

NEW ISSUE—BOOK-ENTRY ONLY

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

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will not be includible in the gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the School District with the requirements of the Internal Revenue Code of 1986, as amended. Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals. Under laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax, and the Bonds are exempt from personal property taxes in Pennsylvania. See "TAX EXEMPTION AND OTHER TAX MATTERS" herein.

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

\$48,250,000*

West Chester Area School District **(Chester and Delaware Counties, Pennsylvania)**

Consisting of:

\$29,775,000* General Obligation Bonds, Series of 2025

\$18,475,000* General Obligation Bonds, Series A of 2025

Bonds Dated: Date of Delivery

Interest Due: May 15 and November 15

Principal Due: May 15, as shown on inside cover

First Interest Payment: November 15, 2025

The Bonds described herein are in the combined, aggregate principal amount of \$48,250,000* and consist of two series, the \$29,775,000* General Obligation Bonds, Series of 2025 (the "2025 Bonds"), and the \$18,475,000* General Obligation Bonds, Series A of 2025 (the "2025A Bonds"). The 2025 Bonds and 2025A Bonds are sometimes collectively referred to as the "Bonds". The Bonds will be issued in denominations of \$5,000 and integral multiples thereof, and will be registered in the name of Cede & Co., as the owner and nominee of The Depository Trust Company ("DTC"), New York, New York, under its book-entry only system maintained through its brokers and dealers who are, or act through, DTC Participants. The purchasers of the Bonds will not receive physical delivery of paper Bond certificates. A purchaser of the Bonds must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein. If, under the circumstances described herein, Bonds are ever issued in certificated form, such Bonds will be subject to registration or transfer, exchange and payment as described herein. The principal of any certificated Bonds will be paid to the registered owners or assigns, when due, upon presentation and surrender of such Bonds to Manufacturers and Traders Trust Company (the "Paying Agent"), acting as paying agent, registrar and sinking fund depository, at its designated corporate trust office. Interest on the Bonds is payable initially on November 15, 2025 and thereafter semiannually on May 15 and November 15 of each year, until the principal sum thereof is paid. DTC Participants and Indirect Participants will be responsible for remitting interest and principal payments to Beneficial Owners of the Bonds.

The Bonds are general obligations of the West Chester Area School District, a public school district consisting of portions of Chester and Delaware Counties, Pennsylvania (the "School District"), payable from its tax and other general revenues. The School District has covenanted in a Resolution adopted by the Board of the School District on March 24, 2025 (the "Resolution"), that authorized and secures the Bonds, that it will provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service due on the Bonds for such year and will duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its revenues or funds the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District has irrevocably pledged its full faith, credit and taxing power, which taxing power presently includes the power to levy an annual ad valorem tax on all taxable real property within the School District, within the limits provided by law. (See "THE BONDS – "Security" and "TAXING POWERS OF THE SCHOOL DISTRICT" *infra*).

The 2025 Bonds are subject to optional redemption prior to maturity, as described herein.

The 2025A Bonds are not subject to optional redemption prior to maturity.

Proceeds of the 2025 Bonds will be used to: (1) plan, design, acquire and construct alterations and improvements to elementary schools, and other buildings and facilities, and (2) pay the allocable issuance costs of the 2025 Bonds.

Proceeds of the 2025A Bonds will be used to: (1) currently refund a portion of the School District's outstanding General Obligation Bonds, Series AA of 2014, and (2) pay the allocable issuance costs of the 2025A Bonds.

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

MATURITIES, AMOUNTS, RATES, YIELDS/PRICES AND CUSIPS **[As Shown on Inside Front Cover]**

The Bonds are offered when, as and if issued, subject to withdrawal or modification of the offer without notice, and subject to the approving legal opinion of Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, Bond Counsel to the School District, to be furnished upon delivery of the Bonds. Certain other legal matters will be passed upon for the School District by Unruh, Turner, Burke & Frees, P.C., West Chester, Pennsylvania, School District Solicitor. PFM Financial Advisors LLC, Harrisburg, Pennsylvania, will serve as the School District's Financial Advisor in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery through DTC, on or about May 8, 2025.

PFM FINANCIAL ADVISORS LLC
Financial Advisor to the School District

Dated: _____

*Estimate, subject to change.

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

\$48,250,000*

West Chester Area School District
(Chester and Delaware Counties, Pennsylvania)
Consisting of:

\$29,775,000* General Obligation Bonds, Series of 2025

Bonds Dated: Date of Delivery
Interest Due: May 15 and November 15
Denomination: Integral multiples of \$5,000

Principal Due: May 15 (as shown below)
First Interest Payment: November 15, 2025
Form: DTC Book-Entry Only

2025 BOND MATURITY SCHEDULE:

Maturity Date					
(May 15)	Principal	Interest	Initial Offering	Initial Offering	
Year	Amounts	Rates	Yields	Prices	CUSIP⁽¹⁾
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					

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

*Estimated, subject to change.

\$18,475,000* General Obligation Bonds, Series A of 2025

Bonds Dated: Date of Delivery

Interest Due: May 15 and November 15

Denomination: Integral multiples of \$5,000

Principal Due: May 15 (as shown below)

First Interest Payment: November 15, 2025

Form: DTC Book-Entry Only

2025A BOND MATURITY SCHEDULE:

Maturity Date					
(May 15)	Principal	Interest	Initial Offering	Initial Offering	
Year	Amounts	Rates	Yields	Prices	CUSIP⁽¹⁾
2026					
2027					

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

*Estimated, subject to change.

WEST CHESTER AREA SCHOOL DISTRICT
(Chester and Delaware Counties, Pennsylvania)

BOARD OF SCHOOL DIRECTORS

Karen Fleming	President
Gary Bevilacqua	Vice President
Alex Christy	Member
Dr. Laura Detre	Member
Daryl Durnell	Member
Katy Frey	Member
Dr. Karen Herrmann	Member
Jewell Parkinson	Member
Stacey Whomsley	Member
Linda Cherashore	Secretary*
Karen Avagliano	Assistant Secretary*
John T. Scully	Treasurer*

*Non-Voting Member

SUPERINTENDENT
DR. DAVID CHRISTOPHER

DIRECTOR OF BUSINESS AFFAIRS
JOHN T. SCULLY

SCHOOL DISTRICT SOLICITOR
UNRUH, TURNER, BURKE & FREES, P.C.
West Chester, Pennsylvania

BOND COUNSEL
ECKERT SEAMANS CHERIN & MELLOTT, LLC
Harrisburg, Pennsylvania

FINANCIAL ADVISOR
PFM FINANCIAL ADVISORS LLC
Harrisburg, Pennsylvania

UNDERWRITER FOR THE 2025 BONDS

UNDERWRITER FOR THE 2025A BONDS

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

SCHOOL DISTRICT ADDRESS
782 Springdale Drive
Exton, Pennsylvania

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

TABLE OF CONTENTS

<u>Page</u>	<u>Page</u>
INTRODUCTION	1
PURPOSE OF THE ISSUE	1
Estimated Sources and Uses of Bond Proceeds	1
THE BONDS	1
Description	1
Payment of Principal and Interest	2
Transfer, Exchange and Registration of Bonds	2
Security	3
Commonwealth Enforcement of School District Debt Service Payments	3
Past Delays and Legislative Impasses in Adopting Pennsylvania Budgets	3
Pa. Act 85 of 2016 – State Enforcement of School District Debt Service Payments During a State Budget Impasse	4
Bonds Sinking Fund	4
Actions in the Event of Default on Bonds	5
BOOK-ENTRY ONLY SYSTEM	5
REDEMPTION OF BONDS	6
Optional Redemption of 2025 Bonds	6
Optional Redemption of 2025A Bonds	6
Mandatory Sinking Fund Redemptions	6
Notice of Redemption	7
Manner of Redemption	7
THE SCHOOL DISTRICT	8
Introduction	8
Administration	8
School District Facilities	8
Enrollment Trends	9
SCHOOL DISTRICT FINANCES	9
Introduction	9
Financial Reporting	9
Budgeting Process as modified by Act 1 of 2006 (Taxpayer Relief Act)	9
Summary and Discussion of Financial Results	11
General Fund Revenue	12
General Fund Expenditures	13
TAXING POWERS OF THE SCHOOL DISTRICT	13
In General	13
The Taxpayer Relief Act (Act 1) – Limitations on Pennsylvania School Districts Raising Taxes	14
Status of the Bonds Under Act 1	15
Legislation Limiting Unreserved Fund Balances	15
Tax Levy Trends	16
Real Property Tax	17
Other Taxes	19
COMMONWEALTH AID TO SCHOOL DISTRICTS	19
DEBT AND DEBT LIMITS	20
Debt Statement	20
Debt Limit and Remaining Borrowing Capacity	23
Debt Service Requirements	24
Future Financing	25
LABOR RELATIONS	25
School District Employees	25
Pension Program	25
Other Post-Employment Benefits (“OPEB”)	26
LITIGATION	26
DEFAULTS AND REMEDIES	26
TAX EXEMPTION AND OTHER TAX MATTERS	26
CONTINUING DISCLOSURE UNDERTAKING	27
Continuing Disclosure Filing History	28
Future Continuing Disclosure Compliance	28
RATING	28
UNDERWRITING	29
LEGAL OPINIONS	29
FINANCIAL ADVISOR	29
MISCELLANEOUS	29
APPENDIX A	1
DEMOGRAPHIC AND ECONOMIC INFORMATION	1
RELATING TO THE WEST CHESTER AREA SCHOOL DISTRICT	1
Introduction	1
Employment	2
Income	4
Commercial Activity	4
Housing	4
Educational Institutions	4
Medical Facilities	5
Transportation	5
Recreation	5
Utilities	5
Municipal Services	5
APPENDIX B	2
Form of Opinion of Bond Counsel	2
APPENDIX C	3
Form of Continuing Disclosure Certificate	3
APPENDIX D	4
Audited Financial Statements	4

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PRELIMINARY OFFICIAL STATEMENT
\$48,250,000*
West Chester Area School District
(Chester and Delaware Counties, Pennsylvania)
Consisting of:
\$29,775,000* General Obligation Bonds, Series of 2025
\$18,475,000* General Obligation Bonds, Series A of 2025

INTRODUCTION

This Preliminary Official Statement, including the cover page and inside cover page hereof and Appendices hereto, is furnished by West Chester Area School District (the "School District"), a public school district consisting of portions of Chester County and Delaware County, Pennsylvania, in connection with the offering of the \$48,250,000* aggregate principal amount of general obligation bonds consisting of the \$29,775,000* General Obligation Bonds, Series of 2025 (the "2025 Bonds") and the \$18,475,000* General Obligation Bonds, Series A of 2025 (the "2025A Bonds"), to be dated as of the date of settlement (collectively, the 2025 Bonds and the 2025A Bonds are sometimes referred to collectively as the "Bonds"). The Bonds are being issued pursuant to, and are secured by, a Resolution of the Board of School Directors of the School District adopted on March 24, 2025 (the "Resolution"), and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth" or "State"), 53 Pa. C.S. Chs. 80-82 (the "Debt Act")

PURPOSE OF THE ISSUE

Proceeds of the 2025 Bonds will be used to: (1) plan, design, acquire and construct alterations and improvements to elementary schools, and other buildings and facilities, and (2) pay the allocable costs of issuing the 2025 Bonds.

Proceeds of the 2025A Bonds will be used to: (1) currently refund a portion (\$ _____ principal amount) of the School District's \$54,930,000 outstanding General Obligation Bonds, Series AA of 2014 (the "Refunded 2014AA Bonds"); and (2) to pay the allocable costs of issuing the 2025A Bonds.

Proceeds of the 2025A Bonds will be deposited with Manufacturers and Traders Trust Company, as paying agent for the Refunded 2014AA Bonds, in amounts sufficient (without investment earnings) to optionally redeem the Refunded 2014AA Bonds on or within 90 days of the issuance date of the 2025A Bonds.

