WEST SHORE SCHOOL DISTRICT
SCHOOL DISTRICT

FINANCIAL REPORT

JUNE 30, 2022

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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, 2022, 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, 2022, 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* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

Emphasis of Matter

As disclosed in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases* as of July 1, 2021. Our opinion is 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 February 1, 2023, 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.

Boyer & Ritter

Camp Hill, Pennsylvania
February 1, 2023

WEST SHORE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2022

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 2022 and 2021. The MD&A also includes comparisons of current year financial activities to the previous year. The 2021 amounts are taken from our prior year MD&A and are otherwise not a part of the June 2022 financial statements. Dollar amounts in this summary are presented in millions to make it easier to read.

Financial Highlights

- During the 2021-2022 fiscal year, the District made a transfer from the General Fund to the Capital Reserve Fund. The transfer in the amount of $1,175,000 was budgeted and is to help off-set borrowing payments in the future.

- Real estate tax revenues increased from the previous year by approximately 4.4% mainly due to the Board authorizing the real estate tax millage to be increased to 12.7512 for Cumberland County and 15.3858 for York County, for the 2021-2022 tax year.

- The District applied for and was awarded several COVID-19 federal stimulus grants for the 2021-2022 year. Approximately $5,409,931 was used toward learning loss, summer and afterschool programs, cleaning supplies, technology equipment and software, and instructional materials throughout the entire District. The District will continue to use COVID-19 federal stimulus grants over the next two years to provide the above-mentioned items.

- In the area of physical plant maintenance, the District funds large capital expenses annually from the Capital Reserve Fund. During 2021-2022, approximately $3.1 million was spent on upgrades to several buildings.

- Regarding food service operations, the District completed its seventh year with Sodexo managing the operation. The District was running the Seamless Summer Option (SSO) District wide. The SSO allowed the District to offer one free breakfast and one free lunch, daily to every student. The District received more federal funding due to being reimbursed for an increase in free meals served. The USDA approved waivers due to COVID-19 which allowed the District to offer the SSO program.

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 through 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.

The District as a Whole

Table A-1 summarizes and compares the 2022 statement of net position from page 12 of the financial statements with the same measurements for 2021. 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. These terms are discussed on pages 41 and 42.

Table A-1
Statement of Net Position - 2021-2022

	Governmental Activities		Business-Type Activities		Total School District	
	2022	2021	2022	2021	2022	2021
Current assets	$ 134,060,952	$ 134,031,268	$ 2,058,398	$ 879,930	$ 136,119,350	$ 134,911,198
Noncurrent assets	116,295,207	115,683,176	360,220	438,550	116,655,427	116,121,726
Total assets	$ 250,356,159	$ 249,714,444	$ 2,418,618	$ 1,318,480	$ 252,774,777	$ 251,032,924
Deferred charges on refunding	$ 157,441	$ 307,448	$ -	$ -	$ 157,441	$ 307,448
Deferred outflows for pensions	30,306,000	32,609,000	390,000	351,000	30,696,000	32,960,000
Deferred outflows for OPEB	4,118,601	3,728,000	36,913	28,000	4,155,514	3,756,000
Deferred outflows of resources	$ 34,582,042	$ 36,644,448	$ 426,913	$ 379,000	$ 35,008,955	$ 37,023,448
Current and other liabilities	$ 30,518,815	$ 28,888,061	$ 422,525	$ 147,326	$ 30,941,340	$ 29,035,387
Long-term liabilities	295,935,185	329,237,410	2,203,322	2,195,259	298,138,507	331,432,669
Total liabilities	$ 326,454,000	$ 358,125,471	$ 2,625,847	$ 2,342,585	$ 329,079,847	$ 360,468,056
Deferred inflows for pensions	$ 2,316,890	$ 4,486,000	$ 54,730	$ 1,100,000	$ 2,371,620	$ 5,586,000
Deferred inflows for OPEB	26,814,000	2,442,000	1,053,000	75,000	27,867,000	2,517,000
Lease related	955,173	-	-	-	955,173	-
Deferred inflows of resources	$ 30,086,063	$ 6,928,000	$ 1,107,730	$ 1,175,000	$ 31,193,793	$ 8,103,000
Net investment in capital assets	$ 51,026,045	$ 50,782,249	$ 360,220	$ 438,550	$ 51,386,265	$ 51,220,799
Restricted	21,218,911	-	-	-	21,218,911	-
Unrestricted (deficit)	(143,846,818)	(129,476,828)	(1,248,266)	(2,258,655)	(145,095,084)	(131,735,483)
Total Net Position (Deficit)	$ (71,601,862)	$ (78,694,579)	$ (888,046)	$ (1,820,105)	$ (72,489,908)	$ (80,514,684)

During 2022, the governmental activities net position balance increased by $7,013,264 bringing it to $71,601,862 at the end of 2022. 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 $7,013,264 operational increase in the total primary government net position balance.

The District as a Whole (Continued)

Table A-2

Changes in Net Position - 2021-2022

	Governmental Activities		Business-Type Activities		Total School District	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	$ 1,614,257	$ 732,703	$ 96,720	$ 49,073	$ 1,710,977	$ 781,776
Operating Gratns and Contributions	27,879,215	23,727,801	4,053,348	2,146,989	31,932,563	25,874,790
Capital Grants and Contributions	143,082	108,472	-	-	143,082	108,472
General Revenue:						
Taxes	90,243,270	88,424,405	-	-	90,243,270	88,424,405
Unrestricted Grants and subsidies	15,840,684	15,515,145	-	-	15,840,684	15,515,145
Other (net of transfers)	179,556	679,303	1,068	317	180,624	679,620
Total Revenues	135,900,064	129,187,829	4,151,136	2,196,379	140,051,200	131,384,208
Direct Expenses	128,886,800	131,444,522	3,156,194	2,079,072	132,042,994	133,523,594
Change in Net Posistion	$ 7,013,264	$ (2,256,693)	$ 994,942	$ 117,307	$ 8,008,206	$ (2,139,386)

During 2022, total direct revenues for the governmental activities exceeded total expenses by $7,013,264 compared with total expenses exceeding total direct revenues by $2,256,693 for 2021. The components of the direct expenses are presented in Table A-3. For the business-type activities, total revenue exceeded total expenses by $994,942 for 2022.

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 $99,250,246 must be recovered through general revenues, primarily taxes and state subsidies. These general revenues for 2022 were $106,263,510. The net of those two amounts totaled a net gain of $7,013,264.

Table A-3

Governmental Activities - 2021-2022

	Total Cost of Services		Less: Program Revenues		Net Cost of Services	
	2022	2021	2022	2021	2022	2021
Instruction	$ 89,346,203	$ 87,532,570	$ 23,928,633	$ 18,385,604	$ 65,417,570	$ 69,146,966
Instructional student support	7,059,446	9,011,580	1,468,129	1,913,736	5,591,317	7,097,844
Administrative and financial support	11,711,432	14,477,475	1,137,323	1,118,749	10,574,109	13,358,726
Operation and maintenance of plant services	10,026,895	9,627,472	763,968	873,470	9,262,927	8,754,002
Pupil transportation	5,212,028	4,736,896	1,828,399	1,852,604	3,383,629	2,884,292
Student activities	2,096,112	2,015,712	364,668	316,341	1,731,444	1,699,371
Community service	96,099	72,611	2,352	-	93,747	72,611
Interest on long-term debt	3,338,585	3,509,109	143,082	108,472	3,195,503	3,400,637
Depreciation - Unallocated	-	461,097	-	-	-	461,097
Total governmental activities	$ 128,886,800	$ 131,444,522	$ 29,636,554	$ 24,568,976	99,250,246	106,875,546
Less unrestricted grants					15,840,684	15,515,145
Total needs from taxes and other local services					$ 83,409,562	$ 91,360,401

The total costs of governmental activities for 2022 were 2% lower than 2021, primarily due to positions being unfilled.

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 - 2021-2022

	Total Cost of Services		Less: Program Revenues		Net Cost of Services	
	2022	2021	2022	2021	2022	2021
Food services	$ 3,156,194	$ 2,079,072	$ 4,151,136	$ 2,196,379	$ 994,942	$ 117,307

District's Funds

The information in Table A-5 summarizes and compares the governmental funds' balance sheets for June 30, 2022 and 2021.

Table A-5
Comparative Fund Balances - 2021-2022

	2022	2021	2021-2022 Change
General Fund			
Nonspendable			
Inventories	$ 232,757	$ 270,199	$ (37,442)
Prepaid expenses	384,445	384,088	357
Amounts receivable from life insurance contracts	1,402,000	1,298,184	103,816
Committed to:			
Future retirement costs	500,000	500,000	-
Future medical costs	2,000,000	2,000,000	-
Assigned to:			
Athletics and concessions	37,132	37,132	-
Unassigned	17,359,659	10,822,165	6,537,494
Total General Fund	21,915,993	15,311,768	6,604,225
Capital Reserve Fund			
Restricted for:			
Capital projects	21,218,911	23,045,117	(1,826,206)
Total capital reserve fund	21,218,911	23,045,117	(1,826,206)
Capital Projects Fund			
Committed to:			
Capital projects	64,332,951	67,141,456	(2,808,505)
Total capital projects fund	64,332,951	67,141,456	(2,808,505)
Total governmental fund balance	$ 107,467,855	$ 105,498,341	$ 1,969,514

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 $107,467,855 and the total net deficit of $71,601,862 (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 $155,608,000 in the statement of net position, but not the fund balance.

