

PRELIMINARY OFFICIAL STATEMENT DATED MAY 18, 2026

NEW ISSUE—BOOK-ENTRY ONLY

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

In the opinion of Bond Counsel, interest on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions, subject to the condition described in "TAX MATTERS" herein and interest on the Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

Bond Counsel is also of the opinion that under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") as presently enacted and construed, the Bonds are exempt from personal property taxes in the Commonwealth and the interest on the Bonds is exempt from the Commonwealth's Personal Income Tax and the Commonwealth's Corporate Net Income Tax.

\$19,630,000*

West Shore School District

Cumberland and York Counties, Pennsylvania

General Obligation Bonds, Series of 2026

Dated: Date of Delivery

Interest Due: May 15 and November 15

Principal Due: November 15, see inside cover

First Interest Payment: November 15, 2026

The General Obligation Bonds, Series of 2026 (the "Bonds") in the aggregate principal amount of \$19,630,000* will be registered in the name of Cede & Co., as the registered owner and nominee of the Depository Trust Company ("DTC"), New York, New York. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or any integral multiple thereof only under the book-entry only system maintained by DTC through its brokers and dealers who are, or act through, DTC Participants. The purchasers of the Bonds will not receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond, that purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. See "**BOOK-ENTRY ONLY SYSTEM**" herein. If, under the circumstances described herein, Bonds are ever issued in certificated form, the Bonds will be subject to registration of transfer, exchange and payment as described herein. The principal of the Bonds will be paid to the registered owners, when due, upon presentation and surrender of the Bonds to Manufacturers and Traders Trust Company (the "Paying Agent"), acting as paying agent and sinking fund depository, at its specified corporate trust office in Harrisburg, Pennsylvania. Interest on the Bonds is payable initially on November 15, 2026 and thereafter semiannually on May 15 and November 15 of each year, until the principal sum thereof is paid. Payment of interest on the Bonds will be made by check drawn on the Paying Agent mailed to the registered owners of the Bonds as of the Record Date (see "**THE BONDS**" *infra*).

The Bonds are general obligations of the West Shore School District, Cumberland and York Counties, Pennsylvania (the "School District") payable from its tax and other general revenues. The School District has covenanted that it will, to the fullest extent permitted under applicable law, provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Bonds for such year and will duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its revenues or funds the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District, subject to statutory restrictions and limitations, irrevocably has pledged its full faith, credit and taxing power, within the limits provided by law. (See "**SECURITY FOR THE BONDS**" and "**TAXES AND TAXING POWERS OF THE SCHOOL DISTRICT**" *infra*). **The Bonds are subject to redemption prior to maturity as described herein.**

Proceeds of the Bonds will be used to fund a portion of the planning, design and construction of additions, improvements, renovations, and/or extraordinary repairs to, the acquisition of real estate rights and interest for, and the acquisition and installation of related equipment, machinery and furnishings for various buildings and facilities of the School District, including but not limited to Allen Middle School, and to pay the costs of issuance of the Bonds.

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

MATURITIES, AMOUNTS, RATES AND PRICES/YIELDS

See Inside Front Cover

The Bonds are offered when, as and if issued, subject to withdrawal or modification of the offer without notice, and subject to the approving legal opinion of Saxton & Stump, LLC, of Lancaster, Pennsylvania, Bond Counsel, to be furnished upon delivery of the Bonds. Certain other legal matters will be passed upon for the School District by Saxton & Stump, LLC, of Lancaster, Pennsylvania, School District Solicitor and McNeese Wallace & Nurick LLC, of Lancaster, Pennsylvania, Limited Scope Underwriter's Counsel. PFM Financial Advisors LLC, Harrisburg, Pennsylvania, serves as Municipal Advisor to the School District in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery in New York, New York, on or about June __, 2026.

RAYMOND JAMES®

STIFEL

Dated: _____

*Estimated, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

\$19,630,000*
West Shore School District
Cumberland and York Counties, Pennsylvania
General Obligation Bonds, Series of 2026

Dated: Date of Delivery

Interest Due: May 15 and November 15

Principal Due: November 15, as shown below

First Interest Payment: November 15, 2026

<u>Maturity Date</u> <u>(November 15)</u>	<u>Principal</u> <u>Amounts</u>	<u>Interest</u> <u>Rates</u>	<u>Initial Offering</u> <u>Yields</u>	<u>Initial</u> <u>Offering</u> <u>Prices</u>	<u>CUSIP</u> <u>Number⁽¹⁾</u>
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
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2043					
2044					
2045					
2046					
2047					
2048					
2049					
2050					
2051					
2052					
2053					
2054					

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

*Estimated, subject to change

WEST SHORE SCHOOL DISTRICT

Cumberland and York Counties, Pennsylvania

BOARD OF SCHOOL DIRECTORS

Brian K. Guistwhite.....	President
Christopher J. Kambic.....	Vice-President
Dr. Ryan Argot.....	Secretary*
David R. Brinton.....	Member
Brenda L. Cox.....	Member
Mary W. Dankosky.....	Member
Mandy L. Davis.....	Member
John V. Dormuth.....	Member
Teri W. Mickle.....	Member
Adam M. Trone.....	Member

*Non-Member

SUPERINTENDENT

DR. TODD B. STOLTZ

DIRECTOR OF BUSINESS AFFAIRS

STEVIE JO BOONE

SCHOOL DISTRICT SOLICITOR

SAXTON & STUMP, LLC
Lancaster, Pennsylvania

BOND COUNSEL

SAXTON & STUMP, LLC
Lancaster, Pennsylvania

MUNICIPAL ADVISOR

PFM FINANCIAL ADVISORS LLC
Harrisburg, Pennsylvania

PAYING AGENT

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

UNDERWRITERS

RAYMOND JAMES & ASSOCIATES, INC.
Lancaster, Pennsylvania

STIFEL, NICOLAUS & COMPANY, INCORPORATED

Lancaster, Pennsylvania

LIMITED SCOPE UNDERWRITER'S COUNSEL

MCNEES WALLACE & NURICK LLC
Lancaster, Pennsylvania

SCHOOL DISTRICT ADDRESS

507 Fishing Creek Road
New Cumberland, Pennsylvania 17070

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

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

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PRELIMINARY OFFICIAL STATEMENT

\$19,630,000*

**West Shore School District
Cumberland and York Counties, Pennsylvania
General Obligation Bonds, Series of 2026**

INTRODUCTION

This Preliminary Official Statement, including the cover and inside cover pages hereof and Appendices hereto, is furnished by West Shore School District, Cumberland and York Counties, Pennsylvania (the "School District"), in connection with the offering of \$19,630,000* aggregate principal amount of its General Obligation Bonds, Series of 2026 (the "Bonds") dated the delivery date of the Bonds (the "Delivery Date"). The Bonds are being issued pursuant to a Resolution of the Board of School Directors of the School District adopted on May 21, 2026 (the "Resolution"), and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth"), 53 Pa. CS Chs. 80-82, as amended (the "Act").

PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used to fund a portion of the planning, design and construction of additions, improvements, renovations, and/or extraordinary repairs to, the acquisition of real estate rights and interest for, and the acquisition and installation of related equipment, machinery and furnishings for various buildings and facilities of the School District, including but not limited to Allen Middle School, and the payment of related costs and expenses, and to fund the costs of issuance of the Bonds.

Sources and Uses of Bond Proceeds*

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

Sources of Funds

Par Amount.....	_____
Less/Plus: Net Original (Discount)/Premium.....	_____
<i>Total Sources of Funds</i>	=====

Uses of Funds

Construction Fund Deposit	_____
Costs of Issuance ⁽¹⁾	_____
<i>Total Uses of Funds</i>	=====

⁽¹⁾Includes legal, municipal advisor, printing, rating, total bond discount, CUSIP, paying agent, and miscellaneous costs.

*Estimated, subject to change

THE BONDS

Description

The Bonds will be issued only as fully registered Bonds and registered in the denominations of \$5,000 and integral multiples thereof. The Bonds will be issued as one fully registered Bond for each maturity of the Bonds in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of all Bonds. See "Book-Entry Only System" herein. The Bonds will be dated as of the date of delivery and will bear interest at the rates and mature in the amounts and at the times set forth on the inside cover of this Preliminary Official Statement. Interest on the Bonds will be payable initially on November 15, 2026, and thereafter, semiannually on May 15 and November 15 until the maturity of such bond. Interest shall be computed on the basis of a 30-day month and a 360-day year.

Payment of Principal and Interest

Subject to the provisions described under "Book-Entry Only System" below, principal of the Bonds will be paid to the registered owners thereof or assigns, when due, upon surrender of the Bonds at the designated corporate trust office of the Paying Agent.

Interest is payable to the registered owner of a Bond from the interest payment date next preceding the date of registration and authentication of the Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding November 15, 2026, in which event such Bond shall bear interest from the date of delivery, or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bonds shall bear interest from the date on which interest was last paid on such Bond. Interest shall be paid initially on November 15, 2026, and thereafter, semiannually on May 15 and November 15 of each year, until the principal sum is paid. Interest on each Bond is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day (whether or not a day on which the paying agent is open for business) next preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such interest payment date, unless the School District shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of such Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names such Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

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

Transfer, Exchange and Registration of Bonds

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

The School District and the Paying Agent shall not be required (a) to issue or transfer or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed or (b) to issue or transfer or exchange any portion of any Bond selected for redemption until after the redemption date or (c) to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any interest payment date and ending at the close of business on the interest payment date.

*Estimated, subject to change

SECURITY FOR THE BONDS

General Obligation Pledge

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

Commonwealth Enforcement of Debt Service Payments

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

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

Pennsylvania Budget Adoption

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

After a week’s delay and intense negotiations, a \$42.7 billion budget for the state’s 2022-23 fiscal year was signed by then Governor Tom Wolf on July 8, 2022, which included \$7.6 billion for the basic education funding appropriation and \$225 million to supplement school districts with a higher at risk student population. The total amount was a \$525 million increase over the 2021-22 fiscal year appropriation.

After over a month delay, a \$44.9 billion budget for the state’s 2023-24 fiscal year was signed by Governor Josh Shapiro on August 3, 2023, which included \$7.87 billion for the basic education funding appropriation. The total amount was a \$567 million increase over the 2022-23 fiscal year appropriation. The budget also provided \$50 million in additional aid to school districts for special education services for a total of \$1.4 billion. Certain funds authorized within the 2023-24 Budget required companion implementation language amending the Fiscal Code to be fully implemented. On December 13, 2023, multiple code bills were passed finalizing the 2023-24 Budget for education.

Governor Josh Shapiro signed the state’s budget for the 2024-25 fiscal year 11 days late on July 11, 2024. The \$47.6 billion budget includes \$8.097 billion for the basic education funding appropriation. The total amount is a \$225 million increase over the 2023-24 fiscal year appropriation. The budget also provides \$100 million in additional aid to school districts for special education services for a total of \$1.487 billion and \$100 million for cyber charter school tuition reimbursement. 348 school districts (including the School District) will receive additional funding totaling \$493.8 million under a new Adequacy Supplement. 182 school districts will receive an additional \$60 million in total of Hold Harmless Relief Supplement as a component of their basic education funding.

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

During a state budget impasse, school districts in Pennsylvania cannot be certain when state subsidies and revenues owed them from the Commonwealth will become available. This includes many of the major state subsidies, and overall revenues, that a Pennsylvania school district receives including basic education funding, special education funding, PlanCon reimbursements, and certain block grants, among many others. Future budget impasses may affect the timeliness or amount of payments by the Commonwealth under the withholding provisions

of Section 633 of the School Code, however recent legislation included in Act 85 of 2016 has attempted to address the timeliness of the withholding provisions of Section 633 of the School Code during any future budget impasses. See "Act 85 of 2016" hereinafter.

Act 85 of 2016

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

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

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

- (1) annual appropriations for payment of Commonwealth money to school districts have not been enacted by July 1 and continue not to be enacted when a payment is due;
- (2) the conditions under which PDE is required to comply with an intercept statute or intercept agreement have occurred, thereby requiring PDE to withhold payments which would otherwise be due to school districts; and
- (3) the Secretary of PDE, in consultation with the Secretary of the Budget, determines that there are no payments or allocations due to be paid to the applicable school districts from which PDE may withhold money as required by the applicable intercept statute or intercept agreement.

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

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

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

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

Sinking Fund

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

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

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

BOOK-ENTRY ONLY SYSTEM

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

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

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

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

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

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

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

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

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

or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

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

REDEMPTION OF BONDS

Mandatory Redemption

The Bonds stated to mature on November 15, _____ are subject to redemption prior to maturity as required by the Resolution, in the amounts and on November 15 of the years shown below, from moneys in the Mandatory Sinking Fund created pursuant to the Resolution, upon payment of the principal amount thereof together with interest accrued to the date fixed for redemption.

Bonds stated to mature November 15, ____ :

<u>Year</u>	<u>Amount</u>
	\$

*

*Term Bond Maturity

Any such redemption shall be upon application of money available for the purpose in the Mandatory Sinking created under the Resolution. In lieu of mandatory redemption, the School District or the Paying Agent, on behalf of the School District, may purchase from money in the Sinking Fund, at a price not to exceed the principal amount plus accrued interest, or the School District may tender to the Paying Agent, all or part of the Bonds of the appropriate maturity subject to being drawn for mandatory redemption on any such date.

If any maturity of the Bonds that is subject to mandatory sinking fund redemption shall be called for optional redemption in part, the School District shall be entitled to designate whether the principal amount redeemed is to be credited against the principal amount of the Bonds of such maturity required to be called for mandatory sinking fund redemption on any particular future date or dates or shall be credited against the principal amount of such Bonds to be due and payable at maturity, in each case in multiples of \$5,000 principal amount.

Optional Redemption

The Bonds stated to mature on or after November 15, ____ shall be subject to redemption prior to maturity, at the option of the School District, as a whole, or from time to time, in part (and if in part, in any order of maturity as selected by the School District and within a maturity by lot), on _____, _____, or on any date thereafter, in either case upon payment of a redemption price of 100% of the principal amount of such Bonds, together with accrued interest to the redemption date.

Notice of Redemption

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

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

Manner of Redemption

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

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

THE SCHOOL DISTRICT

Introduction

The West Shore School District is in Cumberland and York Counties, in the south central part of the Commonwealth of Pennsylvania, on the west shore of the Susquehanna River. Within Cumberland County, the School District covers approximately 13.9 square miles, including Lemoyne Borough, Lower Allen Township, New Cumberland Borough and Wormleysburg Borough. Within York County, the School District covers 66.9 square miles, including Goldsboro Borough, Fairview Township, Newberry Township and Lewisberry Borough. The School District is a suburb of Harrisburg and York, Pennsylvania and 100 miles west of Philadelphia, Pennsylvania. According to the American Community Survey for 2020, the School District's population was 65,702.

Administration

The School District is governed by a nine member Board of School Directors (the "School Board"), 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 and finance. The Director of Business Affairs is responsible for budgeting and financial operations. Both of these officials are selected by the School Board.

School Facilities

The School District operates seven elementary schools, two intermediate, three middle schools, and two high schools all as described in the following table.

**TABLE 1
WEST SHORE SCHOOL DISTRICT
SCHOOL DISTRICT FACILITIES**

Building	Original Construction Date	Addition/ Renovation Date(s)	Grades	Rated Pupil Capacity	2025-26 Enrollment
Elementary:					
Fairview Intermediate	2024	-	5-6	728	672
Fishing Creek Elementary.....	1954	1966, 99	K-4	475	433
Highland Elementary	2000	-	K-4	414	383
Hillside Elementary	2011	-	K-4	873	441
Lower Allen Elementary ⁽¹⁾	1950	1975, 2000	-	-	-
Newberry Elementary	1954	1966, 78, 2000	K-4	550	295
Old Trail Intermediate.....	2024	-	5-6	624	526
Red Mill Elementary.....	1991	1997	K-4	775	461
Rossmoyne Elementary	2021	-	K-4	550	425
Washington Heights Elementary.....	2000	-	K-4	414	333
Secondary:					
Allen Middle.....	1964	2002	7-8	640	228
Crossroads Middle.....	1993	-	7-8	769	529
New Cumberland Middle.....	1928	1940, 64, 69, 72, 2002	7-8	586	404
Cedar Cliff High	1959	1963, 74, 84, 99, 2010	9-12	1,373	1,291
Red Land High.....	1965	1975, 87, 99, 2010	9-12	1,440	1,049

Source: School District Officials.

⁽¹⁾ Building is leased out to the Intermediate Unit.

Enrollment Trends

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

**TABLE 2
WEST SHORE SCHOOL DISTRICT
ENROLLMENT TRENDS**

School Year	Actual Enrollments			Projected Enrollments			
	Elementary	Secondary	Total	Year	Elementary	Secondary	Total
2021-22	3,347	4,167	7,514	2026-27	4,267	3,695	7,962
2022-23	3,404	4,134	7,538	2027-28	4,463	3,839	8,302
2023-24	3,357	4,139	7,496	2028-29	4,617	3,895	8,512
2024-25	3,963	3,613	7,576	2029-30	4,765	3,862	8,627
2025-26	3,984	3,570	7,554	2030-31	4,881	3,916	8,797

Source: School District Officials.

SCHOOL DISTRICT FINANCES

Introduction

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

Financial Reporting

The School District keeps its books and prepares its financial reports according to a modified accrual basis. Major accrual items are payroll taxes and pension fund contributions payable, delinquent taxes receivable, loans receivable from other funds, and revenues receivable

from other governmental units. The School District's financial statements are audited annually by a firm of independent certified public accountants, as required by State law. Boyer & Ritter LLC serve as the School District's auditor.

Budgeting Process in School Districts under the Taxpayer Relief Act

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

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

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

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

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

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

Summary and Discussion of Financial Results

A summary of the General Fund balance sheet and changes in fund balances is presented in Table 3. Tables 4 and 5 show annual changes in ending general fund balances during the past five years and the 2025-26 budget. The budget for 2025-26, budgeted \$162,318,426 in revenue and \$164,931,518 in expenditures.

**TABLE 3
WEST SHORE SCHOOL DISTRICT
SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEET
(Years ending June 30)**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
ASSETS					
Cash and Cash Equivalents.....	\$27,229,870	\$20,301,864	\$34,986,451	\$15,164,105	\$21,100,080
Taxes Receivable.....	8,018,612	4,302,100	4,766,587	5,310,865	5,767,986
Interfund Receivable.....	125,965	172,927	282,629	382,301	390,906
Intergovernmental Receivable.....	11,142,908	10,090,931	6,784,907	6,590,059	6,572,650
Inventory of Material.....	270,199	232,757	82,155	70,123	78,599
Prepaid Expenses/Expenditures.....	384,088	384,445	399,361	405,254	405,795
Other Current Assets.....	1,298,184	2,358,171	0	18,531,557	2,564,677
Other Receivables.....	147,142	11,510,376	2,303,469	2,491,015	5,407,453
TOTAL ASSETS.....	<u>\$48,616,968</u>	<u>\$49,353,571</u>	<u>\$49,605,559</u>	<u>\$48,945,279</u>	<u>\$42,288,146</u>
LIABILITIES					
Interfund Payables.....	\$4,467,000	\$5,642,000	\$653,693	\$0	\$0
Accounts Payable.....	4,273,435	3,553,324	3,611,509	5,419,729	4,690,174
Accrued Salaries & Benefits.....	15,254,723	15,983,289	15,966,486	16,309,987	16,757,408
Payroll Deductions & Withholdings.....	0	0	0	0	0
Unearned Revenues.....	4,690,964	479	62,751	1,310,897	165,650
Other.....	115,015	107,500	66,695	74,926	66,944
TOTAL LIABILITIES.....	<u>\$28,801,138</u>	<u>\$25,286,592</u>	<u>\$20,361,134</u>	<u>\$23,115,539</u>	<u>\$21,680,176</u>
<i>Deferred Inflows of Resources.....</i>	\$4,504,062	\$2,150,986	\$1,850,265	\$2,017,065	\$2,521,786
FUND EQUITIES					
Nonspendable Fund Balance.....	\$1,952,471	\$2,019,202	\$2,003,599	\$2,182,279	\$2,120,144
Committed Fund Balance.....	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Assigned Fund Balance.....	37,132	37,132	5,037,132	5,055,957	5,055,957
Unassigned Fund Balance.....	10,822,165	17,359,659	17,853,429	14,074,439	8,410,083
TOTAL FUND EQUITIES.....	<u>\$15,311,768</u>	<u>\$21,915,993</u>	<u>\$27,394,160</u>	<u>\$23,812,675</u>	<u>\$18,086,184</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITIES.....	<u>\$48,616,968</u>	<u>\$49,353,571</u>	<u>\$49,605,559</u>	<u>\$48,945,279</u>	<u>\$42,288,146</u>

Source: School District Annual Financial Reports.

**TABLE 4
WEST SHORE SCHOOL DISTRICT GENERAL FUND
SUMMARY OF CHANGES IN FUND BALANCE***

	<u>Actual</u>					<u>Budget</u>
	<u>2021⁽²⁾</u>	<u>2022⁽²⁾</u>	<u>2023</u>	<u>2024</u>	<u>2025⁽³⁾</u>	<u>2026⁽¹⁾</u>
Beginning Fund Balance	\$14,347,883	\$15,521,435	\$21,915,993	\$27,394,161	\$23,812,675	\$18,086,183
Revenues over (under) Expenditure	963,885	6,394,558	5,478,168	(3,581,485)	(5,726,493)	(2,613,092)
Ending Fund Balance	<u>\$15,311,768</u>	<u>\$21,915,993</u>	<u>\$27,394,161</u>	<u>\$23,812,675</u>	<u>\$18,086,183</u>	<u>\$15,473,091</u>

*Totals may not add due to rounding.

⁽¹⁾Budget, as adopted June 12, 2026. See "Summary and Discussion of Financial Results" herein.

⁽²⁾Restated

⁽³⁾In fiscal year 2024-25 the School District made a planned transfer of \$5,000,000 from General Fund Reserves to fund its portion of project costs related to the Cumberland Perry Area Career & Technical School.

Source: School District Annual Financial Reports and Budget.

Revenue

The School District received \$164,699,036 in revenue in 2024-25 and has budgeted for \$162,318,426 in 2025-26. Local sources decreased as a share of total revenue in the past five years, at 63.9 percent in 2020-21 to 69.3 percent in 2024-25. Revenue from State sources increased as a share of total revenue at 23.8 to 27.7 percent over this period. Federal and other sources decreased as a share of the total revenue from 12.3 percent to 3.1 percent during this period.