Estimated Sources and Uses of Bond Proceeds

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

<u>Sources of Funds</u>	<u>2025 Bonds</u>	<u>2025A Bonds</u>	<u>Total</u>
Par Amount of the Bonds			
Net Original Issue Premium (Discount)			
<i>Total Sources of Funds</i>			
<u>Uses of Funds</u>			
Amount Required to Redeem the Refunded 2014AA Bonds			
Construction Fund Deposit ⁽¹⁾			
Costs of Issuance ⁽²⁾			
<i>Total Uses of Funds</i>			

⁽¹⁾Interest earnings on the Construction Fund Deposit will remain in the Construction Fund and applied to the capital projects.

⁽²⁾Includes legal, financial advisor, printing, rating, total underwriters' discount, CUSIP, paying agent, and miscellaneous costs.

*Preliminary, subject to change.

THE BONDS

Description

The 2025 Bonds will be issued in fully registered form in denominations of \$5,000 principal amount and integral multiples thereof, in the aggregate principal amount of \$29,775,000*. The 2025 Bonds will be dated as of the date of the original issuance and delivery thereof, and of the 2025A Bonds (the "Date of Delivery"), and will bear interest at the rates and mature in the amounts and on the dates set forth on the inside front cover of this Preliminary Official Statement. Interest on each of the 2025 Bonds will be payable initially on November 15, 2025, and, thereafter, semiannually on May 15 and November 15 of each year until the maturity date of such 2025 Bond or, if such 2025 Bond is redeemable and is called for redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for.

The 2025A Bonds will be issued in fully registered form in denominations of \$5,000 principal amount and integral multiples thereof, in the aggregate principal amount of \$18,475,000*. The 2025A Bonds will be dated as of the Date of Delivery, and will bear

interest at the rates and mature in the amounts and on the dates set forth on the inside front cover of this Preliminary Official Statement. Interest on each of the 2025A Bonds will be payable initially on November 15, 2025, and, thereafter, semiannually on May 15 and November 15 of each year until the maturity date of such 2025A Bond.

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

Payment of Principal and Interest

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of, redemption premium, if any, and interest on the Bonds, when due, are to be made to DTC, and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the School District with respect to, and to the extent of, principal, redemption premium, if any, and interest so paid. If the use of the Book-Entry Only System for the Bonds is discontinued for any reason, bond certificates will be issued and payment of principal, redemption premium, if any, and interest on the Bonds shall be made as described in the following paragraphs:

The principal of any certificated Bonds, when due upon maturity or upon any earlier redemption, will be paid to the registered owners of the Bonds, or registered assigns, upon surrender of such Bonds to Manufacturers and Traders Trust Company (the "Paying Agent"), acting as paying agent and sinking fund depository for the Bonds, at its designated corporate trust offices (or to any successor paying agent at its designated office(s)).

Interest on any certificated Bonds will be payable to the registered owner of such Bond from the interest payment date next preceding the date of registration and authentication of such Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding November 15, 2025, in which event such Bond shall bear interest from the Date of Delivery, or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond. Interest on a certificated Bond will be payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day (whether or not a day on which the Paying Agent is open for business) next preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of each Bond subsequent to such Record Date and prior to such interest payment date, unless the School District shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the certificated Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owner of such Bond not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the person in whose name such Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing.

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

Transfer, Exchange and Registration of Bonds

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

*Estimated, subject to change.

The School District and the Paying Agent shall not be required (a) to register the transfer or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed or (b) to register the transfer of or exchange any portion of any Bond selected for redemption until after the redemption date. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate.

Security

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

Commonwealth Enforcement of School District Debt Service Payments

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

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

Past Delays and Legislative Impasses in Adopting Pennsylvania Budgets

Due to the uncertainty of funding and expenditures caused by the COVID-19 pandemic, on May 29, 2020, the governor passed a five-month stopgap budget for the fiscal year 2020-21. This budget provided five months of flat funding for most state programs and a full twelve months of flat funding for public education. On November 20, 2020, the General Assembly passed Senate Bill 1350 and House Bill 2536, which included the 2020-21 Supplemental Budget to fund the Commonwealth through the remaining seven-months of fiscal year 2020-21. On November 23, 2020, the Governor approved the 2020-21 Supplemental Budget. The 2020-21 Supplemental Budget included mostly flat funding for public education similar to the stopgap budget adopted for the first five months of the 2020-21 fiscal year.

The Governor timely signed the state’s 2021-2022 fiscal year budget on June 30, 2021. That budget included an increase of \$300 million for basic education, with \$100 million of that targeted to the 100 historically underfunded school districts that included some in both urban and rural areas of the state. Special education received a \$50 million increase, boosting that budget line to \$1.24 billion, while preschool and Head Start programs received a \$30 million increase, to \$311.5 million. All told, funding for K-12 schools reached a record high of \$13.55 billion in the 2021-2022 budget.

After a week’s delay, a \$42.7 billion budget for the state’s 2022-2023 fiscal year was signed by then Governor Tom Wolf on July 8, 2022, which included \$7.6 billion for the basic education funding appropriation and \$225 million to supplement school districts with a higher at risk student population. The total amount was a \$525 million increase over the 2021-2022 fiscal year appropriation.

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

Governor Josh Shapiro signed the state’s budget for the 2024-25 fiscal year 11 days late on July 11, 2024. The \$47.6 billion

budget included \$8.097 billion for the basic education funding appropriation. The total amount was a \$225 million increase over the 2023-2024 fiscal year appropriation. The budget also provided \$100 million in additional aid to school districts for special education services for a total of \$1.487 billion and \$100 million for cyber charter school tuition reimbursement. 348 school districts (including the School District) will receive additional funding totaling \$493.8 million under a new Adequacy Supplement. 182 school districts will receive an additional \$60 million in total of Hold Harmless Relief Supplement as a component of their basic education funding.

During a state budget impasse, school districts in Pennsylvania cannot be certain when state subsidies and revenues owed them from the Commonwealth will become available. This includes many of the major state subsidies, and overall revenues, that a Pennsylvania school district receives including basic education funding, special education funding, PlanCon reimbursements, and certain block grants, among many others. Future budget impasses may affect the timeliness or amount of payments by the Commonwealth under the withholding provisions of Section 633 of the School Code, however recent legislation included in Act 85 of 2016 has attempted to address the timeliness of the withholding provisions of Section 633 of the School Code during any future budget impasses. See “Pa. Act 85 of 2016 - State Enforcement of School District Debt Service Payments During a State Budget Impasse” below.

Pa. Act 85 of 2016 – State Enforcement of School District Debt Service Payments During a State Budget Impasse

On July 13, 2016, the Governor of the Commonwealth signed into law Act No. 85 of 2016, (P.L. 664, No. 85) (“Act 85 of 2016”), an amendment to the Act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code (“Fiscal Code”). Act 85 of 2016 adds to the Fiscal Code Article XV1-E.4, entitled “School District Intercepts for the Payment of Debt Service During Budget Impasse”, which provides for intercept of subsidy payments by the Pennsylvania Department of Education (“PDE”) to a school district subject to an “intercept statute” or an “intercept agreement” in the event of a Commonwealth budget impasse in any fiscal year.

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

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

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

The necessary amounts shall be appropriated on the expiration of the tenth (10th) day following submission of the justification described above to the majority and minority chairs of the appropriations committees, who may comment on the justification but cannot prevent the effectiveness of the appropriation.

The total of all intercept payments under Article XV11-E.4 for a school district may not exceed 50% of the total nonfederal general fund subsidy payments made to that school district in the prior fiscal year.

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

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

Bonds Sinking Fund

Two sinking funds for the respective of the debt service on the respective Bonds (collectively, the “Sinking Fund”), has been created pursuant to the Resolution and shall be maintained by the Paying Agent, as sinking fund depository. The School District shall deposit in the Sinking Fund a sufficient sum not later than the date when interest and/or principal is to become due on each series of the Bonds so that on each payment date the Sinking Fund will contain an amount which, together with any other funds available therein, is sufficient to pay, in full, interest and/or principal then due on the Bonds.

The Sinking Fund shall be held by the Paying Agent, as sinking fund depository, and invested by the Paying Agent in such securities or shall be deposited in such funds or accounts as are authorized by the Act, upon direction of the School District. Such

deposits and securities shall be in the name of the School District, but subject to withdrawal or collection only by the Paying Agent, as sinking fund depository, and such deposits and securities, together with the interest thereon, shall be a part of the Sinking Fund.

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

Actions in the Event of Default on Bonds

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

BOOK-ENTRY ONLY SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

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

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

REDEMPTION OF BONDS

Optional Redemption of 2025 Bonds

The 2025 Bonds stated to mature on or after May 15, 2033, shall be subject to redemption prior to maturity, at the option of the School District, as a whole, on May 15, 2032 or on any date thereafter, or from time to time, in part (and if in part, in any order of maturity as selected by the School District and within a maturity by lot), in either case upon payment of a redemption price of 100% of the principal amount redeemed, together with accrued interest to the redemption date.

Optional Redemption of 2025A Bonds

The 2025A Bonds are **not** subject to optional redemption prior to maturity.

Mandatory Sinking Fund Redemptions

Bidders may elect to structure the issue to include term bonds, which term bonds, if selected by the bidder, will be subject to mandatory redemption prior to maturity, in the years and amounts as shown in the Invitation to Bid, upon payment of the principal amount of Bonds to be redeemed, together with accrued interest to the date fixed for redemption, or upon maturity, as applicable. Bonds to be redeemed from within a particular maturity shall be selected by lot by the Paying Agent.

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

Notice of Redemption

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

Notice of any redemption of certificated Bonds shall be given by depositing a copy of a redemption notice in first class mail not less than thirty (30) days prior to the date fixed for redemption, addressed to the registered owners of each of the Bonds to be redeemed, in whole or in part, at the addresses shown on the registration books kept by the Paying Agent as of the day such Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given.

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

If at the time of mailing of a notice of redemption the School District shall not have deposited with the Paying Agent, as sinking fund depository, money sufficient to redeem all Bonds or portions thereof called for redemption, the notice of redemption may state that it is conditional, *i.e.*, that it is subject to the deposit of sufficient redemption money with the Paying Agent not later than the redemption date, and such notice shall be of no effect unless such money is so deposited. If the Bonds to be called for redemption shall have been refunded, money sufficient to redeem such Bonds shall be deemed to be on deposit with the Paying Agent for the purposes of this paragraph and the notice of redemption need not state that it is conditional, if the redemption money has been deposited irrevocably with another bank or bank and trust company which shall have been given irrevocable instructions to transfer the same to the Paying Agent not later than the redemption date. If sufficient funds are not received, such notice of redemption shall be of no effect.

Manner of Redemption

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

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

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

THE SCHOOL DISTRICT

Introduction

The School District consists of the Borough of West Chester and surrounding municipalities in central Chester County and one municipality in western Delaware County and covers an area of approximately 75 square miles. The School District's boundaries are coterminous with those of the Borough of West Chester and the Townships of East Bradford, East Goshen, Thornbury, West Goshen, Westtown and West Whiteland, all located in Chester County, and the Township of Thornbury in Delaware County. The Borough of West Chester, located in the geographic center of the School District and county seat of Chester County, is approximately 25 miles west of metropolitan Philadelphia, 15 miles north of Wilmington, Delaware, and 15 miles south of King of Prussia and Valley Forge. Many well-known unincorporated communities are located within the School District and these include: Exton in West Whiteland Township, Goshenville in East Goshen Township, Chatwood in West Goshen Township, Cheyney and Glen Mills in Thornbury Township, Delaware County, and Darlington Corners in Westtown Township.

West Chester Area School District is characterized by rolling hills and fertile valleys flanking the east branch of the Brandywine Creek and the tributaries of the Chester Creek. The Borough of West Chester is the financial and professional center for the surrounding area. The Townships encompassed within the School District are principally residential in character, with regional shopping centers and industrial parks. Four major public institutions are within the School District: West Chester University; Cheyney University; Chester County Courthouse; and Chester County Hospital.

Administration

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

School District Facilities

The School District operates eleven elementary schools, three middle schools and three high schools, an administration building and athletic and support facilities, all as described on the following table. Students at the secondary level also attend the Central Chester County Area Vocational Technical School.