The capital reserve fund balance decreased from $23,045,117 at the end of fiscal year 2021 to $21,218,911 at the end of 2022. The capital expenditures were primarily used for capital improvements and included a transfer in from the general fund totaling $1,175,000.

The capital projects fund balance decreased to $64,332,951. 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 63 of the other required supplemental information.

Table A-6
Comparison of Final Budget to Actual - 2021-2022

	Final Budget		Actual		Variance	
	2022	2021	2022	2021	2022	2021
Total Revenue	$ 133,936,812	$ 124,689,991	$ 139,046,011	$ 129,313,141	$ 5,109,199	$ 4,623,150
Total Expenditures	134,194,302	125,021,481	131,482,059	123,972,818	2,712,243	1,048,663
Revenues over (under) expenditures	(257,490)	(331,490)	7,563,952	5,340,323	7,821,442	5,671,813
Other finacing sources (uses)	(1,175,000)	(314,631)	(1,169,394)	(4,376,438)	5,606	(4,061,807)
Net change in fund balances	$ (1,432,490)	$ (646,121)	$ 6,394,558	$ 963,885	$ 7,827,048	$ 1,610,006

The variance between actual and budgeted revenues over (under) expenditures before other financing sources (uses) for fiscal year 2022 was favorable at $7,821,442. The beginning fund balance was $15,311,768. The actual net change in the general fund balance was an increase of $6,394,558. Adding this to the beginning fund balance resulted in an ending fund balance of $21,706,326.

Capital Assets

Table A-7 summarizes and compares the capital 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 Assets Comparison (net of acculamated Depreication)

	2022	2021
Land	$ 8,849,548	$ 8,849,548
Construction in progress	6,355,134	3,087,466
Buildings and improvements	94,572,171	98,237,698
Furniture and equipments	4,349,056	4,080,066
Total capital assets being depreciated, net	$ 114,125,909	$ 114,254,778

Capital assets, net of accumulated depreciation, decreased by $128,869 in 2022 over 2021.

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 and 44 for 2022 and 2021. 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

	2022	2021
General obligation debt	$ 113,025,000	$ 115,662,000
Bond premium (discount)	13,936,014	15,255,665
Financed purchase agreements payable	52,545	133,982
Compensated absences	1,908,144	1,652,013
OPEB liabilities	14,736,191	13,745,000
Net pension liability	155,608,000	185,781,000
Total governmental long-term liabilities	$ 299,265,894	$ 332,229,660

Each year, the District pays down a portion of its debt. The scheduled redemptions for 2022 totaled $2,637,000. 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 pages 43 and 44.

Next Year's Budget and Economic Factors

Table A-9 compares the 2022 budget, approved on June 9, 2022, to the final 2022 budget.

Table A-9
Comparison of Original Budgets

	2023	2022	Change in Dollars
Total Revenues	$ 139,450,056	$133,936,812	$ 5,513,244
Total Expenditures	139,508,251	134,374,331	5,133,920
Revenue over (under) expenditures	(58,195)	(437,519)	379,324
Other financing sources (uses)	(1,946,088)	(994,971)	(951,117)
Net changes in fund balance	$ (2,004,283)	$ (1,432,490)	$ (571,793)

The budget for 2022-2023 represents a 4.1% increase in revenues and a 3.8% increase in expenditures from the 2021-2022 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, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	$ 22,847,643	$ 1,098,061	$ 23,945,704
Investments	90,047,954	400,012	90,447,966
Taxes receivable, net	4,302,100	-	4,302,100
Internal balance	5,814,927	-	5,814,927
Due from other governments	10,090,931	460,163	10,551,094
Leases receivable	188,873	-	188,873
Other receivables	151,322	4,109	155,431
Inventories	232,757	96,053	328,810
Prepaid expenses	384,445	-	384,445
Total current assets	134,060,952	2,058,398	136,119,350
Noncurrent Assets			
Amounts receivable from life insurance contracts	1,402,000	-	1,402,000
Leases receivable	767,298	-	767,298
Capital assets			
Land and construction-in-progress	15,204,682	-	15,204,682
Other capital assets, net of depreciation	98,921,227	360,220	99,281,447
Total capital assets	114,125,909	360,220	114,486,129
Total noncurrent assets	116,295,207	360,220	116,655,427
Total assets	$ 250,356,159	$ 2,418,618	$ 252,774,777
Deferred Outflows of Resources			
Deferred amounts on refunding debt	157,441	-	157,441
Deferred amounts on pension liability	30,306,000	390,000	30,696,000
Deferred amounts on OPEB liabilities	4,118,601	36,913	4,155,514
Total deferred outflows of resources	$ 34,582,042	$ 426,913	$ 35,008,955
Liabilities			
Current Liabilities			
Due to other funds	$ 5,642,000	$ 172,927	$ 5,814,927
Accounts payable	4,878,141	25,033	4,903,174
Accrued salaries and benefits	15,983,289	-	15,983,289
Current portion of long-term debt	2,850,000	-	2,850,000
Current portion of compensated absences	428,164	1,079	429,243
Current portion of financed purchase agreements payable	52,545	-	52,545
Accrued interest of long-term debt	576,697	-	576,697
Unearned revenues	479	223,486	223,965
Other current liabilites	107,500	-	107,500
Total current liabilities	30,518,815	422,525	30,941,340
Long-Term Liabilities			
Bonds and notes payable, net of unamortized premiums	124,111,014	-	124,111,014
Compensated absences	1,479,980	3,816	1,483,796
Net pension liability	155,608,000	2,050,000	157,658,000
Other post-employment benefits (OPEB) liabilities	14,736,191	149,506	14,885,697
Total long-term liabilities	295,935,185	2,203,322	298,138,507
Total liabilities	$ 326,454,000	$ 2,625,847	$ 329,079,847
Deferred Inflows of Resources			
Deferred amounts on pension liability	$ 26,814,000	$ 1,053,000	$ 27,867,000
Deferred amounts on OPEB liabilities	2,316,890	54,730	2,371,620
Lease related	955,173	-	955,173
Total deferred inflows of resources	$ 30,086,063	$ 1,107,730	$ 31,193,793
Net Position (Deficit)			
Net investment in capital assets	$ 51,026,045	$ 360,220	$ 51,386,265
Restricted	21,218,911	-	21,218,911
Unrestricted deficit	(143,846,818)	(1,248,266)	(145,095,084)
Total net position (deficit)	$ (71,601,862)	$ (888,046)	$ (72,489,908)

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities	Net (Expense) Revenues and Changes in Net Position: Business-Type Activities	Net (Expense) Revenues and Changes in Net Position: Total
Governmental Activities:							
Instruction	$ 89,346,203	$ 1,097,134	$ 22,831,499	$ -	$ (65,417,570)	$ -	$ (65,417,570)
Instructional student support	7,059,446	-	1,468,129	-	(5,591,317)	-	(5,591,317)
Administrative and financial support	11,711,432	-	1,137,323	-	(10,574,109)	-	(10,574,109)
Operation and maintenance of plant services	10,026,895	329,007	434,961	-	(9,262,927)	-	(9,262,927)
Pupil transportation	5,212,028	-	1,828,399	-	(3,383,629)	-	(3,383,629)
Student activities	2,096,112	188,116	176,552	-	(1,731,444)	-	(1,731,444)
Community service	96,099	-	2,352	-	(93,747)	-	(93,747)
Interest on long-term debt	3,338,585	-	-	143,082	(3,195,503)	-	(3,195,503)
Total governmental activities	128,886,800	1,614,257	27,879,215	143,082	(99,250,246)	-	(99,250,246)
Business-Type Activities:							
Food Service	3,156,194	96,720	4,053,348	-	-	993,874	993,874
Total primary government	$ 132,042,994	$ 1,710,977	$ 31,932,563	$ 143,082	$ (99,250,246)	$ 993,874	$ (98,256,372)
General Revenues:							
Property taxes, levied for general purposes, net					$ 90,069,290	$ -	$ 90,069,290
Public utility, realty transfer, earned income, and other taxes levied for general purposes, net					173,980	-	173,980
Grants, subsidies and contributions not restricted					15,840,684	-	15,840,684
Investment earnings					112,879	1,068	113,947
Miscellaneous income					66,677	-	66,677
Total general revenues					106,263,510	1,068	106,264,578
Change in net position					7,013,264	994,942	8,008,206
Net Position (Deficit) - July 1, 2021					(78,694,579)	(1,820,105)	(80,514,684)
Prior period adjustment (see Note 1)					79,453	(62,883)	16,570
Net Position (Deficit) - July 1, 2021 (restated)					(78,615,126)	(1,882,988)	(80,498,114)
Net Position (Deficit) - June 30, 2022					$ (71,601,862)	$ (888,046)	$ (72,489,908)