**TABLE 5
WEST SHORE SCHOOL DISTRICT
SUMMARY OF SCHOOL DISTRICT GENERAL FUND
REVENUES***

REVENUE:	ACTUAL					Budgeted 2026 ⁽¹⁾
	2021	2022	2023	2024	2025	
Local Sources:						
Real Estate Taxes (Current)	\$66,388,552	\$69,323,412	\$70,195,870	\$74,227,808	\$79,316,542	\$82,182,816
Interim Real Estate	92,113	87,932	915,974	457,214	488,325	450,000
Total Act 511 Taxes	20,184,203	22,586,853	23,662,400	23,984,785	25,446,483	24,450,000
Per Capita (Sec. 679) Tax	0	0	6,143	0	0	0
Public Utility Tax	81,897	86,048	86,353	83,514	91,220	84,000
Payment's in Lieu of Current Taxes/State & Local	20,956	15,401	11,400	18,748	0	15,000
Delinquent Taxes	2,170,126	1,451,874	1,917,954	1,455,212	1,934,525	1,500,000
Earnings from Temporary Deposits & Investments	26,471	22,860	1,449,380	3,069,683	2,428,311	1,000,000
Revenue from Student Activities	92,590	188,116	176,562	188,530	213,180	175,000
State Rev. Rcvd. From Other PA Public Schools	179,113	208,196	223,497	296,985	332,829	0
Federal IDEA Pass Through Revenue	1,407,696	1,652,172	1,423,297	1,610,337	1,561,422	1,830,000
Rentals	131,186	219,968	232,682	223,140	221,569	300,000
Capital Contributions and Donations from Private Sources	59,370	109,039	92,209	82,668	112,772	85,000
Tuition from Patrons	1,290	11,355	4,670	3,875	38,991	305,000
Receipts from Other LEAS in PA-Education	507,637	529,384	275,107	289,392	433,167	0
Refunds of Prior Years' Expenditures	15,327	5607	0	821,794	1,008,486	550,000
Other Sources	371,778	514,663	929,013	0	436,039	0
Total Local Sources	\$91,730,306	\$97,012,879	\$101,602,511	\$106,813,685	\$114,063,861	\$112,926,816
State Sources:						
Instructional Subsidy	\$14,220,054	\$14,555,194	\$15,848,307	\$17,252,349	\$17,936,564	\$18,134,961
Tuition for Orphans & Children in Private Homes	258,079	213,354	283,910	104,419	138,160	250,000
Special Education	4,209,576	4,327,451	4,754,077	4,970,293	5,503,987	5,577,623
Transportation	1,852,604	1,802,589	1,773,220	2,055,908	2,004,438	2,000,000
Rentals and Sinking Fund Payments	108,472	143,082	125,214	127,730	135,239	126,212
Health Services	163,922	147,335	158,751	160,594	172,445	170,000
Revenue for Social Security	1,906,683	1,901,419	1,935,714	2,004,481	2,179,836	2,519,730
Revenue for Retirement Payments	9,280,813	9,715,868	10,189,415	10,178,552	10,460,227	11,093,137
Extra Grants/PA Accountability Grant	832,178	824,400	921,150	1,159,390	3,402,042	4,701,707
State Property Tax Reduction Allocation	1,295,091	1,285,530	1,625,291	1,639,297	1,963,138	2,254,570
Other Sources	13,218	120	0	72,119	1,657,778	0
Total State Sources	\$34,140,691	\$34,916,342	\$37,615,049	\$39,725,132	\$45,553,853	\$46,827,940
Total Federal Sources	\$3,442,149	\$7,086,311	\$7,390,505	\$6,954,207	\$3,672,403	\$2,528,670
Total Other Sources	\$14,229,490	\$36,126	\$2,993	\$1,707,277	\$1,408,919	\$35,000
TOTAL REVENUE	\$143,542,636	\$139,051,658	\$146,611,058	\$155,200,301	\$164,699,036	\$162,318,426
EXPENDITURES:						
Instruction	\$80,255,698	\$87,567,880	\$89,920,285	\$95,393,373	\$104,625,462	\$104,965,984
Pupil Personnel	4,611,151	3,368,839	5,334,769	5,586,487	5,838,467	6,011,645
Instructional Staff	1,650,533	1,375,055	1,688,943	1,991,450	1,962,295	1,872,131
Administration	7,079,943	7,490,785	8,187,931	8,626,460	9,637,821	9,191,492
Pupil Health	2,270,036	2,269,681	2,519,154	2,930,594	3,428,169	3,232,015
Business	1,296,794	1,329,646	1,433,106	1,363,099	1,296,256	1,494,787
Operation and Maintenance	9,306,791	9,709,047	11,162,411	13,549,835	15,020,464	13,259,150
Student Transportation	4,705,842	5,204,924	5,625,821	6,675,751	7,244,947	7,904,221
Central & Other Support Services	3,908,925	3,604,924	3,104,311	4,288,344	5,333,419	3,869,784
Other Support Services	90,217	89,810	89,140	88,613	87,589	90,000
Operation of Noninstructional Services	1,978,292	2,179,843	2,452,070	2,421,019	2,437,258	2,638,469
Facilities, Acquisition, Construction	218,894	38,026	707,604	370,088	1,778,910	0
Debt Service	16,098,077	7,253,639	7,607,345	8,631,054	9,009,471	9,176,840
Fund Transfers	9,107,560	1,175,000	1,300,000	6,865,619	2,725,000	1,225,000
Refund of Prior Year Receipts	0	0	0	0	0	0
Budgetary Reserve	0	0	0	0	0	0
TOTAL EXPENDITURES	\$142,578,752	\$132,657,100	\$141,132,890	\$158,781,786	\$170,425,529	\$164,931,518
SURPLUS (DEFICIT) OF REVENUES OVER EXPENDITURES	\$963,885	\$6,394,558	\$5,478,168	(\$3,581,485)	(\$5,726,493)	(\$2,613,092)

*Totals may not add due to rounding.

⁽¹⁾Budget, as adopted June 12, 2026. See "Summary and Discussion of Financial Results" herein.
Source: School District Annual Financial Reports and Budget.

TAXES AND TAXING POWERS OF THE SCHOOL DISTRICT

In General

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

1. A basic annual tax on all real property taxable for school purposes, not to exceed 25 mills on each dollar of assessed valuation, to be used for general school purposes.
2. An unlimited ad valorem tax on the property taxable for school purposes to provide funds:
 - a. for minimum salaries and increments of the teaching and supervisory staff;
 - b. to pay rentals due any municipality authority or non-profit corporation or due the State Public School Building Authority;
 - c. to pay interest and principal on any indebtedness incurred pursuant to the Local Government Unit Debt Act, or any prior or subsequent act governing the incurrence of indebtedness of the school district; and
 - d. to pay for the amortization of a bond or Bond issue which provided a school building prior to the first Monday of July, 1959.
3. An annual per capita tax on each resident or inhabitant over 18 years of age of not more than \$5.00.
4. Additional taxes subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege, under Act No. 511, enacted December 31, 1965, as amended (“The Local Tax Enabling Act”). These taxes, which may include, among others, an additional per capita tax, a wage and other earned income tax, a real estate transfer tax, a gross receipts tax, a local services tax and an occupation tax, shall not exceed, in the aggregate, an amount equal to the product of the market valuation of real estate in the School District (as certified by the State Tax Equalization Board of the Commonwealth – “STEB”) multiplied by twelve mills. All local taxing authorities are required by the Local Tax Enabling Act to exempt disabled veterans and members of the armed forces reserve who are called to active duty at any time during the tax year from any local services tax and to exempt from any local services tax levied at a rate in excess of \$10 those persons whose total income and net profits from all sources within the political subdivision is less than \$12,000 for the tax year. The Local Tax Enabling Act also authorizes, but does not require, taxing authorities to exempt from per capita, occupation, and earned income taxes and any local services tax levied at a rate of \$10 or less per year, any person whose total income from all sources is less than \$12,000 per year.

The Taxpayer Relief Act (Act 1)

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

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

Any revenue derived from an increase in the rate of any tax allowed under the exception numbered 1 above may not exceed the anticipated dollar amount of the expenditure, and any revenue derived from an increase in the rate of any tax allowed pursuant to any other exception enumerated above may not exceed the rate increase required, as determined by PDE. If a school district’s petition or request to increase taxes

by more than the Index pursuant to one or more of the allowable exceptions is not approved, the school district may submit the proposed tax increase to a referendum.

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

A board of school directors may submit, but is not required to submit, a referendum question to the voters at the municipal election in 2009 or any later year seeking approval to levy or increase the rate of an EIT or a PIT for the purpose of funding homestead and farmstead exclusions, but the proposed rate of the EIT or PIT shall not exceed the rate that is required to provide the maximum homestead and farmstead exclusions allowable under law.

SET FORTH ABOVE IS A SUMMARY OF PORTIONS OF THE TAXPAYER RELIEF ACT. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF THE TAXPAYER RELIEF ACT NOR A LEGAL INTERPRETATION OF ANY PROVISION OF THE TAXPAYER RELIEF ACT AND A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF THE TAXPAYER RELIEF ACT AS A PART OF ANY DECISION TO PURCHASE THE BONDS.

Status of the Bonds under Act 1

The Bonds described in this Preliminary Official Statement do not represent debt that is eligible for an exception to the Index limits of Act 1.

State Law Authorizing Replacement of the School District’s Occupation Tax with an Increase in the Local Earned Income Tax

Act 24 of 2001 of the Commonwealth of Pennsylvania, which became law on June 22, 2001, authorizes a Board of School Directors to schedule a public hearing and conduct a ballot referendum on replacing the school district’s occupation tax with an increase in the local earned income tax. Currently, school districts in Pennsylvania share a 1.5% tax on the annual amount of residents’ wages and other earned income (which excludes unearned or investment income), with the resident municipality. Under the new law, this tax could be increased by the percentage necessary to generate revenue equal to what was collected during the preceding year on the occupation tax. The occupation tax is a flat amount for all employed individuals, or assessed by various trade, occupation, and professional titles, regardless of income. The restructured tax is designed to be revenue neutral to the school district.

On August 6, 2001, the School District conducted a hearing to receive public input regarding the elimination of the occupation assessment tax. By voter referendum on November 6, 2001, the occupation assessment tax was eliminated.

Legislation Limiting Unreserved Fund Balances

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

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

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

Tax Levy Trends

Table 6 which follows shows the recent trend of tax rates levied by the School District. Table 7 shows the comparative trend of real property tax rates for the School District, the municipalities and Cumberland and York Counties.

**TABLE 6
WEST SHORE SCHOOL DISTRICT TAX RATES**

	<u>Real Estate (mills)</u>		<u>Per Capita⁽¹⁾</u> <u>(\$)</u>	<u>Earned</u> <u>Income</u> <u>(%)</u>	<u>Real Estate</u> <u>Transfer</u> <u>(%)</u>
	<u>Cumberland</u>	<u>York</u>			
	<u>County</u>	<u>County</u>			
2021-22	12.8511	15.3858	15.00 ⁽²⁾	0.95	0.50
2022-23	13.0569	15.4627	15.00 ⁽²⁾	0.95	0.50
2023-24	13.5621	16.1427	15.00 ⁽²⁾	0.95	0.50
2024-25	14.3078	17.3722	15.00 ⁽²⁾	0.95	0.50
2025-26	14.7661	17.9278	15.00 ⁽²⁾	0.95	0.50

⁽¹⁾Includes School Code and Act 511 taxes.

⁽²⁾Goldsboro Borough residents are taxed at a rate of \$10.

Source: School District Officials.

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

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Fairview Township	1.7500	1.7500	1.7500	2.0700	1.7500
Goldsboro Borough.....	1.0000	1.0000	1.1000	1.1000	1.1000
Lemoyne Borough	3.1300	3.2300	3.8300	3.8300	3.8300
Lewisberry Borough	1.6000	1.6000	1.6000	1.8000	1.6000
Lower Allen Township	4.0000	4.0000	4.0000	4.0000	4.0000
New Cumberland Borough	3.8000	3.8000	4.0000	4.2000	4.0000
Newberry Township	2.6000	2.6000	3.1000	3.5000	3.1000
Wormleysburg Borough.....	3.6900	3.6900	3.8370	4.2300	3.8370
Cumberland County.....	2.3610	2.3610	2.6900	2.8750	2.8750
York County	6.9000	6.9000	6.9000	6.9000	7.5500

Source: Department of Community & Economic Development – Municipal Statistics.

Real Property Tax

The real property tax (excluding delinquent collections) produced \$82,062,894, approximately 49.8 percent of total revenue in 2025-26. The tax is levied on July 1 of each year. Taxpayers who remit within 60 days receive a 2 percent discount, and those who remit subsequent to 120 days after July 1 are assessed a 10 percent penalty.

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

The most recent countywide re-assessment for Cumberland County was in 2011 and the most recent countywide re-assessment for York County was in 2006.

**TABLE 8
WEST SHORE SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA**

Year	Market Value	Assessed Value	Ratio
2020-21	\$5,038,528,553	\$5,187,657,843	102.96%
2021-22	5,069,592,045	5,212,453,033	102.82%
2022-23	5,403,048,282	5,264,540,262	97.44%
2023-24	5,481,867,238	5,328,901,211	97.21%
2024-25	6,033,918,595	5,388,617,026	89.31%
Compound Average Annual Percentage Change	3.67%	0.76%	

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

**TABLE 9
WEST SHORE SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA BY MUNICIPALITY**

	2023 Market Value	2023 Assessed Value	2024 Market Value	2024 Assessed Value
School District	\$5,481,867,238	\$5,328,901,211	\$6,033,918,595	\$5,388,617,026
Fairview Township	1,616,353,211	1,417,291,494	1,800,642,894	1,426,825,041
Goldsboro Borough.....	48,250,737	40,004,180	55,522,404	39,909,460
Lemoyne Borough	504,754,934	536,873,700	530,661,251	541,080,300
Lewisberry Borough	18,187,174	16,988,950	19,971,361	16,960,687
Lower Allen Township	1,806,378,187	1,862,482,200	2,026,594,100	1,904,696,800
New Cumberland Borough	462,619,885	522,552,000	482,426,363	522,557,600
Newberry Township	820,059,090	707,262,087	900,442,195	712,556,438
Wormleysburg Borough.....	205,264,020	225,446,600	217,658,027	224,030,700
Cumberland County.....	24,880,819,792	26,299,945,000	27,328,701,908	26,917,774,600
York County	33,377,431,761	29,515,741,700	36,883,238,444	29,861,545,479

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

**TABLE 10
WEST SHORE SCHOOL DISTRICT
ASSESSMENT BY LAND USE**

	2020	2021	2022	2023	2024
Residential	\$3,600,219,912	\$3,626,998,132	\$3,644,377,997	\$3,686,164,377	\$3,715,915,177
Trailers.....	12,351,490	12,273,520	12,354,270	12,468,411	12,610,330
Seasonal.....	92,300	32,000	32,000	32,000	32,000
Lots	34,644,820	34,276,320	40,548,014	43,611,832	45,304,890
Industrial.....	150,095,630	151,533,190	178,962,110	190,615,770	197,171,050
Commercial.....	1,270,199,972	1,266,994,852	1,264,591,102	1,272,688,462	1,292,651,645
Agriculture.....	111,395,129	111,966,329	114,990,166	114,994,866	116,647,184
Land.....	8,658,590	8,378,690	8,684,603	8,325,493	8,284,750
Total.....	\$5,187,657,843	\$5,212,453,033	\$5,264,540,262	\$5,328,901,211	\$5,388,617,026

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

**TABLE 11
WEST SHORE SCHOOL DISTRICT
REAL PROPERTY TAX COLLECTION DATA**

<u>Year</u>	<u>Adjusted Levy⁽¹⁾</u>	<u>Current Year Collections</u>	<u>Percent Current Collections</u>	<u>Total Collections Amount</u>	<u>Total Collections as Percent</u>
2021-22.....	\$71,328,652	\$69,323,412	97.19%	\$70,953,488	99.47%
2022-23.....	72,535,155	70,195,870	96.77%	73,029,798	100.68%
2023-24.....	76,454,468	74,227,808	97.09%	76,136,316	99.58%
2024-25.....	81,948,668	79,316,542	96.79%	81,717,644	99.72%
2025-26.....	84,724,553	82,062,894	96.86%	83,229,949	98.24%

⁽¹⁾Flat billing plus penalties, less discounts, rebates and exonerations.

Source: School District Financial Reports.

The ten largest real property taxpayers, together with 2025-26 assessed values are shown in Table 12. The aggregate assessed value of these ten taxpayers totals approximately 5 percent of total assessed value.

**TABLE 12
WEST SHORE SCHOOL DISTRICT
TEN LARGEST REAL PROPERTY TAXPAYERS, 2025-26**

<u>Owner</u>	<u>2025-26 Assessed Value</u>
PR CC Limited Partnership	\$68,902,000
GLC Newberry LLC	40,780,160
ICON Owner Pool 4 Northeast/Midwest	31,500,000
Asbury Atlantic Inc	30,314,800
Arcona Strand Partners	26,072,900
Liberty Property LTD PRTNRSHP	23,043,880
Lisburn Devco LP	21,000,000
Liberty Property LTD PRTNRSHP	19,960,360
Exeter 4501 Westport LLC	17,500,000
VS Woods Holdings LLC	12,557,200
Total	\$291,631,300

Source: School District officials.

Other Taxes

Under Act 511, the School District collected \$25,446,483 in other taxes in 2024-25. Among the taxes authorized by Act 511, the Real Estate Transfer Tax, Earned Income Tax, and Per Capita Tax are levied by the School District. The Act 511 limit, equal to 12 mills on the market value of real property was \$72,407,023

Real Estate Transfer. A tax of 0.5 percent of the value of real estate transfers yielded \$2,229,687 in 2024-25 or 1.4 percent of the School District's total revenue.

Earned Income Tax. The School District levies a tax of 0.95 percent of the earned income of residents. In 2024-25 the current collected portion of this tax yielded \$23,216,795 or 14.0 percent of the School District's total revenue.

COMMONWEALTH AID TO SCHOOL DISTRICTS

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

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

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

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

Current Lack of State Appropriations for Debt Service Subsidies

Commonwealth law presently provides that the School District will receive, subject to state legislative appropriation, reimbursement from the Commonwealth for a portion of debt service paid on the Bonds following final approval by PDE. Commonwealth reimbursement is calculated based on the "Reimbursable Percentage" assigned to the Bonds by the PDE and the School District's permanent Capital Account Reimbursement Fraction ("CARF") (37.60%) or the wealth based Market Value Aid Ratio ("MVAR") currently (44.03%), whichever is higher. The Reimbursable Percentage is determined through a process known as the "Planning and Construction Workbook" or "PlanCon".

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

In May of 2016, the Commonwealth enacted appropriation legislation known as Act 25 ("Act 25"), which contains authorization for the Commonwealth Finance Authority ("CFA") to issue up to \$2.5 billion of debt to fund PlanCon reimbursements to school districts. Act 25 also instituted a moratorium on new projects entering the PlanCon process while an advisory committee established under Act 25 considers amendments to the PlanCon reimbursement program. This moratorium went into effect on May 15, 2016 and most recently became indefinite with the adoption of Act No. 33 of 2023 on December 13, 2023.

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

Act 70 of 2019 was adopted by the State legislature that has modified the PlanCon process. The Act states that on July 1, 2020, a new PlanCon system will go online. However, the legislation does not include any funding nor does it state when the State would start to allow applicants to enter into the new program.

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

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

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DEBT AND DEBT LIMITS

Debt Statement

Table 13 shows the debt of the School District as of May 5, 2026, including the issuance of the Bonds.

TABLE 13
WEST SHORE SCHOOL DISTRICT
DEBT STATEMENT
(As of May 5, 2026)*

NONELECTORAL DEBT	Gross Outstanding
General Obligation Bonds, Series of 2026.....	\$19,630,000*
General Obligation Bonds, Series of 2024.....	9,715,000
General Obligation Bonds, Series of 2023.....	9,510,000
General Obligation Bonds, Series of 2022.....	9,980,000
General Obligation Notes, Series of 2021.....	4,170,000
General Obligation Bonds, Series of 2020.....	60,000,000
General Obligation Bonds, Series of 2019.....	8,825,000
General Obligation Bonds, Series of 2018.....	22,615,000
General Obligation Bonds, Series A of 2017.....	5,450,000
TOTAL NONELECTORAL DEBT	\$149,895,000
TOTAL LEASE RENTAL DEBT	\$0
TOTAL PRINCIPAL OF DIRECT DEBT	\$149,895,000

*Includes the estimated Bonds offered through this Preliminary Official Statement.

Table 14 presents the overlapping indebtedness and debt ratios of the School District. After issuance of the Bonds, the principal of direct debt of the School District will total \$149,895,000*. After adjustment for available funds and estimated State aid, the local effort of direct debt will total \$149,502,420*.

TABLE 14
WEST SHORE SCHOOL DISTRICT
BONDED INDEBTEDNESS AND DEBT RATIOS
(As of May 5, 2026)*

	Gross Outstanding	Local Effort or Net of Available Funds and Estimated State Aid ⁽¹⁾
DIRECT DEBT		
Nonelectoral Debt.....	\$149,895,000*	\$149,502,420*
Lease Rental Debt.....	0	0
TOTAL DIRECT DEBT	\$149,895,000	\$149,502,420
OVERLAPPING DEBT		
Cumberland County, General Obligation Bonds ⁽²⁾	\$7,374,928	\$7,374,928
York County, General Obligation Bonds ⁽³⁾	43,721,651	43,721,651
Municipal Debt	43,625,870	43,625,870
TOTAL OVERLAPPING DEBT	\$94,722,449	\$94,722,449
TOTAL DIRECT AND OVERLAPPING DEBT	\$244,617,449	\$244,224,869
DIRECT DEBT RATIOS		
Per Capita	\$2,281.74	\$2,275.77
Percent 2024-25 Assessed Value	2.78%	2.77%
Percent 2024-25 Market Value	2.48%	2.48%
DIRECT & OVERLAPPING DEBT RATIOS		
Per Capita	\$3,723.14	\$3,717.16
Percent 2024-25 Assessed Value	4.54%	4.53%
Percent 2024-25 Market Value	4.05%	4.05%

*Includes the estimated Bonds offered through this Preliminary Official Statement.

⁽¹⁾Gives effect to current appropriations for payment of debt service and expected future Commonwealth Reimbursement of School District sinking fund payments based on current Aid Ratio. See "Commonwealth Aid to School Districts". The School District may, at any time, claim a credit against the gross principal of debt outstanding equal to the amount of debt service.

⁽²⁾Pro rata 20.02 percent of \$36,840,000 principal amount outstanding.

⁽³⁾Pro rata 18.05 percent of \$242,287,783 principal amount outstanding.

Debt Limit and Remaining Borrowing Capacity

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

Total Revenues for 2022-23.....	\$141,495,757
Total Revenues for 2023-24.....	149,163,548
Total Revenues for 2024-25.....	<u>161,975,639</u>
Total	<u>\$452,634,944</u>
Annual Arithmetic Average (Borrowing Base)	\$150,878,315

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

	<u>Legal Limit</u>	<u>Net Debt Outstanding*</u>	<u>Remaining Borrowing Capacity</u>
Net Non electoral Debt Limit:			
225% of Borrowing Base.....	\$339,476,208	\$149,895,000*	\$189,581,208

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

Debt Service Requirements

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

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

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

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**TABLE 15
WEST SHORE SCHOOL DISTRICT
DEBT SERVICE REQUIREMENTS***

<u>Year</u>	<u>Other General Obligation Debt</u>	<u>Series of 2026</u>		<u>Subtotal</u>	<u>Total Requirements</u>
		<u>Principal</u>	<u>Interest</u>		
2025-26	\$8,625,515				
2026-27	8,628,967				
2027-28	8,622,426				
2028-29	8,623,705				
2029-30	8,559,166				
2030-31	8,556,916				
2031-32	8,561,291				
2032-33	8,556,891				
2033-34	8,550,616				
2034-35	8,548,091				
2035-36	8,547,816				
2036-37	8,549,341				
2037-38	8,547,341				
2038-39	8,551,799				
2039-40	8,551,998				
2040-41	8,547,329				
2041-42	8,547,639				
2042-43	8,552,279				
2043-44	8,550,347				
2044-45	8,551,107				
2045-46	8,554,350				
2046-47	8,554,778				
2047-48	8,547,081				
2048-49	8,555,329				
2049-50	3,903,984				
2050-51	3,907,054				
2051-52	3,908,107				
2052-53	3,905,925				
2053-54	0				
2054-55	0				
Total	\$221,167,181				

*Totals may not add due to rounding.