**TABLE 1
WEST CHESTER AREA SCHOOL DISTRICT FACILITIES**

Building	Original Construction Date	Addition and/or Renovation Date	Grades	2024-25 Enrollment
<u>High Schools</u>				
B. Rustin High School	2003-06	-	9-12	1,159
East High School	1973	1976/92/93/04	9-12	1,217
Henderson High School	1951	1956/64/76/94/98/04	9-12	1,446
<u>Middle Schools</u>				
E. N. Peirce Middle School	1963	1998/01/03	6-8	1,040
G. A. Stetson Middle School	1959	1961/98/03/07	6-8	808
J. R. Fugett Middle School	1969	2009	6-8	931
<u>Elementary Schools</u>				
East Bradford Elementary	1958	1966/70/89/14	K-5	455
East Goshen Elementary	1955	1960/64/67/95/01/20	K-5	511
Exton Elementary	1940	1953/57/91/92/93/00/19	K-5	533
Fern Hill Elementary	1955	1960/89/2016	K-5	408
Glen Acres Elementary	1966	1997/2024	K-5	451
Greystone Elementary	2021	-	K-5	511
Hillsdale Elementary	1976	2007	K-5	537
Mary C. Howse Elementary	1962	1965/97	K-5	442
Penn Wood Elementary	1966	1970/89/01/13	K-5	439
Sarah W. Starkweather Elementary	1991	1998	K-5	576
Westtown-Thornbury Elementary	1954	1956/89/13/22	K-5	529
<u>Other</u>				
Facilities & Operations Center	1999	-	-	
Spellman Education Center	1988	2017	Admin	
East/Fugett Athletic Fields	2004	-	-	
Henderson-North Campus Athletics	2006	-	-	
402 North Penn Street	2020*			
400 North Penn Street	2025**			
			Totals	11,993

*The School District purchased the building on April 28, 2020 for special education use.

**The School District purchased the building on January 31, 2025 for special education use.

Source: School District Officials. Enrollments do not include vo-tech students or students attending facilities not operated by the School District.

Enrollment Trends

The following table presents recent trends in School District enrollment and projections of enrollment for the next 5 years, as prepared by the School District's administrative officials.

TABLE 2
WEST CHESTER AREA SCHOOL DISTRICT ENROLLMENT TRENDS

Actual Enrollments					Projected Enrollments				
School Year	K-5	6-8	9-12	Total	School Year	K-5	6-8	9-12	Total
2020-21	5,225	2,843	3,900	11,968	2025-26	5,447	2,808	3,794	12,049
2021-22	5,399	2,819	3,875	12,093	2026-27	5,460	2,835	3,749	12,044
2022-23	5,466	2,771	3,909	12,146	2027-28	5,571	2,800	3,720	12,091
2023-24	5,459	2,698	3,906	12,063	2028-29	5,678	2,776	3,816	12,270
2024-25	5,392	2,779	3,822	11,993	2029-30	5,775	2,761	3,847	12,383

Source: School District officials.

SCHOOL DISTRICT FINANCES

Introduction

The School District budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education. An annual operating budget is prepared by the Superintendent and Director of Business Affairs and submitted to the School Board for approval prior to the beginning of each fiscal year ("FY") on July 1.

Financial Reporting

The School District keeps the books and prepares the financial reports for the General Fund according to a modified accrual basis of accounting. Major accrual items are payrolls, payroll taxes and pension fund contributions payable, loans receivable from other funds, and revenues receivable from other governmental units. Taxes are credited when received.

As of July 1, 2001, the School District adopted provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis - For State and Local Governments, Statement No. 37, Basic Financial Statements – and Management Discussion and Analysis - For State and Local Governments: Omnibus, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Balance Statements.

The School District financial statements are audited annually by an independent certified public accountant, as required by Commonwealth law. The firm of Withum, Philadelphia, Pennsylvania, currently serves as the School District's auditor.

The School District's auditor has not been engaged to perform, and has not performed, since the date of its report included in an Appendix to this Preliminary Official Statement, any procedure on the financial statements addressed in that report. Such auditor also has not performed any procedures relating to this Preliminary Official Statement.

Budgeting Process as modified by Act 1 of 2006 (Taxpayer Relief Act)

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

Procedures for Adoption of the Annual Budget. Under Pennsylvania Act No. 1 of the Special Session of 2006, as amended by Act 25 of 2011 (the "Taxpayer Relief Act" or "Act 1"), all school districts of the first class A, second class, third class and fourth class (except as described below) must adopt a preliminary budget proposal (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the election immediately preceding the fiscal year. The preliminary budget proposal must be printed and made available for public inspection at least 20 days prior to its adoption; the board of school directors may hold a public hearing on the budget; and the board must give at least 10 days public notice of its intent to adopt the final budget.

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

With respect to the utilization of any of the Taxpayer Relief Act referendum exceptions for which PDE approval is required (see "The Taxpayer Relief Act (Act 1)" herein), the school district must publish notice of its intent to seek PDE approval not less than one

week before submitting its request for approval to PDE and, if PDE determines to schedule a public hearing on the request, a notice of the date, time and place of such hearing. PDE is required by the Taxpayer Relief Act to rule on the school district's request and inform the school district of its decision no later than 55 days prior to the upcoming election so that, if PDE denies the school district's request, the school district may submit a referendum question to the local election officials at least 50 days before the upcoming election, if it so chooses.

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

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

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Summary and Discussion of Financial Results

A summary of the comparative governmental fund balance sheets is presented in Table 3 and Table 4 shows historic changes in the general fund balances of the School District. Table 5 summarizes revenues and expenditures for the past five years and the budgeted 2024-25.

TABLE 3
WEST CHESTER AREA SCHOOL DISTRICT
SUMMARY OF COMPARATIVE GOVERNMENTAL FUND BALANCE SHEET
(Fiscal Years Ending June 30)

ASSETS	2020	2021	2022	2023	2024
Current:					
Cash and Cash Equivalents	\$25,548,566	\$25,884,217	\$22,871,678	\$24,846,582	\$22,005,377
Investments	87,046,824	112,768,222	128,831,956	138,122,350	126,013,698
Internal Balances	91,859	71,600	141,140	144,798	0
Property Taxes Receivable, Net	3,586,978	3,683,216	3,426,557	3,389,065	3,694,763
Due from other Governments	8,288,183	7,856,799	7,620,991	8,501,248	9,354,913
Other Receivables	1,454,032	1,401,002	1,875,545	2,002,109	2,291,289
Prepaid Expenditures	3,499,326	3,243,482	2,429,655	1,958,564	2,448,273
TOTAL CURRENT ASSETS	\$129,515,768	\$154,908,538	\$167,197,522	\$178,964,716	\$165,808,313
Noncurrent Assets					
Capital Assets:					
Investments	\$497,497	\$5,655,289	\$474,483	\$0	\$0
Land	28,289,916	28,289,916	28,289,916	28,289,916	28,289,916
Land Improvements	16,416,508	16,502,403	17,020,529	17,333,220	18,032,787
Buildings	426,266,132	428,617,821	431,623,868	470,640,314	501,902,105
Construction in Progress	44,337,846	63,813,485	70,496,090	47,023,603	30,445,829
Right to use leased equipment	0	0	875,444	1,063,021	1,063,021
Furniture and Equipment	43,349,091	49,661,778	54,750,468	56,426,141	58,874,995
NET OF DEPRECIATION	\$559,156,990	\$592,540,692	\$603,530,798	\$620,776,215	\$638,608,653
Less: Accumulated depreciation	(\$248,116,393)	(\$261,975,935)	(\$277,192,516)	(\$293,791,222)	(\$313,070,148)
TOTAL ASSETS	\$440,556,365	\$485,473,295	\$493,535,804	\$505,949,709	\$491,346,818
DEFERRED INFLOWS OF RESOURCES					
Deferred amount on refunding	\$3,422,433	\$2,267,669	\$2,887,253	\$2071,995	\$1,937,657
Deferred Pension Contributions	39,469,196	53,622,239	58,085,055	58,092,817	59,198,129
Deferred OPEB	3,243,222	4,243,207	5,650,393	5,074,878	4,476,721
TOTAL DEFERRED OUTFLOWS	\$46,134,851	\$60,133,115	\$66,622,701	\$65,239,690	\$65,612,507
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$486,691,216	\$545,606,410	\$560,158,505	\$571,189,399	\$556,959,325
LIABILITIES					
Current:					
Accounts Payable and other current liabilities	\$26,769,956	\$28,147,215	\$28,941,067	\$38,531,263	\$29,757,830
Bond and Notes Payable Due Within One Year	19,974,941	20,839,036	21,058,911	20,172,007	20,854,392
Accrued Interest	1,639,225	1,628,691	1,728,798	1,483,652	1,288,382
Deferred Revenues	235,320	177,622	174,357	379,787	275,030
TOTAL CURRENT LIABILITIES	\$48,619,442	\$50,792,564	\$51,903,133	\$60,566,709	\$52,175,634
Long-Term:					
Bonds and Notes Payable Due After One Year	\$266,661,598	\$282,433,599	\$262,391,917	\$242,219,910	\$221,413,347
Lease Liabilities	0	0	\$431,818	\$350,234	134,948
Accrued Severance and Compensated Absences	5,440,155	6,117,856	5,820,153	5,506,988	6,061,021
Other post-employment benefits	28,809,834	29,066,162	30,992,288	23,053,277	23,333,388
Net pension liability	320,414,000	341,620,000	291,380,000	322,770,000	324,751,000
TOTAL LONG-TERM LIABILITIES	\$621,325,587	\$659,237,617	\$591,016,176	\$593,900,409	\$575,693,704
TOTAL LIABILITIES	\$669,945,029	\$710,030,181	\$642,919,309	\$654,467,118	\$627,869,338
DEFERRED INFLOW OF RESOURCES					
Deferred pension	\$12,393,000	\$8,728,000	\$50,434,000	\$8,268,000	\$4,446,000
Deferred OPEB	1,672,040	2,386,273	2,447,216	9,822,392	8,656,405
	\$14,065,040	\$11,114,273	\$52,881,216	\$18,090,392	\$13,102,405
NET POSITION (DEFICIT)					
Net investment in capital assets	\$49,714,318	\$63,045,948	\$73,083,096	\$82,415,067	\$90,657,451
Restricted for Capital Projects	21,345,455	23,571,239	23,443,492	32,138,400	33,101,201
Unrestricted (Deficit)	(268,378,626)	(262,155,231)	(232,168,608)	(215,921,578)	(207,771,070)
TOTAL FUND EQUITIES	(\$197,318,853)	(\$175,538,044)	(\$135,642,020)	(\$101,368,111)	(\$84,012,418)
TOTAL LIABILITIES AND FUND EQUITIES/NET ASSETS	\$486,691,216	\$545,606,410	\$560,158,505	\$571,189,399	\$556,959,325

Source: School District's Annual Financial Reports.

TABLE 4
WEST CHESTER AREA SCHOOL DISTRICT GENERAL FUND
SUMMARY OF CHANGES IN GENERAL FUND BALANCE*
(Fiscal Years Ending June 30)

	Actual					Budgeted
	2020	2021	2022	2023	2024	2025 ⁽¹⁾
Beginning Fund Balance	\$38,868,824	\$55,455,484	\$69,152,527	\$83,612,008	\$88,560,621	\$94,036,155
Revenues over (under) Expenditure	\$16,586,661	\$13,697,042	\$14,459,482	\$4,948,613	\$5,475,534	(\$35,092,202)
Ending Fund Balance	<u>\$55,455,485</u>	<u>\$69,152,527</u>	<u>\$83,612,008</u>	<u>\$88,560,621</u>	<u>\$94,036,155</u>	<u>\$58,943,953</u>

*Totals may not add due to rounding.

⁽¹⁾Budget, as adopted May 29, 2024.

Source: School District Annual Financial Reports and Budget.

General Fund Revenue

The School District received \$295,885,080 in total revenue in FY 2023-24 and has budgeted total revenue of \$287,471,747 in FY 2024-25. Local sources decreased as a share of total revenue in the past five years, from 81.83% in FY 2019-20 to 81.54% in FY 2023-24. Revenue from Commonwealth sources increased slightly as a share of the total revenue from 17.28% in FY 2019-20 to 17.66% in FY 2023-24. Federal and other revenue decreased as a share of the total revenue from 0.89% in FY 2019-20 to 0.80% in FY 2023-24.

