Chester Area School District, 782 Springdale Drive, Exton, PA 19341, (484) 266-1020.

**West Chester Area School District**  
**Government-Wide - Statement of Net Position (Deficit)**  
**June 30, 2024**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets and Deferred Outflows of Resources</b>			
Assets			
Current assets			
Cash and cash equivalents	\$ 22,005,377	\$ 519,698	\$ 22,525,075
Investments	126,013,698	2,621,892	128,635,590
Internal balances	170,303	(170,303)	-
Due from other governments	9,354,913	55,988	9,410,901
Other receivables	2,120,986	27,784	2,148,770
Taxes receivables	3,694,763	-	3,694,763
Prepaid expenses	2,448,273	-	2,448,273
Inventories	-	9,442	9,442
Total current assets	<u>165,808,313</u>	<u>3,064,501</u>	<u>168,872,814</u>
Noncurrent assets			
Capital assets			
Land	28,289,916	-	28,289,916
Construction-in-progress	30,445,829	-	30,445,829
Land improvements	18,032,787	-	18,032,787
Buildings	501,902,105	-	501,902,105
Furniture and equipment	58,874,995	1,852,398	60,727,393
Leased right to use building and equipment	1,063,021	-	1,063,021
Less: Accumulated depreciation	<u>(313,070,148)</u>	<u>(948,266)</u>	<u>(314,018,414)</u>
Total noncurrent assets	<u>325,538,505</u>	<u>904,132</u>	<u>326,442,637</u>
Total assets	<u>491,346,818</u>	<u>3,968,633</u>	<u>495,315,451</u>
Deferred Outflow of Resources			
Deferred amount on refunding	1,937,657	-	1,937,657
Deferred outflows relating to OPEB	4,476,721	-	4,476,721
Deferred outflows relating to pension	<u>59,198,129</u>	<u>-</u>	<u>59,198,129</u>
Total deferred outflow of resources	<u>65,612,507</u>	<u>-</u>	<u>65,612,507</u>
Total assets and deferred outflows of resources	<u>\$ 556,959,325</u>	<u>\$ 3,968,633</u>	<u>\$ 560,927,958</u>

The Notes to Financial Statements are an integral part of this statement.

**West Chester Area School District**  
**Government-Wide - Statement of Net Position (Deficit)**  
**June 30, 2024**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Liabilities and Net Position (Deficit)</b>			
Liabilities			
Current liabilities			
Accounts payable and other current liabilities	\$ 29,757,830	\$ 331,265	\$ 30,089,095
Accrued interest	1,288,382	-	1,288,382
Unearned revenues	59,744	523,002	582,746
Bonds and notes payable, net	20,854,392	-	20,854,392
Lease liability	215,286	-	215,286
Total current liabilities	<u>52,175,634</u>	<u>854,267</u>	<u>53,029,901</u>
Noncurrent liabilities			
Bonds and notes payable, net	221,413,347	-	221,413,347
Accrued severance and compensated absences	6,061,021	-	6,061,021
Net OPEB liability	23,333,388	-	23,333,388
Net pension liability	324,751,000	-	324,751,000
Lease liability	134,948	-	134,948
Total noncurrent liabilities	<u>575,693,704</u>	<u>-</u>	<u>575,693,704</u>
Total liabilities	<u>627,869,338</u>	<u>854,267</u>	<u>628,723,605</u>
Deferred inflow of resources			
Deferred inflow relating to OPEB	8,656,405	-	8,656,405
Deferred inflow relating to pension	4,446,000	-	4,446,000
Total deferred inflow of resources	<u>13,102,405</u>	<u>-</u>	<u>13,102,405</u>
Net position			
Net investment in capital assets	90,657,451	904,132	91,561,583
Restricted for capital projects	33,101,201	-	33,101,201
Unrestricted (deficit)	<u>(207,771,070)</u>	<u>2,210,234</u>	<u>(205,560,836)</u>
Total net position (deficit)	<u>(84,012,418)</u>	<u>3,114,366</u>	<u>(80,898,052)</u>
Total liabilities, deferred inflow of resources and net position (deficit)	<u>\$ 556,959,325</u>	<u>\$ 3,968,633</u>	<u>\$ 560,927,958</u>

The Notes to Financial Statements are an integral part of this statement.

**West Chester Area School District  
Government-Wide - Statement of Activities  
Year Ended June 30, 2024**

	<u>Expenses</u>	<u>Charges for Service</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
<b>Primary Government</b>							
Governmental activities							
Instruction	\$ 178,747,627	\$ 137,116	\$ 26,538,402	\$ -	\$ (152,072,109)	\$ -	\$ (152,072,109)
Instructional student support	22,945,048	-	3,978,606	-	(18,966,442)	-	(18,966,442)
Administrative and financial support services	26,333,243	-	2,399,792	-	(23,933,451)	-	(23,933,451)
Operation and maintenance of plant services	23,867,995	709,676	3,246,320	-	(19,911,999)	-	(19,911,999)
Pupil transportation	15,202,250	-	2,946,133	-	(12,256,117)	-	(12,256,117)
Student activities	6,221,829	499,411	695,741	-	(5,026,677)	-	(5,026,677)
Community services	20,533	-	66	-	(20,467)	-	(20,467)
Interest on long-term debt	<u>6,966,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,966,323)</u>	<u>-</u>	<u>(6,966,323)</u>
Total governmental activities	<u>280,304,848</u>	<u>1,346,203</u>	<u>39,805,060</u>	<u>-</u>	<u>(239,153,585)</u>	<u>-</u>	<u>(239,153,585)</u>
Business-type activities							
Food service	<u>4,778,388</u>	<u>2,906,819</u>	<u>1,941,784</u>	<u>-</u>	<u>-</u>	<u>70,215</u>	<u>70,215</u>
Total primary government	<u>\$ 285,083,236</u>	<u>\$ 4,253,022</u>	<u>\$ 41,746,844</u>	<u>\$ -</u>	<u>(239,153,585)</u>	<u>70,215</u>	<u>(239,083,370)</u>
General revenues							
Property taxes, levied for general purpose					192,916,118	-	192,916,118
Taxes levied for specific purposes					35,001,582	-	35,001,582
Grants, entitlements and contributions not restricted to specific programs					16,803,823	-	16,803,823
Investment earnings					11,595,815	168,844	11,764,659
Other					<u>191,940</u>	<u>3,900</u>	<u>195,840</u>
Total general revenues					<u>256,509,278</u>	<u>172,744</u>	<u>256,682,022</u>
Change in net position					17,355,693	242,959	17,598,652
Net position (deficit), beginning of year					<u>(101,368,111)</u>	<u>2,871,407</u>	<u>(98,496,704)</u>
Net position (deficit), current year					<u>\$ (84,012,418)</u>	<u>\$ 3,114,366</u>	<u>\$ (80,898,052)</u>

The Notes to Financial Statements are an integral part of this statement.

**West Chester Area School District  
Balance Sheet – Governmental Funds  
June 30, 2024**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Capital Reserve Fund</u>	<u>Other Governmental Fund</u>	<u>Totals</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 15,811,691	\$ 1,355,306	\$ 4,838,380	\$ -	\$ 22,005,377
Investments	89,334,123	8,057,609	28,621,966	-	126,013,698
Taxes receivable	3,694,763	-	-	-	3,694,763
Due from other funds	170,303	-	-	-	170,303
Due from other governments	9,354,913	-	-	-	9,354,913
Other receivables	2,120,986	-	-	-	2,120,986
Prepaid expenditures	2,299,476	148,797	-	-	2,448,273
Total assets	<u>\$ 122,786,255</u>	<u>\$ 9,561,712</u>	<u>\$ 33,460,346</u>	<u>\$ -</u>	<u>\$ 165,808,313</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 5,885,246	\$ 2,474,068	\$ 359,145	\$ -	\$ 8,718,459
Unearned revenue	59,744	-	-	-	59,744
Payroll accruals and withholdings	21,039,371	-	-	-	21,039,371
Total liabilities	<u>26,984,361</u>	<u>2,474,068</u>	<u>359,145</u>	<u>-</u>	<u>29,817,574</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue - property taxes	1,765,738	-	-	-	1,765,738
Total deferred inflows of resources	<u>1,765,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,765,738</u>
<b>Fund balances (deficit)</b>					
Nonspendable	2,299,476	148,797	-	-	2,448,273
Restricted	-	6,938,847	33,101,201	-	40,040,048
Committed	70,204,138	-	-	-	70,204,138
Assigned	4,152,138	-	-	-	4,152,138
Unassigned	17,380,404	-	-	-	17,380,404
Total fund balances (deficit)	<u>94,036,156</u>	<u>7,087,644</u>	<u>33,101,201</u>	<u>-</u>	<u>134,225,001</u>
 Total liabilities, deferred inflows of resources and fund balance (deficit)	 <u>\$ 122,786,255</u>	 <u>\$ 9,561,712</u>	 <u>\$ 33,460,346</u>	 <u>\$ -</u>	 <u>\$ 165,808,313</u>

The Notes to Financial Statements are an integral part of this statement.

**West Chester Area School District**  
**Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position**  
**(Deficit)**  
**June 30, 2024**

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**Total Fund Balances for Governmental Funds** \$ 134,225,001

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 the governmental funds. The cost of assets was \$638,608,653 accumulated depreciation and amortization was \$313,070,148. 325,538,505

Some of the District's revenues will be collected after year end but are not available soon enough to pay the current year's expenditures and, therefore, are reported as unavailable revenue - property taxes in the governmental funds. 1,765,738

Governmental funds report deferred amounts on bond refundings as other financing sources. However, these amounts are reported on the statement of net position as deferred outflows of resources and amortized over the life of the refunding debt. 1,937,657

Long-term liabilities applicable to the governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued interest	\$ (1,288,382)	
Bonds and notes payable in future years, net	(242,267,739)	
Accumulated compensated absences	(6,061,021)	
Net pension liability	(324,751,000)	
Net OPEB liability	(23,333,388)	
Lease liability	<u>(350,234)</u>	(598,051,764)

Deferred inflows and outflows related to the District's net pension liability are based on the differences between actuarially determined expected and actual investment returns, changes in the actuarially determined proportion of the District's amount of the total pension liability, differences between actual and expected experience, and pension contributions made after the measurement date of the net pension liability. These amounts will be amortized over the estimated remaining average service life of the employees.

Deferred outflows of resources		
Deferred outflows - OPEB	4,476,721	
Deferred outflows - pension	59,198,129	
Deferred inflows of resources		
Deferred inflows - OPEB	(8,656,405)	
Deferred inflows - pension	<u>(4,446,000)</u>	<u>50,572,445</u>

Total net position of governmental activities \$ (84,012,418)

The Notes to Financial Statements are an integral part of this statement.



**West Chester Area School District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental**  
**Funds**  
**Year Ended June 30, 2024**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Capital Reserve Fund</u>	<u>Other Governmental Fund</u>	<u>Totals</u>
<b>Revenues</b>					
Local sources	\$ 239,264,892	\$ -	\$ 1,780,484	\$ -	\$ 241,045,376
State sources	52,257,112	-	-	-	52,257,112
Federal sources	4,351,771	-	-	-	4,351,771
Total revenues	<u>295,873,775</u>	<u>-</u>	<u>1,780,484</u>	<u>-</u>	<u>297,654,259</u>
<b>Expenditures</b>					
Current					
Instruction	169,466,011	-	-	-	169,466,011
Support services	79,257,033	3,727,418	-	-	82,984,451
Operation of noninstructional services	5,896,493	-	-	-	5,896,493
Debt service					
Principal	17,975,000	-	-	-	17,975,000
Interest	9,176,433	-	-	-	9,176,433
Bond Issuance costs	-	2,452	-	151,763	154,215
Capital outlays	<u>-</u>	<u>11,693,874</u>	<u>4,798,669</u>	<u>-</u>	<u>16,492,543</u>
Total expenditures	<u>281,770,970</u>	<u>15,423,744</u>	<u>4,798,669</u>	<u>151,763</u>	<u>302,145,146</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>14,102,805</u>	<u>(15,423,744)</u>	<u>(3,018,185)</u>	<u>(151,763)</u>	<u>(4,490,887)</u>
Other financing sources (uses)					
Refund of prior year expenditures	11,304	-	-	-	11,304
Bonds issued for refunding	-	-	-	11,300,000	11,300,000
Payment to refund bonds	-	-	-	(12,147,387)	(12,147,387)
Premium on bonds issued	-	-	-	1,001,602	1,001,602
Transfers in	-	4,660,043	3,980,986	-	8,641,029
Transfers out	<u>(8,638,577)</u>	<u>-</u>	<u>-</u>	<u>(2,452)</u>	<u>(8,641,029)</u>
Total other financing sources (uses)	<u>(8,627,273)</u>	<u>4,660,043</u>	<u>3,980,986</u>	<u>151,763</u>	<u>165,519</u>
Net change in fund balances	5,475,532	(10,763,701)	962,801	-	(4,325,368)
Fund balances (deficit), beginning of year	<u>88,560,624</u>	<u>17,851,345</u>	<u>32,138,400</u>	<u>-</u>	<u>138,550,369</u>
Fund balances (deficit), end of year	<u>\$ 94,036,156</u>	<u>\$ 7,087,644</u>	<u>\$ 33,101,201</u>	<u>\$ -</u>	<u>\$ 134,225,001</u>

The Notes to Financial Statements are an integral part of this statement.

**West Chester Area School District  
 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances  
 – Governmental Funds to Statement of Activities  
 Year Ended June 30, 2024**

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**Net Change in Fund Balances - Total Governmental Funds** \$ (4,325,368)

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

Capital outlays are reported in governmental funds as expenditures, either as district-wide (capital outlay) or function-specific (i.e. instruction, pupil services). However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation expense exceeded \$19,278,926 exceeded capital outlay \$17,832,438 in the period. (1,446,488)

Because some amounts will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Unavailable revenue decreased by this amount during the year. (5,022)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt 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 are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 20,391,641

Governmental funds report deferred amounts on bond refundings as other financing sources. However, these amounts are reported on the statement of net position as deferred outflows of resources and amortized over the life of the refunding debt. (134,338)

In the statement of activities, certain operating expenses – compensated absences (vacations and sick leave) and special termination benefits (early retirement) – 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 (essentially, the amounts actually paid). This is the amount by which current period amounts paid exceeded current period compensated absences earned. (554,033)

OPEB expenses in the statement of activities differs from the amount reported in the governmental funds because OPEB expenses are recognized in the statement of activities based on the District's proportionate share of the expenses of the cost-sharing OPEB plan and expenses of the single employer, whereas OPEB expenditures are recognized in the governmental funds when a requirement to remit contributions to the plan exists. 287,719

Interest on long-term debt 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, however, interest expense is recognized as the interest accrues, regardless of when it is due. 195,270

Pension expense in the statement of activities differs from the amount reported in the governmental funds because pension expense is recognized in the statement of activities based on the organization's proportionate share of the expenses of the cost-sharing pension plan, whereas pension expenditures are recognized in the governmental funds when a requirement to remit contributions to the plan exists. 2,946,312

Change in net position of governmental activities \$ 17,355,693

The Notes to Financial Statements are an integral part of this statement.

**West Chester Area School District  
Budgetary Comparison Statement – General Fund  
Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
<b>Revenues</b>				
Local sources	\$ 216,219,133	\$ 216,219,133	\$ 239,264,892	\$ 23,045,759
State sources	50,707,274	50,707,274	52,257,112	1,549,838
Federal sources	3,579,896	3,579,896	4,351,771	771,875
Total revenues	<u>270,506,303</u>	<u>270,506,303</u>	<u>295,873,775</u>	<u>25,367,472</u>
<b>Expenditures</b>				
Instruction				
Regular programs, elementary/secondary	114,859,977	116,403,127	114,362,631	2,040,496
Special programs, elementary/secondary	48,456,670	49,809,556	46,994,109	2,815,447
Vocational education programs	7,212,728	7,273,495	7,011,410	262,085
Other instructional programs	1,144,553	1,211,486	941,701	269,785
Nonpublic school programs	72,130	156,160	156,160	-
Total instruction	<u>171,746,058</u>	<u>174,853,824</u>	<u>169,466,011</u>	<u>5,387,813</u>
Support services				
Pupil personnel	12,191,614	12,353,784	11,549,870	803,914
Instructional staff	8,300,701	8,394,165	7,403,116	991,049
Administration	14,761,627	14,906,547	13,908,372	998,175
Pupil health	3,241,583	3,287,924	3,252,228	35,696
Business	2,175,317	2,204,652	2,020,794	183,858
Operational and maintenance of plant services	23,118,764	23,457,711	21,515,261	1,942,450
Student transportation services	15,003,994	14,922,134	14,210,531	711,603
Central	5,155,763	5,417,624	5,120,139	297,485
Other support services	230,316	276,722	276,722	-
Total support services	<u>84,179,679</u>	<u>85,221,263</u>	<u>79,257,033</u>	<u>5,964,230</u>
Operation of noninstructional services				
Student activities	5,974,703	6,199,182	5,877,297	321,885
Community services	7,823	20,571	19,196	1,375
Total operation of noninstructional services	<u>5,982,526</u>	<u>6,219,753</u>	<u>5,896,493</u>	<u>323,260</u>
Facilities acquisition, construction and improvement services				
	-	-	-	-
Debt service				
Principal, interest and fiscal agent fees	27,291,578	27,361,578	27,151,433	210,145
Total expenditures	<u>289,199,841</u>	<u>293,656,418</u>	<u>281,770,970</u>	<u>11,885,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,693,538)</u>	<u>(23,150,115)</u>	<u>14,102,805</u>	<u>37,252,920</u>
<b>Other financing sources</b>				
Refunds of prior year expenditures	-	-	11,304	11,304
Budgetary reserve	(4,599,980)	-	-	-
Interfund transfer out	(8,495,174)	(8,638,577)	(8,638,577)	-
Total other financing sources	<u>(13,095,154)</u>	<u>(8,638,577)</u>	<u>(8,627,273)</u>	<u>11,304</u>
Net change in fund balance	(31,788,692)	(31,788,692)	5,475,532	37,264,224
Fund balance, beginning of year	<u>88,560,624</u>	<u>88,560,624</u>	<u>88,560,624</u>	<u>-</u>
Fund balance, end of year	<u>\$ 56,771,932</u>	<u>\$ 56,771,932</u>	<u>\$ 94,036,156</u>	<u>\$ 37,264,224</u>

The Notes to Financial Statements are an integral part of this statement.

**West Chester Area School District**  
**Statement of Fund Net Position – Proprietary Fund**  
**June 30, 2024**

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	<u>Food Service Fund</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 519,698
Investments	2,621,892
Due from other governments	55,988
Other receivables	27,784
Inventory, donated commodities	<u>9,442</u>
Total current assets	3,234,804
Capital assets	
Furniture and equipment, net	<u>904,132</u>
Total assets	<u>\$ 4,138,936</u>
<b>Liabilities and Net Position</b>	
Current liabilities	
Accounts payable and accrued liabilities	\$ 331,265
Due to other funds	170,303
Unearned revenue	<u>523,002</u>
Total liabilities	<u>1,024,570</u>
Net position	
Investment in capital assets	904,132
Unrestricted	<u>2,210,234</u>
Total net position	<u>3,114,366</u>
Total liabilities and net position	<u>\$ 4,138,936</u>

The Notes to Financial Statements are an integral part of this statement.

**West Chester Area School District**  
**Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund**  
**Year Ended June 30, 2024**

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	<b><u>Food Service Fund</u></b>
<b>Operating revenues</b>	
Food service revenue	\$ 2,906,819
Total operating revenues	<u>2,906,819</u>
<b>Operating expenses</b>	
Professional and contract services	4,623,130
Depreciation	155,258
Other operating costs	<u>-</u>
Total operating expenses	<u>4,778,388</u>
Operating loss	<u>(1,871,569)</u>
<b>Nonoperating revenues</b>	
State sources	348,421
Federal sources	1,593,363
Local sources	-
Interest income	168,844
Gain on sale of assets	<u>3,900</u>
Total nonoperating revenues	<u>2,114,528</u>
Change in net position	242,959
Net position, beginning of year	<u>2,871,407</u>
Net position, end of year	<u>\$ 3,114,366</u>

The Notes to Financial Statements are an integral part of this statement.