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

2024-25 State Aid Received	\$45,553,853
2024-25 Debt Service Require	9,009,471
Maximum Future Debt Service Requirements after Issuance of Bonds	
Coverage of 2024-25 Debt Service Requirements	5.06 times
Coverage of Maximum Future Debt Service Requirements after Issuance of Bonds	times

*Assumes current State Aid Ratio. See "Commonwealth aid to School Districts."

Future Financing

The School District currently anticipates issuing approximately \$40 - 45 million in the next 1 – 2 years. If market conditions are favorable, the School District may refund portions of its outstanding general obligation bonds.

LABOR RELATIONS

School District Employees

There are presently 930 employees of the School District, including 625 teachers and administrators and 275 support personnel. The support personnel include administrative assistants, cafeteria staff, custodians, maintenance, transportation and teachers' aides.

The School District's teachers are represented by the West Shore Education Association, an affiliate of the Pennsylvania State Education Association (PSEA), under a contract with the School District which expires on August 31, 2027. The custodial, maintenance, and cafeteria staff are affiliated with AFSCME under a contract with the School District which expires on June 30, 2028. The remaining personnel support staff are not affiliated with any union organization.

Pension Program

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

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

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

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

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

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

Annual School District contributions have been as follows:

2021-22	\$19,302,514
2022-23	\$20,356,224
2023-24	\$20,341,710
2024-25	\$20,826,659
2025-26 (budget)	\$22,186,274

At June 30, 2025, the District reported a liability of \$159,760,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net pension liability was

calculated utilizing the employer’s one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2025, the District’s reported proportion was .3817 percent, which was an increase of .0008 percent from its proportion reported as of June 30, 2024.

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

Source: School District Administrative Officials and PSERS.

Other Post-Employment Benefits

The School District is obligated under collective bargaining agreements to provide in the future health insurance coverage for current and future retired employees, and to provide retirement severance pay for existing employees. For a full description of the School District’s Postemployment Healthcare Plan, please refer to Appendix C – Audited Financial Statements.

LITIGATION

At closing, the President of the Board of School Directors and the Solicitor will certify that there is no presently pending or threatened litigation which would materially and adversely affect the validity of the Bonds or the proceedings for issuance of same.

DEFAULTS AND REMEDIES

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

TAX EXEMPTION AND OTHER TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuing compliance by the School District with certain covenants to comply with provisions of the Internal Revenue Code of 1986, as amended (the “Code”) in order to preserve the Federal income tax exemption on the interest on the Bonds, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

The School District will issue its certificate to the effect that on the basis of the facts, estimate and circumstances in existence on the date of delivery of the Bonds it will make no use of the proceeds of the Bonds if such use on the date of issuance reasonably had been expected to cause the Bonds to be “arbitrage bonds” under Section 148 of the Code or the United States Treasury regulations relating to “arbitrage bonds” or corresponding provisions of any Federal tax laws or regulations from time to time proposed or enacted and at the time applicable or proposed to be applicable to the Bonds.

Failure of the School District to comply with certain provisions of the Code, including the requirements to pay certain arbitrage profits to the United States Treasury (unless the School District qualifies for exemption from such requirement) may result in the interest on the Bonds becoming includable in the gross income of the Bondholders. In certain circumstances, such taxability of the interest on the Bonds may be retroactive to the date of the original issuance. It is not anticipated that it will be necessary to rebate any arbitrage profits under the Code.

Other Federal Tax Matters

Ownership of the Bonds may result in other collateral federal income tax consequences to certain taxpayers, including, but not limited to, financial institutions, property and casualty insurance companies, certain subchapter S corporations with substantial passive income and subchapter C earnings and profits, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. No opinion or representation concerning these matters is being given or made by the School District, Bond Counsel or any other party associated with the issuance, offering or sale of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors concerning these matters.

The Bonds are **not** “qualified tax-exempt obligations,” for purposes and effect contemplated by Section 265 of the Internal Revenue Code of 1986, as amended (relating to expenses and interest relating to tax-exempt income of certain financial institutions).

Changes in Law

From time to time, certain legislative proposals may be introduced, or may now be pending, in the Congress of the United States, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters described above or affect the market value of the Bonds. No prediction can be made whether or in what form any such proposal or proposals might be enacted into law or whether, if enacted, the same would apply to bonds issued prior to enactment.

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law, will not cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent any beneficial owner of a Bond from realizing the full current benefit of the tax status of the interest on the Bonds. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

The Inflation Reduction Act, H.R. 5376 (the “IRA”), was signed into law by President Biden on August 16, 2022. The IRA includes a 15 percent alternative minimum tax to be imposed on the “adjusted financial statement income”, as defined in the IRA, of certain corporations for tax years beginning after December 31, 2022. Under the IRA, interest on the Bonds is included in the “adjusted financial statement income” of such corporations for purposes of computing such alternative minimum tax.

Pennsylvania Tax Matters

On the date of delivery of the Bonds, Bond Counsel will issue an opinion to the effect that under existing laws of the Commonwealth, the Bonds are exempt from personal property taxes in the Commonwealth and the interest thereon is exempt from the Commonwealth’s personal income tax and the Commonwealth’s corporate net income tax; however, any profits, gains, or income derived from the sale, exchange, or other disposition of the Bonds will be subject to Pennsylvania taxes and local taxes within the Commonwealth. Bond Counsel will express no opinion regarding other state consequences arising with respect to the Bonds.

Original Issue Discount

The Bonds stated to mature on _____ are being offered and sold to the public at an original issue discount (“OID”) from the amounts payable at their maturity (“Discount Bonds”). OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the “issue price” of such bond. The issue price is the initial offering price to the public (other than the bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold pursuant to that initial offering. For federal income tax purposes, OID on each bond will accrue over the term of the bond, and for the Discount Bonds, the amount of the accrual will be based upon a single rate of interest, compounded semiannual (the “yield of maturity”). The amount of OID that accrues during each semi-annual period will do so ratably over that period on a daily basis. With respect to an initial purchaser of a Discount Bond at its issue price, the portion of OID that accrues during the period that such purchaser owns such Bond is added to the purchaser’s tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Discount Bond and thus, in practical effect, is treated as stated interest, which is excludible from gross income for federal income tax purposes.

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.

Original Issue Premium

The Bonds that mature on _____ through and including _____ have been sold at an original issue premium (the “Premium Bonds”). Under the Code, the premium on the Premium Bonds is an adjustment to basis and must be amortized. No deduction is allowable on account of such premium. The method of amortization may be the method regularly employed by the taxpayer if such method is reasonable, or, in all other cases, must be the method prescribed by applicable Treasury Regulations, which provide that the amortizable bond premium is an amount which bears the same ratio to the premium on the Premium Bonds as the number of months in the taxable year during which the bond or note was held by the taxpayer bears to the number of months from the beginning of the taxable year (or, if the bond or note was acquired in the taxable year, from the date of acquisition) to the date of maturity. The basis of the Premium Bonds is reduced by the amount of the amortizable premium.

Holders of Premium Bonds purchased with an original issue premium (the “Acquisition Premium”) should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation as to the treatment of Acquisition Premium for state tax purposes.

Information Reporting

Under 2006 amendments to the Internal Revenue Code, payments of interest on the Bonds will be reported to the Internal Revenue Service by the payor on Form 1099 unless the Bondholder is an “exempt person” under Section 6049 of the Code. A Bondholder who is not an exempt person may be subject to “backup withholding” at a specified rate prescribed in the code if the Bondholder does not file Form W-9 with the payor advising the payor of the Bondholder’s taxpayer identification number. Bondholders should consult with their brokers regarding this matter.

The Paying Agent will report to the Bondholders and to the Internal Revenue Service for each calendar year the amount of any “reportable payments” during such year and the amount of tax, if any, with respect to payments made on the Bonds.

BONDHOLDER CONSIDERATIONS

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

Cybersecurity

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

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

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The School District cannot predict the timing, extent, or severity of climate change and its impact on its operations and finances. The School District has not experienced increases in extreme weather events, but has established reserves to address severe weather disasters and maintains a comprehensive insurance policy.

Risk of Audit by Internal Revenue Service

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

CONTINUING DISCLOSURE UNDERTAKING

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

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

The School District acknowledges that its undertaking pursuant to the Rule described herein is intended to be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by the holders and beneficial owners of the Bonds, but the right of the holders and beneficial owners of the Bonds to enforce the provisions of the School District’s continuing disclosure undertaking shall be limited to a right

to obtain specific enforcement, and any failure by the School District to comply with the provisions of the undertaking shall not be an event of default with respect to the Bonds.

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

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

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

Existing Continuing Disclosure Filing History

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

Fiscal Year Ending	Filing Deadline ^[1]	Financial Statements		Budget		Operating Data	
		Filing Date	EMMA ID ^[2]	Filing Date	EMMA ID ^[2]	Filing Date	EMMA ID ^[2]
6/30/2021	03/27/2022	03/29/2022	P11202866	03/29/2022	P11202866	03/29/2022	P11202866
6/30/2022	03/27/2023	02/21/2023	P21262428	02/21/2023	P21262432	02/21/2023	P21262436
6/30/2023	03/26/2024	02/07/2024	P21341004	02/07/2024	P21341007	02/07/2024	P21341003
6/30/2024	03/27/2025	02/12/2025	P21429446	02/12/2025	P21429448	02/12/2025	P21429442
6/30/2025	03/27/2026	01/15/2026	P11444385	01/15/2026	P11444387	01/19/2026	P11445321

Notes

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

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

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

For fiscal year ending June 30, 2021, the School District filed the annual financial statements, budget, and operating information late. The School District filed a failure to file notice on October 6, 2022 (EMMA ID:P21228200).

For fiscal year ending June 30, 2022 through June 30, 2025, the School District filed the annual financial statements, budget, and operating information in a timely fashion.

Future Continuing Disclosure Compliance

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

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

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

Some of the operating data requirements may be found contained within the School District's financial statements or budget filing and may not be filed explicitly by themselves.

RATING

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

UNDERWRITING

Raymond James & Associates, Inc. and Stifel, Nicolaus & Co., Inc. (collectively the "Underwriters") subject to certain conditions, have purchased the Bonds from the School District at a purchase price of \$ _____ (representing the par amount of the Bonds of \$ _____, [plus/less] an original issue [premium/discount] of \$ _____ less an underwriting discount of \$ _____). The Underwriter's obligations are subject to certain conditions precedent; however, the Underwriter will be obligated to purchase all such Bonds on the Delivery Date if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the School District. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the School District. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

LEGAL OPINION

The Bonds are offered subject to the receipt of the approving legal opinion of Saxton & Stump, LLC, Bond Counsel to the School District, of Lancaster, Pennsylvania. Certain legal matters will be passed upon for by Saxton & Stump, LLC, of Lancaster, Pennsylvania, School District Solicitor and McNees Wallace & Nurick LLC, of Lancaster, Pennsylvania, Limited Scope Underwriter's Counsel.

MUNICIPAL ADVISOR

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

MISCELLANEOUS

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

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

WEST SHORE SCHOOL DISTRICT
CUMBERLAND AND YORK COUNTIES, PENNSYLVANIA

By: _____
President, Board of School Directors

APPENDIX A
Demographic and Economic Information
Relating to the West Shore School District

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Population

Table A-1 which follows shows recent population trends for the School District, Cumberland and York Counties and the Commonwealth of Pennsylvania. The School District's population increased between 2015-2020. Table A-2 shows 2020 age composition in Cumberland and York Counties and for the State.

TABLE A-1
RECENT POPULATION TRENDS

	<u>2015</u>	<u>2020</u>	Compound Average Annual Percentage Change <u>2015-2020</u>
<i>School District</i>	63,673	65,702	0.63%
Cumberland County	241,427	251,487	0.82%
York County	439,660	456,438	0.75%
Pennsylvania	12,779,559	12,794,885	0.02%

Source: U.S. Census Bureau, 2020 Census and U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

TABLE A-2
AGE COMPOSITION

	<u>0-17</u> <u>Years</u>	<u>18-64</u> <u>Years</u>	<u>65+</u> <u>Years</u>
Cumberland County	20.3%	61.3%	18.5%
York County	22.1%	60.5%	17.4%
Pennsylvania.....	20.7%	60.9%	18.3%

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

The larger employers located within Cumberland County for Quarter 3, 2025 are as follows:

Employer
Federal Government
Amazon.com Services LLC
Giant Food Stores LLC
State Government
Select Employment Services Inc
Wal-Mart Associates Inc
Holy Spirit Hospital
Cumberland Valley School District
Exel Inc
UPMC Pinnacle Hospitals

Source: Quarterly Census of Employment and Wages

The larger employers located within York County for Quarter 3, 2025 are as follows:

Employer
York Hospital
Federal Government
WellSpan Health
Amazon.com Services LLC
WellSpan Medical Group
Wal-Mart Associates Inc
York County
Giant Food Stores LLC
BAE Systems Land & Armaments LP
Kinsley Construction LLC

Source: Quarterly Census of Employment and Wages

Employment

Overall employment data are not compiled for the School District or municipalities, but such data are compiled for the Harrisburg-Cumberland-Perry Metropolitan Statistical Area ("MSA"). Table A-3 shows the Nonfarm Jobs for the MSA for November 2025.

**TABLE A-3
HARRISBURG-CARLISLE METROPOLITAN STATISTICAL AREA
(Cumberland, Dauphin, and Perry counties)
NONFARM JOBS**

<i>ESTABLISHMENT DATA</i>	Industry Employment				Net Change From:	
	Nov 2025	Oct 2025	Sep 2025	Nov 2024	Oct 2025	Nov 2024
Total Nonfarm	374,200	372,200	372,400	370,700	2,000	3,500
Total Private	314,300	312,800	312,700	311,400	1,500	2,900
Goods Producing	34,100	34,200	34,400	34,400	-100	-300
Mining, Logging, and Construction	13,000	13,100	13,200	12,700	-100	300
Manufacturing	21,100	21,100	21,200	21,700	0	-600
Durable Goods	9,400	9,500	9,500	10,000	-100	-600
Non-Durable Goods	11,700	11,600	11,700	11,700	100	0
Food mfg.	6,600	6,500	6,600	6,500	100	100
Service-Producing	340,100	338,000	338,000	336,300	2,100	3,800
Private Service-Providing	280,200	278,600	278,300	277,000	1,600	3,200
Trade, Transportation, and Utilities	82,700	80,400	80,100	82,400	2,300	300
Wholesale Trade	12,400	12,500	12,600	12,800	-100	-400
Retail Trade	32,200	31,500	31,300	32,000	700	200
General merchandise stores	6,200	5,700	5,600	5,800	500	400
Transportation, Warehousing, and Utilities	38,100	36,400	36,200	37,600	1,700	500
Transportation and Warehousing	37,600	35,900	35,700	37,200	1,700	400
Truck Transportation	7,500	7,400	7,400	7,500	100	0
Warehousing and Storage	17,700	17,000	16,800	18,000	700	-300
Information	3,200	3,200	3,200	3,200	0	0
Financial Activities	20,300	20,300	20,100	19,800	0	500
Finance and Insurance	17,000	17,000	16,900	16,600	0	400
Professional and Business Services	51,300	51,500	51,800	51,800	-200	-500
Professional and Technical Services	22,200	22,200	22,300	21,500	0	700
Management of Companies and Enterprises	10,400	10,400	10,500	10,300	0	100
Administrative and Waste Services	18,700	18,900	19,000	20,000	-200	-1,300
Education and Health Services	76,000	75,600	75,100	73,200	400	2,800
Educational Services	10,200	10,000	9,800	9,400	200	800
Health Care and Social Assistance	65,800	65,600	65,300	63,800	200	2,000
Hospitals	21,300	21,300	21,200	20,500	0	800
Leisure and Hospitality	30,200	31,000	31,600	30,000	-800	200
Accommodation and Food Services	22,500	22,900	23,200	22,700	-400	-200
Food Services and Drinking Places	18,700	19,000	19,200	18,900	-300	-200
Other Services	16,500	16,600	16,400	16,600	-100	-100
Government	59,900	59,400	59,700	59,300	500	600
Federal Government	7,000	7,000	7,400	7,400	0	-400
State Government	31,800	31,500	31,500	31,100	300	700
Local Government	21,100	20,900	20,800	20,800	200	300
Local Government Educational Services	14,400	14,200	14,000	14,100	200	300
Local Government Excluding Educational Services	6,700	6,700	6,800	6,700	0	0
Data benchmarked to March 2024	***Data changes of 100 may be due to rounding***					

Source: Pennsylvania State Employment Service.

Table A-4 shows recent trends in labor force, employment, and unemployment for Cumberland County and the Commonwealth. Cumberland County has a lower unemployment rate than that of the Commonwealth.

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u> ⁽¹⁾	Compound Average Annual % Rate
<u>Cumberland County</u>						
Civilian Labor Force (000)	133.8	136.4	136.7	140.9	141.9	0.00%
Employment (000)	128.0	132.3	133.0	136.7	137.1	1.38%
Unemployment (000)	5.8	4.1	3.7	4.2	4.8	-3.71%
Unemployment Rate	4.30%	3.00%	2.70%	3.00%	3.40%	
<u>Pennsylvania</u>						
Civilian Labor Force (000)	6,425.0	6,479.0	6,518.0	6,577.0	6,551.0	0.39%
Employment (000)	6,048.0	6,196.0	6,296.0	6,337.0	6,274.0	0.74%
Unemployment (000)	377.0	283.0	223.0	239.0	277.0	-5.98%
Unemployment Rate	5.90%	4.40%	3.40%	3.60%	4.20%	

⁽¹⁾As of November 2025

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

Income

The data on Table A-5 shows trends in per capita income for the School District, Cumberland County and the Commonwealth over the 2010-2020 period.

TABLE A-5
TRENDS IN PER CAPITA INCOME*

	<u>2010</u>	<u>2020</u>	Percentage Change 2010-2020
School District.....	\$30,889	\$38,790	5.86%
Cumberland County	30,119	38,153	2.66%
York County.....	25,525	33,587	3.00%
Pennsylvania	26,678	35,518	3.00%

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

Source: U.S. Census Bureau, 2010 Census and 2020

Commercial Activity

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

TABLE A-6
TOTAL RETAIL SALES
(000)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Cumberland County	\$7,430,486	\$7,847,375	8,512,426	8,373,302	11,106,321
York County	7,129,007	7,725,289	8,452,628	8,316,600	10,627,641
Pennsylvania	274,685,600	297,770,326	310,912,244	317,239,286	403,629,014

Source: The Nielson Company.

Educational Institutions

The MSA has a number of institutions of higher learning, including Messiah College, the Milton S. Hershey Medical Center, located in Hershey, the Harrisburg Area Community College, located in Harrisburg, University of Harrisburg Science and Technology, located in Harrisburg, Pennsylvania State University Capitol Campus, Middletown, Dickinson College, and Dickinson School of Law of Pennsylvania State University, located in Carlisle, Widener University School of Law, located in Harrisburg.

Medical Facilities

Residents are served by several hospitals located in the Harrisburg area less than 20 miles away, including:

Institution

UPMC Pinnacle Carlisle
Penn State Health Milton S. Hershey Medical Center
UPMC Pinnacle Harrisburg
Polyclinic Medical Center
UPMC Pinnacle Community Osteopathic
Geisinger Holy Spirit

Housing

According to the 2020 census figures there are 99,988 housing units in the County as opposed to 102,046 housing units in 2015, which represents an increase in housing units of 2,058 or an increase of 2.05 percent.

Transportation Facilities

An extensive network of roads runs through the area including the Pennsylvania Turnpike. U.S. Routes 11 & 15 traverses the School District. Interstate 83 provides direct access into the City of York, Harrisburg and surrounding municipalities while U.S. Route 11 leads west to Interstate 81. The long planned 581 beltway now connects Interstate Routes I-81 and I-83 as well as State Route 11. The strategic location of the County and School District has resulted in the growth of a transportation network to all points in the Industrial East.

A system of crisscrossing competitive rail lines provides the area with bulk freight services to anywhere in the U.S. or Canada. Rail lines such as Norfolk Southern and Western Maryland Railroad offer transportation to points north, south, east and west. These lines are served by Conrail Enola Freight Sorting Yards. Rail passenger service is available just across the river in Harrisburg on the Amtrak passenger system to a number of major cities including New York, Pittsburgh, Philadelphia, Baltimore and Washington D.C.

Air service, both passenger and cargo, is available at the nearby Harrisburg International Airport. Allegiant, American Airlines, Delta Airlines, United Airlines, Frontier Airlines and various commuter airlines provide regular scheduled flights to major cities.

A regional municipal authority, the Capital Area Transit Authority, provides public bus transportation to the area. Greyhound and Trailways provide regular bus transportation within the state and nationally.

Utilities

Electric service throughout the area covered by the School District is provided by Pennsylvania Power and Light Company and Metropolitan Edison Company. Natural gas is supplied by UGI Corporation and Columbia Gas Company, Inc. Telephone service is provided by GTE and Verizon.

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APPENDIX B
Form of Opinion of Bond Counsel

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SAXTON & STUMP

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DRAFT

**WEST SHORE SCHOOL DISTRICT
CUMBERLAND AND YORK COUNTIES, PENNSYLVANIA
\$ _____ GENERAL OBLIGATION BONDS, SERIES OF 2026**

OPINION

We have acted as Bond Counsel in connection with the issuance by the West Shore School District, Cumberland and York Counties, Pennsylvania (the "School District"), of the \$ _____ General Obligation Bonds, Series of 2026 (the "Bonds").

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

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

1. The Bonds are issued in accordance and in compliance with the provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as codified by the Act of December 19, 1996 (53 Pa. Cons. Stat. Chs. 80-82), ("the Act"), without the assent of the electors, and pursuant to two resolutions adopted by the Board of School Directors of the School District on May 14, 2026.
2. The Bonds are a valid and binding obligation of the School District.
3. The School District has established with the Paying Agent, as Sinking Fund Depositary, a sinking fund in which it has covenanted to deposit amounts sufficient to pay the principal of and interest on the Bonds as the same become due and payable and, to the extent required, to apply such amounts to such purposes.
4. The School District has further covenanted that, subject to statutory restrictions and limitations, it will include in its budget for each fiscal year in which the Bonds are outstanding, and will appropriate in each such fiscal year, the amount of the debt service on the Bonds for such year, that it will duly and punctually pay or cause to be paid, the principal of and interest on the Bonds at the dates and place and in the manner stated on the Bonds; and for such budgeting, appropriation and payment, the School District has irrevocably pledged its full faith, credit and taxing power. For purposes of such payments, the School District has covenanted that it will exercise its ad valorem taxing power, within limitations provided by law, upon all taxable property within the School District. The Bonds are additionally secured by the

“state aid intercept” provisions of Section 633 of the Public School Code of 1949, as amended by Act 150 of 1975.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the School District comply with all requirements of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder, that must be satisfied subsequent to the issuance of the Bonds, in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The School District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. Under the laws of the Commonwealth of Pennsylvania as presently enacted and construed, the Bonds and the interest thereon will be free from taxation for state and local purposes within the Commonwealth of Pennsylvania, but this exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Bonds or the interest thereon. Under the laws of the Commonwealth, profits, gains or income derived from the sale, exchange or other disposition of certain government obligations, including the Bonds, may be subject to state and local taxation within the Commonwealth of Pennsylvania.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

Very truly yours,

SAXTON & STUMP, LLC

_____, 2026

APPENDIX C
Audited Financial Statements
Fiscal Year Ended June 30, 2025

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WEST SHORE SCHOOL DISTRICT

FINANCIAL REPORT

JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of School Directors
West Shore School District
New Cumberland, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the West Shore School District (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Contents.

