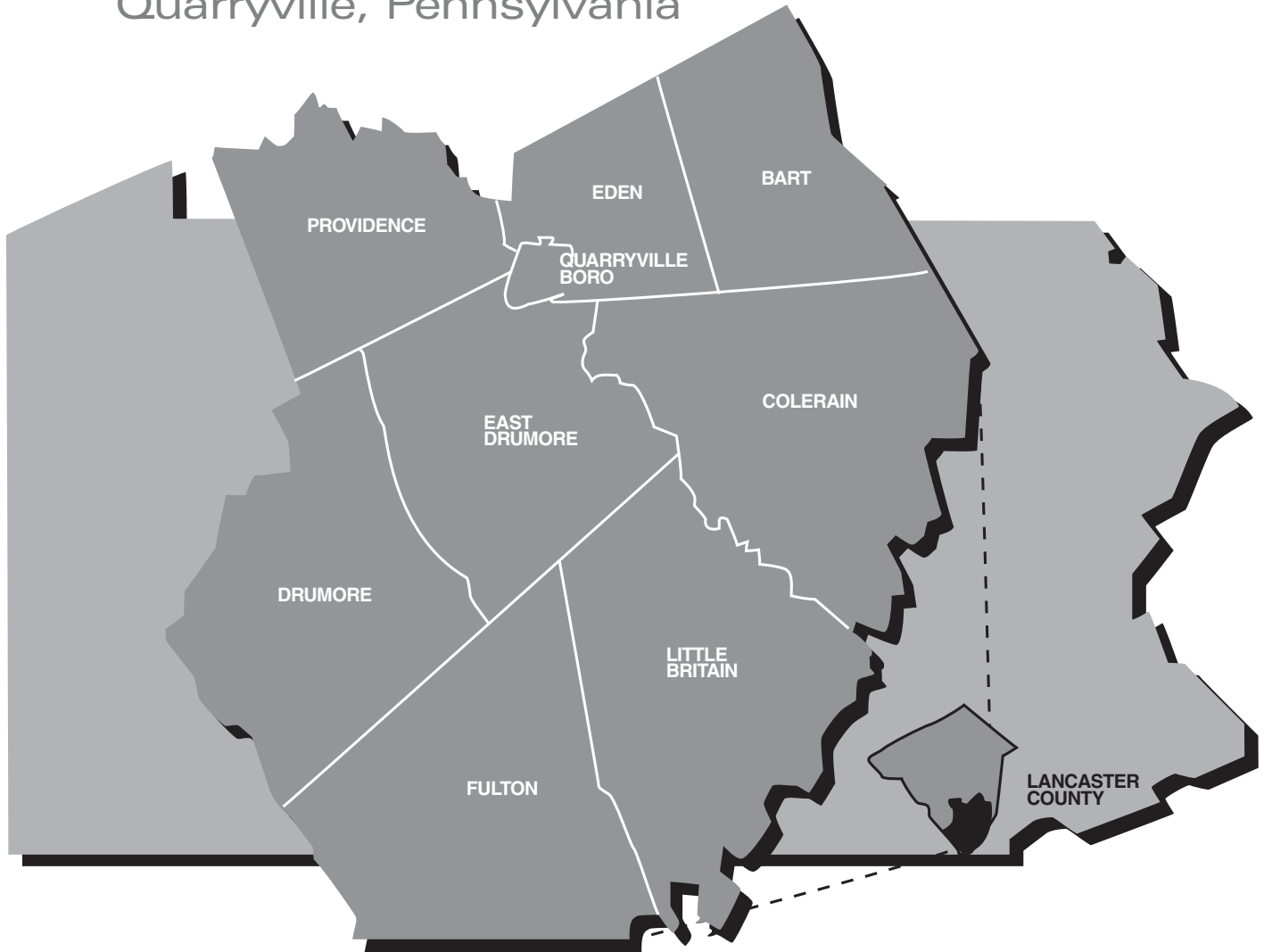


The  
**Solanco  
School  
District**  
Quarryville, Pennsylvania



**Comprehensive  
Annual Financial Report  
for the Fiscal Year Ended  
June 30, 2019**

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019



QUARRYVILLE, PENNSYLVANIA

**PREPARED BY THE BUSINESS OFFICE**

**SANDRA S. TUCKER, CPA, PRSBA  
BUSINESS MANAGER**

**MEGAN A. BROWN  
ASSISTANT BUSINESS MANAGER**

# SOLANCO SCHOOL DISTRICT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# Solanco School District

*Connecting • Inspiring • Empowering*



**Robert J. Dangler, Ed. D.**  
**Assistant Superintendent**

**Brian A. Bliss, Ed. D.**  
**Superintendent**

**Sandra S. Tucker, CPA**  
**Business Manager**

December 17, 2019

Board of School Directors and Citizens  
Solanco School District  
121 South Hess Street  
Quarryville, PA 17566

Dear Members of the Board of School Directors and Citizens:

We are pleased to submit the comprehensive annual financial report (CAFR) of the Solanco School District (District) for the fiscal year ended June 30, 2019. State law requires school districts to publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2019.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operation of the district as a whole and of its various funds. This report is a complete disclosure of all financial activities of the District. We believe that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

Barbacane, Thornton and Company LLP, have issued unmodified ("clean") opinions on the Solanco School District's financial statements for the fiscal year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The comprehensive annual financial report is presented in four sections:

1. The INTRODUCTORY SECTION contains this Letter of Transmittal and the Certificate of Excellence in Financial Reporting presented by the Association of School Business Officials for last year's CAFR, the Certificate of Achievement for Excellence in Financial Reporting presented by the Government Finance Officers Association for last year's CAFR, Board of School Directors and Principal Officials listing and Organizational Chart.
2. The FINANCIAL SECTION begins with the independent auditor's report. This section includes the management's discussion and analysis, basic financial statements, combining individual fund statements and schedules, in addition to the required supplemental information.
3. The STATISTICAL SECTION – which is not audited, includes selected financial, demographic and economic data, generally presented on a multi-year basis. This section also includes all disclosures, not contained elsewhere in the CAFR, to comply with the Securities and Exchange Commission continuing disclosure requirements for general obligation debt issues.
4. SINGLE AUDIT – the District is required to undergo an annual single audit in conformity with the provisions of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Information related to this single audit, including the schedules of state and federal assistance, the independent auditor's reports on internal controls and compliance with applicable laws and regulations is included in this section of the report. This section reflects the District's participation in federal award programs of both a competitive and entitlement nature.

## **PROFILE OF THE GOVERNMENT**

The Solanco School District is a public school district of the third class organized under state law comprising 188.85 square miles. The District is located in southern Lancaster County, from which the name "SoLanCo" originated. The area extends from a point just north of Christiana and west to Colemanville on the Susquehanna River. It is bordered on the east by Chester County, on the south by Maryland, and on the west by the Susquehanna River. It serves Quarryville Borough and Bart, Colerain, Drumore, East Drumore, Eden, Fulton, Little Britain, and Providence Townships in Lancaster County, Pennsylvania. The District encompasses nearly 20 percent of Lancaster County's total landmass; however, the District's rural setting is inhabited by 5.9 percent of the county's population.

The District provides a comprehensive educational program for approximately 3,355 age-qualified students from kindergarten through grade 12. The District's mission is "Connecting. Inspiring. Empowering". Instructional services are provided for regular education, special education, vocational education (which includes industrial arts, agriculture science and technical programs), programs for the fine arts, advanced academic programs and gifted programs. Students are also encouraged to participate in the many school-sponsored co-curricular and extracurricular activities encompassing intramural and interscholastic athletics as well as a variety of student clubs, musical and theatrical activities available to both elementary and secondary students.



District administrators, teachers, and support staff are provided a variety of opportunities for participation in professional development activities, seminars, conferences and online courses with the ultimate goal of improving the educational program. Professional development is a district-wide effort largely tied to curriculum alignment, state assessments and legislative mandates. Facts regarding the District teachers for the 2018-2019 fiscal year is provided in the following table.

Number of Classroom Teachers	225
Percentage of Certified Teachers	100%
% of Teachers with Bachelor's Degree	61.33%
% of Teachers with Master's Degree	38.67%
Average Teacher Salary	\$59,935
Average Years of Service	13.9 years

The Commonwealth of Pennsylvania maintains statutory oversight and responsibility of the public school system. The Board of School Directors (Board) is the basic level of government that has financial accountability and authority over activities related to public elementary and secondary school education in the Pennsylvania jurisdiction of the Local Education Agency (LEA). The Board consists of nine directors who are each elected to an alternating four or five-year term. The Board receives funding from local, state, and federal governmental sources and must comply with the concomitant requirements of these funding source entities. The Board is required to adopt a final budget by June 30<sup>th</sup> of the preceding fiscal year. This annual budget serves as the foundation for the District's financial planning and control. The budget is prepared by fund, function (activity or department) and object (service or expense). The transfer of resources between funds or functions must be approved by the Board. However, transfers between objects within a function may be performed as needed by the District's business office.

This report includes all of the funds of the District. Management has evaluated the possible inclusion of related entities or component units in this financial report. The criteria used in the evaluation are financial accountability and the nature and significance of the relationship. No additional entities are required to be included in this report and the District, itself, is not reported as a component unit of any other financial entity.

## **DISTRICT FACILITIES**

The District is comprised of four elementary schools. Bart-Colerain Elementary School, Clermont Elementary School, Providence Elementary School and Quarryville Elementary School provide instruction to 1,450 kindergarten through fifth grade students. Two middle schools, George A. Smith Middle School and Swift Middle School, house 849 students in grades six through eight. Solanco High School provides instruction to 1,056 students in grades nine through twelve. The central administration building holds the offices of the superintendent, assistant superintendent, the business office, and the directors for special education, community relations, food service, plant operations/maintenance, technology and transportation. Near the central administration building, the District owns a warehouse, which is used as a central receiving, storage, distribution facility and maintenance building.

Four of the seven district school buildings were built prior to 1966 and all have experienced at least one major renovation or addition since originally constructed.

The oldest building, the administrative office, was placed in service more than 100 years ago. The newest building, Clermont Elementary School, has been in service since 1992. The District follows a five-year capital replacement plan, scheduling major maintenance, building renovations and additions as enrollment, programming and operational needs arise. Refer to the "*Full-time Equivalent Employees by Function*" and "*District Building Information*" charts located in the statistical section for additional information related to district employees and buildings.

## **ENROLLMENT**

District enrollment reflects an overall 11.5 percent decline of students during the past ten-year period. Enrollment reported for the 2009-2010 school year was 3,791 students and 3,355 students were reported for 2018-2019. No enrollment growth spikes or significant enrollment declines are anticipated in the charted future. The percentage of students eligible for free and reduced meals grew from 29.7 percent of total students during 2009-2010 to 43.4 percent of total students during 2018-2019 an increase of 13.7 percent during the ten-year period. The District tracks live birth and census data along with historical information to plan for upcoming years. District enrollment projections are analyzed and updated each year. Refer to the chart, "*Enrollment History and Projections by Instructional Level*" located in the statistical section of this report for additional information.

## **ECONOMIC CONDITION AND OUTLOOK OF LOCAL ECONOMY**

Lancaster County is located approximately 240 miles east of Pittsburgh and 60 miles west of Philadelphia in the south central portion of the state. In addition to being only one and one half hours from Philadelphia, Lancaster County is within easy driving distance of the metropolitan areas of Harrisburg, Baltimore, Washington, D.C., and New York. The County's population has grown 7.0 percent over the past ten years, from 507,766, reported for the 2009 calendar year to 543,557 during 2018. The annual County unemployment rate fluctuated during the past ten years from a minimal rate of 3.4 percent, reported for the 2018 calendar year; to the maximum rate of 7.5 percent reported for calendar year 2009. The unemployment rate reported for October 2018 was 3.4 percent. Lancaster County's unemployment rate is 0.8 percent lower than the state rate of 4.2 percent as reported by the Center for Workforce Information & Analysis, Pennsylvania Department of Labor and Industry for the same period.

County taxable assessed property values increased 37 percent during the past ten years, from the 2009 year assessed value of \$30.8 billion to the 2018 assessed value of \$42.2 billion. Per capita personal income grew steadily from the 2009 year total of \$36,336 to the 2017 total of \$49,207, an increase of 35.4 percent during the nine-year period. Additional information can be obtained from the "*Lancaster County Demographic and Economic Statistics*" chart located in the statistical section of this report.

Lancaster County supports a diversified mix of industries including agriculture, health services, manufacturing, retail trade, wholesale distribution, education, finance, insurance, construction, transportation and tourism. The manufacturing industry represents the largest number of employment opportunities followed by significant employment in education, health services, retail and wholesale trade, professional and business services and hospitality industries. Farmland preservation is a top priority for the County, creating conflicts with a growing population and land development. The low cost of living, proximity to major East Coast

markets, limited traffic congestion and the balanced diversity of the business community provide economic stability to the area and promote growth. The area's economic stability and prosperity have endured for over two and one-half centuries. Refer to the table entitled, "*Principal Employers*", located in the statistical section to obtain additional information regarding employer statistics of the District.

## **INTERNAL CONTROLS**

Internal controls within the District are under constant scrutiny and refinement to provide assurance that assets are safeguarded against loss through unauthorized use or disposition. Changes in internal controls evolve from a variety of sources and needs, including administration, local auditors, state auditors, federal program auditors and the board of school directors. The cost of internal controls should not exceed the benefits expected to be derived from the controls. The objective of controls is to provide reasonable, rather than absolute assurance the financial statements are free of any material misstatements. The District's controls provide reasonable assurance as to proper recording and tracking of financial activity and compliance with the requirements of laws, regulations, contracts and grants. Refer to the auditor's "*Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*" found in the single audit section.

## **BUDGET CONTROLS**

District budgeting is a year-round process. Planning for the next fiscal year's budget begins in the summer of the previous fiscal year with a review of the procedures used during the development of the last budget. This review results in the formulation of changes necessary to make the process run more efficiently and to address identified issues early in the budget process. A calendar for the upcoming budget process is formulated in September and the actual budget process begins in earnest during October with the distribution of budgeting and bidding materials to the building principals and department heads. Inventories are taken with equipment and supply needs assessed for the upcoming school year. Each building determines needs based on enrollment projections, the current curriculum cycles, technology needs, and assessment of actual needs of the prior year's students.

Review of budget requests occurs first at the building level with department heads and building principals. Concurrently, program administrators are preparing requests for their specific areas. All requests are reviewed with central office administration in an attempt to prioritize needs consistent with budgetary allocations. When reductions in requests are necessary, building level personnel are solicited for input. Central administration prepares all budgetary items related to salary and fringe benefit costs. All staffing requests made by the building principals or department heads are analyzed on an individual basis to determine need.

Projections for local revenue sources are based on current information regarding the Lancaster County economy, with close attention paid to historical trends. Funding from state and federal sources is estimated based upon Commonwealth of Pennsylvania budget information regarding subsidy allocation trends and District knowledge of competitive and entitlement grant funding. The proposed preliminary budget is presented to the public during the month of December. Revisions are made in response to community input through public discussions and from updates of preliminary budget estimates. The school board must formally approve the final

budget on or before June 30th. The Board approved the 2018-2019 general fund budget on June 4, 2018 at a duly advertised public meeting. The budget proposed total expenditures and other financing uses of \$59,118,939. Actual total expenditures and other financing uses for the 2018-2019 fiscal year were \$2.6 million below budget estimates. Refer to the MD&A for "*General Fund Budgeting Highlights*", the "*Notes to Required Supplementary Information*" and the budget to actual comparative financial schedules located in the financial section for detailed budgetary information.

## **INDEPENDENT AUDIT**

The District submits its financial data to independent certified public accountants at year-end for a comprehensive annual audit. The financial section of this document contains their report for the fiscal year ended June 30, 2019. The District also submits its federal program files to independent certified public accountants to be audited in accordance with the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (*Uniform Guidance*). The "Single Audit" statements and schedules required by the Uniform Guidance can be found in the Single Audit section of this report. The independent certified public accounting firm of Barbacane, Thornton and Company LLP of Wilmington, Delaware audits the District's financial statements. The audit opinion precedes the accompanying basic financial statements located in the financial section.

## **RELEVANT FINANCIAL POLICIES**

Regulated public utilities, located in Pennsylvania, are assessed real estate tax based on the tax assessed value of the property, as determined by local county assessments. Regulated public utility property is located within the District and is assessed real estate tax based on a value agreed upon by the local county tax assessment authorities. The Board of School Directors approved the designation of real estate taxes, collected from the regulated public utility properties, to be set-aside for future capital projects. The tax revenues generated by the public utility properties are transferred to the capital project fund annually and enable the District to "pre-fund" a portion of future capital projects. Additional information concerning the PURTA reevaluation can be found in Note 20 of the "*Notes to the Basic Financial Statements*".

The District has historically transferred a portion of unassigned fund balance to the capital project fund and/or the internal service funds to "pre-fund" future expenditures for fiscal years in which actual expenditures are below budget estimates. The general fund transferred \$2.4 million to the capital project fund during the fiscal year ended June 30, 2019.

## **LONG-TERM FINANCIAL PLANNING**

A school board commitment of \$325,000 of the general fund's current fund balance has been designated to reduce the impact of additional water system upgrades during the 2019-2020 and 2020-2021 fiscal years.

Special Session Act 1 of 2006 - Tax Payer Relief legislation restricts public school districts from increasing real estate tax rates beyond a 'base index'. The Act 1 limit for 2018-2019 was 2.9 percent. The base index is calculated annually by the Pennsylvania Department of Education (PDE) and adjustments are made for school districts with low market value and personal

income levels. School districts, satisfying specific requirements, may request 'referendum exceptions' from PDE to increase their annual real estate tax rate above the Act 1 maximum limit for explicitly approved dollar amounts. Solanco School District has a history of applying for a referendum exception for budgeting flexibility but does not utilize the full value of the exception or use any of the exception to increase its annual tax rate. The District did apply for an exception for the 2018-2019 fiscal year. The Solanco School District Board of Directors is committed to constraining tax rate increases but recognizes the compounding effect and future financial impact from lost tax revenues. The primary goal of the Board is to provide the best possible education for students while minimizing the financial impact on taxpayers.

The School Board approved a plan to renovate several school buildings during a five-year period. Both middle schools have been renovated with the addition of an auditorium and additional classrooms. The renovation of the George A. Smith Middle School reached the final stage of the project during 2018-2019. The majority of the Swift Middle School renovation was completed in 2018-2019. The Clermont Elementary School is also being renovated with the addition of a gymnasium and additional classrooms. The Swift Middle School and Clermont Elementary School projects which began in 2016 should be completed during the 2019-2020 school year. In March 2018, the High School Wrestling Building (renamed The High School Activities Building) suffered storm damage. The school board approved a plan to reconstruct the building utilizing insurance claim proceeds and loan funds. The majority of the renovations were completed in 2018-2019 and the building will be fully functional by the end of 2019. The District has utilized cash and obtained short-term financing to pay for these construction projects. The District has borrowed \$20.1 million to complete the renovation and addition to George A. Smith Middle School and the renovations and additions to Swift Middle School and Clermont Elementary School. An additional \$7 million will be borrowed in the upcoming fiscal year to complete the final renovations at Swift Middle School, Clermont Elementary School, and the reconstruction of the High School Activities Building.

## **MAJOR INITIATIVES**

The District comprehensive plan, which was approved by the board on October 1, 2018, defines the District's mission, goals, strategies and activities for the three-year period beginning 2019-2020 through 2021-2022. The plan evolved from the collective efforts of numerous District residents including students, parents, community members, business leaders, teachers and administrators and focuses on four key areas:

1. Inspire/Engage Students: District educators continually seek creative ways to inspire and motivate students to perform at their best and assist students to develop successful interpersonal and career skills
2. Innovative/Relevant Instructional Practices: The District focuses on the professional development of teachers to use high quality, research-based teaching techniques to maximize the learning of all students.
3. Physical/Emotional Safety: The District utilizes research-based strategies and techniques incorporating practices that increases, celebrates, and supports equity to ensure student dignity and honor.
4. Future Focused: The District makes decisions around, and engages in practices that position students well for their future world.

Academic, capital, technological and administrative initiatives undertaken during the 2018-2019 fiscal year include:

- Hired a Behavior Specialist Director to assess and assist at-risk students with behavioral difficulties.
- Construction of the George A. Smith Middle School auditorium was completed and furnished with upgraded equipment possessing the potential to expand learning opportunities for students.
- Replacement of the George A. Smith Middle Schools heating, cooling and ventilation system completed.
- Completed the installation of a new security system at George A. Smith Middle School.
- Replaced traditional phone service with technologically advanced VOIP system at Quarryville Elementary School and the Central Administration Building.
- Completed the High School auditorium light and sound systems for enhanced student theatrical, choral and instrumental presentations.
- Completed installation of a water conditioning system at Solanco High School.
- Installed fiber optic cable at Swift Middle School and Clermont Elementary School to interconnect all network closets together with high speed data transmission for use with phones, computers, laptops, wireless devices and surveillance cameras.
- Implemented Frontline Absence Management System to streamline the request for staff absences.

## **ACCOMPLISHMENTS**

The District strives to provide students with a quality education and comprehensive educational experience, while controlling spending and operating within a fiscally responsible framework. Student accomplishments for the 2018-2019 school year are highlighted below.

### **2018-19 School Year Accomplishments**

- Bart-Colerain & Quarryville Elementary School students exceeded the state average in the percentage of students scoring proficient or advanced on the English Language Arts (ELA) PSSA.
- Bart-Colerain Elementary School students exceeded the state average in the percentage of students scoring proficient or advanced on the Math PSSA.
- Bart-Colerain, Clermont, Providence, & Quarryville Elementary School students exceeded the state average in the percentage of students scoring proficient or advanced on the Science PSSA.
- Providence Elementary, Clermont Elementary, & Smith Middle schools exceeded the academic growth state average in math.
- Smith Middle School exceeded the expected academic growth state average in ELA.
- Providence Elementary School exceeded the academic growth state average in science.
- Solanco High School exceeded the state average in the percentage of students scoring proficient or advanced on the Math Keystone.
- Solanco High School exceeded the state average in the percentage of students scoring proficient or advanced on the Biology Keystone.

- Solanco High School exceeded the expected academic growth of students taking the biology keystone, earning 100 out of a possible 100 points in this measure, meaning that students outperformed their expected performance level.
- Bart-Colerain Elementary, Clermont Elementary, Providence Elementary, Quarryville Elementary, Smith, & Swift Middle schools exceeded the state average for regular attendance.
- Two Solanco High School students qualified for and received the prestigious Lenfest Scholarship which is given based on a student's academic achievement, leadership qualities, and ambition for continuing their education.
- Ten Solanco High School students earned Scholastic Writing Awards comprising of: three gold awards, three silver awards, and ten honorable mentions.
- Eleven Solanco High School students and a Swift Middle school student won an impressive 57 awards in the Scholastic Art Awards/Lancaster County Young Artists Awards including two of the five best in show awards.
- The Smith Singers earned four gold medals for superior performances in the Worldstrides Music Festival in Boston, Massachusetts.

The District continues to provide an above average education to students for a cost that is below the statewide averages. The District spent an average of \$17,030 per student during the 2018-2019 fiscal year. Refer to the "*Schedule of General Fund Expenditures Per Student Based on Governmental Fund Expenditures*" found in the statistical section for detailed information regarding spending per student. The Pennsylvania Department of Education publishes academic achievement, graduation and professional teacher qualification reports for all public schools and intermediate units located in the state at the website [www.pde.state.pa.us](http://www.pde.state.pa.us).

## **FINANCIAL REPORTING AWARDS**

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Solanco School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. [This was the twenty-second consecutive year that the government has achieved this prestigious award.] Both of these award programs enhance the credibility of financial management and the adoption of generally accepted accounting principles in addition to the reinforcement of sound budgetary procedures. In order to be awarded a "Certificate of Achievement" and/or "Certificate of Excellence," a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report's contents must conform to each of the program's standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. Both the "Certificate of Achievement" and the "Certificate of Excellence" are valid for a period of one year only. The District believes its current comprehensive annual financial report conforms to the requirements of both programs. The District is submitting this report to ASBO and GFOA to determine its eligibility for a financial reporting award for the year ended June 30, 2019.

## **ACKNOWLEDGEMENTS**

The preparation of this report would not have been possible without the efficient and dedicated service of many of the District's employees. The District would like to express appreciation to

each administrator and employee of the Solanco School District for his or her assistance and contribution to the preparation of this report and for his or her interest and support in planning and conducting the financial affairs of the Solanco School District in a responsible, professional and progressive manner. Special recognition is extended to the staff associated with the independent public accounting firm of Barbacane, Thornton and Company LLP, for their professional expertise and valuable assistance in preparing this report.

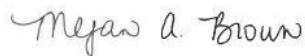
Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Brian Bliss".

Brian Bliss, Ed.D.  
Superintendent

A handwritten signature in dark ink, appearing to read "Sandra S. Tucker".

Sandra S. Tucker, CPA  
Business Manager

A handwritten signature in dark ink, appearing to read "Megan A. Brown".