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	Major Funds			
	General Fund	Capital Reserve Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	$20,301,864	$ 1,544,638	$ 1,001,141	$ 22,847,643
Investments	11,359,054	15,041,626	63,647,274	90,047,954
Taxes receivable, net	4,302,100	-	-	4,302,100
Due from other funds	172,927	5,642,000	-	5,814,927
Due from other governments	10,090,931	-	-	10,090,931
Other receivables	151,322	-	-	151,322
Inventories	232,757	-	-	232,757
Prepaid expenses	384,445	-	-	384,445
Leases receivable	956,171	-	-	956,171
Amounts receivable from life insurance contracts	1,402,000	-	-	1,402,000
Total assets	$49,353,571	$ 22,228,264	$ 64,648,415	$ 136,230,250
Liabilities				
Due to other funds	$ 5,642,000	$ -	$ -	$ 5,642,000
Accounts payable	3,553,324	1,009,353	315,464	4,878,141
Accrued salaries and benefits	15,983,289	-	-	15,983,289
Unearned revenues	479	-	-	479
Other current liabilities	107,500	-	-	107,500
Total liabilities	25,286,592	1,009,353	315,464	$ 26,611,409
Deferred Inflows of Resources				
Delinquent property taxes	1,195,813	-	-	1,195,813
Lease related	955,173	-	-	955,173
Total deferred inflows of resources	2,150,986	-	-	2,150,986
Fund Balances				
Nonspendable	2,019,202	-	-	2,019,202
Restricted	-	21,218,911	-	21,218,911
Committed	2,500,000	-	64,332,951	66,832,951
Assigned	37,132	-	-	37,132
Unassigned	17,359,659	-	-	17,359,659
Total fund balances	21,915,993	21,218,911	64,332,951	107,467,855
Total liabilities, deferred inflows of resources and fund balances	$49,353,571	$ 22,228,264	$ 64,648,415	$ 136,230,250

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2022

Total fund balances - governmental funds		$ 107,467,855
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital 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 $223,309,653 and the accumulated depreciation is $109,183,744.		114,125,909
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.		1,195,813
Long-term liabilities, including bonds payable, accrued interest payable, net pension liability, other post-employment benefits, compensated absences, 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	(113,025,000)	
Bond premiums, net of amortization	(13,936,014)	
Accrued interest on long-term debt	(576,697)	
Net pension liability	(155,608,000)	
Other post-employment benefits (OPEB) liabilities	(14,736,191)	
Compensated absences	(1,908,144)	
Financed purchase agreements payable	(52,545)	(299,842,591)
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.		34,582,042
Deferred inflows of resources - pension and OPEB are not due and collectable in the current period, and therefore, are not reported in the funds.		(29,130,890)
Total net position (deficit) - governmental activities		$ (71,601,862)

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	Major Funds			
	General Fund	Capital Reserve Fund	Capital Projects Fund	Totals Governmental Funds
Revenues				
Local sources				
Real estate taxes	$ 70,853,488	$ -	$ -	$ 70,853,488
Other taxes	22,698,032	-	-	22,698,032
Investment earnings	22,860	9,209	80,810	112,879
Other revenue	3,469,018	-	-	3,469,018
Total local sources	97,043,398	9,209	80,810	97,133,417
State sources	34,916,302	-	-	34,916,302
Federal sources	7,086,311	-	-	7,086,311
Total revenues	139,046,011	9,209	80,810	139,136,030
Expenditures				
Instruction	87,567,839	-	-	87,567,839
Support services	34,442,712	-	-	34,442,712
Operation of non-instructional services	2,179,843	-	-	2,179,843
Capital outlay	38,026	3,077,095	2,889,315	6,004,436
Debt service	7,218,732	-	-	7,218,732
Refund of prior year's receipts	34,907	-	-	34,907
Total expenditures	131,482,059	3,077,095	2,889,315	137,448,469
Excess (deficiency) of revenues over expenditures	7,563,952	(3,067,886)	(2,808,505)	1,687,561
Other Financing Sources (Uses)				
Interfund transfers in	-	1,175,000	-	1,175,000
Interfund transfers out	(1,175,000)	-	-	(1,175,000)
Refund of prior year's expenditures	5,606	66,680	-	72,286
Total other financing sources (uses)	(1,169,394)	1,241,680	-	72,286
Net change in fund balances	6,394,558	(1,826,206)	(2,808,505)	1,759,847
Fund Balances - July 1, 2021	15,311,768	23,045,117	67,141,456	105,498,341
Prior period adjustment (see Note 1)	209,667	-	-	209,667
Fund Balances - July 1, 2021 (restated)	15,521,435	23,045,117	67,141,456	105,708,008
Fund Balances - June 30, 2022	$ 21,915,993	$ 21,218,911	$ 64,332,951	$ 107,467,855

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, 2022

Net change in fund balances - total governmental funds		$	1,759,847
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount by which capital outlays exceeds depreciation in the period is as follows:			
Capital outlays	7,011,578		
Depreciation expense	(7,140,447)		(128,869)
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 decreased by this amount this year.			(3,308,249)
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 increase in interest accrued in the Statement of Activities over the amount due is shown here.			(7,935)
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.			
District pension and OPEB contributions (PSERS)			19,342,000
Cost of benefits earned net of employee contributions (PSERS)			(14,000,300)
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.			
Change in compensated absences			(256,131)
Change in other post-employment benefits (District's Plan)			(275,180)
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.			
Repayment of long-term debt	2,637,000		
Amortization of charges for bond refunding	(150,007)		
Amortization of bond premiums	1,319,651		
Repayment of financed purchae agreements payable	81,437		3,888,081
Change in net position - governmental activities		$	7,013,264

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUND - FOOD SERVICE
June 30, 2022

	Major Enterprise Fund Food Service Fund
Assets	
Current assets	
Cash and cash equivalents	$ 1,098,061
Investments	400,012
Receivables	
State sources	13,841
Federal sources	446,322
Other receivables	4,109
Inventories	96,053
Total current assets	2,058,398
Other Capital Assets, net of depreciation	360,220
Total assets	$ 2,418,618
Deferred Outflows of Resources	
Deferred amounts on pension liability	$ 390,000
Deferred amounts on OPEB liabilities	36,913
Total deferred outflows of resources	$ 426,913
Liabilities	
Current liabilities	
Due to other funds	$ 172,927
Accounts payable	25,033
Unearned revenues	223,486
Current portion of compensated absences	1,079
Total current liabilities	422,525
Long-Term Liabilities	
Net pension liability	2,050,000
Other post-employment benefits (OPEB) liabilities	149,506
Compensated absences	3,816
Total long-term liabilities	2,203,322
Total liabilities	$ 2,625,847
Deferred Inflows of Resources	
Deferred amounts on pension liability	$ 1,053,000
Deferred amounts on OPEB liabilities	54,730
Total deferred inflows of resources	$ 1,107,730
Net Position (Deficit)	
Net investment in capital assets	$ 360,220
Unrestricted (deficit)	(1,248,266)
Total net position (deficit)	$ (888,046)

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, 2022

	Major Enterprise Fund Food Service Fund
Operating Revenues	
Food service revenue	$ 96,720
Operating Expenses	
Salaries	878,935
Employee benefits	351,697
Purchased professional and technical services	170
Purchased property services	48,813
Other purchased services	1,557,530
Supplies	269,327
Depreciation	49,539
Dues and fees	183
Total operating expenses	3,156,194
Operating loss	(3,059,474)
Nonoperating Revenues	
Investment earnings	1,068
State sources	274,829
Federal sources	3,778,519
Total nonoperating revenues	$ 4,054,416
Change in net position	994,942
Net Position - July 1, 2021	(1,820,105)
Prior period adjustment (see Note 1)	(62,883)
Net Position - July 1, 2021 (restated)	(1,882,988)
Net Position - June 30, 2022	$ (888,046)

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND - FOOD SERVICE
Year Ended June 30, 2022

	Major Enterprise Fund Food Service Fund
Cash Flows From Operating Activities	
Cash received from users	$ 220,847
Cash payments to employees for services	(1,291,910)
Cash payments to suppliers for goods and services	(1,726,798)
Net cash used in operating activities	(2,797,861)
Cash Flows From Non-Capital Financing Activities	
State sources	260,988
Federal sources	3,223,430
Net cash provided by non-capital financing activities	3,484,418
Cash Flows from Capital and Related Financing Activities	
Capital outlay	(34,092)
Cash Flows From Investing Activities	
Investment earnings	1,068
Net change in cash and cash equivalents	653,533
Cash and Cash Equivalents:	
July 1, 2021	844,540
June 30, 2022	$ 1,498,073
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating loss	$ (3,059,474)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	49,539
Value of donated commodities	213,325
(Increase) decrease in:	
Receivables	(2,281)
Inventory	(41,084)
Deferred outflow of resources	(47,913)
Increase (decrease) in:	
Internal balances	46,962
Accounts payable	(23,016)
Unearned revenue	126,408
Net pension liability	(16,000)
OPEB liabilities	26,506
Compensated absences	(3,563)
Deferred inflow of resources	(67,270)
Net cash used in operating activities	$ (2,797,861)
Supplemental Disclosure	
Noncash non-capital financing activity	
USDA donated commodities	$ 213,325

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2022

	Primary Government	Component Unit
	Custodial Fund	West Shore Foundation Fund
Assets		
Cash and cash equivalents	$ 316,739	$ 150,836
Investments	-	823,260
Prepaid expenses	-	14,995
Total assets	$ 316,739	$ 989,091
Liabilities		
Accounts payable	$ -	$ 1,036
Total liabilities	$ -	$ 1,036
Net Position		
Net assets with donor restrictions	$ -	$ 23,560
Unrestricted	316,739	964,495
Total net position	$ 316,739	$ 988,055

See Notes to Financial Statements.