**West Chester Area School District**  
**Statement of Cash Flows – Proprietary Fund**  
**Year Ended June 30, 2024**

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	<b>Food Service Fund</b>
<b>Operating activities</b>	
Receipts from customers	\$ 2,923,518
Payments to suppliers	<u>(4,190,670)</u>
Net cash used by operating activities	<u>(1,267,152)</u>
<b>Noncapital financing activities</b>	
State sources	347,624
Federal sources	<u>1,263,217</u>
Net cash provided by noncapital financing activities	<u>1,610,841</u>
<b>Capital and related financing activities</b>	
Gain on sale of capital assets	3,900
Purchase of capital assets	<u>(276,900)</u>
Net cash used by capital and related financing activities	<u>(273,000)</u>
<b>Investing activities</b>	
Sale of investment securities and deposits to investment pools	238,593
Interest income	<u>168,844</u>
Net cash used by investing activities	<u>407,437</u>
Net change in cash and cash equivalents	478,126
<b>Cash and cash equivalents</b>	
Beginning of year	<u>41,572</u>
End of year	<u>\$ 519,698</u>
<b>Reconciliation of operating loss to net cash used by operating activities</b>	
Operating loss	\$ (1,871,569)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	155,258
Commodities Usage	334,734
Changes in assets and liabilities	
Increase in other receivables	819
Increase in inventory	(8,800)
Decrease in accounts payable and accrued liabilities	81,021
Decrease in due to other funds	25,505
Decrease in unearned revenue	<u>15,880</u>
Net cash used by operating activities	<u>\$ (1,267,152)</u>
<b>Supplemental disclosure</b>	
Noncash noncapital financing activity	
USDA donated commodities	<u>\$ 334,734</u>

The Notes to Financial Statements are an integral part of this statement.

**West Chester Area School District**  
**Statement of Net Position – Fiduciary Funds**  
**June 30, 2024**

	<u>Custodial Funds</u>		<u>Total Custodial Funds</u>	<u>Private- Purpose Trust</u>
	<u>Student Activity Funds</u>	<u>Other Custodial Funds</u>		
<b>Assets</b>				
Cash and cash equivalents	\$ 471,780	\$ 129,411	\$ 601,191	\$ 592,795
Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>808,214</u>
Total assets	<u>\$ 471,780</u>	<u>\$ 129,411</u>	<u>\$ 601,191</u>	<u>\$ 1,401,009</u>
<b>Liabilities and Net Position</b>				
Liabilities				
Other current liabilities	\$ 14,356	\$ -	\$ 14,356	\$ 2,973
Total liabilities	<u>14,356</u>	<u>-</u>	<u>14,356</u>	<u>2,973</u>
Net position				
Restricted	<u>457,424</u>	<u>129,411</u>	<u>586,835</u>	<u>1,398,036</u>
Total net position	<u>457,424</u>	<u>129,411</u>	<u>586,835</u>	<u>1,398,036</u>
Total liabilities and net position	<u>\$ 471,780</u>	<u>\$ 129,411</u>	<u>\$ 601,191</u>	<u>\$ 1,401,009</u>

The Notes to Financial Statements are an integral part of this statement.

**West Chester Area School District  
Statement of Changes in Net Position – Fiduciary Funds  
Year Ended June 30, 2024**

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	<u>Student Activity Funds</u>	<u>Other Custodial Funds</u>	<u>Total Custodial Funds</u>	<u>Private- Purpose Trust</u>
<b>Additions</b>				
Gifts and contributions	\$ 873,227	\$ 340,092	\$ 1,213,319	\$ 1,364,875
Total additions	<u>873,227</u>	<u>340,092</u>	<u>1,213,319</u>	<u>1,364,875</u>
<b>Deductions</b>				
Activity expense	<u>893,296</u>	<u>324,418</u>	<u>1,217,714</u>	<u>508,499</u>
Total deductions	<u>893,296</u>	<u>324,418</u>	<u>1,217,714</u>	<u>508,499</u>
Change in net position	(20,069)	15,674	(4,395)	856,376
<b>Net position</b>				
Beginning of year	<u>477,493</u>	<u>113,737</u>	<u>591,230</u>	<u>541,660</u>
End of year	<u>\$ 457,424</u>	<u>\$ 129,411</u>	<u>\$ 586,835</u>	<u>\$ 1,398,036</u>

The Notes to Financial Statements are an integral part of this statement.



**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The West Chester Area School District's ("the District") financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

**Reporting Entity**

The District is governed by an elected Board of Directors. Generally accepted accounting principles require that the financial statements present the District and its component units, entities for which the District is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the District's operations and, therefore, data from these units are required to be combined with data of the primary school district. Each discretely presented component unit, on the other hand, is required to be reported in a separate column in the entity-wide financial statements to emphasize it is legally separate from the District. Based on the application of these principles, there are no component units presented in the District's financial statements.

**Entity-wide and Fund Financial Statements**

The entity-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 properly included among program revenues are reported instead as general revenues.

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The entity-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.

**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and, therefore, have been recognized as revenues of the current fiscal period. Only a portion of special assessment receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major government funds:

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

**Capital Projects Fund** – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital assets other than those financed by enterprise operations.

**Capital Reserve Fund** – The Capital Reserve Fund is used for funds set aside that are legally restricted to expenditures for specific purposes.

The District reports one nonmajor fund (debt service) which is used to record certain debt activity.

The District reports the following major proprietary fund:

**Food Service Fund** – The Food Service Fund (an enterprise fund) is used to account for the operations of the District's school cafeterias that are financed and operated in a manner similar to a private business enterprise wherein the intent of the governing body is that the cost of providing goods or services to the school population on a continuing basis will be recovered or financed primarily through user charges.

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

For purposes of the statement of cash flows of proprietary funds, cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

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

**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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Additionally, the District reports the following fund types:

**Fiduciary Funds** - Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations or other governments. These include private-purpose trust funds and custodial funds. Private-purpose trust funds account for resources, including both principal and earnings, which must be expended in accordance with a trust agreement and are accounted for in essentially the same manner as proprietary funds. Custodial funds are purely custodial and thus do not involve measurement of the results of operations.

**Assets, Liabilities and Net Position or Equity**

*Deposits and Investments*

Under Section 440-1 of the Public School code of 1949, as amended, the 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; 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 the Federal Deposit Insurance Corporation ("FDIC") or the Federal Savings and Loan Insurance Corporation ("FSLIC") 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 therefore shall be pledged by the depository.

In 2016, permitted investments were expanded to include highly rated commercial paper, bankers' acceptances, and negotiable certificates of deposit.

Investments are reported at fair value, except for repurchase agreements and nonnegotiable certificates of deposit which are reported at cost. In establishing the fair value of investments, the District uses the following hierarchy. The lowest available level of valuation available is used for all investments.

*Level 1* – Valuations based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access.

*Level 2* – Valuations based on quoted prices of similar products in active markets or identical products in markets that are not active or for which all significant inputs are observable, directly or indirectly.

*Level 3* – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

**Receivables and Payables**

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

All trade and property tax receivables are shown net of any allowance for uncollectibles. There are no allowances at June 30, 2024.

**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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

Discount Period	-	July 1 to August 31	-	2% of gross levy
Flat Period	-	September 1 to October 31		
Penalty Period	-	November 1 to collection	-	10% of gross levy
Lien Date	-	January 15		

**Prepaid items**

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

**Inventory**

All inventories are valued at the lower of cost (first-in, first-out method) or market. Inventories reported in the governmental funds consist of expendable materials and supplies, which are recorded as expenditures when purchased. Inventories in the proprietary fund consist of food and related supplies, and are recorded as expenses when consumed.

**Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the entity-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Donated capital assets, donated works of art, historical treasures and similar assets, and capital assets that are received in a service concession arrangement will be measured at acquisition value.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Useful Life (Years)</u>
Buildings	20–40
Land improvements	20
Furniture and equipment	3–10

**Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The liability for unpaid accumulated sick leave is accounted for in the accrued severance pay. This time is paid out only through severance pay calculations.

District employees who are required to work on a 12-month schedule are credited with vacation at rates which vary with length of service or job classification. Vacation must be taken in the year subsequent to when it was earned. If separation of service occurs in the year subsequent to earning, then the unused balance of the amount earned in the prior year is paid at separation. The liability at June 30 represents vacation earned at the date.

**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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**Accrued Severance Pay**

Administrative personnel who have completed at least 12 years of credited District service and retire under normal PSERS guidelines receive severance pay in the form of compensation. Instructional, secretarial and support personnel who have completed at least 15 years of credited District service and retire under the normal PSERS guidelines, receive severance pay in the form of compensation. Administrative personnel receive \$45 - \$80 per day for every day of accumulated sick and personal days at retirement. Instructional personnel receive \$45 - \$80 per day. Secretarial and support personnel receive \$65 per day for every day of accumulated sick and personal days at retirement to a maximum \$10,000 of compensation. Severance pay generally is liquidated by the General Fund.

**Long-term Obligations**

In the entity-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are netted against outstanding principal balances and amortized over the life of the bonds. Bond issuance costs are expensed when incurred. Deferred amounts on refunding are recorded as deferred inflows or outflows of resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. All amortized amounts are amortized using the straight-line method which approximates the effective interest method.

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

**Deferred Inflows and Deferred Outflows of Resources**

In addition to assets and liabilities, the statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements represent an addition to or consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until then. The District has various items that are reported in these categories.

The first deferred outflow is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The second deferred outflow of resources relates to certain changes to the net pension and OPEB liabilities which are required to be amortized over a period of years; the unamortized portions of these changes are reflected as deferred outflows of resources in the statement of net position. In the statement of net position, a deferred inflow of resources is recorded for differences related to changes in the net pension and OPEB liabilities which will be amortized over future periods. See Notes 13 and 16 for further analysis of deferred outflows and inflows of resources related to the net pension and OPEB liabilities.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition with resources that have been received, but not yet earned. At the end of the current fiscal year, deferred inflows of resources reported in the general fund resulted from delinquent property taxes receivable.

**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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**Fund Equity**

Fund balance will be displayed in the following classification (if applicable) depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

*Nonspendable* – that portion of the fund balance that cannot be spent because it is either in a nonspendable form or legally or contractually required to be maintained intact.

*Restricted* – that portion of the fund balance that is constrained to be used for a specific purpose as per an external party or law.

*Committed* – that portion of the balance that is to be used for a specific purpose as per School Board motion. These constraints can be removed or changed by equal level action. Action to constrain resources should occur prior to the fiscal year end. Direction from the School Board can commit specific dollar amounts, percentages or funds related to a specific activity.

*Assigned* – that portion of the fund balance that is intended to be used for specific purposes. The Property and Finance Committee, the Superintendent, or the Director of Business Affairs may assign amounts for specific purposes.

*Unassigned* – that portion of the fund balance that represents expendable available financial resources. It is the residual after the nonspendable, restricted, committed, and assigned portions are deducted from the total fund balance. A negative unassigned fund balance may be reported in the other governmental funds (not general fund) if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds and, finally, unassigned funds, as needed, unless the School Board, the Property and Finance Committee, the Superintendent, or the Director of Business Affairs has provided otherwise in its commitment or assignment actions.

The District is committed to maintaining a prudent level of financial resources to protect against the needs to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's minimum fund balance policy requires that the unassigned fund balance equal or exceed 5% of the subsequent year's general fund operating expenditures.

**Net Position**

The entity-wide financial statements report net position in one of three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of borrowings attributable to acquiring, constructing, or improving those assets. Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Those restrictions affect net position arising from the capital projects fund. Unrestricted net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

**Use of Estimates in the Preparation of Financial Statements**

The preparation of basic financial statements in conformity with generally accepted accounting principles 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.

**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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**Implementation of New Accounting Pronouncements**

Effective July 1, 2023, the District adopted the provisions of GASB Statement No. 100. " *Accounting Changes and Error Corrections*"

The objective of GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 had no impact on the financial statements of the District for the year ended June 30, 2024.

**New Accounting Pronouncements**

GASB Statement No. 101, *Compensated Absences* will be effective for the District for the year ended June 30, 2025. GASB Statement No. 101 will update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB Statement No. 101 will require that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

GASB Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. The objective of GASB Statement No. 102 is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

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

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

**2. BUDGETARY INFORMATION**

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the general fund. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital projects funds.

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

1. The Director of Business Affairs submits to the School Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the District offices to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of an ordinance.
4. Formal budgetary integration is employed as a management control device during the year for the general fund.
5. Budgeted amounts are as originally adopted, or as amended by the School Board.

**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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**3. DEPOSITS**

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The District does not have a policy for custodial credit risk but operates under the provisions of Commonwealth laws (Act 72). At June 30, 2024, the carrying amount of the District's deposits was \$23,719,061 and the bank balance was \$25,914,755. Of the bank balance, \$250,000 was covered by federal depository insurance. The remaining balance was fully collateralized. This collateral was held by the depository's agent on a pooled basis not in the District's name and, therefore, subject to custodial credit risk.

**4. INVESTMENTS**

The District purchases money market holdings, certificates of deposit ("CDs") and government agency securities through Fulton Financial Advisors. The money market is a federal money market fund and maintains a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization, and is subject to an independent annual audit. As of June 30, 2024, it was rated AAA by a nationally recognized statistical rating agency. Fulton Financial Advisors is a registered member of the Securities and Exchange Commission and subject to the Commission's oversight. These investments are held by a third party. Investments are in short-term securities in accordance with the District's investment policy and school district code. All agency securities purchased are highly rated by a nationally recognized rating agency. All CDs are purchased at values to stay within the FDIC insurance limits.

The District also invests in the Pennsylvania Local Government Investment Trust ("PLGIT"), the Pennsylvania School District Liquid Asset Fund ("PSDLAF") and the Pennsylvania Treasurer's Investment Program for Local Governments ("PTIP"). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT, PSDLAF, and PTIP act like money market mutual funds in that their objective is to maintain a stable net asset value of \$1 per share, are rated by a nationally recognized statistical rating organization, and are subject to an independent annual audit. These external investment pools are considered 2a7-like pools and are recorded at amortized cost. The amortized cost, which approximates fair value of the pool, is determined by the pool's share price. As of June 30, 2024, PLGIT, PSDLAF, and PTIP were rated as AAAM by a nationally recognized statistical rating organization. As of June 30, 2024, the District had \$68,063,088 invested in PLGIT, PSDLAF, and PTIP (\$55,620,448 in the General Fund, \$8,057,609 in the Capital Projects Fund, \$1,763,139 in the Capital Reserve Fund, and \$2,621,892 in the Food Service Fund.)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The District has the following recurring fair value measurements as of June 30, 2024:



**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Maturity in Less Than One Year</u>	<u>Maturity in Greater than One Year</u>
General fund					
CRIMS - Money market	\$ 4,057,657	\$ 4,057,657	\$ -	\$ 4,057,657	\$ -
CRIMS - US treasuries	<u>29,656,018</u>	<u>-</u>	<u>29,656,018</u>	<u>29,656,018</u>	<u>-</u>
Total general fund	<u>33,713,675</u>	<u>4,057,657</u>	<u>29,656,018</u>	<u>33,713,675</u>	<u>-</u>
Capital reserve fund account					
CRIMS - Agencies	8,939,913	-	8,939,913	8,939,913	-
CRIMS - Certificates of deposit	2,193,101	-	2,193,101	2,193,101	-
CRIMS - Commercial paper	4,442,193	-	4,442,193	4,442,193	-
CRIMS - Money market	1,136,805	1,136,805	-	1,136,805	-
CRIMS - US treasuries	<u>10,146,815</u>	<u>-</u>	<u>10,146,815</u>	<u>10,146,815</u>	<u>-</u>
Total capital reserve fund account	<u>26,858,827</u>	<u>1,136,805</u>	<u>25,722,022</u>	<u>26,858,827</u>	<u>-</u>
Private Purpose Trust account					
CRIMS - US treasuries	<u>801,563</u>	<u>-</u>	<u>801,563</u>	<u>801,563</u>	<u>-</u>
Private Purpose Trust account	<u>801,563</u>	<u>-</u>	<u>801,563</u>	<u>801,563</u>	<u>-</u>
	<u>\$ 61,374,065</u>	<u>\$ 5,194,462</u>	<u>\$ 56,179,603</u>	<u>\$ 61,374,065</u>	<u>\$ -</u>

**Concentration Risk**

Investments shall be diversified by avoiding concentration in obligations of a specific issuer (excluding U.S. Treasury securities) and continuously investing a portion of the portfolio in readily available funds such as local government investment pools, money market mutual funds, or bank accounts subject to immediate withdrawal.

**Interest Rate Risk**

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the district to meet all projected obligations. For operating funds, the maximum weighted average maturity will be no more than six months at any point in time and the maximum maturity of any individual investment will be 397 days from purchase date to maturity date. For reserve funds, the maximum weighted average maturity will be no more than two and a half years from at any point in time and the maximum maturity of any individual investment will be five years from purchase date to maturity date. Scholarship and other similarly designated funds shall be invested such that the final maturity will be suitable to the expected life of the designated fund.

**5. TAXES RECEIVABLE**

Taxes receivable as of year-end for the District, in the aggregate, are as follows:

	<u>General Fund</u>
Real estate taxes	\$ 1,903,193
Transfer taxes	647,433
Earned income taxes	<u>1,144,137</u>
Total taxes receivable	<u>\$ 3,694,763</u>

The District's evaluation of taxes resulted in no allowance for uncollectible accounts.

**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, unavailable revenue of \$1,765,738 reported in the governmental funds resulted from delinquent property taxes receivable which was not collected within 60 days of fiscal year end.

**6. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>					
Capital assets not being depreciated					
Land	\$ 28,289,916	\$ -	\$ -	\$ -	\$ 28,289,916
Construction in progress	<u>47,023,603</u>	<u>15,845,569</u>	<u>-</u>	<u>(32,423,343)</u>	<u>30,445,829</u>
Total capital assets not being depreciated	<u>75,313,519</u>	<u>15,845,569</u>	<u>-</u>	<u>(32,423,343)</u>	<u>58,735,745</u>
Capital assets being depreciated					
Land improvements	17,333,220	-	-	699,567	18,032,787
Buildings	470,640,314	-	-	31,261,791	501,902,105
Furniture and equipment	56,426,141	1,986,869	-	461,985	58,874,995
Right-to-use leased equipment	<u>1,063,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,063,021</u>
Total capital assets being depreciated	<u>545,462,696</u>	<u>1,986,869</u>	<u>-</u>	<u>32,423,343</u>	<u>579,872,908</u>
Less: Accumulated depreciation/amortization for					
Land improvements	11,428,652	2,028,697	-	-	13,457,349
Buildings	234,419,264	12,926,938	-	-	247,346,202
Furniture and equipment	47,478,608	4,060,221	-	-	51,538,829
Right-to-use-leased equipment	<u>464,698</u>	<u>263,070</u>	<u>-</u>	<u>-</u>	<u>727,768</u>
Total accumulated depreciation	<u>293,791,222</u>	<u>19,278,926</u>	<u>-</u>	<u>-</u>	<u>313,070,148</u>
Total capital assets being depreciated, net	<u>251,671,474</u>	<u>(17,292,057)</u>	<u>-</u>	<u>32,423,343</u>	<u>266,802,760</u>
Governmental activities assets, net	<u>\$ 326,984,993</u>	<u>\$ (1,446,488)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,538,505</u>
<b>Business-Type Activities</b>					
Capital assets being depreciated					
Furniture and equipment	\$ 2,155,098	\$ 276,901	\$ 579,601	\$ -	\$ 1,852,398
Less: Accumulated depreciation	<u>1,372,609</u>	<u>155,258</u>	<u>579,601</u>	<u>-</u>	<u>948,266</u>
Business-type capital assets, net	<u>\$ 782,489</u>	<u>\$ 121,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 904,132</u>

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

**Governmental activities**

Instruction	\$ 11,887,384
Instructional student support	1,557,609
Administrative and financial support services	1,757,403
Operation and maintenance of plant services	2,666,100
Pupil transportation	996,814
Student activities	412,270
Community services	<u>1,346</u>
Total depreciation expense - governmental activities	<u>\$ 19,278,926</u>

Business-type activities - food service \$ 155,258

**West Chester Area School District**  
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**7. INTERNAL RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of and for the year ended June 30, 2024 is as follows:

<u>Receivable</u>	<u>Amount</u>	<u>Payable From</u>	<u>Amount</u>
General Fund	\$ <u>170,303</u>	Food Service Fund	\$ <u>170,303</u>

Interfund receivables and payables exist as a result of a time lag between dates when goods and services were provided and payments between funds were made. All will be paid within one year.

<u>Transfers Out</u>	<u>Amount</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	\$ 3,980,986	Capital Reserve Fund	\$ 3,980,986
General Fund	4,657,591	Capital Projects Fund	4,657,591
Debt Service Fund	<u>2,452</u>	Capital Projects Fund	<u>2,452</u>
	<u>\$ 8,641,029</u>		<u>\$ 8,641,029</u>

The general fund transferred funds to the capital reserve fund and capital projects fund for the year ended June 30, 2024 to fund future planned capital expenditures.