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

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, as of July 1, 2024, the West Shore School District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information as listed in the Contents, 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 the District's basic financial statements. The supplementary information as listed in the Contents and 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* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the Contents and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is positioned in the lower right quadrant of the page.

Camp Hill, Pennsylvania
December 4, 2025

**WEST SHORE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The management of West Shore School District is pleased to present the following discussion and analysis of the District's financial position and financial activities. The purpose of this discussion is to provide a narrative summary in order to enhance the reader's understanding of the District's basic financial statements.

This format is in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Management's Discussion and Analysis (MD&A) includes comparisons of financial position at June 2025 and 2024. The MD&A also includes comparisons of current year financial activities to the previous year. The 2024 amounts are taken from our prior year MD&A and are otherwise not a part of the June 2025 financial statements. Dollar amounts in this summary are presented in millions to make it easier to read.

Financial Highlights

- During the 2024-2025 fiscal year, the District made a transfer from the General Fund to the Capital Reserve Fund. The transfer in the amount of \$2,000,000 was due to 2023-2024 surplus funds and is to help fund future capital projects.
- Real estate tax revenues increased from the previous year by approximately 6.85% mainly due to the Board authorizing the real estate tax millage to be increased to 14.3078 for Cumberland County and 17.3022 for York County, for the 2024-2025 tax year.
- The District is part of the Cumberland Perry Career & Technical Center which is undergoing a major renovation and expansion. The District's share of this expense was approximately \$5,000,000 which the District paid for out of the Assigned Fund Balance monies that were reserved for this purpose.
- The District was awarded several COVID-19 federal stimulus grants over the past few years. For the 2024-2025 fiscal year, approximately \$1,000,000 was used toward the Red Land Athletic campus improvement project. The remainder of the COVID-19 federal stimulus grants have been closed out by submitting final expenditure reports.
- In the area of physical plant maintenance, the District funds large capital expenses annually from the Capital Reserve Fund. During 2024-2025, approximately \$3,600,000 was spent on upgrades to several buildings.
- Regarding food service operations, the District completed its tenth year with Sodexo managing the operation. The District was running the National School Breakfast, National School Lunch, and Summer Food Service Program. All District buildings were eligible to participate in the Community Eligibility Program (CEP) of the National School Lunch Program in 2024-2025. Participation in CEP allowed the District to provide free breakfasts and lunches for all students.

**WEST SHORE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Overview of the Financial Statements

This report consists of a series of financial statements. The statement of net position and the statement of activities (on pages 12 and 13) provide information about the activities of the District as a whole and presents a longer-term view of the District's finances than fund statements.

Fund financial statements are presented on pages 14, 16, and 18 through 22. For governmental activities, these statements tell how the District services have been financed in the short run, as well as show the amount remaining for future spending. Proprietary fund statements provide information about non-governmental operations, in this case food services. Fiduciary funds statements report funds held in trustee capacity by the District for others and as agent for other student-led activities. The fiduciary funds also include the financial transactions for the West Shore Foundation, a component unit of the District.

The reconciliation of the governmental funds balance sheet to the statement of net position on page 15 connects governmental fund balance to the total net position balance from the statement of net position. The reconciliation on page 17 does the same for the components of the changes in fund balances.

Reporting the District as a Whole

The government-wide statements present financial activities and the results of those activities in two categories: governmental and business-type. Capital assets (land, buildings, improvements, furniture, and equipment) are presented with all other assets. Long-term debt is presented with all other liabilities. This is distinctly different from the fund statements in which assets and liabilities are separated into various funds such as general, capital reserve, and capital projects.

The approach to measurement of revenue and expense is similar to that used in the private sector and is referred to as following the accrual basis of accounting. This is discussed further in the notes to the financial statements.

Reporting the District's Most Significant Funds

The funds statements provide financial information about the District's significant funds rather than the District as a whole. There are three fund types: governmental, proprietary, and fiduciary. The use of each type of fund is described in the notes to the financial statements. Unlike government-wide financial statements that measure receipts and disbursements on the accrual basis, the funds statements report receipts and disbursements only to the extent cash has been received or is expected to be received or paid in the near future.

The District in Trustee Capacity

The District acts in a trustee capacity for one fund, a student-led activities fund, and includes a component unit, the West Shore Foundation. The Foundation is discussed in the notes to the financial statements beginning on page 23. In comparison to the governmental funds, the amounts held in the fiduciary funds are small. Fund balances and activity for the year are presented on pages 21 and 22.

**WEST SHORE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The District as a Whole

Table A-1 summarizes and compares the 2025 statement of net position from page 12 of the financial statements with the same measurements for 2024. Within this and certain other schedules in our discussion, we have presented the dollar figures in millions, unless otherwise indicated, to make them easier to read. This has resulted in rounding differences, and some columns may not add within a schedule.

Total net position is the difference between total assets plus total deferred outflows of resources, less total liabilities less total deferred inflows of resources. Total net position represents resources that can be used to pay for future operations and capital improvements. Most of the District's net position is invested in capital assets.

**Table A-1
Statement of Net Position - 2024-2025**

	Governmental Activities		Business-Type Activities		Total School District	
	2025	2024	2025	2024	2025	2024
Current assets	\$ 72,912,673	\$ 92,538,677	\$ 1,237,318	\$ 2,118,608	\$ 74,149,991	\$ 94,657,285
Noncurrent assets	200,721,341	196,508,099	1,001,681	623,759	201,723,022	197,131,858
Total assets	\$ 273,634,014	\$ 289,046,776	\$ 2,238,999	\$ 2,742,367	\$ 275,873,013	\$ 291,789,143
Deferred charges on refunding	\$ 39,624	\$ 69,002	\$ -	\$ -	\$ 39,624	\$ 69,002
Deferred outflows for pensions	23,357,000	27,576,000	356,000	363,000	23,713,000	27,939,000
Deferred outflows for OPEB	3,612,282	4,188,326	15,504	20,996	3,627,786	4,209,322
Deferred outflows of resources	\$ 27,008,906	\$ 31,833,328	\$ 371,504	\$ 383,996	\$ 27,380,410	\$ 32,217,324
Current and other liabilities	\$ 27,292,729	\$ 35,792,130	\$ 303,612	\$ 235,576	\$ 27,596,341	\$ 36,027,706
Long-term liabilities	318,138,952	327,974,576	2,535,935	2,315,110	320,674,887	330,289,686
Total liabilities	\$ 345,431,681	\$ 363,766,706	\$ 2,839,547	\$ 2,550,686	\$ 348,271,228	\$ 366,317,392
Deferred inflows for pensions	\$ 4,469,630	\$ 4,530,522	\$ 42,082	\$ 34,914	\$ 4,511,712	\$ 4,565,436
Deferred inflows for OPEB	2,921,000	3,085,000	44,000	41,000	2,965,000	3,126,000
Lease related	916,078	579,077	-	-	916,078	579,077
Deferred inflows of resources	\$ 8,306,708	\$ 8,194,599	\$ 86,082	\$ 75,914	\$ 8,392,790	\$ 8,270,513
Net investment in capital assets	\$ 58,770,460	\$ 57,386,201	\$ 1,001,681	\$ 623,759	\$ 59,772,141	\$ 58,009,960
Restricted	24,917,883	24,667,915	-	-	24,917,883	24,667,915
Unrestricted (deficit)	(136,783,812)	(133,135,317)	(1,316,807)	(123,996)	(138,100,619)	(133,259,313)
Total net position (deficit)	\$ (53,095,469)	\$ (51,081,201)	\$ (315,126)	\$ 499,763	\$ (53,410,595)	\$ (50,581,438)

During 2025, the governmental activities net position balance decreased by \$2,014,268, bringing it to \$53,095,469 at the end of 2025. The change is analyzed in Table A-2.

Table A-2 summarizes and compares activity presented in the statement of activities (page 13). It shows the items that make up the \$2,014,268 operational decrease in the total primary government net position balance.

**WEST SHORE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The District as a Whole (Continued)

**Table A-2
Changes in Net Position - 2024-2025**

	Governmental Activities		Business-Type Activities		Total School District	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,464,206	\$ 1,656,137	\$ 184,973	\$ 610,426	\$ 2,649,179	\$ 2,266,563
Operating Grants and Contributions	31,085,565	29,567,284	3,690,634	3,301,297	34,776,199	32,868,581
Capital Grants and Contributions	135,239	127,730	-	-	135,239	127,730
General Revenue:						
Taxes	107,444,815	100,582,129	-	-	107,444,815	100,582,129
Unrestricted Grants and Subsidies	19,899,701	18,891,647	-	-	19,899,701	18,891,647
Other (net of transfers)	4,330,463	6,587,191	71,272	102,869	4,401,735	6,690,060
Total Revenues	165,359,989	157,412,118	3,946,879	4,014,592	169,306,868	161,426,710
Direct Expenses	163,789,121	149,645,990	4,740,244	3,559,702	168,529,365	153,205,692
Change in Net Position	\$ 1,570,868	\$ 7,766,128	\$ (793,365)	\$ 454,890	\$ 777,503	\$ 8,221,018

During 2025, total direct revenues for the governmental activities exceeded total expenses by \$1,570,868 compared with total expenses exceeding total direct revenues by \$7,766,128 for 2024. The components of the direct expenses are presented in Table A-3. For the business-type activities, total expenses exceeded total revenues by \$793,365 for 2025.

Governmental Activities

Table A-3 presents expense information from the statement of activities for governmental activities. The total cost of services represents the actual cost of providing the services, while the net cost represents the amount of cost not recovered through program revenues, user charges, grants, and contributions. The total net cost of services of \$130,104,111 must be recovered through general revenues, primarily taxes and state subsidies. These general revenues for 2025 were \$131,674,979. The net of those two amounts totaled a net gain of \$1,570,868.

**Table A-3
Governmental Activities - 2024-2025**

	Total Cost of Services		Less: Program Revenues		Net Cost of Services	
	2025	2024	2025	2024	2025	2024
Instruction	\$ 108,147,824	\$ 99,383,405	\$ 24,524,676	\$ 23,877,313	\$ 83,623,148	\$ 75,506,092
Instructional student support	11,685,694	10,450,482	2,492,880	2,775,060	9,192,814	7,675,422
Administrative and financial support	15,260,738	13,621,260	1,430,307	1,280,714	13,830,431	12,340,546
Operation and maintenance of plant services	14,319,301	12,834,058	1,855,719	814,929	12,463,582	12,019,129
Pupil transportation	7,147,197	6,558,790	2,044,776	2,083,512	5,102,421	4,475,278
Student activities	2,442,061	2,323,616	417,823	390,093	2,024,238	1,933,523
Community service	45,343	94,666	783,590	1,800	(738,247)	92,866
Interest on long-term debt	4,740,963	4,379,713	135,239	127,730	4,605,724	4,251,983
Total governmental activities	\$ 163,789,121	\$ 149,645,990	\$ 33,685,010	\$ 31,351,151	130,104,111	118,294,839
Less unrestricted grants					19,899,701	18,891,647
Total needs from taxes and other local services					\$ 110,204,410	\$ 99,403,192

The total costs of governmental activities for 2025 were 9.5% higher than 2024, primarily due to wage and benefit increases, and the rising cost of goods and services due to inflation.

**WEST SHORE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Business-Type Activities

The charts below are similar to the previous table, except it presents business-type service costs. Note that most of the cost of food services is paid by program revenues.

**Table A-4
Business-Type Activities - 2024-2025**

	Total Cost of Services		Less: Program Revenues		Net Cost of Services	
	2025	2024	2025	2024	2025	2024
Food services	\$ 4,740,244	\$ 3,559,702	\$ 3,875,607	\$ 3,911,723	\$ (864,637)	\$ 352,021

District's Funds

The information in Table A-5 summarizes and compares the governmental funds' balance sheets for June 30, 2025 and 2024.

**Table A-5
Comparative Fund Balances - 2024-2025**

	2025	2024	2024-2025 Change
General Fund			
Nonspendable			
Inventories	\$ 78,599	\$ 70,123	\$ 8,476
Prepaid expenses	405,795	405,254	541
Amounts receivable from life insurance contracts	1,635,750	1,706,902	(71,152)
Committed to:			
Future retirement costs	500,000	500,000	-
Future medical costs	2,000,000	2,000,000	-
Assigned to:			
Athletics, concessions, capital outlays	5,064,622	5,055,957	8,665
Unassigned	8,401,418	14,074,439	(5,673,021)
Total General Fund	18,086,184	23,812,675	(5,726,491)
Capital Reserve Fund			
Restricted for:			
Capital projects	24,917,883	24,667,915	249,968
Total capital reserve fund	24,917,883	24,667,915	249,968
Capital Projects Fund			
Committed to:			
Capital projects	7,348,217	12,917,888	(5,569,671)
Total capital projects fund	7,348,217	12,917,888	(5,569,671)
Total governmental fund balance	\$ 50,352,284	\$ 61,398,478	\$ (11,046,194)

**WEST SHORE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2025**

District’s Funds (Continued)

The basis of measurement for fund assets and liabilities is different than that used in the statement of net position. The differences between the total governmental fund balance of \$50,352,284 and the total net deficit of \$53,095,469 (see Table A-1) are itemized in the reconciliation presented within the financial statements on page 15. The most significant difference relates to the inclusion of the net pension liability of \$157,364,000 in the statement of net position, but not the fund balance.

The capital reserve fund balance increased from \$24,667,915 at the end of fiscal year 2024 to \$24,917,883 at the end of 2025. The capital expenditures were primarily used for capital improvements and included a transfer in from the general fund totaling approximately \$2,000,000.

The capital projects fund balance decreased to \$7,348,217. The capital expenditures were used for capital improvements.

General Fund Budgetary Highlights

The table below has been summarized from the comparative budget information presented on page 64 of the other required supplemental information.

**Table A-6
Comparison of Final Budget to Actual - 2024-2025**

	Final Budget		Actual		Variance	
	2025	2024	2025	2024	2025	2024
Total revenue	\$ 153,748,782	\$ 147,324,448	\$ 162,281,632	\$ 153,249,009	\$ 8,532,850	\$ 5,924,561
Total expenditures	156,068,704	147,931,239	167,700,528	151,916,167	(11,631,824)	(3,984,928)
Revenues over (under) expenditures	(2,319,922)	(606,791)	(5,418,896)	1,332,842	(3,098,974)	1,939,633
Other financing sources (uses)	(690,000)	(1,430,619)	(307,595)	(4,914,327)	382,405	(3,483,708)
Net change in fund balances	\$ (3,009,922)	\$ (2,037,410)	\$ (5,726,491)	\$ (3,581,485)	\$ (2,716,569)	\$ (1,544,075)

The variance between actual and budgeted revenues over (under) expenditures before other financing sources (uses) for fiscal year 2025 was unfavorable at \$3,098,974. The beginning fund balance was \$23,812,675. The actual net change in the general fund balance was a decrease of \$5,726,491. Deducting this from the beginning fund balance resulted in an ending fund balance of \$18,086,184.

**WEST SHORE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Capital and Right-to-use Assets

Table A-7 summarizes and compares the capital and right-to-use assets note to the financial statements on pages 41 and 42. Each year, for capital assets other than land and construction in progress, this amount is depreciated (reduced in value) to reflect.

**Table A-7
Governmental Activities Capital and Right-to-use Assets Comparison
(net of accumulated depreciation/amortization)**

	2025	2024
Land	\$ 8,849,548	\$ 8,849,548
Construction in progress	3,601,048	94,448,609
Buildings and improvements	176,515,813	84,017,826
Furniture and equipment	8,687,348	6,219,603
Right-to-use subscription assets	696,898	-
Total capital and right-to-use assets being depreciated/amortized, net	\$ 198,350,655	\$ 193,535,586

Capital assets, net of accumulated depreciation, increased by \$4,815,069 in 2025 over 2024.

Long-term Debt, Other Postemployment Benefits, and Defined Benefit Pension Plan

Table A-8 summarizes the long-term liabilities note to the financial statements on pages 43 through 45 for 2025 and 2024. Most of the debt relates to general obligation bonds sold by the District to pay for capital improvements. Our ability to raise future funds through the issuance of debt depends on how well our existing bonds are rated by the investment community. Currently, the District is rated by Moody's Investor Services as Aa2 Positive Outlook.

**Table A-8
Governmental Activities Long-Term Liability Comparison**

	2025	2024
General obligation debt	\$ 133,415,000	\$ 136,465,000
Bond premium (discount)	10,898,539	11,729,923
Financed purchase agreements payable	1,245,892	231,625
Compensated absences	6,143,239	5,936,957
Subscription liabilities	709,135	880,086
OPEB liabilities	12,547,117	12,936,963
Net pension liability	157,364,000	167,246,000
Total governmental long-term liabilities	\$ 322,322,922	\$ 335,426,554

Each year, the District pays down a portion of its debt. The scheduled redemptions for 2025 totaled \$3,050,000. The long-term liabilities balance at the end of each year reflects the prior year-end balance, plus new issues and less redemptions. Component changes to the general obligation debt, plus activity related to other components of long-term liabilities are presented in the notes to the financials on page 43.

**WEST SHORE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Next Year’s Budget and Economic Factors

Table A-9 compares the 2026 budget, approved on June 12, 2025, to the final 2025 budget.

**Table A-9
Comparison of Original Budgets**

	2026	2025	Change
Total Revenues	\$ 162,283,426	\$153,748,782	\$ 8,534,644
Total Expenditures	163,706,518	156,068,704	7,637,814
Revenue over (under) expenditures	(1,423,092)	(2,319,922)	896,830
Other financing sources (uses)	(1,190,000)	(690,000)	(500,000)
Net changes in fund balance	\$ (2,613,092)	\$ (3,009,922)	\$ 396,830

The budget for 2025-2026 represents a 5.5% increase in revenues and a 5.2% increase in expenditures from the 2024-2025 budgeted amounts.

Contacting the District Financial Management

The District’s financial report is intended to provide the readers 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 the District office by mail at West Shore School District, 507 Fishing Creek Road, PO Box 803, New Cumberland, PA 17070, or by phone at (717) 938-9577. This audit report may also be viewed on our website located at www.wssd.k12.pa.us.

WEST SHORE SCHOOL DISTRICT

STATEMENT OF NET POSITION
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 21,486,656	\$ 589,931	\$ 22,076,587
Investments	37,965,520	888,927	38,854,447
Taxes receivable, net	5,767,986	-	5,767,986
Internal balances	390,907	(390,907)	-
Due from other governments	6,572,650	70,344	6,642,994
Leases receivable	193,991	-	193,991
Other receivables	50,569	4,762	55,331
Inventories	78,599	74,261	152,860
Prepaid expenses	405,795	-	405,795
Total current assets	72,912,673	1,237,318	74,149,991
Noncurrent Assets			
Amounts receivable from life insurance contracts	1,635,750	-	1,635,750
Leases receivable	734,936	-	734,936
Capital and right-to-use assets, Land and construction-in-progress	12,450,596	-	12,450,596
Other capital and right-to-use assets, net of depreciation/amortization	185,900,059	1,001,681	186,901,740
Total capital and right-to-use assets	198,350,655	1,001,681	199,352,336
Total noncurrent assets	200,721,341	1,001,681	201,723,022
Total assets	\$ 273,634,014	\$ 2,238,999	\$ 275,873,013
Deferred Outflows of Resources			
Deferred amounts on refunding debt	\$ 39,624	\$ -	\$ 39,624
Deferred amounts on pension liability	23,357,000	356,000	23,713,000
Deferred amounts on OPEB liabilities	3,612,282	15,504	3,627,786
Total deferred outflows of resources	\$ 27,008,906	\$ 371,504	\$ 27,380,410
Liabilities			
Current Liabilities			
Accounts payable	\$ 5,404,287	\$ 231,938	\$ 5,636,225
Retainage payable	15,000	-	15,000
Accrued salaries and benefits	16,757,408	-	16,757,408
Current portion of long-term debt	3,150,000	-	3,150,000
Current portion of compensated absences	316,189	5,743	321,932
Current portion of financed purchase agreements payable	543,328	-	543,328
Current portion of subscription liabilities	174,453	-	174,453
Accrued interest of long-term debt	699,470	-	699,470
Unearned revenues	165,650	65,931	231,581
Other current liabilities	66,944	-	66,944
Total current liabilities	27,292,729	303,612	27,596,341
Long-Term Liabilities			
Bonds and notes payable, net of unamortized premiums	141,163,539	-	141,163,539
Compensated absences	5,827,050	29,515	5,856,565
Financed purchase agreements payable	702,564	-	702,564
Long-term portion of subscription liabilities	534,682	-	534,682
Net pension liability	157,364,000	2,396,000	159,760,000
Other post-employment benefits (OPEB) liabilities	12,547,117	110,420	12,657,537
Total long-term liabilities	318,138,952	2,535,935	320,674,887
Total liabilities	\$ 345,431,681	\$ 2,839,547	\$ 348,271,228
Deferred Inflows of Resources			
Deferred amounts on pension liability	\$ 2,921,000	\$ 44,000	\$ 2,965,000
Deferred amounts on OPEB liabilities	4,469,630	42,082	4,511,712
Lease related	916,078	-	916,078
Total deferred inflows of resources	\$ 8,306,708	\$ 86,082	\$ 8,392,790
Net Position (Deficit)			
Net investment in capital assets	\$ 58,770,460	\$ 1,001,681	\$ 59,772,141
Restricted	24,917,883	-	24,917,883
Unrestricted (deficit)	(136,783,812)	(1,316,807)	(138,100,619)
Total net position (deficit)	\$ (53,095,469)	\$ (315,126)	\$ (53,410,595)

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction	\$ 108,147,824	\$ 1,916,683	\$ 22,607,993	\$ -	\$ (83,623,148)	\$ -	\$ (83,623,148)
Instructional student support	11,685,694	-	2,492,880	-	(9,192,814)	-	(9,192,814)
Administrative and financial support	15,260,738	-	1,430,307	-	(13,830,431)	-	(13,830,431)
Operation and maintenance of plant services	14,319,301	334,342	1,521,377	-	(12,463,582)	-	(12,463,582)
Pupil transportation	7,147,197	-	2,044,776	-	(5,102,421)	-	(5,102,421)
Student activities	2,442,061	213,181	204,642	-	(2,024,238)	-	(2,024,238)
Community service	45,343	-	783,590	-	738,247	-	738,247
Interest on long-term debt	4,740,963	-	-	135,239	(4,605,724)	-	(4,605,724)
Total governmental activities	163,789,121	2,464,206	31,085,565	135,239	(130,104,111)	-	(130,104,111)
Business-Type Activities:							
Food Service	4,740,244	184,973	3,690,634	-	-	(864,637)	(864,637)
Total primary government	\$ 168,529,365	\$ 2,649,179	\$ 34,776,199	\$ 135,239	\$ (130,104,111)	\$ (864,637)	\$ (130,968,748)
General Revenues:							
Property taxes, levied for general purposes, net					\$ 81,907,112	\$ -	\$ 81,907,112
Public utility, realty transfer, earned income, and other taxes levied for general purposes, net					25,537,703	-	25,537,703
Grants, subsidies and contributions not restricted					19,899,701	-	19,899,701
Investment earnings					4,054,723	71,272	4,125,995
Insurance recoveries					163,240	-	163,240
Gain on disposition of capital assets					112,500	-	112,500
Total general revenues					131,674,979	71,272	131,746,251
Change in net position					1,570,868	(793,365)	777,503
Net Position (Deficit) - July 1, 2024					(51,081,201)	499,763	(50,581,438)
Prior period adjustment (see Note 1)					(3,585,136)	(21,524)	(3,606,660)
Net Position (Deficit) - July 1, 2024 (restated)					(54,666,337)	478,239	(54,188,098)
Net Position (Deficit) - June 30, 2025					\$ (53,095,469)	\$ (315,126)	\$ (53,410,595)