Megan A. Brown  
Assistant Business Manager





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Solanco School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Solanco School District  
Pennsylvania**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

# SOLANCO SCHOOL DISTRICT

## BOARD OF SCHOOL DIRECTORS AND PRINCIPAL OFFICIALS

Fiscal Year Ended June 30, 2019

### **BOARD OF SCHOOL DIRECTORS**

Steven P. Risk, President

Paul F. Plechner, Vice President

Justin W. Kreider, Treasurer

Charles "Chip" Roten, Assistant Treasurer

Kurt W. Kreider, Assistant Secretary

Daniel R. Bender

Craig C. Chubb

Brian P. Musser

Leon J. Ressler

### **PRINCIPAL OFFICIALS**

Brian A. Bliss, Ed.D., Superintendent

Robert J. Dangler, Ed.D., Assistant Superintendent for Instruction

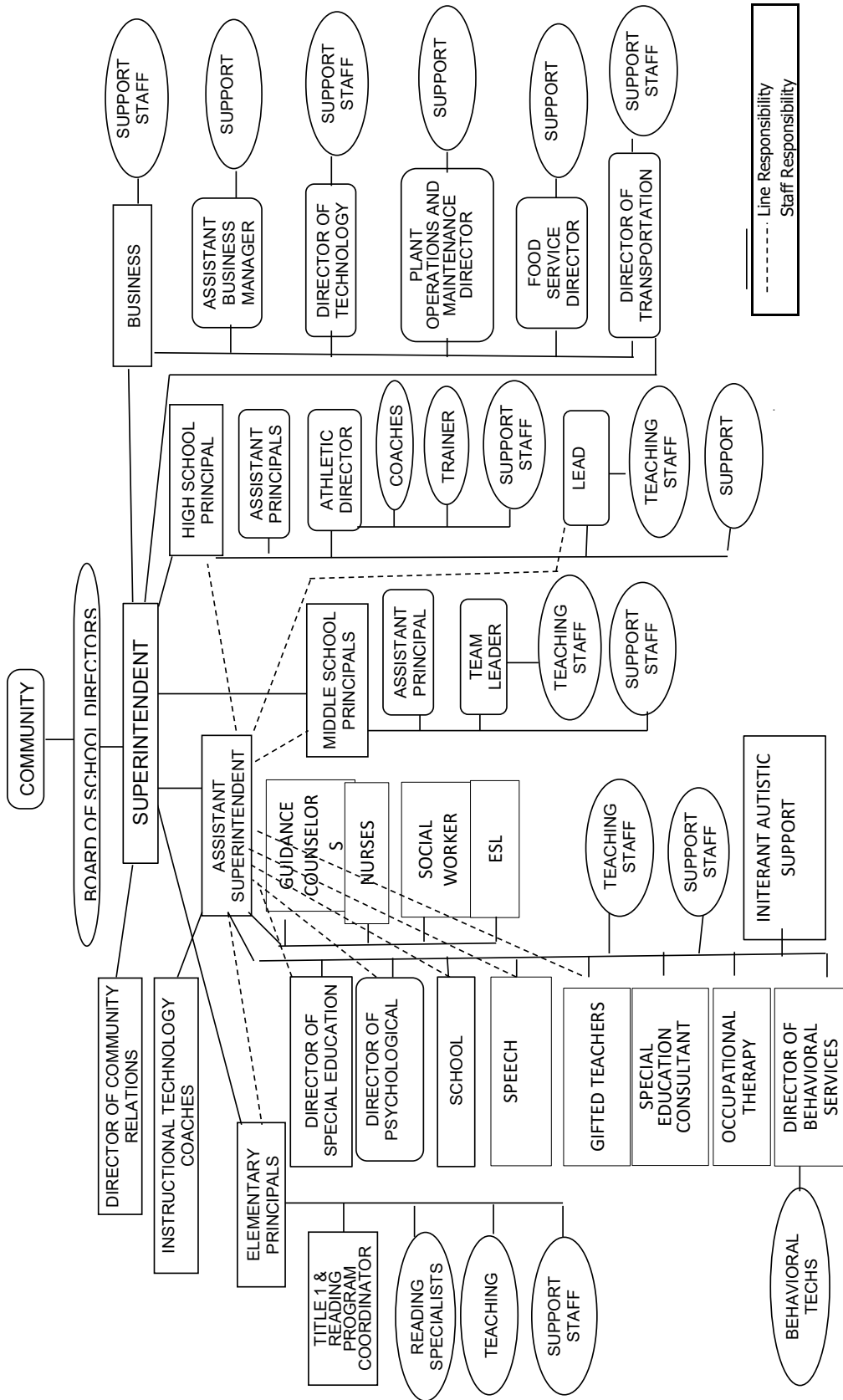
Sandra S. Tucker, CPA, SFO, PRSBA, Business Manager

Megan Brown, Assistant Business Manager

Monica M. Miller, Board Secretary

Kegel, Kelin, Almy & Lord, Esquires, Solicitors

# SOLANCO SCHOOL DISTRICT ORGANIZATIONAL CHART 2018 - 2019





## INDEPENDENT AUDITOR'S REPORT

December 17, 2019

Board of School Directors  
Solanco School District  
Quarryville, Pennsylvania

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Solanco School District ("the District"), Quarryville, Pennsylvania, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

Board of School Directors  
Solanco School District

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Solanco School District, Quarryville, Pennsylvania, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages F-4 through F-19, the other post-employment (OPEB), health care plans benefit information, pension information, budgetary comparison information, and the related notes to these schedules on pages F-75 through F-85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining individual fund statements, budget schedules and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2

Board of School Directors  
Solanco School District

U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and is also not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

  
BARBACANE, THORNTON & COMPANY LLP

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019

This section of the Solanco School District ("the School District") Comprehensive Annual Financial Report (CAFR), is prepared by management and represents our narrative overview and analysis of the financial activities of Solanco School District for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the financial statements and the notes to the basic financial statements, supplemental information and statistical information which can be found on pages I-1 through I-10, F-20 through F-120 and S-2 through S-60 of this report.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for the year ended June 30, 2019 are as follows:

- Total net deficit of the School District decreased by \$2.2 million or 15.3 percent. Total revenues grew by \$1.6 million or 2.8 percent with tax revenues representing 43.3 percent of the growth. Total expenses increased by \$0.6 million or 1.0 percent during the same period with growth exhibited through costs associated with Administrative and Financial Support Services, Operation and Maintenance of Plant Services and Interest on Long-Term Debt.
- Program revenues represent 25.3 percent and general revenues represent 74.7 percent of total School District revenues for the fiscal year ended June 30, 2019. Program revenues consist of charges for services, operating grants, capital grants and contributions. Taxes, basic education state subsidy and investment earnings comprise general revenues.
- Aggregate School District expenses reported for the fiscal year ended June 30, 2019 totaled \$56.8 million, of which \$14.9 million or 26.3 percent were funded directly from program revenues in the form of charges for services, operating grants, capital grants, and contributions. The remaining 73.7 percent of total expenses were funded from general revenues.
- Revenues from the School District's food service program, the only business-type activity, exceeded food service expenses by \$21.6 thousand during the 2018-2019 fiscal year. The general fund did not subsidize food service operations during the fiscal year ended June 30, 2019.
- As of June 30, 2019, the School District's governmental funds reported combined ending fund balances of \$12.9 million, a decrease of \$14.1 million or 52.4 percent in comparison with the prior year. Approximately 87.5 percent or \$11.3 million of the total combined governmental fund balance is available for spending at the School District's discretion (*assigned and unassigned fund balance*).
- Outstanding aggregate long-term debt principal balance as of June 30, 2019 for three General Obligation Notes totaled \$15.9 million. The total legal debt capacity at June 30, 2019 was \$124.3 million. Approximately \$108.4 million remains available for future debt obligations and provides the School District with significant borrowing capacity.
- Capital assets, net of accumulated depreciation, as reported on the statement of net position for governmental and business-type activities, totaled \$63.3 million for the fiscal year ended June 30, 2019, a net increase of \$15.5 million or 32.6 percent compared to the prior year. Capital asset additions of \$18.1 million exceeded depreciation expense of \$2.6 million. Approximately \$17.2 million of the \$20.1 million General Obligation Note borrowings was utilized to fund capital asset additions for the 2018-2019 fiscal year.



Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements, notes to those statements and other required supplementary information. These statements are organized so the reader can understand the School District as a financial whole.

The statement of net position and statement of activities provide information on a district-wide basis. The statements present an aggregate view of the School District's finances. District-wide statements contain useful long-term information as well as information for the most recent fiscal year.

The remaining statements are fund financial statements that focus on individual parts of the School District. Fund financial statements generally report operations in more detail than the district-wide statements. For governmental funds, these statements tell how the services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the School District, the general fund is the most significant fund.

The notes to the basic financial statements provide further explanation of some of the information presented in the statements and provide additional disclosures so statement users have a complete picture of the School District's financial activities and position.

Required supplementary information further explains and supports the financial statements by including comparison of the School District's budget data for the year as well as additional information about the District's other postemployment benefits and pension.

Notes to the required supplementary information explain and support the required supplementary information.

The major features of the School District's financial statements, including the portion of the activities reported and the type of information contained, is shown in the following table. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each statement.

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

**Figure 1**  
**Major Features of Solanco School District's**  
**Government-wide and Fund Financial Statements**

	<b>Government-wide Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental</b>	<b>Proprietary</b>	<b>Fiduciary</b>
<b>Scope</b>	Entire School District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as instructional, support services and community services	Activities the School District operates similar to private business; the School District's food service program is its only proprietary operation	Assets held by the School District on behalf of someone else; student activity funds and scholarship trust funds are reported here
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures and changes in fund balance</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
<b>Basis of accounting and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of information</b>	All assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital; short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included. Deferred inflows of resources are also included (unavailable tax revenue)	All assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital; short-term and long-term	All assets and liabilities, both financial and capital; short-term and long-term; these funds do not currently contain any capital assets
<b>Type of inflow and outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions or deductions during the year, regardless of when cash is received and paid

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

## **OVERVIEW of FINANCIAL STATEMENTS**

### **Government-wide Statements**

Our analysis for the School District as a whole begins on page F-8. The statement of net position and the statement of activities report information about the School District as a whole. These statements portray the School District's overall financial position for the fiscal year and explains if the overall financial position has improved or diminished. Additionally, these statements include all assets, deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting. Amounts shown as "Due to/Due from" in various funds in the fund balance sheet are eliminated under this basis of accounting for the statement of net position. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. The changes in net position is important because it tells the reader if the School District's financial position as a whole has advanced or declined. To assess the overall financial condition of the School District, additional non-financial factors, such as changes in the School District's property tax base and the condition of school buildings and other facilities, should be considered. Management's discussion and analysis of the many factors affecting the School District's financials will help to identify the causes of any changes in net position.

In the statement of net position and the statement of activities, the School District's financial information is divided into two distinct kinds of activities:

- *Governmental Activities* - Most of the School District's programs and services are reported here including regular and special education instruction, support services, administration, operation and maintenance of plant, pupil transportation, community services and extracurricular activities. Property and earned income taxes in addition to state formula aid finance most of these activities. In the School District's internal service funds are also included in the governmental activities.
- *Business-type Activities* - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District's food service is reported as a business activity.

## **REPORTING the SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS**

### **Fund Financial Statements**

Funds are accounting devices the School District uses to keep track of funding sources and spending on particular programs and to demonstrate compliance with various regulatory requirements. The primary statements for the School District's major funds begin on page F-25. The proprietary fund financial statements begin on page F-31. The Fund financial statements provide detailed information about the most significant funds, not the School District as a whole. The School District's three types of funds: governmental, proprietary, and fiduciary use different accounting approaches.

Some funds are required by state law and by bond covenants. The School District establishes other funds to control and manage money for particular purposes (i.e. repayment of debt) or to demonstrate the proper use of specific revenues, such as capital projects.

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

**Fund Financial Statements (Continued)**

The School District has three types of funds:

- ***Governmental Funds*** - Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. Governmental fund information does not report on long-term debt as reported on government-wide statements. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.
- ***Proprietary Funds*** - Services for which the School District charges a fee are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities. The School District's enterprise fund (one type of proprietary fund) is the same activity reported as business-type activities in the government-wide statements. The enterprise fund format provides more detail and additional information, such as cash flows. The food service program is the School District's only enterprise fund. The food service program is an activity for which the School District charges a fee and expects revenues to cover all expenses. The School District uses internal service funds (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The School District has two internal service funds, the hospitalization fund and unemployment compensation fund.
- ***Fiduciary Funds*** - The School District serves as a trustee or agent for student organizations and scholarship trusts. The assets of these organizations belong to the organizations and trusts and not the School District. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and used strictly by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the School District cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS of the SCHOOL DISTRICT as a WHOLE**

**Net Position**

Net position serves as a useful indicator of an entity's financial position. The statement of net position provides the perspective of the School District as a whole and is located in the Basic Financial Statement section of this report. In the case of the School District on June 30, 2019, the sum of total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by \$12.4 million. \$48.4 million of total net position at June 30, 2019, reflects the School District's net investment in capital assets (land, buildings, furniture, equipment, vehicles and library books). The School District uses these capital assets to provide services to School District students and residents. Consequently, these assets are not available for future spending. Figure 2 reports an increase in total assets and a decrease in total liabilities for the fiscal year ended June 30, 2019. Total assets increased \$2.1 million or 2.4 percent, primarily from the increase in capital asset additions in the current year. Total liabilities decreased \$3.7 million or 3.3 percent and is attributable to the payment of outstanding note borrowings.

Deferred outflows of resources decreased \$2.6 million or 19.4 percent and deferred inflows of resources grew by \$1.0 million or 43.1 percent during the same period. The deferrals associated with Other Postemployment Benefits

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

**Net Position (Continued)**

represents 5.4 percent of aggregate deferred outflows and 15.9 percent of aggregate deferred inflows at June 30, 2019. The volatility between the plans' actuarially estimated investment income and actual income directly impacts deferred inflows and outflows of resources for benefit liabilities and expenses. Figure 2 provides an analysis of the School District's total net position for the year ended June 30, 2019 compared to June 30, 2018.

**Figure 2**  
**Net Position**  
**June 30, 2019 and 2018**  
(Amounts in Thousands)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Assets</b>						
Current Assets	\$ 25,286	\$ 38,741	\$ 1,045	\$ 983	\$ 26,331	\$ 39,724
Capital Assets	63,192	47,652	72	80	63,264	47,732
Total Assets	<u>88,478</u>	<u>86,393</u>	<u>1,117</u>	<u>1,063</u>	<u>89,595</u>	<u>87,456</u>
<b>Deferred Outflows of Resources</b>						
Pension/OPEB	<u>10,700</u>	<u>13,264</u>	<u>215</u>	<u>270</u>	<u>10,915</u>	<u>13,534</u>
<b>Liabilities</b>						
Current Liabilities	10,654	9,762	48	32	10,702	9,794
Noncurrent Liabilities	<u>97,182</u>	<u>101,751</u>	<u>1,680</u>	<u>1,733</u>	<u>98,862</u>	<u>103,484</u>
Total Liabilities	<u>107,836</u>	<u>111,513</u>	<u>1,728</u>	<u>1,765</u>	<u>109,564</u>	<u>113,278</u>
<b>Deferred Inflows of Resources</b>						
Pension/OPEB	<u>3,267</u>	<u>2,279</u>	<u>61</u>	<u>46</u>	<u>3,328</u>	<u>2,325</u>
<b>Net Position</b>						
Net Investment in Capital Assets	48,303	38,376	72	80	48,375	38,456
Unrestricted (Deficit)	<u>(60,228)</u>	<u>(52,511)</u>	<u>(529)</u>	<u>(558)</u>	<u>(60,757)</u>	<u>(53,069)</u>
Net Position, End of Year	\$ <u>(11,925)</u>	\$ <u>(14,135)</u>	\$ <u>(457)</u>	\$ <u>(478)</u>	\$ <u>(12,382)</u>	\$ <u>(14,613)</u>

**Changes in Net Position**

The results of this year's operations as a whole are reported in the statement of activities which is included in the basic financial statement section of this report. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are presented to determine the final amount of the School District's activities that are supported by other general revenues. Basic education funding provided by the Pennsylvania Department of Education (PDE) and local taxes assessed to community taxpayers such as real estate and earned income, both of which are reported as general revenues, represent the two largest revenue sources for the School District.

Figure 3 provides a comparison of revenues and expenses for the fiscal years ended June 30, 2019 and 2018.

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

**Changes in Net Position (Continued)**

**Figure 3**  
**Statement of Activities**  
**Fiscal Years Ended June 30, 2019 and June 30, 2018**  
(Amounts in Thousands)

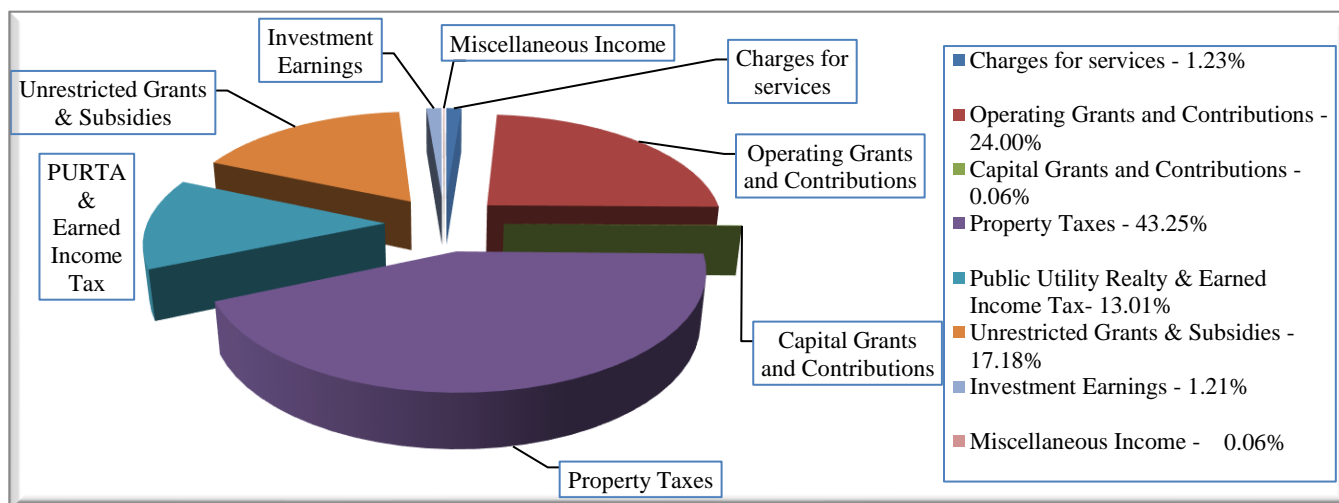
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Program Revenues</b>						
Charges for Services	\$ 172	\$ 165	\$ 553	\$ 580	\$ 725	\$ 745
Operating Grants and Contributions	13,162	12,919	1,015	1,025	14,177	13,944
Capital Grants and Contributions	38	12	-	-	38	12
Total Program Revenue	<u>13,372</u>	<u>13,096</u>	<u>1,568</u>	<u>1,605</u>	<u>14,940</u>	<u>14,701</u>
<b>General Revenues</b>						
Property Taxes	25,554	24,450	-	-	25,554	24,450
Public Utility Realty and Earned Income Taxes	7,685	7,357	-	-	7,685	7,357
Unrestricted Grants and Subsidies	10,148	10,097	-	-	10,148	10,097
Investment Earnings	691	441	21	12	712	453
Miscellaneous Income	39	436	-	2	39	438
Total General Revenues	<u>44,117</u>	<u>42,781</u>	<u>21</u>	<u>14</u>	<u>44,138</u>	<u>42,795</u>
Total Revenues	<u>57,489</u>	<u>55,877</u>	<u>1,589</u>	<u>1,619</u>	<u>59,078</u>	<u>57,496</u>
<b>Expenses</b>						
Instruction	35,259	35,906	-	-	35,259	35,906
Instructional Student Support	4,717	4,539	-	-	4,717	4,539
Administrative and Financial Support Services	5,142	5,002	-	-	5,142	5,002
Operation and Maintenance of Plant Services	4,466	4,057	-	-	4,466	4,057
Pupil Transportation	4,030	3,774	-	-	4,030	3,774
Student Activities	1,142	1,139	-	-	1,142	1,139
Community Services	56	56	-	-	56	56
Interest on Long-Term Debt	466	224	-	-	466	224
Food Services	-	-	1,568	1,594	1,568	1,594
Total Expenses	<u>55,278</u>	<u>54,696</u>	<u>1,568</u>	<u>1,594</u>	<u>56,846</u>	<u>56,291</u>
<b>Change in Net Position</b>	<u>2,211</u>	<u>1,180</u>	<u>21</u>	<u>25</u>	<u>2,232</u>	<u>1,205</u>
Beginning Net Position	(14,136)	(11,509)	(478)	(426)	(14,614)	(11,935)
Cumulative Effect of Change in Accounting Principle	-	(3,807)	-	(77)	-	(3,884)
Beginning, as Restated	(14,136)	(15,316)	(478)	(503)	(14,614)	(15,819)
<b>Ending Net Position</b>	<u>\$ (11,925)</u>	<u>\$ (14,136)</u>	<u>\$ (457)</u>	<u>\$ (478)</u>	<u>\$ (12,382)</u>	<u>\$ (14,614)</u>

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

**Changes in Net Position (Continued)**

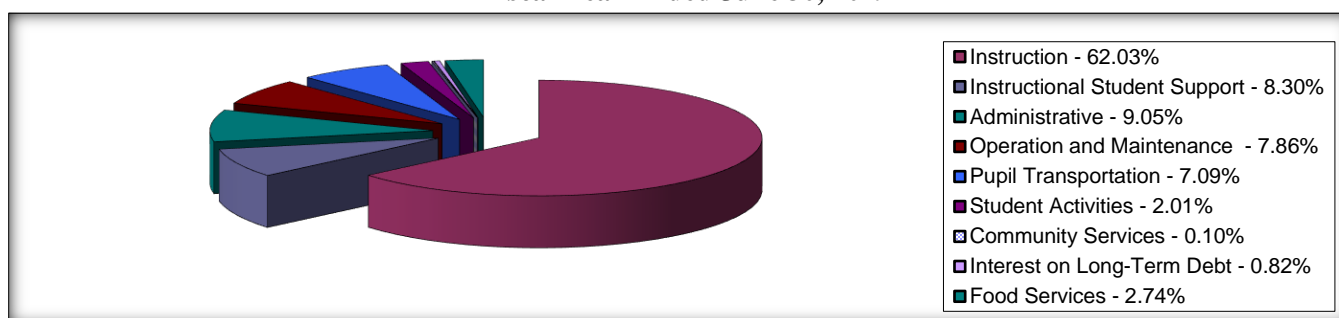
Total program revenues for the fiscal year ended June 30, 2019 were \$14.9 million, an increase of \$0.2 million or 1.6 percent from the prior year. Total general revenues expanded \$1.4 million or 3.2 percent and total expenses grew \$0.5 million or 1.0 percent during the same period. Increases in state-funded reimbursement for retirement, transportation subsidy and Safe Schools grant funding in addition to increases in federal Title 1 and Title IV grant funds accounts for the overall growth in total program revenues generated by governmental activities. Real estate tax collections represent \$1.0 million or 4.5 percent of the total growth in general revenues during the year ended June 30, 2019. Figure 4 reflects the percentage of dollars derived from each revenue category as a percentage of total School District revenue received during the fiscal year ended June 30, 2019.

**Figure 4**  
**Government-wide Revenues as a % of Total Revenues**  
**Fiscal Year Ended June 30, 2019**



The percentage of dollars utilized for each expense function (category) as a percentage of total School District expenses incurred during the fiscal year ended June 30, 2019 is reflected in Figure 5. Instruction expenses comprise 62.0 percent of total government-wide expenses. A comparison of total School District spending during the 2019 and 2018 fiscal years reflects growth of total expenses by \$0.55 million or 1.0 percent. Instruction expenses decreased \$0.5 million or 1.2 percent, Administrative and Financial Support costs grew \$0.14 million or 2.8 percent, Operation and Maintenance of Plant Services expenses increased \$0.4 million or 10.1 percent, and Interest on Long-Term Debt accounts for \$0.2 million of the total growth in government-wide expenses.

**Figure 5**  
**Government-wide Expenses as a % of Total Expenses**  
**Fiscal Year Ended June 30, 2019**



Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

**Governmental Activities**

Total expenses generated from governmental activities grew \$0.58 million or 1.1 percent during the fiscal year ended June 30, 2019. The net cost of services represents the total cost of services offset by charges for the services or revenue generated by the activities and intergovernmental aid provided for specific programs or activities. The net cost of expenses represents the financial burden that was placed on the School District taxpayers for each of the program services. The total net cost of services for governmental activities during the 2018-2019 fiscal year totaled \$41.9 million, an increase of \$0.30 million. Figure 6 presents a comparison of the total cost of services and the net cost of services for governmental activities for the fiscal years ended June 30, 2019 and June 30, 2018.

**Figure 6**  
**Governmental Activities**  
**Fiscal Years Ended June 30, 2019 and June 30, 2018**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>		<b>% Change of Net Cost</b>
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	
Instruction	\$ 35,259,206	\$ 35,905,182	\$ 25,755,609	\$ 26,879,398	(4.2) %
Support Services:					
Instructional Student Support	4,716,596	4,538,968	4,047,635	3,815,636	6.1 %
Administrative and Financial Support Services	5,142,579	5,002,233	4,650,327	4,431,265	4.9 %
Operation and Maintenance of Plant Services	4,465,921	4,056,931	4,040,035	3,617,403	11.7 %
Pupil Transportation	4,029,687	3,774,144	1,955,204	1,659,324	17.8 %
Student Activities	1,142,097	1,139,339	974,756	972,037	0.3 %
Community Services	56,068	56,026	55,261	13,475	310.1 %
Interest on Long-Term Debt	465,906	224,279	427,701	212,084	101.7 %
<u>Total Governmental Activities Expenses</u>	<u>\$ 55,278,060</u>	<u>\$ 54,697,102</u>	<u>\$ 41,906,528</u>	<u>\$ 41,600,622</u>	0.7 %

The net cost for Administrative and Financial Support services increased 4.9 percent during the fiscal year ended June 30, 2019 as payroll and benefits grew at a higher rate than the associated state benefit reimbursements. Net transportation costs increased during the fiscal year ended June 30, 2019 while state transportation subsidy increased due to state funding adjustments. The net cost to provide services for instruction and instructional student support declined slightly from the 2017-2018 fiscal year due to a reduction in expenses and increase in retirement reimbursement. Interest expense on the construction debt exceeded the state rental reimbursement generated from the school district's share of the career and technical center's debt obligation. There is a heavy reliance on tax revenues to fund the operations of the School District. Tax revenues represented 57.9 percent of total revenues generated by governmental activities during the 2018-2019 year. The net cost of governmental activities totaled \$41.9 million and was financed from general revenues totaling \$44.1 million. General revenues consist of local taxes, state basic education funding and miscellaneous local revenues.

**Business-type Activities**

Business-type activities consist solely of the food service operations and represent 3.7 percent of total net position at June 30, 2019. Revenues generated from business-type activities during the 2018-2019 fiscal year totaled \$1.6 million, a decrease of \$29.7 thousand or 1.8 percent from the prior year. A reduction in student enrollment and the quantity of meals sold accounts for the decreased revenue. Business-type activities receive no support from tax revenues, and governmental activities did not subsidize food service operations during the 2018-2019 fiscal year.



Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

**Business-type Activities (Continued)**

Total expenses generated by business-type activities during the same period decreased from the 2017-2018 fiscal year by \$26.8 thousand or 1.7 percent. The slight decrease in total expenses results from the decrease in employee benefits off set by rising payroll costs and supplies. The net position of business-type activities increased \$21.6 thousand or 4.5 percent during the 2018-2019 fiscal year. The proprietary fund financial statements provide additional details of operations and are located in the basic financial statements section of this report.

**FINANCIAL ANALYSIS of the SCHOOL DISTRICT'S FUNDS**

**Governmental Funds**

Information about the School District's governmental funds is located in the basic financial statements section of this report. The School District's major funds consist of the general and capital project funds. This information is useful in assessing the School District's financing requirements. Assigned and unassigned fund balances are a useful measure of the School District's net resources available for spending at the end of the fiscal year. As of June 30, 2019, the School District's governmental funds reported combined ending fund balances of \$12.9 million, a decrease of \$14.2 million or 52.4 percent in comparison with the prior year. The general fund is the chief operating fund of the School District, comprising \$6.2 million or 48 percent of the total combined governmental fund balance at June 30, 2019. The capital project fund represents \$6.7 million or 52.0 percent of the total combined fund balance. A comparison of the general fund's unassigned fund balance of \$3.5 million, with the total aggregate general fund balance of \$6.2 million provides a measure of the fund's liquidity. Approximately 57.9 percent of the general fund's aggregate fund balance is liquid and available for future use. Legislation enacted by the Commonwealth of Pennsylvania requires school districts to maintain an unassigned fund balance of 8.0 percent or less of total budgeted expenditures for the ensuing fiscal year. The unassigned fund balance of \$3.6 million, represents 6.3 percent of total general fund expenditures and other financing uses of \$57.0 million, for the fiscal year ended June 30, 2019 and 6.1 percent of budgeted expenditures, totaling \$59.1 million, for the 2018-2019 fiscal year. Historically, the School District has sought to maintain a fund balance in the general fund equal to approximately two months of expenditures on June 30. Significant start-up expenses are incurred during July and August in preparation of the new school year. The "two month expenditure fund balance reserve" enables the School District to satisfy cash flow requirements until tax revenues are received. Figure 7 indicates the fund balance and the total change in fund balances as of June 30, 2019 and June 30, 2018.

**Figure 7**  
**Governmental Fund Balances**  
**June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>	<u>Difference</u>	<u>% of Change</u>
General Fund				
Nonspendable	\$ 258,668	\$ 322,451	\$ (63,783)	(19.8) %
Committed	325,000	325,000	-0-	0.0 %
Assigned	2,032,216	2,253,777	(221,561)	(9.8) %
Unassigned	3,593,706	3,379,639	214,067	6.3 %
Total General Fund	<u>6,209,590</u>	<u>6,280,867</u>	<u>(71,277)</u>	(1.1) %
Capital Project				
Nonspendable	25,762	11,052	14,710	133.1 %
Restricted	1,006,536	8,124,550	(7,118,014)	(87.6) %
Assigned	5,680,578	12,714,790	(7,034,212)	(55.3) %
Total Capital Project Fund	<u>6,712,876</u>	<u>20,850,392</u>	<u>(14,137,516)</u>	67.8 %
Total Governmental Funds	<u>\$ 12,922,466</u>	<u>\$ 27,131,259</u>	<u>\$ (14,208,793)</u>	(52.4) %

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

**Governmental Funds (Continued)**

Inventory decreased \$73.7 thousand as prepaid balances increased \$24.6 thousand during the fiscal year 2018-2019, resulting in total nonspendable fund balance decrease of \$49.1 thousand, compared to the prior year. The June 2017 commitment of \$325.0 thousand for property reassessment appeals was removed and the funds recommitted for 2019 water system upgrades.

A fund balance of \$6.7 million was reported for the capital projects fund as of June 30, 2019 and reflects a decrease of 14.1 million or 67.8 percent from the prior year. A portion of the monies in the capital projects fund have been assigned, by board resolution, for future capital projects and long range expansion of School District technology. The restricted portion of the fund balance represents unspent debt proceeds. The intentional growth of the capital project fund balance aligns with the School District's plans to pay for current school construction projects and the reconstruction of the High School Activities Building. Capital project funds available during construction will enable the School District to minimize financing costs for the projects. The capital project fund balance at June 30, 2019 represents 51.0 percent of total governmental funds balance.