TABLE 5
WEST CHESTER AREA SCHOOL DISTRICT
SUMMARY OF SCHOOL DISTRICT GENERAL FUND
REVENUES*
(Fiscal Years Ending June 30)

REVENUE:	Actual					Budgeted
	2020	2021	2022	2023	2024	2025 ⁽¹⁾
Local Sources:						
Real Estate Taxes (Current)	\$173,636,758	\$174,260,525	\$180,091,669	\$186,360,120	\$188,958,992	\$189,783,564
Interim Real Estate Taxes	984,090	1,997,620	4,054,176	1,933,510	1,350,888	759,951
Total Act 511 Taxes	26,240,881	30,440,986	35,622,969	33,796,490	34,806,900	32,964,775
Public Utility Realty Tax	177,571	195,012	203,574	204,098	199,704	180,000
Delinquencies on Taxes Levied	3,160,170	3,264,401	3,485,512	2,920,511	2,606,238	2,858,800
Earnings from Temporary Deposits & Investments	2,179,046	220,923	76,773	6,556,409	9,815,331	627,580
PA Rev. Rec'd – Other Intermediate Sources	0	0	240,864	281,110	266,120	196,500
Fed. Rev. Rec'd.-Other Intermediate	1,334,850	1,545,191	1,730,783	1,371,535	1,993,365	1,749,835
Tuition from Patrons	42,389	13,604	50,974	38,577	30,062	104,000
Rentals	270,577	212,546	319,729	702,634	709,676	310,200
Contributions and Donations	9,557	0	5,357	1,950	7,027	0
Receipts from Other LEAs	302,217	89,407	40,095	94,260	10,7054	0
Refund of Prior Years' Expenditures	5,666	20,080	2,219	6,110	11,304	380,490
All Other Local Revenues Not Specified	302,605	1,575	277,825	339,981	103,222	0
Other Sources	97,425	119,487	110,607	79,116	303,679	0
Total Local Sources	<u>\$208,743,801</u>	<u>\$212,381,357</u>	<u>\$226,313,124</u>	<u>\$234,686,412</u>	<u>\$241,269,561</u>	<u>\$229,915,695</u>
State Sources:						
Total State Sources	\$44,089,036	\$43,625,782	\$46,937,783	\$49,369,225	\$52,257,112	\$55,347,636
Federal Sources:						
Total Federal Sources	\$2,275,583	\$5,216,880	\$4,460,397	\$5,749,009	\$2,358,407	\$2,208,416
Other Sources:						
Total Other Sources	\$0	\$0	\$2,750,000	\$0	\$0	\$0
TOTAL REVENUE	<u>\$255,108,420</u>	<u>\$261,224,019</u>	<u>\$280,461,303</u>	<u>\$289,804,646</u>	<u>\$295,885,080</u>	<u>\$287,471,747</u>

*Totals may not add due to rounding.

⁽¹⁾Budget, as adopted May 29, 2024.

Source: School District Annual Financial Reports and Budget.

TABLE 5
WEST CHESTER AREA SCHOOL DISTRICT
SUMMARY OF SCHOOL DISTRICT GENERAL FUND
EXPENDITURES*
(Fiscal Years Ending June 30)

EXPENDITURES:	Actual					Budgeted
	2020	2021	2022	2023	2024	2025 ⁽¹⁾
Instruction	\$139,156,059	\$144,653,283	\$153,855,965	\$161,529,452	\$169,326,800	\$181,204,144
Pupil Personnel	9,151,408	9,591,075	10,293,457	10,667,933	11,549,870	12,342,027
Instructional Staff	5,668,075	5,753,212	6,258,064	6,940,569	7,403,116	8,523,868
Support Services - Administration	11,293,929	11,643,066	12,731,825	13,018,620	13,908,372	15,272,162
Support Services - Pupil Health	2,395,807	2,585,826	2,793,028	3,064,317	3,252,228	3,507,496
Business	1,787,151	1,813,374	1,903,562	2,085,139	2,020,420	2,218,795
Operation & Maintenance	16,068,868	17,085,115	21,212,062	20,601,526	21,515,635	23,547,369
Pupil Transportation	12,409,575	12,015,030	12,302,371	13,489,718	14,210,531	15,338,969
Central Support Services	3,595,539	4,138,486	4,045,747	4,512,355	5,120,139	5,985,826
Support Services - Other	147,771	269,364	725,038	267,609	276,722	230,344
Non-instructional Services	4,854,313	4,928,997	5,493,284	5,810,137	5,896,493	6,203,382
Facilities, Acquisition, Construction & Improv.	0	0	0	2,382,380	0	0
Debt Service	26,541,652	25,416,626	27,657,315	28,028,782	27,290,642	27,520,541
Budgetary Reserves & Transfers	5,451,612	7,633,522	6,730,104	12,457,496	8,638,577	20,669,026
TOTAL EXPENDITURES	\$238,521,759	\$247,526,976	\$266,001,822	\$284,856,033	\$290,409,546	\$322,563,949
SURPLUS (DEFICIT) OF REVENUES						
OVER EXPENDITURES	\$16,586,661	\$13,697,042	\$14,459,482	\$4,948,613	\$5,475,534	(\$35,092,202)

*Totals may not add due to rounding.

⁽¹⁾Budget, as adopted May 29, 2024.

Source: School District Annual Financial Reports and Budget.

TAXING POWERS OF THE SCHOOL DISTRICT

In General

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

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

authorizes, but does not require, taxing authorities to exempt from per capita, occupation, and earned income taxes and any local services tax levied at a rate of \$10 or less per year, any person whose total income from all sources is less than \$12,000 per year.

The Taxpayer Relief Act (Act 1) – Limitations on Pennsylvania School Districts Raising Taxes

Under Act 1, a school district may not levy any new tax for the support of the public schools which was not levied in the previous fiscal year, raise the rate of any earned income and net profits tax if already imposed under the authority of the Local Tax Enabling Act (Act 511), or increase the rate of any tax for school purposes by more than the Index (defined below), unless in each case either (a) such increase is approved by the voters in the school district at a public referendum or (b) one of the exceptions summarized below is applicable and the use of such exception is approved by the Pennsylvania Department of Education (PDE):

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

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

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

The Act 1 Index applicable to the School District in the next, current, and prior fiscal years are as follows:

<u>Fiscal Year</u>	<u>Index %</u>
2025-26	4.0%
2024-25	5.3
2023-24	4.1
2022-23	3.4
2021-22	3.0

Source: Pennsylvania Department of Education website.

In accordance with Act 1, the School District put a referendum question on the ballot at the May, 15, 2007, primary election seeking voter approval to levy (or increase the rate of) an earned income and net profits tax (“EIT”) or a personal income tax (“PIT”) and use the proceeds to reduce local real estate taxes by a homestead and farmstead exclusion. This referendum question was not approved by the voters. A board of school directors may submit, but is not required to submit, a referendum question to the voters at the municipal election in any later year seeking approval to levy or increase the rate of an EIT or a PIT for the purpose of funding homestead and farmstead exclusions, but the proposed rate of the EIT or PIT shall not exceed the rate that is required to provide the maximum homestead and farmstead exclusions allowable under law.

SET FORTH ABOVE IS A SUMMARY OF PORTIONS OF ACT 1. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF ACT 1 NOR A LEGAL INTERPRETATION OF ANY PROVISION OF ACT 1, AND A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 1 AS A PART OF ANY DECISION TO PURCHASE THE BONDS.

Status of the Bonds Under Act 1

No exceptions to the Act 1 index and taxing limits on raising School District taxes are expected to apply to the 2025 Bonds.

A portion of the 2025A Bonds described in this Official Statement are being issued to refund indebtedness that was originally approved (“incurred”) by the School District under the Local Government Unit Debt Act prior to June 27, 2006, the effective date of the Taxpayer Relief Act. The School District already has levied and has in place sufficient tax millage to provide for payment of the annual debt service on the indebtedness being refunded. The annual debt service on the 2025A Bonds will be less than or approximately equal to the annual debt service on the indebtedness being refunded by the 2025A Bonds and, therefore, for the School District does not expect to levy any new tax or to increase the rate of any existing tax in order to provide for payment of the interest and principal of the 2025A Bonds.

Legislation Limiting Unreserved Fund Balances

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

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

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

*Applicable to the School District.

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Tax Levy Trends

Table 6 which follows shows the recent trend of tax rates levied by the School District. Table 7 shows the comparative trend of real property tax rates for the School District, the municipalities within the School District, and the entire Counties of Chester and Delaware, Pennsylvania.

TABLE 6
WEST CHESTER AREA SCHOOL DISTRICT TAX RATES

	Chester County (mills)	Delaware County (mills)	Real Estate Transfer⁽¹⁾ (%)	Wage and Income⁽¹⁾ (%)
2020-21	21.6622	16.6626	1.00	1.00
2021-22	22.0604	9.5164	1.00	1.00
2022-23	22.4364	9.9343	1.00	1.00
2023-24	22.4364	9.9424	1.00	1.00
2024-25	22.7319	11.0434	1.00	1.00

⁽¹⁾Subject to sharing providing the municipality levies the tax.

Source: School District officials.

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

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<i>School District</i>					
Chester County	21.6622	22.0604	22.4364	22.4364	22.7319
Delaware County	16.6626	9.5164	9.9343	9.9424	11.0434
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
East Bradford Township	1.5000	1.7500	1.5000	1.7500	2.0000
East Goshen Township	1.2500	1.2500	1.2500	1.2500	1.7500
Thornbury Township	0.9950	0.9950	0.9950	0.9950	0.9950
Thornbury Township (Delaware County)	0.0000	0.0000	0.0000	0.0000	0.0000
West Chester Borough	7.4000	7.7000	7.4000	7.7000	8.0900
West Goshen Township	2.0000	2.0000	2.0000	2.0000	2.0000
West Whiteland Township	0.7140	0.7140	0.7140	0.7140	2.0000
Westtown Township	3.5000	3.5000	3.5000	3.7100	3.9200
Chester County	4.5510	4.5510	4.5510	4.5510	5.1640

Source: Chester County and Delaware County websites.

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Real Property Tax

The real property tax (including interim collections and excluding delinquent collections) produced will produce revenues estimated at \$192,421,945 in FY 2023-24, approximately 66.4% of the School District's total revenue.

The following tables summarize trends of assessed and market valuations of real property. Since FY 2008-09, eligible taxpayers could opt into the installment method of payment for their school taxes. Installment payments are based upon three (3) one-third payments of the base tax amount.

Table 8 shows real property assessment data for the School District, Table 9 shows assessment by municipality and Table 10 shows assessment by land use. Table 11 summarizes recent trends in real property tax collection. The last countywide reassessment in Chester County was in 1998 and for Delaware County it was in 2021.