**8. LONG-TERM DEBT**

The following summarizes the changes in the long-term liabilities of governmental activities for the year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Repayments</u>	<u>Additions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation note, Series of 2009	\$ 8,130,000	\$ 645,000	\$ -	\$ 7,485,000	\$ 675,000
General obligation bonds, Series of 2014	12,000,000	12,000,000	-	-	-
General obligation bonds, Series A of 2014	8,745,000	8,745,000	-	-	-
General obligation bonds, Series AA of 2014	55,255,000	325,000	-	54,930,000	5,700,000
General obligation bonds, Series of 2016	2,235,000	2,235,000	-	-	-
General obligation bonds, Series A of 2016	31,995,000	5,875,000	-	26,120,000	12,270,000
General obligation bonds, Series A of 2017	9,725,000	5,000	-	9,720,000	5,000
General obligation bonds, Series of 2018	9,970,000	5,000	-	9,965,000	5,000
General obligation bonds, Series of 2019	34,735,000	5,000	-	34,730,000	5,000
General obligation bonds, Series of 2020	9,995,000	55,000	-	9,940,000	55,000
General obligation bonds, Series of 2021	29,240,000	5,000	-	29,235,000	5,000
General obligation bonds, Series of 2022	30,110,000	5,000	-	30,105,000	5,000
General obligation bonds, Series of 2024	<u>-</u>	<u>70,000</u>	<u>11,300,000</u>	<u>11,230,000</u>	<u>5,000</u>
	242,135,000	29,975,000	11,300,000	223,460,000	18,730,000
Deferred amounts					
Issuance premium	<u>20,256,917</u>	<u>2,450,780</u>	<u>1,001,602</u>	<u>18,807,739</u>	<u>2,124,392</u>
Long-term debt	<u>\$ 262,391,917</u>	<u>\$ 32,425,780</u>	<u>\$ 12,301,602</u>	<u>\$ 242,267,739</u>	<u>\$ 20,854,392</u>

**West Chester Area School District**  
**Notes to Financial Statements**  
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**General Obligation Bonds**

Refunding Series AA of 2014, original principal amount of \$57,635,000, maturing May 15, 2016 through May 15, 2030, bearing interest ranging from 2.00% to 5.00%, interest payable semi-annually on May 15 and November 15. \$ 54,930,000

Refunding Series A of 2016, original principal amount of \$32,030,000, maturing February 15, 2017 through February 15, 2027, bearing interest ranging from 1.35% to 5.00%, interest payable semi-annually on February 15 and August 15. 26,120,000

Series A of 2017, original principal amount of \$9,750,000, maturing May 15, 2019 through May 15, 2032, bearing interest ranging from 1.75% to 2.50%, interest payable semi-annually on May 15 and November 15. 9,720,000

Series of 2018, original principal amount of \$9,990,000, maturing May 15, 2020 through May 15, 2039, bearing interest of 4.00%, interest payable semiannually on May 15 and November 15. 9,965,000

Series of 2019, original principal amount of \$34,750,000, maturing May 15, 2021 through May 15, 2040, bearing interest ranging from 1.25% to 3.50%, interest payable semi-annually on May 15 and November 15. 34,730,000

Series of 2020, original principal amount of \$16,750,000, maturing March 15, 2021 through March 15, 2032, bearing interest ranging from 2.00% to 5.00%, interest payable semi-annually on March 15 and September 15. The refunding resulted in a cash flow savings of \$1,493,033. 9,940,000

Series of 2021, original principal amount of \$29,250,000, maturing May 1, 2022 through May 1, 2041, bearing interest ranging from 1.50% to 4.00%, interest payable semi-annually on May 1 and November 1. 29,235,000

Series of 2022, original principal amount of \$30,115,000, maturing May 15, 2022 through May 15, 2032, bearing interest ranging from 3.00% to 5.00%, interest payable semi-annually on May 15 and November 15. 30,105,000

Series of 2024, original principal amount of \$11,300,000, maturing May 15, 2024 through May 15, 2032, bearing interest of 4.00%, interest payable semiannually on May 15 and November 15. The refunding resulted in a cash flow savings of \$1,156,353. 11,230,000

215,975,000

**General Obligation Notes**

Series of 2009, original principal amount of \$10,000,000, maturing October 1, 2010 through October 1, 2027, bearing interest at a rate not to exceed 25%. Interest to be paid monthly. 7,485,000

7,485,000

\$ 223,460,000

**West Chester Area School District**  
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Payments of long-term debt are expected to be funded by the General Fund. Presented below is a summary of the bonds and notes debt service requirements to maturity by year:

<u>Year Ending June 30</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Maturities</u>
2025	\$ 18,730,000	\$ 8,408,478	\$ 27,138,478
2026	19,760,000	7,478,673	27,238,673
2027	20,275,000	6,945,670	27,220,670
2028	21,650,000	5,831,415	27,481,415
2029	21,230,000	5,190,378	26,420,378
2030-2034	68,875,000	16,318,859	85,193,859
2035-2039	41,555,000	7,301,750	48,856,750
2040-2041	11,385,000	583,600	11,968,600
	<u>\$ 223,460,000</u>	<u>\$ 58,058,823</u>	<u>\$ 281,518,823</u>

**9. CHANGES IN OTHER LONG-TERM LIABILITIES**

The following summarizes the changes in other long-term liabilities for the year ended June 30, 2024:

	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decrease</u>	<u>Balance June 30, 2024</u>	<u>Due in One Year</u>
Accrued compensated absences	\$ 2,096,872	\$ 1,062,346	\$ 752,802	\$ 2,406,416	\$ -
Accrued severance	<u>3,410,115</u>	<u>1,054,492</u>	<u>810,002</u>	<u>3,654,605</u>	<u>-</u>
Subtotal	5,506,987	2,116,838	1,562,804	6,061,021	-
Right-to-use lease payable	617,697	-	267,463	350,234	215,286
Net OPEB liability	23,053,277	280,111	-	23,333,388	-
Net pension liability	322,770,000	1,981,000	-	324,751,000	-
Bonds and notes payable, net	<u>262,391,917</u>	<u>12,301,602</u>	<u>32,425,780</u>	<u>242,267,739</u>	<u>20,854,392</u>
Total long-term liabilities	<u>\$ 614,339,878</u>	<u>\$ 16,679,551</u>	<u>\$ 34,256,047</u>	<u>\$ 596,763,382</u>	<u>\$ 21,069,678</u>

**10. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally, the federal government. 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 District expects such amounts, if any, to be immaterial.

**Litigation**

The District is a defendant in various matters of litigation and claims. These matters result from the normal course of business. The District has accrued for a settlement agreement executed subsequent to yearend. It is not presently possible to determine the ultimate outcome or settlement cost, if any, for the remaining matters.

**West Chester Area School District**  
**Notes to Financial Statements**  
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**11. CONSTRUCTION COMMITMENTS**

As of June 30, 2024, the District had construction projects yet to be completed. The commitments and amounts completed to date are as follows:

	<u>Contract Amount</u>	<u>Completed as of June 30, 2024</u>	<u>Commitments</u>
Renovations	\$ 59,392,907	\$ 29,977,193	\$ 29,415,714

In addition, the District has incurred costs totaling \$468,634 for project costs that were not under a formal contract as of June 30, 2024.

**12. RISK MANAGEMENT**

The District self-insures worker's compensation through its Insurance Consortium. The District's Insurance Consortium is an association consisting of school districts, intermediate units and vocational-technical schools of the Commonwealth of Pennsylvania. The District obtained a self-insurance exemption from the Commonwealth of Pennsylvania, Department of Labor and Industry, Bureau of Worker's Compensation, which allows the District to self-insure workers' compensation.

Each year the District is required to deposit funds into the central fund. The District then is billed monthly for actual claims for the current year paid during the previous month up to the level of retention. After the level of retention is reached, claim payments are made from the central fund. At the end of each fiscal year, reserves are established or adjusted on all outstanding claims. Funds in the central fund at the end of the fiscal year are not refunded. Total claims paid for the year ended June 30, 2024 were \$386,190.

Additionally, the District self-insures group medical, dental, vision and prescription coverage. The District has accrued a three-month value for potential claims under medical, dental, vision and prescription coverage. Total claims paid for the year ended June 30, 2024 were \$27,179,043.

The School District is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The School District has purchased various insurance policies to safeguard its assets from risk of loss. There was no change in the level of the School District's insurance coverage and no settlements exceeding insurance coverage during the year ended June 30, 2024, and the three previous fiscal years.

**Change in Aggregate Claim Liabilities**

Insurance claim liabilities reported at June 30 are historically paid within one year. Changes in the School District's claims liability amount in fiscal years 2024 and 2023 were:

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>
Claims liability at July 1	\$ 4,134,799	\$ 4,367,740
Current year claims and changes in estimates	28,007,279	23,517,786
Claim payments	<u>(27,179,043)</u>	<u>(23,750,727)</u>
Claims liability at June 30	<u>\$ 4,963,035</u>	<u>\$ 4,134,799</u>

**West Chester Area School District**  
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**13. PENSION PLAN**

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

**Plan Description**

The District contributes to the Public School Employees' Retirement System ("PSERS"), a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the system include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. The PSERS issues a publicly available comprehensive annual financial report that includes the financial statements and required supplementary information for the plan. A copy of this report may be obtained by visiting the PSERS website at [www.psers.pa.gov](http://www.psers.pa.gov).

**Benefits Provided**

The PSERS provides retirement, disability, and death benefits. 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 became 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 and age and service that is equal to or greater than 92, with a minimum of 35 years of service.

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

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

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2½%, depending upon the 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.

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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 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.

**Member Contributions**

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

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

**Employer Contributions**

The District's contractually required contribution rate for fiscal year ended June 30, 2024 was 33.09% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$38,435,620 for the year ended June 30, 2024.

**Pension Liability and Expense, and Deferred Outflows and Inflows of Resources related to Pensions**

At June 30, 2024, the District reported a liability of \$324,751,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the system's total pension liability as of June 30, 2022 to June 30, 2023. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's proportion was 0.7300%, which was an increase of 0.0040% from its proportion measured as of June 30, 2023.



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For the year ended June 30, 2024, the District recognized pension expense of \$35,680,000. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 9,189,000	\$ -
Changes in assumptions	4,846,000	-
Changes in proportions	6,998,000	-
Difference between employer contributions and proportionate share of total contributions	(344,491)	-
Contributions subsequent to the date of measurement	38,435,620	-
Difference between expected and actual experience	<u>74,000</u>	<u>4,446,000</u>
	<u>\$ 59,198,129</u>	<u>\$ 4,446,000</u>

Deferred outflows of resources in the amount of \$38,435,620 resulted from the District's contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts will be reported as deferred outflows and resources and deferred inflows of resources related to pensions and will be recognized in pension expense as follows:

**Year Ended June 30**

2025	\$ 7,334,741
2026	(4,166,731)
2027	10,114,301
2028	<u>3,034,198</u>
	<u>\$ 16,316,509</u>

**Actuarial Assumptions**

The total pension liability at June 30, 2023 was determined by rolling forward the System's total pension liability at June 30, 2022 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date – June 30, 2022
- Actuarial cost method – Entry age normal, level percentage of pay.
- Investment return – 7.00%, including inflation of 2.50%.
- Salary growth – Effective average of 4.50%, which reflects an allowance for inflation of 2.50%, and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and PubG-2010 Retiree tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 improvement scale.
- Discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2022 and as of June 30, 2023.

**West Chester Area School District**  
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- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
  - Salary growth rate – decreased from 5.00% to 4.50%
  - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
  - Mortality rates – Previously based on the RP-2014 mortality tables for male and female, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2015 mortality improvement scale. Effective with the June 30, 2021 actuarial valuation mortality rates were based on a blend of 50% PubT-2010 and PubG-2010 Retiree tables for males and females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2020 improvement scale.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study that was performed for five year the period ending June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using the 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 of Directors. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

<u><b>Asset Class</b></u>	<u><b>Target Allocation</b></u>	<u><b>Long-Term Expected Real Rate of Return</b></u>
Global public equity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.50%	2.7%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	<u>(10.5%)</u>	1.2%
	<u>100.0%</u>	

The above was the PSERS Board’s adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

**West Chester Area School District  
Notes to Financial Statements  
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**Discount Rate**

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

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

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

	<b>1% Decrease 6.00%</b>	<b>Current Rate Discount Rate 7.00%</b>	<b>1% Increase 8.00%</b>
District's proportionate share of the net pension liability	<u>\$ 420,966,000</u>	<u>\$ 324,751,000</u>	<u>\$ 243,573,000</u>

**Pension Plan Fiduciary Net Position**

Detailed information about the PSERS' fiduciary net position is available in the PSERS Comprehensive Annual Financial Report, which can be found on the system's website at [www.psers.state.pa.us](http://www.psers.state.pa.us).

**14. POSTEMPLOYMENT HEALTHCARE PLAN**

**Plan Description**

The District administers a single employer defined benefit healthcare plan to eligible retirees and their spouses. The District has three bargaining units which participate in this plan: the West Chester Education Support Professionals, the West Chester Service Support Professionals, and the West Chester Area Education Association (teachers). In addition, the administrators and the non-bargaining staff members participate in the plan. Members of the Education Support Professionals and the Service Support Professionals who were at least 50 years old as of July 1, 2012 and had 20 years of service upon retirement are eligible to receive a health reimbursement account ("HRA") of \$2,000 per year towards PSERS health Options Program for a maximum of four years.

Teachers that reached age 50 as of July 1, 2014 and had 20 years of service in the District upon retirement are eligible to receive a HRA of \$20,000 and cannot elect coverage under a medical plan provide by West Chester Area School District. Teachers that are not eligible for the HRA or elect not to receive the HRA may continue the medical benefits by paying the full COBRA premium.

Administrators that reach age 50 with 12 years of service and 5 years as an administrator, receive benefits for administrator and spouse for 10 years or until Medicare eligible. Administrators receiving this benefit are required to cost-share for administrator coverage at a rate equal to the higher of the maximum reimbursement provided by PSERS (currently \$100 per month) or active employee contribution and up to 50% of the cost of the spousal coverage cost.

**West Chester Area School District**  
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Non-bargaining employees that reach age 50 with 15 years of service receive single coverage benefits until Medicare eligible. Non-bargaining staff receiving this benefit are required to cost-share for Non-Bargaining employee coverage at a rate equal to the higher of the maximum reimbursement provided by PSERS (currently \$100 per month) or active employee contribution. The employee must retire from service to receive the post-employee benefits and not work for another school district.

The health insurance plan is a single employer, defined-benefit OPEB plan. The medical, prescription drug, dental, and vision benefits are self-insured. Only the PC-65 product is fully insured. The medical benefits are administered through Blue Cross and the prescription drug benefits through Caremark. Separate financial statements are not issued for the plan.

**Participants**

As of June 30, 2024, the Plan had 1,467 participants, consisting of 1,410 active participants, zero vested former participants, and 57 retired participants. Participant data is based on census information as of July 2022.

**Funding Policy**

The contribution requirements of plan members are established and may be amended by the Board of School Directors. The District has no assets accumulated in a trust or equivalent arrangement for the purpose of administering the OPEB plan. The required contribution is based on projected pay-as-you-go financing requirements, with any additional amount to prefund as determined annually by the Board of School Directors. For fiscal year 2024, the District paid \$596,098 to plan members eligible for receiving benefits.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability was measured as of July 1, 2022, which was the same date of the most recent actuarial valuation.

**Discount Rate**

The discount rate was 4.13% based on the S&P Municipal Bond 20-year High Grade Rate Index at July 1, 2023. The rate changed from 4.06% to 4.13%.

**Withdrawal**

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

<u>Age</u>	<u>Male Rate</u>	<u>Female Rate</u>	<u>Age</u>	<u>Male Rate</u>	<u>Female Rate</u>
25	4.5500%	3.9000%	45	1.4100%	1.6000%
30	4.5500%	3.9000%	50	1.8900%	2.0800%
35	1.6800%	2.8300%	55	3.6300%	3.6600%
40	1.4200%	1.6700%	60	5.4900%	5.9400%

**Mortality**

PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees.

**West Chester Area School District  
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Incorporated into the table are rates projected generationally using scale MP-2021 to reflect mortality improvement.

**Disability**

No disability was assumed.

**Retirement**

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

**Salary**

An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of 2.5% cost of living adjustment, 1.5% real wage growth, and for teachers and administrators, a merit increase which varies by age from 2.75% to 0.00%.

**Percent of Eligible Retirees Electing Coverage in Plan**

100% of employees eligible for a HRA account are assumed to elect it. 90% of employees eligible for subsidized coverage, 50% of teachers and 25% of all other employees only eligible for self-paid coverage are assumed to elect coverage.

**Percent Married at Retirement**

90% of administrators and 15% of all other employees are assumed to be married and have a spouse covered by the plan at retirement. Non-spouse dependents are deemed to be immaterial.

**Per Capita Claims Cost**

The per capita claims cost for medical and prescription drug is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender brackets.

Dental and vision costs are assumed to not vary with age or gender. The resulting costs are as follows:

<u>Age</u>	<u>Medical</u>		<u>Prescription Drug</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
45-49	\$ 6,543	\$ 9,450	\$ 760	\$ 1,098
50-54	\$ 8,665	\$ 10,680	\$ 1,007	\$ 1,241
55-59	\$ 10,554	\$ 11,175	\$ 1,226	\$ 1,299
60-64	\$ 13,773	\$ 12,837	\$ 1,600	\$ 1,492
65+	\$ 11,268	\$ 11,268	NA – Included with Medical	

**Life Insurance**

For those receiving a universal life insurance policy, claims are assumed to equal the annual premium. For those under the group life insurance policy, it is assumed that the annual cost to provide life insurance varies by age and gender. The assumed cost is equal to the amount of coverage times the applicable mortality factor contained in the valuation mortality table. Participant contribution is not required.

**Retiree Contributions**

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

**West Chester Area School District  
Notes to Financial Statements  
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**Healthcare Cost Trend Rate**

The healthcare cost trend rate was 7.0% in 2023, 6.5% in 2024 and 6.0% in 2025-2026. Rates gradually decrease from 5.4% in 2027 to 4.1% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

**Actuarial Value of Assets**

The actuarial value of assets is equal to the market value of assets.

**Actuarial Cost Method – Entry Age Normal**

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

**Sensitivity Analysis**

The following presents the net OPEB liability, calculated using the valuation discount rate, as well as what 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.

	<b>1% Decrease <u>3.13%</u></b>	<b>Current Rate Discount Rate <u>4.13%</u></b>	<b>1% Increase <u>5.13%</u></b>
Total OPEB liability	<u>\$ 10,875,431</u>	<u>\$ 10,144,388</u>	<u>\$ 9,451,798</u>

The following presents the net OPEB liability, calculated using the valuation healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one percentage point lower each year or one percentage point higher each year than the current rate.

	<b>1% Decrease <u>3.13%</u></b>	<b>Healthcare Cost Trend Rate <u>6.0%</u></b>	<b>1% Increase <u>7.1%</u></b>
Total OPEB liability	<u>\$ 9,033,602</u>	<u>\$ 10,144,388</u>	<u>\$ 11,449,681</u>

**Changes in total OPEB liability**

Total OPEB liability as of July 1, 2022	\$ 9,698,277
Service cost	515,414
Interest on OPEB obligation	401,188
Effect of assumption changes or inputs	142,788
Benefit payments	<u>(613,279)</u>
Total OPEB liability as of July 1, 2023	<u>\$ 10,144,388</u>

**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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For the year ended June 30, 2024, The District recognized OPEB expense of \$515,015. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between expected and actual experience	\$ -	\$ 3,075,976
Change in assumptions	1,300,896	2,942,429
Benefit payment subsequent to measurement date	<u>596,098</u>	<u>-</u>
	<u>\$ 1,896,994</u>	<u>\$ 6,018,405</u>

\$596,098 is reported as deferred outflows of resources resulted to OPEB resulting from the District payments subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. The amount reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

**Year Ended June 30**

2025	\$ (401,587)
2026	(401,587)
2027	(401,587)
2028	(401,590)
2029	(449,283)
Thereafter	<u>(2,661,875)</u>
	<u>\$ (4,717,509)</u>

**15. PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS**

**Cost Sharing Multiple-Employer Defined Benefit OPEB Plan**

PSERS provides health insurance premium assistance which is a governmental cost sharing, multiple-employer OPEB plan for all eligible retirees who qualify and elect to participate. Employer contribution rates for health insurance premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of health insurance premium assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' health options program. As of June 30, 2023, there were no assumed future benefit increases to participating eligible retirees.

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

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

**West Chester Area School District**  
**Notes to Financial Statements**  
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For Class DC members to become eligible for health insurance premium assistance, they must satisfy the following criteria:

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

**Pension Plan Description**

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

**Benefits Provided**

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

**Employer Contributions**

The Districts' contractually required contribution rate for the fiscal year ended June 30, 2024 was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$743,391 for the year ended June 30, 2024.

The contribution policy is governed by the applicable provisions of the Retirement Code.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources**

At June 30, 2024, the District reported a liability of \$13,189,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the system's total OPEB liability as of June 30, 2022 to June 30, 2023. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's proportion was 0.7290%, which was an increase of 0.0035% from its proportion measured as of June 30, 2023.