**Proprietary Funds**

The enterprise fund and the internal service fund comprise Solanco School District's proprietary funds. The information presented for the proprietary enterprise fund mirrors the information presented for the business-type activities. The food service fund is the School District's only enterprise fund or business-type activity. A discussion of the enterprise fund's financial activities has been addressed in the business-type activities section of the MD&A. The internal service fund is comprised of the hospitalization and unemployment compensation funds. Total revenues increased \$0.6 million or 13.1 percent from the prior year while expenses increased \$0.78 million or 17.3 percent during the same period. The total net position for the internal service fund reported at June 30, 2019 was \$3.5 million and \$3.4 million for year ended June 30, 2018. The internal service fund financial statements are located in the basic financial statements section of this report with additional details included in Note 16.

**CAPITAL ASSETS and DEBT ADMINISTRATION**

**Capital Assets**

The Solanco School District's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totaled \$63 million (net of accumulated depreciation). This investment in capital assets includes land, site improvements, buildings and building improvements, furniture and equipment, vehicles, library books and construction in progress. The following schedule reflects the school district's capital assets by category.

**Figure 8**  
**Capital Assets at June 30, 2019 and June 30, 2018**  
(Net of Depreciation)

	<u>2019</u>		<u>2018</u>
Land and Site Improvements	\$ 2,966,947	\$	3,137,631
Buildings and Building Improvements	27,823,946		29,551,409
Governmental Furniture and Equipment	2,627,477		2,363,658
Vehicles	128,763		143,652
Library Books	144,545		148,837
Construction in Progress	29,500,224		12,306,929
Business-Type Food Service Equipment	71,995		79,620
Totals	\$ <u>63,263,897</u>	\$	<u>47,731,736</u>

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

**Capital Assets (Continued)**

The School District's total investment in capital assets for the fiscal year ended June 30, 2019, increased \$15.5 million or 32.6 percent compared with the previous year. Capital Asset additions of \$18.1 million exceeded depreciation expense of \$2.6 million during the 2018-2019 fiscal year. Major capital project expenditures incurred during the 2018-2019 fiscal year included:

- Renovation projects at multiple district buildings for \$17,127,005.
- Completed installation of a VOIP phone system at Clermont Elementary School, Quarryville Elementary School, George A. Smith Middle School, and at the Central Administration Building- \$40,442.
- Purchase of replacement and additional instructional computers and technology throughout School District buildings - \$314,366.
- Completed upgrade of security systems at Clermont Elementary School, George A. Smith and Swift Middle Schools - \$59,092.
- Completion of High School auditorium sound system upgrade - \$28,957.
- Purchase of replacement playground equipment for Clermont Elementary School - \$40,208.
- Purchase and installation of new ChangeAir classroom units for George A. Smith Middle School - \$220,615.
- Completion of the George A. Smith Middle School auditorium - \$60,791.
- Purchase of new technology servers for the district - \$30,863.
- Purchase of new wrestling mats for the High School Activities Building - \$21,209.

Approximately \$17.2 million of the \$20.1 million General Obligation Note borrowings was utilized to fund capital asset additions for the 2018-2019 fiscal year. Future commitments on capital projects in progress at June 30, 2019 total \$6.8 million. Construction and renovation of the Clermont Elementary School, Swift Middle School and the High School Activities Building account for 95.7 percent of future commitments. Expenditures associated with the capital project commitments will be paid from School District funds assigned for this purpose. Additional information concerning the School District's capital assets can be found in Note 8 of the financial section of this report.

**Debt Administration**

The Local Government Unit Debt Act of Pennsylvania currently limits the amount of general obligation debt a school district may issue to 225 percent of the three-year average of the school district's revenues. The current overall debt limitation for the Solanco School District is \$125.0 million. The School District has \$15.9 million of outstanding general obligation note debt at June 30, 2019 with \$108.4 million debt capacity available for future borrowing needs.

The School District is financially responsible for a portion, approximately 6.1 percent, of the Lancaster County Career and Technology Center's three guaranteed lease revenue bond issues. The payments are accounted for as operating leases dispersed from the general fund. Details regarding the operating lease payments may be found in Note 15 to the financial statements.

The School District's outstanding long-term debt, as of June 30, 2019, totaled \$17.4 million and is comprised of general obligation debt, estimated liabilities for compensated absences and accrued retirement bonus, of which \$0.3 million is due within one year. Refer to Notes 11 through 13 for additional information on long-term debt. Compensated absences derived from the unpaid sick leave for professional teachers decreased \$9.1 thousand while estimated retirement bonuses increased \$59.0 thousand.

Details regarding the long-term debt balances at June 30, 2019 and June 30, 2018 follow.

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

**Debt Administration (Continued)**

**Figure 9**  
**Outstanding Long-Term Debt**  
**Fiscal Years Ended June 30, 2019 and 2018**

		<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>% of Change</u>
General Obligation Debt	\$	15,895,000	\$ 17,325,000	\$ (1,430,000)	(8.3) %
Compensated Absences		449,450	463,940	(14,490)	(3.1) %
Accrued Retirement Bonus		1,021,257	962,329	58,928	6.1 %
Totals	\$	<u>17,365,707</u>	<u>\$ 18,751,269</u>	<u>\$ (1,385,562)</u>	7.4 %

**GENERAL FUND BUDGETARY HIGHLIGHTS**

**2018-2019 General Fund Budget**

The School District's general fund budget is prepared according to Pennsylvania law and is based on the modified accrual basis of accounting. During the fiscal year, the Board of School Directors authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the School District. All adjustments are again confirmed at the time the annual audit is accepted, which is after the end of the fiscal year. State law does not prohibit end-of-year budget adjustments. A formal, adopted budget is not mandated for other governmental funds including the capital project, internal service or enterprise funds. Historically, actual to budget revenue variances are minimal. By statute, school districts cannot overspend the expenditure budget on record, and in a year of major uncertainty, it is prudent to budget conservatively. Actual and final budget amounts compared with amounts actually received and expended are provided in the required supplementary information and the combining individual fund schedules and statements section of this report. A comparison of 2018-2019 final budgeted revenue totals to actual totals is presented in Figure 10. Total actual revenue exceeds budget estimates by \$0.3 million or 0.5 percent.

**Figure 10**  
**2018-2019 Budgeted to Actual Revenue Totals**

	<u>2018-2019 Final Budget</u>	<u>2018-2019 Actual Totals</u>	<u>Final Budget vs. Actual Variance</u>	
<b>Revenue</b>				
Local	\$ 34,132,247	\$ 34,825,001	\$ 692,754	2.0 %
State	20,201,993	20,047,273	(154,720)	(0.8) %
Federal	1,925,922	2,264,864	338,942	17.6 %
Other Financing Sources	605,000	1,689	(603,311)	(99.7) %
Total Revenue	<u>\$ 56,865,162</u>	<u>\$ 57,138,827</u>	<u>\$ 273,665</u>	0.5 %

Total taxes collected were \$0.4 million or 1.1 percent below budget estimates. Investment earnings exceeded estimates by \$0.3 million and funds passed through the IU for ESY reimbursement surpassed budget estimates by \$0.1 million. State reimbursements for social security and retirement fell short of budget estimates and resulted in a \$0.3 million actual versus budget state revenue variance. The budgeted transfer of \$600,000 from the self-insurance hospitalization fund to the general fund was not realized during the fiscal year.

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

**2018-2019 General Fund Budget (Continued)**

Actual 2018-2019 expenditures were lower than final budgeted expenditures by \$1.9 million or 3.4 percent. Schedules showing the School District's original and final budget amounts compared with amounts actually received and paid are provided in the required supplementary information and the combining individual fund schedules and statements section of this report. A comparison of 2018-2019 final budgeted expenditure totals to actual totals is presented in Figure 11.

**Figure 11**  
**2018-2019 Budgeted to Actual Expenditure Totals**

	<b>2018-2019 Final Budget</b>	<b>2018-2019 Actual Totals</b>	<b>Final Budget vs. Actual Variance</b>	
<b>Expenditures</b>				
Current - Instructional Services	\$ 35,074,606	\$ 33,383,858	\$ (1,690,748)	(4.8) %
Support Services	17,522,456	17,247,108	(275,348)	(1.6) %
Operation of Noninstructional Services	1,156,877	1,141,946	(14,931)	(1.3) %
Other Financing Uses	5,365,000	5,363,484	(1,516)	0.0 %
Total Expenditures and Other Financing Uses	<u>\$ 59,118,939</u>	<u>\$ 57,136,396</u>	<u>\$ (1,982,543)</u>	(3.4) %

Actual salaries and payroll benefits for regular instruction and instructional staff services were lower than budget estimates and contributed to the budget versus actual variance. The School District did not replace all vacated positions and a conscientious effort was made to minimize support staff hours.

**2019-2020 Budget Process**

The 2019-2020 general fund budget was adopted during June 2019. All budget requests are evaluated at the departmental and administrative levels prior to presentation to the School Board. The School District must provide public notice of the intent to adopt the proposed budget and ensure it is available for public inspection prior to official School Board adoption. Budgeted revenues for the 2019-2020 fiscal year totaled \$59.2 million, an increase of \$2.02 million or 3.5 percent from 2018-2019 actual revenues. Budgeted expenditures for the same period totaled \$61.2 million, an increase of \$4.2 million or 7.1 percent from 2018-2019 actual expenditures. The following items were considered during the development of the 2019-2020 general fund budget.

- The School Board approved the submission of a request for a referendum exception in order to increase the 2019-2020 real estate tax rate above the state index of 2.9 percent. The School Board exercised the option and increased real estate taxes by 0.366 mills for the fiscal year, generating an additional \$200.0 thousand of real estate tax revenue.
- A slight decline in district-wide student enrollment.
- The County-wide reassessment and expansion of the School District's taxable property assessed values.
- Potential growth of the earned income tax base.
- The continued increase of the PSERS retirement expense rate and its direct impact on employee benefit costs.
- The continued growth of special education costs and alternate service options.
- The impact of the rising cost of employee healthcare and employee benefit costs.
- Pending construction and renovation of the Clermont Elementary and Swift Middle School.
- Pending construction and renovation of the High School Activities Building.

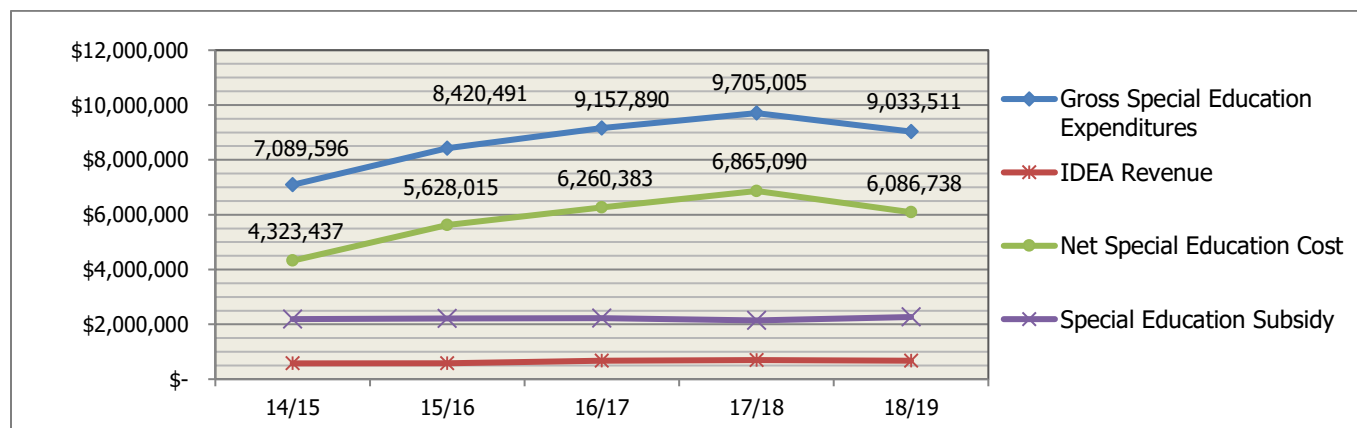
Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

**FACTS BEARING on the SCHOOL DISTRICT'S FUTURE**

Solanco School District maintains a financially strong position as conveyed in the preceding narrative and figures. Positive fund balance reserves exist in all governmental funds. Routine investments in capital assets enable the School District to maintain a quality campus in which to provide comprehensive educational services. At the time these financial statements were prepared and audited, the School District was aware of several existing circumstances that could impact its future financial health.

- **The escalating cost to provide special education services to a greater number of School District students.** The following figure reflects a \$1.9 million, or 27.4 percent, growth in special education expenditures during the recent five-year period while federal and state special education subsidies have remained level during the same period. The number of students qualifying for special education services increased 33.9 percent during this five-year period.

**Figure 13**  
**Special Education Instructional Costs and Revenues**



- **The complexity and increased cost of healthcare plans and healthcare benefits.** The School District offers competitive healthcare benefits to its employees through a self-insured healthcare plan. Employee healthcare claims are paid as they are incurred. The School District consults healthcare experts on a regular basis in an effort to understand the dynamic healthcare regulations and to identify opportunities to reduce the cost of healthcare benefits and educate employees on healthcare options available to them and their families. The following figure exhibits employee and retiree contributions and the cost of healthcare benefits during the recent five-year period.

**Figure 14**  
**Health Plan Participant Contributions as Percentage of Health Benefit Expenses**

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Retiree Contributions</u>	<u>Health Benefit Expenses</u>	<u>Contributions as Percentage of Expense</u>
18/19	\$ 456,161	\$ 259,866	\$ 5,014,256	14.3%
17/18	436,872	247,564	4,234,342	16.2%
16/17	542,582	266,529	4,927,608	16.4%
15/16	545,972	266,923	4,589,316	17.7%
14/15	515,728	294,491	4,558,310	17.8%

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2019  
(Continued)

**FACTS BEARING on the SCHOOL DISTRICT'S FUTURE (Continued)**

- **The cost of mandated employee retirement benefits through the Pennsylvania Public School Employees' Retirement System (PSERS).** PSERS is a defined benefit pension plan funded by employer and employee contributions. The employer contribution rate has grown annually since the 2008-2009 fiscal year rate of 4.76% of payroll, increasing to the rate of 34.29% for the 2019-2020 fiscal year. Refer to the 'PSERS Retirement Rates' chart located in the Statistical section of this report for historical and projected retirement rates. State legislators, concerned with the financial burden placed upon taxpayers, continue to discuss options to deal with the pension system's future unfunded liability.
- **Solanco Education Association Collective Bargaining Agreement.** The Solanco Education Association collective bargaining agreement expires June 30, 2019. The agreement must provide compensation and benefits that promote employment longevity while minimizing long-term costs for the School District.
- **Completion of Demographic Study.** The School District contracted with a demographer to complete a demographic study during the 2019-2020 fiscal year. This study will provide important information to the School District as it develops plans and strategies for satisfying the educational needs of its current and future students.
- **Planning and the investment in capital assets must continue.** Maintaining an appropriate physical environment conducive to learning that is safe, secure and affordable requires investment in the construction, expansion and renovation of school facilities. The maintenance and expansion of technology infrastructure is a primary component of the School District's capital project plan. The School District has invested in land and buildings for future School District growth. Undeveloped land in Little Britain Township and property adjoining the Bart Colerain Elementary and High School campuses are available for future expansion as the need arises.

**CONTACTING SCHOOL DISTRICT FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it received. If you have questions about this report or need additional financial information, please contact Sandra S. Tucker, Business Manager, or Megan A. Brown, Assistant Business Manager, at Solanco School District, 121 South Hess Street, Quarryville, PA 17566.

## BASIC FINANCIAL STATEMENTS



Solanco School District  
STATEMENT of NET POSITION  
June 30, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 15,120,827	\$ 981,909	\$ 16,102,736
Investments	5,060,000	-	5,060,000
Taxes Receivable, net	1,863,535	-	1,863,535
Due from Other Governments	2,738,306	31,656	2,769,962
Other Receivables	184,992	1,171	186,163
Inventories	165,633	30,419	196,052
Prepaid Items	153,172	-	153,172
<u>Total Current Assets</u>	<u>25,286,465</u>	<u>1,045,155</u>	<u>26,331,620</u>
Noncurrent Assets:			
Non-Depreciable	30,635,509	-	30,635,509
Depreciable, net	32,556,393	71,995	32,628,388
<u>Total Noncurrent Assets</u>	<u>63,191,902</u>	<u>71,995</u>	<u>63,263,897</u>
 <u>TOTAL ASSETS</u>	 <u>88,478,367</u>	 <u>1,117,150</u>	 <u>89,595,517</u>
 <u>DEFERRED OUTFLOWS of RESOURCES</u>			
Deferred Outflows - Pension	10,126,643	204,076	10,330,719
Deferred Outflows - Other Postemployment Benefits (OPEB)	573,053	10,969	584,022
 <u>TOTAL DEFERRED OUTFLOWS of RESOURCES</u>	 <u>10,699,696</u>	 <u>215,045</u>	 <u>10,914,741</u>

See notes to financial statements.

Solanco School District  
STATEMENT of NET POSITION  
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
<u>LIABILITIES</u>			
Current Liabilities:			
Internal Balance	(618)	618	-
Accounts Payable	4,802,913	621	4,803,534
Notes Payable Due Within One Year	1,845,000	-	1,845,000
Compensated Absences Due Within One Year	19,934	-	19,934
Accrued Retirement Bonus Due Within One Year	307,841	-	307,841
Accrued Salaries and Benefits	3,365,217	1,701	3,366,918
Accrued Interest	104,580	-	104,580
Payroll Deductions and Withholdings	145,451	-	145,451
Unearned Revenues	3,336	45,005	48,341
Other Current Liabilities	60,448	-	60,448
<u>Total Current Liabilities</u>	<u>10,654,102</u>	<u>47,945</u>	<u>10,702,047</u>
Noncurrent Liabilities:			
Long-Term Portion of Notes Payable	14,050,000	-	14,050,000
Long-Term Portion of Compensated Absences	429,516	-	429,516
Accrued Retirement Bonus	713,416	-	713,416
Total Postemployment Benefit Obligation	5,919,796	124,969	6,044,765
Net Pension Liability	76,068,676	1,555,324	77,624,000
<u>Total Noncurrent Liabilities</u>	<u>97,181,404</u>	<u>1,680,293</u>	<u>98,861,697</u>
 <u>TOTAL LIABILITIES</u>	 <u>107,835,506</u>	 <u>1,728,238</u>	 <u>109,563,744</u>
<u>DEFERRED INFLOWS of RESOURCES</u>			
Deferred Inflows - Pension	2,743,464	57,031	2,800,495
Deferred Inflows - Other Postemployment Benefits (OPEB)	523,807	3,734	527,541
<u>TOTAL DEFERRED INFLOWS of RESOURCES</u>	<u>3,267,271</u>	<u>60,765</u>	<u>3,328,036</u>
<u>NET POSITION (DEFICIT)</u>			
Net Investment in Capital Assets	48,303,438	71,995	48,375,433
Unrestricted (Deficit)	(60,228,152)	(528,803)	(60,756,955)
 <u>TOTAL NET POSITION (DEFICIT)</u>	 \$ <u>(11,924,714)</u>	 \$ <u>(456,808)</u>	 \$ <u>(12,381,522)</u>

See notes to financial statements.

Solanco School District  
STATEMENT of ACTIVITIES  
Year Ended June 30, 2019

Functions/Programs	Program Revenues			Net Revenue (Expense) and Changes in Net Position (Deficit)			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
Governmental Activities:							
Instruction	\$ 35,259,206	\$ 7,258	\$ 9,496,339	\$ -	\$ (25,755,609)	\$ -	\$ (25,755,609)
Instructional Student Support	4,716,596	-	668,961	-	(4,047,635)	-	(4,047,635)
Administrative and Financial Support Services	5,142,579	24,905	467,347	-	(4,650,327)	-	(4,650,327)
Operation and Maintenance of Plant Services	4,465,921	71,762	354,124	-	(4,040,035)	-	(4,040,035)
Pupil Transportation	4,029,687	2,728	2,071,755	-	(1,955,204)	-	(1,955,204)
Student Activities	1,142,097	65,375	101,966	-	(974,756)	-	(974,756)
Community Services	56,068	-	807	-	(55,261)	-	(55,261)
Interest on Long-Term Debt	465,906	-	-	38,205	(427,701)	-	(427,701)
<u>Total Governmental Activities</u>	<u>55,278,060</u>	<u>172,028</u>	<u>13,161,299</u>	<u>38,205</u>	<u>(41,906,528)</u>	<u>-</u>	<u>(41,906,528)</u>
Business-Type Activities:							
Food Services	1,567,495	552,478	1,015,367	-	-	350	350
<u>Total Government</u>	<u>\$ 56,845,555</u>	<u>\$ 724,506</u>	<u>\$ 14,176,666</u>	<u>\$ 38,205</u>	<u>\$ (41,906,528)</u>	<u>\$ 350</u>	<u>\$ (41,906,178)</u>
General Revenues:							
Taxes:							
Property Taxes,					25,553,857	-	25,553,857
Levied for General Purposes, net							
Public Utility Realty and Earned Income Taxes,					7,684,577	-	7,684,577
Levied for General Purposes, net					10,148,447	-	10,148,447
Unrestricted Grants and Subsidies					691,387	21,269	712,656
Investment Earnings					39,063	-	39,063
Miscellaneous Income							
<u>Total General Revenues</u>					<u>44,117,331</u>	<u>21,269</u>	<u>44,138,600</u>
<u>CHANGES IN NET POSITION (DEFICIT)</u>					<u>\$ 2,210,803</u>	<u>\$ 21,619</u>	<u>\$ 2,232,422</u>

See notes to financial statements.

(Continued)  
Solanco School District  
STATEMENT of ACTIVITIES  
Year Ended June 30, 2019  
(Continued)

Functions/Programs (Continued)	Program Revenues			Net Revenue (Expense) and Changes in Net Position (Deficit)				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total	
<u>NET POSITION (DEFICIT)</u>								
Beginning					(14,135,517)	(478,427)	(14,613,944)	
Ending					<u>(11,924,714)</u>	<u>(456,808)</u>	<u>(12,381,522)</u>	
				\$	\$	\$		

See notes to financial statements.

Solanco School District  
BALANCE SHEET -  
GOVERNMENTAL FUNDS  
June 30, 2019

	<u>Major Funds</u>		<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Capital</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Project</u>	<u>Fund</u>	<u>Funds</u>
		<u>Fund</u>		
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 7,634,178	\$ 5,657,403	\$ -	\$ 13,291,581
Investments	3,234,000	-	-	3,234,000
Taxes Receivable, net	1,863,535	-	-	1,863,535
Due from Other Funds	618	2,432,495	-	2,433,113
Due from Other Governments	2,738,306	-	-	2,738,306
Other Receivables	70,225	85,840	-	156,065
Inventories	165,633	-	-	165,633
Prepaid Items	93,035	25,762	-	118,797
<u>TOTAL ASSETS</u>	<u>\$ 15,799,530</u>	<u>\$ 8,201,500</u>	<u>\$ -</u>	<u>\$ 24,001,030</u>
<u>LIABILITIES, DEFERRED INFLOWS of RESOURCES</u> <u>and FUND BALANCES</u>				
<u>LIABILITIES</u>				
Due to Other Funds	\$ 2,432,495	\$ -	\$ -	\$ 2,432,495
Due to Other Governments	124,162	-	-	124,162
Accounts Payable	3,032,022	1,488,624	-	4,520,646
Accrued Salaries and Benefits	3,365,217	-	-	3,365,217
Payroll Deductions and Withholdings	145,451	-	-	145,451
Unearned Revenues	3,336	-	-	3,336
<u>TOTAL LIABILITIES</u>	<u>9,102,683</u>	<u>1,488,624</u>	<u>-</u>	<u>10,591,307</u>
<u>DEFERRED INFLOWS of RESOURCES</u>	<u>487,257</u>	<u>-</u>	<u>-</u>	<u>487,257</u>
<u>FUND BALANCES</u>				
Nonspendable	258,668	25,762	-	284,430
Restricted	-	1,006,536	-	1,006,536
Committed	325,000	-	-	325,000
Assigned	2,032,216	5,680,578	-	7,712,794
Unassigned	3,593,706	-	-	3,593,706
<u>TOTAL FUND BALANCES</u>	<u>6,209,590</u>	<u>6,712,876</u>	<u>-</u>	<u>12,922,466</u>
<u>TOTAL LIABILITIES, DEFERRED</u> <u>INFLOWS of RESOURCES, and</u> <u>FUND BALANCES</u>	<u>\$ 15,799,530</u>	<u>\$ 8,201,500</u>	<u>\$ -</u>	<u>\$ 24,001,030</u>

See notes to financial statements.

Solanco School District  
RECONCILIATION of the GOVERNMENTAL FUNDS BALANCE SHEET  
to the STATEMENT of NET POSITION  
June 30, 2019

Total fund balances - governmental funds \$ 12,922,466

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is \$121,969,684 and the accumulated depreciation is \$58,777,782. 63,191,902

Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. 3,499,995

Property taxes receivable are available for collection this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. 487,257

In the statement of activities, interest is accrued on long-term debt, whereas in the governmental funds, an interest expenditure is recorded when due. (104,580)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Net Pension Liability	(76,068,676)	
Notes Payable	(15,895,000)	
Accrued Retirement Bonus	(1,021,257)	
Compensated Absences	(449,450)	
Net OPEB Liability	<u>(5,919,796)</u>	(99,354,179)

Deferred outflows of resources - pension and OPEB are not due and payable in the current period and, therefore, are not reported in the funds. 10,699,696

Deferred inflows of resources - pension and OPEB are not due and collectable in the current period and, therefore, are not reported in the funds. (3,267,271)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ (11,924,714)

See notes to financial statements.

Solanco School District  
STATEMENT of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCES -  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2019

	<u>Major Funds</u>			
	<u>General</u>	<u>Capital</u>	<u>Other</u>	<u>Total</u>
	<u>Fund</u>	<u>Project</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<u>REVENUES</u>				
Local Sources:				
Real Estate Taxes and Penalties	\$ 24,915,850	\$ -	\$ -	\$ 24,915,850
Other Taxes	8,289,527	-	-	8,289,527
Investment Earnings	411,968	279,419	-	691,387
Revenue from School District Activities	57,801	-	-	57,801
Revenue from Intermediate Sources	907,646	-	-	907,646
Tuition	7,260	-	-	7,260
Other Revenue	<u>234,949</u>	<u>185</u>	<u>-</u>	<u>235,134</u>
<u>Total Local Sources</u>	<u>34,825,001</u>	<u>279,604</u>	<u>-</u>	<u>35,104,605</u>
State Sources	20,047,273	-	-	20,047,273
Federal Sources	<u>2,264,864</u>	<u>-</u>	<u>-</u>	<u>2,264,864</u>
<u>Total Revenues</u>	<u>57,137,138</u>	<u>279,604</u>	<u>-</u>	<u>57,416,742</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	33,383,858	-	-	33,383,858
Support Services	17,247,108	-	-	17,247,108
Operation of Noninstructional Services	<u>1,141,946</u>	<u>-</u>	<u>-</u>	<u>1,141,946</u>
<u>Total Current</u>	<u>51,772,912</u>	<u>-</u>	<u>-</u>	<u>51,772,912</u>
Capital Outlay:				
Facilities Acquisition, Construction, and Improvement Services	<u>-</u>	<u>17,886,877</u>	<u>-</u>	<u>17,886,877</u>
Debt Service:				
Principal	-	-	2,430,000	2,430,000
Interest	-	-	475,989	475,989
Fiscal Charges	<u>-</u>	<u>112</u>	<u>-</u>	<u>112</u>
<u>Total Debt Service</u>	<u>-</u>	<u>112</u>	<u>2,905,989</u>	<u>2,906,101</u>
<u>Total Expenditures</u>	<u>51,772,912</u>	<u>17,886,989</u>	<u>2,905,989</u>	<u>72,565,890</u>
<u>EXCESS (DEFICIENCY) of</u>				
<u>REVENUES over EXPENDITURES</u>	\$ <u>5,364,226</u>	\$ <u>(17,607,385)</u>	\$ <u>(2,905,989)</u>	\$ <u>(15,149,148)</u>

See notes to financial statements.