WEST SHORE SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2022

	Primary Government	Component Unit
	Custodial Fund	West Shore Foundation Fund
Additions		
Gifts and contributions	$ -	$ 184,628
Student activity revenues	611,665	-
Investment income:		
Interest and dividends	242	17,500
Net depreciation in fair value of investment	-	(152,851)
Investment expenses	-	(10,754)
Net investment income (loss)	242	(146,105)
Total additions	611,907	38,523
Deductions		
Student activity expenses	597,212	-
Support for education programs	-	110,104
General and administrative services	-	7,855
Fundraising expenses	-	23,322
Total deductions	597,212	141,281
Change in net position	14,695	(102,758)
Net Position - July 1, 2021	302,044	1,090,813
Net Position - June 30, 2022	$ 316,739	$ 988,055

See 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.

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, 2022, was approximately $344,000.
>
> Capital Area Intermediate Unit provides special education services and programs. The amount paid for these services for the year ended June 30, 2022, was approximately $1,387,000.
>
> 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, 2022, was approximately $1,560,000.

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.

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.

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.

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.

H. 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.

Note 1. Summary of Significant Accounting Policies (Continued)

H. 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 nonspendable 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.

Note 1. Summary of Significant Accounting Policies (Continued)

H. 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 refundings, 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 refundings are presented as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are presented as support service expenditures.

Note 1. Summary of Significant Accounting Policies (Continued)

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

Compensated Absences: Compensated absences (those for which employees received pay) are presented using the termination payment method. A liability is computed using estimates which apply historical data to current factors. The District maintains records of unused leave and applies the contracted rate for employees eligible for termination payments. The District allows only restricted sabbatical leave and therefore does not present any liability in advance of the sabbatical. Payments for compensated absences are made in the year the absence is taken or the employee retires. When an employee retires, the payout is as follows:

> Vacation Leave - Administrative employees may accumulate up to five days of unused vacation time per year, up to a maximum of fifty days for non-contracted administrators, with additional days granted to contracted administrators. Unused vacation days are paid at retirement based on the retiree's daily rate then in effect.
>
> Sick Leave - Teachers, support staff, and administrators who retire with at least 15, 15, and 10 years full-time active service with the District, respectively, are eligible to receive a benefit based on the number of unused sick days they have accumulated to the date of retirement based on various options available to the retirees.

For governmental funds, that portion of unpaid compensated absences that are expected to be paid using expendable, available resources, are reported as expenditures in the fund from which the individual earning the leave is paid, and a corresponding liability reflected.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

H. 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, 2022, are as follows:

	Governmental Activities	Business-Type Activities	Total
OPEB Liabilities			
District's Single Employer Plan	$ 5,761,191	$ 31,506	$ 5,792,697
PSERS Cost-Sharing Plan	8,975,000	118,000	9,093,000
Total	$ 14,736,191	$ 149,506	$ 14,885,697
Deferred Outflows of Resources			
District's Single Employer Plan	$ 2,265,501	$ 13,013	$ 2,278,514
PSERS Cost-Sharing Plan	1,853,100	23,900	1,877,000
Total	$ 4,118,601	$ 36,913	$ 4,155,514
Deferred Inflows of Resources			
District's Single Employer Plan	$ 2,197,490	$ 16,130	$ 2,213,620
PSERS Cost-Sharing Plan	119,400	38,600	158,000
Total	$ 2,316,890	$ 54,730	$ 2,371,620

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.

Note 1. Summary of Significant Accounting Policies (Continued)

H. 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:

Nonspendable - 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.

Note 1. Summary of Significant Accounting Policies (Continued)

I. 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 are descriptions of significant pronouncements that were considered or initially selected during the year ended June 30, 2022:

GASB issued Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 92, *Omnibus 2020*, enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of various GASB standards previously issued.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* addresses accounting and financial reporting implications that result from the replacement of an IBOR.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, (1) increases consistency and comparability related to the reporting of fiduciary component units where a governing board does not exist and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension and OPEB plans and other employee benefit plans as fiduciary component units; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan.

The following are descriptions of accounting pronouncements which will be considered for implementation during subsequent fiscal years, with modified effective dates as established by GASB Statement No. 95:

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the District beginning with its year ending June 30, 2023 (periods beginning after December 15, 2021). This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the District beginning with its year ending June 30, 2023 (fiscal periods beginning after June 15, 2022). This Statement improves financial reporting by addressing issues related to public-private and public-public partnerships.

Note 1. Summary of Significant Accounting Policies (Continued)

I. New Accounting Pronouncements (Continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements for this Statement are effective for fiscal years beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

GASB Statement No. 99, *Omnibus 2022 will be effective in fiscal years between June 30, 2022 and 2024,* depending on the topics addressed and their relation to other standards. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62.* will be effective for fiscal years beginning after June 15, 2023. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

GASB Statement No. 101, *Compensated Absences* will be effective for fiscal years beginning after December 15, 2023. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. It requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. 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. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

Note 1. Summary of Significant Accounting Policies (Continued)

J. 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 Net Position and Fund Balance Beginning Balances: As of July 1, 2021, the District restated the General Funds' fund balance, Governmental Activities net position and Business-type Activities net position. These restatements were necessary due to errors reported in the financial statements for the year ended June 30, 2021. The restatements had the following effects on fund balance and net positions:

	Governmental Activities	General Fund	Business-Type Activities
Fund Balance or Net Position as previously on June 30, 2021	$ (78,694,579)	$ 15,311,768	$ (1,820,105)
Prior period adjustment of accumulated depreciation of capital assets	(130,214)	-	(62,883)
Prior period adjustment of accounts receivable and unearned revenue relating to federal and state subsidies	209,667	209,667	-
Fund Balance or Net Position as restated on July 1, 2021	$ (78,615,126)	$ 15,521,435	$ (1,882,988)

Subsequent Events: In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through February 1, 2023, the date the financial statements were available to be issued. There were no subsequent events identified.

Note 2. GASB Standard Implementation

The District implemented Governmental Accounting Standards Board Statement (GASB) No. 87, *Leases*. The standard requires the inclusion of lease liabilities and underlying assets associated with the nonfinancial, right to use assets resulting in a potential restatement of the government-wide statement of net position. The change did not require a restatement of the District's Governmental Net Position.

Note 3. 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, 2022, are shown below:

	Amount	Balance	Institution
Insured (FDIC)	$ 250,000	$ 250,000	PNC
Insured (FDIC)	7,993	8,153	M&T
Insured (FDIC)	140,394	144,060	AmeriChoice
Insured (FDIC)	97,846	99,361	NCFCU
Insured (FDIC)	5,280	5,280	Members 1st
Insured (FDIC)	2,719	2,811	Fulton
Insured (FDIC)	28,456	29,074	Susquehanna Valley FCU
Uninsured, collateralized in accordance with Act 72	16,890,999	17,641,111	PNC
	$ 17,423,687	$ 18,179,850	

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.

Note 3. 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, 2022:

	Credit Rating	Weighted Avg. Maturity in Years		Carrying Value
Pennsylvania School District Liquid Asset Fund				
PSDMAX	AAAm	0.164	$	4,062,252
Pennsylvania Local Government Investment Trust				
PLGIT Class	AAAm	0.167		2,742,915
PLGIT/Reserve Class Shares	AAAm	0.167		856,416
PLGIT/PRIME	AAAm	0.167		4,225,139
PLGIT/TERM	AAAm	0.205		85,400,000
			$	97,286,722

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 Shares are a flexible option which requires no minimum balance, no minimum initial investment, and pays dividends monthly. The PLGIT/Reserve-Class Shares is an option which requires a minimum investment of $50,000 and limits redemptions or exchanges to two per calendar month with dividends being paid 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.

Note 3. 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, 2022, 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, 2022.

Note 4. 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, 2022, was 12.7512 mills for Cumberland, and 15.3858 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, 2022, follows:

July 1	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 Date (Perry County Tax Claim Bureau)

Note 5. 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 $243,366 as of June 30, 2022, has been recorded for taxes receivable that are not considered to be fully collectible. The balances at June 30, 2022, are as follows:

	Gross Taxes Receivable	Net Taxes Receivable	Revenue Recognized	Deferred Taxes
Real Estate Taxes	$ 1,599,167	$ 1,554,288	$ 371,331	$ 1,182,957
Personal Taxes	211,343	12,856	-	12,856
Earned Income Taxes	2,734,956	2,734,956	2,734,956	-
General Fund	4,545,466	4,302,100	3,106,287	1,195,813
Full Accrual Adjustment	-	-	-	(1,195,813)
Governmental Activities	$ 4,545,466	$ 4,302,100	$ 3,106,287	$ -

Note 6. Lease Receivable

The District leases buildings and land to third parties. One lease is for four years and the District will receive monthly payments of $12,455. The other lease is for 9 years and 10 months, and the District will receive annual payments of $70,000. The District recognized $177,186 in total lease revenue and $18,359 in total interest revenue during the current fiscal year related to these leases.

At June 30, 2022, the District's receivable for lease payments was $956,171. 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, 2022, the balance of the deferred inflow of resources was $955,173.