**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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For the year ended June 30, 2024, the District recognized OPEB expense of \$540,000. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources relating to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 86,000	\$ 131,000
Net difference between projected and actual investment earnings	30,000	-
Change in proportionate share of the net pension liability	584,000	11,000
Change in assumptions	1,140,000	2,496,000
Difference between employer contributions and proportionate share of total contributions	(3,664)	-
Contributions subsequent to the date of measurement	743,391	-
	<u>\$ 2,579,727</u>	<u>\$ 2,638,000</u>

An amount of \$743,391 is reported as deferred outflows of resources resulting from the District's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources relating to OPEB and will be recognized in OPEB expense as follows:

**Year Ended June 30**

2025	\$ (93,754)
2026	(171,856)
2027	(224,937)
2028	(296,802)
2029	(14,315)
	<u>\$ (801,664)</u>

**Actuarial Assumptions**

The total OPEB liability as of June 30, 2023 was determined by rolling forward the system's total OPEB liability as of June 30, 2022 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level percent of pay
- Investment return – 4.13% - S&P 20-year Municipal Bond Rate
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed healthcare cost trends were applied to retirees with less than \$1,200 in Premium Assistance per year.

**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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- Mortality rates were based on a blend of 50% PubT-2010 and PubG-2010 Retiree tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 improvement scale.
- Participation rate:
  - Eligible retirees will elect to participate pre-age 65 at 50%
  - Eligible retirees will elect to participate post-age 65 at 70%

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date
- Asset valuation method: Market value
- Participation rate: Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 mortality improvement scale.

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

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

<u><b>Asset Class</b></u>	<u><b>Target Allocation</b></u>	<u><b>Long-Term Expected Real Rate of Return</b></u>
Cash	<u>100.0%</u>	<u>1.2%</u>

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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**Discount Rate**

The discount rate used to measure the total OPEB liability was 4.13%. Under the plan’s funding policy, contributions are structured for short-term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan’s fiduciary net position was not projected to be sufficient to meet projected future benefit payments; therefore, the plan is considered a “pay-as-you-go” plan. A discount rate of 4.13%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

**Sensitivity of the System’s Net OPEB Liability to Change in Healthcare Cost Trend Rates**

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2023, retirees’ Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2023, 92,677 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2023, 522 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on healthcare cost trends as depicted below.

The following presents the system’s net OPEB liability for June 30, 2023, calculated using current healthcare cost trends, as well as what the system’s net OPEB liability would be if its healthcare cost trends were one percentage point lower or one percentage point higher than the current rate:

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Trend Rate</u>	<u>1%</u> <u>Increase</u>
District’s proportionate share of the net OPEB liability	<u>\$ 13,189,000</u>	<u>\$ 13,189,000</u>	<u>\$ 13,190,000</u>

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

The following presents the net OPEB liability for June 30, 2023, calculated using the discount rate of 4.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13%) or one percentage-point higher (5.13%) than the current rate.

	<u>1%</u> <u>Decrease</u> <u>3.13%</u>	<u>Current</u> <u>Discount Rate</u> <u>4.13%</u>	<u>1%</u> <u>Increase</u> <u>5.13%</u>
District’s proportionate share of the net OPEB liability	<u>\$ 14,912,000</u>	<u>\$ 13,189,000</u>	<u>\$ 11,747,000</u>

**OPEB Plan Fiduciary Net Position**

Detailed information about the PSERS’ fiduciary net position is available in the PSERS Comprehensive Annual Financial Report, which can be found on the system’s website at [www.psers.pa.gov](http://www.psers.pa.gov).

**West Chester Area School District  
Notes to Financial Statements  
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**16. NET OPEB LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES**

The District's aggregate net OPEB liability and deferred inflows and outflows of resources are as follows:

	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
District plan (See Note 14)	\$ 10,144,388	\$ 1,896,994	\$ 6,018,405
PSERS plan (See Note 15)	<u>13,189,000</u>	<u>2,579,727</u>	<u>2,638,000</u>
	<u>\$ 23,333,388</u>	<u>\$ 4,476,721</u>	<u>\$ 8,656,405</u>

**17. FUND BALANCES**

As of June 30, 2024, fund balances are composed of the following:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Capital Reserve Fund</u>	<u>Total Governmental Funds</u>
Non-spendable	\$ 2,299,476	\$ 148,797	\$ -	\$ 2,448,273
Restricted				
Capital projects	-	6,938,847	33,101,201	40,040,048
Committed				
Healthcare	4,159,909	-	-	4,159,909
Tax stabilization	66,044,229	-	-	66,044,229
Assigned				
Alternative education	2,000,000	-	-	2,000,000
Property assessment fluctuations	1,000,000	-	-	1,000,000
Future staffing needs	1,100,000	-	-	1,100,000
Gate receipts	52,138	-	-	52,138
Unassigned	<u>17,380,404</u>	<u>-</u>	<u>-</u>	<u>17,380,404</u>
	<u>\$ 94,036,156</u>	<u>\$ 7,087,644</u>	<u>\$ 33,101,201</u>	<u>\$ 134,225,001</u>

**18. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS**

The District recognizes as revenue and expenses contributions made by the Commonwealth of Pennsylvania to be used for District employees' social security and pension contributions. On-behalf payments to the District totaled \$4,248,459 and \$20,249,204 for social security and retirement contributions, respectively. These contributions are recorded in the General Fund as revenue and expenditures.

**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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**19. NET INVESTMENT IN CAPITAL ASSETS**

Net position (deficit) of the governmental activities net investment in capital assets, at June 30, 2024, are as follows:

Capital assets	\$ 638,308,538
Deferred outflows of resources	1,937,657
Unspent debt proceeds	7,611,656
Accumulated depreciation	<u>(313,070,147)</u>
	334,787,704
Lease liabilities	(350,234)
Accrued interest payable	(1,288,382)
Bonds and notes payable, net	<u>(242,267,739)</u>
Net investment in capital assets	<u>\$ 90,881,349</u>

Components of the net position of the business-type activities net investment in capital assets at June 30, 2024 are as follows:

Capital assets	\$ 1,850,260
Accumulated depreciation	<u>(946,128)</u>
Net investment in capital assets	<u>\$ 904,132</u>

**20. DEFICIT NET POSITION**

For governmental activities, the unrestricted net deficit amount of \$207,771,070 includes the effect of deferring the recognition of pension and OPEB contributions made subsequent to the measurement date of the net pension and OPEB liabilities, the unamortized portion of contributions made in excess of the District's share of its proportionate contributions to its pension and OPEB plans, the differences between projected and actual investment earnings, and the deferred outflows resulting from the change in the District's share of the net pension and OPEB liabilities. This is offset by the District's actuarially determined net pension and OPEB liabilities and the deferred inflow resulting from the difference between actual and expected experience.

**21. RIGHT-TO-USE LEASES PAYABLE**

The District has entered into long-term lease agreements as lessee for the use of premises and equipment. Initial lease liabilities were recorded in the amount of \$1,063,021. As of June 30, 2024, the carrying value of the lease liabilities is \$350,234. The leases have discount rates ranging from 0.31% to 4.00%. The premises and equipment's estimated useful lives were 4 to 5 years as of their contract commencements. The value of the intangible right-to-use assets as of June 30, 2024 is \$335,253, net of accumulated amortization of \$727,768, and is included with noncurrent assets on the statement of net position.

**West Chester Area School District**  
**Notes to Financial Statements**  
**June 30, 2024**

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Future minimum lease payments under these leases are as follows:

**Year Ended June 30**

2025	\$	224,560
2026		86,766
2027		48,868
Less: Amount representing interest		<u>(9,960)</u>
Present value of minimum lease payments	\$	<u>350,234</u>

**22. SUBSEQUENT EVENTS**

On November 7, 2024, the District issued \$9,995,000 of General Obligation Bonds, Series A of 2024 for the purpose of funding new capital projects.

The District has evaluated all subsequent events through February 7, 2025, the date the financial statements were available to be issued.

# WEST CHESTER AREA SCHOOL DISTRICT

## *REQUIRED SUPPLEMENTARY INFORMATION*



**West Chester Area School District  
Schedule of the District's Proportionate Share of the Net Pension Liability – PSERS  
June 30, 2024**

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	Measurement Date									
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
District's proportion of the net pension liability	0.7300%	0.7260%	0.7097%	0.6938%	0.6849%	0.6868%	0.6802%	0.6812%	0.6766%	0.6629%
District's proportionate share of the net pension liability	\$ 324,751,000	\$ 322,770,000	\$ 291,380,000	\$ 341,620,000	\$ 320,414,000	\$ 329,698,000	\$ 335,940,000	\$ 337,581,000	\$ 293,071,000	\$ 262,381,000
District's covered payroll	\$ 111,686,155	\$ 106,674,773	\$ 100,469,803	\$ 97,013,811	\$ 94,461,534	\$ 92,486,543	\$ 90,557,920	\$ 88,217,090	\$ 87,061,277	\$ 83,621,635
District's proportionate share of the net pension liability as a percentage of its covered payroll	290.77%	302.57%	290.02%	352.14%	339.20%	356.48%	370.97%	382.67%	336.63%	313.77%
Plan fiduciary net position as a percentage of the total pension liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%

See Independent Auditor's Report.



**West Chester Area School District  
Schedule of the District's Pension Plan Contributions – PSERS  
Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 38,435,620	\$ 38,066,484	\$ 35,926,508	\$ 33,643,257	\$ 32,290,025	\$ 30,811,370	\$ 29,303,512	\$ 26,330,342	\$ 22,053,155	\$ 17,854,136
Contributions in relation to the contractually required contribution	<u>38,435,620</u>	<u>38,066,484</u>	<u>35,926,508</u>	<u>33,643,257</u>	<u>32,290,025</u>	<u>30,811,370</u>	<u>29,303,512</u>	<u>26,330,342</u>	<u>22,053,155</u>	<u>17,854,136</u>
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 113,045,941	\$ 111,686,155	\$ 106,674,773	\$ 100,469,803	\$ 97,013,811	\$ 94,461,534	\$ 92,486,543	\$ 90,557,920	\$ 88,217,090	\$ 87,061,277
Contributions as a percentage of covered-employee payroll	34.00%	34.08%	33.68%	33.49%	33.28%	32.62%	31.68%	29.08%	25.00%	20.51%

See Independent Auditor's Report.

**West Chester Area School District  
Schedule of the District's Proportionate Share of the OPEB Liability – PSERS  
June 30, 2024**

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	<b>Measurement Date</b>						
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
District's proportion of the net OPEB liability	0.7290%	0.7255%	0.7087%	0.6912%	0.6849%	0.6868%	0.6802%
District's proportion of the net OPEB liability - dollar value	\$ 9,698,277	\$ 13,355,000	\$ 16,797,000	\$ 14,935,000	\$ 14,567,000	\$ 14,319,000	\$ 13,858,000
District's covered employee payroll	\$ 111,686,155	\$ 106,674,773	\$ 100,469,803	\$ 97,013,811	\$ 94,513,405	\$ 92,486,543	\$ 90,557,920
District's proportionate share of the OPEB liability as a percentage of its covered employee payroll	8.68%	12.52%	16.72%	15.39%	15.41%	15.48%	15.30%
Plan fiduciary net position as a percentage of the total OPEB liability	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

**Notes of Schedule**

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

See Independent Auditor's Report.

**West Chester Area School District  
Schedule of the District's OPEB Plan Contributions – PSERS  
June 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Contractually required contribution	\$ 743,391	\$ 832,115	\$ 845,578	\$ 823,261	\$ 813,058	\$ 784,461	\$ 766,286
Contributions in relation to the contractually required contribution	<u>743,391</u>	<u>832,115</u>	<u>845,578</u>	<u>823,261</u>	<u>813,058</u>	<u>784,461</u>	<u>766,286</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 111,686,155	\$ 110,305,662	\$ 106,674,773	\$ 100,469,803	\$ 97,013,811	\$ 94,461,534	\$ 92,486,543
Contributions as a percentage of covered-employee payroll	0.67%	0.75%	0.79%	0.82%	0.84%	0.83%	0.83%

**Notes of Schedule**

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

See Independent Auditor's Report.

**West Chester Area School District  
Schedule of Changes in OPEB Liability – Single Employer Plan  
June 30, 2024**

	Measurement Date						
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b>Total OPEB liability</b>							
Service cost	\$ 515,414	\$ 1,005,303	\$ 1,015,500	\$ 735,880	\$ 739,219	\$ 878,395	\$ 836,027
Interest on total OPEB liability	401,188	335,487	273,209	479,114	444,034	507,610	399,221
Changes of benefit terms	-	-	-	(336,349)	-	104,435	-
Differences between expected and actual experience	-	(2,080,850)	-	(1,006,275)	-	(1,065,299)	-
Effect of assumption changes or inputs	142,788	(2,859,313)	(379,061)	1,343,955	(314,852)	32,607	524,653
Benefit payments	<u>(613,279)</u>	<u>(897,638)</u>	<u>(845,522)</u>	<u>(1,327,997)</u>	<u>(1,716,834)</u>	<u>(1,539,717)</u>	<u>(1,709,852)</u>
Net change in total OPEB liability	446,111	(4,497,011)	64,126	(111,672)	(848,433)	(1,081,969)	50,049
Total OPEB liability, beginning of year	9,698,277	14,195,288	14,131,162	14,242,834	15,091,267	16,173,236	16,123,187
Total OPEB liability, end of year	<u>\$ 10,144,388</u>	<u>\$ 9,698,277</u>	<u>\$ 14,195,288</u>	<u>\$ 14,131,162</u>	<u>\$ 14,242,834</u>	<u>\$ 15,091,267</u>	<u>\$ 16,173,236</u>
Covered employee payroll	\$ 97,057,148	\$ 97,057,148	\$ 92,399,865	\$ 92,399,865	\$ 91,742,174	\$ 91,742,174	\$ 86,476,720
District's net OPEB liability as a percentage of covered payroll	10.45%	9.99%	15.36%	15.29%	15.52%	16.45%	18.70%

**Notes of Schedule**

No assets are accumulated in a trust to pay benefits related to this plan.

The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumption.

This schedule is to present the requirement to show information for ten (10) years. However, until a full ten-year trend is completed, information for only those years for which information is available is shown.

See Independent Auditor's Report.

# WEST CHESTER AREA SCHOOL DISTRICT

## STATISTICAL SECTION



**West Chester Area School District  
Statistical Section  
June 30, 2024**

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

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b> .....	70-77
These schedules contain selected information from current and previous years' financial statements to allow users to assess financial trends.	
<b>Revenue Capacity</b> .....	78-84
These schedules contain information useful in assessing the District's ability to raise own-source revenue.	
<b>Debt Capacity</b> .....	85-88
These schedules contain information useful in assessing the District's ability to afford the existing debt as well as the District's ability to issue new debt.	
<b>Demographic and Economic Information</b> .....	89-91
These schedules contain information about the socio-economic environment within which the District's financial activities take place.	
<b>Operating Information</b> .....	92-97
These schedules contain information about the size of the District's workforce, the services it provides in relation to other service providers in the area and District's facilities.	

See Independent Auditor's Report.

# WEST CHESTER AREA SCHOOL DISTRICT

## FINANCIAL TRENDS



**West Chester Area School District  
Net Position by Component Unit  
Year Ended June 30**

<u>Fiscal Year Ending June 30,</u>	<u>2015 *</u>	<u>2016 *</u>	<u>2017 *</u>	<u>2018 *</u>	<u>2019 *</u>	<u>2020 *</u>	<u>2021 *</u>	<u>2022 *</u>	<u>2023 *</u>	<u>2024*</u>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 20,989,220	\$ 11,063,839	\$ 23,124,893	\$ 29,976,250	\$ 43,699,285	\$ 49,714,318	\$ 63,045,948	\$ 73,083,096	\$ 82,415,067	\$ 90,657,451
Restricted: Capital projects	22,203,300	27,440,218	22,444,089	22,461,479	20,557,393	21,345,455	23,571,239	23,443,492	32,138,400	33,101,201
Unrestricted	<u>(234,457,232)</u>	<u>(235,432,024)</u>	<u>(246,710,005)</u>	<u>(278,924,988)</u>	<u>(283,616,991)</u>	<u>(268,378,626)</u>	<u>(262,155,231)</u>	<u>(232,168,608)</u>	<u>(215,921,578)</u>	<u>(207,771,070)</u>
Net position governmental activities	<u>(191,264,712)</u>	<u>(196,927,967)</u>	<u>(201,141,023)</u>	<u>(226,487,259)</u>	<u>(219,360,313)</u>	<u>(197,318,853)</u>	<u>(175,538,044)</u>	<u>(135,642,020)</u>	<u>(101,368,111)</u>	<u>(84,012,418)</u>
<b>Business-type activities</b>										
Net investment in capital assets	297,638	402,386	590,353	682,070	702,071	657,609	651,983	614,850	782,489	904,132
Unrestricted	<u>1,110,539</u>	<u>1,042,569</u>	<u>877,036</u>	<u>849,539</u>	<u>937,095</u>	<u>720,258</u>	<u>677,290</u>	<u>2,201,075</u>	<u>2,088,918</u>	<u>2,210,234</u>
Net position business type activities	<u>1,408,177</u>	<u>1,444,955</u>	<u>1,467,389</u>	<u>1,531,609</u>	<u>1,639,166</u>	<u>1,377,867</u>	<u>1,329,273</u>	<u>2,815,925</u>	<u>2,871,407</u>	<u>3,114,366</u>
<b>Total primary government</b>										
Net investment in capital assets	21,286,858	11,466,225	23,715,246	30,658,320	44,401,356	50,371,927	63,697,931	73,697,946	83,197,556	91,561,583
Restricted: Capital projects	22,203,300	27,440,218	22,444,089	22,461,479	20,557,393	21,345,455	23,571,239	23,443,492	32,138,400	33,101,201
Unrestricted	<u>(233,346,693)</u>	<u>(234,389,455)</u>	<u>(245,832,969)</u>	<u>(278,075,449)</u>	<u>(282,679,896)</u>	<u>(267,658,368)</u>	<u>(261,477,941)</u>	<u>(229,967,533)</u>	<u>(213,832,660)</u>	<u>(205,560,836)</u>
Net position primary government	<u>\$ (189,856,535)</u>	<u>\$ (195,483,012)</u>	<u>\$ (199,673,634)</u>	<u>\$ (224,955,650)</u>	<u>\$ (217,721,147)</u>	<u>\$ (195,940,986)</u>	<u>\$ (174,208,771)</u>	<u>\$ (132,826,095)</u>	<u>\$ (98,496,704)</u>	<u>\$ (80,898,052)</u>

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

\* Note: Starting in 2017-18, the District booked their net OPEB liabilities to comply with GASB 75. 2017 data was restated.

Source: District Audited Financial Statements

See Independent Auditor's Report.



# West Chester Area School District

## Changes in Net Position

### Year Ended June 30

Fiscal Year Ending June 30,	2015 *	2016 *	2017 *	2018 *	2019 *	2020 *	2021 *	2022 *	2023 *	2024*
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction	\$ 133,218,154	\$ 144,772,158	\$ 155,262,037	\$ 156,086,694	\$ 153,646,716	\$ 148,865,697	\$ 151,333,413	\$ 151,301,302	\$ 163,696,662	\$ 178,747,627
Instructional student support	16,718,808	17,710,876	18,519,607	18,314,954	18,205,681	18,695,408	19,348,969	19,179,424	20,769,504	22,945,048
Administrative and financial support services	17,552,768	18,127,334	19,342,370	19,943,338	24,435,957	20,927,142	22,950,358	22,328,558	23,733,426	26,333,243
Operation and maintenance of plant services	17,447,190	17,439,654	18,039,504	17,457,046	18,774,548	18,228,580	19,623,304	21,953,333	21,275,695	23,867,995
Pupil transportation	13,850,307	14,042,517	14,429,271	14,133,742	14,219,229	13,120,151	12,724,832	13,038,802	14,310,797	15,202,250
Student Activities	4,855,516	5,132,865	5,214,620	5,367,392	5,444,746	5,117,896	5,186,177	5,383,162	5,699,023	6,221,829
Community services	140,742	142,350	171,227	151,336	148,357	110,805	97,214	172,562	187,223	20,533
Interest on long-term debt	8,566,732	8,945,807	8,679,619	8,454,782	8,246,501	8,818,963	8,183,477	6,907,870	7,675,847	6,966,323
Total governmental activities	212,350,217	226,313,561	239,658,255	239,909,284	243,121,735	233,884,642	239,447,744	240,265,013	257,348,177	280,304,848
<b>Business type activities</b>										
Food service	3,182,033	3,229,852	3,294,375	3,465,882	3,482,919	2,946,728	2,766,857	4,265,529	4,374,769	4,778,388
Total primary government activities	215,532,250	229,543,413	242,952,630	243,375,166	246,604,654	236,831,370	242,214,601	244,530,542	261,722,946	285,083,236
<b>Program revenue</b>										
<b>Governmental activities</b>										
Charges for service										
Instruction	362,760	542,986	280,006	205,288	128,167	120,608	96,563	91,069	132,837	137,116
Operation and maintenance of plant services	347,233	402,308	509,869	481,072	444,124	270,577	212,546	319,729	702,634	709,676
Student activities	423,407	430,050	437,573	515,614	516,532	464,513	1,575	449,845	546,349	499,411
Operating grants and contributions	26,309,774	27,743,196	32,894,525	34,373,891	34,458,080	35,297,106	38,013,762	39,957,064	41,272,583	39,805,060
Total governmental program revenue	27,443,174	29,118,540	34,121,973	35,575,865	35,546,903	36,152,804	38,324,446	40,817,707	42,654,403	41,151,263
<b>Business type activities</b>										
Charges for services	2,335,418	2,293,122	2,493,463	2,605,888	2,627,303	1,883,936	74,148	378,935	2,381,987	2,906,819
Operating grants and contributions	940,701	973,508	823,346	908,238	921,644	779,635	2,643,238	5,369,483	1,928,693	1,941,784
Total business type program revenues	3,276,119	3,266,630	3,316,809	3,514,126	3,548,947	2,663,571	2,717,386	5,748,418	4,310,680	4,848,603
Total primary government revenues	30,719,293	32,385,170	37,438,782	39,089,991	39,095,850	38,816,375	41,041,832	46,566,125	46,965,083	45,999,866
<b>Net revenues (expenses)</b>										
Governmental activities	(184,907,043)	(197,195,021)	(205,536,282)	(204,333,419)	(207,574,832)	(197,731,838)	(201,123,298)	(199,447,306)	(214,693,774)	(239,153,585)
Business type activities	94,086	36,778	22,434	48,244	66,028	(283,157)	(49,471)	1,482,889	(64,089)	70,215
Total primary government net revenues	(184,812,957)	(197,158,243)	(205,513,848)	(204,285,175)	(207,508,804)	(198,014,995)	(201,172,769)	(197,964,417)	(214,757,863)	(239,083,370)

See Independent Auditor's Report.