(Continued)

Solanco School District  
STATEMENT of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCES -  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2019  
(Continued)

	<u>Major Funds</u>			
	<u>General</u>	<u>Capital</u>	<u>Other</u>	<u>Total</u>
	<u>Fund</u>	<u>Project</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from Sale of Capital Assets	\$ 1,689	\$ -	\$ -	\$ 1,689
Insurance Recoveries	-	37,374	-	37,374
Issuance of Debt	-	1,000,000	-	1,000,000
Transfers In (Out)	<u>(5,363,484)</u>	<u>2,432,495</u>	<u>2,905,989</u>	<u>(25,000)</u>
<u>Total Other Financing</u>				
<u>Sources (Uses)</u>	<u>(5,361,795)</u>	<u>3,469,869</u>	<u>2,905,989</u>	<u>1,014,063</u>
 <u>NET CHANGES in FUND BALANCES</u>	 2,431	 (14,137,516)	 -	 (14,135,085)
 <u>FUND BALANCES - Beginning of Year</u>	 6,280,867	 20,850,392	 -	 27,131,259
 Decrease in Reserve for Inventory	 <u>(73,708)</u>	 <u>-</u>	 <u>-</u>	 <u>(73,708)</u>
 <u>FUND BALANCES - End of Year</u>	 \$ <u>6,209,590</u>	 \$ <u>6,712,876</u>	 \$ <u>-</u>	 \$ <u>12,922,466</u>

See notes to financial statements.



Solanco School District  
RECONCILIATION of the GOVERNMENTAL FUNDS  
STATEMENT of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCES  
to the STATEMENT of ACTIVITIES  
Year Ended June 30, 2019

Total net changes in fund balances - governmental funds	\$ (14,135,085)
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the period.

Depreciation Expense	(2,570,701)	
Capital Outlays	<u>18,143,077</u>	15,572,376

Because some property taxes will not be collected for several months after the School District's fiscal year ends, they are not considered as available revenues in the governmental funds. Deferred tax revenues increased by this amount this year.	33,057
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In the statement of activities, certain operating expenses, such as compensated absences and accrued retirement bonuses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.	(44,438)
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A proportionate share of pension expense and related obligation are recorded in the statement of activities but not included in the governmental funds.	(529,460)
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OPEB expenses and related obligations are recorded in the statement of activities but not included in the governmental funds.	(87,549)
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The governmental funds follow the purchase method of inventory, however, the statement of net position uses the consumption method to record inventory.	(73,709)
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The internal service funds, which are used by management to charge the costs of services to individual funds, are not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue of the internal service funds is allocated among the governmental activities.	43,118
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Internal service funds are used by management to charge the costs of insurance to individual funds. Interfund transfers to the internal service funds is reported with governmental activities	25,000
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See notes to financial statements.

Solanco School District  
RECONCILIATION of the GOVERNMENTAL FUNDS  
STATEMENT of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCES  
to the STATEMENT of ACTIVITIES  
Year Ended June 30, 2019  
 (Continued)

The issuance of long-term obligations (i.e. notes, bonds, leases) provides current financial resources of governmental funds, while the repayment of principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Issuance of Notes Payable	(1,000,000)	
Principal Repayment on Notes Payable	<u>2,430,000</u>	1,430,000

Proceeds from the disposal of capital assets are recorded in the governmental funds as other financing sources. A gain or loss on disposal of capital assets is recorded in the statement of activities but not in the governmental funds. (32,590)

In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. 10,083

<u>CHANGES in NET POSITION of GOVERNMENTAL ACTIVITIES</u>	\$	<u><u>2,210,803</u></u>
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Solanco School District  
STATEMENT of NET POSITION -  
PROPRIETARY FUNDS  
June 30, 2019

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 981,909	\$ 1,829,246
Investments	-	1,826,000
Due from Other Governments	31,656	-
Other Receivables	1,171	28,927
Inventories	30,419	-
Prepaid Items	-	34,375
<u>Total Current Assets</u>	<u>1,045,155</u>	<u>3,718,548</u>
Noncurrent Assets:		
Furniture and Equipment, net of Accumulated Depreciation	<u>71,995</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>1,117,150</u>	<u>3,718,548</u>
<u>DEFERRED OUTFLOWS of RESOURCES</u>		
Pension	204,076	-
Other Postemployment Benefits (OPEB)	<u>10,969</u>	<u>-</u>
<u>TOTAL DEFERRED OUTFLOWS of RESOURCES</u>	<u>215,045</u>	<u>-</u>
<u>TOTAL ASSETS and DEFERRED OUTFLOWS         of RESOURCES</u>	<u>\$ 1,332,195</u>	<u>\$ 3,718,548</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Due to Other Funds	\$ 618	\$ -
Accounts Payable	621	-
Claims Payable	-	218,553
Accrued Salaries and Benefits	1,701	-
Unearned Revenues	<u>45,005</u>	<u>-</u>
<u>Total Current Liabilities</u>	<u>47,945</u>	<u>218,553</u>
Noncurrent Liabilities:		
Net Pension Liability	1,555,324	-
Total Postemployment Benefit Obligation	<u>124,969</u>	<u>-</u>
<u>Total Noncurrent Liabilities</u>	<u>1,680,293</u>	<u>-</u>
<u>TOTAL LIABILITIES</u>	<u>1,728,238</u>	<u>218,553</u>
<u>DEFERRED INFLOWS of RESOURCES</u>		
Pension	57,031	-
Other Postemployment Benefits (OPEB)	<u>3,734</u>	<u>-</u>
<u>TOTAL DEFERRED INFLOWS of RESOURCES</u>	<u>60,765</u>	<u>-</u>
<u>TOTAL LIABILITIES and DEFERRED INFLOWS         of RESOURCES</u>	<u>1,789,003</u>	<u>218,553</u>
<u>NET POSITION (DEFICIT)</u>		
Investment in Capital Assets	71,995	-
Unrestricted (Deficit)	<u>(528,803)</u>	<u>3,499,995</u>
<u>TOTAL NET POSITION (DEFICIT)</u>	<u>\$ (456,808)</u>	<u>\$ 3,499,995</u>

See notes to financial statements.

Solanco School District  
STATEMENT of REVENUES, EXPENSES, and  
CHANGES in NET POSITION - PROPRIETARY FUNDS  
Year Ended June 30, 2019

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
<u>OPERATING REVENUES</u>		
Food Service Revenue	\$ 518,193	\$ -
Charges for Services	34,285	5,197,696
Miscellaneous Income	<u>1,351</u>	<u>-</u>
<u>Total Operating Revenues</u>	<u>553,829</u>	<u>5,197,696</u>
<u>OPERATING EXPENSES</u>		
Salaries	418,700	-
Employee Benefits	283,265	5,024,861
Purchased Professional and Technical Service	2,980	208,395
Purchased Property Service	64,681	-
Other Purchased Services	2,964	-
Supplies	780,570	-
Dues and Fees	230	-
Depreciation	<u>14,105</u>	<u>-</u>
<u>Total Operating Expenses</u>	<u>1,567,495</u>	<u>5,233,256</u>
<u>OPERATING LOSS</u>	(1,013,666)	(35,560)
<u>NONOPERATING REVENUES</u>		
Investment Earnings	21,269	78,678
State Subsidies	138,329	-
Federal Subsidies	<u>875,687</u>	<u>-</u>
<u>Total Nonoperating Revenues</u>	<u>1,035,285</u>	<u>78,678</u>
<u>CHANGES in NET POSITION</u> <u>BEFORE TRANSFER IN</u>	21,619	43,118
<u>TRANSFER IN</u>	<u>-</u>	<u>25,000</u>
<u>CHANGES in NET POSITION (DEFICIT)</u>	21,619	68,118
<u>NET POSITION (DEFICIT) - Beginning of Year</u>	<u>(478,427)</u>	<u>3,431,877</u>
<u>NET POSITION (DEFICIT) - End of Year</u>	\$ <u>(456,808)</u>	\$ <u>3,499,995</u>

See notes to financial statements.

Solanco School District  
STATEMENT of CASH FLOWS -  
PROPRIETARY FUNDS  
Year Ended June 30, 2019

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
<u>CASH FLOWS from OPERATING ACTIVITIES</u>		
Cash Received from Users	\$ 537,860	\$ -
Cash Received from Assessments Made to Other Funds	-	5,325,897
Cash Payments to Employees for Services	(684,875)	-
Cash Payments for Insurance Services	-	(5,124,979)
Cash Payments to Suppliers for Goods and Services	(834,976)	-
Cash Payments for Other Operating Expenses	(230)	(211,095)
<u>Net Cash Used by Operating Activities</u>	<u>(982,221)</u>	<u>(10,177)</u>
<u>CASH FLOWS from NONCAPITAL FINANCING ACTIVITIES</u>		
Transfer in from Other Funds	-	25,000
State Subsidies	145,262	-
Federal Subsidies	981,302	-
<u>Net Cash Provided by Noncapital Financing Activities</u>	<u>1,126,564</u>	<u>25,000</u>
<u>CASH FLOWS from CAPITAL and RELATED FINANCING ACTIVITIES</u>		
Purchase of Equipment	(6,480)	-
<u>Net Cash Used by Capital and Related Financing Activities</u>	<u>(6,480)</u>	<u>-</u>
<u>CASH FLOWS from INVESTING ACTIVITIES</u>		
Investment Earnings	21,269	69,771
Receipts from Investment Pools	155,280	1,461,271
<u>Net Cash Provided by Investing Activities</u>	<u>176,549</u>	<u>1,531,042</u>
<u>INCREASE in CASH and CASH EQUIVALENTS</u>	314,412	1,545,865
<u>CASH and CASH EQUIVALENTS</u>		
Beginning of Year	667,497	283,381
End of Year	\$ <u><u>981,909</u></u>	\$ <u><u>1,829,246</u></u>

See notes to financial statements.

(Continued)

Solanco School District  
STATEMENT of CASH FLOWS -  
PROPRIETARY FUNDS  
Year Ended June 30, 2019  
(Continued)

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
<u>RECONCILIATION of OPERATING LOSS</u>		
<u>to NET CASH USED by OPERATING ACTIVITIES</u>		
Operating Loss	\$ <u>(1,013,666)</u>	\$ <u>(35,560)</u>
<u>ADJUSTMENTS to RECONCILE OPERATING LOSS</u>		
<u>to NET CASH USED by OPERATING ACTIVITIES</u>		
Depreciation	14,105	-
Decrease in Accounts Receivables	592	128,201
Increase in Inventories	(15,802)	-
Increase in Prepaid Expenses	-	(2,700)
Decrease in Deferred Outflows of Resources	55,415	
Decrease in Accounts and Claims Payable	(1,101)	(100,118)
Increase in Accrued Salaries and Benefits	40	-
Increase in Unearned Revenues	16,561	-
Decrease in Net Pension Liability	(54,036)	-
Increase in Total Postemployment Benefit Obligation	969	-
Increase in Deferred Inflows of Resources	<u>14,702</u>	<u>-</u>
<u>Total Adjustments</u>	<u>31,445</u>	<u>25,383</u>
<u>Net Cash Used by Operating Activities</u>	\$ <u><u>(982,221)</u></u>	\$ <u><u>(10,177)</u></u>
<u>NONCASH NONCAPITAL FINANCING ACTIVITIES</u>		
Receipt of U.S. Department of Agriculture Donated Commodities	\$ <u><u>51,477</u></u>	\$ <u><u>-</u></u>

See notes to financial statements.

Solanco School District  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
June 30, 2019

	Private Purpose Trust Fund	Agency Fund
	<u>          </u>	<u>          </u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 246,882	\$ 129,690
Investments	<u>155,983</u>	<u>-</u>
 <u>TOTAL ASSETS</u>	 \$ <u>402,865</u>	 \$ <u>129,690</u>
 <u>LIABILITIES</u>		
Accounts Payable	\$ <u>75,820</u>	\$ <u>129,690</u>
 <u>NET POSITION</u>		
Restricted for Scholarships	322,975	-
Restricted for Exhibition Costs	<u>4,070</u>	<u>-</u>
 <u>TOTAL NET POSITION</u>	 <u>327,045</u>	 <u>-</u>
 <u>TOTAL LIABILITIES and NET POSITION</u>	 \$ <u>402,865</u>	 \$ <u>129,690</u>

See notes to financial statements.

Solanco School District  
STATEMENT of CHANGES in NET POSITION  
FIDUCIARY FUNDS  
Year Ended June 30, 2019

	Private Purpose Trust Fund
	<hr/>
<u>ADDITIONS</u>	
Gifts and Contributions	\$ 56,067
Investment Earnings	<hr/> 10,260
 <u>TOTAL ADDITIONS</u>	 <hr/> <u>66,327</u>
 <u>DEDUCTIONS</u>	
Scholarships	<hr/> 75,880
 <u>TOTAL DEDUCTIONS</u>	 <hr/> <u>75,880</u>
 <u>CHANGES in NET POSITION</u>	  (9,553)
 <u>NET POSITION</u> - Beginning of Year	  <hr/> 336,598
 <u>NET POSITION</u> - End of Year	  \$ <hr/> <u>327,045</u>

See notes to financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

Solanco School District  
NOTES to the FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies

Solanco School District (the School District), located in Lancaster County, Pennsylvania, provides a full range of educational services appropriate to grade levels kindergarten through 12 for students residing in Bart, Colerain, Drumore, East Drumore, Eden, Fulton, Little Britain and Providence Townships, and the Borough of Quarryville. These services include regular, advanced academic, vocational education programs and special education programs for gifted and handicapped children. The governing body of the School District is a board of nine school directors who are each elected for a four-year term. The daily operation and management of the School District is carried out by the administrative staff of the School District, headed by the Superintendent of Schools who is appointed by the Board of School Directors. The School District is comprised of four elementary schools, two middle schools, and one high school, serving approximately 3,355 students.

The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for governmental accounting and financial reporting principles. The accounting policies of Solanco School District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

Reporting Entity

In evaluating the School District as a reporting entity, management has addressed all potential component units, which may or may not fall within the School District's financial accountability. The criteria used by the School District to evaluate the possible inclusion of related entities (authorities, boards, councils, and so forth) are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the School District reviews the applicability of the following criteria:

The School District is financially accountable for:

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

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

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

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

Based on the foregoing criteria, no additional entities are included in the accompanying basic financial statements.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Joint Ventures

Lancaster County Career and Technology Center

The School District is one of 16 member school districts of the Lancaster County Career and Technology Centers (LCCTC). LCCTC provides vocational-technical training and education to participating students of the member districts. LCCTC is controlled and governed by the Lancaster County Career and Technology Center Board, which is comprised of school board members of all the member school districts. No member school district exercises specific control over the fiscal policies or operations of LCCTC. The LCCTC is not reported as part of the School District's reporting entity. The School District's share of annual operating costs for LCCTC fluctuates, based upon the percentage of student enrollment in the LCCTC (three-year average) of each member school district. The amount paid for these services during the year ended June 30, 2019, was approximately \$1,226,627. The School District paid tuition expenses for 50 students enrolled in LCCTC half-day programs and 100 students enrolled in full-day programs during the 2018-2019 school year. Complete general purpose financial statements for LCCTC can be obtained from the Administrative Office at 1730 Hans Herr Drive, P.O. Box 527, Willow Street, PA 17584.

Lancaster County Career Technology Center Authority

The School District is a member of the Lancaster County Career and Technology Center Authority (Authority). In 1968, the Authority entered into an agreement with the member school districts and the Lancaster County Career and Technology Center Board to acquire land and construct buildings to provide facilities for the operation of the LCCTC. The School District has an ongoing financial responsibility for a portion of the Authority's debt obligations. The Authority had outstanding debt of \$19,060,000 on June 30, 2019, and the School District's share of the outstanding debt obligation is \$1,166,110. Complete general purpose financial statements for the Authority can be obtained from the Administrative Office at 1730 Hans Herr Drive, P.O. Box 527, Willow Street, PA 17584.

Lancaster-Lebanon Joint Authority

The School District is a member of the Lancaster-Lebanon Joint Authority (Authority). The Authority was incorporated on February 14, 1980, under the Municipality Authorities Act of 1945, Act of May 2, 1945, P. L. 382, as amended by the Boards of School Directors of the 22 school districts located in Lancaster and Lebanon counties. The school districts established the Authority for the purposes of acquiring, holding, constructing, improving, maintaining, operating, owning and/or leasing projects for public school purposes and for the purposes of the Lancaster-Lebanon Intermediate Unit No. 13. The Authority is not reported as part of the School District's reporting entity. The School District did not have any financial transactions with the Authority during the year ended June 30, 2019. Complete general purpose financial statements for the Authority can be obtained from the Administrative Office at 1020 New Holland Avenue, Lancaster, PA 17601-5606.

Lancaster-Lebanon Intermediate Unit No. 13 (LLIU)

The LLIU Board of Directors consists of 22 members from the LLIU's constituent school districts. The LLIU Board members are school district board members, who are elected by the public, and are appointed to the LLIU Board by the member school districts' Boards of Directors. The Board of Directors for Solanco School District is responsible for appointing one of these members. The LLIU Board has decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Joint Ventures (Continued)

Lancaster-Lebanon Intermediate Unit No. 13 (LLIU) (Continued)

The School District contracts with the LLIU for special education services for School District students. The amount paid for these services during the year ended June 30, 2019, was \$1,361,996. Average daily membership of Solanco School District students in LLIU special education programs during the fiscal year approximated 19.83 students. The School District received 3,398 hours of specialized autistic support services and visual, auditory, speech, physical and occupational therapy services for students during the fiscal year. Complete financial information for LLIU can be obtained from the Administrative Office at 1020 New Holland Avenue, Lancaster, PA 17601-5606.

Lancaster County Academy (Academy)

The Academy is an alternative public school organized by 10 public school districts in Lancaster County to provide services in the county. Each of the public school districts appoints one member to serve on the joint operating committee. As a member school district, the School District has an ongoing financial responsibility to fund the operations of the Academy. The amount paid to the Academy during the year ended June 30, 2019, for 5 student reservations was \$42,030. Complete financial information for the Academy can be obtained from the Administrative Office at 1202 Park City Center, Lancaster, PA 17601.

Lancaster County Tax Collection Bureau (Bureau)

The School District participates with 17 other school districts and the municipalities represented by those school districts, for the collection of earned income taxes. Each public school district appoints one member to serve on the joint operating committee, in addition to the 17 members appointed by the participating municipalities. The Bureau's operating expenditures are deducted from the distributions, which are made quarterly. The School District's portion of the operating expenditures for the year ended June 30, 2019, was \$110,435. Financial information for the Bureau can be obtained from the Administrative Office located at 1845 William Penn Way, Lancaster, PA 17601.

Lancaster-Lebanon Public Schools Employees' Healthcare Consortium (EHCC)

The School District participates with 14 other local educational agencies in the Lancaster-Lebanon Public Schools Employees' Healthcare Consortium (EHCC), which is a self-insured stop-loss pool, as more fully described in Note 16.

Basis of Presentation - Fund Accounting

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is consolidated with general fund activity to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation - Fund Accounting (Continued)

Government-Wide Financial Statements (Continued)

The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The government-wide statements and proprietary financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund financial statements are prepared using the accrual basis of accounting. Agency funds are reported using the economic resources focus. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets plus total deferred outflows of resources less total liabilities less total deferred inflows or resources) is used as a practical measure of economic resources and unrestricted net position represents equity available for future operations or distribution. The statement of activities includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position. Governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents direct expenses and program revenues for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns. The School District reports all of its governmental funds as major funds. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities and deferred inflows and outflows of resources and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation - Fund Accounting (Continued)

Fund Financial Statements (Continued)

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities as well as deferred outflows and inflows or resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Fiduciary fund types - Private purpose trust funds are accounted for on a flow of economic resources measurement focus. Agency funds are reported without a measurement focus.

The School District reports the following governmental funds:

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

Capital Project Fund - This major fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. This fund is comprised of two sub-funds: the capital reserve fund (fund 32) and the construction project fund (fund 39).

Debt Service Fund - This non-major fund is used to account for the issuance of long-term debt as well as the accumulation of resources for, and payment of, long-term debt interest and principal.

The School District reports the following proprietary funds:

Enterprise Fund - This fund is the food service fund which accounts for the revenues, food purchases, and other costs and expenses of providing meals to students during the school year. This is a major fund.

Internal Service Fund - This fund is used to account for the financial activities of services provided by one department to other departments of the School District on a cost reimbursement basis. Hospitalization and unemployment compensation benefits are services provided to School District employees and accounted for in the internal service fund. The self-insurance hospitalization fund and self-insurance unemployment compensation fund are reported in this fund.

The School District reports the following fiduciary funds:

Private Purpose Trust Fund - This fund accounts for assets held by the School District in a trustee capacity. This fund accounts for the receipts and disbursements of monies contributed to the School District for scholarships and memorials.

Agency Fund - This fund is used to account for assets held by the School District as an agent for the School District's various student groups. Agency funds are custodial in nature and do not involve the measurement of results of operations.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus. Government-wide, proprietary and private purpose trust fund financial statements measure and report all assets, liabilities, deferred inflows and outflows of resources, revenues, expenses, gains and losses using the economic resources measurement focus and accrual basis of accounting.

Agency fund financial statements report all assets and liabilities using the accrual basis of accounting and have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the School District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except debt service, compensated absence payments, supplemental pension obligations and other postemployment benefit obligations, which are recognized when due.

When both restricted and unrestricted resources are available in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources as needed.

Under the modified accrual basis, the following revenue sources are considered susceptible to accrual at year end: property taxes, earned income taxes, real estate transfer taxes, tuition, grants and entitlements, student fees, and interest on investments. Current property taxes measurable at June 30, 2019, and which are not available to finance fiscal 2019 operations, have been recorded as deferred inflows of resources. Delinquent property taxes measurable and available (received within 60 days) are recognized as revenue at year end.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, proprietary funds, and the fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund’s principal ongoing operations. The principal operating revenues of the School District’s food service fund are charges to students and staff for food. Operating expenses include the costs to provide food. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Nonoperating revenues include government subsidies and investment earnings. Unrestricted net position for proprietary fund types represents the net position available for future operations or distribution.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, food service prepayments and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, food service prepayments and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand and interest-bearing bank deposits and in PA Local Government Investment Trust Class accounts which are carried at cost plus accrued interest, which approximates fair value.

Investments

The District's investments are valued at amortized cost, which approximates fair value.

Taxes Receivable and Deferred Inflows of Resources

The portion of delinquent real estate, earned income and realty transfer taxes that is expected to be received within 60 days of June 30, is recorded as revenue in the current year. The remaining amount of those and other tax receivables are recorded as deferred inflows of resources.

Inventories

Inventories reported in the general fund represent the estimated cost of fuel, oil, gasoline, athletic apparel, maintenance, custodial and instructional supplies on hand at June 30. The estimated cost of inventories is determined using the first-in, first-out (FIFO) valuation method. The purchase method is used to account for inventories. Under the purchase method, inventories are reported as expenditures when purchased; however, an estimated value of inventories is reported as an asset in the general fund. Reported inventories are equally offset by a nonspendable fund balance classification, which indicates they are unavailable for appropriation even though they are a component of reported assets. A physical inventory of the food service fund's food and supplies was taken as of June 30. The inventory consists of government donated commodities, which were valued at estimated fair market value and purchased commodities and supplies, both valued at cost using the first-in, first-out (FIFO) method. Any unused commodities donated by the federal government at June 30, 2019, are reported as unearned revenue since title does not pass to the School District until the commodities are used.



Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Prepaid Items

Payments to vendors for costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements. The purchase method is used to account for prepaid items. The payment is reported at cost as an asset in the fund financial statements with a corresponding nonspendable fund balance classification. Prepaid items are comprised of membership dues, licenses, subscriptions and insurance premiums associated with future accounting periods.

Capital Assets and Depreciation

The School District's property, plant and equipment with useful lives of more than one year are stated at historical cost (or estimated historical cost) and comprehensively reported in the government-wide financial statements. Proprietary fund capital assets are also reported in their fund financial statements. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value, rather than fair value, on the date donated. The School District generally capitalizes assets with a cost of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. Land and construction in process are not depreciated. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated historical costs of capital assets were derived, when information supporting historical costs was not obtainable, by adjusting current replacement cost back to the estimated year of acquisition. Estimated useful lives, in years, for depreciable assets are generally as follows:

School Buildings	40 years
Building Improvements	20 - 40 years
Site Improvements	15 - 20 years
Furniture, Fixtures, and Equipment	3 - 20 years
Vehicles	8 years
Library Books	7 years

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position.

Compensated Absences and Retirement Bonuses

The School District accrues unused vacation, sick leave and retirement bonuses as of June 30, as a liability. Upon termination or retirement, eligible employees will be paid for these accumulated absences in accordance with limitations defined in School District policy. For governmental funds, the amount of reimbursable leave payable to employees who had terminated their employment as of the end of the fiscal year is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability reflected. Historically, the liability for compensated absences and retirement bonuses have been liquidated with monies from the general fund and food service fund.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences and Retirement Bonuses (Continued)

Additional amounts are accrued for salary-related payments associated with the payment of compensated absences and retirement bonuses using the rates in effect at the balance sheet date. The School District has accrued the employer's share of social security and medicare taxes, net of the estimated state social security reimbursement.

Pension Plan

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

Other Postemployment Benefits (OPEB)

Single-Employer Defined Benefit OPEB Plan

The School District sponsors a single-employer defined benefit OPEB plan. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. The single-employer OPEB plan is unfunded.

Cost-Sharing Multiple-Employer Defined Benefit Plan

The School District participates in the PSERS Health Insurance Premium Assistance Program. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the PSERS and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Interfund Activity

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

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Governmental Fund Balances

Governmental Accounting Standards establish accounting and financial standards for all governments that report governmental funds. The standards established criteria for classifying fund balances into specifically defined classifications. The classifications are based upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported. The following classifications describe the relative strength of the spending constraints:

Nonspendable - amounts that are not in spendable form (such as inventory and prepaid items) or are required to be legally or contractually maintained intact.

Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. Restrictions may be changed or removed only with consent of the resource provider.

Committed - amounts that can be used only for a specific purpose, determined by formal action of the School District Board of Directors (Board of Directors), the government's highest level of decision-making authority. The formal action (resolution) to commit fund balance for a specific purpose must occur prior to the end of the reporting period as an approved resolution, but the amount which will be subject to the constraint, may be determined in the subsequent period. Commitments of fund balance may be established, modified, or rescinded only by formal action (resolution) of the Board of Directors.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for a specific purpose. Assignments of fund balance are made by the Board of Directors by formal action (resolution or fund transfer).

Unassigned - all other spendable amounts (the residual) of the general fund that do not satisfy the definition of the other four classifications and are deemed to be available for general use by the School District.

Spending Policy

The School District's policy is to first use restricted fund balance when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The School District's policy is to decide at the time expenditure is incurred for a purpose in which unrestricted fund balance amounts are available under committed, assigned or unassigned fund balance. The decision will be made through resolution of the Board of Directors, as to which fund balances are exhausted first. The School District reserves the right to selectively spend unassigned resources first to defer the use of the other classified funds. Pennsylvania School Code Section 688 restricts the amount of unexpended surplus funds a school district may retain to no more than 8 percent of the School District's general fund budget for the ensuing fiscal year during which budgeted property tax rates increased. Nonspendable, restricted, committed and assigned general fund balances are excluded from the 8 percent limitation.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Estimates

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

Implementation of New Accounting Pronouncements

During the current year, the School District adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this statement is to provide financial statement users with information about asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The School District's beginning balances and current year results were not affected by the implementation of this new standard.

During the current year, the School District adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The provisions of this statement are effective for the School District's June 30, 2019 financial statements. This implementation of this statement did not have a material impact on these financial statements.

Pending Changes in Accounting Principles

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The provisions of this statement are effective for the School District's June 30, 2020 financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. The primary objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability, and consistency of information about the leasing activities of governments. The provisions of this statement are effective for the School District's June 30, 2021 financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period incurred, and not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The provisions of this statement are effective for the School District's June 30, 2021 financial statements.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Pending Changes in Accounting Principles (Continued)

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The objectives of this statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. The provisions of this statement are effective for the School District's June 30, 2021 financial statements.

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

NOTE 2 - Cash and Cash Equivalents and Investments

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

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Certain other high-quality bank and corporate instruments.

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

There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the School District.

Cash and Cash Equivalents - Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. As of June 30, 2019, the carrying amount of the School District's deposits was \$16,479,308 and the bank balance was \$16,745,700. Of the deposits balance, \$250,900 was covered by federal depository insurance and \$11,838,780 was exposed to custodial credit risk because it was uninsured and the collateral held by the depository's agent was not in the School District's name. School District deposits not insured by federal depository insurance are held at financial institutions that secure the deposits with a pool of pledged asset collateral in accordance with Pennsylvania Pledge Act 72 or are held by investment pools governed by the Intergovernmental Cooperation Act.