TABLE 8
WEST CHESTER AREA SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA

<u>Year</u>	<u>Market Value</u>	<u>Assessed Value</u>	<u>Ratio</u>
2023-24	\$17,742,692,125	\$9,458,602,368	53.31%
2022-23	16,620,743,291	9,379,278,253	56.43%
2021-22	15,125,128,108	9,149,232,077	60.49%
2020-21	15,025,213,325	8,613,242,229	77.59%
2019-20	14,366,083,784	8,569,423,385	59.65%

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

TABLE 9
WEST CHESTER AREA SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA BY MUNICIPALITY

	<u>2022</u>	<u>2022</u>	<u>2023</u>	<u>2023</u>
	<u>Market</u>	<u>Assessed</u>	<u>Market</u>	<u>Assessed</u>
	<u>Value</u>	<u>Value</u>	<u>Value</u>	<u>Value</u>
<i>School District</i>	\$16,620,743,291	\$9,379,278,253	\$17,742,792,125	\$9,458,602,368
<i>Chester County</i>	71,488,670,628	39,760,762,452	76,720,937,109	40,398,200,356
East Bradford Township	1,479,106,943	829,312,024	1,598,906,810	847,292,174
East Goshen Township	2,906,662,229	1,661,461,790	3,041,939,590	1,650,653,375
Thornbury Township	542,745,815	322,869,539	570,474,960	322,641,099
Thornbury Township (Del County)	1,051,730,149	1,146,418,326	1,172,300,164	1,150,410,236
West Chester Borough	1,811,860,773	757,590,425	1,893,568,117	771,469,745
West Goshen Township	3,758,574,726	1,955,377,249	4,069,819,990	2,000,043,304
West Whiteland Township	3,508,774,741	1,883,653,271	3,742,855,139	1,892,014,076
Westtown Township	1,561,287,915	822,595,629	1,652,927,355	824,078,359

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

TABLE 10
WEST CHESTER AREA SCHOOL DISTRICT
ASSESSMENT BY LAND USE

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential	\$6,407,158,423	\$6,444,006,872	\$6,951,595,655	\$7,063,640,405	\$7,165,713,770
Lots	27,024,966	38,674,826	43,527,414	35,823,054	31,756,884
Industrial	147,770,765	144,455,395	154,328,875	155,818,405	152,912,725
Commercial	1,961,867,841	1,960,283,726	1,973,256,133	2,097,144,059	2,080,589,919
Agriculture	22,327,250	22,616,460	12,057,940	23,158,940	23,302,370
Trailers	1,379,200	1,371,350	1,337,810	1,229,420	1,224,170
Land	1,894,940	1,833,600	2,128,250	2,463,970	3,102,530
Total	\$8,569,423,385	\$8,613,242,229	\$9,149,232,077	\$9,379,278,253	\$9,458,602,368

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

TABLE 11
WEST CHESTER AREA SCHOOL DISTRICT
REAL PROPERTY TAX COLLECTION DATA

<u>Year</u>	<u>Assessed Valuation</u>	<u>Chester Co. Mills</u>	<u>Delaware Co. Mills</u>	<u>Adjusted Levied⁽¹⁾</u>	<u>Current Collections Amount</u>	<u>Current Year Collections as Percent</u>	<u>Total Collections Amount⁽²⁾</u>	<u>Total Collections as Percent</u>
2019-20	\$8,569,659,150	21.6622	16.2597	\$182,704,077	\$177,235,011	98.74%	\$180,395,181	99.04%
2020-21	8,613,242,229	21.6622	16.6626	184,489,773	177,830,871	96.39%	181,095,272	98.16%
2021-22	9,149,232,077	22.0604	9.5164	187,529,676	183,687,863	97.95%	187,173,375	99.81%
2022-23	9,379,278,253	22.4364	9.9343	196,104,602	190,642,621	97.21%	193,563,132	98.70%
2023-24	9,457,535,268	22.4364	9.9424	197,819,819	193,128,602	97.63%	195,734,839	98.95%
2024-25 (est.)	9,518,082,761	22.7319	11.0434	202,830,009	196,695,168	96.98%	199,553,968	98.38%

⁽¹⁾Plus penalties, less discounts and exonerations.

⁽²⁾Includes real property assessments plus delinquent collections.

Source: School District officials.

The 10 real property taxpayers owning properties with the highest assessed valuations in the School District, together with their FY 2024-25 total assessed values, are shown on Table 12 which follows. The aggregate assessed values of these properties totals approximately 3.4% of total assessed value.

TABLE 12
WEST CHESTER AREA SCHOOL DISTRICT
TEN LARGEST REAL PROPERTY TAXPAYERS, 2024-25

<u>Owner</u>	<u>Property</u>	<u>2024-25 Assessed Value</u>
MAIN STREET AT EXTON LP	Shopping Center	\$76,575,590
PP Exton Square Owner LLC	Apartment Complex	37,116,670
Jag/Oak Parkview Apartments	Apartment Complex	34,824,940
CTKB Exton Owner LLC	Apartment Complex	29,659,740
PP West Chester II Owner LLC	Apartment Complex	27,976,000
Wellington Senior Living	Senior Living	27,000,000
Keva Flats LP ⁽¹⁾	Apartment Complex	24,618,375
Westtown Apartments ⁽¹⁾	Apartment Complex	24,367,500
Exton Square Mall	Shopping Center	21,918,835
BRE ROOK SH BELLINGHAM LP	Senior Living	21,552,770
Total		\$325,610,420

⁽¹⁾ Taxpayer initiated appeal.

Other Taxes

Under Act 511, the School District collected \$34,806,900 in taxes in FY 2023-24. Among the taxes authorized by Act 511, the Real Estate Transfer Tax and Wage and Income Taxes are levied by the School District. The Act 511 limit, equal to 12 mills on the market value of real property, was approximately \$212,912,305.

Real Estate Transfer. The School District levies a tax of 0.5% of the value of real estate transfers. In FY 2023-24 the School District's collected share of this tax yielded \$5,532,286 of total revenue.

Wage and Income Tax. The School District levies a tax of 0.5% of the earned income of residents. In FY 2023-24 the School District's collected share of this tax yielded \$29,274,614 of total revenue.

COMMONWEALTH AID TO SCHOOL DISTRICTS

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

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

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

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

Current Lack of State Appropriations to Pay Debt Service Subsidies to School Districts

Commonwealth law presently provides that the School District will receive, subject to state legislative appropriation, reimbursement from the Commonwealth for a portion of debt service paid on the Bonds following final approval by PDE. Commonwealth reimbursement is calculated based on the "Reimbursable Percentage" assigned to the Bonds by the PDE and the School District's permanent Capital Account Reimbursement Fraction ("CARF") (27.54%) or the wealth based Market Value Aid Ratio ("MVAR") currently (10.00%), whichever is higher. The Reimbursable Percentage is determined through a process known as the "Planning and Construction Workbook" or "PlanCon".

The School District estimates the 2025 Bonds will not be subject to reimbursement by the Commonwealth.

Based on the current PlanCon program, School District officials have estimated that the Reimbursable Percentage of the 2025A Bonds will be 4.66% (there has been no determination by the PDE). The School District's CARF (which is higher than the MVAR) is 27.54%. The product of these two factors is 1.28%, which is the estimated percentage of debt service which may be reimbursed by the Commonwealth, subject to annual appropriation. In future years, this percentage may change as the School District's MVAR changes, or as a result of future legislation regarding changes to, or even elimination of, the PlanCon program.

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

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

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

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

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

DEBT AND DEBT LIMITS

Debt Statement

Table 13 which follows shows the debt of the School District as of March 18, 2025, and includes the aggregate principal amount of the Bonds.

TABLE 13

WEST CHESTER AREA SCHOOL DISTRICT DEBT STATEMENT (As of March 18, 2025) *

NONELECTORAL DEBT	Gross Outstanding
General Obligation Bonds, Series of 2025 (last maturity 2046)	\$29,775,000
General Obligation Bonds, Series A of 2025 (last maturity 2027)	18,475,000
General Obligation Bonds, Series A of 2024 (last maturity 2044)	9,995,000
General Obligation Bonds, Series of 2024 (last maturity 2032)	11,230,000
General Obligation Bonds, Series of 2022 (last maturity 2032)	30,105,000
General Obligation Bonds, Series of 2021 (last maturity 2041)	29,235,000
General Obligation Bonds, Series of 2020 (last maturity 2032)	9,885,000
General Obligation Bonds, Series of 2019 (last maturity 2040)	34,730,000
General Obligation Bonds, Series of 2018 (last maturity 2039)	9,965,000
General Obligation Bonds, Series A of 2017 (last maturity 2032)	9,720,000
General Obligation Bonds, Series A of 2016 (last maturity 2027)	13,850,000
General Obligation Bonds, Series AA of 2014 (remaining portion) (last maturity 2030)	36,425,000
General Obligation Notes, Series of 2009 (last maturity 2027)	6,810,000
NONELECTORAL DEBT	\$250,200,000
LEASE RENTAL DEBT	
NET LEASE RENTAL DEBT	\$0
TOTAL NET NONELECTORAL AND LEASE RENTAL DEBT	\$250,200,000

NONELECTORAL DEBT	Gross Outstanding
General Obligation Bonds, Series of 2025 (last maturity 2046)	\$29,775,000
General Obligation Bonds, Series A of 2025 (last maturity 2027)	18,475,000
General Obligation Bonds, Series A of 2024 (last maturity 2044)	9,995,000
General Obligation Bonds, Series of 2024 (last maturity 2032)	11,230,000
General Obligation Bonds, Series of 2022 (last maturity 2032)	30,105,000
General Obligation Bonds, Series of 2021 (last maturity 2041)	29,235,000
General Obligation Bonds, Series of 2020 (last maturity 2032)	9,885,000
General Obligation Bonds, Series of 2019 (last maturity 2040)	34,730,000
General Obligation Bonds, Series of 2018 (last maturity 2039)	9,965,000
General Obligation Bonds, Series A of 2017 (last maturity 2032)	9,720,000
General Obligation Bonds, Series A of 2016 (last maturity 2027)	13,850,000
General Obligation Bonds, Series AA of 2014 (remaining portion) (last maturity 2030)	36,425,000
General Obligation Notes, Series of 2009 (last maturity 2027)	6,810,000
NONELECTORAL DEBT	\$250,200,000
LEASE RENTAL DEBT	
NET LEASE RENTAL DEBT	\$0
TOTAL NET NONELECTORAL AND LEASE RENTAL DEBT	\$250,200,000

*Includes the estimated principal amount of Bonds offered through this Preliminary Official Statement. Does not include the Refunded 2014AA Bonds herein.

Table 14 presents the overlapping indebtedness and debt ratios of the School District. After the issuance of the Bonds, the principal of direct debt of the School District will total \$250,200,000. After adjustment for available funds and estimated Commonwealth debt service subsidies, the local effort of direct debt will total \$243,321,686.

TABLE 14
WEST CHESTER AREA SCHOOL DISTRICT
OVERLAPPING INDEBTEDNESS AND DEBT RATIOS*
(As of March 18, 2025)*

	Gross	Local Effort or Net of Available Funds and Estimated Commonwealth Aid⁽¹⁾
SCHOOL DISTRICT (DIRECT) DEBT	Outstanding	
Nonelectoral Debt	\$250,200,000	\$243,321,686
Lease Rental Debt	0	0
TOTAL DIRECT DEBT	\$250,200,000	\$243,321,686
 OVERLAPPING DEBT		
Chester County, General Obligation ⁽²⁾	\$88,347,369	\$88,347,369
Delaware County, General Obligation ⁽³⁾	7,918,606	7,918,606
Municipal Debt.....	106,368,454	106,368,454
TOTAL OVERLAPPING DEBT	\$202,634,429	\$202,634,429
 TOTAL DIRECT AND OVERLAPPING DEBT	 \$452,834,429	 \$445,956,115
 DEBT RATIOS		
Per Capita	\$4,067.61	\$4,005.82
Percent 2023-24 Assessed Value.....	4.79%	4.71%
Percent 2023-24 Market Value.....	2.55%	2.51%

*Includes the estimated principal amount of Bonds offered through this Preliminary Official Statement. Does not include the Refunded 2014AA Bonds herein.

⁽¹⁾Gives effect to expected future Commonwealth Reimbursement of School District sinking fund payments based on current CARF. See "Commonwealth Aid to School Districts".

⁽²⁾Pro rata 20.57% share of \$429,585,000 principal outstanding, including self-supporting debt of the County or local municipalities.

⁽³⁾Pro rata 1.82% share of \$390,160,125 principal outstanding, including self-supporting debt of the County or local municipalities.

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Debt Limit and Remaining Borrowing Capacity

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

Total Revenues for FY 2021-22	\$273,803,348
Total Revenues for FY 2022-23	284,992,583
Total Revenues for FY 2023-24	294,678,352
<i>Total Revenues, All Three Fiscal Years</i>	<u>\$853,474,283</u>
 Annual Arithmetic Average (Borrowing Base)	 <u><u>\$284,491,428</u></u>

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

	<u>Legal Limit</u>	<u>Net Debt Outstanding*</u>	<u>Remaining Borrowing Capacity</u>
Net Nonelectoral and Lease Rental Debt Limit:			
225% of Borrowing Base	\$640,105,713	\$250,200,000	\$389,905,713

*Includes the estimated principal amount of the Bonds, and does not reflect credits against gross indebtedness that may be claimed for a portion of principal of any debt to be reimbursed by Commonwealth aid.