**West Chester Area School District  
Changes in Net Position  
Year Ended June 30**

<b>General revenues</b>										
Property taxes, levied for general purpose	151,649,702	155,710,300	161,164,936	166,944,204	173,161,730	177,781,018	179,522,546	187,631,357	191,214,141	192,916,118
Taxes levied for specific purpose	23,565,368	24,321,396	27,524,533	26,082,351	26,230,460	26,466,353	30,598,582	35,572,300	34,213,757	35,001,582
Grants, entitlements, and contributions										
Not restricted to specific programs	10,859,971	10,928,639	11,552,814	11,745,770	11,889,779	12,408,464	12,380,541	13,171,900	15,213,167	16,803,823
Investment earnings	258,288	392,047	889,980	1,685,449	3,309,319	2,970,687	263,711	34,513	8,284,273	11,764,659
Gain on sale of asset	70,058	-	9,572	(4,313)	-	-	-	2,750,000	-	-
Other	132,287	179,384	181,391	218,346	152,019	168,635	139,604	187,023	161,916	195,840
Total general revenues	<u>186,535,674</u>	<u>191,531,766</u>	<u>201,323,226</u>	<u>206,671,807</u>	<u>214,743,307</u>	<u>219,795,157</u>	<u>222,904,984</u>	<u>239,347,093</u>	<u>249,087,254</u>	<u>256,682,022</u>
<b>Change in net position</b>	<u>\$ 1,722,717</u>	<u>\$ (5,626,477)</u>	<u>\$ (4,190,622)</u>	<u>\$ 2,386,632</u>	<u>\$ 7,234,503</u>	<u>\$ 21,780,162</u>	<u>\$ 21,732,215</u>	<u>\$ 41,382,676</u>	<u>\$ 34,329,391</u>	<u>\$ 17,598,652</u>

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

\* Note: Starting in 2017-18, the District booked their net OPEB liabilities to comply with GASB 75. 2017 data was restated.

Source: District Audited Financial Statements

See Independent Auditor's Report.

**West Chester Area School District  
Fund Balance - Governmental Funds  
Year Ended June 30, 2024**

<u>Fiscal Year Ending June 30,</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund										
*Non-spendable	\$ 4,128,770	\$ 2,066,625	\$ 2,688,371	\$ 2,649,038	\$ 2,748,654	\$ 2,912,426	\$ 2,818,432	\$ 2,232,155	\$ 1,908,064	\$ 2,299,476
*Committed										
Pension	2,117,000	2,117,000	1,117,000	-	-	-	-	-	-	-
Healthcare	4,899,442	4,159,909	4,159,909	4,159,909	4,159,909	4,159,909	4,159,909	4,159,909	4,159,909	4,159,909
Tax stabilization	-	-	-	-	-	-	-	-	-	66,044,229
*Assigned										
Gate receipts	115,700	89,487	79,324	69,756	83,577	128,904	128,904	150,756	143,198	52,138
Alternative education	-	-	500,000	676,000	1,000,000	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Enrollment growth	-	-	-	-	2,500,000	3,500,000	4,500,000	-	-	-
Property assessment fluctuations	-	-	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000
Technology/Distance learning	-	-	-	-	-	-	500,000	500,000	-	-
Elementary construction	-	-	-	-	-	-	-	5,000,000	-	-
Future staffing needs	-	-	-	-	-	-	-	-	1,100,000	1,100,000
Tax stabilization	5,646,426	5,471,005	7,227,366	11,304,138	13,945,496	29,486,832	38,183,867	52,121,467	60,977,636	-
*Unassigned	<u>14,758,221</u>	<u>14,856,952</u>	<u>13,008,223</u>	<u>13,047,547</u>	<u>14,431,188</u>	<u>14,267,415</u>	<u>15,861,417</u>	<u>16,447,723</u>	<u>17,271,817</u>	<u>17,380,404</u>
Total General Fund fund balance	<u>31,665,559</u>	<u>28,760,978</u>	<u>28,780,193</u>	<u>31,906,388</u>	<u>38,868,824</u>	<u>55,455,486</u>	<u>69,152,529</u>	<u>83,612,010</u>	<u>88,560,624</u>	<u>94,036,156</u>
All other funds										
*Non-Spendable - Capital Projects Fund	-	-	-	3,500	-	3,500	-	-	50,500	148,797
*Non-Spendable - Capital Reserve Fund	-	-	-	304,850	632,750	583,400	425,050	197,500	-	-
*Restricted - Capital Projects Fund	-	4,038,838	4,354,841	4,841,678	-	24,354,297	37,703,387	29,943,488	17,800,845	6,938,847
*Restricted - Capital Reserve Fund	22,203,300	27,440,218	22,444,089	22,156,629	19,924,643	20,762,055	23,146,189	23,245,992	32,138,400	33,101,201
*Unassigned - Capital Projects Fund	<u>(3,451,176)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,309,859)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other funds	<u>18,752,124</u>	<u>31,479,056</u>	<u>26,798,930</u>	<u>27,306,657</u>	<u>19,247,534</u>	<u>45,703,252</u>	<u>61,274,626</u>	<u>53,386,980</u>	<u>49,989,745</u>	<u>40,188,845</u>
Total fund balance	<u>\$ 50,417,683</u>	<u>\$ 60,240,034</u>	<u>\$ 55,579,123</u>	<u>\$ 59,213,045</u>	<u>\$ 58,116,358</u>	<u>\$ 101,158,738</u>	<u>\$ 130,427,155</u>	<u>\$ 136,998,990</u>	<u>\$ 138,550,369</u>	<u>\$ 134,225,001</u>

Source: Districts Audited Financial Statements

See Independent Auditor's Report.

**West Chester Area School District  
Changes in Fund Balance – Governmental Funds  
Year Ended June 30, 2024**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>Governmental fund revenue</b>										
Local source	\$ 176,877,190	\$ 182,144,526	\$ 191,077,358	\$ 196,281,802	\$ 203,793,322	\$ 208,166,967	\$ 210,851,588	\$ 224,534,100	\$ 234,917,059	\$ 241,045,376
State source	34,209,926	35,806,499	41,156,644	42,747,951	42,679,137	44,089,036	43,625,782	46,937,783	49,369,225	52,257,112
Federal source	<u>2,959,820</u>	<u>2,865,335</u>	<u>3,290,697</u>	<u>3,371,711</u>	<u>3,668,721</u>	<u>3,616,532</u>	<u>6,768,519</u>	<u>6,191,179</u>	<u>7,120,545</u>	<u>4,351,771</u>
Total governmental revenues	<u>214,046,936</u>	<u>220,816,360</u>	<u>235,524,699</u>	<u>242,401,464</u>	<u>250,141,180</u>	<u>255,872,535</u>	<u>261,245,889</u>	<u>277,663,062</u>	<u>291,406,829</u>	<u>297,654,259</u>
<b>Governmental expenditures</b>										
Instruction	124,056,139	132,490,382	139,655,181	143,132,798	142,088,010	139,156,057	144,653,284	154,146,597	161,852,582	169,466,011
Support services	59,939,165	61,755,726	63,322,354	64,116,200	70,070,279	65,817,409	69,251,877	76,325,099	79,017,162	82,984,451
Noninstructional services	4,610,182	4,803,105	4,865,617	5,038,435	5,180,293	4,854,313	4,928,997	5,493,284	5,810,138	5,896,493
Facilities acquisition construction and improvement	13,509,139	8,309,294	16,627,237	11,251,782	18,141,710	16,472,182	22,756,543	10,838,983	15,483,247	16,492,543
Debt service principal	11,620,000	8,176,000	14,160,000	14,695,000	15,690,000	16,290,000	15,830,000	17,710,000	17,615,000	17,975,000
Debt service interest	9,543,869	10,174,433	9,925,387	10,160,902	9,881,842	10,251,652	9,582,925	9,827,215	10,266,986	9,176,433
Bond issuance costs	<u>56,166</u>	<u>464,253</u>	<u>327,788</u>	<u>163,150</u>	<u>176,732</u>	<u>388,048</u>	<u>498,947</u>	<u>239,101</u>	<u>-</u>	<u>154,215</u>
Total governmental expenditures	<u>223,334,660</u>	<u>226,173,193</u>	<u>248,883,564</u>	<u>248,558,267</u>	<u>261,228,866</u>	<u>253,229,661</u>	<u>267,502,573</u>	<u>274,580,279</u>	<u>290,045,115</u>	<u>302,145,146</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(9,287,724)	(5,356,833)	(13,358,865)	(6,156,803)	(11,087,686)	2,642,874	(6,256,684)	3,082,783	1,361,714	(4,490,887)
<b>Governmental other financing sources</b>										
Proceeds from long-term debt	65,485,000	61,900,000	15,995,000	9,750,000	9,990,000	34,750,000	46,050,000	30,115,000	-	11,300,000
Premium on bonds issued	-	-	-	-	-	5,643,840	7,283,242	4,880,892	-	1,001,602
Interfund transfers in	8,645,910	9,125,784	6,205,679	5,135,385	5,257,722	5,451,612	7,635,789	6,736,346	12,457,496	8,641,029
Other financing sources (uses)	5,861,632	8,300,311	97,083	-	-	-	-	-	-	-
Debt service refunded	(71,069,921)	(60,135,702)	(7,438,378)	-	-	-	(17,824,521)	(34,751,390)	-	(12,147,387)
Sale of assets	94,983	5,077,718	9,572	-	-	-	-	2,750,000	-	-
Leases right to use	-	-	-	-	-	-	-	492,331	187,577	-
Refund of prior year revenues	(82,898)	-	-	-	-	-	(3,700)	-	(4,022)	-
Refund of prior year expenditures	16,391	36,857	34,677	40,726	999	5,666	20,080	2,219	6,110	11,304
Interfund transfers out	<u>(8,645,910)</u>	<u>(9,125,784)</u>	<u>(6,205,679)</u>	<u>(5,135,385)</u>	<u>(5,257,722)</u>	<u>(5,451,612)</u>	<u>(7,635,789)</u>	<u>(6,736,346)</u>	<u>(12,457,496)</u>	<u>(8,641,029)</u>
Total governmental other financing sources	<u>305,187</u>	<u>15,179,184</u>	<u>8,697,954</u>	<u>9,790,726</u>	<u>9,990,999</u>	<u>40,399,506</u>	<u>35,525,101</u>	<u>3,489,052</u>	<u>189,665</u>	<u>165,519</u>
Net change in governmental fund balance	(8,982,537)	9,822,351	(4,660,911)	3,633,923	(1,096,687)	43,042,380	29,268,417	6,571,835	1,551,379	(4,325,368)
Governmental fund balance, beginning of year	59,400,219	50,417,682	60,240,033	55,579,122	59,213,045	58,116,358	101,158,738	130,427,155	136,998,990	138,550,369
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Governmental fund balance, end of year	<u>\$ 50,417,682</u>	<u>\$ 60,240,033</u>	<u>\$ 55,579,122</u>	<u>\$ 59,213,045</u>	<u>\$ 58,116,358</u>	<u>\$ 101,158,738</u>	<u>\$ 130,427,155</u>	<u>\$ 136,998,990</u>	<u>\$ 138,550,369</u>	<u>\$ 134,225,001</u>
Debt service as % of expenditures	9.5%	8.3%	9.8%	10.1%	9.9%	10.6%	9.7%	10.1%	9.6%	9.0%

Source: District's Audited Financial Statements

See Independent Auditor's Report.

**West Chester Area School District  
General Fund Revenues by Source (In thousands)  
Year Ended June 30, 2024**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>Local</b>	<u>\$ 176,801</u>	<u>\$ 182,122</u>	<u>\$ 190,954</u>	<u>\$ 196,055</u>	<u>\$ 203,174</u>	<u>\$ 207,403</u>	<u>\$ 210,830</u>	<u>\$ 227,332</u>	<u>\$ 233,315</u>	<u>\$ 239,276</u>
Real estate	148,404	152,710	157,685	164,235	170,685	174,621	176,258	184,146	188,294	190,310
Current	147,448	151,929	156,990	163,170	169,593	173,637	174,261	180,092	186,360	188,959
Interim	956	781	695	1,066	1,092	984	1,998	4,054	1,934	1,351
Earned income	19,360	20,119	21,337	21,122	21,510	21,584	24,213	26,695	27,623	29,275
Real estate transfer	4,145	4,207	6,115	4,983	4,421	4,657	6,228	8,928	6,173	5,532
Other taxes PURTA	215	198	197	183	193	178	195	204	204	200
Delinquent taxes	3,246	3,000	3,480	2,709	2,477	3,160	3,264	3,486	2,921	2,606
Investment earnings	165	332	732	1,402	2,657	2,179	221	77	6,556	9,815
Gate receipts	136	153	161	151	163	162	-	172	206	196
Other	1,129	1,402	1,248	1,269	1,068	862	450	3,626	1,337	1,342
<b>State</b>	<u>\$ 34,210</u>	<u>\$ 35,807</u>	<u>\$ 41,157</u>	<u>\$ 42,748</u>	<u>\$ 42,679</u>	<u>\$ 44,089</u>	<u>\$ 43,626</u>	<u>\$ 46,938</u>	<u>\$ 49,369</u>	<u>\$ 52,257</u>
Student subsidies	21,729	21,235	24,126	24,332	23,436	23,988	22,674	24,463	25,977	27,759
Basic instruction	7,240	7,573	8,012	8,202	8,422	8,810	8,810	9,576	10,935	12,634
Special education	5,413	5,802	5,903	6,454	6,129	6,125	5,077	5,915	5,966	5,964
Tuition private home placement	112	179	236	191	231	174	96	104	89	47
Transportation	3,637	3,672	3,674	3,737	3,314	3,260	3,088	3,008	2,684	2,901
Medical, dental and nurse	222	254	256	250	255	253	254	250	252	257
Rent	1,182	-	2,104	1,555	1,164	1,121	1,052	1,597	986	1,150
Ready To Learn block grants / accountability grants	303	399	399	399	399	399	399	399	399	399
Property tax relief	3,620	3,355	3,541	3,543	3,468	3,598	3,570	3,596	4,283	4,170
Other	-	-	-	-	54	248	328	18	383	239
Teacher subsidies	12,481	14,572	17,031	18,416	19,243	20,101	20,952	22,475	23,393	24,498
Social security	3,164	3,194	3,451	3,337	3,415	3,498	3,587	3,818	4,011	4,248
Retirement	9,317	11,378	13,580	15,078	15,828	16,603	17,365	18,657	19,382	20,249
<b>Federal</b>	<u>\$ 2,960</u>	<u>\$ 2,865</u>	<u>\$ 3,291</u>	<u>\$ 3,372</u>	<u>\$ 3,669</u>	<u>\$ 3,617</u>	<u>\$ 6,769</u>	<u>\$ 6,191</u>	<u>\$ 7,121</u>	<u>\$ 4,352</u>
Title I	818	829	1,013	868	704	599	575	555	522	918
Title II	294	374	384	247	208	268	313	259	172	173
IDEA	1,216	1,200	1,334	1,318	1,331	1,341	1,552	1,731	1,372	1,993
MA direct services/time study	516	306	467	803	1,251	1,022	1,030	1,157	1,095	1,052
Other	116	157	93	136	174	388	224	178	135	159
COVID related grants	-	-	-	-	-	-	3,075	2,311	3,826	57
<b>Local taxes and subsidies</b>	<u>\$ 213,971</u>	<u>\$ 220,793</u>	<u>\$ 235,401</u>	<u>\$ 242,175</u>	<u>\$ 249,522</u>	<u>\$ 255,108</u>	<u>\$ 261,224</u>	<u>\$ 280,461</u>	<u>\$ 289,805</u>	<u>\$ 295,885</u>

Source: District Budget Control Forecast Model

See Independent Auditor's Report.

**West Chester Area School District  
General Fund Expenditures by Type (In thousands)  
Year Ended June 30, 2024**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>Staff</b>	\$ 134,876	\$ 141,124	\$ 145,153	\$ 149,825	\$ 153,662	\$ 153,377	\$ 160,539	\$ 171,701	\$ 179,434	\$ 189,135
Total salaries	<u>87,846</u>	<u>88,924</u>	<u>91,157</u>	<u>93,555</u>	<u>95,606</u>	<u>98,130</u>	<u>102,003</u>	<u>107,476</u>	<u>112,798</u>	<u>117,453</u>
Administration										
Regular salaries	7,645	8,027	8,030	8,235	8,541	9,042	9,227	9,853	10,404	10,697
Teachers										
Regular salaries	61,479	61,939	64,701	66,792	68,447	70,121	73,525	75,999	79,813	83,226
Extra duty payments	1,060	1,161	951	980	879	897	1,727	2,581	2,371	1,546
Sabbatical payments	125	304	210	182	256	295	530	462	312	348
Subject chair payments	366	365	364	356	367	358	380	622	625	638
Severance payments	209	142	80	353	206	220	192	195	195	225
Supplemental contracts	2,028	2,051	2,017	2,019	2,111	1,993	2,085	2,223	2,288	2,321
Total teachers	<u>65,267</u>	<u>65,963</u>	<u>68,322</u>	<u>70,682</u>	<u>72,265</u>	<u>73,884</u>	<u>78,439</u>	<u>82,082</u>	<u>85,604</u>	<u>88,305</u>
Technical										
Regular salaries	3,502	3,680	3,695	3,569	3,660	3,783	3,589	3,690	4,400	5,085
Office clerical										
Regular salaries	6,180	6,058	5,984	5,746	5,778	5,959	5,495	6,247	6,771	7,333
Crafts and trades										
Regular salaries	5,253	5,195	5,126	5,323	5,362	5,462	5,251	5,604	5,619	6,033
Benefits										
Medical	17,622	18,954	17,332	16,628	17,225	13,445	15,228	15,988	15,646	20,444
Dental	1,180	1,259	1,103	1,184	1,181	978	1,194	1,161	1,297	1,358
Vision	196	177	181	178	195	149	165	169	142	145
Prescription	5,594	5,041	4,694	4,476	4,076	3,460	3,438	5,176	5,059	3,952
Social security	6,388	6,451	6,609	6,734	6,892	7,057	7,314	7,757	8,140	8,530
Retirement	18,603	22,726	27,069	30,058	31,585	33,219	34,674	37,060	39,340	39,818
Tuition reimbursement	360	197	442	443	428	371	410	477	554	663
Life and disability	418	321	331	362	540	550	532	344	532	568
Wrkrs comp/unemp/other	823	1,462	1,307	1,345	1,079	966	1,115	1,151	1,383	1,289
Total benefits	<u>51,184</u>	<u>56,588</u>	<u>59,068</u>	<u>61,408</u>	<u>63,200</u>	<u>60,194</u>	<u>64,070</u>	<u>69,283</u>	<u>72,093</u>	<u>76,765</u>
Less: Cost sharing	<u>(4,154)</u>	<u>(4,388)</u>	<u>(5,072)</u>	<u>(5,138)</u>	<u>(5,145)</u>	<u>(4,948)</u>	<u>(5,534)</u>	<u>(5,058)</u>	<u>(5,456)</u>	<u>(5,083)</u>
Net benefits	<u>47,030</u>	<u>52,200</u>	<u>53,996</u>	<u>56,270</u>	<u>58,055</u>	<u>55,247</u>	<u>58,536</u>	<u>64,225</u>	<u>66,636</u>	<u>71,683</u>
Professional and technical services	<u>14,064</u>	<u>16,812</u>	<u>18,965</u>	<u>18,184</u>	<u>17,678</u>	<u>15,768</u>	<u>14,079</u>	<u>19,979</u>	<u>19,479</u>	<u>20,546</u>
Substitute service	1,366	1,926	1,934	2,034	2,219	1,953	1,709	2,732	3,970	3,953
Contracted therapeutic staff	1,299	1,572	1,736	1,850	1,669	1,328	1,502	1,792	2,130	2,064
Contracted aides- special ed	1,139	1,496	2,214	2,194	2,047	1,229	667	1,130	823	1,119
Contracted aides- other	-	-	127	392	316	137	117	194	170	132
CCIU - Special education programs	3,249	3,603	3,887	3,787	3,319	2,826	2,519	3,234	3,299	3,372
Occupation/Physical therapy	982	1,060	1,156	1,178	1,050	979	983	1,102	1,255	1,337
Due process hearings	496	949	1,344	823	645	915	810	1,081	1,092	1,206
Early intervention	276	366	349	243	267	231	357	158	144	212
Extended school year	502	736	669	695	774	606	412	616	511	759
Alternative ed - special ed	1,412	1,586	2,044	1,744	1,791	2,005	1,848	2,034	2,433	2,700
Alternative education - reg	746	728	797	830	1,121	1,093	516	-	-	-

See Independent Auditor's Report.