Note 7. Interfund Accounts

Individual fund receivable and payable balances at June 30, 2022, are as follows:

Fund	Interfund Receivables	Interfund Payables
Governmental Funds		
General	$ 172,927	$ 5,642,000
Capital Reserve	5,642,000	-
Proprietary Funds		
Food Service	-	172,927
	$ 5,814,927	$ 5,814,927

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, 2022, are as follows:

Fund	Transfer In	Transfer Out
Governmental Funds		
General	$ -	$ 1,175,000
Capital Reserve	1,175,000	-
	$ 1,175,000	$ 1,175,000

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

Note 8. 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 $1,402,000 at June 30, 2022. Because this asset does not represent a current financial resource to be used in the general fund, it is included in nonspendable fund balance as disclosed in Note 15.

Note 9. Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	July 1, 2021 (restated)	Additions	Deletions	June 30, 2022
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 8,849,548	$ -	$ -	$ 8,849,548
Construction-in-progress	3,087,466	5,592,608	(2,324,940)	6,355,134
Total capital assets not being depreciated	11,937,014	5,592,608	(2,324,940)	15,204,682
Capital assets being depreciated				
Site improvements	9,707,960	486,335	-	10,194,295
Buildings and improvements	172,153,234	1,878,729	-	174,031,963
Furniture, fixtures, and equipment	19,042,806	1,338,305	-	20,381,111
Library books	1,877,763	-	-	1,877,763
Transportation equipment	1,579,298	40,541	-	1,619,839
Total capital assets being depreciated	204,361,061	3,743,910	-	208,104,971
Less accumulated depreciation				
Site improvements	5,594,859	282,370	-	5,877,229
Buildings and building improvements	78,028,637	5,748,221	-	83,776,858
Furniture, fixture, and equipment	15,158,364	1,062,762	-	16,221,126
Library books	1,789,203	12,651	-	1,801,854
Transportation equipment	1,472,234	34,443	-	1,506,677
Total accumulated depreciation	102,043,297	7,140,447	-	109,183,744
Total capital assets being depreciated, net	102,317,764	(3,396,537)	-	98,921,227
Total Governmental Activities, Capital Assets - Net	$ 114,254,778	$ 2,196,071	$ (2,324,940)	$ 114,125,909
Business-Type Activities				
Capital assets being depreciated				
Furniture and equipment	$ 1,182,129	$ 34,092	$ -	$ 1,216,221
Less accumulated depreciation				
Furniture and equipment	806,462	49,539	-	856,001
Business-Type Activities, Capital Assets - Net	$ 375,667	$ (15,447)	$ -	$ 360,220

Note 9. Capital Assets (Continued)

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

	Amount
Governmental Activities	
Instruction	$ 5,553,385
Instructional student support	494,848
Administration and financial sujpport services	699,044
Operation and maintenance of plant services	267,345
Transportation	15,864
Student activities	108,516
Community Service	1,445
Total governmental activities	7,140,447
Business-Type Activities	
Food service	49,539
Total School District	$ 7,189,986

Note 10. Accrued Salaries and Benefits

At June 30, 2022, the District was liable for $5,590,045 of payroll, which is payable during July and August 2022, 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, 2022, 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, 2022.

Accrued salaries and benefits as of June 30, 2022, are as follows:

	Total
Accrued salaries	$ 5,590,045
Accrued benefits	
Retirement	7,682,799
Medical and dental	2,044,638
Other benefits	665,807
	$ 15,983,289

NOTES TO FINANCIAL STATEMENTS

Note 11. Long-Term Obligations

A summary of the District's long-term obligations as of June 30, 2022, and transactions during the year then ended follows:

	July 1, 2021	Increases	Decreases	June 30, 2022	Due within one year
Governmental Activities:					
General obligation debt	$ 115,662,000	$ -	$ 2,637,000	$ 113,025,000	$ 2,850,000
Unamortized bond premiums	15,255,665	-	1,319,651	13,936,014	-
Financed purchase agreements payable	133,982	-	81,437	52,545	52,245
Compensated absences	1,652,013	256,131	-	1,908,144	-
Total governmental activities	$ 132,703,660	$ 256,131	$ 4,038,088	$ 128,921,703	$ 2,902,245
Business-Type Activities:					
Compensated absences	$ 8,458	$ -	$ 3,563	$ 4,895	$ 1,079

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, 2022, as follows:

Issue	Final Maturity	Interest Rates	Principal Outstanding at June 30, 2022	Due within one year
Series A of 2017 Bonds	Novemeber 2028	2.00% to 5.00%	$ 11,845,000	$ 1,480,000
Series of 2018 Bonds	Novemeber 2048	2.00% to 5.00%	22,740,000	30,000
Series of 2019 Bonds	Novemeber 2048	2.00% to 4.00%	8,845,000	5,000
Series of 2020 Bonds	Novemeber 2048	2.00% to 5.00%	60,020,000	5,000
*Series of 2021 Note	September 2028	0.94%	9,575,000	1,330,000
			$ 113,025,000	$ 2,850,000

*Direct Borrowings

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

	Direct Borrowings		General Obligation Bonds		
Year ending June 30:	Principal	Interest	Principal	Interest	Total
2023	$ 1,330,000	$ 83,754	$ 1,520,000	$ 4,365,988	$ 7,299,742
2024	1,345,000	71,182	1,595,000	4,288,763	7,299,945
2025	1,360,000	58,468	1,680,000	4,207,188	7,305,656
2026	1,370,000	45,637	1,765,000	4,121,213	7,301,850
2027	1,385,000	32,689	1,830,000	4,058,263	7,305,952
2028-2032	2,785,000	26,156	12,935,000	19,221,769	34,967,925
2033-2037	-	-	18,355,000	15,579,175	33,934,175
2038-2042	-	-	22,685,000	11,232,725	33,917,725
2043-2047	-	-	28,070,000	5,860,200	33,930,200
2048-2049	-	-	13,015,000	560,375	13,575,375
	$ 9,575,000	$ 317,886	$ 103,450,000	$ 73,495,659	$ 186,838,545

Note 11. Long-Term Obligations (Continued)

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 lease 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	$	326,787
Less accumulated depreciation		(254,317)
Total computer equipment - net book value	$	72,470

The following is a schedule of the future minimum-lease payments due under the financed purchase agreements at June 30, 2022:

Year ending June 30:		Amount
2022-2023	$	53,801
Total minimum lease payments		53,801
Less amount representing interest		(1,256)
Total present value of net minimum lease payments	$	52,545

Note 12. 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. Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members, whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and 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.

Note 12. Defined Benefit Pension Plan (Continued)

Contributions

The contribution policy is set by the Code and requires contributions by active members, participating employers, and the Commonwealth of Pennsylvania. Plan members may belong to four membership classes. Class T-C, Class T-D, Class T-E, and Class T-F are available to plan members.

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	7.50%
T- F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	10.30%
T- G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	8.25%
T- H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	7.50%
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, 2022, was 34.14% 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 .15 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, 2022, was $19,176,761, and is equal to the required contribution for the year. For the year ended June 30, 2022, the District recognized gross retirement subsidy revenue from the Commonwealth in the amount of $9,715,868.

Note 12. Defined Benefit Pension Plan (Continued)

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

At June 30, 2022, the District reported a liability of $157,658,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2020 to June 30, 2021. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2022, the District's reported proportion was .3840 percent, which was an increase of .0025 percent from its proportion reported as of June 30, 2021.

For the year ended June 30, 2022 the District recognized pension expense of $13,533,000. At June 30, 2022 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	$ 116,000	$ 2,071,000
Changes in assumptions	7,647,000	-
Net difference between projected and actual investment earnings	-	25,096,000
Changes in proportion	3,530,000	700,000
Difference between employer contributions and proportionate share of total contributions	226,000	-
Contributions subsequent to the measurement date	19,177,000	-
	$ 30,696,000	$ 27,867,000

$19,177,000 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, 2023. 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
2023	$ (3,491,000)
2024	(2,042,000)
2025	(2,730,000)
2026	(8,085,000)
	$ (16,348,000)

Note 12. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liability as of June 30, 2021, was determined by rolling forward the System's total pension liability as of June 30, 2020 to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date – June 30, 2020
- 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 decreased from 7.25% as of June 30, 2020 to 7.00% as of June 30, 2021.

The actuarial assumptions used in the June 30, 2021, 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, 2021, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 24.58%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 12. Defined Benefit Pension Plan (Continued)

Investments (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Public Equity	27.0%	5.2%
Private Equity	12.0%	7.3%
Fixed Income	35.0%	1.8%
Commodities	10.0%	2.0%
Absolute returns	8.0%	3.1%
Infrastructure/MLPs	8.0%	4.7%
Real estate	10.0%	3.3%
Cash	3.0%	0.1%
Leverage	(13.0)%	0.1%
	100.0%	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2021.

Discount Rate

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

Note 12. 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 1-percentage-point lower (6.00%) or 1- 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	$ 206,932,000	$ 157,658,000	$ 116,093,000

Pension 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, 2022, the District reported a payable to PSERS of $7,545,045, which represents the employer contributions owed to the pension plan.