A portion of the School District's deposits, reported as pooled cash equivalents, are in the Pennsylvania Local Government Investment Trust (PLGIT) and the Pennsylvania School District Liquid Asset Fund (PSDLAF). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, the funds act like money market mutual funds in that their objective is to maintain a stable net asset value of \$1 per share. PLGIT and PSDLAF are rated by a nationally recognized statistical rating organization and are subject to an independent audit.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 2 - Cash and Cash Equivalents and Investments (Continued)

Cash and Cash Equivalents - Custodial Credit Risk (Continued)

Uninsured and Uncollateralized	\$ -0-
Collateralized with Securities Held by the Pledging Financial Institution	250,900
Uninsured and Collateral Held by the Pledging Bank's Trust	
Deposits not in the School District's Name	<u>11,838,780</u>
	<u>\$ 12,089,680</u>

Reconciliation of Cash and Cash Equivalents to the Financial Statements

Uninsured Amount Above	\$ 11,838,780
Plus: Collateralized Amount	<u>250,900</u>
Bank Balance	12,089,680
Less: Reconciling items	<u>(266,392)</u>
Carrying Amount - Bank Balances	11,823,288
Plus: Pooled Cash Equivalents	<u>4,656,020</u>
<u>Total Cash and Cash Equivalents Per Financial Statements</u>	<u>16,479,308</u>

Cash and Cash Equivalents on Balance Sheets:

Governmental Funds	13,291,581
Proprietary Funds	2,811,155
Fiduciary Funds	<u>376,572</u>
<u>Total Cash and Cash Equivalents per Balance Sheets</u>	<u>\$ 16,479,308</u>

Investments

At June 30, 2019, the School District holds the following investments recorded at cost or amortized cost:

PSDLAF CD Purchase Program	240,000
Wells Fargo CD Purchase Program	900
PLGIT CD Purchase Program	<u>4,975,083</u>
	<u>\$ 5,215,983</u>

The PSDLAF and PLGIT Collateralized CD Pool and Wells Fargo CD are valued at cost. The School District values investments in external short-term fixed income investment pools at cost when the maturity of the underlying collateralized or FDIC insured certificate of deposit investments is one year or less. Investments in this pool have weekly liquidity and pay interest monthly.

NOTE 3 - Real Estate Taxes

Based upon assessments provided by the County, the School District bills and collects its own property taxes. The School District tax rate for the year ended June 30, 2019, was 10.4590 mills as levied by the Board of School Directors.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 3 - Real Estate Taxes (Continued)

The schedule for real estate taxes levied for the fiscal year ended June 30, 2019, follows:

July 1	-	Levy Date
July 1 - August 31	-	2% Discount Period
September 1 - October 31	-	Face Payment Period
November 1 - December 31	-	10% Penalty Period
January 1	-	Lien Date (Portnoff Law Associates, Ltd.)

NOTE 4 - Taxes Receivable and Deferred Inflows of Resources

The School District, in accordance with accounting principles generally accepted in the United States of America, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes as determined by the administration. A portion of the receivable amount, which was measurable and available within 60 days, was recognized as revenue and the balance deferred as inflows of resources. Tax receivable and deferred tax balances at June 30, 2019, are as follows:

	Gross Taxes <u>Receivable</u>	Allowance for Uncollectible <u>Taxes</u>	Net Estimated to be <u>Collectible</u>	Tax Revenue <u>Recognized</u>	Deferred Inflows of <u>Resources</u>
Real Estate	\$ 443,762	\$ 7,022	\$ 436,740	\$11,251	\$ 425,489
Earned Income	1,297,110	-0-	1,297,110	1,297,110	-0-
Interim	61,768	-0-	61,768	-0-	61,768
Realty Transfer	<u>67,917</u>	<u>-0-</u>	<u>67,917</u>	<u>67,917</u>	<u>-0-</u>
	\$ <u>1,870,557</u>	\$ <u>7,022</u>	\$ <u>1,863,535</u>	\$ <u>1,376,278</u>	\$ <u>487,257</u>

NOTE 5 - Interfund Receivables, Payables, and Transfers

The general fund reported a \$618 balance due, \$618 represents reimbursements due from the enterprise - food service fund for miscellaneous operating expenses. The capital project fund reported a balance due from the general fund of \$2,432,495. The School District accumulates monies in its capital project fund for the purpose of financing construction and major capital improvements, which is permitted under state statute. Interfund receivables and payables for the fiscal year ended June 30, 2019, follow:

<u>Fund</u>	Due from <u>Other Funds</u>	Due To <u>Other Funds</u>
General Fund	\$ 618	\$ 2,432,495
Capital Project Fund	2,432,495	-0-
Enterprise Fund - Food Service	<u>-0-</u>	<u>618</u>
	\$ <u>2,433,113</u>	\$ <u>2,433,113</u>

The general fund transferred money to the capital project fund during the fiscal year to subsidize future construction, technology projects and capital improvement expenditures. This transfer, in the amount of \$2,432,495, is due to the capital project fund at June 30, 2019. The general fund transferred \$2,905,989 to the debt service fund during the fiscal year to facilitate debt service payments as they become due. The general fund also transferred \$25,000 to the unemployment fund to subsidize unemployment claims.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 5 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers for the fiscal year ended June 30, 2019, follow:

<u>Fund</u>	<u>Transfer from Other Funds</u>	<u>Transfer to Other Funds</u>
General Fund	\$ -0-	\$ 5,363,484
Capital Project Fund	2,432,495	-0-
Internal Service Fund	25,000	-0-
Debt Service Fund	<u>2,905,989</u>	<u>-0-</u>
	\$ <u>5,363,484</u>	\$ <u>5,363,484</u>

NOTE 6 - Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the School District. Amounts due from federal sources below include amounts due from other governmental entities in Lancaster County as a pass-through grantor. At June 30, 2019, the following amounts are due from other governmental units:

<u>Due from</u>	<u>General Fund</u>	<u>Enterprise Fund</u>
Federal Sources:		
Title I Grant	\$ 406,179	\$ -0-
Title 2A Grant	60,622	-0-
Title 4 Grant	7,983	-0-
ACCESS Medical Assistance Reimbursement	41,085	-0-
Federal-Funded Food Nutrition Subsidy	-0-	16,144
State Sources:		
State Retirement Subsidy	1,403,393	191
State FICA Subsidy	340,299	43
State-Funded Grants and Subsidies	445,513	-0-
State-Funded Food Nutrition Subsidy	-0-	15,278
Local Sources:		
Pass Through Federal and State Grants	27,827	-0-
Other LEA's for Tuition	<u>5,405</u>	<u>-0-</u>
	\$ <u>2,738,306</u>	\$ <u>31,656</u>

NOTE 7 - Other Receivables

Other receivables consist of payments not received by June 30, 2019, for revenues meeting the requirements for recognition at the end of the fiscal year that are not includable in taxes receivable or amounts due from other governments. Reimbursements for expenditures incurred during the fiscal year have also been included in the following figure.



Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 7 - Other Receivables (Continued)

Other receivables include:

	General Fund	Capital Project Fund	Enterprise Fund	Internal Service Fund	Total
Interest Receivable	\$ 50,729	\$ -0-	\$ -0-	\$ 28,907	\$ 79,636
Rebates Receivable	-0-	-0-	-0-	-0-	-0-
Miscellaneous Receivables	19,496	85,840	1,171	20	106,527
	<u>\$ 70,225</u>	<u>\$ 85,840</u>	<u>\$ 1,171</u>	<u>\$ 28,927</u>	<u>\$ 186,163</u>

NOTE 8 - Changes in Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2019, follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Historical Cost:				
Capital Assets, not being Depreciated:				
Land	\$ 1,135,285	\$ -0-	\$ -0-	\$ 1,135,285
Construction in Progress	12,306,929	17,193,295	-0-	29,500,224
<u>Total Capital Assets, not being Depreciated</u>	<u>13,442,214</u>	<u>17,193,295</u>	<u>0</u>	<u>30,635,509</u>
Capital Assets being Depreciated:				
Buildings and Building Improvements	72,682,713	-0-	-0-	72,682,713
Site Improvements	5,801,395	17,350	(19,835)	5,798,910
Furniture and Equipment	9,442,029	878,274	(345,238)	9,975,065
Vehicles	728,302	14,017	-0-	742,319
Library Books	2,201,470	40,141	(106,443)	2,135,168
<u>Total Capital Assets being Depreciated</u>	<u>90,855,909</u>	<u>949,782</u>	<u>(471,516)</u>	<u>91,334,175</u>
Accumulated Depreciation:				
Buildings and Building Improvements	43,131,304	1,727,463	-0-	44,858,767
Site Improvements	3,799,049	186,051	(17,852)	3,967,248
Furniture and Equipment	7,078,371	583,848	(314,631)	7,347,588
Vehicles	584,650	28,906	-0-	613,556
Library Books	2,052,633	44,433	(106,443)	1,990,623
<u>Total Accumulated Depreciation</u>	<u>55,646,007</u>	<u>2,570,701</u>	<u>(438,926)</u>	<u>58,777,782</u>
Net Capital Assets being Depreciated	<u>34,209,902</u>	<u>(1,620,919)</u>	<u>(32,590)</u>	<u>32,556,393</u>
<u>Net Capital Assets</u>	<u>\$ 47,652,116</u>	<u>\$ 15,572,376</u>	<u>\$ (32,590)</u>	<u>\$ 63,191,902</u>

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 8 - Changes in Capital Assets (Continued)

Capital asset activity for business-type activities for the year ended June 30, 2019, follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Historical Cost:				
Capital Assets being Depreciated:				
Furniture and Equipment	\$ 319,504	\$ 6,480	\$ -0-	\$ 325,984
Less: Accumulated Depreciation:				
Furniture and Equipment	<u>239,884</u>	<u>14,105</u>	<u>-0-</u>	<u>253,989</u>
Net Capital Assets being Depreciated	<u>79,620</u>	<u>(7,625)</u>	<u>-0-</u>	<u>71,995</u>
<u>Net Capital Assets</u>	<u>\$ 79,620</u>	<u>\$ (7,625)</u>	<u>\$ -0-</u>	<u>\$ 71,995</u>

Depreciation expenses were charged to governmental functions as follows:

Instruction	\$ 1,651,743
Instructional Student Support	174,343
Administrative and Financial Support Services	196,042
Operation and Maintenance of Plant Services	349,197
Pupil Transportation	160,669
Student Activities	<u>38,707</u>
	<u>\$ 2,570,701</u>

Depreciation expenses were charged to business-type activities as follows:

Food Service	\$ <u>14,105</u>
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NOTE 9 - Accrued Salaries and Benefits

At June 30, 2019, the School District was liable for payroll, which is payable during July and August 2019, to those employees who have a ten-month contract but are paid over a twelve-month period; to non-salaried employees who performed services through June 30, 2019 and to retiring professional employees who are receiving a payout of their accumulated compensated absences and bonuses. The School District was also liable for the following payroll and benefits accrued as of June 30, 2019:

	<u>General Fund</u>	<u>Food Service Fund</u>
Payroll	\$ 2,383,610	\$ 1,140
Social Security	181,818	87
Retirement	763,476	467
Workers' Compensation	891	7
Health Benefits	<u>35,422</u>	<u>-0-</u>
	<u>\$ 3,365,217</u>	<u>\$ 1,701</u>

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 10 - Unearned Revenues

Unearned revenues consist of the following as of June 30, 2019:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Grants Advanced	\$ 3,336	\$ -0-	\$ 3,336
Unearned Revenues - Value of Unused Donated Commodities	-0-	13,435	13,435
Unearned Revenues - Food Service Prepayments	<u>-0-</u>	<u>31,570</u>	<u>31,570</u>
	<u>\$ 3,336</u>	<u>\$ 45,005</u>	<u>\$ 48,341</u>

NOTE 11 - Long-Term Liabilities

General Obligation Debt

The School District issues general obligation notes to provide funds for major capital improvements. These notes are direct obligations and pledge the full faith and credit of the School District. Currently, the School District has general obligation debt with interest rates and outstanding principal amounts at June 30, 2019, as follows:

<u>Issue</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Principal Amount Outstanding at June 30, 2019</u>
Series 2017 Note	April 1, 2027	2.53%	\$ 6,615,000
Series 2018 Note	April 1, 2029	3.09%	9,085,000
Series 2019 Note	April 1, 2029	3.02%	<u>195,000</u>
			<u>\$15,895,000</u>

On September 7, 2017, the School District issued the Series 2017 General Obligation Note in the amount of \$9,300,000. The proceeds will be used for the purpose of funding new capital projects and the payment of the costs associated with the loan. The principal outstanding at June 30, 2019, was \$6,615,000 due in various amounts through April 1, 2027. Principal due within one year is \$825,000.

On April 2, 2018, the School District issued the Series of 2018 General Obligation Note in the amount of \$9,900,000. The proceeds will be used for the purpose of funding new capital projects and the payment of the costs associated with the loan. The principal outstanding at June 30, 2019, was \$9,085,000 due in various amounts through April 1, 2029. Principal due within one year is \$825,000.

On February 1, 2019, the School District issued the Series of 2019 General Obligation Note in the amount of \$10,000,000. The proceeds will be used for the purpose of funding new capital projects and the payment of the costs associated with the loan. The School District is still drawing down on this loan and has only drawn down \$1,000,000 at June 30, 2019. The principal outstanding at June 30, 2019, was \$195,000 due in various amounts through April 1, 2029. Principal due within one year is \$195,000.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 11 - Long-Term Liabilities (Continued)

Change in Long-Term Liabilities

Long-term liability activity can be summarized as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
<u>Governmental Activities</u>				
General Obligation Debt	\$17,325,000	\$1,000,000	\$2,430,000	\$ 15,895,000
Estimated Liability for				
Compensated Absences	463,940	5,380	19,870	449,450
Net Pension Liability	78,858,640	-0-	2,789,964	76,068,676
Total Postemployment				
Benefit Obligation	6,065,000	-0-	145,204	5,919,796
Estimated Liability for				
Accrued Retirement Bonus	<u>962,329</u>	<u>58,928</u>	<u>-0-</u>	<u>1,021,257</u>
Total Governmental Activities	<u>\$103,674,909</u>	<u>\$ 1,064,308</u>	<u>\$ 5,385,038</u>	<u>\$ 99,354,179</u>
	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
<u>Business-type Activities</u>				
Net Pension Liability	\$1,609,360	\$ -0-	\$ 54,036	\$ 1,555,324
Total Postemployment				
Benefit Obligation	<u>124,000</u>	<u>969</u>	<u>-0-</u>	<u>124,969</u>
Business-type Activities	<u>\$1,733,360</u>	<u>\$ 969</u>	<u>\$ 54,036</u>	<u>\$ 1,680,293</u>

Current Portion of Long-Term Liabilities

The general fund and the food service fund have been used in prior years to liquidate long-term liabilities other than debt. The portion of each long-term liability due within one year of June 30, 2019, is detailed below:

	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Estimated Liability for		
Compensated Absences	\$ 19,934	\$ 429,516
Estimated Liability for		
Accrued Retirement Bonus	307,841	713,416
Notes Payable	<u>1,845,000</u>	<u>14,050,000</u>
	<u>\$ 2,172,775</u>	<u>\$ 15,192,932</u>

The School District pays the long-term obligations of the governmental activities from the general fund, except for debt service. Debt service payments are paid from the debt service fund which is, however, funded by transfers from the general fund.

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

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 11 - Long-Term Liabilities (Continued)

The following schedule reveals the annual aggregate debt service requirements to maturity for the general obligation debt:

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2020	\$ 418,319	\$ 1,845,000	\$ 2,263,319
2021	375,666	1,675,000	2,050,666
2022	332,342	1,705,000	2,037,342
2023	288,243	1,745,000	2,033,243
2024	243,109	1,780,000	2,023,109
2025-2029	<u>541,709</u>	<u>7,145,000</u>	<u>7,686,709</u>
	<u>\$ 2,199,388</u>	<u>\$ 15,895,000</u>	<u>\$ 18,094,388</u>

NOTE 12 - Compensated Absences

A summary of the amount recorded as a liability in the governmental activities for compensated absences is as follows as of June 30, 2019:

Professional Staff and Administration:	
Accumulated Sick Leave	\$ 22,982
Accumulated Vacation Leave	285,869
Employer Social Security and Medicare on Leave Amounts Above (net of State Reimbursement)	<u>11,814</u>
	<u>320,665</u>
Support Staff:	
Accumulated Sick Leave	29,640
Accumulated Vacation Leave	94,401
Employer Social Security and Medicare on Leave Amounts Above (net of State Reimbursement)	<u>4,744</u>
	<u>128,785</u>
<u>Total Accumulated Compensated Absences</u>	<u>\$ 449,450</u>

NOTE 13 - Accrued Retirement Bonus

Upon voluntary retirement, a professional employee with qualifying years of service according to either the collective bargaining agreement or Act 93 agreement will receive a lump sum retirement bonus. A summary of the amount recorded as a liability in the governmental activities for this supplemental retirement benefit is as follows for June 30, 2019:

Professional Staff (Collective Bargaining Agreement):	
Estimated Accrued Retirement Benefit	\$ 954,750
Employer Social Security and Medicare on Retirement Bonus (net of State Reimbursement)	<u>36,520</u>
	<u>991,270</u>

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 13 - Accrued Retirement Bonus (Continued)

Administration and Support Staff (Act 93 Agreement):	
Estimated Accrued Retirement Benefit	28,883
Employer Social Security and Medicare on Retirement Bonus (net of State Reimbursement)	<u>1,104</u>
	<u>29,987</u>
<u>Total Accrued Retirement Bonus</u>	\$ <u>1,021,257</u>

NOTE 14 - Other Postemployment Benefits (OPEB)

Single-Employer Defined Benefit OPEB Plan

General Information about the OPEB Plan

Plan Description

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

Benefits Provided

The plan provides medical and prescription drug coverage to employees who retire from active service and qualify for pension benefits, and their spouse and eligible dependents. Retirees are eligible for benefits until age 65 upon paying 100% of the premium; spouse and dependents are eligible for benefits until age 65, and may continue coverage for no more than three years after the retiree's death upon paying the COBRA-equivalent premium.

Employees Covered by Benefit Terms

At July 1, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	26
Inactive Employees Entitled to but not yet Receiving Benefits	-0-
Active Employees	<u>343</u>
	369

Total OPEB Liability

The School District's total OPEB liability of \$2,673,765 was measured as of July 1, 2018, and was determined by an actuarial valuation as of July 1, 2018.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 14 - Other Postemployment Benefits (OPEB) (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate: 2.98%, Based on 20-Year High Grade Municipal Rate Index

Long Term Expected Rate of Return: N/A, the Plan is Unfunded

Actuarial Cost Method: Entry Age Normal, Level Percent of Pay

Healthcare Cost Trend: 6.0% in 2018, and 5.5% in 2019 through 2021. Rates gradually decrease from 5.4% in 2022 to 3.8% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Retirees' Share of Benefit-Related Costs: 100.0% of Premium

Mortality Rates:

Preretirement - RP-2014 Employee (Male and Female)

Postretirement - RP-2014 Health Annuitant (Male and Female)

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period ended July 1, 2018.

Changes in the Total OPEB Liability

Balance, June 30, 2018	\$ 2,868,316
Changes for the Year	
Service Cost	207,788
Interest	93,663
Changes of Benefit Terms	-0-
Differences Between Expected and Actual Experience	(343,072)
Changes of Assumptions	1,552
Benefit Payments	<u>(154,482)</u>
Net Changes	(194,551)
Balance, June 30, 2019	\$ <u>2,673,765</u>

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

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

Total OPEB Liability	
1.98% Discount Rate (1.0% Decrease)	2,870,836
2.98% Discount Rate (Current Rate)	2,673,765
3.98% Discount Rate (1.0% Increase)	2,487,480

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 14 - Other Postemployment Benefits (OPEB) (Continued)

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

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

Total OPEB Liability	
1.98% (1% Decrease)	2,369,356
2.98% (Current Rate)	2,673,765
3.98% (1% Increase)	3,039,825

COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT OPEB PLAN

General Information about the Health Insurance Premium Assistance Program

Health Insurance Premium Assistance Program

The Pennsylvania Public School Employees' Retirement System (System) provides Premium Assistance which is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' HealthOptions Program (HOP). As of June 30, 2018, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

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

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2018, there were no assumed future benefit increases to participating eligible retirees. Benefit terms and contributions may be amended by passing bills in the Pennsylvania Senate and House of Representatives and sending them to the Governor for approval.



Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 14 - Other Postemployment Benefits (OPEB) (Continued)

Contributions

The School District's contractually required contribution rate for the fiscal year ended June 30, 2019, was 0.83% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were \$181,767 for the year ended June 30, 2019.

OPEB Liabilities and OPEB Expense

At June 30, 2019, the School District reported a liability of \$3,371,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2017 to June 30, 2018. The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2018, the School District's proportion was 0.1617 percent, which was a decrease of 0.0013 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized net negative OPEB expense of \$43,485 related to this plan.

Actuarial Assumptions

The total OPEB Liability as of June 30, 2018, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2017 to June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry age normal, level percent of pay.

Investment Return: 2.98%, based on the S&P municipal bond rate.

Salary Growth: Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.

Premium Assistance reimbursement is capped at \$1,200 per year.

Assumed Healthcare Cost Trends: Applied to retirees with less than \$1,200 in Premium Assistance per year.

Mortality Rates: RP-2014 mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 mortality improvement scale.

Participation Rate:

Eligible retirees will elect to participate pre-age 65 at 50%.

Eligible retirees will elect to participate post-age 65 at 70%.

The following assumptions were used to determine the contribution rate:

The results of the actuarial valuation as of June 30, 2016, determined the employer contribution rate for fiscal year 2018.

Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.

Asset valuation method: Market Value.

Participation rate: 63% of eligible retirees are assumed to elect premium assistance.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 14 - Other Postemployment Benefits (OPEB) (Continued)

Actuarial Assumptions (Continued)

Mortality rates and retirement ages were based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 for both males and females for healthy annuitants and for dependent beneficiaries. For disabled annuitants, the RP-2000 Combined Disabled Tables with age set back 7 years for males and 3 years for females for disabled annuitants. (A unisex table based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 years for both genders assuming the population consists of 25% males and 75% females is used to determine actuarial equivalent benefits.)

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

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

OPEB - Asset Class	Target <u>Allocation</u>	Long-Term Expected Real <u>Rate of Return</u>
Cash	5.90%	0.30%
US Core Fixed Income	92.80%	1.20%
Fixed Income	<u>1.30%</u>	0.40%
	100.00%	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2018.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.98%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 2.98% which represents the S&P 20- year municipal bond rate at June 30, 2018, was applied to all projected benefit payments to measure the total OPEB liability.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 14 - Other Postemployment Benefits (OPEB) (Continued)

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

The following presents the School District's proportionate share of the net OPEB liability, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current discount rate:

Net OPEB Liability	
1.98% Discount Rate (1.0% Decrease)	3,834,000
2.98% Discount Rate (Current Rate)	3,371,000
3.98% Discount Rate (1.0% Increase)	2,987,000

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

The following presents the School District's proportionate share of the net OPEB liability, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1.0% lower or 1.0% higher than the current healthcare cost trend rates:

Net OPEB Liability	
1% Decrease	3,371,000
Current Rate	3,371,000
1% Increase	3,372,000

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PSERS comprehensive annual financial report, available at <http://www.psers.pa.gov>.

AGGREGATE OPEB INFORMATION

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the School District recognized OPEB expense of \$87,284. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions and Benefit Payments After the Measurement Date	\$ 340,802	\$ -0-
Difference between Projected and Actual Investment Earnings	5,689	-0-
Changes of Assumptions	215,914	127,974
Difference between Expected and Actual Experience	20,817	318,567
Difference between Employer Contributions and Proportionate Share of Total Contributions	800	
Changes in Proportion	<u>-0-</u>	<u>81,000</u>
	\$ <u>584,022</u>	\$ <u>527,541</u>

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 14 - Other Postemployment Benefits (OPEB) (Continued)

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

\$340,802 reported as deferred outflows of resources related to OPEB resulting from the School District's benefit payments after the measurement date of the single-employer plan and contributions after the measurement date of the cost-sharing multiple-employer plan will be recognized as a reduction in the total or net OPEB liability, respectively, in the year ended June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as an increase (decrease) in OPEB expense as follows:

Fiscal Year Ended June 30:

2020	\$ (37,754)
2021	(37,754)
2022	(37,754)
2023	(38,624)
2024	(39,594)
Thereafter	<u>(92,841)</u>
	\$ <u>(284,321)</u>

NOTE 15 - Operating Lease

On September 22, 2011, the Lancaster County Career and Technology Center Authority (the Authority) authorized the issuance of Guaranteed Lease Revenue Bonds, Series 2011 to provide funds for renovations and additions to Brownstown, Mount Joy and Willow Street campuses of the LCCTC, for the purchase and renovation of property for a practical nursing program, for various ongoing and proposed capital projects of the LCCTC, and for the payment and cost of issuing the Bonds. The LCCTC and sixteen member school districts have entered into a lease agreement with the Authority stipulating each school district will pay its proportionate share of the lease rentals in order to fund the debt based on real estate market values as set forth in the LCCTC Organization Agreement. The aggregate amount borrowed was \$23,890,000 via the issuance of the LCCTC General Obligation Bonds, Series of 2012, Series of 2013, and Series of 2014. The Bonds are to be repaid over a period not to exceed thirty years, with gross annual debt service not to exceed \$1,985,000 and net annual debt service (after reimbursement by the Commonwealth of Pennsylvania) of \$1,330,000.

The School District's lease rental obligations include interest and will fluctuate from time to time during the term of the lease, based on the market values in the School District and the actual interest rates. The School District's estimated lease rental obligations for future minimum rental payments related to the issued debt are as follows:

Fiscal Year Ended June 30,	School District Share Projected Future Minimum Rental Payments
2020	\$ 84,387
2021	84,316
2022	84,204
2023	84,323
2024	84,098
2025-2029	422,067
2030-2034	421,754
2035-2037	<u>252,567</u>
Total	\$ <u>1,517,716</u>

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 15 - Operating Lease (Continued)

In May 2017, The School District signed a lease for copiers under a lease agreement that expires in June 2022. Total lease rental expenses for this operating lease reflected in the accompanying financial statements is \$168,452 during the year ended June 30, 2019.

Minimum future rental payments under these operating leases having remaining terms in excess of one year as of June 30, 2019, are as follows:

2020	\$78,871
2021	78,871
2022	<u>78,871</u>
Total	\$ <u>236,613</u>

NOTE 16 - Risk Management

Hospitalization

The School District participates with 14 other local educational agencies in the Lancaster-Lebanon Public Schools Employees' Healthcare Cooperative (EHCC) to provide for the medical care for eligible employees and their dependents. The EHCC is a self-insured stop-loss pool. The School District remits funds to the third-party administrators. The third-party administrators, upon receiving funds from the School District, process and pay the claims. The School District is self-insured for claims up to \$140,000. The EHCC pool reimburses monies to the School District for individual claims above \$140,000 up to a maximum of \$300,000. The pool has commercial insurance for claims greater than \$300,000. The EHCC does not issue stand-alone financial statements. The School District was limited in liability to \$140,000 per individual and \$5,676,911 in total for hospitalization claims for the year ended June 30, 2019.

Transactions related to this hospitalization plan are reflected in the self-insurance hospitalization fund, which is an internal service fund. A liability for claims incurred prior to June 30, 2019 and paid subsequently is recorded in the amount of \$215,989 as claims payable in the internal service fund. The School District uses actual claims reported for the period June 30 through the subsequent 60 days plus an actuarially determined amount for claims incurred but not yet reported, as a basis for estimating the liability for unpaid claims. Historically, most claims are reported within the 60-day period following the medical service. For the year ended June 30, 2018, the liability for claims incurred prior to June 30, 2018 and paid subsequently was \$316,632.

Unemployment

The School District has elected to self-insure for unemployment compensation rather than contribute to the state fund. Transactions relating to this plan are reflected in the self-insurance unemployment compensation fund, which is an internal service fund. Liabilities for claims incurred, which were unpaid at June 30, 2019, are estimated to be \$2,564 and are recorded as a liability in the internal service fund. For the year ended June 30, 2018, the liability for claims incurred prior to June 30, 2018 and paid subsequently was \$39.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 16 - Risk Management (Continued)

Workers' Compensation

The School District is participating in the Lancaster-Lebanon Public Schools Workers' Compensation Fund (the Fund), which is a cooperative voluntary trust arrangement for 17 member school districts and the Lancaster-Lebanon Intermediate Unit No. 13. This agreement states that the School District pays an annual premium to the Fund for the purpose of seeking prevention or lessening of claims due to injuries of employees of the members and pooling workers' compensation and occupational disease insurance risks, reserves, claims, and losses and providing self-insurance and reinsurance thereof. It is the intent of the members of the Fund that the Fund will utilize funds contributed by the members, which shall be held in trust by the Fund, to provide self-insurance and reimbursement to the members for their obligations to pay compensation as required under the Workers' Compensation Act and the Pennsylvania Occupational Disease Act and to purchase excess and aggregate insurance. As of June 30, 2019, the School District is not aware of any additional assessments relating to the Fund.