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2025

	Major Funds			Total Governmental Funds
	General Fund	Capital Reserve Fund	Capital Projects Fund	
Assets				
Cash and cash equivalents	\$ 21,100,080	\$ 386,576	\$ -	\$21,486,656
Investments	5,356,884	25,198,960	7,409,676	37,965,520
Taxes receivable, net	5,767,986	-	-	5,767,986
Due from other funds	390,907	-	-	390,907
Due from other governments	6,572,650	-	-	6,572,650
Other receivables	50,569	-	-	50,569
Inventories	78,599	-	-	78,599
Prepaid expenses	405,795	-	-	405,795
Leases receivable	928,927	-	-	928,927
Amounts receivable from life insurance contracts	1,635,750	-	-	1,635,750
Total assets	\$ 42,288,147	\$25,585,536	\$ 7,409,676	\$75,283,359
Liabilities				
Accounts payable	\$ 4,690,175	\$ 667,653	\$ 46,459	\$ 5,404,287
Retainage payable	-	-	15,000	15,000
Accrued salaries and benefits	16,757,408	-	-	16,757,408
Unearned revenues	165,650	-	-	165,650
Other current liabilities	66,944	-	-	66,944
Total liabilities	21,680,177	667,653	61,459	\$22,409,289
Deferred Inflows of Resources				
Delinquent property taxes	1,605,708	-	-	1,605,708
Lease related	916,078	-	-	916,078
Total deferred inflows of resources	2,521,786	-	-	2,521,786
Fund Balances				
Nonspendable	2,120,144	-	-	2,120,144
Restricted	-	24,917,883	-	24,917,883
Committed	2,500,000	-	7,348,217	9,848,217
Assigned	5,064,622	-	-	5,064,622
Unassigned	8,401,418	-	-	8,401,418
Total fund balances	18,086,184	24,917,883	7,348,217	50,352,284
Total liabilities, deferred inflows of resources and fund balances	\$ 42,288,147	\$25,585,536	\$ 7,409,676	\$75,283,359

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

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

June 30, 2025

Total fund balances - governmental funds \$ 50,352,284

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital and right-to-use assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is \$333,707,498 and the accumulated depreciation/amortization is \$135,356,843. 198,350,655

Property taxes receivable are available for collection this year, but are not available soon enough to pay for the current period's expenditures, and therefore, are deferred in the funds. 1,605,708

Long-term liabilities, including bonds payable, compensated absences, net pension liability, other post-employment benefits, subscriptions payable, accrued interest payable, and financed purchase agreements payable; are not due and payable in the current period, and therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds payable	(133,415,000)	
Bond premiums, net of amortization	(10,898,539)	
Compensated absences	(6,143,239)	
Subscription liabilities	(709,135)	
Net pension liability	(157,364,000)	
Other post-employment benefits (OPEB) liabilities	(12,547,117)	
Accrued interest on long-term debt	(699,470)	
Financed purchase agreements payable	(1,245,892)	(323,022,392)

Deferred outflows of resources - pension, OPEB and refunding of debt are not due and payable in the current period and, therefore, are not reported in the funds. 27,008,906

Deferred inflows of resources - pension and OPEB are not due and collectable in the current period, and therefore, are not reported in the funds. (7,390,630)

Total net deficit - governmental activities \$ (53,095,469)

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - GOVERNMENTAL FUNDS
 Year Ended June 30, 2025

	Major Funds			Totals Governmental Funds
	General Fund	Capital Reserve Fund	Capital Projects Fund	
Revenues				
Local sources				
Real estate taxes	\$81,717,644	\$ -	\$ -	\$ 81,717,644
Other taxes	25,559,451	-	-	25,559,451
Investment earnings	2,428,311	1,172,834	453,578	4,054,723
Other revenue	3,349,970	-	-	3,349,970
Total local sources	113,055,376	1,172,834	453,578	114,681,788
State sources	45,553,853	-	-	45,553,853
Federal sources	3,672,403	-	-	3,672,403
Total revenues	162,281,632	1,172,834	453,578	163,908,044
Expenditures				
Instruction	104,625,462	-	-	104,625,462
Support services	49,970,240	-	-	49,970,240
Operation of non-instructional services	2,437,258	-	-	2,437,258
Capital outlay	1,778,910	3,647,866	6,025,149	11,451,925
Debt service	8,888,658	-	-	8,888,658
Total expenditures	167,700,528	3,647,866	6,025,149	177,373,543
Deficiency of revenues Under expenditures	(5,418,896)	(2,475,032)	(5,571,571)	(13,465,499)
Other Financing Sources (Uses)				
Interfund transfers in	-	2,725,000	-	2,725,000
Interfund transfers out	(2,725,000)	-	-	(2,725,000)
Refund of prior year's expenditures	1,008,486	-	1,900	1,010,386
Proceeds from sale of fixed assets	112,500	-	-	112,500
Proceeds from financed purchase agreements	1,135,080	-	-	1,135,080
Insurance recoveries	161,339	-	-	161,339
Total other financing (uses) sources	(307,595)	2,725,000	1,900	2,419,305
Net change in fund balances	(5,726,491)	249,968	(5,569,671)	(11,046,194)
Fund Balances - July 1, 2024	23,812,675	24,667,915	12,917,888	61,398,478
Fund Balances - June 30, 2025	\$18,086,184	\$ 24,917,883	\$7,348,217	\$ 50,352,284

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

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

Year Ended June 30, 2025

Net change in fund balances - total governmental funds		\$ (11,046,194)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. The amount by which capital outlays exceeds depreciation/amortization in the period is as follows:</p>		
Capital outlays	14,535,163	
Less depreciation/amortization expense	<u>(10,593,848)</u>	3,941,315
<p>Because some taxes will not be collected for several months after the District's fiscal yearend, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount this year.</p>		
		167,720
<p>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, interest expense is recognized as the interest accrues, regardless of when it is due. The decrease in interest accrued in the Statement of Activities over the amount due is shown here.</p>		
		3,925
<p>Governmental funds report District pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense.</p>		
District pension and OPEB contributions (PSERS)		20,827,000
Cost of benefits earned net of employee contributions (PSERS)		<u>(14,876,400)</u>
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.</p>		
Change in compensated absences		(206,282)
Change in other post-employment benefits (District's Plan)		(248,906)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction; however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Repayment of long-term debt	3,050,000	
Amortization of charges for bond refunding	(29,378)	
Amortization of bond premiums and discounts - net	831,384	
Issuance of financed purchase agreements payable	<u>(1,135,080)</u>	
Repayment of financed purchase agreements payable	120,813	
Repayment of subscription liabilities	<u>170,951</u>	<u>3,008,690</u>
Change in net position - governmental activities		\$ 1,570,868

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUND - FOOD SERVICE
June 30, 2025

	Major Enterprise Fund Food Service Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 589,931
Investments	888,927
Receivables	
State sources	9,749
Federal sources	60,595
Other receivables	4,762
Inventories	74,261
Total current assets	<u>1,628,225</u>
Other capital assets, net of depreciation	1,001,681
Total assets	<u>\$ 2,629,906</u>
Deferred Outflows of Resources	
Deferred amounts on pension liability	\$ 356,000
Deferred amounts on OPEB liabilities	15,504
Total deferred outflows of resources	<u>\$ 371,504</u>
Liabilities	
Current liabilities	
Due to other funds	\$ 390,907
Accounts payable	231,938
Unearned revenues	65,931
Current portion of compensated absences	5,743
Total current liabilities	<u>694,519</u>
Long-Term Liabilities	
Net pension liability	2,396,000
Other post-employment benefits (OPEB) liabilities	110,420
Compensated absences	29,515
Total long-term liabilities	<u>2,535,935</u>
Total liabilities	<u>\$ 3,230,454</u>
Deferred Inflows of Resources	
Deferred amounts on pension liability	\$ 44,000
Deferred amounts on OPEB liabilities	42,082
Total deferred inflows of resources	<u>\$ 86,082</u>
Net Position (Deficit)	
Net investment in capital assets	\$ 1,001,681
Unrestricted (deficit)	(1,316,807)
Total net position	<u>\$ (315,126)</u>

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET
POSITION - PROPRIETARY FUND - FOOD SERVICE
Year Ended June 30, 2025**

	Major Enterprise Fund Food Service Fund
Operating Revenues	
Food service revenue	\$ 184,973
Operating Expenses	
Salaries	1,257,199
Employee benefits	801,321
Purchased professional and technical services	882
Purchased property services	74,936
Other purchased services	2,147,655
Supplies	341,310
Depreciation	103,681
Dues and fees	13,260
Total operating expenses	<u>4,740,244</u>
Operating loss	(4,555,271)
Nonoperating Revenues	
Investment earnings	71,272
State sources	629,640
Federal sources	3,060,994
Total nonoperating revenues	<u>3,761,906</u>
Change in net position	(793,365)
Net Position - July 1, 2024	499,763
Prior period adjustment (see Note 1)	<u>(21,524)</u>
Net Position - July 1, 2024 (restated)	478,239
Net Position - June 30, 2025	<u>\$ (315,126)</u>

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND - FOOD SERVICE
Year Ended June 30, 2025

	Major Enterprise Fund Food Service Fund
Cash Flows From Operating Activities	
Cash received from users	\$ 162,097
Cash payments to employees for services	(1,822,924)
Cash payments to suppliers for goods and services	(2,258,503)
Net cash used in operating activities	<u>(3,919,330)</u>
Cash Flows From Non-Capital Financing Activities	
State sources	671,321
Federal sources	3,091,509
Net cash provided by non-capital financing activities	<u>3,762,830</u>
Cash Flows from Capital and Related Financing Activities	
Capital outlay	<u>(481,603)</u>
Cash Flows From Investing Activities	
Investment earnings	<u>71,272</u>
Net change in cash and cash equivalents	(566,831)
Cash and Cash Equivalents:	
July 1, 2024	2,045,689
June 30, 2025	<u>\$ 1,478,858</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating loss	\$ (4,555,271)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	103,681
Value of donated commodities	243,831
(Increase) decrease in:	
Receivables	(464)
Inventory	(9,710)
Deferred outflow of resources	12,492
Increase (decrease) in:	
Internal balances	8,606
Accounts payable	85,419
Unearned revenue	(22,412)
Net pension liability	193,000
OPEB liabilities	123
Compensated absences	11,207
Deferred inflow of resources	10,168
Net cash used in operating activities	<u>\$ (3,919,330)</u>
Supplemental Disclosure	
Noncash non-capital financing activity	
USDA donated commodities	<u>\$ 243,831</u>

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2025

	Primary Government	Component Unit
	Custodial Fund	West Shore Foundation Fund
Assets		
Cash and cash equivalents	\$ 412,306	\$ 104,970
Investments	-	1,125,903
Prepaid expenses	-	2,856
Total assets	\$ 412,306	\$ 1,233,729
Net Position		
Net assets with donor restrictions	\$ -	\$ 24,560
Unrestricted	412,306	1,209,169
Total net position	\$ 412,306	\$ 1,233,729

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended June 30, 2025

	Primary Government Custodial Fund	Component Unit West Shore Foundation Fund
Additions		
Gifts and contributions	\$ -	\$ 175,978
Student activity revenues	627,845	-
Investment income:		
Interest and dividends	4,978	25,317
Net depreciation in fair value of investment	-	94,096
Investment expenses	-	(10,556)
Net investment income (loss)	4,978	108,857
Total additions	632,823	284,835
Deductions		
Student activity expenses	625,287	-
Support for education programs	-	145,993
General and administrative services	-	7,741
Fundraising expenses	-	35,327
Total deductions	625,287	189,061
Change in net position	7,536	95,774
Net Position - July 1, 2024	404,770	1,137,955
Net Position - June 30, 2025	\$ 412,306	\$ 1,233,729

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

West Shore School District (the District) is the level of government which has oversight responsibility and control over activities related to public school education. The report includes services provided by the District to residents within the boundaries of the Cumberland County municipalities Lemoyne Borough, Lower Allen Township, New Cumberland Borough, and Wormleysburg Borough and the York County municipalities of Fairview Township, Goldsboro Borough, Lewisberry Borough, and Newberry Township. Services provided include a comprehensive curriculum for primary and secondary education as well as special education and vocational education programs. The District receives revenue from local, state, and federal sources and must comply with the requirements of these funding sources.

The accounting policies of West Shore School District conform with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

A. Reporting Entity

Consistent with guidance contained in Statement No. 14 of the GASB, *The Financial Reporting Entity*, as amended, the criteria used by the District to evaluate the possible inclusion of related entities (Authorities, Boards, Councils, and so forth) within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the District reviews the applicability of the following criteria:

The District is financially accountable for:

1. Organizations that make up its legal entity.
2. Legally separate organizations if District officials appoint a voting majority of the organization's governing body and the District is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the District as defined below.

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

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

3. Organizations which are fiscally dependent on the District and have a financial benefit or burden as defined above. Fiscal dependency is established if the organization is unable to adopt its own budget, levy taxes or set rates or charges, or issue bonded debt without the approval of the District.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Based on the foregoing criteria, the District has included the West Shore Foundation (the Foundation) as a discretely presented component unit. The financial data of the Foundation is reported in the component unit column in the accompanying basic fund financial statements. This separate column is used to emphasize that the Foundation is legally separate from the District. The Foundation was formed in 1987 for the purpose of supporting projects related to educational programs and to create opportunities for development for the students, staff, and community within the West Shore School District. The separate financial statements for the Foundation are available by contacting the District office.

B. Joint Ventures

The District is a participant in three joint venture organizations, each of which is a separate legal entity that offers services to the District and its residents. Each of these entities serves several Districts and/or municipalities and, therefore, is not included in this reporting entity. These entities do not have taxing power, but are required to adopt an annual budget, which is funded primarily by its member Districts or others that use its services. Complete financial statements for these entities can be obtained from the respective entity's administrative office.

Cumberland County Tax Bureau provides earned income tax collection services. The amount paid for these services for the year ended June 30, 2025, was approximately \$364,936.

Capital Area Intermediate Unit provides special education services and programs. The amount paid for these services for the year ended June 30, 2025, was approximately \$1,888,000.

Cumberland Perry Area Vocational Technical School provides vocational and technical education services and programs. The amount paid for these services for the year ended June 30, 2025, was approximately \$6,709,000.

C. Basis of Presentation - Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprising each fund's assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

D. Basis of Presentation - Government-Wide Financial Statements

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

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Basis of Presentation - Government-Wide Financial Statements (Continued)

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Real estate and personal taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation and amortization are charged as an expense against current operations. Capital assets (net of accumulated depreciation), bonds and notes payable (net of unamortized discounts), net OPEB liability and net pension liability are presented in the statement of net position.

The statement of activities demonstrates the degree to which the direct expenses of given functions or programs are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or program. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are presented as general revenues.

E. Basis of Presentation - Fund Financial Statements

Fund financial statements are also provided for governmental, proprietary and fiduciary funds of the District. Major individual governmental funds and proprietary funds are presented as separate columns in the fund financial statements. Nonmajor funds, if any, are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Governmental funds are presented 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 received within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenue to be available if received within 60 days of the end of the fiscal period. Derived tax revenues (earned income taxes) are recognized when the underlying exchange transaction from which the tax revenue is derived occurs. In governmental funds, amounts not available to liquidate current period obligations are deferred. Revenue from federal, state, and other grants designated for payment of specific expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recognized as unearned revenues until earned. Expenditures generally are recognized 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 recognized only when payment is due.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Basis of Presentation - Fund Financial Statements (Continued)

Proprietary funds generally follow standards for accounting and financial presentation for private business enterprises to the extent that those standards do not conflict with or contradict guidance of the GASB. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses for the District's proprietary fund include food production costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are presented as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available, the District's general policy is to use the restricted (primarily operating grants) resources first, then unrestricted resources as they are needed.

The District has the following major governmental funds:

General Fund - The general fund is the principal operating fund of the District. It is used to account for all financial resources except those accounted for in another fund.

Capital Reserve Fund - This fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Projects Fund - This fund is used to account for all financial resources that are restricted, committed, or assigned to expenditures for capital outlays, related to bond funded construction projects.

The District reports the following proprietary funds:

Food Service Fund - This fund accounts for the revenues, food purchases, and other costs and expenses of providing meals to students during the school year.

The District reports the following fiduciary funds:

Custodial Fund - This fund accounts for assets held by the District as agent for others. This fund accounts for the receipts and disbursements of monies related to student-led activities.

F. Budgetary Accounting and Encumbrances

An operating budget is adopted prior to the beginning of each year on a modified accrual basis of accounting. The general fund is the only fund for which a budget is legally required.

The Pennsylvania School Code dictates specific procedures relative to budget adoption and financial statement presentation. The District, before levying annual school taxes, is required to prepare an operating budget for the succeeding fiscal year. This process includes the publishing of notices by advertisement, that the proposed budget has been prepared and is available for public inspection at the administrative office of the District, and that public hearings are held on the proposed operating budget which are required to be scheduled at least ten days prior to when final action on adoption is taken by the Board.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

F. Budgetary Accounting and Encumbrances (Continued)

Legal budgetary control is maintained at the sub-function/major object level. The Board may approve transfers of funds appropriated to any particular item of expenditure in accordance with the Pennsylvania School Code. Management may amend the budget at the sub-function/sub-object level without Board approval, provided it is not at a higher level than the Board adopted budget.

In order to preserve a portion of an appropriation for which an expenditure has been committed by a purchase order, contract or other form of commitment, an encumbrance is recognized. Unused encumbrances expire at the end of each year.

Included in the budget are program budgets as prescribed by the federal and state agencies funding the program. These budgets are approved on a program-by-program basis by the federal and state funding agencies.

G. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance

Cash and Cash Equivalents: Cash and cash equivalents include cash on hand, amounts in demand and interest-bearing bank deposits, and short-term investments with original maturities of three months or less from the date of acquisition. They are carried at cost plus accrued interest, which approximates fair value.

Investments: The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. The securities of 2a-7-like investment pools are valued at amortized cost, which approximates fair value of the pool.

The types of authorized investments are limited by State regulations. Pooled investment funds are required to be operated in accordance with State regulations.

Taxes Receivable and Deferred Inflows of Tax Revenues: The portion of delinquent real estate taxes receivable that is expected to be received within 60 days of June 30 is recorded as revenue in the current year. The remaining amount of those and other taxes receivable is recorded as deferred inflows of resources.

Real estate and personal taxes are levied as of July 1 with a legal, enforceable claim against the property. Amounts not collected within six months (December 31) are considered delinquent and submitted to outside agencies/entities for collection actions.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

G. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Inventories: Inventories represent food and supplies and are presented at the lower of cost or market on a first-in, first-out basis, and are expensed when consumed in the food service fund and on the government-wide financial statements. Federal donated commodities are valued at their fair market value as determined by the U.S. Department of Agriculture at the date of donation. The costs of inventory items in governmental funds are recorded as expenditures when purchased. The inventory cost has been recorded as an asset in the governmental funds, offset by fund balance classified as non-spendable in an equal amount.

Prepaid Expenses: Certain payments, if any, to vendors reflect expenses applicable to future accounting periods and are presented as prepaid expenses in both government-wide and fund financial statements.

Lease Receivable: The District is a lessor for non-cancellable leases of building and land. A lease receivable and a deferred inflow of resources is recognized in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The District uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Capital Assets and Depreciation: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are presented in the applicable governmental or business-type activities columns in the government-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. Capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are presented at historical cost or estimated historical cost if purchased or constructed. Donated assets are stated at acquisition value on the date donated.

Major outlays for capital assets and improvements are capitalized when incurred. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

G. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Capital Assets and Depreciation (Continued): Upon sale or retirement, the cost and related accumulated depreciation, if applicable, are eliminated from the respective government-wide and proprietary accounts and any resulting gain or loss is reflected in those accounts.

Capital assets are depreciated using the straight-line method over the following estimated useful lives (in years):

Assets	Governmental Activities	Business-Type Activities
Site Improvements	15 to 20	-
Buildings and Improvements	20 to 40	-
Furniture, Fixtures, and Equipment	3 to 15	3 to 12
Library Books	7	-
Transportation Equipment	8	-

Deferred Outflows of Resources - Pension and Other Post-Employment Benefits: The District recognizes deferred outflows of resources, which represent a consumption of net assets that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The District has identified these items in subsequent notes to the financial statements.

Deferred Outflows of Resources - Deferred Amounts on Refunding Debt: The District recognizes the difference between the re-acquisition price and the net carrying amount of the old debt as a deferred outflow and recognizes it as a component of interest expense over the remaining life of the old or new debt, whichever is shorter.

Unearned Revenues: Revenues that are received but not earned are reported as unearned revenues in the government-wide and fund financial statements. Unearned revenues arise when resources are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenue is removed from the respective financial statements and revenue is recognized.

Long-Term Obligations: In government-wide financial statements and in proprietary fund types in fund financial statements, bonds and notes payable and other long-term obligations are presented as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. They are categorized as gain or loss on bond refunding in the event that debt is refinanced. Amortization continues over the life of the new or refinanced debt, whichever is shorter.

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

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

G. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Lease and Subscription Based Information Technology Arrangement (SBITA) Liabilities: The District enters into non-cancellable arrangements for the leasing of buildings and equipment and for subscription based information technology. Leases and SBITAs that are significant, either individually or in the aggregate, are recognized as a liability and an intangible right-to-use asset in the government-wide financial statements.

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

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected payments to present value, (2) contract term, and (3) contract payments. The District uses the interest rate charged by the lessor as the discount rate for lease and SBITA liabilities, if provided. When the interest rate charged is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for lease and SBITA liabilities.

The term includes the non-cancellable period of the lease or SBITA. Payments included in the measurement of the liability are composed of fixed payments and the purchase option price that the District is reasonably certain to exercise. The District monitors changes in circumstances that would require a remeasurement of its arrangements and will remeasure the related asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

Right-to-use assets are reported with other capital assets and lease and SBITA liabilities are reported with long-term debt on the Statement of Net Position.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

G. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Compensated Absences: Effective July 1, 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This Statement establishes uniform recognition and measurement criteria for all types of compensated absences, including vacation, personal leave, sick leave, and other forms of paid time off that are attributable to services already rendered, accumulate and are more likely than not to be used or otherwise paid. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements.

As part of the implementation, the District adopted a last-in, first-out (LIFO) flow assumption for the use of leave balances. Under this approach, the most recently earned leave is assumed to be used first. This assumption aligns with the District's administrative practices and provides a more accurate reflection of the expected settlement value of compensated absences.