Note 13. 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. Package 1	N/A already retired	**Coverage**: Medical, Prescription Drug and Dental **Premium Sharing**: Member pays premiums in full **Dependents**: Spouse included	Lifetime of member Lifetime of spouse
Life Insurance	N/A already retired	**Coverage**: Life insurance amount as determined at time of retirement **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. **Dependents**: None included	Lifetime of member
B. Retired prior to July 1, 2006	N/A already retired	**Coverage**: Medical, Prescription Drug and Dental **Premium Sharing**: Member pays premiums in full **Dependents**: Spouse included	Member coverage ceases at member age 65 Spouse coverage ceases at the earlier of member age 65 and spouse age 65
C. Retiring after July 1, 2006	Retire through PSERS	**Coverage**: Medical, Prescription Drug and Dental **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. Otherwise, member pays premiums in full **Dependents**: Spouse included	Same as I-B
D. Life insurance to those who entered plan between 1998 and 2004	15 years of service with WSSD	**Coverage**: Life insurance amount determined by the table below 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 **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 **Dependents**: None included	Lifetime of member

Note 13. Other Post-Employment Benefits – District's Single Employer Plan (Continued)

Plan Description (Continued)

II. TEACHERS	Retire through PSERS	Same as I-B	Same as I-B
	Member has passed away and has a spouse at the time of passing	Year 1: Spouse can stay on plan by paying active contribution amount. Years 2 and 3: Spouse can stay on plan by paying premium in full Past year 3: Moves to COBRA (not valued in this report)	Spouse receives benefit for 3 years past member passing
III. SUPPORT STAFF	15 years of PSERS or Act 110/43	Same as I-B	Same as I-B

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 upon reaching age 67 with 3 years of PSERS service. 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to but not yet receiving benefits	-
Active employees	874
	927

Note 13. Other Post-Employment Benefits – District's Single Employer Plan (Continued)

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

At June 30, 2022, the District reported a liability of $5,792,697 for the total OPEB liability. The total OPEB liability was measured as of July 1, 2021, and was determined by an actuarial valuation as of July 1, 2020. The OPEB liability is composed of the following:

	Amount
Balance, beginning	$ 5,624,661
Changes for the year	
Service cost	491,014
Interest	111,104
Changes in assumptions	(171,342)
Benefit payments	(262,740)
Net Changes	168,036
Balance, ending	$ 5,792,697

For the year ended June 30, 2022, the District recognized OPEB expense of $549,614. At June 30, 2022, 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	$ 1,329,971	$ 1,977,419
Changes in assumptions	674,535	236,201
Benefit payments subsequent to the measurement date	274,008	-
	$ 2,278,514	$ 2,213,620

Of the total amount reported as deferred outflows of resources related to OPEB, $274,008 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, 2023. 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
2023	$ (52,504)
2024	(52,504)
2025	(52,504)
2026	(52,504)
2027	(52,504)
Thereafter	53,406
	$ (209,114)

Note 13. 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, 2020, 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% real wage growth, and for teachers and administrators a merit increase which varies by age from 2.75% to 0%
- Discount Rate – 2.28%. Based on S&P Municipal Bond 20 Year High Grade Rate Index at July 1, 2021
- Actuarial Cost Method: Entry Age Normal, Level Percent of Pay
- Healthcare Cost Trend: 5.5% in 2020 through 2023. Rates gradually decrease from 5.4% in 2024 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: Separate rates are assumed preretirement and postretirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. Incorporated into the table are rates projected generationally by the Buck Modified 2016 projection scale to reflect mortality improvement.
- Percent of Eligible Retirees Electing Coverage: 95.00% of administrators, 45.00% of teachers, and 25.00% of support staff are assumed to elect coverage

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District for the single-employer plan, as well as what the District's total OPEB liability for the single-employer plan would be if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current discount rate.

	1% Decrease 1.28%	Current Discount Rate 2.28%	1% Increase 3.28%
Total OPEB liability	$ 6,205,508	$ 5,792,697	$ 5,397,919

Changes in Actuarial Assumptions

The discount rate used to measure the total OPEB liability increased from 1.86% as of July 1, 2020 to 2.28% as of July 1, 2021.

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

The following presents the total OPEB liability of the District's single-employer plan, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1.0% lower or 1.0% higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	$ 5,087,534	$ 5,792,697	$ 6,630,673

Note 14. 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.

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
- Participate in the HOP or employer-sponsored health insurance program

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. As of June 30, 2021 there were no assumed future benefit increases to participating eligible retirees.

Employer Contribution

The Districts' contractually required contribution rate for the fiscal year ended June 30, 2022, was 0.80% 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 $449,368 for the year ended June 30, 2022.

Note 14. 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, 2022, the District reported a liability of $9,093,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, 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, 2020 to June 30, 2021. 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, 2022, the District's reported proportion was .3837 percent, which was a increase of .0022 percent from its proportion reported as of June 30, 2021.

For the year ended June 30, 2022, the District recognized OPEB expense of $4,805,000. At June 30, 2022, 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	$ 85,000	$ -
Changes in assumptions	968,000	121,000
Net difference between projected and actual investment earnings	18,000	-
Changes in proportion	356,000	37,000
Difference between employer contributions and proportionate share of total contributions	1,000	-
Contributions subsequent to the measurement date	449,000	-
	$ 1,877,000	$ 158,000

$449,000 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, 2023. 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
2023	$ 249,000
2024	247,000
2025	260,000
2026	216,000
2027	170,000
Thereafter	128,000
	$ 1,270,000

Note 14. Other Post-Employment Benefits – PSERS Cost-Sharing Plan (Continued)

Actuarial Assumptions

The Total OPEB Liability as of June 30, 2021, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2020 to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date –June 30, 2020
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 2.18% - 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 decreased from 2.66% as of June 30, 2020 to 2.18%, as of June 30, 2021.

The actuarial assumptions used in the June 30, 2020 valuation, were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2015.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2019, determined the employer contribution rate for fiscal year 2021.
- 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: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Note 14. 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	79.8%	0.1%
US Core Fixed Income	17.5%	0.7%
Non-US Developed Fixed	2.7%	(0.3%)
	100.0%	

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, 2021.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.18%. 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 2.18% which represents the S&P 20-year Municipal Bond Rate at June 30, 2021, was applied to all projected benefit payments to measure the total OPEB liability.

Note 14. 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 2.18%, 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 (1.18%) or one percentage point higher (3.18%) than the current discount rate:

	1% Decrease 1.18%	Current Discount Rate 2.18%	1% Increase 3.18%
District's proportionate share of the net OPEB liability	$ 10,435,000	$ 9,093,000	$ 7,987,000

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	$ 9,092,000	$ 9,093,000	$ 9,094,000

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, 2022, the District reported a payable to PSERS of $176,802, which represents the employer contributions owed to the OPEB plan.

Note 15. 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, 2022, 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	$ 232,757	$ -	$ -	$ 232,757
Prepaid expenses	384,445	-	-	384,445
Amounts receivable from				-
life insurance contracts	1,402,000	-	-	1,402,000
Restricted for, reported in:				
Capital projects	-	21,218,911	-	21,218,911
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	-	-	64,332,951	64,332,951
Assigned, reported in:				
Athletics	14,343	-	-	14,343
Concession	22,789	-	-	22,789
Unassigned, reported in:				
General Fund	17,359,659	-	-	17,359,659
	$ 21,915,993	$ 21,218,911	$ 64,332,951	$ 107,467,855

Note 16. 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, 2022, and subsequently paid is recorded in the amount of $1,125,540 in accounts payable in the general fund. For the year ended June 30, 2021, the liability for claims incurred prior to June 30, 2021, and subsequently paid was $1,152,882.

Changes in the District's claims liability amount in fiscal years 2022 and 2021 are:

	Beginning Liability	Claims and Changes in Estimates	Claims Paid	Ending Liability
2020-2021	$ 1,270,967	$ 8,976,102	$ 9,094,187	$ 1,152,882
2021-2022	1,152,882	10,460,271	10,487,613	1,125,540

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.

Note 17. 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, 2020 through June 30, 2024. 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 December 16, 2013 through June 30, 2018, and was extended through June 30, 2023. 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 $4,253,796 for the year ended June 30, 2022, which included a cost reduction from the original contract based on an amended agreement due to the COVID-19 impact.

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Budgetary Basis	Favorable (Unfavorale)
Revenues				
Local sources				
Real estate taxes	$ 70,378,335	$ 70,378,335	$ 70,853,488	$ 475,153
Other taxes	19,534,200	19,534,200	22,698,032	3,163,832
Investment earnings	30,000	30,000	22,860	(7,140)
Other revenue	2,172,930	2,172,930	3,469,018	1,296,088
Total Local sources	92,115,465	92,115,465	97,043,398	4,927,933
State sources	34,382,612	34,382,612	34,916,302	533,690
Federal sources	7,438,735	7,438,735	7,086,311	(352,424)
Total revenues	133,936,812	133,936,812	139,046,011	5,109,199
Expenditures				
Instruction				
Regular programs	63,315,060	63,013,849	62,818,850	194,999
Special programs	21,417,190	22,331,675	22,342,875	(11,200)
Vocational programs	1,559,622	1,559,622	1,559,622	-
Other instructional programs	151,196	327,775	327,775	-
Non-public school programs	55,002	55,002	38,708	16,294
Adult education programs	480,009	480,009	480,009	-
Support services				
Pupil personnel services	4,914,390	4,124,537	3,362,326	762,211
Instructional staff services	1,359,840	1,359,840	1,296,039	63,801
Administrative services	7,933,046	7,933,046	7,570,336	362,710
Pupil health	2,472,341	2,472,341	2,270,868	201,473
Business services	1,447,351	1,447,351	1,325,128	122,223
Operation of plant and maintenance services	9,851,965	9,851,965	9,715,567	136,398
Student transportation services	5,457,154	5,277,125	5,205,380	71,745
Central and other business services	4,183,289	4,183,289	3,697,068	486,221
Operation of non-instructional services				
Student activites	2,088,098	2,088,098	2,084,246	3,852
Community service	104,575	104,575	95,597	8,978
Capital outlay	185,000	185,000	38,026	146,974
Debt service (principal and interest)	7,399,203	7,399,203	7,218,732	180,471
Refund of prior year's receipts	-	-	34,907	(34,907)
Total expenditures	134,374,331	134,194,302	131,482,059	2,712,243
Excess (deficiency) of revenues over expenditures	(437,519)	(257,490)	7,563,952	7,821,442
Other Financing Sources (Uses)				
Interfund transfers in (out)	(994,971)	(1,175,000)	(1,175,000)	-
Refund of prior year's expenditures	-	-	5,606	5,606
Total other financing uses	(994,971)	(1,175,000)	(1,169,394)	5,606
Net change in fund balance	$ (1,432,490)	$ (1,432,490)	6,394,558	$ 7,827,048
Fund balances - July 1, 2021			15,311,768	
Prior period adjustment (see Note 1)			209,667	
Fund balances - July 1, 2021 (restated)			15,521,435	
Fund balances - June 30, 2022			$ 21,915,993	

See Notes to Required Supplementary Information.