Other Risks

The School District is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The School District has purchased various insurance policies to safeguard its assets from risk of loss. There was no change in the level of the School District's insurance coverage and no settlements exceeding insurance coverage during the year ended June 30, 2019, and the three previous fiscal years.

Change in Aggregate Claim Liabilities

Insurance claim liabilities reported at June 30 are historically paid within one year. Changes in the School District's claims liability amount in fiscal years 2019 and 2018 were:

	<u>Year Ended June 30, 2019</u>		
	<u>Hospitalization</u>	<u>Unemployment</u>	<u>Total</u>
Claim Liability at			
July 1, 2018	\$ 316,632	\$ 39	\$ 316,671
Current Year Claims and			
Changes in Estimates	5,220,554	12,702	5,233,256
Claim Payments	(5,321,197)	(10,177)	(5,331,374)
Claim Liability at			
June 30, 2019	\$ <u>215,989</u>	\$ <u>2,564</u>	\$ <u>218,553</u>
	<u>Year Ended June 30, 2018</u>		
	<u>Hospitalization</u>	<u>Unemployment</u>	<u>Total</u>
Claim Liability at			
July 1, 2017	\$ 358,699	\$ 2,276	\$ 360,975
Current Year Claims and			
Changes in Estimates	4,292,464	18,082	4,310,546
Claim Payments	(4,334,531)	(20,319)	(4,354,850)
Claim Liability at			
June 30, 2018	\$ <u>316,632</u>	\$ <u>39</u>	\$ <u>316,671</u>

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 17 - Fund Balances

Fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the government funds. The following table details the constraints placed on fund balances for the governmental funds as of June 30, 2019.

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable</u>			
Inventory	\$ 165,633	\$ -0-	\$ 165,633
Prepaid Items	<u>93,035</u>	<u>25,762</u>	<u>118,797</u>
Total Nonspendable	<u>258,668</u>	<u>25,762</u>	<u>284,430</u>
<u>Restricted</u>			
Debt Proceeds	<u>-0-</u>	<u>1,006,536</u>	<u>1,006,536</u>
<u>Committed</u>			
Tax Reassessment Property Appeals	<u>325,000</u>	<u>-0-</u>	<u>325,000</u>
<u>Assigned</u>			
Budgeted 2019-2020 General Fund Operating Deficit	2,032,216	-0-	2,032,216
Future Capital Projects	<u>-0-</u>	<u>5,680,578</u>	<u>5,680,578</u>
Total Assigned	<u>2,032,216</u>	<u>6,712,876</u>	<u>7,712,794</u>
<u>Unassigned</u>	<u>3,593,706</u>	<u>-0-</u>	<u>3,593,706</u>
Total Fund Balances	\$ <u>6,209,590</u>	\$ <u>6,712,876</u>	\$ <u>12,922,466</u>

NOTE 18 - Income Protection and Sick Leave Bank

Income Protection

The School District provides income protection for its full-time professional employees in cases of total disability resulting from accidental bodily injury or sickness, exclusive of those injuries or illnesses covered by workers' compensation. Under the plan, the amount of monthly benefit shall be two thirds of the gross per diem salary for the school year 2018-2019. Benefits shall be payable for a maximum of 270 teaching days and shall begin on the first day after exhaustion of sick leave, but not before the 15th teaching day of continuous disability. The aggregate cost to the School District for potential long-term disability could not be reasonably estimated at June 30, 2019 and is, therefore, not recorded as a liability in the long-term debt obligation. During the school year 2018-2019, benefits totaling \$45,407 were paid to employees under the plan.

Sick Leave Bank

Membership in the School District's sick leave bank is available to professional employees on a voluntary basis with automatic annual renewal. Members may contribute one (1) sick leave day to the bank per contribution period with a maximum contribution of two (2) days per fiscal year. The use of days from the sick leave bank is intended for unforeseen, unplanned or catastrophic long-term illness or injury that is unavoidable during the school year and necessitates absence from professional duties. Sick leave bank days may be used in conjunction with income protection. The estimated liability for payment of sick leave bank days is included in the accrual for compensated absences. Benefits paid to employees from the sick leave bank during the fiscal year ended June 30, 2019 totaled \$19,066.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 19 - Defined Benefit Pension Plan

Plan Description

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

Funding Policy

The contribution policy is established in the Public School Employees' Retirement Code and requires contributions by active members, employers and the Commonwealth.

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2.0% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service. Benefit terms and contributions may be amended by passing bills in the Pennsylvania Senate and House of Representatives and sending them to the Governor for approval.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2.0% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

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



Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 19 - Defined Benefit Pension Plan (Continued)

Contributions

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

Member Contributions

Active members who joined the plan before July 22, 1983, are required to contribute 5.25% of their compensation if they are in Class T-C or 6.50% for Class T-D. Members who joined on or after July 22, 1983, and were active or inactive as of July 1, 2001, are required to contribute 6.25% for Class T-C or 7.50% for Class T-D. Members who joined the plan after June 30, 2001 and before July 1, 2011, are automatically in Class T-D and are required to contribute 7.50%.

Members who joined the plan after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.3% (base rate) of the member's qualifying compensation. Membership Class T-E and T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

Employer Contributions

Contributions required of employers are based upon an actuarial valuation. For fiscal year ended June 30, 2019, the rate of employer's contribution was 33.43% of covered payroll. The rate is comprised of a contribution rate of 32.60% for pensions and 0.83% for health care insurance premium assistance.

The School District is required to pay the entire employer contribution rate and is reimbursed by the Commonwealth in an amount equal to the Commonwealth's share as determined by the income aid ratio (as defined in Act 29 of 1994), which is approximately one-half of the total employer rate, but does not meet the requirements of a special funding situation as defined by GASB 68. The School District's and members' contributions are equal to the required contribution for each year. The School District's and the members' retirement and healthcare premium contributions, expressed in dollars and as a percentage of total covered payroll, follows:

	<u>School District's Contribution</u>		<u>Members' Contribution</u>	
	<u>Dollars</u>	<u>Percentage</u>	<u>Dollars</u>	<u>Percentage</u>
For the Year Ended:				
June 30, 2019	7,139,298	32.60%	1,703,996	7.78%
2018	6,927,000	32.57%	1,677,141	7.54%
2017	6,361,000	30.03%	1,663,235	7.74%
2016	5,440,016	25.84%	1,638,685	7.44%
2015	4,338,060	21.40%	1,593,749	7.44%

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 19 - Defined Benefit Pension Plan (Continued)

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

At June 30, 2019, the School District reported a liability of \$77,624,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by rolling forward PSERS's total pension liability as of June 30, 2017 to June 30, 2018. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2018, the School District's proportion was .1617%, which was a decrease of .0013% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized pension expense of \$546,776. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 624,859	\$ 1,201,495
Changes in Assumptions	1,446,319	-0-
Net Difference between Projected and Actual Investment Earnings	380,443	-0-
Change in Proportions	532,000	1,599,000
Difference between Employer Contributions and Proportionate Share of Total Contributions	207,800	-0-
Contributions Subsequent to the Measurement Date	<u>7,139,298</u>	<u>-0-</u>
	<u>\$ 10,330,719</u>	<u>\$ 2,800,495</u>

Deferred outflows of resources related to pensions totaling \$7,139,298, represent School District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will increase (decrease) pension expense as follows:

Year Ended June 30:	
2020	\$ 1,321,096
2021	707,574
2022	(1,253,560)
2023	<u>(384,184)</u>
	<u>\$ 390,926</u>

Actuarial Assumptions

The total pension liability as of June 30, 2018, was determined by rolling forward PSERS' total pension liability as of the June 30, 2017 actuarial valuation to June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

There were no changes in assumptions used in measurement of the total pension liability beginning June 30, 2018.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 19 - Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Markets Global Equity	20.0%	5.2%
Global Fixed Income	36.0%	2.2%
Commodities	8.0%	3.2%
Absolute Return	10.0%	3.5%
Risk Parity	10.0%	3.9%
MLPs/Infrastructure	8.0%	5.2%
Real Estate	10.0%	4.2%
Alternative Investments	15.0%	6.7%
Cash	3.0%	0.4%
Financing (LIBOR)	<u>(20.0%)</u>	0.9%
	<u>100.0%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	<u>1% Decrease 6.25%</u>	<u>Current Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
School District's Proportionate Share of the Net Pension Liability	\$ 96,221,000	\$ 77,624,000	\$ 61,900,000

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 19 - Defined Benefit Pension Plan (Continued)

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2019, the School District reported a payable of \$2,043,309 for the outstanding amount of employer contributions to PSERS required for the year ended June 30, 2019. These amounts relate to the second quarter of 2019 and are payable to PSERS within five business days of the School District receiving its related retirement subsidy from the Commonwealth of Pennsylvania.

Pension Reform

Pursuant to Commonwealth Act 2017-5, members hired on or after July 1, 2019, will be required to choose one of three new retirement plan design options for retirement benefits. The current defined benefit plan design options will no longer be available to new members hired on or after July 1, 2019. The new plan design options include two hybrid plans consisting of defined benefit and defined contribution components. The third option is a stand-alone defined contribution plan.

PSERS school employers will be charged interest at the assumed rate of return, currently 7.25%, for delinquent payments to PSERS rather than 6%.

The pension reform act is anticipated to result in increases to employer contribution rates for the next 15 years through 2034 due to higher initial costs of the new retirement plans. From 2035 to 2050, employer rates are projected to begin to decline due to the lower long-term employer costs of the new retirement plans.

NOTE 20 - Contingencies and Commitments

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

Litigation

The School District is involved in various claims and legal actions arising in the ordinary course of business. Any potential losses related to these legal actions cannot be reasonably estimated at this time.

Construction Project

Outstanding commitments for construction at various school buildings totaled \$6,816,394. The project commitments will be paid from the capital project fund during the 2019-2020 school year.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 20 - Contingencies and Commitments (Continued)

PURTA Reevaluation

The Pennsylvania Legislature revised the method used to value regulated public utilities for the assessment of real estate tax. Prior to the change, the Pennsylvania Utility Real Estate Tax Authority (PURTA) assessed real estate taxes of regulated public utility property according to the state assessment values. Under the law, regulated public utilities are assessed real estate tax on the tax base determined by the local county assessment. During February 2004, a settlement was reached between Exelon Generation Company, LLC ("Company"), an affiliate of PECO Energy Company, and the School District, the County of Lancaster, and the Lancaster County Board of Assessment Appeals in regards to the new assessed values of the Company's real estate under the PURTA changes. Under this agreement, the Company shall pay real estate taxes on the properties based on the assessed value of \$30,000,000.

NOTE 21 - Subsequent Events

The School District has evaluated all subsequent events through December 17, 2019, the date the financial statements were available to be issued.

## REQUIRED SUPPLEMENTARY INFORMATION

Solanco School District  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE of CHANGES in TOTAL OPEB LIABILITY and RELATED RATIOS -  
SINGLE-EMPLOYER DEFINED BENEFIT OPEB PLAN  
Last 10 Fiscal Years

	<u>MEASUREMENT DATE</u>	
	<u>July 1, 2018</u>	<u>July 1, 2017</u>
<u>TOTAL OPEB LIABILITY</u>		
Service Cost	\$ 207,788	\$ 194,735
Interest	93,663	66,943
Change of Benefit Terms	-0-	-0-
Differences Between Expected and Actual		
Experience	(343,072)	-0-
Change of Assumptions	1,552	188,035
Benefit Payments	<u>(154,482)</u>	<u>(163,927)</u>
<u>NET CHANGE in TOTAL OPEB LIABILITY</u>	(194,551)	285,786
<u>TOTAL OPEB LIABILITY</u>		
Beginning	<u>2,868,316</u>	<u>2,582,530</u>
Ending	\$ <u>2,673,765</u>	\$ <u>2,868,316</u>
<u>COVERED PAYROLL</u>	\$ 18,904,418	\$ 18,883,896
<u>TOTAL OPEB LIABILITY as a PERCENTAGE of</u>		
<u>COVERED PAYROLL</u>	14.14%	15.19%

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

Solanco School District  
NOTES to REQUIRED SUPPLEMENTARY INFORMATION -  
SINGLE-EMPLOYER DEFINED BENEFIT OPEB PLAN  
Last 10 Fiscal Years

**Funding:**

No assets are accumulated in a trust that meet the criteria included in GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, to pay related benefits.

**Changes of Assumptions:**

Measurement date July 1, 2018:

Discount rate was decreased from 3.13% to 2.98%.



Solanco School District  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE of the SCHOOL DISTRICT'S PROPORTIONATE SHARE of the NET OPEB LIABILITY -  
PSERS HEALTH INSURANCE PREMIUM ASSISTANCE PLAN  
Last 10 Fiscal Years

Measurement Date June 30	School District's Proportion of the Net OPEB Liability	School District's Proportionate Share of the Net OPEB Liability	School District's Covered Payroll	School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2016	0.1667%	3,591,000	21,568,000	16.65%	5.73%
2017	0.1630%	3,320,000	21,686,667	15.31%	5.47%
2018	0.1617%	3,371,000	21,773,349	15.48%	5.56%

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

Solanco School District  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE of EMPLOYER CONTRIBUTIONS -  
PSERS HEALTH INSURANCE PREMIUM ASSISTANCE PLAN  
Last 10 Fiscal Years

Fiscal Year Ended June 30	Contractually Required Contributions	Contributions from Employer	Contributions Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	190,000	190,000	-	21,074,629	0.90%
2016	181,000	181,000	-	21,568,000	0.84%
2017	180,000	180,000	-	21,686,667	0.83%
2018	181,000	181,000	-	21,773,349	0.83%
2019	181,767	181,767	-	21,899,639	0.83%

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

Solanco School District  
NOTES to REQUIRED SUPPLEMENTARY INFORMATION -  
PSERS HEALTH INSURANCE PREMIUM ASSISTANCE PLAN  
Last 10 Fiscal Years  
Unaudited

**Changes of Assumptions:**

Measurement period ending June 30, 2016:

Discount rate was increased from 2.71% to 3.13%.

Salary growth changes from an effective average of 5.50% to 5.00%

Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back 3 years for both males and females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Solanco School District  
SCHEDULE of EMPLOYER CONTRIBUTIONS -  
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
Last 10 Fiscal Years

<u>Defined Benefit Pension Plan</u>	<u>Contractually Required Contribution</u>	<u>Contributions from Employer</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2010	848,041	848,041	-	21,201,025	4.00%
2011	1,092,870	1,092,870	-	21,857,394	5.00%
2012	1,737,609	1,737,609	-	21,720,116	8.00%
2013	2,433,717	2,433,717	-	20,945,532	11.62%
2014	3,390,625	3,390,625	-	21,104,703	16.07%
2015	4,338,060	4,338,060	-	21,074,629	20.58%
2016	5,440,016	5,440,016	-	21,568,000	25.22%
2017	6,361,000	6,361,000	-	21,686,677	29.33%
2018	6,927,000	6,927,000	-	21,773,349	31.81%
2019	7,139,298	7,139,298	-	21,899,687	32.60%

Solanco School District  
SCHEDULE of SCHOOL DISTRICT'S PROPORTIONATE SHARE  
of the NET PENSION LIABILITY -  
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
Last 10 Fiscal Years

Measurement Date June 30	School District's Proportion of the Net Pension Liability (Asset)	School District's Proportionate Share of the Net Pension Liability (Asset)	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.1654%	65,466,506	21,104,703	310.20%	57.24%
2015	0.1638%	70,915,029	21,074,629	336.49%	54.36%
2016	0.1667%	82,579,000	21,568,000	382.88%	50.14%
2017	0.1630%	80,468,000	21,686,667	371.05%	51.84%
2018	0.1617%	77,624,000	21,773,349	356.51%	54.00%

Note : This schedule is intended to show information for ten years.  
Additional years will be displayed as they become available.  
The data provided in the schedule is based on the measurements date.

Solanco School District  
NOTES to REQUIRED SUPPLEMENTARY INFORMATION  
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

**Changes of Benefit Terms:**

Measurement period ending June 30, 2017:

Beginning June 12, 2017, with the passage of Act 5 class T-E & T-F members are now permitted to elect a lump sum payment of member contributions upon retirement.

**Changes of Assumptions:**

Measurement period ending June 30, 2016:

Investment Rate of Return was adjusted from 7.50% to 7.25%.

Inflation assumption was decreased from 3.00% to 2.75%.

Salary growth changed from an effective average of 5.50% to 5.00%.

Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back 3 years for both males and females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Solanco School District  
SCHEDULE of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCES -  
BUDGET and ACTUAL -  
GENERAL FUND  
Year Ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	
<u>REVENUES</u>				
Local Sources:				
Real Estate Taxes and Penalties	\$ 24,773,100	\$ 24,773,100	\$ 24,915,850	\$ 142,750
Other Taxes	8,073,109	8,073,109	8,289,527	216,418
Investment Earnings	160,000	160,000	411,968	251,968
Revenue from School District Activities	62,000	62,000	57,801	(4,199)
Revenue from Intermediate Sources	776,838	776,838	907,646	130,808
Tuition	24,200	24,200	7,260	(16,940)
Other Revenue	<u>263,000</u>	<u>263,000</u>	<u>234,949</u>	<u>(28,051)</u>
<u>Total Local Sources</u>	34,132,247	34,132,247	34,825,001	692,754
State Sources	20,201,993	20,201,993	20,047,273	(154,720)
Federal Sources	<u>1,925,922</u>	<u>1,925,922</u>	<u>2,264,864</u>	<u>338,942</u>
<u>Total Revenues</u>	<u>56,260,162</u>	<u>56,260,162</u>	<u>57,137,138</u>	<u>876,976</u>
<u>EXPENDITURES</u>				
Current - Instructional Services:				
Regular Programs	23,309,000	21,885,000	21,270,797	(614,203)
Special Programs	10,109,468	9,951,468	9,033,510	(917,958)
Vocational Programs	2,658,550	2,658,550	2,543,840	(114,710)
Other Instructional Programs	536,883	536,883	499,032	(37,851)
Nonpublic School Programs	33,705	37,705	36,679	(1,026)
Pre-Kindergarten Programs	5,000	5,000	-	(5,000)
Support Services:				
Pupil Personnel Services	2,260,330	2,525,330	2,496,325	(29,005)
Instructional Staff Services	1,879,813	1,482,813	1,431,654	(51,159)
Administrative Services	2,800,955	2,980,955	2,900,373	(80,582)
Pupil Health Services	582,885	555,885	544,976	(10,909)
Business Services	839,650	866,650	855,593	(11,057)
Operation and Maintenance of				
Plant Services	4,065,499	4,065,499	4,032,257	(33,242)
Pupil Transportation Services	3,682,500	3,899,500	3,862,654	(36,846)
Central Support Services	933,824	1,113,824	1,091,459	(22,365)
Other Support Services	33,000	32,000	31,817	(183)
Operation of Noninstructional Services:				
Student Activities	1,096,340	1,096,340	1,085,977	(10,363)
Community Services	<u>41,537</u>	<u>60,537</u>	<u>55,969</u>	<u>(4,568)</u>
<u>Total Expenditures</u>	<u>54,868,939</u>	<u>53,753,939</u>	<u>51,772,912</u>	<u>(1,981,027)</u>

(Continued)

Solanco School District  
SCHEDULE of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCES -  
BUDGET and ACTUAL -  
GENERAL FUND  
Year Ended June 30, 2019  
(Continued)

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	
<u>EXCESS of REVENUES over</u>				
<u>EXPENDITURES</u>	<u>1,391,223</u>	<u>2,506,223</u>	<u>5,364,226</u>	<u>2,858,003</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	600,000	600,000	-	(600,000)
Proceeds from Sale of Capital Assets	5,000	5,000	1,689	(3,311)
Transfers Out	(4,000,000)	(5,365,000)	(5,363,484)	1,516
Budgetary Reserve	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Other Financing Uses</u>	<u>(3,645,000)</u>	<u>(4,760,000)</u>	<u>(5,361,795)</u>	<u>(601,795)</u>
<u>NET CHANGES in</u>				
<u>FUND BALANCES</u>	<u>(2,253,777)</u>	<u>(2,253,777)</u>	<u>2,431</u>	<u>2,256,208</u>
				-
<u>FUND BALANCES - Beginning of Year</u>	<u>6,280,867</u>	<u>6,280,867</u>	<u>6,280,867</u>	<u>-</u>
				-
Decrease in Reserve for Inventory	<u>-</u>	<u>-</u>	<u>(73,708)</u>	<u>(73,708)</u>
<u>FUND BALANCES - End of Year</u>	<u>\$ 4,027,090</u>	<u>\$ 4,027,090</u>	<u>\$ 6,209,590</u>	<u>\$ 2,182,500</u>



Solanco School District  
NOTES to REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Data

Solanco School District follows the following procedures in establishing the budgetary data reflected in the basic financial statements:

1. The Pennsylvania Department of Education (PDE) issues a schedule of actions for school districts for the development of the annual general fund budget under Act 1. One deadline is the action to resolve to keep any tax increase in the real estate tax millage rate below the index announced by PDE. Prior to that deadline, management submits to the Board, for consideration, a draft operating budget projection or other information to review, for the fiscal year commencing the following July 1. The Board determines if it will approve a resolution to keep any tax increase below the index.
2. If the Board adopts the resolution, management submits prior to May 31, to the School Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the general fund.
3. If the Board does not adopt the resolution, management prepares and submits a proposed operating budget for the fiscal year commencing the following July 1 in accordance to the deadlines established by PDE under Act 1. These deadlines will vary with the setting of the spring municipal election each year.
4. A public hearing is conducted to obtain taxpayer comments.
5. Prior to June 30, the budget is legally enacted through passage of a resolution.
6. Legal budgetary control is maintained by the School Board at the account code function level. Transfers between functions, whether between funds or within a fund, or revisions that alter total revenues or total expenditures of any fund, must be approved by the Board in accordance with the Pennsylvania Public School Code. Management may alter the budget within the sub-function and object level without Board approval. Budgetary information in the combined operating statements is presented at or below the legal level of budgetary control. It also includes the effects of approved budget amendments.
7. Budgetary data is included in the School District's management information system and is employed as a management control device during the year.
8. Unused appropriations lapse at the end of each fiscal year.
9. The budget for the general fund is adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

COMBINING INDIVIDUAL FUND  
STATEMENTS AND BUDGET SCHEDULES  
(SUPPLEMENTAL FINANCIAL INFORMATION)

Solanco School District  
SCHEDULE of GENERAL FUND REVENUES and OTHER FINANCING SOURCES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>REVENUES from LOCAL SOURCES</u>					
<u>Taxes</u>					
Current Real Estate Taxes	\$ 24,063,099	\$ -	\$ 24,063,099	\$ 24,094,317	\$ 31,218
Interim Real Estate Taxes	160,001	-	160,001	244,123	84,122
Public Utility Realty	32,500	-	32,500	31,693	(807)
Payments in Lieu of Current Taxes	109	-	109	109	-
Earned Income Tax	7,515,500	-	7,515,500	7,652,775	137,275
Real Estate Transfer Tax	525,000	-	525,000	604,950	79,950
Delinquent Real Estate Taxes	<u>550,000</u>	<u>-</u>	<u>550,000</u>	<u>577,410</u>	<u>27,410</u>
<u>Total Taxes</u>	<u>32,846,209</u>	<u>-</u>	<u>32,846,209</u>	<u>33,205,377</u>	<u>359,168</u>
<u>Other Local Revenues</u>					
Investment Earnings	160,000	-	160,000	411,968	251,968
Revenue from School District Activities	62,000	-	62,000	57,801	(4,199)
Federal Revenue Passed through Local Sources	776,838	-	776,838	907,646	130,808
Rent of School Facilities	68,000	-	68,000	71,762	3,762
Contributions and Donations	26,000	-	26,000	21,234	(4,766)
Tuition	24,200	-	24,200	7,260	(16,940)
Miscellaneous	<u>169,000</u>	<u>-</u>	<u>169,000</u>	<u>141,953</u>	<u>(27,047)</u>
<u>Total Other Local Revenues</u>	<u>1,286,038</u>	<u>-</u>	<u>1,286,038</u>	<u>1,619,624</u>	<u>333,586</u>
<u>Total Revenues from Local Sources</u>	<u>34,132,247</u>	<u>-</u>	<u>34,132,247</u>	<u>34,825,001</u>	<u>692,754</u>
<u>REVENUES from STATE SOURCES</u>					
Basic Education Funding	10,220,000	-	10,220,000	10,148,447	(71,553)
Tuition for Orphans and Children	60,000	-	60,000	74,752	14,752
Vocational Education	85,000	-	85,000	118,119	33,119
Migratory Children	500	-	500	660	160
Special Education Funding	2,268,250	-	2,268,250	2,149,400	(118,850)
Other Program Subsidies	2,000	-	2,000	89,673	87,673
Transportation Subsidy	1,850,000	-	1,850,000	2,045,683	195,683
Rental and Sinking Fund Subsidies	39,000	-	39,000	38,205	(795)
Health Services	66,400	-	66,400	62,723	(3,677)
State Property Tax Reduction	548,128	-	548,128	548,128	-
Ready to Learn Grant	427,715	-	427,715	427,715	-
Other State Revenue	10,000	-	10,000	-	(10,000)
Social Security Reimbursement	775,000	-	775,000	754,560	(20,440)
Retirement Reimbursement	<u>3,850,000</u>	<u>-</u>	<u>3,850,000</u>	<u>3,589,208</u>	<u>(260,792)</u>
<u>Total Revenues from State Sources</u>	<u>\$ 20,201,993</u>	<u>\$ -</u>	<u>\$ 20,201,993</u>	<u>\$ 20,047,273</u>	<u>\$ (154,720)</u>

(Continued)

Solanco School District  
SCHEDULE of GENERAL FUND REVENUES and OTHER FINANCING SOURCES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>REVENUES from FEDERAL SOURCES</u>					
Title I	\$ 1,544,452	\$ -	\$ 1,544,452	\$ 1,807,331	\$ 262,879
Title II	239,470	-	239,470	282,751	43,281
Title V	32,000	-	32,000	116,764	84,764
Medical Assistance Reimbursements	<u>110,000</u>	<u>-</u>	<u>110,000</u>	<u>58,018</u>	<u>(51,982)</u>
<u>Total Revenues from</u>			-		
<u>Federal Sources</u>	<u>1,925,922</u>	<u>-</u>	<u>1,925,922</u>	<u>2,264,864</u>	<u>338,942</u>
<u>OTHER FINANCING SOURCES</u>					
Proceeds from Sale of Capital Assets	5,000	-	5,000	1,689	(3,311)
Transfers In	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>-</u>	<u>(600,000)</u>
<u>Total Other Financing Sources</u>	<u>605,000</u>	<u>-</u>	<u>605,000</u>	<u>1,689</u>	<u>(603,311)</u>
<u>TOTAL GENERAL FUND</u>					
<u>REVENUES and OTHER</u>					
<u>FINANCING SOURCES</u>	\$ <u>56,865,162</u>	\$ <u>-</u>	\$ <u>56,865,162</u>	\$ <u>57,138,827</u>	\$ <u>273,665</u>