Under the terms of the District's employment agreements, employees earn vacation, personal, and sick leave in varying amounts. The compensated absences liability includes the estimated value of leave expected to be used during employment, based on historical usage patterns, as well as amounts expected to be settled upon separation from service in accordance with contractual payout provisions. The liability is measured using current pay rates and includes applicable salary-related benefits.

Pensions: 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.

Other Post-Employment Benefits (OPEB): In the government-wide financial statements, the District recognizes the costs and liabilities associated with post-employment benefits other than pension compensation. The District participates in two plans, the first is a single employer plan administered by the District. The Plan provides retiree health, vision, dental care and prescription drug benefits for eligible, retired employees and their qualified spouses/beneficiaries. The District estimates the cost of providing these benefits through an actuarial valuation.

The District also participates in a governmental cost sharing, multiple-employer other post-employment benefit plan (OPEB) with PSERS for all eligible retirees who qualify and elect to participate. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

G. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Other Post-Employment Benefits (OPEB) (Continued): The balance of the District’s OPEB liabilities and related deferred outflows/inflows of resources at June 30, 2025, are as follows:

	Governmental Activities	Business-Type Activities	Total
OPEB Liabilities			
District's Single Employer Plan	\$ 5,872,117	\$ 8,420	\$ 5,880,537
PSERS Cost-Sharing Plan	6,675,000	102,000	6,777,000
Total	\$ 12,547,117	\$ 110,420	\$ 12,657,537
Deferred Outflows of Resources			
District's Single Employer Plan	\$ 2,707,082	\$ 1,704	\$ 2,708,786
PSERS Cost-Sharing Plan	905,200	13,800	919,000
Total	\$ 3,612,282	\$ 15,504	\$ 3,627,786
Deferred Inflows of Resources			
District's Single Employer Plan	\$ 3,317,230	\$ 24,482	\$ 3,341,712
PSERS Cost-Sharing Plan	1,152,400	17,600	1,170,000
Total	\$ 4,469,630	\$ 42,082	\$ 4,511,712

Additional disclosures related to other post-employment benefits of the School’s Single Employer Plan and PSERS Cost Sharing Plan can be found in subsequent notes to the financial statements.

Deferred Inflows of Resources - Pension and Other Post-Employment Benefits: The District recognizes deferred inflows of resources, which represent an acquisition of net assets that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The District has identified these items in subsequent notes to the financial statements.

Interfund Activity: Exchange transactions between governmental funds are eliminated on the government-wide statements. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

G. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Net Position: Net position (deficit) represents total assets plus deferred outflows of resources less total liabilities and deferred inflows of resources. In the District-wide financial statements and proprietary fund financial statements, categories of net position are:

Net Investment in Capital Assets - This category presents all capital assets into one component of net position. Accumulated depreciation and outstanding debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This category presents the net position (deficit) of the District, which is not restricted for any project or other purpose. However, these funds may be committed or assigned for specific projects or purposes in the fund financial statements.

Fund Balance Classification: GASB has established criteria for classifying fund balances into specifically defined classifications based on a hierarchy that reflects the extent to which the District is bound to honor constraints on how those funds can be spent. The District's general policy is to first use restricted funds, if any, prior to using unassigned funds. The classifications of fund balance are:

Non-spendable - Amounts that cannot be spent because they are either in a (a) non-spendable form (i.e., inventories) or (b) legally or contractually required to be maintained intact (i.e. the principal of a permanent fund).

Restricted - Amounts constrained to be used for a specific purpose as per: External parties, contributors or enabling legislation.

Committed - Amounts constrained to be used for a specific purpose as per: The District's highest level of decision-making authority which is the Board of School Directors.

Assigned - Amounts intended to be used for a specific purpose as per: Committee or individual authorized by the Board of School Directors. Under the District's budgetary policies, the Business Manager may assign amounts.

Unassigned - Amounts available for any purpose (amounts that are not Non-spendable, Restricted, Committed or Assigned) in the general fund.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

H. New Accounting Pronouncements

The following list reflects only those pronouncements initially effective in the current or upcoming reporting periods which, based on our review, may be applicable to the District's reporting requirements.

Following is a description of a significant pronouncement that was considered or initially selected during the year ended June 30, 2025:

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through non-cash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*, establishes financial reporting requirements to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

The following are descriptions of accounting pronouncements which will be considered for implementation during subsequent fiscal years:

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for the District beginning with its year ending June 30, 2026 (fiscal years beginning after June 15, 2025). This Statement improves 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. This statement addresses requirements relating to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information and budgetary comparison information.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for the District beginning with its year ending June 30, 2026 (fiscal years beginning after June 15, 2025). This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Lease assets, subscription assets, intangible right-to-use assets and intangible assets should be disclosed separately by major class of underlying asset within the note disclosures. This Statement also requires additional disclosures for capital assets held for sale.

The effects of implementation of these standards have not yet been determined.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

I. Other

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates used in preparation of these financial statements include insurance deposit, depreciation, compensated absences, pension related items, and other postemployment benefits. Actual results could differ from those estimates.

Restatement of Beginning Net Position: During the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. Implementation of the new standard changed the District’s compensated absences liability measurement. The effects of the change in accounting principle are summarized in the “Restatement - GASB 101 implementation” column in the table below.

	Net Position at June 30, 2024, as previously reported	Restatement - GASB 101 implementation	Net Position at June 30, 2024, as restated
Government-wide			
Governmental activities	\$ (51,081,201)	\$ (3,585,136)	\$ (54,666,337)
Business-type activities	499,763	(21,524)	478,239
Total government-wide	<u>\$ (50,581,438)</u>	<u>\$ (3,606,660)</u>	<u>\$ (54,188,098)</u>

Subsequent Events: In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December 4, 2025, the date the financial statements were available to be issued. There were no subsequent events identified.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments

Under Section 440.1 of the Public-School Code of 1949, as amended, the District is permitted to invest its monies as follows:

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.

Certain other high-quality bank and corporate instruments.

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

The deposit and investment policy of the District adheres to state statutes. There were no deposits or investment transactions during the year that were significant violations of either the state statutes or the policy of the District.

Deposits: Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank default, the District's investments may not be returned to it. A summary of the District's deposits at June 30, 2025, are shown below:

	Carrying Amount	Bank Balance	Financial Institution
Insured (FDIC)	\$ 250,000	\$ 250,000	PNC
Insured (FDIC)	6,656	6,656	M&T
Insured (FDIC)	119,127	120,224	AmeriChoice
Insured (FDIC)	157,276	165,209	NCFCU
Insured (FDIC)	1,049	1,054	Members 1st
Insured (FDIC)	2,725	2,725	Fulton
Insured (FDIC)	43,623	43,623	Susquehanna Valley FCU
Insured (FDIC)	250,000	250,000	FNB
Uninsured, collateralized in accordance with Act 72	52,601	78,634	PNC
Uninsured, collateralized in accordance with Act 72	28,670,041	30,143,222	FNB
	<u>\$29,553,098</u>	<u>\$ 31,061,347</u>	

Act 72 of 1971, as amended, is an act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis and authorizing the appointment of custodians to act as the pledgers of the assets.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Investments

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District currently does not have any investments that are measured at fair value.

Investments measured at amortized cost are as follows at June 30, 2025:

	Credit Rating	Weighted Avg. Maturity in Years	Carrying Value
Pennsylvania School District Liquid Asset Fund			
PSDMAX	AAAm	0.115	\$ 2,700,556
Pennsylvania Local Government Investment Trust			
PLGIT/Class	AAAm	0.282	2,758,084
PLGIT/PRIME	AAAm	0.222	8,331,402
PLGIT/TERM	AAAm	Various	18,000,000
			<u>\$ 31,790,042</u>

The PSDMAX fund is a 2a7-like pool. The PSDMAX fund invests in U.S. treasury securities, U.S. government securities, its agencies and instrumentalities, and repurchase agreements, collateralized by such securities and contracted with highly-rated counterparties. Weighted-average portfolio maturity for the fund is expected to be kept at or below 60 days. PSDMAX does not have limitations or restrictions on withdrawals. The pool is audited annually by PricewaterhouseCoopers, LLP, an independently elected public official.

The Pennsylvania Local Government Investment Trust (PLGIT) is a 2a7-like pool. The amortized cost, which approximates fair value of the pool, is determined by the pool's share price. The District's investments in the PLGIT account are subject to a one-day holding period. The PLGIT/Class is a flexible option which requires no minimum balance, no minimum initial investment, and pays dividends monthly. The PLGIT/PRIME investment option is a variable rate investment portfolio which requires no minimum balance and no minimum initial investments with redemptions or exchanges limited to two per calendar month. The District has no regulatory oversight for the pool, which is governed by the Board of Trustees and is administered by PFM Asset Management, LLC. The pool is audited annually by Ernst & Young, LLP, an independently elected public official.

The fair value of the PLGIT/TERM investment categorized as Level 2 is derived from the closing bid prices of the last business day of the month as supplied by a third-party pricing service. When prices are not available, the investment is priced using a yield-based matrix system. The PLGIT/TERM is a fixed term investment portfolio with maturity of up to one year, depending upon the termination date of any particular series within the PLGIT/TERM portfolio. This option requires a minimum investment of \$100,000, a minimum investment period of sixty (60) days and has a premature withdrawal penalty.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Weighted-Average Maturity: The weighted-average maturity (WAM) method expresses investment time horizons - the time when investments become due and payable - in years or months, weighted to reflect the dollar-size of individual investments within an investment type. In this illustration, WAMs are computed for each investment type. The portfolio's WAM is derived by dollar-weighting the WAM for each investment type.

Interest Rate Risk: The District does not have a formal investment policy for interest rate risk, but generally limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk: The District places no limit on the amount they may invest in any one issuer. On June 30, 2025, the District does not have any concentrations of credit risk in its investments.

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

Note 3. Real Estate Taxes

Based upon assessments provided by the County, the District bills and collects its own property taxes. The District tax rate for the year ended June 30, 2025, was 14.3078 mills for Cumberland, and 17.3022 mills for York, as levied by the Board of School Directors. The schedule for real estate taxes levied for the fiscal year ended June 30, 2025, follows:

July 1	Tax Levy Date
July 1 - August 31	2% Discount Period
September 1 - October 31	Face Payment Period
November 1 - December 31	10% Penalty Period
January 1	Lien Filing Date

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 4. Taxes Receivable and Deferred Taxes

The District, in accordance with accounting principles generally accepted in the United States of America, recognized the delinquent and unpaid taxes receivable. A portion of the receivable amount which was available within 60 days was recognized as revenue and the balance deferred in the fund financial statements. An allowance of \$235,066 as of June 30, 2025, has been recorded for taxes receivable that are not considered to be fully collectible. The balances at June 30, 2025, are as follows:

	Gross Taxes Receivable	Net Taxes Receivable	Revenue Recognized	Deferred Taxes
Real Estate Taxes	\$ 2,138,708	\$ 2,083,183	\$ 477,695	\$ 1,605,488
Personal Taxes	179,762	220	-	220
Earned Income Taxes	3,684,583	3,684,583	3,684,583	-
General Fund	6,003,053	5,767,986	4,162,278	1,605,708
Full Accrual Adjustment	-	-	-	(1,605,708)
Governmental Activities	\$ 6,003,053	\$ 5,767,986	\$ 4,162,278	\$ -

Note 5. Leases Receivable

The District leases buildings and land to third parties. Currently the District has a lease for four years and six months and is to receive monthly payments of \$13,158. Additionally, the District has a lease for nine years and ten months and is to receive annual payments of \$70,000. The District recognized \$184,630 in total lease revenue and \$14,126 in total interest revenue during the fiscal year ended June 30, 2025, related to these leases.

At June 30, 2025, the District's receivable for lease payments was \$928,926. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the deferred inflow of resources was \$916,078.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 6. Interfund Balances and Interfund Transfers

Individual fund receivable and payable balances at June 30, 2025, are as follows:

Fund	Interfund Receivables	Interfund Payables
Governmental Funds		
General	\$ 390,907	\$ -
Proprietary Funds		
Food Service	-	390,907
	\$ 390,907	\$ 390,907

All interfund receivable/payable balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All balances are expected to be repaid within the following year.

Individual fund transfers during the fiscal year ended June 30, 2025, are as follows:

Fund	Transfer In	Transfer Out
Governmental Funds		
General	\$ -	\$ 2,725,000
Capital Reserve	2,725,000	-
	\$ 2,725,000	\$ 2,725,000

Transfers from the general fund to the capital reserve fund were made to provide resources for future capital expenditures.

Note 7. Amounts Receivable from Life Insurance Contracts

The District provides its current and former administrative employees with life insurance coverage through the use of split-dollar endorsement insurance agreements. Under these agreements, the District pays the life insurance premiums and is reimbursed for a portion of the premiums by the employees, predominantly through payroll deductions. The premiums may continue after the employee's retirement under certain circumstances. The District is the owner of all the split-dollar endorsement insurance policies.

Upon the death or termination, other than retirement, of the employee, the District is entitled to receive the greater of the amount of the premiums paid by it toward the policy, or any excess death benefit provided by the policy after payment of death benefits. It has been the District's policy to record a receivable equal to the lesser of the net cash values of the policies or the total accumulated premiums paid, which totals \$1,635,750 at June 30, 2025. Because this asset does not represent a current financial resource to be used in the general fund, it is included in non-spendable fund balance.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 8. Capital and Right-to-use Assets

Capital and right-to-use asset activity for the year ended June 30, 2025, was as follows:

	July 1, 2024	Additions	Deletions	June 30, 2025
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 8,849,548	\$ -	\$ -	\$ 8,849,548
Construction-in-progress	94,448,609	10,123,888	(100,971,449)	3,601,048
Total capital assets not being depreciated	103,298,157	10,123,888	(100,971,449)	12,450,596
Capital and right-to-use assets being depreciated/amortized				
Site improvements	10,708,905	1,300,270	-	12,009,175
Buildings and improvements	175,302,486	99,679,171	-	274,981,657
Furniture, fixtures, and equipment	25,016,183	4,289,786	-	29,305,969
Library books	1,905,135	-	-	1,905,135
Transportation equipment	1,844,014	113,497	-	1,957,511
Right-to-use subscription assets	1,097,455	-	-	1,097,455
Total capital and right-to-use assets being depreciated/amortized	215,874,178	105,382,724	-	321,256,902
Less accumulated depreciation/amortization				
Site improvements	6,509,296	395,153	-	6,904,449
Buildings and building improvements	95,484,269	8,086,301	-	103,570,570
Furniture, fixture, and equipment	19,113,331	1,866,003	-	20,979,334
Library books	1,831,393	16,562	-	1,847,955
Transportation equipment	1,601,005	52,973	-	1,653,978
Right-to-use subscription assets	223,701	176,856	-	400,557
Total accumulated depreciation/amortization	124,762,995	10,593,848	-	135,356,843
Total capital and right-to-use assets being depreciated/amortized, net	91,111,183	94,788,876	-	185,900,059
Total Governmental Activities, Capital and Right-to-use Assets - Net	\$194,409,340	\$104,912,764	\$(100,971,449)	\$198,350,655
Business-Type Activities				
Capital assets being depreciated				
Furniture and equipment	\$ 1,613,885	\$ 481,603	\$ -	\$ 2,095,488
Less accumulated depreciation				
Furniture and equipment	990,126	103,681	-	1,093,807
Business-Type Activities, Capital Assets - Net	\$ 623,759	\$ 377,922	\$ -	\$ 1,001,681

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 8. Capital and Right-to-use Assets (Continued)

Depreciation and amortization expenses were charged to functions/programs of the primary government as follows:

	Amount
Governmental Activities	
Instruction	\$ 7,582,665
Instructional student support	1,020,706
Administration and financial support services	1,308,764
Operation and maintenance of plant services	478,653
Transportation	32,718
Student activities	168,651
Community Service	1,691
Total governmental activities	<u>10,593,848</u>
Business-Type Activities	
Food service	103,681
Total School District	<u>\$ 10,697,529</u>

Note 9. Accrued Salaries and Benefits

At June 30, 2025, the District was liable for \$6,531,380 of payroll, which is payable during July and August 2025, to those employees who have a ten-month contract but are paid over a twelve-month period, to non-salaried employees who performed services through June 30, 2025, and to retiring professional employees who are receiving a payout of their accumulated compensated absences. The District was also liable for the benefits on payroll paid prior to or accrued as of June 30, 2025.

Accrued salaries and benefits as of June 30, 2025, are as follows:

	Total
Accrued salaries	\$ 6,531,380
Accrued benefits	
Retirement	7,373,157
Medical and dental	2,381,714
Other benefits	471,157
	<u>\$ 16,757,408</u>

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 10. Long-Term Obligations

A summary of the District's long-term obligations as of June 30, 2025, and transactions during the year then ended follows:

	July 1, 2024 (restated)	Increases	Decreases	June 30, 2025	Due within one year
Governmental Activities:					
General obligation debt	\$ 136,465,000	\$ -	\$ 3,050,000	\$ 133,415,000	\$ 3,150,000
Unamortized bond premiums/discounts	11,729,923	-	831,384	10,898,539	791,710
Financed purchase agreements payable	231,625	1,135,080	120,813	1,245,892	543,328
Subscription liabilities	880,086	-	170,951	709,135	174,453
Compensated absences *	5,936,957	206,282	-	6,143,239	316,189
Total governmental activities	<u>\$ 155,243,591</u>	<u>\$ 1,341,362</u>	<u>\$ 4,173,148</u>	<u>\$ 152,411,805</u>	<u>\$ 4,975,680</u>
Business-Type Activities:					
Compensated absences *	<u>\$ 24,051</u>	<u>\$ 11,207</u>	<u>\$ -</u>	<u>\$ 35,258</u>	<u>\$ 5,743</u>

*The change in compensated absences is presented as a net change.

The District pays the long-term obligations of the governmental activities from the general fund and the long-term obligations of the business-type activities from the food service fund.

General Obligation Debt

The District issues general obligation bonds and notes to provide funds for major capital improvements. These bonds and notes are direct obligations and pledge the full faith and credit of the District. Currently, the District has general obligation debt with interest rates and outstanding principal amounts at June 30, 2025, as follows:

Issue	Final Maturity	Interest Rates	Principal Outstanding at June 30, 2025	Principal Due within one year	Interest Due within one year
Series A of 2017 Bonds	November 2028	2.00% to 5.00%	\$ 7,170,000	\$ 1,720,000	\$ 154,313
Series of 2018 Bonds	November 2048	2.00% to 5.00%	22,650,000	35,000	1,130,025
Series of 2019 Bonds	November 2048	2.00% to 4.00%	8,830,000	5,000	352,750
Series of 2020 Bonds	November 2048	2.00% to 5.00%	60,005,000	5,000	2,484,125
*Series of 2021 Note	September 2028	0.94%	5,540,000	1,370,000	45,637
Series of 2022 Bonds	November 2051	4.00% to 4.50%	9,985,000	5,000	428,778
Series of 2023 Bonds	November 2052	4.00% to 5.00%	9,515,000	5,000	454,794
Series of 2024 Bonds	November 2052	4.375% to 5.00%	9,720,000	5,000	425,094
			<u>\$ 133,415,000</u>	<u>\$ 3,150,000</u>	<u>\$ 5,475,516</u>

*Direct Borrowings

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 10. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual debt service requirements to maturity for the above governmental general debt obligations are as follows:

Year ending June 30:	Direct Borrowings		General Obligation Bonds		Total
	Principal	Interest	Principal	Interest	
2026	\$ 1,370,000	\$ 45,637	\$ 1,780,000	\$ 5,429,878	\$ 8,625,515
2027	1,385,000	32,689	1,845,000	5,366,278	8,628,967
2028	1,395,000	19,623	1,880,000	5,327,803	8,622,426
2029	1,390,000	6,533	1,940,000	5,287,171	8,623,704
2030	-	-	3,375,000	5,184,165	8,559,165
2031-2035	-	-	19,485,000	23,288,800	42,773,800
2036-2040	-	-	24,205,000	18,543,292	42,748,292
2041-2045	-	-	29,970,000	12,778,701	42,748,701
2046-2050	-	-	32,425,000	5,690,521	38,115,521
2051-2053	-	-	10,970,000	751,084	11,721,084
	<u>\$ 5,540,000</u>	<u>\$ 104,482</u>	<u>\$ 127,875,000</u>	<u>\$ 87,647,693</u>	<u>\$ 221,167,175</u>

Financed Purchase Agreements Payable

The District finances computer equipment for both students and staff that are located throughout the District. The related finance purchase agreements are recorded at the present values of related future, minimum payments as of the inception date. All financed purchase agreements are funded by the General Fund.

The assets acquired through financed purchase agreements are as follows:

Assets	Amount
Computer equipment	\$ 1,366,705
Less accumulated depreciation	(223,136)
Total computer equipment - net book value	<u>\$ 1,143,569</u>

Scheduled minimum payments are as follows.

	Amount
June 30, 2026	\$ 543,328
June 30, 2027	537,438
June 30, 2028	118,283
June 30, 2029	46,843
Total minimum lease payments	1,245,892
Less amount representing interest	-
Total present value of net minimum lease payments	<u>\$ 1,245,892</u>

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 10. Long-Term Obligations (Continued)

Subscription Based Information Technology Arrangements (SBITA) Liabilities:

The District enters into various arrangements for administrative and educational software and other information technology. Many of the software and information technology arrangements are for a term of one year or less. However, the District also enters into arrangements that are for greater than one year which require accounting for and reporting of a right-to-use subscription asset and liability. These terms range from two to seven years in length.

The District's subscription based information technology arrangements contain scheduled annual payments with expiration dates extending through 2030. Payments of the subscription liability are primarily funded by the general fund.

The following is a schedule of future minimum subscription liability payments for agreements with initial or remaining terms in excess of one year as of June 30, 2025:

Year ending June 30:	Principal	Interest	Total
2026	\$ 174,453	\$ 13,083	\$ 187,536
2027	129,691	9,509	139,200
2028	132,309	6,891	139,200
2029	134,979	4,221	139,200
2030	137,703	1,497	139,200
	<u>\$ 709,135</u>	<u>\$ 35,201</u>	<u>\$ 744,336</u>

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11. Defined Benefit Pension Plan

Plan Description

PSERS (Pennsylvania Public School Employee's Retirement System or the System) 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.

Benefits Provided

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 become new members on or after July 1, 2011. Act 120 created two new membership classes: Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

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

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

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

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11. Defined Benefit Pension Plan (Continued)

Contributions

Member Contributions:

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

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

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

Employer Contributions:

The District's contractually required contribution rate for the fiscal year ended June 30, 2025, was 33.27% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Included in the District's contractually required contribution rate is the Act 5 contribution rate totaling an estimated 0.35 percent.

The District is required to pay the entire contribution and will be reimbursed by the Commonwealth in an amount equal to the Commonwealth's share as determined by the income aid ratio (as defined in Act 29 of 1994), which is at least one-half of the total District's rate. The District's contributions to the Plan, relating to pension benefits, for the year ended June 30, 2025, was \$20,810,388, and is equal to the required contribution for the year. For the year ended June 30, 2025, the District recognized gross retirement subsidy revenue from the Commonwealth in the amount of \$10,649,124.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11. Defined Benefit Pension Plan (Continued)

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

At June 30, 2025, the District reported a liability of \$159,760,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System’s total pension liability as of June 30, 2023 to June 30, 2024. The District’s proportion of the net pension liability was calculated utilizing the employer’s one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2025, the District’s reported proportion was 0.3817%, which was an increase of 0.0008% from its proportion reported as of June 30, 2024.