**West Chester Area School District  
General Fund Expenditures by Type (In thousands)  
Year Ended June 30, 2024**

Professional and technical services (continued)

Tax collection	\$ 646	\$ 673	\$ 725	\$ 625	\$ 594	\$ 684	\$ 732	\$ 915	\$ 902	\$ 943
Legal	365	354	396	312	304	246	310	335	389	271
Other	1,585	1,764	1,586	1,474	1,564	1,537	1,598	4,656	2,362	2,478
<b>Purchased property services</b>	<b>3,299</b>	<b>3,448</b>	<b>4,002</b>	<b>3,675</b>	<b>3,559</b>	<b>3,600</b>	<b>3,096</b>	<b>3,644</b>	<b>3,898</b>	<b>4,107</b>
Electricity	1,545	1,622	1,788	1,672	1,571	1,574	1,487	1,753	1,950	2,122
Water/Sewer	521	503	534	517	582	587	538	640	685	689
Trash removal	90	86	91	82	83	78	89	93	101	120
Office rental	134	138	164	185	187	268	266	129	137	145
Other	1,009	1,099	1,426	1,220	1,136	1,093	715	1,029	1,026	1,031
<b>Other services</b>	<b>27,466</b>	<b>29,050</b>	<b>30,953</b>	<b>30,752</b>	<b>30,128</b>	<b>27,848</b>	<b>27,061</b>	<b>27,413</b>	<b>29,909</b>	<b>31,216</b>
Charter schools	8,080	9,455	9,819	9,574	8,278	7,776	7,869	7,812	7,512	7,581
Tuition: Special ed	2,652	2,463	3,530	3,675	4,318	3,828	3,599	3,152	4,220	4,850
Tuition: CAT	2,262	2,597	2,722	2,756	2,739	2,558	2,490	2,680	2,798	2,748
Tuition: Other	153	131	96	172	294	144	152	156	387	266
Bussing: Public schools	4,638	4,905	4,898	4,700	5,071	4,826	4,815	5,511	6,021	5,944
Bussing: Non-public	4,359	4,424	4,422	4,409	4,117	3,728	3,860	3,011	3,291	3,188
Bussing: Special ed	3,676	3,496	3,848	3,856	3,867	3,503	3,062	3,391	3,814	4,668
Bussing: Extracurricular	326	316	327	318	297	216	93	264	344	342
Insurance	463	493	502	497	501	519	519	554	593	651
Telephone/Postage	501	489	492	517	375	496	509	639	576	502
Other	358	281	295	276	272	254	94	242	354	476
<b>Supplies</b>	<b>5,066</b>	<b>4,718</b>	<b>4,798</b>	<b>5,394</b>	<b>5,889</b>	<b>5,210</b>	<b>8,614</b>	<b>7,251</b>	<b>8,352</b>	<b>8,206</b>
Heating fuel	877	620	605	647	756	568	805	894	1,135	961
Other operations/maint supplies	649	652	715	696	845	701	1,215	972	1,114	1,174
Educational	1,881	1,925	1,829	1,870	2,046	2,025	3,275	2,639	2,520	2,761
Curriculum proposals	1,230	1,123	881	1,123	1,062	777	843	700	1,404	897
Educational/Admin software	410	394	681	1,006	1,083	1,115	2,421	1,927	2,142	2,379
Administration/Business	20	2	87	51	97	23	56	119	37	34
<b>Other objects</b>	<b>534</b>	<b>367</b>	<b>411</b>	<b>774</b>	<b>404</b>	<b>337</b>	<b>337</b>	<b>1,057</b>	<b>425</b>	<b>441</b>
<i>Dues and fees - athletics</i>	<i>140</i>	<i>179</i>	<i>171</i>	<i>160</i>	<i>149</i>	<i>117</i>	<i>-</i>	<i>150</i>	<i>214</i>	<i>287</i>
<b>Property</b>	<b>456</b>	<b>543</b>	<b>650</b>	<b>295</b>	<b>261</b>	<b>272</b>	<b>754</b>	<b>540</b>	<b>2,805</b>	<b>681</b>
Other equipment	456	543	650	295	261	272	754	540	2,805	681
<b>Debt service</b>	<b>21,164</b>	<b>18,350</b>	<b>24,085</b>	<b>24,856</b>	<b>25,572</b>	<b>26,542</b>	<b>25,413</b>	<b>27,537</b>	<b>27,882</b>	<b>27,151</b>
Bond payments	21,164	18,350	24,085	24,856	25,572	26,542	25,413	27,537	27,882	27,151
<b>Total expense</b>	<b>\$ 207,066</b>	<b>\$ 214,591</b>	<b>\$ 229,189</b>	<b>\$ 233,913</b>	<b>\$ 237,301</b>	<b>\$ 233,070</b>	<b>\$ 239,893</b>	<b>\$ 259,272</b>	<b>\$ 272,399</b>	<b>\$ 281,771</b>

Source: District Budget Control Forecast Model

See Independent Auditor's Report.

# WEST CHESTER AREA SCHOOL DISTRICT

## REVENUE CAPACITY





**West Chester Area School District  
Governmental Funds – Most Significant Own-Source Revenues  
Year Ended June 30, 2024**

<u>Fiscal Year</u>	<u>Chester County Mileage Rate</u>	<u>Delaware County Mileage Rate</u>	<u>Current Real Estate Taxes</u>	<u>Interim Real Estate Taxes</u>	<u>Delinquent Real Estate Taxes</u>	<u>Act 511 Taxes *</u>	<u>Other Local Revenues</u>	<u>Total Local Revenues</u>	<u>PURTA</u>	<u>Investments</u>	<u>IDEA</u>	<u>Rentals</u>	<u>Donations</u>	<u>Summer School</u>	<u>Receipts from Other LEAs</u>	<u>Other Tuition (Outdoor Ed)</u>	<u>Athletic Fund</u>	<u>Other</u>
2014-15	19.21	13.65	\$ 147,447,717	\$ 955,973	\$ 3,246,013	\$ 23,505,223	\$ 1,629,472	\$ 176,784,398	\$ 214,682	\$ 165,496	\$ 1,215,754	\$ 347,233	\$ 5,000	\$ 30,242	\$ 213,468	\$ 119,050	\$ 136,281	\$ 398,020
2015-16	19.5779	13.9059	151,929,043	780,930	3,000,329	24,325,967	2,048,424	182,084,693	198,340	332,215	1,199,740	402,308	13,381	34,563	385,557	122,866	152,905	406,289
2016-17	20.0982	14.7113	156,989,628	695,464	3,479,843	27,451,544	2,302,843	190,919,322	196,738	731,944	1,333,558	509,869	17,602	47,978	118,233	113,795	160,577	406,107
2017-18	20.6841	15.2086	163,169,638	1,065,856	2,708,709	26,105,252	2,965,157	196,014,612	183,280	1,402,283	1,318,134	481,072	27,126	48,714	88,290	68,284	150,889	515,219
2018-19	21.2723	16.0761	169,592,595	1,091,954	2,477,181	25,931,136	4,079,916	203,172,782	192,821	2,656,955	1,331,370	444,124	18,271	53,974	55,400	18,793	162,767	476,811
2019-20	21.6622	16.2597	173,636,758	984,090	3,160,170	26,240,881	3,375,286	207,397,185	177,571	2,179,046	1,340,950	270,577	9,557	28,447	78,219	13,942	161,908	456,019
2020-21	21.6622	16.6626	174,260,525	1,997,620	3,264,401	30,440,986	846,107	210,809,638	195,012	220,923	1,551,639	212,546	-	13,604	82,959	-	-	121,062
2021-22**	22.0604	9.5164	180,091,669	4,054,176	3,485,512	35,622,969	1,325,796	224,580,123	203,574	76,773	1,730,783	319,729	5,357	50,974	40,095	-	172,020	457,276
2022-23	22.4364	9.9343	186,360,120	1,933,510	2,920,511	33,796,490	8,298,135	233,308,766	204,098	6,556,409	1,371,535	702,634	1,950	38,577	94,260	-	206,368	493,839
2023-24	22.4364	9.9424	188,958,992	1,350,888	2,606,238	34,806,900	11,541,874	239,264,892	199,704	9,815,331	1,993,365	709,676	7,027	30,062	107,054	-	195,732	477,288

\* Act 511 Taxes include Earned Income and Real Estate Transfer Taxes

\*\* Reassessment done in Delaware County

Source: District Annual Financial Report (AFR)

See Independent Auditor's Report.

**West Chester Area School District  
Analysis of Assessed Value for Taxable Real Estate  
Year Ended June 30, 2024**

<u>Land Use Description</u>	<u>2014-15 # of Parcels</u>	<u>Assessment Total</u>	<u>2015-16 # of Parcels</u>	<u>Assessment Total</u>	<u>2016-17 # of Parcels</u>	<u>Assessment Total</u>	<u>2017-18 # of Parcels</u>	<u>Assessment Total</u>	<u>2018-19 # of Parcels</u>	<u>Assessment Total</u>
<b>Chester County</b>										
Not identified	-		-		-		-		-	
Commercial properties	1,712	\$ 1,365,713,429	1,709	\$ 1,367,742,137	1,714	\$ 1,382,831,647	1,722	\$ 1,393,879,547	1,724	\$ 1,386,487,480
Farm properties	68	22,066,740	69	22,703,280	69	22,730,390	69	23,544,790	70	23,886,590
Industrial properties	88	145,936,270	87	145,405,235	87	145,188,555	87	145,353,765	86	145,152,395
Residential properties	30,250	6,063,262,560	30,365	6,115,048,985	30,410	6,132,798,573	30,433	6,213,361,838	30,490	6,239,593,971
Vacant land	1,163	49,319,210	1,090	47,541,320	1,068	45,006,370	1,039	47,346,930	1,089	46,914,600
Total Chester County	<u>33,281</u>	<u>7,646,298,209</u>	<u>33,320</u>	<u>7,698,440,957</u>	<u>33,348</u>	<u>7,728,555,535</u>	<u>33,350</u>	<u>7,823,486,870</u>	<u>33,459</u>	<u>7,842,035,036</u>
<b>Delaware County</b>										
Commercial/industrial	14	8,533,463	14	8,533,463	14	8,533,463	14	8,008,833	14	8,008,833
Residential/farms/vacant land	2,192	633,891,761	2,194	638,801,396	2,199	638,865,520	2,189	639,278,166	2,199	640,107,224
Total Delaware County	<u>2,206</u>	<u>642,425,224</u>	<u>2,208</u>	<u>647,334,859</u>	<u>2,213</u>	<u>647,398,983</u>	<u>2,203</u>	<u>647,286,999</u>	<u>2,213</u>	<u>648,116,057</u>
Grand total	<u>35,487</u>	<u>\$ 8,288,723,433</u>	<u>35,528</u>	<u>\$ 8,345,775,816</u>	<u>35,561</u>	<u>\$ 8,375,954,518</u>	<u>35,553</u>	<u>\$ 8,470,773,869</u>	<u>35,672</u>	<u>\$ 8,490,151,093</u>

See Independent Auditor's Report.

**West Chester Area School District  
Analysis of Assessed Value for Taxable Real Estate  
Year Ended June 30, 2024**

<u>Land Use Description</u>	<u>2019-20</u> <u># of</u> <u>Parcels</u>	<u>Assessment</u> <u>Total</u>	<u>2020-21</u> <u># of</u> <u>Parcels</u>	<u>Assessment</u> <u>Total</u>	<u>2021-22</u> <u># of</u> <u>Parcels</u>	<u>Assessment</u> <u>Total</u>	<u>2022-23</u> <u># of</u> <u>Parcels</u>	<u>Assessment</u> <u>Total</u>	<u>2023-24</u> <u># of</u> <u>Parcels</u>	<u>Assessment</u> <u>Total</u>
<b>Chester County</b>										
Not identified	-		-		-					
Commercial properties	1,730	\$ 1,419,240,638	1,732	\$ 1,409,206,133	1,749	\$ 1,373,439,443	1,755	\$ 1,366,384,239	1,763	\$ 1,346,936,767
Farm properties	67	22,327,250	68	22,616,460	67	22,549,430	66	22,550,430	66	23,405,150
Industrial properties	86	146,105,675	86	142,070,645	85	139,232,465	84	140,508,045	83	137,816,315
Residential properties	30,571	6,286,518,818	30,681	6,333,174,618	30,829	6,419,779,433	31,163	6,658,826,313	31,474	6,754,964,678
Vacant land	<u>1,135</u>	<u>47,370,590</u>	<u>1,464</u>	<u>55,803,640</u>	<u>1,421</u>	<u>53,477,760</u>	<u>1,413</u>	<u>43,773,310</u>	<u>1,313</u>	<u>44,002,122</u>
Total Chester County	<u>33,589</u>	<u>7,921,562,971</u>	<u>34,031</u>	<u>7,962,871,496</u>	<u>34,151</u>	<u>8,008,478,531</u>	<u>34,481</u>	<u>8,232,042,337</u>	<u>34,699</u>	<u>8,307,125,032</u>
<b>Delaware County</b>										
Commercial/industrial	14	8,008,833	16	9,157,733	14	26,710,280	13	26,433,670	13	26,433,670
Residential/farms/vacant land	<u>2,210</u>	<u>640,087,346</u>	<u>2,227</u>	<u>643,408,747</u>	<u>2,229</u>	<u>1,113,758,696</u>	<u>2,227</u>	<u>1,119,984,656</u>	<u>2,227</u>	<u>1,123,976,566</u>
Total Delaware County	<u>2,224</u>	<u>648,096,179</u>	<u>2,243</u>	<u>652,566,480</u>	<u>2,243</u>	<u>1,140,468,976</u>	<u>2,240</u>	<u>1,146,418,326</u>	<u>2,240</u>	<u>1,150,410,236</u>
Grand total	<u>35,813</u>	<u>\$ 8,569,659,150</u>	<u>36,274</u>	<u>\$ 8,615,437,976</u>	<u>36,394</u>	<u>\$ 9,148,947,507</u>	<u>36,721</u>	<u>\$ 9,378,460,663</u>	<u>36,939</u>	<u>\$ 9,457,535,268</u>

Source: County Land Use Code Report

See Independent Auditor's Report.

**West Chester Area School District  
Market Value Versus Assessed Value of Taxable Real Estate  
Year Ended June 30, 2024**

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<b>As of June 30th</b>	<b>Market Value Chester County (000)</b>	<b>Market Value Delaware County (000)</b>	<b>Total Market Value (000)</b>	<b>Assessed Value (000)</b>	<b>Ratio of Market Value to Assessed Value</b>
2013	\$ 11,841,643	\$ 705,298	\$ 12,546,941	\$ 8,288,723	151%
2014	12,049,694	736,705	12,786,399	8,345,776	153%
2015	12,149,938	741,885	12,891,823	8,375,955	154%
2016	12,584,089	786,253	13,370,342	8,470,774	158%
2017	12,774,058	785,727	13,559,785	8,490,151	160%
2018	13,366,030	841,146	14,207,176	8,569,659	166%
2019	13,526,033	840,051	14,366,084	8,615,438	167%
2020	14,129,979	895,234	15,025,213	9,148,948	164%
2021	14,229,894	895,234	15,125,128	9,378,461	161%
2022	15,569,013	1,051,730	16,620,743	9,457,535	176%

Source: State Tax Equalization Board

See Independent Auditor's Report.

**West Chester Area School District  
Property Tax Rates – All Direct and Overlapping Governments  
Year Ended June 30, 2024**

*Chester County*

<u>Fiscal Year</u>	<u>West Chester Area School District</u>	<u>Chester County</u>	<u>Township of East Bradford</u>	<u>Township of East Goshen</u>	<u>Township of Thornbury</u>	<u>Township of West Goshen</u>	<u>Township of West Whiteland</u>	<u>Township of Westtown</u>	<u>Borough of West Chester</u>
2014-15	19.21	4.163	0.34	1.25	0.995	2.00	0.719	3.50	6.96
2015-16	19.5779	4.163	1.00	1.25	0.995	2.00	0.719	3.50	6.96
2016-17	20.0982	4.163	1.00	1.25	0.995	2.00	0.719	3.50	6.96
2017-18	20.6841	4.369	1.00	1.25	0.995	2.00	0.719	3.50	6.96
2018-19	21.2723	4.369	1.00	1.25	0.995	2.00	0.719	3.50	6.96
2019-20	21.6622	4.369	1.00	1.25	0.995	2.00	0.719	3.50	6.96
2020-21	21.6622	4.369	1.50	1.25	0.995	2.00	0.714	3.50	6.96
2021-22	22.0604	4.551	1.50	1.25	0.995	2.00	0.714	3.50	7.40
2022-23	22.4364	4.551	1.75	1.25	0.995	2.00	0.714	3.50	7.70
2023-24	22.4364	4.551	1.75	1.75	0.995	2.00	0.714	3.71	7.70

Source: Chester County website

*Delaware County*

<u>Fiscal Year</u>	<u>West Chester Area School District</u>	<u>Delaware County</u>	<u>Township of Thornbury</u>
2014-15	13.65	5.604	0.00
2015-16	13.9059	5.604	0.00
2016-17	14.7113	5.604	0.00
2017-18	15.2086	5.604	0.00
2018-19	16.0761	5.604	0.00
2019-20	16.2597	5.461	0.00
2020-21	16.6626	5.461	0.00
2021-22**	9.5164	2.999	0.00
2022-23	9.9343	2.999	0.00
2023-24	9.9424	2.999	0.00

Source: Delaware County website

Note: Effective June 30, 2007, Pennsylvania law has imposed restrictions on a school district's ability to increase tax rates. The State restricts increases to tax rates to no more than a pre-calculated index. A district may apply for exceptions with the State to increase the tax rate above the index.

\*\* Reassessment done in Delaware County

See Independent Auditor's Report.

**West Chester Area School District  
Ten Largest Real Property Taxpayers  
Year Ended June 30, 2024**

Name	Township	Type of Property	2023-24			2014-15		
			Taxable Assessed Value	Percent of District's Total Value	Rank	Taxable Assessed Value	Percent of District's Total Value	Rank
Main Street At Exton LP	West Whiteland	Shopping Center	\$ 76,575,590	0.81%	1	\$ 28,553,560	0.34%	3
NWHAN Exton PA Development	West Whiteland	Apartment Complex	37,116,670	0.39%	2			
Bre Rook Sh Bellingham LP	East Goshen	Senior Living Community	30,740,000	0.33%	3			
SPUS8 West Chester LP	West Goshen	Apartment Complex	27,976,000	0.30%	4			
ARHC WHCCHPA01 LLC	East Goshen	Senior Living Community	27,000,000	0.29%	5			
JAG/OAK Parkview Apartments	West Whiteland	Apartment Complex	25,037,760	0.26%	6			
Exton Square, Inc.	West Whiteland	Shopping Center	24,639,465	0.26%	7	78,683,200	0.95%	1
Keva Flats LP	West Whiteland	Apartment Complex	24,618,375	0.26%	8			
Westtown Apartments	Westtown	Apartment Complex	24,367,500	0.26%	9	16,636,690	0.20%	9
Pembrooke TOM VC LLC	West Whiteland	Business Complex	<u>23,388,088</u>	0.25%	10			
QVC	West Goshen	Indust Bldg/ TV Shopping				35,696,530	0.43%	2
TRC Valley Creek Assoc.	West Whiteland	Business Complex				28,500,000	0.34%	4
HCRI PA Properties Holding Co.	East Goshen	Senior Living Community				22,849,280	0.28%	5
Exton Crossing Apts	West Whiteland	Apartment Complex				21,023,480	0.25%	6
Whiteland Investors, LP	West Whiteland	Apartment Complex				19,320,000	0.23%	7
Hankin Family Ltd Partnership	East Goshen	Apartment Complex				17,328,750	0.21%	8
Fern Hill LLC	West Goshen	Apartment Complex				<u>16,617,370</u>	0.20%	10
Total assessed value -ten largest taxpayers			<u>\$ 321,459,448</u>			<u>\$ 285,208,860</u>		
Total district assessed value			\$ 9,457,535,268			\$ 8,288,723,433		

Source: District Fact Books

See Independent Auditor's Report.