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, 2022.

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
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%
2015	0.3645%	$ 144,272,000	$ 46,514,777	310.16%	57.24%

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 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
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%
2015	$ 9,016,000	$ (9,016,000)	$ -	$ 44,867,367	20.50%

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

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	$ 491,014	$ 193,000	$ 195,000	$ 367,000	$ 346,000
Interest	111,104	118,000	104,000	193,000	141,000
Changes of benefit terms	-	(99,000)	-	-	-
Differences between expected and actual experience	-	1,572,000	-	(2,856,000)	-
Changes in assumptions	(171,342)	589,000	(102,000)	4,000	281,000
Benefit payments	(262,740)	(159,000)	(163,000)	(293,000)	(289,000)
Net change in total OPEB liability	168,036	2,214,000	34,000	(2,585,000)	479,000
Total OPEB Liability - beginning	5,624,661	3,411,000	3,377,000	5,962,000	5,483,000
Total OPEB Liability - ending	$ 5,792,697	$ 5,625,000	$ 3,411,000	$ 3,377,000	$ 5,962,000
Covered payroll	$ 51,291,732	$ 51,291,732	$ 47,024,297	$ 47,024,297	$ 43,556,499
Total OPEB liability as a percentage of covered payroll	11.3%	11.0%	7.3%	7.2%	13.7%

Notes to Schedule:
Changes in assumptions: The discount rate changed from 1.86% to 2.28%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

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
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
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 remaining fund information of West Shore School District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 1, 2023.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 District's financial statements will not be prevented, or detected and corrected., on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or 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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2022-003 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 subjected 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.

Boyer & Ritter

Camp Hill, Pennsylvania
February 1, 2023

Boyer & Ritter LLC
Certified Public Accountants and Consultants

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, 2022. 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, 2022.

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.

Boyer & Ritter

Camp Hill, Pennsylvania
February 1, 2023

WEST SHORE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

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? _X_ Yes __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
84.425	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? ___Yes _X_ No

Section II -- Financial Statement Findings

A. Material Weakness in Internal Control

2022-001 - 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, material 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

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 close that include review of balance sheet accounts and work to complete all closing adjustments prior to the start of audit fieldwork.

2022-002 - General Ledger Accounting-Student Activities Fund

Criteria: The detail maintained in a general ledger accounting system is integral to financial reporting and day to day oversight of the District.

Condition: During our audit, we noted that the District does not maintain the accounting records for the student activities fund in its general ledger accounting software. We were able to obtain the detail for these areas through supplemental records.

Cause and Effect: The absence of the activity in the accounting software poses a risk to completeness of financial reporting.

Identification of Repeat Finding: No

Recommendation: The District should include all activity in its general ledger accounting system. By including this fund in the general ledger, the District can obtain more timely and complete information for entity wide reporting.

Management Response: The District will work to include all student activity funds into the general ledger accounting system.

Section II -- Financial Statement Findings (Continued)

B. Significant Deficiency in Internal Control

2022-003 - Capital Asset Accounting

Criteria: Capital assets are reported on the government-wide financial statements and are disclosed in the notes to the financial statements. The detailed transactions for capital asset activity (i.e., additions, deletions, and annual depreciation) provide the necessary information for financial reporting.

Condition: During our audit, we worked with School District personnel to obtain the annual information (additions, disposals, depreciation) needed to record and disclose capital asset activity. Fixed asset detail is tracked in various forms, including large Excel files.

Cause and Effect: There were numerous revisions needed to obtain complete listings of capital assets that rolled forward from the prior year. Maintaining accurate capital asset information is paramount to financial reporting and disclosure.

Identification of Repeat Finding: Yes

Recommendation: The District should constantly update the fixed asset schedule and ensure prior year information rolls forward to the current year for all capital asset classes. By identifying assets to be capitalized throughout the year, the School District can reduce the time needed during the closing process to produce the necessary reports. Additionally, the adjustments for capital asset activity in the food service fund should be posted prior to audit fieldwork.

It is our understanding that the School District plans to investigate software solutions for its fixed asset record keeping. We agree that this could provide a solution to achieve the recommendations above.

Management Response: Based on last year's recommendation, the business office assumed responsibility for fixed asset schedules. The School District continues to work on improving the capital asset accounting system. Fixed asset schedules will be updated to ensure prior year information rolls forward to the current year for all capital asset classes. The School District plans to purchase a new fixed asset software solution for implementation during the 2022-2023 fiscal year.

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, 2022

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, 2021 (Restated)	Revenue Recognized	Expenditures Recognized	Accrued or (Deferred) Revenue at June 30, 2022	Provided to Subrecipients
U.S. Department of Education										
Passed through the Pennsylvania Department of Education										
Title I - Grants to Local Educational Agencies	84.010	013-220476	21-22	$ 1,204,470	$ 321,249	$ -	$ 1,055,251	$ 1,055,251	$ 734,002	$ -
Title I - Grants to Local Educational Agencies	84.010	013-210476	20-21	$ 1,221,553	244,168	241,034	3,134	3,134	-	-
					565,417	241,034	1,058,385	1,058,385	734,002	-
Title III - English Language Acquisition State Grants	84.365	010-220476	21-22	$ 45,247	11,916	-	45,247	45,247	33,331	-
Title III - English Language Acquisition State Grants	84.365	010-210476	20-21	$ 51,385	34,257	2,413	31,844	31,844	-	-
Title III - English Language Acquisition State Grants	84.365	010-200476	19-20	$ 38,073	5,076	5,076	-	-	-	-
					51,249	7,489	77,091	77,091	33,331	-
Title II - Supporting Effective Instruction State Grants	84.367	020-220476	21-22	$ 213,843	56,633	-	196,189	196,189	139,556	-
Title II - Supporting Effective Instruction State Grants	84.367	020-210476	20-21	$ 220,321	-	(18,361)	18,361	18,361	-	-
Title II - Supporting Effective Instruction State Grants	84.367	020-200476	19-20	$ 236,217	(5,786)	(5,786)	-	-	-	-
					50,847	(24,147)	214,550	214,550	139,556	-
Title IV - Student Support and Academic Enrichment Program	84.424	144-220476	21-22	$ 91,538	24,396	-	79,370	79,370	54,974	-
Title IV - Student Support and Academic Enrichment Program	84.424	144-210476	20-21	$ 93,384	56,030	(3,580)	59,610	59,610	-	-
		.			80,426	(3,580)	138,980	138,980	54,974	-
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	252-200476	20-21	$ 50,140	36,945	23,165	13,780	13,780	-	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	200-200476	20-21	$ 1,011,358	-	-	-	-	-	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	200-210476	20-23	$ 4,494,928	836,236	(108,367)	1,075,107	1,075,107	130,504	-
					836,236	(108,367)	1,075,107	1,075,107	130,504	-
COVID-19 - American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	223-210476	20-24	$ 9,091,938	661,232	-	3,523,333	3,523,333	2,862,101	-
COVID-19 - American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	224-210476	20-24	$ 74,403	4,058	-	3,579	3,579	(479)	-
COVID-19 - American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	225-210476	20-24	$ 706,649	89,937	-	458,640	458,640	368,703	-
					755,227	-	3,985,552	3,985,552	3,230,325	-
COVID-19 - American Rescue Plan Elementary and Secondary Schools Emergency Relief-Homeless Children and Youth (ARP-HCY)	84.425W	181-212478	21-24	$ 38,637	1,981	-	2,112	2,112	131	-
Total passed through the Pennsylvania Department of Education					2,378,328	135,594	6,565,557	6,565,557	4,322,823	-
Passed through the Pennsylvania Commission on Crime and Delinquency										
COVID-19 - Elementary & Secondary School Emergency Relief (ESSER) Fund	84.425D	2020-ES-01-35056	20-22	$ 234,829	208,008	202,945	5,063	5,063	-	-
Total passed through the Pennsylvania Commision on Crime and Delinquency					208,008	202,945	5,063	5,063	-	-
Passed through the Capital Area Intermediate Unit										
Special Education - Grants to States (IDEA, Part B)	84.027	062-220015	20-21	$ 1,400,528	1,400,528	1,400,528	-	-	-	-
Special Education - Grants to States (IDEA, Part B)	84.027	062-210015	21-22	$ 1,320,575	1,180,863	-	1,320,575	1,320,575	139,712	-
Special Education Preschool Grants (IDEA Preschool)	84.173	131-210015	21-22	$ 3,961	3,961	-	3,961	3,961	-	-
COVID-19 - Special Education Grants to States (IDEA, Part B) - American Rescue Plan	84.027X	062-220015	21-22	$ 327,636	-	-	327,636	327,636	327,636	-
Total passed through the Capital Area Intermediate Unit					2,585,352	1,400,528	1,652,172	1,652,172	467,348	-
Total U.S. Department of Education					5,171,688	1,739,067	8,222,792	8,222,792	4,790,171	-