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Debt Service Requirements

Table 15 presents the debt service requirements on all of the School District's outstanding general obligation indebtedness including the principal and interest payments on the Bonds.

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

TABLE 15

WEST CHESTER AREA SCHOOL DISTRICT DEBT SERVICE REQUIREMENTS*

Year	General Obligation Debt	Series of 2025			Series A of 2025			Total Requirements
		Principal	Interest	Subtotal	Principal	Interest	Subtotal	
2024-25	\$27,387,437							
2025-26	27,674,990							
2026-27	27,654,003							
2027-28	27,894,990							
2028-29	26,824,378							
2029-30	26,041,403							
2030-31	20,411,778							
2031-32	20,417,358							
2032-33	10,830,940							
2033-34	10,827,980							
2034-35	10,827,200							
2035-36	10,831,875							
2036-37	10,833,350							
2037-38	10,831,225							
2038-39	10,835,100							
2039-40	9,694,200							
2040-41	4,392,200							
2041-42	1,062,800							
2042-43	1,060,000							
2043-44	1,060,800							
2044-45	0							
2045-46	0							
2046-47	0							
2047-48	0							
Total	\$297,394,004							

*Totals may not add due to rounding.

Table 16 presents data on the extent to which Commonwealth Aid provides coverage for debt service requirements.

TABLE 16

WEST CHESTER AREA SCHOOL DISTRICT COVERAGE OF DEBT SERVICE REQUIREMENTS BY COMMONWEALTH AID*

2023-24 Commonwealth Aid Received	\$52,257,112
2023-24 Debt Service Requirements	27,290,642
Maximum Future Debt Service Requirements after Issuance of Bonds	
2022-23 Coverage of Debt Service Requirements	1.91 times
Coverage of Maximum Future Debt Service Requirements after Issuance of Bonds	

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

Future Financing

The School District estimates a need to issue additional long-term (non-refunding) debt totaling approximately \$50 – 70 million over the next 2 years.

LABOR RELATIONS

School District Employees

There are approximately 1,586 employees of the School District.

The West Chester Area Education Association (the “Association”), which is affiliated with the Pennsylvania State Education Association (PSEA), covering the professional employees of the School District other than administrators is under a contract which expires June 30, 2027. Secretarial and clerical personnel are represented by the Pennsylvania Education Association (ESPA-PSEA-NEA) under a contract which expires June 30, 2028. Custodial and maintenance personnel are represented by ESPA-PSEA under a contract which expires June 30, 2029.

Pension Program

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

Contributions are required by active members, School Districts, and the Commonwealth of Pennsylvania as established by the Public School Employees’ Retirement Code. Members who enrolled prior to January 1, 2002 range from 5.28% to 7.5% of compensation, depending upon the date of commencement of employment and elections made by each employee member. Members who enrolled in the pension plan on or after January 1, 2002 and before July 1, 2011 is 7.5% of compensation. The contribution rate for PSERS members who enrolled on or after July 1, 2011 is 7.5% or 10.3%, depending upon elections made by each employee member. The PSERS Board of Trustees certified an annual employer contribution rate of 34.0% for the fiscal year 2025-26.

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

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

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

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

Annual School District contributions have been as follows:

2020-21	\$34,674,324
2021-22	37,059,663
2022-23	39,340,441
2023-24	39,817,743
2024-25 (budgeted)	43,181,752

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

As of June 30, 2024, the PSERS plan was 64.63% funded, with an unfunded actuarial accrued liability of approximately \$42.3 billion. PSERS' rate of return for fiscal year ended June 30, 2024 was 7.05%. The Fund had plan net assets of \$76.5 billion at June 30, 2024. For more information, visit the PSERS website at www.psers.pa.gov, which is not incorporated by specific reference into this Preliminary Official Statement.

Source: School District Administrative Officials and PSERS.

Other Post-Employment Benefits (“OPEB”)

The School District's OPEB costs include benefits from both a Multiple Employer OPEB Plan as well as a Single Employer OPEB Plan.

The Multiple Employer OPEB Plan, known as the Health Insurance Premium Assistance Program, is provided by PSERS to all eligible retirees who qualify and elect to participate. At June 30, 2024, the District reported a liability of \$13,189,000 for its proportionate share of the net OPEB liability. The School District recognized OPEB expense of \$540,000 for June 30, 2024.

The Single Employer OPEB Plan, in accordance with the PA School Code of 1949, as amended, medical coverage is provided to eligible retirees and spouses with the retiree paying the full active premium rate for coverage until the age of 65. The District's total OPEB liability under the Single Employer OPEB Plan was \$10,144,388, measured as of July 1, 2023. The District recognized OPEB expense of \$15,015 for year ended June 30, 2024.

In June 2015, GASB issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans. GASB 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2017.

For further information on the effects of GASB Statement No. 75, the School District's OPEB and other vested employee benefits, including valuation and sick pay, see “Appendix D – Audited Financial Statements”.

LITIGATION

At the time of settlement, the President or Vice-President of the Board of School Directors of the School District will deliver a certificate on the Date of Delivery, certifying that there is no litigation pending which challenges the validity or enforceability of the Bonds.

DEFAULTS AND REMEDIES

In the event of the failure of the School District to pay or cause to be paid the interest on or principal of the Bonds, the holders of the Bonds shall be entitled to certain remedies provided by the Debt Act. Among the remedies, if the failure to pay shall continue for 30 days, holders of the Bonds shall have the right to recover the amount due by bringing actions in assumpsit (contests) in the Court of Common Pleas of Chester or Delaware Counties. The Debt Act provides that any judgment shall have an appropriate priority upon the funds next coming into the treasury of the School District. The Debt Act also provides that upon a default of at least 30 days, holders of at least 25% of the Bonds may appoint a trustee to represent them. The Debt Act provides certain other remedies in the event of default, and further qualifies the remedies hereinbefore described.

TAX EXEMPTION AND OTHER TAX MATTERS

Federal

Exclusion of Interest from Gross Income

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds, [including interest in the form of original issue discount,] will not be includible in gross income of the holders thereof for federal income tax purposes assuming continuing compliance by the School District with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals.

In rendering its opinion, Bond Counsel has assumed compliance by the School District with its covenants contained in the Resolution and its representations in the Tax Compliance Certificate executed by the School District on the date of issuance of the Bonds relating to actions to be taken by the School District after issuance of the Bonds necessary to effect or maintain the exclusion from gross income of the interest on the Bonds for federal income tax purposes. These covenants and representations relate to, inter alia, the use and investment of proceeds of the Bonds, and the rebate to the United States Department of Treasury of specified arbitrage earnings, if any. Failure to comply with such covenants could result in interest on the Bonds becoming includible in gross income for federal income tax purposes from the date of issuance of the Bonds.

Other Federal Tax Matters

Ownership or disposition of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, taxpayers who have an initial basis in the Bonds greater or less than the principal amount thereof, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers, including banks, thrift institutions and other financial institutions subject to Section 265 of the Code, who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds.

Bond Counsel is not rendering any opinion regarding any federal tax matters other than as described under the caption “Exclusion of Interest From Gross Income” above and expressly stated in the form of the opinion of Bond Counsel included as APPENDIX B. Prospective purchasers of the Bonds should consult their independent tax advisors with regard to all federal tax matters.

Pennsylvania

In the opinion of Bond Counsel, under the laws of the Commonwealth as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax; however, under the laws of the Commonwealth, as enacted and construed on the date hereof, any profits, gains or income derived from the sale, exchange or other disposition of the Bonds will be subject to Pennsylvania taxes and local taxes within the Commonwealth.

Bond Counsel is not rendering any opinion as to any Commonwealth of Pennsylvania tax matters other than those described under the caption “Pennsylvania” above and expressly stated in the form of the opinion of Bond Counsel included as APPENDIX B hereto. Prospective purchasers of the Bonds should consult their independent tax advisors with regard to all Commonwealth of Pennsylvania tax matters.

Other

The Bonds and the interest thereon may be subject to state and local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws.

Purchasers of the Bonds should consult their independent tax advisors with regard to all state and local tax matters that may affect them.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”), the School District (being an “obligated person” with respect to the Bonds, within the meaning of the Rule), will agree to provide certain financial and operating information to the Municipal Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB, either directly, or indirectly through a designated agent, in accordance with a Continuing Disclosure Certificate, to be signed by the School District, substantially in the form attached hereto as Appendix C.

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

The School District is required to give notice of certain events as set forth in Section 6 of the Continuing Disclosure Certificate (not all of which will be relevant to the School District). The School District may from time to time choose to file notice of other events in addition to those specified in the Continuing Disclosure Certificate, but does not commit to provide notice of the occurrence of any events except those specifically listed in Section 6 of the Continuing Disclosure Certificate.

The School District acknowledges that its undertaking pursuant to the Rule described herein and in the Continuing Disclosure Certificate is intended to be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by the older and beneficial owner of the Bonds, but the right of the holders and beneficial owners of the Bonds to enforce the provisions of the School District’s continuing disclosure undertaking shall be limited to a right to obtain specific enforcement, and any failure by the School District to comply with the provisions of the undertaking shall not be an event of default with respect to the Bonds.

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

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

Continuing Disclosure Filing History

The School District has entered into prior undertakings to provide information pursuant to previous continuing disclosure certificates for other outstanding bond issues. The following table provides information regarding annual filing deadlines and history of filings for the financial information, operating data and material event notices specified in previous continuing disclosure undertakings during the past five years:

Fiscal Year	Filing Deadline	Financial Statements	Budget	Operating Data
Ending	[1]	Filing Date EMMA ID [2]	Filing Date EMMA ID [2]	Filing Date EMMA ID [2]
6/30/2020	12/27/2020	12/21/2020 P11106409	12/20/2020 P11106409	12/20/2020 P11106409
6/30/2021	12/27/2021	12/20/2021 P21161679	12/20/2021 P21161679	12/20/2021 P21161679
6/30/2022	3/27/2023	12/16/2022 P11245095	12/16/2022 P11245095	12/16/2022 P11245095
6/30/2023	3/26/2024	12/18/2023 P11298896	12/18/2023 P11298895	12/18/2023 P11298900
6/30/2024	3/27/2025	02/28/2025 P21437596	12/19/2024 P21415442	12/19/2024 P21415442

Notes:

^[1] For these purposes, assumes the shortest filing deadline of the School District's previous Continuing Disclosure Agreements in effect during the past five years.

^[2] Submission ID is the EMMA Submission ID for each filing. To access a filing, insert the Submission ID to the end of the web address below:

<http://emma.msrb.org/ContinuingDisclosureView/ContinuingDisclosureDetails.aspx?submissionId=>

As summarized in the table above, the School District filed annual financial information in a timely manner during the past five (5) years.

Future Continuing Disclosure Compliance

As detailed above, the School District has reviewed its continuing disclosure obligations and corresponding submissions. Upon discovering any omissions with respect to these filings, the School District acted to bring its continuing disclosure information current, and disclose those omissions as described above. Currently, the School District is not aware of any other outstanding past-due continuing disclosure filings.

In an effort to augment the School District's procedures and policies intended to maintain future compliance, the School District has adopted steps intended to facilitate future compliance with its Continuing Disclosure Certificates. These procedures include implementing the MSRB's EMMA's internal notification system whereby the School District has set-up email reminders a month in advance for all of the School District's annual disclosure filings and coordinating filing and event information with the School District's financial advisor.

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

RATING

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

UNDERWRITING

The Underwriter for the 2025 Bonds submitted a successful bid to purchase the Bonds for a purchase price of \$ _____, equal to the par value of the Bonds less an underwriters' discount of \$ _____, and less net original issue discount of \$ _____.

The Underwriter for the 2025A Bonds submitted a successful bid to purchase the Bonds for a purchase price of \$ _____, equal to the par value of the Bonds less an underwriters' discount of \$ _____, and less net original issue discount of \$ _____.

LEGAL OPINIONS

The Bonds are offered when, as and if issued, subject to withdrawal or modification of the offer without notice, and subject to the approving legal opinion of Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, Bond Counsel to the School District, to be furnished upon delivery of the Bonds. Certain other legal matters will be passed upon for the School District by Unruh, Turner, Burke & Frees, P.C., of West Chester, Pennsylvania, School District Solicitor.