For the year ended June 30, 2025, the District recognized pension expense of \$15,187,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,512,000
Net difference between projected and actual investment earnings	2,644,000	-
Changes in proportion	259,000	453,000
Contributions subsequent to the measurement date	20,810,000	-
	<u>\$ 23,713,000</u>	<u>\$ 2,965,000</u>

\$20,810,000 is reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Amount
2026	\$ (4,505,000)
2027	4,189,000
2028	791,000
2029	(537,000)
	<u>\$ (62,000)</u>

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

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

- Valuation Date - June 30, 2023
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.50%.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023, and as of June 30, 2024.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021, actuarial valuation:
 - Salary growth rate - decreased from 5.00% to 4.50%.
 - Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
 - Mortality rates - Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021, actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

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

Investments

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

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

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.08%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11. Defined Benefit Pension Plan (Continued)

Investments (Continued)

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

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

Discount Rate

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

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11. Defined Benefit Pension Plan (Continued)

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

The following presents the District's proportionate share of the net pension liability, calculated using the discount rate of 7.00%, as well as what the District's proportionate share of 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 discount rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$210,453,000	\$159,760,000	\$116,954,000

Pension Plan Fiduciary Net Position

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

Plan Payables

At June 30, 2025, the District reported a payable to PSERS of \$7,236,134 which represents the employer contributions owed to the pension plan.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Post-Employment Benefits - District’s Single Employer Plan

Plan Description

The District maintains a single employer defined benefit OPEB plan to provide postemployment health care benefits. The Board of School Directors is authorized to establish and amend the financing requirements and benefits, subject to collective bargaining for certain classes of employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue stand-alone financial statements.

GROUP	ELIGIBILITY	COVERAGE AND PREMIUM SHARING	DURATION
I. ADMINISTRATORS			
A. Medical Insurance	Retire through PSERS	<p>Coverage: Medical and Prescription Drug</p> <p>Premium Sharing: If the member has 15 years of service with WSSD then the district pays the full single rate for the member until the earlier of 10 years or member reaching age 65. If the spouse is on the plan, then the member must pay the difference between the single rate and the two-party rate. After the 10 years of the district paid benefit, the member and spouse can stay on the plan by paying the full premium until age 65.</p> <p>Otherwise, member pays premiums in full</p> <p>Dependents: Spouse included</p> <p>Grandfathered Retirees: Two retirees are eligible to receive a \$250/month reimbursement for medical coverage for life.</p>	<p>Member coverage ceases at member age 65.</p> <p>Spouse coverage ceases at the earlier of member age 65 or spouse age 65.</p>
B. Life insurance	15 years of service with WSSD	<p>Coverage: Life insurance amount determined by the table below</p> <p>1-5 years of service - \$100,000 life insurance coverage 6-10 years of service - \$125,000 life insurance coverage 11-15 years of service - \$150,000 life insurance coverage 16-20 years of service - \$175,000 life insurance coverage 21+ years of service - \$200,000 life insurance coverage</p> <p>Premium Sharing: District pays premiums in full but member is required to contribute the economic benefit value which is based on their age and per thousand dollars of insurance</p> <p>Dependents: None included</p>	Lifetime of member
II. TEACHERS			
	Retire through PSERS	<p>Coverage: Medical and Prescription Drug</p> <p>Premium Sharing: Member pays premiums in full</p> <p>Dependents: Spouse included</p>	Same as I-A
	Member has passed away and has a spouse at the time of passing	<p>Year 1: Spouse can stay on plan by paying active contribution amount.</p> <p>Years 2 and 3: Spouse can stay on plan by paying premium in full</p> <p>Past year 3: Moves to COBRA (not valued in this report)</p>	Spouse receives benefit for 3 years past member passing
III. SUPPORT STAFF			
	15 years of PSERS or Act 110/43	<p>Coverage: Medical and Prescription Drug</p> <p>Premium Sharing: Member pays premiums in full</p> <p>Dependents: Spouse included</p>	Same as I-A

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Post-Employment Benefits - District's Single Employer Plan (Continued)

Plan Description (Continued)

Notes: Act 110/43 Eligibility: All employees are eligible for this benefit upon retirement with 30 years of PSERS service or upon superannuation retirement.
PSERS Retirement:
1) Pension Class T-C or T-D: An employee is eligible for PSERS retirement if he (or she) is eligible for either: i) PSERS early retirement while under 62 with 5 years of PSERS service or ii) PSERS superannuation retirement upon reaching age 60 with 30 years of PSERS service, age 62 with 1 year of PSERS service, or 35 years of PSERS service regardless of age. In general, these pension classes apply to individuals who were members of PSERS prior to July 1, 2011.
2) Pension Class T-E or T-F: An employee is eligible for PSERS retirement if he (or she) is eligible for either: i) PSERS early retirement while under 65 with 10 years of PSERS service or ii) PSERS superannuation retirement upon reaching age 65 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 92 with a minimum of 35 years of PSERS service. In general, these pension classes apply to individuals who became members of PSERS on or after July 1, 2011 and prior to July 1, 2019.
3) Pension Class T-G: An employee is eligible for PSERS retirement if he (or she) is eligible for either: i) PSERS early retirement while under 67 with 10 years of PSERS service or ii) PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 97 with a minimum of 35 years of PSERS service. In general, this pension class applies to individuals who became members of PSERS on or after July 1, 2019.
4) Pension Class T-H: An employee is eligible for PSERS retirement if he (or she) is eligible for either: i) PSERS early retirement while under 67 with 10 years of PSERS Service or ii) PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS. In general, this pension class applies to individuals who became members of PSERS on or after July 1, 2019.
5) All individuals except those in Pension Class T-G are eligible for a special early retirement upon reaching age 55 with 25 years of PSERS service. Individuals in Pension Class T-G are eligible for a special early retirement upon reaching age 57 with 25 years of PSERS service.

Employees Covered by the Benefit Terms

On July 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	42
Inactive employees entitled to but not yet receiving benefits	-
Active employees	837
	879

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

At June 30, 2025, the District reported a liability of \$5,880,537 for the total OPEB liability. The total OPEB liability was measured as of July 1, 2024, and was determined by an actuarial valuation as of July 1, 2024. The OPEB liability is composed of the following:

	Amount
Balance, beginning	\$ 6,156,260
Changes for the year	
Service cost	399,201
Interest	263,230
Differences between expected and actual experience	(606,658)
Changes in assumptions	4,217
Benefit payments	(335,713)
Net Changes	(275,723)
Balance, ending	\$ 5,880,537

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Post-Employment Benefits - District's Single Employer Plan (Continued)

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$532,116. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,878,392	\$ 1,878,272
Changes in assumptions	547,367	1,463,440
Benefit payments subsequent to the measurement date	283,027	-
	<u>\$ 2,708,786</u>	<u>\$ 3,341,712</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$283,027 resulting from District benefit payments subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ending June 30:	Total
2026	\$ (130,315)
2027	(130,315)
2028	(130,315)
2029	(130,315)
2030	(130,311)
Thereafter	(264,382)
	<u>\$ (915,953)</u>

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Post-Employment Benefits - District's Single Employer Plan (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2024, following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Inflation - 2.5%
- Salary Increases - 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%
- Discount Rate - 4.29%. Based on S&P Municipal Bond 20 Year High Grade Rate Index at July 1, 2024
- Actuarial Cost Method: Entry Age Normal, Level Percent of Pay
- Healthcare Cost Trend: 7.0% in 2024 with 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
- Retirees' Share of Benefit-Related Costs: Retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.
- Mortality Rates: PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees. Incorporated into the tables are rates projected generationally using Scale MP-2021 to reflect mortality improvement.
- Percent of Eligible Retirees Electing Coverage: 95% of administrators, 45% of teachers, and 25% of support staff are assumed to elect coverage.

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

The following presents the total OPEB liability of the District calculated using the discount rate of 4.29%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (3.29%) or one-percentage-point higher (5.29%) than the current discount rate:

	1% Decrease 3.29%	Current Discount Rate 4.29%	1% Increase 5.29%
Total OPEB liability	\$ 6,316,697	\$ 5,880,537	\$ 5,466,913

Changes in Actuarial Assumptions

The discount rate used to measure the total OPEB liability increased from 4.13% as of July 1, 2023 to 4.29% as of July 1, 2024.

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

The following presents the total OPEB liability of the District calculated using the health care cost trend rates of (7.0% decreasing to 4.0%), as well as what the total OPEB liability would be if it were calculated using a health care cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 5,276,842	\$ 5,880,537	\$ 6,581,338

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 13. Other Post-Employment Benefits - PSERS Cost-Sharing Plan

Plan Description

PSERS administers a defined benefit pension plan, and two post-employment healthcare programs, the Health Insurance Premium Assistance Program (Premium Assistance) and the Health Options Program (HOP) for its retirees. The HOP is a PSERS sponsored voluntary health insurance program for the sole benefit of PSERS retirees, spouses of retirees, and survivor annuitants and their dependents who participate in HOP. The HOP is funded exclusively by the premiums paid by its participants for the benefit coverage they elect.

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

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

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

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

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

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 Contribution

The Districts' contractually required contribution rate for the fiscal year ended June 30, 2025, was 0.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$394,065 for the year ended June 30, 2025.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 13. Other Post-Employment Benefits - PSERS Cost-Sharing Plan (Continued)

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

At June 30, 2025, the District reported a liability of \$6,777,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2023, to June 30, 2024. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District's reported proportion was 0.3815%, which was an increase of 0.0006% from its proportion reported as of June 30, 2024.

For the year ended June 30, 2025, the District recognized OPEB expense of \$283,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,000	\$ 102,000
Changes in assumptions	413,000	1,035,000
Net difference between projected and actual investment earnings	7,000	-
Changes in proportion	79,000	33,000
Contributions subsequent to the measurement date	394,000	-
	<u>\$ 919,000</u>	<u>\$ 1,170,000</u>

\$394,000 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Amount
2026	\$ (151,000)
2027	(198,000)
2028	(242,000)
2029	(35,000)
2030	(19,000)
	<u>\$ (645,000)</u>

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 13. Other Post-Employment Benefits - PSERS Cost-Sharing Plan (Continued)

Actuarial Assumptions

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

- Valuation Date - June 30, 2023
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 4.21% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.5%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate Pre age 65 at 50%
 - Eligible retirees will elect to participate Post age 65 at 70%
- The discount rate used to measure the total OPEB liability increased from 4.13% as of June 30, 2023, to 4.21%, as of June 30, 2024.

The actuarial assumptions used in the June 30, 2023, 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, 2022, determined the employer contribution rate for fiscal year 2024.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021, was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 13. Other Post-Employment Benefits - PSERS Cost-Sharing Plan (Continued)

Investments

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

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the 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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	1.7%
	<u>100.0%</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 of June 30, 2024.

Discount Rate

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

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 13. Other Post-Employment Benefits - PSERS Cost-Sharing Plan (Continued)

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

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

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
District's proportionate share of the net OPEB liability	\$ 7,656,000	\$ 6,777,000	\$ 6,041,000

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

The following presents the District’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates (between 5% to 7%) that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 6,777,000	\$ 6,777,000	\$ 6,778,000

OPEB Plan Fiduciary Net Position

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

Plan Payables

At June 30, 2025, the District reported a payable to PSERS of \$137,023 which represents the employer contributions owed to the OPEB plan.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 14. Fund Balance Classifications

Non-spendable fund balance represents the component of fund balance that cannot be spent either because they are not in a spendable form or is required to be legally or contractually maintained intact. Committed fund balances represent fund balances that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. At June 30, 2025, the District has the following non-spendable and committed fund balance:

	General Fund	Capital Reserve Fund	Capital Projects Fund	Total Governmental Funds
Nonspendable, reported in				
Inventory	\$ 78,599	\$ -	\$ -	\$ 78,599
Prepaid expenses	405,795	-	-	405,795
Amounts receivable from life insurance contracts	1,635,750	-	-	1,635,750
Restricted for, reported in				
Capital projects	-	24,917,883	-	24,917,883
Committed to, reported in				
Offset future retirement contribution rate increases	500,000	-	-	500,000
Future healthcare costs	2,000,000	-	-	2,000,000
Capital projects	-	-	7,348,217	7,348,217
Assigned, reported in				
Social workers	33,345	-	-	33,345
Concession	31,277	-	-	31,277
Equipment	112,500	-	-	112,500
Capital outlays	5,000,000	-	-	5,000,000
Unassigned, reported in				
General Fund	8,288,918	-	-	8,288,918
	<u>\$18,086,184</u>	<u>\$24,917,883</u>	<u>\$ 7,348,217</u>	<u>\$ 50,352,284</u>

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 15. Risk Management

Health Insurance

The District self-insures its employees' medical, dental, and prescription drug benefits and retains independent claims companies to administer the plans. The District obtains reinsurance coverage for the medical and prescription drug benefits through a commercial insurance company, reinsuring claims in excess of \$225,000 per individual. The District does not reinsure its dental benefits which are subject to a \$1,000 per participant liability per year.

A liability for claims incurred prior to June 30, 2025, and subsequently paid is recorded in the amount of \$1,259,001 in accounts payable in the general fund. For the year ended June 30, 2024, the liability for claims incurred prior to June 30, 2024, and subsequently paid was \$1,347,126.

Changes in the District's claims liability amount in fiscal years 2025 and 2024 are:

	Beginning Liability	Claims and Changes in Estimates	Claims Paid	Ending Liability
2023-2024	\$ 1,312,542	\$ 12,741,076	\$ 12,706,492	\$ 1,347,126
2024-2025	\$ 1,347,126	\$ 11,667,607	\$ 11,755,732	\$ 1,259,001

Management maintains the accrued medical, dental and drug expenses at a level it believes will be sufficient to pay the estimated amounts of claims that will be incurred but not reported (IBNR). In estimating the expense accrual, management considers advice from its independent claims' companies and any extraordinary claims that have been incurred or are expected to be incurred and paid from expendable available financial resources.

Other Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. For State unemployment compensation laws, the District is self-insured, which is a common practice for local governmental units. Any unemployment claims are paid by the District on a quarterly basis as incurred.

Funding Constraints

As of the date of issuance of these financial statements, the District is subject to external constraints that may create a risk of substantial impact on its financial position. During the fiscal year ended June 30, 2025, approximately 30% of the District's General Fund revenues were derived from the Commonwealth of Pennsylvania and the Federal Government. The District is dependent on timely appropriations and disbursements from these governments to fund its operations and programs. The Commonwealth of Pennsylvania and Federal Government have experienced delays in the passage of their annual budgets, resulting in delays in the release of state and certain federal pass-through funds to local governments and agencies. Management continues to monitor the budget process at both the federal and state levels and will update its mitigation strategies as necessary.

WEST SHORE SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 16. Commitments, Contingencies and Uncertainties

General

The District is named as a defendant in various lawsuits, all in the ordinary course of business. The District intends to vigorously defend itself against these actions. Legal counsel for the District has advised that they cannot offer an opinion as to the probable outcome of all such actions. In the opinion of management, the ultimate liabilities, if any, resulting from these claims will not have a material adverse effect on the financial position of the District.

Collective Bargaining Agreement

The District has entered into collective bargaining agreements with the West Shore Education Association (WSEA) and the District Council 89 of the American Federation of State, County & Municipal Employees, AFL-CIO (AFSCME). The agreement with the WSEA in effect is for the period of September 1, 2022, through August 31, 2027. The AFSCME agreement in effect is for the period of July 1, 2024, through June 30, 2028. The agreements stipulate the overall working conditions as well as the provisions for wages and employee benefits for the District's professional and support staff for the terms of the contracts.

Capital Projects

In May 2017, the District adopted the facilities and feasibility study option number one, the feeder school concept. The study was an in-depth review of the school facilities that resulted in a plan for ensuring schools meet the needs of the students. The construction and associated costs will be completed in various phases that began during the year ended June 30, 2020, and will continue beyond 2026. The total estimated costs at the time of the study were \$218.3 million to \$246.7 million. Initially, the District entered into an agreement with an underwriter to fund up to \$118,000,000 in general obligation bonds to begin Phases I and 2 of this project. As time passed and those projects have moved forward, it is clear the initial amount authorized is no longer sufficient to complete phases 1 and 2. In addition, after 5 years, the board felt it was not appropriate to rely solely on the authorization issued in 2017 and have adopted parameter resolutions prior to each bond issuance. The District has entered into various contracts for these and other projects.

Grant Programs

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and review by the grantor agencies; therefore, any findings or adjustments by the grantor agencies could have an effect on the recorded grants receivable and/or deferred grant revenues, and on the related grant revenues and expenditures.

Transportation Contract

The District has entered into an agreement for the transportation of school pupils. The Agreement is for the period of July 1, 2018, through June 30, 2023, and was extended through June 30, 2024. This Agreement has once again been extended through June 30, 2025. The contractor provides all equipment and labor necessary. The cost for the transportation services will be determined based on rate schedules included in the contract. The transportation services expense related to this contract was approximately \$5,519,277 for the year ended June 30, 2025.

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REQUIRED SUPPLEMENTARY INFORMATION

WEST SHORE SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Favorable (Unfavorable)
Revenues				
Local sources				
Real estate taxes	\$ 81,790,208	\$ 81,790,208	\$ 81,717,644	\$ (72,564)
Other taxes	24,151,000	24,151,000	25,559,451	1,408,451
Investment earnings	1,000,000	1,000,000	2,428,311	1,428,311
Other revenue	2,990,000	2,990,000	3,349,970	359,970
Total Local sources	109,931,208	109,931,208	113,055,376	3,124,168
State sources	41,093,836	41,093,836	45,553,853	4,460,017
Federal sources	2,723,738	2,723,738	3,672,403	948,665
Total revenues	153,748,782	153,748,782	162,281,632	8,532,850
Expenditures				
Instruction				
Regular programs	67,325,130	67,304,038	67,432,257	(128,219)
Special programs	29,510,169	29,510,169	29,444,427	65,742
Vocational programs	1,893,872	1,893,872	6,791,908	(4,898,036)
Other instructional programs	222,898	222,898	390,845	(167,947)
Non-public school programs	54,292	54,292	61,715	(7,423)
Adult education programs	504,310	504,310	504,310	-
Support services				
Pupil personnel services	5,999,505	5,999,505	5,838,467	161,038
Instructional staff services	1,835,042	1,832,234	1,962,295	(130,061)
Administrative services	8,986,563	9,012,963	9,637,821	(624,858)
Pupil health	2,807,889	2,807,889	3,428,169	(620,280)
Business services	1,488,756	1,488,756	1,296,256	192,500
Operation of plant and maintenance services	13,122,464	13,122,464	15,020,464	(1,898,000)
Student transportation services	6,559,097	6,559,097	7,244,947	(685,850)
Central and other business services	4,329,482	4,329,482	5,541,821	(1,212,339)
Operation of non-instructional services				
Student activities	2,825,951	2,823,451	2,392,674	430,777
Community service	93,194	93,194	44,584	48,610
Capital outlay	152,150	152,150	1,778,910	(1,626,760)
Debt service (principal and interest)	8,352,940	8,352,940	8,888,658	(535,718)
Refund of prior year's receipts	5,000	5,000	-	5,000
Total expenditures	156,068,704	156,068,704	167,700,528	(11,631,824)
Deficiency of revenues				
Under expenditures	(2,319,922)	(2,319,922)	(5,418,896)	(3,098,974)
Other Financing Sources (Uses)				
Interfund transfers in (out)	(725,000)	(725,000)	(2,725,000)	(2,000,000)
Refund of prior year's expenditures	-	-	1,008,486	1,008,486
Proceeds from sale of fixed assets	35,000	35,000	112,500	77,500
Proceeds from financed purchase agreements	-	-	1,135,080	1,135,080
Insurance recoveries	-	-	161,339	161,339
Total other financing uses	(690,000)	(690,000)	(307,595)	382,405
Net change in fund balance	\$ (3,009,922)	\$ (3,009,922)	(5,726,491)	\$ (2,716,569)
Fund balances - July 1, 2024			23,812,675	
Fund balances - June 30, 2025			<u>\$ 18,086,184</u>	

See Notes to Required Supplementary Information.

WEST SHORE SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1. Budgets and Budgetary Accounting General Fund

West Shore School District follows the following procedures on establishing the budgetary data reflected in the supplementary information:

1. The Pennsylvania Department of Education (PDE) issues a schedule of actions for school districts for the development of the annual budget under Act 1. One deadline is the action to resolve to keep any tax increase in the real estate tax millage rate below the index announced by PDE. Prior to that deadline, management submits to the School Board, for consideration, a draft operating budget projection or other information to review, for the fiscal year commencing the following July 1. The School Board determines if it will approve a resolution to keep any tax increase below the index.
2. If the School Board adopts the resolution, prior to May 31, management 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 for the general fund.
3. A public hearing is conducted to obtain taxpayer comments.
4. If the School Board does not adopt the resolution, management prepares and submits a proposed operating budget for the fiscal year commencing the following July 1 in accordance to the deadlines established by PDE under Act 1. These deadlines will vary with the setting of the spring municipal election date each year.
5. Prior to June 30, the budget is legally enacted through passage of a resolution.
6. Legal budgetary control is maintained by the School Board at the departmental level. Transfers between departments, whether between funds or within a fund, or revisions that alter the total revenues and expenditures of any fund, must be approved by the School Board. Budgetary information in the combined operating statements is presented at or below the legal level of budgetary control. It also includes the effects of approved budget amendments.
7. Budgetary data is included in the District's management information system and is employed as a management control device during the year.
8. Unused appropriations lapse at the end of each fiscal year; however, the District increases the subsequent year's appropriation by an amount equal to outstanding encumbrances and reserves a portion of the fund balance in a like amount. There were no outstanding encumbrances for the year ended June 30, 2025.
9. The budget for the general fund is adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.
10. Where applicable, unbudgeted federal and state revenue and expenditures have been added to the original budgeted revenue and expenditures.

WEST SHORE SCHOOL DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

For the Fiscal Year Ended June 30	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.3817%	\$ 159,760,000	\$ 60,555,549	263.82%	64.63%
2024	0.3809%	\$ 169,449,000	\$ 58,355,019	290.38%	61.85%
2023	0.3818%	\$ 169,743,000	\$ 56,134,415	302.39%	61.34%
2022	0.3840%	\$ 157,658,000	\$ 54,387,271	289.88%	63.67%
2021	0.3815%	\$ 187,847,000	\$ 53,536,996	350.87%	54.32%
2020	0.3761%	\$ 175,949,000	\$ 51,873,994	339.19%	55.66%
2019	0.3707%	\$ 177,954,000	\$ 49,924,664	356.45%	54.00%
2018	0.3630%	\$ 180,910,000	\$ 48,769,224	370.95%	51.84%
2017	0.3512%	\$ 174,044,000	\$ 45,486,864	382.62%	50.14%
2016	0.3487%	\$ 151,040,000	\$ 44,867,367	336.64%	54.36%

The amounts presented for each fiscal year were determined as of the measurement date, which is one year prior to the fiscal year end.

The schedule is presented to illustrate the requirement to show information for 10 years.