Solanco School District  
SCHEDULE of GENERAL FUND EXPENDITURES and OTHER FINANCING USES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>EXPENDITURES</u>					
Current - Instructional Services:					
<u>Regular Programs</u>					
Salaries	\$ 12,402,000	\$ (770,000)	\$ 11,632,000	\$ 11,438,552	\$ 193,448
Employee Benefits	8,320,000	(700,000)	7,620,000	7,455,405	164,595
Purchased Professional and Technical Services	410,000	250,000	660,000	623,358	36,642
Purchased Property Services	215,000	(6,000)	209,000	168,770	40,230
Other Purchased Services	785,000	(4,000)	781,000	752,665	28,335
Supplies	960,000	(200,000)	760,000	629,079	130,921
Property and Equipment	210,000	-	210,000	190,704	19,296
Other Objects	<u>7,000</u>	<u>6,000</u>	<u>13,000</u>	<u>12,264</u>	<u>736</u>
<u>Total Regular Programs</u>	<u>23,309,000</u>	<u>(1,424,000)</u>	<u>21,885,000</u>	<u>21,270,797</u>	<u>614,203</u>
<u>Special Programs</u>					
Salaries	3,020,002	-	3,020,002	2,904,932	115,070
Employee Benefits	1,998,066	(200,000)	1,798,066	1,680,099	117,967
Purchased Professional and Technical Services	3,077,500	350,000	3,427,500	3,398,550	28,950
Purchased Property Services	36,500	-	36,500	-	36,500
Other Purchased Services	1,916,050	(348,000)	1,568,050	958,097	609,953
Supplies	54,200	40,000	94,200	89,002	5,198
Property and Equipment	4,000	-	4,000	-	4,000
Other Objects	<u>3,150</u>	<u>-</u>	<u>3,150</u>	<u>2,830</u>	<u>320</u>
<u>Total Special Programs</u>	<u>10,109,468</u>	<u>(158,000)</u>	<u>9,951,468</u>	<u>9,033,510</u>	<u>917,958</u>
<u>Vocational Programs</u>					
Salaries	685,200	-	685,200	682,875	2,325
Employee Benefits	496,400	-	496,400	458,899	37,501
Purchased Professional and Technical Services	250	20,000	20,250	17,769	2,481
Purchased Property Services	90,800	25,000	115,800	113,673	2,127
Other Purchased Services	1,292,500	(24,000)	1,268,500	1,230,896	37,604
Supplies	42,250	-	42,250	35,824	6,426
Property and Equipment	50,100	(25,000)	25,100	-	25,100
Other Objects	<u>1,050</u>	<u>4,000</u>	<u>5,050</u>	<u>3,904</u>	<u>1,146</u>
<u>Total Vocational Programs</u>	<u>\$ 2,658,550</u>	<u>\$ -</u>	<u>\$ 2,658,550</u>	<u>\$ 2,543,840</u>	<u>\$ 114,710</u>

Solanco School District  
SCHEDULE of GENERAL FUND EXPENDITURES and OTHER FINANCING USES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>EXPENDITURES (Continued)</u>					
Current - Instructional Services (Continued):					
<u>Other Instructional Programs</u>					
Salaries	\$ 325,883	\$ (7,000)	\$ 318,883	\$ 293,922	\$ 24,961
Employee Benefits	133,000	6,000	139,000	137,559	1,441
Purchased Professional and Technical Services	17,000	(6,000)	11,000	4,282	6,718
Other Purchased Services	34,000	7,000	41,000	39,674	1,326
Supplies	<u>27,000</u>	<u>-</u>	<u>27,000</u>	<u>23,595</u>	<u>3,405</u>
<u>Total Other Instructional Programs</u>	<u>536,883</u>	<u>-</u>	<u>536,883</u>	<u>499,032</u>	<u>37,851</u>
<u>Nonpublic School Programs</u>					
Purchased Professional and Technical Services	<u>33,705</u>	<u>4,000</u>	<u>37,705</u>	<u>36,679</u>	<u>1,026</u>
<u>Pre-Kindergarten Programs</u>					
Supplies	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<u>Total Current - Instructional Services</u>	<u>36,652,606</u>	<u>(1,578,000)</u>	<u>35,074,606</u>	<u>33,383,858</u>	<u>1,690,748</u>
Support Services:					
<u>Pupil Personnel</u>					
Salaries	1,262,375	160,000	1,422,375	1,415,937	6,438
Employee Benefits	843,650	105,000	948,650	944,230	4,420
Purchased Professional and Technical Services	109,400	(12,000)	97,400	85,274	12,126
Purchased Property Services	200	-	200	-	200
Other Purchased Services	10,450	10,000	20,450	20,414	36
Supplies	31,550	-	31,550	29,724	1,826
Property and Equipment	2,000	1,000	3,000	-	3,000
Other Objects	<u>705</u>	<u>1,000</u>	<u>1,705</u>	<u>746</u>	<u>959</u>
<u>Total Pupil Personnel</u>	\$ <u>2,260,330</u>	\$ <u>265,000</u>	\$ <u>2,525,330</u>	\$ <u>2,496,325</u>	\$ <u>29,005</u>

(Continued)

Solanco School District  
SCHEDULE of GENERAL FUND EXPENDITURES and OTHER FINANCING USES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2019

	Original Budget	Transfers Increase (Decrease)	Final Revised Budget	Actual	Variance With Final Budget
<u>EXPENDITURES (Continued)</u>					
Support Services (Continued):					
<u>Instructional Staff Services</u>					
Salaries	\$ 931,300	\$ (230,000)	\$ 701,300	\$ 691,274	\$ 10,026
Employee Benefits	585,113	(130,000)	455,113	445,659	9,454
Purchased Professional and Technical Services	44,200	-	44,200	40,329	3,871
Purchased Property Services	19,000	-	19,000	5,500	13,500
Other Purchased Services	88,850	60,000	148,850	147,657	1,193
Supplies	90,500	3,000	93,500	93,033	467
Property and Equipment	117,500	(100,000)	17,500	5,588	11,912
Other Objects	3,350	-	3,350	2,614	736
<u>Total Instructional Staff Services</u>	<u>1,879,813</u>	<u>(397,000)</u>	<u>1,482,813</u>	<u>1,431,654</u>	<u>51,159</u>
<u>Administrative Services</u>					
Salaries	1,487,645	70,000	1,557,645	1,555,502	2,143
Employee Benefits	927,210	110,000	1,037,210	1,032,015	5,195
Purchased Professional and Technical Services	231,500	-	231,500	219,878	11,622
Purchased Property Services	4,250	1,000	5,250	4,450	800
Other Purchased Services	72,300	(1,000)	71,300	47,037	24,263
Supplies	38,500	-	38,500	23,972	14,528
Property and Equipment	3,500	-	3,500	-	3,500
Other Objects	36,050	-	36,050	17,519	18,531
<u>Total Administrative Services</u>	<u>2,800,955</u>	<u>180,000</u>	<u>2,980,955</u>	<u>2,900,373</u>	<u>80,582</u>
<u>Pupil Health Services</u>					
Salaries	245,000	(16,000)	229,000	224,299	4,701
Employee Benefits	187,000	(42,000)	145,000	141,160	3,840
Purchased Professional and Technical Services	140,000	31,000	171,000	169,502	1,498
Purchased Property Services	500	(500)	-	-	-
Other Purchased Services	750	-	750	457	293
Supplies	7,500	2,500	10,000	9,558	442
Property and Equipment	2,000	(2,000)	-	-	-
Other Objects	135	-	135	-	135
<u>Total Pupil Health Services</u>	<u>\$ 582,885</u>	<u>\$ (27,000)</u>	<u>\$ 555,885</u>	<u>\$ 544,976</u>	<u>\$ 10,909</u>

Solanco School District  
SCHEDULE of GENERAL FUND EXPENDITURES and OTHER FINANCING USES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>EXPENDITURES (Continued)</u>					
Support Services (Continued):					
<u>Business Services</u>					
Salaries	\$ 410,000	\$ 17,000	\$ 427,000	\$ 425,854	\$ 1,146
Employee Benefits	300,300	(5,000)	295,300	293,127	2,173
Purchased Professional and Technical Services	50,000	10,000	60,000	59,089	911
Purchased Property Services	13,850	-	13,850	11,099	2,751
Other Purchased Services	45,000	(3,000)	42,000	39,639	2,361
Supplies	12,500	3,000	15,500	14,900	600
Property and Equipment	1,500	(1,500)	-	-	-
Other Objects	<u>6,500</u>	<u>6,500</u>	<u>13,000</u>	<u>11,885</u>	<u>1,115</u>
<u>Total Business Services</u>	<u>839,650</u>	<u>27,000</u>	<u>866,650</u>	<u>855,593</u>	<u>11,057</u>
<u>Operation and Maintenance of Plant Services</u>					
Salaries	1,338,500	(60,000)	1,278,500	1,269,962	8,538
Employee Benefits	849,249	(107,000)	742,249	728,082	14,167
Purchased Professional and Technical Services	125,000	22,000	147,000	145,669	1,331
Purchased Property Services	350,000	195,000	545,000	543,528	1,472
Other Purchased Services	160,000	19,000	179,000	178,524	476
Supplies	1,215,000	(84,000)	1,131,000	1,125,387	5,613
Property and Equipment	25,500	-	25,500	24,533	967
Other Objects	<u>2,250</u>	<u>15,000</u>	<u>17,250</u>	<u>16,572</u>	<u>678</u>
<u>Total Operation and Maintenance of Plant Services</u>	<u>4,065,499</u>	<u>-</u>	<u>4,065,499</u>	<u>4,032,257</u>	<u>33,242</u>
<u>Pupil Transportation Services</u>					
Salaries	192,000	(50,000)	142,000	127,006	14,994
Employee Benefits	119,000	(25,000)	94,000	83,744	10,256
Purchased Professional and Technical Services	10,250	500	10,750	10,469	281
Purchased Property Services	38,000	(20,000)	18,000	15,549	2,451
Other Purchased Services	3,262,000	360,000	3,622,000	3,619,032	2,968
Supplies	10,250	-	10,250	6,628	3,622
Property and Equipment	50,000	(48,000)	2,000	-	2,000
Other Objects	<u>1,000</u>	<u>(500)</u>	<u>500</u>	<u>226</u>	<u>274</u>
<u>Total Pupil Transportation Services</u>	<u>\$ 3,682,500</u>	<u>\$ 217,000</u>	<u>\$ 3,899,500</u>	<u>\$ 3,862,654</u>	<u>\$ 36,846</u>



Solanco School District  
SCHEDULE of GENERAL FUND EXPENDITURES and OTHER FINANCING USES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>EXPENDITURES (Continued)</u>					
Support Services (Continued):					
<u>Central Support Services</u>					
Salaries	\$ 408,262	\$ (33,000)	\$ 375,262	\$ 372,695	\$ 2,567
Employee Benefits	263,512	(13,000)	250,512	247,995	2,517
Purchased Professional and Technical Services	187,000	(18,000)	169,000	165,317	3,683
Purchased Property Services	10,000	(4,000)	6,000	3,198	2,802
Other Purchased Services	25,600	(10,000)	15,600	11,420	4,180
Supplies	24,500	266,000	290,500	288,620	1,880
Property and Equipment	8,500	(6,000)	2,500	54	2,446
Other Objects	<u>6,450</u>	<u>(2,000)</u>	<u>4,450</u>	<u>2,160</u>	<u>2,290</u>
<u>Total Central Support Services</u>	<u>933,824</u>	<u>180,000</u>	<u>1,113,824</u>	<u>1,091,459</u>	<u>22,365</u>
<u>Other Support Services</u>					
Other Purchased Services	<u>33,000</u>	<u>(1,000)</u>	<u>32,000</u>	<u>31,817</u>	<u>183</u>
<u>Total Support Services</u>	<u>17,078,456</u>	<u>444,000</u>	<u>17,522,456</u>	<u>17,247,108</u>	<u>275,348</u>
Operation of Noninstructional Services:					
<u>Student Activities</u>					
Salaries	519,600	(21,000)	498,600	496,701	1,899
Employee Benefits	265,240	(32,000)	233,240	232,790	450
Purchased Professional and Technical Services	78,000	20,000	98,000	94,738	3,262
Purchased Property Services	40,000	(18,000)	22,000	20,643	1,357
Other Purchased Services	55,500	41,000	96,500	95,561	939
Supplies	106,500	(1,000)	105,500	104,704	796
Property and Equipment	26,000	13,000	39,000	37,981	1,019
Other Objects	<u>5,500</u>	<u>(2,000)</u>	<u>3,500</u>	<u>2,859</u>	<u>641</u>
<u>Total Student Activities</u>	<u>1,096,340</u>	<u>-</u>	<u>1,096,340</u>	<u>1,085,977</u>	<u>10,363</u>
<u>Community Services</u>					
Salaries	14,000	(6,000)	8,000	6,261	1,739
Employee Benefits	7,137	(3,700)	3,437	1,679	1,758
Purchased Professional and Technical Services	400	1,000	1,400	1,111	289
Other Purchased Services	-	1,700	1,700	1,500	200
Supplies	<u>20,000</u>	<u>26,000</u>	<u>46,000</u>	<u>45,418</u>	<u>582</u>
<u>Total Community Services</u>	<u>41,537</u>	<u>19,000</u>	<u>60,537</u>	<u>55,969</u>	<u>4,568</u>
<u>Total Operation of Noninstructional Services</u>	<u>1,137,877</u>	<u>19,000</u>	<u>1,156,877</u>	<u>1,141,946</u>	<u>14,931</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 54,868,939</u>	<u>\$ (1,115,000)</u>	<u>\$ 53,753,939</u>	<u>\$ 51,772,912</u>	<u>\$ 1,981,027</u>

(Continued)

Solanco School District  
SCHEDULE of GENERAL FUND EXPENDITURES and OTHER FINANCING USES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2019  
(Continued)

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>OTHER FINANCING USES</u>					
Transfers Out	\$ 4,000,000	\$ 1,365,000	\$ 5,365,000	\$ 5,363,484	\$ 1,516
Budgetary Reserve	<u>250,000</u>	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Uses</u>	<u>4,250,000</u>	<u>1,115,000</u>	<u>5,365,000</u>	<u>5,363,484</u>	<u>1,516</u>
 <u>TOTAL EXPENDITURES and</u>					
<u>OTHER FINANCING USES</u>	\$ <u>59,118,939</u>	\$ <u>-</u>	\$ <u>59,118,939</u>	\$ <u>57,136,396</u>	\$ <u>1,982,543</u>

## CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for financial resources that are restricted, committed or assigned for capital outlay expenditures. Two sub-funds are included in this fund category:

Capital Reserve Sub-Fund - Accounts for moneys transferred during any fiscal year from General Fund appropriations with surplus money assigned by the school board for capital improvements, replacement, additions and deferred maintenance.

Construction Project Sub-Fund - Accounts for expenditures associated with the construction, addition or replacement of buildings paid from bonds or notes obtained for these projects.

Solanco School District  
COMBINING BALANCE SHEET SCHEDULE - GOVERNMENTAL FUNDS -  
CAPITAL PROJECT FUND  
June 30, 2019

	Construction Project Sub-Fund	Capital Reserve Sub-Fund	Total Capital Project Fund
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,006,536	\$ 4,650,867	\$ 5,657,403
Accounts Receivable	-	85,840	85,840
Due From Other Funds	-	2,432,495	2,432,495
Prepaid Items	-	25,762	25,762
<u>TOTAL ASSETS</u>	<u>1,006,536</u>	<u>7,194,964</u>	<u>8,201,500</u>
<u>LIABILITIES</u>			
Accounts Payable	-	1,488,624	1,488,624
<u>TOTAL LIABILITIES</u>	<u>-</u>	<u>1,488,624</u>	<u>1,488,624</u>
<u>FUND BALANCES</u>			
Nonspendable	-	25,762	25,762
Restricted	1,006,536	-	1,006,536
Assigned	-	5,680,578	5,680,578
<u>TOTAL FUND BALANCES</u>	<u>1,006,536</u>	<u>5,706,340</u>	<u>6,712,876</u>
<u>TOTAL LIABILITIES and FUND</u>			
<u>BALANCES</u>	\$ <u>1,006,536</u>	\$ <u>7,194,964</u>	\$ <u>8,201,500</u>

Solanco School District  
COMBINING SCHEDULE of REVENUES, EXPENDITURES, and  
CHANGES in FUND BALANCE - GOVERNMENTAL FUNDS - CAPITAL PROJECT FUND  
Year Ended June 30, 2019

	<u>Construction Project Sub-Fund</u>	<u>Capital Reserve Sub-Fund</u>	<u>Total Capital Project Fund</u>
<u>REVENUES</u>			
Investment Earnings	\$ 63,655	\$ 215,764	\$ 279,419
Other Revenue	<u>-</u>	<u>185</u>	<u>185</u>
<u>Total Revenues</u>	<u>63,655</u>	<u>215,949</u>	<u>279,604</u>
<u>EXPENDITURES</u>			
Capital Outlay:			
Facilities Acquisition, Construction, and Improvement Services	<u>7,963,188</u>	<u>9,923,689</u>	<u>17,886,877</u>
Debt Service:			
Fiscal Charges	<u>112</u>	<u>-</u>	<u>112</u>
<u>Total Expenditures</u>	<u>7,963,300</u>	<u>9,923,689</u>	<u>17,886,989</u>
<u>DEFICIENCY of REVENUES over EXPENDITURES</u>	(7,899,645)	(9,707,740)	(17,607,385)
<u>OTHER FINANCING SOURCES</u>			
Insurance Recoveries	-	37,374	37,374
Issuance of Debt	1,000,000	-	1,000,000
Transfers in (out)	<u>-</u>	<u>2,432,495</u>	<u>2,432,495</u>
<u>Total Other Financing Sources</u>	<u>1,000,000</u>	<u>2,469,869</u>	<u>3,469,869</u>
<u>NET CHANGES in FUND BALANCES</u>	(6,899,645)	(7,237,871)	(14,137,516)
FUND BALANCES - Beginning of Year	<u>7,906,181</u>	<u>12,944,211</u>	<u>20,850,392</u>
<u>FUND BALANCES - End of Year</u>	\$ <u><u>1,006,536</u></u>	\$ <u><u>5,706,340</u></u>	\$ <u><u>6,712,876</u></u>

## PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of services on a cost reimbursement basis provided by one department to other departments of the School District. Two funds are included in this fund category:

Self-Insurance Hospitalization Fund - Accounts for the collection of premiums and disbursement of claims and other benefit costs for the medical coverage provided to employees through the insurance consortium with the Lancaster-Lebanon Intermediate Unit 13 and to the hospitalization plan administrator, Health Assurance.

Self-Insurance Unemployment Compensation Fund - Accounts for the payment of the School District's unemployment claims and related costs in lieu of participation in the state fund.

Solanco School District  
COMBINING STATEMENT of NET POSITION -  
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS  
June 30, 2019

	<u>Hospitalization Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Internal Service Funds</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,786,002	\$ 43,244	\$ 1,829,246
Investments	1,726,000	100,000	1,826,000
Other Receivables	26,342	2,585	28,927
Prepaid Items	<u>34,375</u>	<u>-</u>	<u>34,375</u>
 <u>TOTAL ASSETS</u>	 <u>3,572,719</u>	 <u>145,829</u>	 <u>3,718,548</u>
 <u>LIABILITIES</u>			
Current Liabilities:			
Claims Payable	<u>215,989</u>	<u>2,564</u>	<u>218,553</u>
 <u>TOTAL CURRENT LIABILITIES</u>	 <u>215,989</u>	 <u>2,564</u>	 <u>218,553</u>
 <u>NET POSITION</u>			
Unrestricted	\$ <u><u>3,356,730</u></u>	\$ <u><u>143,265</u></u>	\$ <u><u>3,499,995</u></u>

Solanco School District  
COMBINING STATEMENT of REVENUES, EXPENSES, and  
CHANGES in NET POSITION - PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS  
Year Ended June 30, 2019

	Hospitalization Fund	Unemployment Compensation Fund	Total Internal Service Funds
<u>OPERATING REVENUES</u>			
Charges for Services	\$ 5,197,696	\$ -	\$ 5,197,696
<u>Total Operating Revenues</u>	<u>5,197,696</u>	<u>-</u>	<u>5,197,696</u>
<u>OPERATING EXPENSES</u>			
Employee Benefits	5,014,256	10,605	5,024,861
Purchased Professional and Technical Service	<u>206,298</u>	<u>2,097</u>	<u>208,395</u>
<u>Total Operating Expenses</u>	<u>5,220,554</u>	<u>12,702</u>	<u>5,233,256</u>
<u>OPERATING LOSS</u>	(22,858)	(12,702)	(35,560)
<u>NONOPERATING REVENUES</u>			
Investments Earnings	<u>75,205</u>	<u>3,473</u>	<u>78,678</u>
<u>Total Nonoperating Revenues</u>	<u>75,205</u>	<u>3,473</u>	<u>78,678</u>
Transfers in	<u>-</u>	<u>25,000</u>	<u>25,000</u>
<u>CHANGES in NET POSITION</u>	52,347	15,771	68,118
<u>NET POSITION</u> - Beginning of Year	<u>3,304,383</u>	<u>127,494</u>	<u>3,431,877</u>
<u>NET POSITION</u> - End of Year	\$ <u><u>3,356,730</u></u>	\$ <u><u>143,265</u></u>	\$ <u><u>3,499,995</u></u>



Solanco School District  
COMBINING STATEMENT of CASH FLOWS -  
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS  
Year Ended June 30, 2019

	Hospitalization Fund	Unemployment Compensation Fund	Total Internal Service Funds
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<u>CASH FLOWS from OPERATING ACTIVITIES</u>			
Cash Received from Assessments Made to Other Funds	\$ 5,325,897	\$ -	\$ 5,325,897
Cash Payments for Insurance Services	(5,116,899)	(8,080)	(5,124,979)
Cash Payments for Other Operating Expenses	(208,998)	(2,097)	(211,095)
<u>Net Cash Used by Operating Activities</u>	<u>-</u>	<u>(10,177)</u>	<u>(10,177)</u>
<u>CASH FLOWS from NONCAPITAL FINANCING ACTIVITIES</u>			
Transfer in from Other Funds	<u>-</u>	<u>25,000</u>	<u>25,000</u>
<u>CASH FLOWS from INVESTING ACTIVITIES</u>			
Investment Earnings	67,277	2,494	69,771
Deposits to Investment Pools	1,461,271	-	1,461,271
<u>Net Cash Provided by Investing Activities</u>	<u>1,528,548</u>	<u>2,494</u>	<u>1,531,042</u>
<u>DECREASE in CASH and CASH EQUIVALENTS</u>	1,528,548	17,317	1,545,865
<u>CASH and CASH EQUIVALENTS</u>			
Beginning of Year	257,454	25,927	283,381
End of Year	<u>1,786,002</u>	<u>43,244</u>	<u>1,829,246</u>
<u>RECONCILIATION of OPERATING LOSS</u>			
<u>to NET CASH USED by OPERATING ACTIVITIES</u>			
Operating Loss	<u>(22,858)</u>	<u>(12,702)</u>	<u>(35,560)</u>
<u>ADJUSTMENTS to RECONCILE OPERATING LOSS</u>			
<u>to NET CASH USED by OPERATING</u>			
<u>ACTIVITIES</u>			
Increase in Accounts Receivables	128,201	-	128,201
Increase in Prepaid Items	(2,700)	-	(2,700)
(Decrease) in Accounts and Claims Payable	(102,643)	2,525	(100,118)
<u>Total Adjustments</u>	<u>22,858</u>	<u>2,525</u>	<u>25,383</u>
<u>Net Cash Used by Operating Activities</u>	\$ <u>-</u>	<u>(10,177)</u>	\$ <u>(10,177)</u>

## FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS AND AGENCY FUNDS

Private Purpose Trust Funds are used to account for assets held by the School District in a trustee capacity. Numerous funds are included in this fund category. One fund, the Daniel Keys Maintenance Fund, is used to account for the upkeep of a donated exhibit. The other funds are used to account for the accumulation of resources for and payment of awarded scholarships.

Agency Funds are used to account for assets held by the School District as an agent for individuals or groups. An agency fund is reflected solely on the combined balance sheet of the School District in accordance with its nature. Each of the School District's seven school buildings maintains an agency fund for monies obtained as a result of student fundraising efforts or student activities. The monies belong to the student groups performing the fundraising activities.

Solanco School District  
 COMBINING STATEMENT of NET POSITION -  
 FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
 June 30, 2019

	William W. Avis, Jr. Memorial Scholarship Trust Fund	Bair-Helm Scholarship Trust Fund	Chalala Family Scholarship Trust Fund	Richard Cummings Memorial Scholarship Trust Fund	Private Purpose Trust Fund Subtotals
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 3,709	\$ 6,888	\$ 28,038	\$ 81,573	\$ 120,208
Investments	<u>2,343</u>	<u>4,352</u>	<u>17,715</u>	<u>51,539</u>	<u>75,949</u>
<u>TOTAL ASSETS</u>	<u>6,052</u>	<u>11,240</u>	<u>45,753</u>	<u>133,112</u>	<u>196,157</u>
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	<u>500</u>	<u>250</u>	<u>550</u>	<u>24,000</u>	<u>25,300</u>
<u>NET POSITION</u>					
Restricted for Scholarships	5,552	10,990	45,203	109,112	170,857
Restricted for Exhibition Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL NET POSITION</u>	\$ <u><u>5,552</u></u>	\$ <u><u>10,990</u></u>	\$ <u><u>45,203</u></u>	\$ <u><u>109,112</u></u>	\$ <u><u>170,857</u></u>

Solanco School District  
 COMBINING STATEMENT of NET POSITION -  
 FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
 June 30, 2019

	William Day Memorial Scholarship Trust Fund	Michael DeBerdine Scholarship Trust Fund	Farm Women #15 Scholarship Trust Fund	Hershey Music Scholarship Trust Fund	Private Purpose Trust Fund Subtotals
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 447	\$ 10,303	\$ -	\$ 11,329	\$ 22,079
Investments	<u>282</u>	<u>6,510</u>	<u>-</u>	<u>7,158</u>	<u>13,950</u>
<u>TOTAL ASSETS</u>	<u>729</u>	<u>16,813</u>	<u>-</u>	<u>18,487</u>	<u>36,029</u>
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>1,200</u>	<u>3,200</u>
<u>NET POSITION</u>					
Restricted for Scholarships	729	14,813	-	17,287	32,829
Restricted for Exhibition Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL NET POSITION</u>	\$ <u><u>729</u></u>	\$ <u><u>14,813</u></u>	\$ <u><u>-</u></u>	\$ <u><u>17,287</u></u>	\$ <u><u>32,829</u></u>

Solanco School District  
 COMBINING STATEMENT of NET POSITION -  
 FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
 June 30, 2019

	Daniel Keys Maintenance Trust Fund	Alice Kirk Kyle Scholarship Trust Fund	Earl Linton Memorial Agriculture Scholarship Trust Fund	Charlene Musselman Music Scholarship Trust Fund	Private Purpose Trust Fund Subtotals
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 2,494	\$ 898	\$ 1,591	\$ 9,669	\$ 14,652
Investments	<u>1,576</u>	<u>567</u>	<u>1,005</u>	<u>6,109</u>	<u>9,257</u>
<u>TOTAL ASSETS</u>	<u>4,070</u>	<u>1,465</u>	<u>2,596</u>	<u>15,778</u>	<u>23,909</u>
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	<u>-</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</u>
<u>NET POSITION</u>					
Restricted for Scholarships	-	1,465	2,296	15,778	19,539
Restricted for Exhibition Costs	<u>4,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,070</u>
<u>TOTAL NET POSITION</u>	\$ <u>4,070</u>	\$ <u>1,465</u>	\$ <u>2,296</u>	\$ <u>15,778</u>	\$ <u>23,609</u>

Solanco School District  
 COMBINING STATEMENT of NET POSITION -  
 FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
 June 30, 2019

	Ophelia Scholarship Trust Fund	Presting Perserverance Scholarship Trust Fund	Pribitkin-Day Scholarship Trust Fund	Jeffrey Roth Memorial Scholarship Trust Fund	Private Purpose Trust Fund Subtotals
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 389	\$ 12,122	\$ 1,457	\$ 16,102	\$ 30,070
Investments	<u>246</u>	<u>7,659</u>	<u>920</u>	<u>10,174</u>	<u>18,999</u>
<u>TOTAL ASSETS</u>	<u>635</u>	<u>19,781</u>	<u>2,377</u>	<u>26,276</u>	<u>49,069</u>
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	<u>300</u>	<u>4,300</u>	<u>100</u>	<u>20,000</u>	<u>24,700</u>
<u>NET POSITION</u>					
Restricted for Scholarships	335	15,481	2,277	6,276	24,369
Restricted for Exhibition Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL NET POSITION</u>	\$ <u>335</u>	\$ <u>15,481</u>	\$ <u>2,277</u>	\$ <u>6,276</u>	\$ <u>24,369</u>

Solanco School District  
 COMBINING STATEMENT of NET POSITION -  
 FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
 June 30, 2019

	Quarryville Elementary Scholarship Trust Fund	Long- Krushinski Scholarship Trust Fund	Solanco Senior High Scholarship Trust Fund	Kathryn Wagner Scholarship Trust Fund	Private Purpose Trust Fund Subtotals
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 1,034	\$ 12,828	\$ 322	\$ 3,457	\$ 17,641
Investments	<u>653</u>	<u>8,105</u>	<u>204</u>	<u>2,184</u>	<u>11,146</u>
<u>TOTAL ASSETS</u>	<u>1,687</u>	<u>20,933</u>	<u>526</u>	<u>5,641</u>	<u>28,787</u>
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	<u>500</u>	<u>500</u>	<u>100</u>	<u>2,000</u>	<u>3,100</u>
<u>NET POSITION</u>					
Restricted for Scholarships	1,187	20,433	426	3,641	25,687
Restricted for Exhibition Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL NET POSITION</u>	\$ <u>1,187</u>	\$ <u>20,433</u>	\$ <u>426</u>	\$ <u>3,641</u>	\$ <u>25,687</u>