**West Chester Area School District  
Real Estate Tax Collection as a Ratio of Levy  
Year Ended June 30, 2024**

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<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Mills (2)</u>	<u>Adjusted Levy</u>	<u>Current Collection</u>	
				<u>Amount (1), (3)</u>	<u>Percent</u>
2014-15	\$ 8,288,723,433	19.21	\$ 155,654,493	\$ 151,068,019	97.1%
2015-16	8,345,775,816	19.5779	159,721,081	155,284,474	97.2%
2016-17	8,375,954,518	20.0982	164,854,136	160,530,248	97.4%
2017-18	8,470,773,869	20.6841	171,450,694	166,713,031	97.2%
2018-19	8,490,151,093	21.2723	177,237,300	173,060,736	97.6%
2019-20	8,569,659,150	21.6622	182,136,331	177,235,011	97.3%
2020-21	8,615,437,976	21.6622	183,366,769	177,830,871	97.0%
2021-22	9,148,947,507	22.0604	187,523,399	183,687,863	98.0%
2022-23	9,378,460,663	22.4364	196,086,258	190,642,621	97.2%
2023-24	9,457,535,268	22.4364	197,819,819	193,128,602	97.6%

Source: District Tax Records

(1) Includes revenue received from State designated for school district property tax reduction. Special Section Act 1 of 2006 was passed to ease the financial burden of home ownership by providing school districts the means to lower property taxes to homeowners via this funding to districts provided by gaming revenue.

(2) One mill of tax is equal to \$1.00 for every \$1,000 of assessed valuation of real estate property

(3) Does not include delinquent or interim taxes collected.

See Independent Auditor's Report.

# WEST CHESTER AREA SCHOOL DISTRICT

## DEBT CAPACITY





**West Chester Area School District  
Computation of Non-Electoral Debt Margin  
Year Ended June 30, 2024**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>Total General Fund revenues*</b>	\$ 213,970,535	\$ 220,793,385	\$ 235,401,340	\$ 242,175,000	\$ 249,521,639	\$ 255,108,419	\$ 261,224,019	\$ 277,711,304	\$ 289,804,646	\$ 295,885,079
Less: Required deductions if included in total										
Rental and Sinking Fund reimbursement	1,181,706	-	2,104,117	1,554,549	1,163,834	1,121,094	1,051,643	1,596,511	985,974	1,149,784
Sale of property and non-recurring revenue	-	-	-	-	-	-	-	-	-	-
Fund transfer	-	-	-	-	-	-	-	-	-	-
Net revenues	<u>212,788,829</u>	<u>220,793,385</u>	<u>233,297,223</u>	<u>240,620,451</u>	<u>248,357,805</u>	<u>253,987,325</u>	<u>260,172,376</u>	<u>276,114,793</u>	<u>288,818,672</u>	<u>294,735,295</u>
<b>Annual arithmetic average (borrowing base)**</b>	207,482,012	212,958,388	222,293,146	231,570,353	240,758,493	247,655,194	254,172,502	263,424,831	275,035,280	286,556,253
Multiplier	<u>225%</u>	<u>225%</u>	<u>225%</u>	<u>225%</u>	<u>225%</u>	<u>225%</u>	<u>225%</u>	<u>225%</u>	<u>225%</u>	<u>225%</u>
<b>Total nonelectoral debt limit</b>	466,834,527	479,156,373	500,159,579	521,033,294	541,706,609	557,224,187	571,888,130	592,705,870	618,829,380	644,751,569
Less: Amount debt applicable to debt limit	<u>271,826,000</u>	<u>266,615,000</u>	<u>261,070,000</u>	<u>256,125,000</u>	<u>250,425,000</u>	<u>268,885,000</u>	<u>281,605,000</u>	<u>259,750,000</u>	<u>242,135,000</u>	<u>223,460,000</u>
Total debt margin	<u>\$ 195,008,527</u>	<u>\$ 212,541,373</u>	<u>\$ 239,089,579</u>	<u>\$ 264,908,294</u>	<u>\$ 291,281,609</u>	<u>\$ 288,339,187</u>	<u>\$ 290,283,130</u>	<u>\$ 332,955,870</u>	<u>\$ 376,694,380</u>	<u>\$ 421,291,569</u>
Ratio of debt limit to debt margin	42%	44%	48%	51%	54%	52%	51%	56%	61%	65%

Source: District Annual Financial Statements PDE 2057

\* Includes other financing sources

\*\* Borrowing base is average of net revenues for three year period

See Independent Auditor's Report.

**West Chester Area School District  
Gross Principal Debt Outstanding  
Year Ended June 30, 2024**

Fiscal Year	Emmaus Note 2009	Series AA	Series A 2016 GOR	Series A 2017 GOB	Series 2018 GOB	Series 2019 GOB	Series 2020 GOB	Series 2021 GOB	Series 2022 GOB	Series 2024 GOB	Total
		2014 GOR									
2024- 2025	\$ 675,000	\$ 5,700,000	\$ 12,270,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 55,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 18,730,000
2025- 2026	700,000	6,025,000	12,850,000	5,000	5,000	5,000	60,000	5,000	100,000	5,000	19,760,000
2026- 2027	485,000	18,505,000	1,000,000	5,000	5,000	5,000	60,000	5,000	200,000	5,000	20,275,000
2027- 2028	5,625,000	7,990,000	-	5,000	5,000	5,000	1,875,000	5,000	4,270,000	1,870,000	21,650,000
2028- 2029	-	8,230,000	-	2,340,000	5,000	5,000	1,915,000	5,000	6,530,000	2,200,000	21,230,000
2029- 2034	-	8,480,000	-	7,360,000	4,060,000	7,655,000	5,975,000	9,200,000	19,000,000	7,145,000	68,875,000
2034- 2039	-	-	-	-	5,880,000	21,950,000	-	13,725,000	-	-	41,555,000
2039- 2041	-	-	-	-	-	5,100,000	-	6,285,000	-	-	11,385,000
Total principal	<u>\$ 7,485,000</u>	<u>\$ 54,930,000</u>	<u>\$ 26,120,000</u>	<u>\$ 9,720,000</u>	<u>\$ 9,965,000</u>	<u>\$ 34,730,000</u>	<u>\$ 9,940,000</u>	<u>\$ 29,235,000</u>	<u>\$ 30,105,000</u>	<u>\$ 11,230,000</u>	<u>\$ 223,460,000</u>

Source: District Debt Service Schedules

See Independent Auditor's Report.

**West Chester Area School District  
Schedule of Direct and Overlapping Debt  
Year Ended June 30, 2024**

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	<u>Gross Debt Outstanding</u>	<b>Percentage Applicable to this Governmental Unit</b>	<u>Net Share of Debt</u>
<b>Chester County</b>			
Direct debt			
West Chester Area School District	\$ 215,975,000	100%	\$ 215,975,000
Overlapping debt			
Township of East Bradford	9,072,000	100%	9,072,000 (1), (2)
Township of East Goshen	14,250,905	100%	14,250,905 (1), (2)
Township of Thornbury	-	100%	- (1), (2)
Township of West Goshen	2,622,000	100%	2,622,000 (1), (2)
Township of West Whiteland	-	100%	- (1), (2)
Township of Westtown	11,997,467	100%	11,997,467 (1), (2)
Borough of West Chester	-	100%	- (1), (2)
Chester County	<u>522,009,362</u>	20%	<u>101,999,359</u> (1), (2), (3)
Total direct and overlapping Chester County debt			<u>\$ 355,916,731</u>
<b>Delaware County</b>			
Direct debt			
West Chester Area School District	\$ 215,975,000	100%	\$ 215,975,000
Overlapping debt			
Township of Thornbury	-	100%	- (1), (4)
Delaware County	<u>306,302,776</u>	1.2%	<u>3,666,096</u> (1), (3), (4)
Total direct and overlapping Delaware County debt			<u>\$ 219,641,096</u>

(1) As of December 31, 2023

(2) Source: County of Chester ACFR

(3) Percentage of County Debt was derived by taking WCASD population as a Percentage of County

(4) Source: County of Delaware ACFR

See Independent Auditor's Report.

**West Chester Area School District  
Ratio of Net General Debt to Assessed Value and Debt per Capita  
Year Ended June 30, 2024**

<u>Fiscal Year</u>	<u>Assessed Value (1)</u>	<u>Gross Bonded Debt (5)</u>	<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed</u>	<u>Population</u>	<u>Net Bonded Debt per Capita</u>	<u>Estimated Personal Income (4)</u>	<u>Percent of Personal Income</u>
2014-15	\$ 8,288,723,433	\$ 260,605,000	\$ -	\$ 260,605,000	3.1%	108,441 (2)	2,403	\$ 11,295,323,001	2.3%
2015-16	8,345,775,816	256,645,000	-	256,645,000	3.1%	108,441 (2)	2,367	11,295,323,001	2.3%
2016-17	8,375,954,518	271,745,378	-	271,745,378	3.2%	108,441 (2)	2,506	11,295,323,001	2.4%
2017-18	8,470,773,869	264,042,382	-	264,042,382	3.1%	108,441 (2)	2,435	11,295,323,001	2.3%
2018-19	8,490,151,093	255,490,452	-	255,490,452	3.0%	108,441 (2)	2,356	11,295,323,001	2.3%
2019-20	8,569,659,150	276,686,539	-	276,686,539	3.2%	108,441 (2)	2,551	11,295,323,001	2.4%
2020-21	8,615,437,976	293,972,635	-	293,972,635	3.4%	111,327 (3)	2,641	11,595,931,647	2.5%
2021-22	9,148,947,507	274,518,168	-	274,518,168	3.0%	111,327 (3)	2,466	11,595,931,647	2.4%
2022-23	9,378,460,663	254,261,917	-	254,261,917	2.7%	111,327 (3)	2,284	11,595,931,647	2.2%
2023-24	9,457,535,268	234,782,739	-	234,782,739	2.5%	111,327 (3)	2,109	11,595,931,647	2.0%

(1) Source: District Fact Book

(2) Source: 2010 Census

(3) Source: 2020 Census

(4) Uses 2020 Household Median Income from Chester County Planning Commission

(5) Source: District Audit Report

See Independent Auditor's Report.

# WEST CHESTER AREA SCHOOL DISTRICT

## DEMOGRAPHIC AND ECONOMIC INFORMATION



**West Chester Area School District  
Trends in Population, Market Value, and Personal Income  
Year Ended June 30, 2024**

	<b>West Chester Area School District Population</b>	(1)	<b>West Chester County Population</b>	(1)	<b>Pennsylvania Population</b>	(1)	<b>United States Population</b>	(1)
1970	Not Available		278,311		11,758,458		203,302,031	
1980	68,170		316,660		11,855,687		226,542,199	
1990	81,172		376,396		11,881,643		248,709,873	
2000	94,114		433,501		12,281,054		281,421,906	
2010	108,441		498,886		12,702,379		308,745,538	
2020	111,327		534,413		13,002,700		331,449,281	
2021 *	111,603		538,649		12,964,056		331,893,745	
2022 *	113,600		545,823		12,972,008		333,287,557	
2023 *	114,563		549,784		12,961,683		334,914,895	

\* As estimated by US Census Bureau

	<b>West Chester Area School District Market Value</b>		<b>West Chester Area School District Adjusted Personal Income</b>		<b>Pennsylvania Market Value</b>		<b>Pennsylvania Adjusted Personal Income</b>	(2)
2014	\$ 12,786,398,938		\$ 4,980,850,893		\$ 801,633,782,130		\$ 328,242,656,054	
2015	\$ 12,891,822,543		\$ 5,035,785,968		\$ 810,805,701,762		\$ 342,030,707,410	
2016	\$ 13,370,341,641		\$ 5,106,608,693		\$ 839,594,528,100		\$ 339,831,330,362	
2017	\$ 13,559,785,462		\$ 5,105,520,049		\$ 847,630,312,124		\$ 352,789,390,440	
2018	\$ 14,207,175,901		\$ 5,558,936,430		\$ 877,385,372,915		\$ 378,234,703,027	
2019	\$ 14,366,083,784		\$ 5,616,886,135		\$ 922,018,498,396		\$ 395,548,185,123	
2020	\$ 15,025,213,325		\$ 5,524,523,899		\$ 966,037,072,558		\$ 384,746,553,419	
2021	\$ 15,125,128,108		\$ 5,895,568,720		\$ 975,443,133,973		\$ 396,109,249,773	
2022	\$ 16,620,743,291		\$ 6,739,683,429		\$ 1,057,970,532,347		\$ 448,491,075,393	
2023	\$ 16,790,636,517		Not Available		\$ 1,069,761,081,286		Not Available	

(1) Source: US Census

(2) Source: PA Dept of Education

See Independent Auditor's Report.

**West Chester Area School District  
Key Economic and Housing Indices  
Year Ended June 30, 2024**

**Household Income**

	Total households 2020	Household Income, 2020			Median Household Income, 2020 (1)
		less than \$50,000	\$50,000 to \$100,000	\$100,000 or more	
Chester County	192,951	43,414	49,203	100,334	104,161
West Chester Area (2)	40,850	9,935	10,011	20,904	

**Labor Force and Employment**

	Population 16 years and over, 2020	Civilian Labor Force, 2020			Unemployment Rate, 2020 (1)
		Total	Employed	Unemployed	
Pennsylvania					7.7%
Chester County	417,628	284,955	273,256	11,699	2.8%
West Chester Area (2)	82,718	55,901	53,569	2,332	N/A

**Housing Value**

	Total Owner Occupied Units, 2019	Housing Value (3)				
		Less than \$150,000	\$150,000 to \$300,000	\$300,001 to \$400,000	\$400,001 to \$500,000	\$500,001 or more (1)
Chester County	143,192	9,260	44,599	31,059	22,809	35,465
West Chester Area (2)	26,934	812	5,964	6,551	5,661	7,946

**West Chester Area Median Home Value in 2021 = \$208,238**

(1) Source: U S Census Bureau American Community Survey 2016-2020

(2) West Chester Area is comprised of all Chester County West Chester Area municipalities

(3) Updated information not available

**West Chester Area School District  
Largest Employers within the School District  
Year Ended June 30, 2024**

<u>Name</u>	<u>Product or Service</u>	<u>2023-24</u>			<u>2014-15</u>		
		<u>Approximate Employment</u>	<u>Rank</u>	<u>% of Total</u>	<u>Approximate Employment</u>	<u>Rank</u>	<u>% of Total</u>
Penn Medicine Chester County Hospital	Health Care Services	2,829	1	5.3%			
West Chester University	Education	2,527	2	4.7%	2,554	2	5.0%
QVC Network, Inc.	Home Shopping Network	1,903	3	3.6%	2,820	1	5.5%
Chester County	County Government	1,781	4	3.3%	1,600	4	3.1%
QVC Japan Services	Home Shopping Network	1,747	5	3.3%			
West Chester Area School District	Education	1,673	6	3.1%	1,582	5	3.1%
United Parcel Services, Inc.	Delivery Services	1,139	7	2.1%	1,200	7	2.3%
Giant Food Stores LLC	Grocery	1,052	8	2.0%	924	8	1.8%
The Arc of Chester County	Advocacy Organization	986	9	1.8%			
Communications Test Design, Inc.	Communication Engineering	858	10	1.6%	680	10	1.3%
Johnson & Johnson Services, Inc.	Drug Research and Testing				1,392	6	2.7%
Chester County Hospital	Health Care Services				2,161	3	4.2%
Comcast Cable Communications	Telecommunication				898	9	1.8%
Total		<u>16,495</u>			<u>15,811</u>		

Note: 2023-24 % of Total Employment uses 2020 Total West Chester Community employed population of 53,569.  
2014-15 % of Total Employment uses 2010 Total West Chester Community employed population of 51,129

Source: District EIT Collection records, District Fact Book Chester County Planning Commission

See Independent Auditor's Report.



# WEST CHESTER AREA SCHOOL DISTRICT

## OPERATING INFORMATION



**West Chester Area School District  
Staffing Ratios for Professional Staff  
Year Ended June 30, 2024**

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<u>Fiscal Year</u>	<u>Number of School Staff *</u>	<u>Number of Students</u>	<u>Ratio Students/Staff</u>
2014-15	971.60	11,624	12.0
2015-16	971.30	11,483	11.8
2016-17	973.30	11,589	11.9
2017-18	979.80	11,928	12.2
2018-19	992.80	11,963	12.0
2019-20	1,002.60	12,078	12.0
2020-21	1,032.35	11,968	11.6
2021-22	1,074.22	12,093	11.3
2022-23	1,081.23	12,146	11.2
2023-24	1,097.55	12,063	11.0

\* Includes: Teachers, librarians, guidance counselors, nurses, supervisors, school administrators and social workers.

Source: *District Fact Book*

**West Chester Area School District  
District Facilities  
Year Ended June 30, 2024**

<b>Building</b>	<b>Original Construction Date</b>	<b>Addition and/or Renovation Date</b>	<b>Grades</b>	<b>Site Area (Acres)</b>	<b>Building Sq. Ft.</b>	<b>Sept. 30<sup>th</sup> 2023 Enrollment</b>
<i>B. Rustin High School</i>	2003-06	-	9-12	123.20	283,000	1,189
<i>East High School</i>	1973	1976/92/93/04	9-12	62.60	314,453	1,248
<i>East/Fugett Athletic Fields</i>	2004	-	-	43.35	-	-
<i>Henderson High School</i>	1951	1956/64/76/94/98/04	9-12	30.56	287,351	1,469
<i>Henderson-North Campus Athletics</i>	2006	-	-	13.40	**	-
<i>E. N. Peirce Middle School</i>	1963	1998/01/03	6-8	26.70	136,250	1,006
<i>G. A. Stetson Middle School</i>	1959	1961/98/03/07	6-8	38.40	134,857	798
<i>J. R. Fugett Middle School</i>	1969	2009	6-8	*	163,340	894
<i>East Bradford Elementary</i>	1958	1966/70/89/13	K-5	18.20	58,367	455
<i>East Goshen Elementary</i>	1955	1960/64/67/95/01/20	K-5	20.80	77,465	515
<i>Exton Elementary</i>	1940	1953/57/91/92/93/00/19	K-5	13.10	80,702	474
<i>Fern Hill Elementary</i>	1955	1960/89/16	K-5	20.00	64,555	410
<i>Glen Acres Elementary</i>	1966	1997	K-5	11.70	59,931	472
<i>Greystone Elementary</i>	2021	-	K-5	15.00	**	76,542
<i>Hillsdale Elementary</i>	1976	2007	K-5	19.10	70,631	540
<i>Mary C. Howse Elementary</i>	1962	1965/97	K-5	15.24	59,993	475
<i>Penn Wood Elementary</i>	1966	1970/89/01/12	K-5	18.60	64,350	448
<i>Sarah W. Starkweather Elementary</i>	1991	1998	K-5	37.90	75,094	576
<i>Westtown-Thornbury Elementary</i>	1954	1956/89/12/24	K-5	11.70	60,976	550
<i>402 North Penn Street</i>	1949***	-	-	0.06	1,348	-
<b>Facilities &amp; Operations Center</b>	1999	-	-	3.20	24,588	-
<b>Spellman Education Center</b>	1988	2017	Admin	3.32	42,000	-
				546.13	2,135,793	12,063

\* Fugett acreage included in East HS site area

\*\* In 2021, Henderson-North Campus Athletics' square footage was reduced and Greystone Elementary's square footage was increased.

See Independent Auditor's Report.

**West Chester Area School District  
School District Employees by Function  
Year Ended June 30, 2024**

<u>Functions</u>	<u>Elementary</u>	<u>Middle</u>	<u>High</u>	<u>Other</u>	<u>Total</u>
1100 Regular	356.00	174.30	230.55	21.00	781.85
1200 Special	62.00	35.10	42.50	145.00	284.60
1300 Vocational	-	12.80	19.80	-	32.60
1400 Other instructional	-	-	4.20	-	4.20
2100 Support services- students	21.80	18.40	32.80	16.80	89.80
2200 Support services- instructional	16.50	4.00	7.30	16.95	44.75
2300 Support services- administration	33.00	15.00	21.00	12.00	81.00
2400 Support services- pupil health	11.20	7.00	7.00	6.00	31.20
2500 Support services- business office	-	-	-	13.00	13.00
2600 Operating and maintenance of plant services	39.00	18.50	31.00	56.50	145.00
2700 Student transportation services	-	-	-	3.50	3.50
2800 Support services - central	-	-	-	28.05	28.05
3000 Operation of non-instructional services	-	-	12.00	-	12.00
Total 2023-24 FTEs	<u>539.50</u>	<u>285.10</u>	<u>408.15</u>	<u>318.80</u>	<u>1,551.55</u>

Source: District Personnel Budget Documentation

See Independent Auditor's Report.