WEST SHORE SCHOOL DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S PENSION CONTRIBUTIONS -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 20,810,388	\$ (20,810,388)	\$ -	\$ 62,549,283	33.27%
2024	\$ 20,276,265	\$ (20,276,265)	\$ -	\$ 60,781,171	33.36%
2023	\$ 20,202,170	\$ (20,202,170)	\$ -	\$ 58,566,994	34.49%
2022	\$ 19,176,761	\$ (19,176,761)	\$ -	\$ 56,209,031	34.12%
2021	\$ 18,289,000	\$ (18,289,000)	\$ -	\$ 54,234,324	33.69%
2020	\$ 18,034,000	\$ (18,034,000)	\$ -	\$ 53,536,996	33.36%
2019	\$ 16,985,000	\$ (16,985,000)	\$ -	\$ 51,873,994	32.60%
2018	\$ 15,680,000	\$ (15,680,000)	\$ -	\$ 49,924,664	31.74%
2017	\$ 13,861,000	\$ (13,861,000)	\$ -	\$ 48,769,224	29.20%
2016	\$ 11,179,000	\$ (11,179,000)	\$ -	\$ 45,486,864	25.00%

The schedule is presented to illustrate the requirement to show information for 10 years.

WEST SHORE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION -
 SCHEDULES OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS -
 DISTRICT'S SINGLE EMPLOYER PLAN
 For the Fiscal Year Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 399,201	\$ 373,537	\$ 490,628	\$ 491,014	\$ 193,000	\$ 195,000	\$ 367,000	\$ 346,000
Interest	263,230	242,956	139,876	111,104	118,000	104,000	193,000	141,000
Changes of benefit terms	-	-	136,769	-	(99,000)	-	-	-
Differences between expected and actual experience	(606,658)	-	1,184,484	-	1,572,000	-	(2,856,000)	-
Changes in assumptions	4,217	83,669	(1,677,248)	(171,342)	589,000	(102,000)	4,000	281,000
Benefit payments	(335,713)	(337,100)	(274,008)	(262,740)	(159,000)	(163,000)	(293,000)	(289,000)
Net change in total OPEB liability	(275,723)	363,062	501	168,036	2,214,000	34,000	(2,585,000)	479,000
Total OPEB Liability - beginning	6,156,260	5,793,198	5,792,697	5,624,661	3,411,000	3,377,000	5,962,000	5,483,000
Total OPEB Liability - ending	\$ 5,880,537	\$ 6,156,260	\$ 5,793,198	\$ 5,792,697	\$ 5,625,000	\$ 3,411,000	\$ 3,377,000	\$ 5,962,000
Covered payroll	\$ 56,007,927	\$ 56,500,951	\$ 56,500,951	\$ 51,291,732	\$ 51,291,732	\$ 47,024,297	\$ 47,024,297	\$ 43,556,499
Total OPEB liability as a percentage of covered payroll	10.5%	10.9%	10.3%	11.3%	11.0%	7.3%	7.2%	13.7%

Notes to Schedule:

Changes in assumptions: The discount rate changed from 4.13% to 4.29%. The trend assumption was updated. The assumption for life insurance administrative expenses was updated.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

WEST SHORE SCHOOL DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

For the Fiscal Year Ended June 30	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	0.3815%	\$ 6,777,000	\$ 60,555,549	11.19%	7.13%
2024	0.3809%	\$ 6,891,000	\$ 58,355,019	11.81%	7.22%
2023	0.3818%	\$ 7,028,000	\$ 56,134,415	12.52%	6.86%
2022	0.3837%	\$ 9,093,000	\$ 54,387,271	16.72%	5.30%
2021	0.3815%	\$ 8,243,000	\$ 53,536,996	15.40%	5.69%
2020	0.3761%	\$ 7,999,000	\$ 51,873,994	15.42%	5.56%
2019	0.3707%	\$ 7,729,000	\$ 49,924,664	15.48%	5.56%
2018	0.3663%	\$ 7,463,000	\$ 48,769,224	15.30%	5.73%

The amounts presented for each fiscal year were determined as of the measurement date, which is one year prior to the fiscal year end.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

WEST SHORE SCHOOL DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S OPEB CONTRIBUTIONS -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 394,065	\$ (394,065)	\$ -	\$ 62,549,283	0.63%
2024	\$ 388,993	\$ (388,993)	\$ -	\$ 60,781,171	0.64%
2023	\$ 439,050	\$ (439,050)	\$ -	\$ 58,566,994	0.75%
2022	\$ 449,368	\$ (449,368)	\$ -	\$ 56,209,031	0.80%
2021	\$ 447,000	\$ (447,000)	\$ -	\$ 54,234,324	0.82%
2020	\$ 449,000	\$ (449,000)	\$ -	\$ 53,536,996	0.84%
2019	\$ 415,000	\$ (415,000)	\$ -	\$ 51,873,994	0.83%
2018	\$ 362,000	\$ (362,000)	\$ -	\$ 49,924,664	0.83%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

SUPPLEMENTARY INFORMATION



**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***

Board of School Directors
West Shore School District
New Cumberland, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and aggregate remaining fund information of West Shore School District (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters


As part of obtaining reasonable assurance about whether the 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*.

West Shore School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
December 4, 2025



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

Board of School Directors
West Shore School District
New Cumberland, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited West Shore School District's (District) 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 the District's major federal programs for the year ended June 30, 2025. The 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, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 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 the 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 the 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 the 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 the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 the 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 the 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 cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
December 4, 2025

WEST SHORE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be a material weakness (es)? X Yes ___ None Reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be a material weakness (es)? ___ Yes X None Reported

Type of auditor's report issued on compliance for the major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ___ Yes X No

Identification of the major programs:

Assistance Listing Number	Name of Federal Programs/Cluster
84.010	Title I - Grants to Local Educational Agencies
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee? X Yes ___ No

WEST SHORE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Section II -- Financial Statement Findings

A. Significant Deficiency in Internal Control

2025-001 - Closing Adjustments – All Funds

Criteria: The District should have procedures in place to identify any significant adjustments necessary to their financial statements, including the posting of all adjustments necessary to present financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Condition: During our audit, adjustments were made to the District’s records based on the result of our procedures. There were both auditor-identified adjusting entries and management identified adjusting entries posted subsequent to receiving trial balances to begin the audit. Management does approve all adjustments and reviews and accepts the financial statements prior to their final issuance.

Cause and Effect: When the financial close process does not properly include all year-end accruals and adjusting journal entries, the accounting records do not provide the proper basis for preparation of financial statements. By not performing timely reconciliations, the risk that material errors, irregularities, or fraud could go undetected increases.

Identification of Repeat Finding: Yes, 2024-001

Recommendation: The District should review and revise, where necessary, its year-end closing procedures to proactively address these adjustments in the future. Closing procedures should include a review of revenue, expenditure and balance sheet accounts for completeness and accuracy. Any necessary reconciliations should be maintained as part of the District’s accounting records. The closing adjustments should be posted to the District’s accounts prior to the start of audit fieldwork.

Management Response: The District will continue to work to improve the year end close and reconciliation process. We will work to develop procedures for year-end closing that include review of balance sheet accounts and work to complete all closing adjustments prior to the start of audit fieldwork.

B. Compliance Findings

There were no compliance findings relating to the financial statement audit required to be reported

Section III -- Federal Award Findings and Questioned Costs

A. Compliance Findings

There were no findings relating to the Federal awards required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance.

B. Significant Deficiency(ies) in Internal Control

There were no findings relating to the Federal awards required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance.

WEST SHORE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

Grantor Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Grant Period	Program or Annual Award	Total Received for the Year	Accrued or (Deferred) Revenue at July 1, 2024	Revenue Recognized	Expenditures Recognized	Accrued or (Deferred) Revenue at June 30, 2025	Provided to Subrecipients
U.S. Department of Education										
Passed through the Pennsylvania Department of Education										
Title I - Grants to Local Educational Agencies	84.010	013-240476	23-24	\$ 1,317,001	\$ 523,551	\$ 266,118	\$ 257,433	\$ 257,433	\$ -	\$ -
Title I - Grants to Local Educational Agencies	84.010	013-250476	24-25	\$ 1,306,166	840,094	-	1,052,493	1,052,493	212,399	-
					<u>1,363,645</u>	<u>266,118</u>	<u>1,309,926</u>	<u>1,309,926</u>	<u>212,399</u>	<u>-</u>
Title III - English Language Acquisition State Grants	84.365	010-240476	23-24	\$ 61,847	33,203	(285)	33,488	33,488	-	-
Title III - English Language Acquisition State Grants	84.365	010-250476	24-25	\$ 59,000	21,071	-	11,602	11,602	(9,469)	-
					<u>54,274</u>	<u>(285)</u>	<u>45,090</u>	<u>45,090</u>	<u>(9,469)</u>	<u>-</u>
Title II - Supporting Effective Instruction State Grants	84.367	020-240476	23-24	\$ 206,051	215	215	-	-	-	-
Title II - Supporting Effective Instruction State Grants	84.367	020-250476	24-25	\$ 208,133	208,133	-	194,382	194,382	(13,751)	-
					<u>208,348</u>	<u>215</u>	<u>194,382</u>	<u>194,382</u>	<u>(13,751)</u>	<u>-</u>
Title IV - Student Support and Academic Enrichment Program	84.424	144-240476	23-24	\$ 93,021	-	(14,480)	14,480	14,480	-	-
Title IV - Student Support and Academic Enrichment Program	84.424	144-250476	24-25	\$ 99,769	99,769	-	90,796	90,796	(8,973)	-
					<u>99,769</u>	<u>(14,480)</u>	<u>105,276</u>	<u>105,276</u>	<u>(8,973)</u>	<u>-</u>
COVID-19 - American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	223-210476	20-25	\$ 9,091,938	330,616	330,616	-	-	-	-
COVID-19 - American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	224-210476	20-25	\$ 74,403	(420)	(1,489)	1,069	1,069	-	-
					<u>330,196</u>	<u>329,127</u>	<u>1,069</u>	<u>1,069</u>	<u>-</u>	<u>-</u>
Total passed through the Pennsylvania Department of Education					<u>2,056,232</u>	<u>580,695</u>	<u>1,655,743</u>	<u>1,655,743</u>	<u>180,206</u>	<u>-</u>
Passed through the Capital Area Intermediate Unit										
Special Education - Grants to States (IDEA, Part B)	84.027	062-240015	23-24	\$ 1,600,897	622,040	622,040	-	-	-	-
Special Education - Grants to States (IDEA, Part B)	84.027	062-250015	24-25	\$ 1,555,482	637,974	-	1,555,482	1,555,482	917,508	-
					<u>1,260,014</u>	<u>622,040</u>	<u>1,555,482</u>	<u>1,555,482</u>	<u>917,508</u>	<u>-</u>
Special Education Preschool Grants (IDEA Preschool)	84.173	131-240015	23-24	\$ 9,440	9,440	9,440	-	-	-	-
Special Education Preschool Grants (IDEA Preschool)	84.173	131-250015	24-25	\$ 5,940	5,940	-	5,940	5,940	-	-
					<u>15,380</u>	<u>9,440</u>	<u>5,940</u>	<u>5,940</u>	<u>-</u>	<u>-</u>
Total passed through the Capital Area Intermediate Unit					<u>1,275,394</u>	<u>631,480</u>	<u>1,561,422</u>	<u>1,561,422</u>	<u>917,508</u>	<u>-</u>
Total U.S. Department of Education					<u>3,331,626</u>	<u>1,212,175</u>	<u>3,217,165</u>	<u>3,217,165</u>	<u>1,097,714</u>	<u>-</u>
U.S. Department of the Treasury										
Passed through the Pennsylvania Department of Community and Economic Development										
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	C000086557	20-25	\$ 1,000,000	-	(997,418)	997,418	997,418	-	-
Passed through the Pennsylvania Commission on Crime and Delinquency										
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	2023-CM-01-41686	24-25	\$ 192,614	-	-	180,752	180,752	180,752	-
Total U.S. Department of the Treasury					<u>-</u>	<u>(997,418)</u>	<u>1,178,170</u>	<u>1,178,170</u>	<u>180,752</u>	<u>-</u>

(Continued)

WEST SHORE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2025

Grantor Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Grant Period	Program or Annual Award	Total Received for the Year	Accrued or (Deferred) Revenue at July 1, 2024	Revenue Recognized	Expenditures Recognized	Accrued or (Deferred) Revenue at June 30, 2025	Provided to Subrecipients
U.S. Department of Health and Human Services										
Passed through the Pennsylvania Department of Public Welfare										
Medicaid Cluster										
Medical Assistance Program (Medicaid; Title XIX)	93.778	N/A	23-24	\$ 46,485	40,423	40,423	-	-	-	-
Medical Assistance Program (Medicaid; Title XIX)	93.778	N/A	24-25	\$ 31,474	22,988	-	38,042	38,042	15,054	-
Total Medicaid Cluster passed through the Pennsylvania Department of Public Welfare					63,411	40,423	38,042	38,042	15,054	-
Passed through the Pennsylvania Department of Education										
Refugee and Entrant Assistance State/Replacement Designee Administered Programs										
	93.566	228-230001	23-24	\$ 8,544	(3,198)	(6,542)	3,344	3,344	-	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs										
	93.566	228-240001	24-25	\$ 19,636	-	-	14,087	14,087	14,087	-
Total U.S. Department of Health and Human Services					60,213	33,881	55,473	55,473	29,141	-
U.S. Department of Agriculture										
Passed through the Pennsylvania Department of Education										
School Breakfast Program										
	10.553	N/A	23-24	N/A	86,475	86,475	-	-	-	-
School Breakfast Program										
	10.553	N/A	24-25	N/A	651,544	-	669,201	669,201	17,657	-
					738,019	86,475	669,201	669,201	17,657	-
National School Lunch Program										
	10.555	N/A	23-24	N/A	246,425	246,425	-	-	-	-
National School Lunch Program										
	10.555	N/A	24-25	N/A	2,094,383	-	2,136,074	2,136,074	41,691	-
					2,340,808	246,425	2,136,074	2,136,074	41,691	-
COVID-19 - Summer Food Service Program for Children										
	10.559	N/A	24-25	N/A	12,683	2,042	11,889	11,889	1,248	-
Total passed through the Pennsylvania Department of Education					3,091,510	334,942	2,817,164	2,817,164	60,596	-
Passed through the Pennsylvania Department of Agriculture										
National School Lunch Program - Food Donations										
	10.555	N/A	24-25	N/A	243,831	-	243,831	243,831	-	-
Total U.S. Department of Agriculture					3,335,341	334,942	3,060,995	3,060,995	60,596	-
Total Expenditures of Federal Awards					\$ 6,727,180	\$ 583,580	\$ 7,511,803	\$ 7,511,803	\$ 1,368,203	\$ -
Child Nutrition Cluster (Assistance Listing Numbers - 10.553, 10.555 and 10.559)					\$ 3,335,341	\$ 334,942	\$ 3,060,995	\$ 3,060,995	\$ 60,596	\$ -
Special Education Cluster (Assistance Listing Numbers - 84.027 and 84.173)					\$ 1,275,394	\$ 631,480	\$ 1,561,422	\$ 1,561,422	\$ 917,508	\$ -
Education Stabilization Fund (Assistance Listing Number - 84.425)					\$ 330,196	\$ 329,127	\$ 1,069	\$ 1,069	\$ -	\$ -

See Notes to Schedule of Expenditures of Federal Awards.

WEST SHORE SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the District's operations, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

Note 2. Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue is recognized when earned, and expenses are recognized when incurred. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The District has not elected to use the 10-percent de Minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Access Program

The ACCESS Program is a medical assistance program that reimburses local education agencies for direct, eligible health-related services provided to enrolled special needs students. ACCESS reimbursements are federal monies but are classified as fee-for-service revenues and are not considered federal financial assistance and are not included on the Schedule. The amount of ACCESS funding expended but not included on the Schedule for the year ended June 30, 2025, was \$783,017.



Todd B. Stoltz, Ed.D.
Superintendent of Schools

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2025

Financial Statement Finding - Significant Deficiency

#2024-001 Internal Control - Significant Deficiency - Closing Adjustments - All Funds

Statement of Condition: During our audit, adjustments were made to the District's records based on the result of our procedures. There were both auditor-identified adjusting entries and management identified adjusting entries posted subsequent to receiving trial balances to begin the audit. Management does approve all adjustments and reviews and accepts the financial statements prior to their final issuance.

Recommendation: The District should review and revise, where necessary, its year-end closing procedures to proactively address these adjustments in the future. Closing procedures should include a review of revenue, expenditure and balance sheet accounts for completeness and accuracy. Any necessary reconciliations should be maintained as part of the District's accounting records. The closing adjustments should be posted to the District's accounts prior to the start of audit fieldwork.

Current Status: The District continues to work to improve the year end close and reconciliation process. Procedures are being developed that include review of balance sheet accounts and the completion of closing adjustment entries prior to the start of the audit fieldwork.



Todd B. Stoltz, Ed.D.
Superintendent of Schools

CORRECTIVE ACTION PLAN

Cognizant or Oversight Agency for Audit: Department of Education

West Shore School District respectfully submits the following corrective action plan for the year ended June 30, 2025.

The findings from the June 30, 2025, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and questioned costs.

FINDINGS – FINANCIAL STATEMENT AUDIT

#2025-001 Internal Control - Significant Deficiency - Closing Adjustments - All Funds

Corrective Action Planned: The District will continue to work to improve the year end close and reconciliation process. A meeting will be scheduled with the audit firm to discuss what specific year-end entries this applies to and put measures in place to ensure that the entries are completed prior to the start of audit fieldwork. The District has started to reconcile bank statements for various funds in the accounting software rather than on Excel spreadsheets. All manual entries (manual checks, journal entries, cash deposits) are being reviewed by at least two individuals to ensure accuracy.

Anticipated Completion Date: Action has already been taken by the District to resolve the underlying issue of the finding.

Contact Person Responsible: Stevie Jo Boone, Director of Business Affairs

FINDINGS – FEDERAL AWARD PROGRAMS AUDITS

None

If the Department of Education has questions regarding this plan, please call Stevie Jo Boone at 717-938-9577, ext. 43019.

Sincerely yours,

Director of Business Affairs

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APPENDIX D
Form of Continuing Disclosure Certificate

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WEST SHORE SCHOOL DISTRICT CUMBERLAND AND YORK COUNTIES, PENNSYLVANIA

\$ _____ GENERAL OBLIGATION BONDS, SERIES OF 2026
DATED, ISSUED AND DELIVERED _____, 2026

CONTINUING DISCLOSURE AGREEMENT

This agreement (the "Agreement") is executed as one of the closing documents for the \$ _____ General Obligation Bonds, Series of 2026 (the "Bonds") in accordance with the provisions of Rule 15c2-12, as amended (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934.

The undersigned are officers of the Board of School Directors of West Shore School District (the "School District"), a Pennsylvania governmental unit, and hereby certify on behalf of the School District as follows:

Section 1. Undertaking to file current information with MSRB. The School District agrees, in accordance with the Rule, to provide or cause to be provided, to the Municipal Securities Rulemaking Board ("MSRB") as designated by the Commission in accordance with the Rule, the following annual financial information and operating data commencing with the fiscal year ended June 30, 2026:

a. A copy of its budget and audited financial statements, prepared in accordance with the guidelines adopted by the Governmental Accounting Standard Board and the American Institute of Certified Public Accountants' Audit Guide, Audits of State and Local Government, containing the:

- (i) Combined balance sheet of all fund types and account groups; and
- (ii) Combined statement of revenues, expenditures and changes in fund balances - all governmental fund types and expendable trust funds.

b. An update of the following information in the Official Statement for the Bonds dated _____:

(i) West Shore School District Tax Rates (Table 6) - (may be contained within the budget or audit for the current fiscal year without need for further cross reference);

(ii) West Shore School District Real Property Assessment Data (Table 8) - (may be contained within the budget or audit for the current fiscal year without need for further cross reference);

(iii) West Shore School District Real Property Tax Collection Data (Table 11) - (may be contained within the budget or audit for the current fiscal year without need for further cross reference);

(iv) West Shore School District Ten Largest Real Property Taxpayers, 2025-26 (Table 12) - (may be contained within the budget or audit for the current fiscal year without need for further cross reference); and.

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

Section 2. Modification of types of information and format of information permitted. The School District reserves the right to modify from time to time the specific types of information provided, the time period within which the information must be filed, the format of the presentation of such information, or any other requirements hereunder, in its sole discretion, so long as such modification or amendment would have been allowed under the Rule at the time of the undertaking. Any such modification will be done in a manner consistent with the Rule at the time of the undertaking, and will not substantially impair the interest of the holders of the Bonds.

Section 3. Time period within which annual information must be filed. The annual information and operating data described above in Section 1 must be provided within 270 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2026. Such information shall be made available, in addition to the MSRB, to the Paying Agent for the Bonds and to each holder of Bonds who makes request for such information. In the event that no such audited financial statement is available within 270 days of the close of the fiscal year, the School District shall provide an unaudited statement, and shall thereafter provide an audited financial statement for the same period as soon as available. Upon receipt of the audited financial statement, the School District will promptly file it.

Section 4. Notice of failure to comply with annual information updates. The School District agrees to provide or cause to be provided, in a timely manner, to the Paying Agent for the Bonds, and to the MSRB, notice of a failure by the School District to provide the annual financial information described in Section 1 above on or prior to the date set forth in Section 3 above.

Section 5. Event disclosure. The School District agrees to provide or cause to be provided to the MSRB, in a timely manner, not to exceed ten (10) days after occurrence, notice of the occurrence of any of the following events with respect to the Bonds:

- a. Principal and interest payment delinquencies;
- b. Non-payment related defaults, if material;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of any credit or liquidity providers, or their failure to perform;

- f. Adverse tax opinions, IRS notices or material events affecting the tax status of the Bonds;
- g. Modifications to rights of holders of the Bonds, if material;
- h. Bond calls, if material, and tender offers;
- i. Defeasances;
- j. Release, substitution, or sale of property securing repayment of the Bonds, if material;
- k. Rating changes;

l. Bankruptcy, insolvency, receivership or similar event of the School District (which is considered to occur when any of the following occur: appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of any order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District);

m. Merger, consolidation or acquisition involving the School District, if material; or

n. Appointment of successor or additional trustee or the change of name of a trustee, if material.

o. Incurrence of a financial obligation of the School District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the School District, any of which affect security holders, if material; and

p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the School District, any of which reflect financial difficulties.

For purposes of this Section, the term financial obligation shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The School District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the School District, such

other event is material with respect to the Bonds, but the School District does not commit to provide any such notice of the occurrence of any material event except those events listed above.

Section 6. Termination of reporting obligation. The School District's obligations under this Agreement shall terminate upon the redemption or payment in full of all of the Bonds.

Section 7. Enforcement. The School District agrees that its undertakings pursuant to this Agreement are intended to be for the benefit of the holders of the Bonds (including beneficial owners thereof) and shall be enforceable by the holders of the Bonds or the Paying Agent for the Bonds on behalf of such holders; provided that the holders of the Bonds, or in lieu thereof, the Paying Agent's right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the School District's obligations hereunder, and any failure by the School District to comply with the provisions of this undertaking shall not be an event of default, with respect to the Bonds.

Section 8. Amendment; waiver. Notwithstanding any other provision of this Agreement, the School District may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is supported by an opinion of Bond Counsel, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

IN WITNESS WHEREOF, the undersigned officers of the School District, being duly authorized, have executed this certificate in the name of and on behalf of the School District and in our own names and on our own behalf, the day and year of the issuance and delivery of the Bonds set forth above.

West Shore School District

By: _____
(Vice) President

Attest: _____
Secretary

(SEAL)

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