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2022

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, 2021 (Restated)	Revenue Recognized	Expenditures Recognized	Accrued or (Deferred) Revenue at June 30, 2022	Provided to Subrecipients
U.S. Department of the Treasury										
Passed through the Pennsylvania Commission on Crime and Delinquency										
COVID-19 - Coronavirus Relief Fund	21.019	2020-CS-01-33401	20-20	$ 413,989	(681)	(681)	-	-	-	-
Total U.S Department of the Treasury					(681)	(681)	-	-	-	-
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	20-21	$ 54,074	32,454	32,454	-	-	-	-
Medical Assistance Program (Medicaid; Title XIX)	93.778	N/A	21-22	$ 55,270	26,755	-	55,270	55,270	28,515	-
Total Medicaid Cluster					59,209	32,454	55,270	55,270	28,515	-
Total U.S. Department of Health and Human Services					59,209	32,454	55,270	55,270	28,515	-
U.S. Department of Agriculture										
Passed through the Pennsylvania Department of Education										
School Breakfast Program	10.553	N/A	21-22	N/A	563,241	-	654,153	654,153	90,912	-
National School Lunch Program	10.555	N/A	21-22	N/A	2,413,899	-	2,765,509	2,765,509	351,610	-
COVID-19 - National School Lunch Program - SNP Emergency Operating Costs	10.555	N/A	21-22	N/A	52,627	-	52,627	52,627	-	-
COVID-19 - National School Lunch Program - Supply Chain Assistance	10.555	N/A	21-22	N/A	142,729	-	-	-	(142,729)	-
					2,609,255	-	2,818,136	2,818,136	208,881	-
COVID-19 - Summer Food Service Program for Children	10.559	N/A	21-22	N/A	174,304	88,262	89,842	89,842	3,800	-
Child Nutrition Discretionary Grants Limited Availability	10.579	NSLP-20-PA-01	21-21	$ 16,295	16,295	16,295	-	-	-	-
COVID-19 - Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	N/A	21-22	N/A	3,063	-	3,063	3,063	-	-
Total passed through the Pennsylvania Department of Education					3,366,158	104,557	3,565,194	3,565,194	303,593	-
Passed through the Pennsylvania Department of Agriculture										
National School Lunch Program - Food Donations	10.555	N/A	21-22	N/A	213,325	-	213,325	213,325	-	-
Total U.S. Department of Agriculture					3,579,483	104,557	3,778,519	3,778,519	303,593	-
Total Expenditures of Federal Awards					$ 8,809,699	$ 1,875,397	$ 12,056,581	$ 12,056,581	$ 5,122,279	$ -
Child Nutrition Cluster (Assistance Listing Numbers - 10.553, 10.555 and 10.559)					$ 3,560,125	$ 88,262	$ 3,775,456	$ 3,775,456	$ 303,593	$ -
Special Education Cluster (Assistance Listing Numbers - 84.027 and 84.173)					$ 2,585,352	$ 1,400,528	$ 1,652,172	$ 1,652,172	$ 467,348	$ -
Education Stabilization Fund (Assistance Listing Number - 84.425)					$ 1,838,397	$ 117,743	$ 5,081,614	$ 5,081,614	$ 3,360,960	$ -

See Notes to Schedule of Expenditures of Federal Awards.

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, 2022. 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, 2022, was $460,421.

Note 4. Prior Year Expenditures and Amounts Received

For the year ended June 30, 2022, the District has restated the beginning accrued (deferred) revenue amounts on the Schedule of Expenditures of Federal Awards to accurately reflect expenditures incurred, amounts received and revenue recognized in the prior year. The total restatement resulted in an increase of $45,215 to the beginning accrued (deferred) revenue amounts and impacted the following programs:

Assistance Listing Number	Pass Through Grantor's Number	Reported Total Received for fiscal year ended June 30, 2021	Reported Expenditures/ Revenue Recognized for fiscal year ended June 30, 2021	Reported Prior Year Accrued (Deferred) Revenues as of June 30, 2021	Corrected Total Received for fiscal year ended June 30, 2021	Corrected Expenditures/ Revenue Recognized for fiscal year ended June 30, 2021	Corrected Accrued (Deferred) Revenue as of July 1, 2021
84.367	020-200476	$ (5,786)	$ 16,222	$ -	$ -	$ 16,222	$ (5,786)
84.425D	200-200476	$ 1,011,358	$ 850,729	$ (6,004)	$ 1,011,358	$ 856,733	$ -
84.425D	2020-ES-01-35056	$ 71,818	$ 229,766	$ 157,948	$ 26,821	$ 229,766	$ 202,945

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

Financial Statement Finding- Material Weakness

#2021-001 Internal Control - Material Weakness – Closing Adjustments

Statement of Condition: During our audit, we proposed material adjustments to the following School District records based on the result of our procedures. Adjustments were proposed to fixed assets and related depreciation (governmental activities and food service fund), interfund balances and transfers (food service, capital reserve, and capital projects funds), accounts payable (capital reserve and capital projects), grants and subsidies receivable (food service fund). The entries were to reverse prior year closing entries and to record current year amounts as of and for the year ended June 30, 2021.

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

Financial Statement Finding - Significant Deficiency

#2021-002 Internal Control – Significant Deficiency – Capital Asset Accounting

Statement of Condition: During our audit, we worked with School District personnel to obtain the annual information (additions, disposals, depreciation) needed to record and disclose capital asset activity. Fixed asset detail is tracked in various forms, including large Excel files.

Recommendation: The School District should constantly update the fixed asset schedule and ensure prior year information rolls forward to the current year for all capital asset classes. By identifying assets to be capitalized throughout the year, the School District can reduce the time needed during the closing process to produce the necessary reports. Additionally, the adjustments for capital asset activity in the food service fund should be posted prior to audit fieldwork.

Current Status: The District continues to work on improving the capital asset accounting system. The District has contracted with IAC (Industrial Appraisal Company) to complete a full evaluation of all of the District's assets so that an accurate list can be used moving forward. Procedures will be put in place to ensure that all new additions and deletions are accounted for once the evaluation is complete.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
(Continued)
FOR THE YEAR ENDED JUNE 30, 2022

Federal Award Findings - Significant Deficiencies

#2021-003 Internal Control – Significant Deficiency – Allowable Costs/Cost Principles – Time and Effort Reporting

Special Education Grants to States (IDEA, Part B), CFDA #84.027

Statement of Condition: We noted that while the School District does not have written procedures for time and effort, the School District has completed certification forms for employees working on other Federal programs. These certification forms were not completed; however, to support the employees' time charged to the IDEA federal award program.

Recommendation: We recommend that the School District implement written procedures over time and effort records for employees who work on federal programs. We recommend that these procedures are enforced to ensure that consistent records are maintained for all employees who work on federal programs to support the time allocated to those programs.

Current Status: The District implemented procedures over time and effort records for employees who work on federal programs. These procedures will be enforced, as recommended, to ensure that consistent records are maintained for all employees who work on federal programs to support the time allocated to those programs.

#2021-004 Internal Control – Significant Deficiency – Allowable Costs/Cost Principles (Credits)

Special Education Grants to States (IDEA, Part B), CFDA #84.027

Statement of Condition: The School District receives retirement subsidies and did not reduce the retirement expenditures charged against the IDEA, Part B grant program, accordingly.

Recommendation: We recommend that the School District implement procedures to properly reduce retirement expenditures by retirement subsidies and to ensure that all IDEA, Part B expenditures are properly reflected in the general ledger to support the balance on the SEFA

Current Status: The District implemented procedures to properly reduce retirement expenditures by retirement subsidies to ensure that all IDEA, Part B expenditures are properly recognized.

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, 2022.

The findings from the June 30, 2022 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

#2022-001 Internal control – Material Weakness – 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

#2022-002 Internal control – Material Weakness – General Ledger Accounting – Student Activities Fund

Corrective Action Planned: The District has put measures in place to ensure the Business Office is receiving monthly activity and reconciliation of district-wide student activity accounts. This information is being presented to the School Board on a quarterly basis. At year-end, the Business Office will compile all District student activity account information and provide necessary reports and statements to the audit firm.

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

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

#2022-003 Internal control – Significant Deficiency – Capital Asset Accounting

Corrective Action Planned: The District has contracted with Industrial Appraisal Company (IAC) to provide an accurate accounting record of the District's fixed assets. This accounting records will be updated annually to reflect all additions and disposals of District's fixed assets. Procedures will be put in place to ensure that additions and disposals are communicated to the Business Office as they occur.

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