**West Chester Area School District  
Student Enrollment Summary  
Year Ended June 30, 2024**

<u>School Year</u>		<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Kindergarten (half-time)	At Sept. 30	584	525	599	-	-	-	-	-	-	-
	End of Year	604	532	617	-	-	-	-	-	-	-
**Kindergarten (full-time)	At Sept. 30	79	90	73	891	857	887	807	850	853	857
	End of Year	51	86	81	893	859	902	806	862	861	860
Grades 1-5	At Sept. 30	4,363	4,328	4,355	4,449	4,495	4,501	4,418	4,549	4,613	4,602
	End of Year	4,339	4,324	4,376	4,458	4,498	4,513	4,430	4,564	4,644	4,619
Grades 6-8	At Sept. 30	2,790	2,782	2,809	2,824	2,766	2,824	2,843	2,819	2,771	2,698
	End of Year	2,767	2,780	2,825	2,822	2,769	2,817	2,840	2,812	2,755	2,692
Grades 9-12	At Sept. 30	3,808	3,758	3,753	3,764	3,845	3,866	3,900	3,875	3,909	3,906
	End of Year	<u>3,764</u>	<u>3,753</u>	<u>3,740</u>	<u>3,749</u>	<u>3,807</u>	<u>3,860</u>	<u>3,891</u>	<u>3,878</u>	<u>3,875</u>	<u>3,905</u>
Total - September 30		<u>11,624</u>	<u>11,483</u>	<u>11,589</u>	<u>11,928</u>	<u>11,963</u>	<u>12,078</u>	<u>11,968</u>	<u>12,093</u>	<u>12,146</u>	<u>12,063</u>
Total - End of year		<u>11,525</u>	<u>11,475</u>	<u>11,639</u>	<u>11,922</u>	<u>11,933</u>	<u>12,092</u>	<u>11,967</u>	<u>12,116</u>	<u>12,135</u>	<u>12,076</u>
Increase/Decrease at September 30		(42)	(141)	106	339	35	115	(110)	125	53	(83)

See Independent Auditor's Report.

**West Chester Area School District  
Student Market Share Analysis  
Year Ended June 30, 2024**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>Total Out-of-District</b>	<b>4,030</b>	<b>4,160</b>	<b>3,975</b>	<b>3,719</b>	<b>3,483</b>	<b>3,347</b>	<b>3,503</b>	<b>3,316</b>	<b>3,176</b>	<b>3,126</b>
<b>% of Total</b>	<b>25.7%</b>	<b>26.6%</b>	<b>25.5%</b>	<b>23.8%</b>	<b>22.5%</b>	<b>21.7%</b>	<b>22.6%</b>	<b>21.5%</b>	<b>20.7%</b>	<b>20.6%</b>
<b>Total In-District</b>	<b>11,624</b>	<b>11,483</b>	<b>11,589</b>	<b>11,928</b>	<b>11,963</b>	<b>12,078</b>	<b>11,968</b>	<b>12,093</b>	<b>12,146</b>	<b>12,063</b>
<b>% of Total</b>	<b>74.3%</b>	<b>73.4%</b>	<b>74.5%</b>	<b>76.2%</b>	<b>77.5%</b>	<b>78.3%</b>	<b>77.4%</b>	<b>78.5%</b>	<b>79.3%</b>	<b>79.4%</b>
<b>Total Students</b>	<b>15,654</b>	<b>15,643</b>	<b>15,564</b>	<b>15,647</b>	<b>15,446</b>	<b>15,425</b>	<b>15,471</b>	<b>15,409</b>	<b>15,322</b>	<b>15,189</b>
<b>Share Change Year-to-Year</b>	<b>0.18%</b>	<b>-1.14%</b>	<b>1.44%</b>	<b>2.38%</b>	<b>1.60%</b>	<b>1.10%</b>	<b>-1.21%</b>	<b>1.45%</b>	<b>2.47%</b>	<b>-0.28%</b>

<b>WCASD</b>	<b>11,624</b>	<b>11,483</b>	<b>11,589</b>	<b>11,928</b>	<b>11,963</b>	<b>12,078</b>	<b>11,968</b>	<b>12,093</b>	<b>12,146</b>	<b>12,063</b>
<b>Elementary</b>	5,026	4,943	5,027	5,340	5,352	5,388	5,225	5,399	5,466	5,459
<b>% of Total Elementary</b>	62.6%	61.5%	63.3%	66.7%	68.6%	69.4%	67.0%	68.7%	70.0%	70.4%
<b>Secondary</b>	6,598	6,540	6,562	6,588	6,611	6,690	6,743	6,694	6,680	6,604
<b>% of Total Secondary</b>	86.5%	86.0%	86.1%	86.2%	86.5%	87.3%	87.9%	88.7%	88.9%	88.9%

<b>Out-Of-District</b>	<b>4,030</b>	<b>4,160</b>	<b>3,975</b>	<b>3,719</b>	<b>3,483</b>	<b>3,347</b>	<b>3,503</b>	<b>3,316</b>	<b>3,176</b>	<b>3,126</b>
<b>Elementary</b>	<b>3,003</b>	<b>3,099</b>	<b>2,915</b>	<b>2,667</b>	<b>2,454</b>	<b>2,372</b>	<b>2,576</b>	<b>2,464</b>	<b>2,342</b>	<b>2,299</b>
<b>Private</b>	223	225	190	190	200	205	209	201	165	175
<b>% of Total</b>	1.4%	1.4%	1.2%	1.2%	1.3%	1.3%	1.4%	1.3%	1.1%	1.2%
<b>Religious - Catholic</b>	1,618	1,615	1,476	1,329	1,226	1,158	1,242	1,204	1,141	1,206
<b>% of Total</b>	10.3%	10.3%	9.5%	8.5%	7.9%	7.5%	8.0%	7.8%	7.4%	7.9%
<b>Religious - Other</b>	270	329	331	303	289	301	317	349	336	199
<b>% of Total</b>	1.7%	2.1%	2.1%	1.9%	1.9%	2.0%	2.0%	2.3%	2.2%	1.3%
<b>Charter</b>	706	717	678	615	510	482	473	434	403	400
<b>% of Total</b>	4.5%	4.6%	4.4%	3.9%	3.3%	3.1%	3.1%	2.8%	2.6%	2.6%
<b>Special Education</b>	36	50	67	62	63	60	48	34	48	55
<b>% of Total</b>	0.2%	0.3%	0.4%	0.4%	0.4%	0.4%	0.3%	0.2%	0.3%	0.4%
<b>CCIU</b>	-	-	-	-	-	-	-	-	-	-
<b>% of Total</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Alternative</b>	-	-	-	-	-	-	-	-	-	-
<b>% of Total</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Home School</b>	150	163	173	168	166	166	287	242	249	264
<b>% of Total</b>	1.0%	1.0%	1.1%	1.1%	1.1%	1.1%	1.9%	1.6%	1.6%	1.7%
<b>Secondary</b>	<b>1,027</b>	<b>1,061</b>	<b>1,060</b>	<b>1,052</b>	<b>1,029</b>	<b>975</b>	<b>927</b>	<b>852</b>	<b>834</b>	<b>827</b>
<b>Private</b>	40	38	36	40	44	48	48	45	39	41
<b>% of Total</b>	0.3%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
<b>Religious - Catholic</b>	725	812	784	768	727	700	663	616	595	660
<b>% of Total</b>	4.6%	5.2%	5.0%	4.9%	4.7%	4.5%	4.3%	4.0%	3.9%	4.3%
<b>Religious - Other</b>	93	82	75	77	73	76	72	79	80	10
<b>% of Total</b>	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.1%
<b>Charter</b>	-	-	-	-	-	-	-	-	-	-
<b>% of Total</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Special Education</b>	-	-	-	-	-	-	-	-	-	-
<b>% of Total</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>CCIU</b>	106	94	107	136	146	129	131	99	120	113
<b>% of Total</b>	0.7%	0.6%	0.7%	0.9%	0.9%	0.8%	0.8%	0.6%	0.8%	0.7%
<b>Alternative</b>	63	35	58	31	39	22	13	13	-	3
<b>% of Total</b>	0.4%	0.2%	0.4%	0.2%	0.3%	0.1%	0.1%	0.1%	0.0%	0.0%
<b>Home School</b>	-	-	-	-	-	-	-	-	-	-
<b>% of Total</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

See Independent Auditor's Report.

**West Chester Area School District  
Student Market Share Analysis  
Year Ended June 30, 2024**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>TOTAL NO. STUDENTS</b>	<b>15,654</b>	<b>15,643</b>	<b>15,564</b>	<b>15,647</b>	<b>15,446</b>	<b>15,425</b>	<b>15,471</b>	<b>15,409</b>	<b>15,322</b>	<b>15,189</b>
Elementary	8,029	8,042	7,942	8,007	7,806	7,760	7,801	7,863	7,808	7,758
Secondary	7,625	7,601	7,622	7,640	7,640	7,665	7,670	7,546	7,514	7,431
<b>TOTAL NO OF BIRTHS (AGE 5)</b>	<b>1,177</b>	<b>1,035</b>	<b>1,049</b>	<b>1,001</b>	<b>1,032</b>	<b>990</b>	<b>1,065</b>	<b>935</b>	<b>1,026</b>	<b>996</b>
<b>TOTAL NO. STUDENTS</b>	<b>15,654</b>	<b>15,643</b>	<b>15,564</b>	<b>15,647</b>	<b>15,446</b>	<b>15,425</b>	<b>15,471</b>	<b>15,409</b>	<b>15,322</b>	<b>15,189</b>
Elementary	8,029	8,042	7,942	8,007	7,806	7,760	7,801	7,863	7,808	7,758
Secondary	7,625	7,601	7,622	7,640	7,640	7,665	7,670	7,546	7,514	7,431
<b>Facility Breakdown</b>										
<b>% Public</b>	74.3%	73.4%	74.5%	76.2%	77.5%	78.3%	77.4%	78.5%	79.3%	79.4%
<b>Schools Facilities Not WCASD</b>										
% Private	1.7%	1.7%	1.5%	1.5%	1.6%	1.6%	1.7%	1.6%	1.3%	1.4%
% Religious	17.3%	18.1%	17.1%	15.8%	15.0%	14.5%	14.8%	14.6%	14.0%	12.3%
% Charter	4.5%	4.6%	4.4%	3.9%	3.3%	3.1%	3.1%	2.8%	2.6%	2.6%
% Special Education	0.2%	0.3%	0.4%	0.4%	0.4%	0.4%	0.3%	0.2%	0.3%	0.4%
% CCIU	0.7%	0.6%	0.7%	0.9%	0.9%	0.8%	0.8%	0.6%	0.8%	0.7%
% Alternative	0.4%	0.2%	0.4%	0.2%	0.3%	0.1%	0.1%	0.1%	0.0%	0.0%
% Home School	1.0%	1.0%	1.1%	1.1%	1.1%	1.1%	1.9%	1.6%	1.6%	1.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

See Independent Auditor's Report.

# WEST CHESTER AREA SCHOOL DISTRICT

## SINGLE AUDIT





**West Chester Area School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant Period Beginning - Ending	Program or Award Amount	Total Received for Year	Accrued (Deferred) Revenue 07/1/23	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 06/30/24	Amount Passed Through to Sub-Recipients
<b>U.S Department of Education</b>											
<u>Passed through PA Department of Education</u>											
Title I Grant to Education Agencies	I	84.010	013-230470	07/01/22-09/30/23	\$ 547,689	\$ 36,500	\$ 10,813	\$ 25,687	\$ 25,687	\$ -	\$ -
Title I Grant to Education Agencies	I	84.010	013-240470	07/01/23-09/30/25	1,313,858	613,048	-	892,237	892,237	279,189	-
Total CFDA #84.010						649,548	10,813	917,924	917,924	279,189	-
Language Instruction for Limited English Proficient (LEP)	I	84.365	010-230470	07/01/22-09/30/24	97,986	-	646	4,930	4,930	5,576	-
Language Instruction for Limited English Proficient (LEP)	I	84.365	010-240470	07/01/23-09/30/24	100,717	100,717	-	100,055	100,055	(662)	-
Total CFDA #84.365						100,717	646	104,985	104,985	4,914	-
Improving Teacher Quality State Grant	I	84.367	020-230470	07/01/22-09/30/23	233,671	32,025	(32,623)	64,648	64,648	-	-
Improving Teacher Quality State Grant	I	84.367	020-240470	07/01/23-09/30/25	252,598	100,459	-	108,629	108,629	8,170	-
Total CFDA #84.367						132,484	(32,623)	173,277	173,277	8,170	-
Student Support and Academic Enrichment Grant	I	84.424	144-230470	07/01/22-09/30/23	43,565	26,965	13,707	13,258	13,258	-	-
Student Support and Academic Enrichment Grant	I	84.424	144-240470	07/01/23-09/30/24	42,877	37,160	-	40,332	40,332	3,172	-
Total CFDA #84.424						64,125	13,707	53,590	53,590	3,172	-
COVID-19 ESSER III	I	84.425U	223-210470	03/13/20-09/30/24	4,292,337	390,213	390,213	-	-	-	-
COVID-19 ARP ESSER Fund 7% Set Asides Consolidated	I	84.425U	225-210470	03/13/20-09/30/24	333,611	242,626	194,967	47,659	47,659	-	-
COVID-19 ARP ESSER Fund - Homeless Children and Youth	I	84.425W	181-212473	07/01/21-09/30/24	44,304	10,224	(729)	9,284	9,284	(1,669)	-
Total CFDA #84.425						643,063	584,451	56,943	56,943	(1,669)	-
<u>Passed through Intermediate Unit 13</u>											
A ACHIEVE	I	84.027	C189-9035	07/01/18-09/30/21	2,000	-	(2,000)	-	-	(2,000)	-
<u>Passed through Chester County I.U.</u>											
IDEA Special Education-Grants to States	I	84.027	62-2300024	07/01/22-09/30/23	1,609,561	1,609,561	1,366,031	243,530	243,530	-	-
IDEA Special Education-Grants to States	I	84.027	62-2400024	07/01/23-09/30/24	1,741,457	-	-	1,741,457	1,741,457	1,741,457	-
Total CFDA #84.027						1,609,561	1,366,031	1,984,987	1,984,987	1,741,457	-
IDEA 619 funds	I	84.173	131-220024B	07/01/22-06/30/23	5,504	5,504	5,504	-	-	-	-
IDEA 619 funds	I	84.173	131-230024B	07/01/23-06/30/24	8,378	-	-	8,378	8,378	8,378	-
Total CFDA #84.173						5,504	5,504	8,378	8,378	8,378	-

See Independent Auditor's Report.

**West Chester Area School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant Period Beginning - Ending	Program or Award Amount	Total Received for Year	Accrued (Deferred) Revenue 07/1/23	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 06/30/24	Amount Passed Through to Sub-Recipients
<u>Passed through PA Dept of Public Welfare</u>											
Title XIX Medical Assistance Program	I	93.778	N/A	07/01/23-06/30/24	31,136	31,136	-	31,136	31,136	-	-
Total U.S. Department of Health and Human Services						31,136	-	31,136	31,136	-	-
<u>Passed through PA Department of Agriculture</u>											
National School Lunch Program	I	10.555	N/A	07/01/22-06/30/23	N/A	-	(642)	642	642	-	-
National School Lunch Program	I	10.555	N/A	07/01/23-06/30/24	N/A	343,534	-	334,092	334,092	(9,442)	-
Total CFDA #10.555						343,534	(642)	334,734	334,734	(9,442)	-
<u>Passed through PA Department of Education</u>											
National School Lunch Program (Supply Chain Assistance)	I	10.555	356	07/01/21-06/30/24	N/A	192,416	(321,696)	192,049	192,049	(322,063)	-
National School Lunch Program	I	10.555	362	07/01/22-06/30/23	N/A	33,439	33,439	-	-	-	-
National School Lunch Program	I	10.555	362	07/01/23-06/30/24	N/A	812,099	-	841,396	841,396	29,297	-
Total CFDA #10.555						1,037,954	(288,257)	1,033,445	1,033,445	(292,766)	-
National School Breakfast Program	I	10.553	365	07/01/22-06/30/23	N/A	11,125	11,125	-	-	-	-
National School Breakfast Program	I	10.553	365	07/01/23-06/30/24	N/A	214,506	-	225,184	225,184	10,678	-
Total CFDA #10.553						225,631	11,125	225,184	225,184	10,678	-
Total U. S. Department of Agriculture						1,607,119	(277,774)	1,593,363	1,593,363	(291,530)	-
Total Federal Awards						\$ 4,843,257	\$ 1,668,755	\$ 4,924,583	\$ 4,924,583	\$ 1,750,081	\$ -
Education Stabilization Fund (ALNs 84.425D, 84.425U, and 84.425W)						\$ 643,063	\$ 584,451	\$ 56,943	\$ 56,943	\$ (1,669)	\$ -
Special Education Cluster (IDEA) (ALNs 84.027 and 84.173)						\$ 1,615,065	\$ 1,369,535	\$ 1,993,365	\$ 1,993,365	\$ 1,747,835	\$ -
Child Nutrition Cluster (ALNs 10.553 and 10.555)						\$ 1,607,119	\$ (277,774)	\$ 1,593,363	\$ 1,593,363	\$ (291,530)	\$ -

See Independent Auditor's Report.

**West Chester Area School District**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2024**

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**1. BASIS OF PRESENTATION**

The schedule of expenditures of federal awards reflects federal expenditures for all individual grants which were active during the fiscal year.

**2. BASIS OF ACCOUNTING**

The District uses the modified accrual method of recording transactions except as noted for the accounting of donated commodities in Note 3. Revenues are recorded when measurable and available. Expenditures are recorded when incurred.

**3. NONMONETARY FEDERAL AWARDS – DONATED FOOD**

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals, and prisons) and to the needy. Expenditures reported in the schedule of expenditures of federal awards under CFDA #10.555 includes surplus food consumed by the District during the 2023-2024 fiscal year. The District has food commodities totaling \$9,442 in inventory as of June 30, 2024.

**4. ACCESS PROGRAM**

The ACCESS Program is a medical assistance program that reimburses local educational agencies for direct eligible health-related services provided to enrolled special needs students. Reimbursements are federal source revenues but are classified as fee-for-service and are not considered federal financial assistance. The amount of ACCESS funding recognized for the year ended June 30, 2024 was \$1,020,550.

**5. INDIRECT COSTS**

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance. For the year ended June 30, 2024, there were no indirect costs included in the schedule of expenditures of federal awards.

**West Chester Area School District  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2024**

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There were no audit findings for the year ended June 30, 2023.

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

To the Board of School Directors of  
West Chester Area School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of West Chester Area School District, Exton, Pennsylvania, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise West Chester Area School District's basic financial statements, and have issued our report thereon dated February 7, 2025.

### **Report on Internal Control Over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

## Purpose of this Report

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

*Withum Smith & Brown, PC*

February 7, 2025

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of School Directors of  
West Chester Area School District:

### **Report on Compliance for Each Major Federal Program**

#### **Opinion on Each Major Federal Program**

We have audited West Chester Area School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of West Chester Area School District's major federal programs for the year ended June 30, 2024. West Chester Area School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, West Chester Area School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

#### **Basis for Opinion on Each Major Federal Program**

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

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

#### **Responsibilities of Management for Compliance**

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

### Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### Report on Internal Control over Compliance

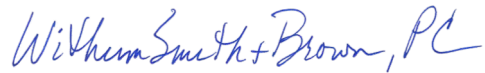
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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



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

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

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

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC". The signature is written in a cursive, flowing style.

February 7, 2025

**West Chester Area School District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024**

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**Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the West Chester Area School District were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements of the West Chester Area School District are reported in the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the West Chester Area School District, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over the major federal award programs are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for the West Chester Area School District expresses an unmodified opinion on all major federal programs.
6. There are no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).
7. The programs tested as major programs were:  
  
Title I Funds – Improving Basic Programs – Assistance Listing 84.010  
  
Special Education Cluster (IDEA):  
Special Education – Grants to States (IDEA, Part B) – ALN 84.027  
Special Education – Preschool Grants (IDEA Preschool) – ALN 84.173
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The West Chester Area School District did qualify as a low-risk auditee.

**Findings – Financial Statement Audit**

None

**Findings and Questioned Costs – Major Federal Award Programs Audit**

None