Neither the Bond Counsel nor the Solicitor has been engaged to verify, and has not independently verified, the accuracy, completeness or truthfulness of any statements, certifications or financial information set forth in this Preliminary Official Statement, or otherwise used in connection with the offer and sale of the Bonds set forth in or delivered by the School District officials, except where specifically referred to. They express no opinion with respect to whether the School District in connection with the sale of the Bonds or preparation of this Preliminary Official Statement has made any untrue statement of a material fact necessary in order to make any statement made therein not misleading.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgement of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorneys do not become an insurer or guarantor of that expression of professional judgement of the transaction opined upon, or the future performance of the parties to the transaction. Nor does rendering a legal opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL ADVISOR

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

MISCELLANEOUS

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

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

WEST CHESTER AREA SCHOOL DISTRICT
Chester and Delaware Counties, Pennsylvania

By: _____
President, Board of School Directors

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

Introduction

The School District encompasses several communities in central Chester County and one municipality in western Delaware County and covers an area of approximately 75 square miles. The School District's boundaries are coterminous with those of the Borough of West Chester and the Townships of East Bradford, East Goshen, Thornbury, West Goshen, Westtown and West Whiteland, all located in Chester County, and the Township of Thornbury in Delaware County. The Borough of West Chester, located in the geographic center of the School District and county seat of Chester County, is approximately 25 miles west of metropolitan Philadelphia, 15 miles north of Wilmington, Delaware and 15 miles south of King of Prussia and Valley Forge. Many well-known unincorporated communities are located within the School District and these include: Exton in West Whiteland Township, Goshenville in East Goshen Township, Chatwood in West Goshen Township, Cheyney and Glen Mills in Thornbury Township, Delaware County and Darlington Corners in Westtown Township.

West Chester Area School District is characterized by rolling hills and fertile valleys flanking the east branch of the Brandywine Creek and the tributaries of the Chester Creek. The Borough of West Chester is the financial and professional center for the surrounding area. The Townships are principally residential in character, with regional shopping centers and industrial parks. Four major public institutions are within the School District: West Chester University; Cheyney University; Chester County Courthouse; and Chester County Hospital.

Table A-1 which follows shows recent population trends for the School District, Chester County and the Commonwealth of Pennsylvania. Table A-2 shows 2020 age composition for the School District, Chester County and for the Commonwealth.

TABLE A-1
RECENT POPULATION TRENDS

<u>Area</u>	<u>2010</u>	<u>2020</u>	Compound Average Annual Percentage Change <u>2010-2020</u>
School District.....	108,441	111,327	0.26%
Chester County.....	498,886	534,413	0.69%
Pennsylvania	12,281,054	13,002,700	0.57%

Source: U.S. Census Bureau, Census 2010 & 2020 Redistricting Data (Public Law 94-171) Summary File and the Pennsylvania State Data Center.

TABLE A-2
AGE COMPOSITION

	<u>0-17</u>	<u>18-64</u>	<u>65+</u>	<u>Persons Per</u>
	<u>Years</u>	<u>Years</u>	<u>Years</u>	<u>Household</u>
School District.....	17.6%	64.3%	15.1%	2.40
Chester County.....	22.7%	60.9%	16.4%	2.54
Pennsylvania	20.8%	61.4%	17.8%	2.42

Source: American Community Survey- 2020 1 year estimates.

Employment

Overall employment data are not compiled for the School District, but such data are compiled for the Montgomery-Bucks-Chester, PA Metropolitan Division (an area which includes the School District) as shown on Table A-3.

DISTRIBUTION OF EMPLOYMENT BY INDUSTRY MONTGOMERY-BUCKS-CHESTER, PA METROPOLITAN DIVISION (Bucks, Chester, and Montgomery – PA Counties)

**TABLE A-3
NONFARM JOBS - NOT SEASONALLY ADJUSTED**

Establishment Data	Industry Employment				Net Change From:	
	Nov 2024	Oct 2024	Sep 2024	Nov 2023	Oct 2024	Nov 2023
TOTAL NONFARM	3,160,700	3,147,300	3,131,800	3,123,300	13,400	37,400
TOTAL PRIVATE	2,806,600	2,795,400	2,784,200	2,774,700	11,200	31,900
GOODS PRODUCING	308,400	309,600	309,400	306,800	-1,200	1,600
Construction, Natural Resources, and Mining	128,700	130,400	129,600	124,500	-1,700	4,200
Manufacturing	179,700	179,200	179,800	182,300	500	-2,600
Durable Goods	91,900	91,900	92,100	92,800	0	-900
Non-Durable Goods	87,800	87,300	87,700	89,500	500	-1,700
SERVICE-PROVIDING	2,852,300	2,837,700	2,822,400	2,816,500	14,600	35,800
PRIVATE SERVICE-PROVIDING	2,498,200	2,485,800	2,474,800	2,467,900	12,400	30,300
Trade, Transportation, and Utilities	557,100	544,300	538,300	557,900	12,800	-800
Wholesale Trade	121,800	121,800	120,900	121,600	0	200
Retail Trade	285,700	278,600	274,800	286,700	7,100	-1,000
Transportation, Warehousing, and Utilities	149,600	143,900	142,600	149,600	5,700	0
Information	52,000	52,400	52,500	53,600	-400	-1,600
Financial Activities	230,300	230,300	231,000	229,100	0	1,200
Finance and insurance	188,300	188,200	188,900	187,600	100	700
Professional and Business Services	500,200	501,400	500,400	501,900	-1,200	-1,700
Professional and technical services	252,600	253,700	252,800	252,700	-1,100	-100
Administrative and waste services	177,800	178,300	178,900	180,300	-500	-2,500
Education and Health Services	758,400	752,200	743,100	729,100	6,200	29,300
Health care and social assistance	612,200	607,600	603,200	580,200	4,600	32,000
Hospitals	146,800	145,900	145,500	142,700	900	4,100
Leisure and Hospitality	275,200	280,300	285,600	271,700	-5,100	3,500
Accommodation and food services	221,100	223,400	225,600	218,700	-2,300	2,400
Other Services	125,000	124,900	123,900	124,600	100	400
Government	354,100	351,900	347,600	348,600	2,200	5,500
Federal Government	57,100	57,000	56,400	55,900	100	1,200
State Government	56,800	56,300	55,700	56,600	500	200
Local Government	240,200	238,600	235,500	236,100	1,600	4,100
Data benchmarked to March 2023	***Data changes of 100 may be due to rounding***					

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

**Chester County
Top 10 Employers
2nd Quarter 2024**

Federal and State Government Entities Aggregated

1. The Vanguard Group Inc
2. The Chester County Hospital
3. County of Chester
4. Main Line Hospitals Inc
5. Federal Government
6. Giant Food Stores LLC
7. Downingtown Area School District
8. Chester County Intermediate Unit
9. West Chester Area School District
10. PA State System of Higher Education

Source: Center for Workforce Information & Analysis

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

**TABLE A-4
TRENDS IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
NOT SEASONALLY ADJUSTED**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024⁽¹⁾</u>	Compound Average Annual % Rate
Chester County							
Civilian Labor Force (000)	291.6	286.4	288.5	294.8	298.5	291.1	0.77%
Employment (000)	282.4	268.5	277.1	286	290.8	283.9	1.61%
Unemployment (000)	9.20	17.90	11.30	8.80	7.70	7.2	-16.74%
Unemployment Rate	3.20%	6.20%	3.90%	3.00%	2.60%	2.50%	
Pennsylvania							
Civilian Labor Force (000)	6,576.00	6,506.00	6,432.00	6,465.00	6,518.00	6,426.0	-0.18%
Employment (000)	6,292.00	5,930.00	6,054.00	6,202.00	6,296.00	6,215.0	1.07%
Unemployment (000)	285.00	577.00	378.00	263.00	223.00	211.0	-18.56%
Unemployment Rate	4.30%	8.90%	5.90%	4.00%	3.40%	3.30%	

⁽¹⁾As of November 2024.

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

Income

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

TABLE A-5
RECENT TRENDS IN PER CAPITA INCOME*

	<u>2010</u>	<u>2020</u>	<u>Percentage Change</u> <u>2010-2020</u>
School District	\$41,435	\$54,726	3.14%
Chester County	40,138	52,711	3.07%
Pennsylvania.....	26,374	35,518	3.36%

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

Source: 2010 & 2020 American Community Survey – 1 year estimates.

Commercial Activity

Commercial activity within the School District is centered in the Borough of West Chester and in large shopping centers, including Exton Square and the West Goshen Shopping Center.

Exton Square, a large shopping mall, includes shops and the Chester County Library centered around two anchored major retail stores. The enclosed mall is situated four miles north of the Borough of West Chester at the intersection of U.S. Route 30 and 100. Other large shopping centers include: Fairfield Place, Main Street at Exton, and Whiteland Towne Center.

Table A-6 shows retail sales for the 2019-2023 period for the County and the Commonwealth.

TABLE A-6
TOTAL RETAIL SALES
(000)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Chester County	\$16,149,514	\$16,586,181	\$16,689,538	\$20,551,778	\$19,467,582
Pennsylvania	244,709,540	251,185,116	274,685,600	297,770,326	310,912,244

Source: The Nielsen Company.

Housing

Housing construction has progressed in an orderly fashion during the past decade as former agricultural land has been developed in accordance with strict zoning guidelines. The School District contains some of the finest single-family residential housing in the greater Delaware Valley area. Most new home construction taking place in the School District is in the \$555,000 median price range. The median selling price of all housing within the School District during 2017 was \$325,000, as compared with Chester County as a whole of \$299,000, according to the Chester County Planning Commission.

Educational Institutions

West Chester University and Cheyney University are located within the School District. Both universities are run by the Commonwealth of Pennsylvania. West Chester University, which is located in the Borough of West Chester and West Goshen Township, is a multi-purpose university. Cheyney University is located in Thornbury Township, Delaware and Chester Counties. Both universities provide a liberal arts education.

Medical Facilities

Medical care facilities are provided by Chester County Hospital (the “Hospital”) in West Chester. The Hospital provides complete professional, medical and surgical treatment to the central and eastern portions of Chester County. Paoli Memorial Hospital, while outside the School District, is within easy reach.

Transportation

The School District’s economic position has been bolstered by a network of federal and state highways and has realized further growth due to the opening of the Exton Bypass. The School District is served by over eighty motor freight companies. U.S. 202 passes through the School District in a north-south direction connecting the area with Valley Forge to the north and Wilmington, Delaware to the south. U.S. 30 crosses the area in an east-west direction connecting the area with Lancaster via Coatesville to the west and Philadelphia via Paoli to the east. State Route 100 connects the School District with the Pennsylvania Turnpike (Downingtown Interchange) U.S. 76 which is approximately 2 miles north of the School District. Other major highways include: U.S. 1 and 322 and State Routes 3 (West Chester Pike), 29, 52, 162, 352, 842, and 926.

Passenger railroad service is provided by one line, Main Line, by Southeastern Pennsylvania Transportation Authority (SEPTA). Freight services are provided by two branch lines of Conrail.

Bus service to Philadelphia and Wilmington is provided by SEPTA. Light plane air service is available at West Chester Airport, established in 1959, which has single and multiple engine aircraft available for charter flights with licensed pilots, and student flight training.

Recreation

School District residents have access to a variety of recreational facilities through public, private and quasi-public agencies. There are four private and several public golf courses located in the School District. The Borough of West Chester, East Bradford, East Goshen, West Goshen and West Whiteland Townships provide recreational parks throughout the area for use by their residents.

Utilities

Sewer: Residential portions of East Goshen Township, portions of East Bradford Township, portions of West Goshen Township, portions of West Whiteland Township, West Chester Borough and portions of Westtown Township are provided with sewer service by local municipal authorities or the municipality. Some of the less developed portions of these areas are served by on-site systems.

Water: Aqua Pennsylvania, Inc. and other private water companies and municipal authorities supply water service to the Borough and developed portions of the surrounding Townships. Other residents of the Townships are served by on-site wells.

Electricity and Gas: PECO provides both electricity and natural gas to users within the School District.

Cable: Verizon and Comcast supplies cable, including internet and telephone service to residents of the School District.

Municipal Services

Pennsylvania municipalities are statutorily required to provide full-time fire protection, primarily through local, volunteer fire companies. Police protection is provided by municipally funded police departments or, in the absence of a municipal police force, the Pennsylvania State Police. The Embreeville State Police Station is located just outside the boundaries of the School District.

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APPENDIX B
Form of Opinion of Bond Counsel

[FORM OF BOND COUNSEL OPINION]

[Date of Delivery]

Re: \$_____ aggregate principal amount
West Chester Area School District, Chester and Delaware Counties, Pennsylvania
General Obligation Bonds, Series ____ of 2025

To the Purchasers of the Within-Described Bonds:

We have served as Bond Counsel to the West Chester Area School District, in Chester and Delaware Counties, Pennsylvania ("Issuer"), in connection with the issuance of its \$_____ aggregate principal amount General Obligation Bonds, Series ____ of 2025 (the "Bonds"). The Bonds are issued pursuant to, and are secured by, the Pennsylvania Local Government Unit Debt Act, 53 Pa. C.S. Chs. 80-82 ("Act"), and a Resolution ("Resolution") adopted on March 24, 2025, by the Board of School Directors of the Issuer.

The proceeds of the Bonds will fund the purposes described in the Resolution, and pay the costs of issuing the Bonds.

As Bond Counsel for the Issuer, we have examined: (a) the relevant provisions of the Constitution of the Commonwealth of Pennsylvania ("Commonwealth"); (b) the Act; (c) the relevant provisions of the Public School Code of 1949; (d) the Resolution and the Debt Statement of the Issuer filed with the Pennsylvania Department of Community and Economic Development ("Department"); (e) the proceedings of the Issuer with respect to the authorization, sale and issuance of the Bonds; (f) a Certificate of Approval issued by the Department in respect of the proceedings authorizing the issuance of the Bonds; and (g) certain statements, certifications, affidavits and other documents and matters of law which we have considered relevant, including, without limitation, a certificate dated the date hereof ("Tax Compliance Certificate") of officials of the Issuer having responsibility for issuing or paying the Bonds, given pursuant to the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder ("Code"), an opinion of the Solicitor to the Issuer as to various matters, and the other documents, certifications and instruments listed in the Closing Index filed with the Paying Agent (hereinafter defined) on the date of original delivery of the Bonds. We have also examined a fully executed and authenticated Bond, or a true copy thereof, and assume all other Bonds are in such form and are similarly executed and authenticated.

In rendering the opinion set forth below, we have relied upon the genuineness, accuracy and completeness of all documents, records, certifications and other instruments we have examined, including, without limitation, the authenticity of all signatures appearing thereon. We have also relied, in the opinion set forth below, upon the opinion of the Solicitor of the Issuer as to all matters of fact and law set forth therein.

Except with respect to paragraph 6 below, our opinion is given only with respect to the internal laws of the Commonwealth as enacted and construed on the date hereof.

Based on the foregoing, we are of the opinion that:

1. The Issuer is authorized under the provisions of the Constitution and the laws of the Commonwealth to issue the Bonds.

2. The Issuer has established, in accordance with the Debt Act, a sinking fund for the Bonds (the “Sinking Fund”) with the financial institution named in the Resolution, as paying agent, registrar and sinking fund depository (“Paying Agent”), and has covenanted in the Resolution to deposit in the Sinking Fund amounts sufficient to pay the principal of and interest on the Bonds as the same becomes due and payable and to apply the amounts so deposited to the payment of such principal and interest.

3. The Issuer has effectively covenanted: (i) to include the amount of debt service on the Bonds in each fiscal year of the Issuer in which such sums are due and payable in its budget for that fiscal year; (ii) to appropriate such amounts from its general revenues for the payment of such debt service; and (iii) to duly and punctually pay, or cause to be paid, from the Sinking Fund or any other of its general revenues or funds, the principal or redemption price of and interest on the Bonds on the dates and in the place and in the manner stated in the Bonds according to the true intent and meaning thereof. For such budgeting, appropriation and payment the Issuer has pledged, with respect to the Bonds, its full faith, credit and taxing power, within the limits established by law.

4. The Bonds have been duly authorized, executed, authenticated, issued and delivered, and are the legal, valid and binding general obligations of the Issuer, and are enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be affected by bankruptcy, insolvency, reorganization, moratorium or other similar laws or legal or equitable principles affecting the enforcement of creditors’ rights.

5. Under the laws of the Commonwealth as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax; however, under the laws of the Commonwealth as enacted and construed on the date hereof, any profits, gains or income derived from the sale, exchange or other disposition of the Bonds will be subject to Commonwealth taxes and local taxes within the Commonwealth.

6. Under existing statutes, regulations, rulings and court decisions, interest on the Bonds, including any interest accruing in the form of original issue discount, will not be includible in gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the Issuer with the requirements of the Code. Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals.

In rendering this opinion, we have assumed compliance by the Issuer with the covenants contained in the Resolution and the representations of the Issuer in the Tax Compliance Certificate relating to actions to be taken by the Issuer after the issuance of the Bonds necessary to effect or maintain the exclusion from gross income of the interest on the Bonds for federal income tax purposes. These covenants and representations relate to the use and investment of proceeds of the Bonds, and the rebate to the United States Department of Treasury of specified arbitrage

earnings, if any. Failure to comply with such covenants could result in the interest on the Bonds becoming includible in gross income for federal income tax purposes from the date of issuance of the Bonds.

We express no opinion as to any matter not set forth in the numbered paragraphs herein. This opinion is rendered on the basis of federal law and the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof. This opinion is given as of the date hereof and we assume no obligation to supplement this opinion to reflect changes in law that may hereafter occur or changes in facts or circumstances that may hereafter come to our attention. Without limiting the generality of the foregoing, we express no opinion with respect to, and assume no responsibility for, the accuracy, adequacy or completeness of the preliminary official statement or the official statement prepared in respect of the Bonds, and make no representation that we have independently verified the contents thereof.

Very truly yours,

ECKERT SEAMANS CHERIN & MELLOTT, LLC

APPENDIX C
Form of Continuing Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

Re: WEST CHESTER AREA SCHOOL DISTRICT,
Chester and Delaware Counties, Pennsylvania
\$ _____ Aggregate Principal Amount
General Obligation Bonds, Series__ of 2025
Dated [Date of Delivery]

[Date of Delivery]

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by West Chester Area School District, in Chester and Delaware Counties, Pennsylvania (the “School District”), in connection with the issuance of its General Obligation Bonds, Series ____ of 2025 (the “Bonds”), dated the date of delivery of the Bonds. The Bonds are being issued pursuant to a resolution adopted by the Board of School Directors of the School District (the “Resolution”). The School District makes the following certifications and representations as an inducement to the Participating Underwriter and others to purchase the Bonds:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the School District for the benefit of the holders of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

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

“Annual Report” shall mean any Annual Report filed by the School District pursuant to, and as described in, Section 3 of this Disclosure Certificate.

“Bondholder” shall mean any registered owner of the Bonds or any person who (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Bonds (including persons holding through any nominee, securities depository or other intermediary) or (ii) is treated as the holder of any Bonds for federal income tax purposes.

“Business Day” shall mean a day other than a Saturday, a Sunday, or a day on which the New York Stock Exchange is closed or a day on which banks located in the Commonwealth are authorized or required by law or executive order to close.

“Commonwealth” shall mean the Commonwealth of Pennsylvania.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access System at <http://emma.msrb.org>.

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

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board. *As of the date of this Disclosure Certificate, the rules of the MSRB require all filings described herein shall be made using EMMA.*

“Obligated Person” shall mean, for purposes of this Disclosure Certificate, the School District.

“Official Statement” shall mean the final official statement relating to the Bonds prepared by or on behalf of the School District and distributed in connection with the offering and sale of the Bonds by the Participating Underwriters.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the primary offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

SECTION 3. Filing of Annual Reports. The School District shall file annually with the MSRB, on or before **April 1, 2026**, and on or before **April 1** of each year thereafter, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate.

The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, however, that if the audited financial statements of the School District for the most recent completed fiscal year are not available to be included in the Annual Report when filed, such audited financial statements may be filed separately from the balance of the Annual Report, as provided in the following paragraph.

If the audited financial statements of the School District for the most recent fiscal year are not available as of the date on which the Annual Report is to be filed, the audited financial statements shall be filed with the MSRB as soon as they are available, and the Annual Report, when filed, shall contain a statement to that effect and a statement of the date by which the School District reasonably expects the audited financial statements to become available and to be filed with the MSRB.

SECTION 4. Content of Annual Reports. The School District's Annual Report shall contain or incorporate by reference the following financial information and operating data with respect to the School District:

- (a) **financial statements for the most recent fiscal year, prepared in accordance with generally accepted accounting principles for local government units;**
- (b) **a summary of the budget for the then current fiscal year;**
- (c) **the total assessed value and aggregate market value of all taxable real estate for the then current fiscal year;**
- (d) **the taxes and millage rates imposed for the then current fiscal year; and**
- (e) **the real property tax collection results for the most recent fiscal year, including (a) the real estate levy imposed (expressed both as a millage rate and an aggregate dollar amount), (b) the dollar amount of real estate taxes collected that represented current collections (expressed as an aggregate dollar amount), (c) the amount of real estate taxes collected that represented taxes levied in prior years (expressed as an aggregate dollar amount), and (d) the total amount of real estate taxes collected (expressed as an aggregate dollar amount).**

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

SECTION 5. Notices of Late Filing of Annual Information. If the School District has failed to file, or is unable to file, an Annual Report with the MSRB within the time set forth in Section 3 above, the School District will file, in a timely manner, a notice with the MSRB stating such fact and, if appropriate, the date by which the School District expects to file the Annual Report.

SECTION 6. Reporting of Listed Events. In a timely manner not in excess of ten (10) Business Days after the occurrence of the event, the School District will file with the MSRB notice of the occurrence of any of the following events with respect to the Bonds:

- (1) **principal and interest payment delinquencies;**
- (2) **non-payment related defaults, if material;**
- (3) **unscheduled draws on debt service reserves reflecting financial difficulties;**
- (4) **unscheduled draws on credit enhancements reflecting financial difficulties;**
- (5) **substitution of credit or liquidity providers, or their failure to perform;**

- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- (7) modifications to rights of holders of the Bonds, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the School District;
- (13) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee, or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

(Note: The events listed above are those specified in the Rule, not all of which may be relevant to the Bonds.)

The School District may from time to time choose to provide notice of the occurrence of certain other events affecting the Bonds or the School District, in addition to those listed above, if, in the judgment of the School District, such other event is material with respect to the Bonds, but the School District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

SECTION 7. Manner of Filing. All filings to be made with the MSRB in accordance with this Disclosure Certificate are to be filed in such electronic format as is prescribed by the MSRB and accompanied by such identifying information as is prescribed by the MSRB.

As of the date of this Disclosure Certificate, the rules of the MSRB require all such filings to be made using EMMA.

SECTION 8. Dissemination Agent. The School District may, at any time and from time to time, appoint or engage another person (the “Dissemination Agent”) to assist it in carrying out

its obligations under this Disclosure Certificate, and may discharge such Dissemination Agent, with or without appointing a successor and without notice to Bondholders.

SECTION 9. Termination of Disclosure Obligation. The School District's obligations under this Disclosure Certificate shall terminate upon the prior redemption, defeasance or payment in full of all of the Bonds or if and when the School District no longer remains an "obligated person" with respect to the Bonds, within the meaning of the Rule.

SECTION 10. Default. In the event of a failure of the School District to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the School District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the School District, the Participating Underwriters and Bondholders, and shall create no rights in any other person or entity.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, The School District causes this Continuing Disclosure Certificate to be executed on its behalf by the President of the Board of School Directors all as of the date set forth above.

WEST CHESTER AREA SCHOOL DISTRICT,
Chester and Delaware Counties, Pennsylvania

By: _____
President of the Board of
School Directors

APPENDIX D
Audited Financial Statements