Solanco School District  
 COMBINING STATEMENT of NET POSITION -  
 FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
 June 30, 2019

	Wakefield Lions Club Scholarship Trust Fund	Norman Wood Scholarship Trust Fund	Brittany Lynne Wrigley Scholarship Trust Fund	Brian Zug Memorial Scholarship Trust Fund	Private Purpose Trust Fund Subtotals
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 18,697	\$ 12,801	\$ 3,223	\$ 2,715	\$ 37,436
Investments	<u>11,813</u>	<u>8,088</u>	<u>2,036</u>	<u>1,715</u>	<u>23,652</u>
<u>TOTAL ASSETS</u>	<u>30,510</u>	<u>20,889</u>	<u>5,259</u>	<u>4,430</u>	<u>61,088</u>
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	<u>16,000</u>	<u>250</u>	<u>500</u>	<u>-</u>	<u>16,750</u>
<u>NET POSITION</u>					
Restricted for Scholarships	14,510	20,639	4,759	4,430	44,338
Restricted for Exhibition Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL NET POSITION</u>	\$ <u>14,510</u>	\$ <u>20,639</u>	\$ <u>4,759</u>	\$ <u>4,430</u>	\$ <u>44,338</u>



Solanco School District  
COMBINING STATEMENT of NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
June 30, 2019

	Class of 2013 Legacy Scholarship Trust Fund	Class of 2014 Scholarship Trust Fund	Class of 2016 Scholarship Trust Fund	Wyatt Teaman Memorial Scholarship Trust Fund	Private Purpose Trust Fund Subtotals
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 127	\$ 167	\$ 972	\$ 2,602	\$ 3,868
Investments	<u>80</u>	<u>105</u>	<u>614</u>	<u>1,644</u>	<u>2,443</u>
Other Receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>207</u>	<u>272</u>	<u>1,586</u>	<u>4,246</u>	<u>6,311</u>
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	<u>200</u>	<u>270</u>	<u>500</u>	<u>1,000</u>	<u>1,970</u>
<u>NET POSITION</u>					
Restricted for Scholarships	7	2	1,086	3,246	4,341
Restricted for Exhibition Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL NET POSITION</u>	\$ <u>7</u>	\$ <u>2</u>	\$ <u>1,086</u>	\$ <u>3,246</u>	\$ <u>4,341</u>

Solanco School District  
 COMBINING STATEMENT of NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
June 30, 2019

	Clermont Kreeger Scholarship Trust Fund	Private Purpose Trust Fund Totals
	<u>                    </u>	<u>                    </u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 928	\$ 246,882
Investments	587	155,983
Other Receivables	<u>-</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>1,515</u>	<u>402,865</u>
<u>LIABILITIES and NET POSITION</u>		
<u>LIABILITIES</u>		
Accounts Payable	<u>500</u>	<u>75,820</u>
<u>NET POSITION</u>		
Restricted for Scholarships	1,015	322,975
Restricted for Exhibition Costs	<u>-</u>	<u>4,070</u>
<u>TOTAL NET POSITION</u>	<u>\$ 1,015</u>	<u>\$ 327,045</u>

Solanco School District  
COMBINING STATEMENT of CHANGES in NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
Year Ended June 30, 2019

	William W. Avis, Jr. Memorial Scholarship Trust Fund	Bair-Helm Scholarship Trust Fund	Chalala Family Scholarship Trust Fund	Richard Cummings Memorial Scholarship Trust Fund	Private Purpose Trust Fund Subtotals
<u>ADDITIONS</u>					
Gifts and Contributions	\$ -	\$ -	\$ -	\$ 49,615	\$ 49,615
Investment Earnings	<u>169</u>	<u>296</u>	<u>1,200</u>	<u>3,256</u>	<u>4,921</u>
<u>TOTAL ADDITIONS</u>	<u>169</u>	<u>296</u>	<u>1,200</u>	<u>52,871</u>	<u>54,536</u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	500	250	550	51,405	52,705
Administrative and Investment Fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL DEDUCTIONS</u>	<u>500</u>	<u>250</u>	<u>550</u>	<u>51,405</u>	<u>52,705</u>
<u>CHANGES in NET POSITION</u>	(331)	46	650	1,466	1,831
<u>NET POSITION</u> - Beginning of Year	<u>5,883</u>	<u>10,944</u>	<u>44,553</u>	<u>107,646</u>	<u>169,026</u>
<u>NET POSITION</u> - End of Year	\$ <u><u>5,552</u></u>	\$ <u><u>10,990</u></u>	\$ <u><u>45,203</u></u>	\$ <u><u>109,112</u></u>	\$ <u><u>170,857</u></u>

Solanco School District  
COMBINING STATEMENT of CHANGES in NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
Year Ended June 30, 2019

	William Day Memorial Scholarship Trust Fund	Michael DeBerdine Scholarship Trust Fund	Farm Women #15 Scholarship Trust Fund	Bret C. Hershey Music Scholarship Trust Fund	Private Purpose Trust Fund Subtotals
<u>ADDITIONS</u>					
Gifts and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	<u>25</u>	<u>393</u>	<u>14</u>	<u>505</u>	<u>937</u>
<u>TOTAL ADDITIONS</u>	<u>25</u>	<u>393</u>	<u>14</u>	<u>505</u>	<u>937</u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	100	2,000	15	1,200	3,315
Administrative and Investment Fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL DEDUCTIONS</u>	<u>100</u>	<u>2,000</u>	<u>15</u>	<u>1,200</u>	<u>3,315</u>
<u>CHANGES in NET POSITION</u>	(75)	(1,607)	(1)	(695)	(2,378)
<u>NET POSITION - Beginning of Year</u>	<u>804</u>	<u>16,420</u>	<u>1</u>	<u>17,982</u>	<u>35,207</u>
<u>NET POSITION - End of Year</u>	\$ <u>729</u>	\$ <u>14,813</u>	\$ <u>-</u>	\$ <u>17,287</u>	\$ <u>32,829</u>

Solanco School District  
COMBINING STATEMENT of CHANGES in NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
Year Ended June 30, 2019

	Daniel Keys Maintenance Trust Fund	Alice Kirk Kyle Scholarship Trust Fund	Earl Linton Memorial Agriculture Scholarship Trust Fund	Charlene Musselman Music Scholarship Trust Fund	Private Purpose Trust Fund Subtotals
<u>ADDITIONS</u>					
Gifts and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	<u>107</u>	<u>131</u>	<u>72</u>	<u>419</u>	<u>729</u>
<u>TOTAL ADDITIONS</u>	<u>107</u>	<u>131</u>	<u>72</u>	<u>419</u>	<u>729</u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	-	-	300	-	300
Administrative and Investment Fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL DEDUCTIONS</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</u>
<u>CHANGES in NET POSITION</u>	107	131	(228)	419	429
<u>NET POSITION - Beginning of Year</u>	<u>3,963</u>	<u>1,334</u>	<u>2,524</u>	<u>15,359</u>	<u>23,180</u>
<u>NET POSITION - End of Year</u>	\$ <u>4,070</u>	\$ <u>1,465</u>	\$ <u>2,296</u>	\$ <u>15,778</u>	\$ <u>23,609</u>

Solanco School District  
COMBINING STATEMENT of CHANGES in NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
Year Ended June 30, 2019

	<u>Ophelia Scholarship Trust Fund</u>	<u>Presting Perserverance Scholarship Trust Fund</u>	<u>Pribitkin-Day Scholarship Trust Fund</u>	<u>Jeffrey Roth Memorial Scholarship Trust Fund</u>	<u>Private Purpose Trust Fund Subtotals</u>
<u>ADDITIONS</u>					
Gifts and Contributions	\$ -	\$ -	\$ -	\$ 500	\$ 500
Investment Earnings	<u>16</u>	<u>523</u>	<u>55</u>	<u>684</u>	<u>1,278</u>
<u>TOTAL ADDITIONS</u>	<u>16</u>	<u>523</u>	<u>55</u>	<u>1,184</u>	<u>5,709</u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	300	4,300	100	8,000	12,700
Administrative and Investment Fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL DEDUCTIONS</u>	<u>300</u>	<u>4,300</u>	<u>100</u>	<u>8,000</u>	<u>12,700</u>
<u>CHANGES in NET POSITION</u>	(284)	(3,777)	(45)	(6,816)	(6,991)
<u>NET POSITION</u> - Beginning of Year	<u>619</u>	<u>19,258</u>	<u>2,322</u>	<u>13,092</u>	<u>35,291</u>
<u>NET POSITION</u> - End of Year	\$ <u>335</u>	\$ <u>15,481</u>	\$ <u>2,277</u>	\$ <u>6,276</u>	\$ <u>28,300</u>

Solanco School District  
COMBINING STATEMENT of CHANGES in NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
Year Ended June 30, 2019

	Quarryville Elementary Scholarship Trust Fund	Long- Krushinski Scholarship Trust Fund	Solanco Senior High Scholarship Trust Fund	Kathryn Wagner Scholarship Trust Fund	Private Purpose Trust Fund Subtotals
<u>ADDITIONS</u>					
Gifts and Contributions	\$ -	\$ -	\$ 15	\$ -	\$ 15
Investment Earnings	<u>51</u>	<u>487</u>	<u>16</u>	<u>169</u>	<u>723</u>
<u>TOTAL ADDITIONS</u>	<u>51</u>	<u>487</u>	<u>31</u>	<u>169</u>	<u>738</u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	500	500	100	1,000	2,100
Administrative and Investment Fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL DEDUCTIONS</u>	<u>500</u>	<u>500</u>	<u>100</u>	<u>1,000</u>	<u>2,100</u>
<u>CHANGES in NET POSITION</u>	(449)	(13)	(69)	(831)	(1,362)
<u>NET POSITION</u> - Beginning of Year	<u>1,636</u>	<u>20,446</u>	<u>495</u>	<u>4,472</u>	<u>27,049</u>
<u>NET POSITION</u> - End of Year	\$ <u>1,187</u>	\$ <u>20,433</u>	\$ <u>426</u>	\$ <u>3,641</u>	\$ <u>25,687</u>

Solanco School District  
COMBINING STATEMENT of CHANGES in NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
Year Ended June 30, 2019

	<u>Wakefield Lions Club Scholarship Trust Fund</u>	<u>Norman Wood Scholarship Trust Fund</u>	<u>Brittany Lynne Wrigley Scholarship Trust Fund</u>	<u>Brian Zug Memorial Scholarship Trust Fund</u>	<u>Private Purpose Trust Fund Subtotals</u>
<u>ADDITIONS</u>					
Gifts and Contributions	\$ (939)	\$ -	\$ -	\$ -	\$ (939)
Investment Earnings	<u>721</u>	<u>550</u>	<u>145</u>	<u>118</u>	<u>1,534</u>
<u>TOTAL ADDITIONS</u>	<u>(218)</u>	<u>550</u>	<u>145</u>	<u>118</u>	<u>595</u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	-	250	500	800	1,550
Administrative and Investment Fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL DEDUCTIONS</u>	<u>-</u>	<u>250</u>	<u>500</u>	<u>800</u>	<u>1,550</u>
<u>CHANGES in NET POSITION</u>	(218)	300	(355)	(682)	(955)
<u>NET POSITION - Beginning of Year</u>	<u>14,728</u>	<u>20,339</u>	<u>5,114</u>	<u>5,112</u>	<u>45,293</u>
<u>NET POSITION - End of Year</u>	\$ <u>14,510</u>	\$ <u>20,639</u>	\$ <u>4,759</u>	\$ <u>4,430</u>	\$ <u>44,338</u>



Solanco School District  
COMBINING STATEMENT of CHANGES in NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
Year Ended June 30, 2019

	Class of 2013 Legacy Scholarship Trust Fund	Class of 2014 Scholarship Trust Fund	Class of 2016 Scholarship Trust Fund	Wyatt Teaman Memorial Scholarship Trust Fund	Private Purpose Trust Fund Subtotals
<u>ADDITIONS</u>					
Gifts and Contributions	\$ 201	\$ -	\$ -	\$ 5,175	\$ 5,376
Investment Earnings	<u>5</u>	<u>10</u>	<u>37</u>	<u>71</u>	<u>123</u>
<u>TOTAL ADDITIONS</u>	<u>206</u>	<u>10</u>	<u>37</u>	<u>5,246</u>	<u>5,499</u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	200	10	500	2,000	2,710
Administrative and Investment Fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL DEDUCTIONS</u>	<u>200</u>	<u>10</u>	<u>500</u>	<u>2,000</u>	<u>2,710</u>
<u>CHANGES in NET POSITION</u>	6	-	(463)	3,246	2,789
<u>NET POSITION</u> - Beginning of Year	<u>1</u>	<u>2</u>	<u>1,549</u>	<u>-</u>	<u>1,552</u>
<u>NET POSITION</u> - End of Year	\$ <u><u>7</u></u>	\$ <u><u>2</u></u>	\$ <u><u>1,086</u></u>	\$ <u><u>3,246</u></u>	\$ <u><u>4,341</u></u>

Solanco School District  
COMBINING STATEMENT of CHANGES in NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
Year Ended June 30, 2019

	Clermont Kreeger Scholarship Trust Fund	Private Purpose Trust Fund Totals
	<u>                    </u>	<u>                    </u>
<u>ADDITIONS</u>		
Gifts and Contributions	\$ 1,500	\$ 56,067
Investment Earnings	<u>15</u>	<u>10,260</u>
<u>TOTAL ADDITIONS</u>	<u>1,515</u>	<u>66,327</u>
<u>DEDUCTIONS</u>		
Scholarships Awarded	500	75,880
Administrative and Investment Fees	<u>-</u>	<u>-</u>
<u>TOTAL DEDUCTIONS</u>	<u>500</u>	<u>75,880</u>
<u>CHANGES in NET POSITION</u>	1,015	(9,553)
<u>NET POSITION</u> - Beginning of Year	<u>-</u>	<u>336,598</u>
<u>NET POSITION</u> - End of Year	\$ <u><u>1,015</u></u>	\$ <u><u>327,045</u></u>

Solanco School District  
COMBINING STATEMENT of CHANGES in ASSETS and LIABILITIES -  
FIDUCIARY FUNDS - AGENCY FUNDS  
Year Ended June 30, 2019

	July 1, 2018 Balances	Receipts	Disbursements	June 30, 2019 Balances
<u>BART COLERAIN ELEMENTARY SCHOOL</u>				
<u>ACTIVITIES FUND:</u>				
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 629	\$ 338	\$ 967	\$ -
<u>LIABILITIES</u>				
Accounts Payable	629	338	967	-
<u>CLERMONT ELEMENTARY SCHOOL</u>				
<u>ACTIVITIES FUND:</u>				
<u>ASSETS</u>				
Cash and Cash Equivalents	2,342	2,486	4,828	-
<u>LIABILITIES</u>				
Accounts Payable	2,342	2,486	4,828	-
<u>PROVIDENCE ELEMENTARY SCHOOL</u>				
<u>ACTIVITIES FUND:</u>				
<u>ASSETS</u>				
Cash and Cash Equivalents	577	1,864	2,441	-
<u>LIABILITIES</u>				
Accounts Payable	577	1,864	2,441	-
<u>QUARRYVILLE ELEMENTARY SCHOOL</u>				
<u>ACTIVITIES FUND:</u>				
<u>ASSETS</u>				
Cash and Cash Equivalents	3,660	3,606	7,266	-
<u>LIABILITIES</u>				
Accounts Payable	\$ 3,660	\$ 3,606	\$ 7,266	\$ -

Solanco School District  
COMBINING STATEMENT of CHANGES in ASSETS and LIABILITIES -  
FIDUCIARY FUNDS - AGENCY FUNDS  
Year Ended June 30, 2019  
(Continued)

	July 1, 2018			June 30, 2019
	<u>Balances</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balances</u>
<u>GEORGE A. SMITH MIDDLE SCHOOL</u>				
<u>ACTIVITIES FUND:</u>				
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 10,266	\$ 124,514	\$ 118,352	\$ 16,428
<u>LIABILITIES</u>				
Accounts Payable	10,266	124,514	118,352	16,428
<u>SWIFT MIDDLE SCHOOL ACTIVITIES FUND:</u>				
<u>ASSETS</u>				
Cash and Cash Equivalents	13,565	53,620	52,929	14,256
<u>LIABILITIES</u>				
Accounts Payable	13,565	53,620	52,929	14,256
<u>SOLANCO HIGH SCHOOL ACTIVITIES FUND:</u>				
<u>ASSETS</u>				
Cash and Cash Equivalents	91,019	155,121	147,134	99,006
<u>LIABILITIES</u>				
Accounts Payable	91,019	155,121	147,134	99,006
<u>TOTAL ALL ACTIVITIES FUNDS:</u>				
<u>ASSETS</u>				
Cash and Cash Equivalents	122,058	341,549	333,917	129,690
<u>LIABILITIES</u>				
Accounts Payable	\$ 122,058	\$ 341,549	\$ 333,917	\$ 129,690

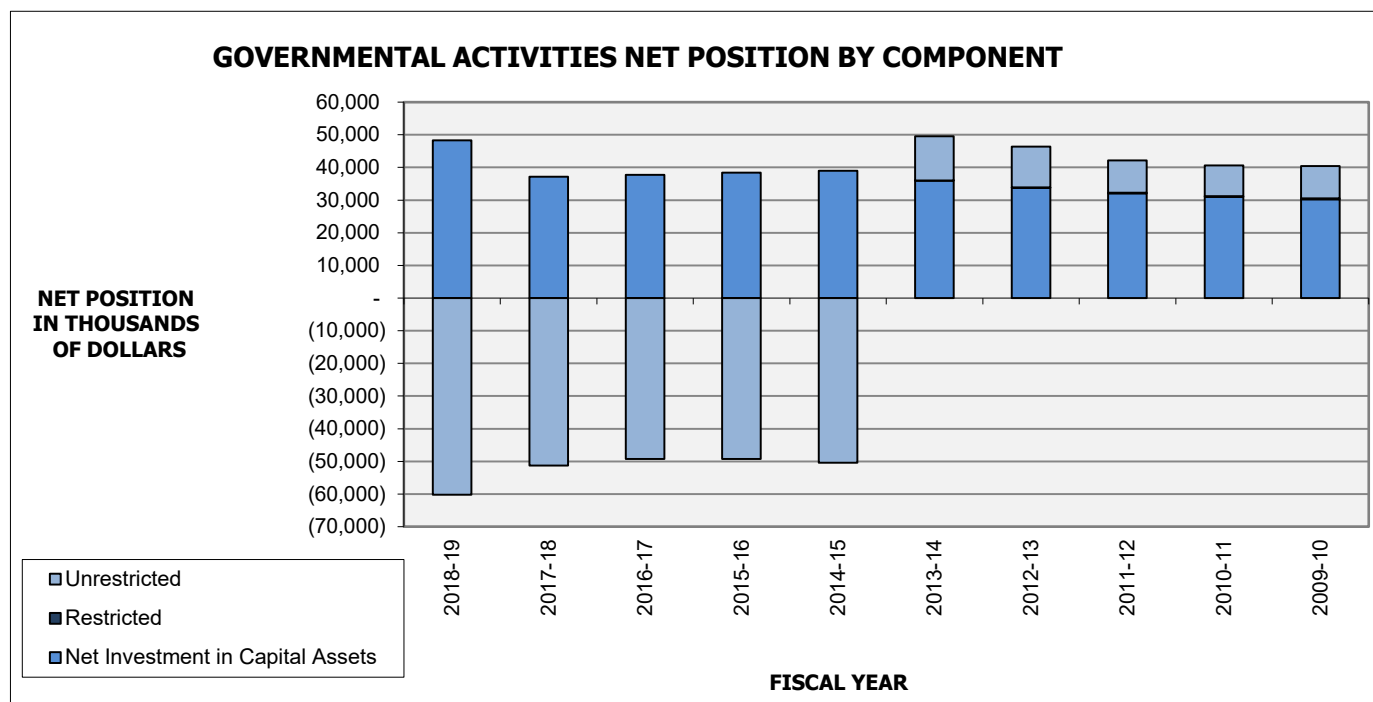
# STATISTICAL SECTION

This part of the Solanco School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the school district's overall financial health.

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b><u>Financial Trends</u></b> These schedules contain trend information to help the reader understand how the school district's financial performance and well-being have changed over time.	S - 2 to S - 23
<b><u>Revenue Capacity</u></b> These schedules contain information to help the reader assess the school district's most significant local revenue source – property tax.	S - 24 to S - 32
<b><u>Debt Capacity</u></b> These schedules present information to help the reader assess the affordability of the school district's current levels of outstanding debt and the school district's ability to issue additional debt in the future.	S - 33 to S - 39
<b><u>Demographic and Economic Information</u></b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the school district's financial activities take place.	S - 40 to S - 45
<b><u>Operating Information</u></b> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the school district provides and the activities it performs.	S - 46 to S - 52
<b><u>Glossary of Terms</u></b> The glossary contains definitions of terms used in this report and additional terms that enhance the understanding of financial accounting procedures for school districts.	S - 53 to S - 60

**SOLANCO SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
NET INVESTMENT IN CAPITAL ASSETS	\$ 48,303,438	\$ 38,375,747	\$ 37,780,225	\$ 38,439,441
RESTRICTED	-	-	-	-
UNRESTRICTED	(60,228,152)	(52,511,264)	(49,289,514)	(49,294,020)
TOTAL GOVERNMENTAL ACTIVITIES				
NET POSITION	(11,924,714)	(14,135,517)	(11,509,289)	(10,854,579)
<b>BUSINESS-TYPE ACTIVITIES</b>				
NET INVESTMENT IN CAPITAL ASSETS	71,995	79,620	69,515	89,230
UNRESTRICTED	(528,803)	(558,047)	(495,448)	(638,122)
TOTAL BUSINESS-TYPE ACTIVITIES				
NET POSITION	(456,808)	(478,427)	(425,933)	(548,892)
<b>PRIMARY GOVERNMENT</b>				
NET INVESTMENT IN CAPITAL ASSETS	48,375,433	38,455,367	37,849,741	38,528,671
RESTRICTED	-	-	-	-
UNRESTRICTED	(60,756,955)	(53,069,311)	(49,784,962)	(49,932,142)
TOTAL PRIMARY GOVERNMENT				
NET POSITION	\$ (12,381,522)	\$ (14,613,944)	\$ (11,935,221)	\$ (11,403,471)



SOURCE: SOLANCO SCHOOL DISTRICT STATEMENT OF NET POSITION

NOTE: GASB STATEMENT NO. 68 - ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS WAS IMPLEMENTED DURING THE 2014-15 FISCAL YEAR, RESULTING IN A NEGATIVE UNRESTRICTED NET POSITION.

**SOLANCO SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)  
(Continued)

<u><b>2014-15</b></u>	<u><b>2013-14</b></u>	<u><b>2012-13</b></u>	<u><b>2011-12</b></u>	<u><b>2010-11</b></u>	<u><b>2009-10</b></u>
\$ 38,991,741	\$ 36,000,457	\$ 33,767,284	\$ 32,106,890	\$ 31,016,096	\$ 30,288,679
-	37,500	112,550	173,236	229,287	280,522
<u>(50,417,947)</u>	<u>13,497,936</u>	<u>12,467,170</u>	<u>9,911,689</u>	<u>9,420,096</u>	<u>9,870,989</u>
<u>(11,426,206)</u>	<u>49,535,893</u>	<u>46,347,004</u>	<u>42,191,815</u>	<u>40,665,479</u>	<u>40,440,190</u>
68,679	86,001	102,732	124,608	142,554	115,846
<u>(731,349)</u>	<u>478,036</u>	<u>330,598</u>	<u>304,952</u>	<u>83,882</u>	<u>60,597</u>
<u>(662,670)</u>	<u>564,037</u>	<u>433,330</u>	<u>429,560</u>	<u>226,436</u>	<u>176,443</u>
39,060,420	36,086,458	33,870,016	32,231,498	31,158,650	30,404,525
-	37,500	112,550	173,236	229,287	280,522
<u>(51,149,296)</u>	<u>13,975,972</u>	<u>12,797,768</u>	<u>10,216,641</u>	<u>9,503,978</u>	<u>9,931,586</u>
\$ <u>(12,088,876)</u>	\$ <u>50,099,930</u>	\$ <u>46,780,334</u>	\$ <u>42,621,375</u>	\$ <u>40,891,915</u>	\$ <u>40,616,633</u>

**SOLANCO SCHOOL DISTRICT**  
**CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

	<u><b>2018-19</b></u>	<u><b>2017-18</b></u>	<u><b>2016-17</b></u>
<b>GOVERNMENTAL ACTIVITIES</b>			
<b>PROGRAM REVENUES</b>			
CHARGES FOR SERVICES			
SCHOOL TUITION	\$ 7,258	\$ 10,521	\$ 19,038
STUDENT ACTIVITIES	65,375	65,081	47,953
LOCAL TRANSPORTATION FEES	2,728	7,002	11,794
MISCELLANEOUS CHARGES	96,667	82,263	95,572
OPERATING GRANTS AND CONTRIBUTIONS			
INSTRUCTION	9,496,339	9,015,263	8,669,160
INSTRUCTIONAL STUDENT SUPPORT	668,961	723,332	778,429
ADMINISTRATIVE AND FINANCIAL SUPPORT	467,347	545,029	493,844
OPERATION AND MAINTENANCE OF PLANT SERVICES	354,124	383,204	278,209
PUPIL TRANSPORTATION	2,071,755	2,107,818	1,950,835
STUDENT ACTIVITIES	101,966	102,221	91,699
COMMUNITY SERVICES	807	42,551	39,796
CAPITAL GRANTS AND CONTRIBUTIONS	38,205	12,195	234,860
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	<u>13,371,532</u>	<u>13,096,480</u>	<u>12,711,189</u>
<b>PROGRAM EXPENSES</b>			
INSTRUCTION	35,259,206	35,905,182	36,038,371
INSTRUCTIONAL STUDENT SUPPORT	4,716,596	4,538,968	4,682,552
ADMINISTRATIVE AND FINANCIAL SUPPORT	5,142,579	5,002,233	4,817,625
OPERATION AND MAINTENANCE OF PLANT SERVICES	4,465,921	4,056,931	3,933,764
PUPIL TRANSPORTATION	4,029,687	3,774,144	3,795,429
STUDENT ACTIVITIES	1,142,097	1,139,339	1,070,669
COMMUNITY SERVICES	56,068	56,026	38,034
INTEREST ON LONG-TERM DEBT	465,906	224,279	-
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM EXPENSES	<u>55,278,060</u>	<u>54,697,102</u>	<u>54,376,444</u>
NET GOVERNMENTAL ACTIVITIES PROGRAM EXPENSE	(41,906,528)	(41,600,622)	(41,665,255)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>			
TAXES:			
PROPERTY TAXES, NET	25,553,857	24,449,549	23,497,238
EARNED INCOME TAXES, NET	7,652,775	7,325,951	7,297,915
OTHER TAXES, NET	31,802	30,776	32,429
UNRESTRICTED GRANTS AND SUBSIDIES	10,148,447	10,097,407	10,019,564
INVESTMENT EARNINGS	691,387	441,094	147,759
MISCELLANEOUS INCOME	39,063	436,617	15,640
<b>TRANSFERS</b>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GOVERNMENTAL ACTIVITIES			
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	<u>44,117,331</u>	<u>42,781,394</u>	<u>41,010,545</u>
<b>TOTAL CHANGE IN NET POSITION</b>	\$ <u><b>2,210,803</b></u>	\$ <u><b>1,180,772</b></u>	\$ <u><b>(654,710)</b></u>

SOURCE: SOLANCO SCHOOL DISTRICT STATEMENT OF ACTIVITIES

NOTE: GASB STATEMENT NO. 68 - ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS WAS IMPLEMENTED DURING 2014-15 FISCAL YEAR



**SOLANCO SCHOOL DISTRICT**  
**CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)  
(Continued)

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
\$ 34,757	\$ 24,736	\$ 29,539	\$ 38,457	\$ 42,155	\$ 89,556	\$ 106,646
55,285	43,371	43,449	48,068	50,803	54,876	68,165
17,627	29,216	24,535	72,250	28,185	50,746	42,504
50,895	50,607	38,417	52,582	47,735	46,287	36,005
8,027,444	7,832,616	7,331,175	6,806,309	6,293,665	8,426,284	8,312,433
671,360	605,265	744,181	676,489	577,784	923,170	669,609
444,302	392,782	454,112	369,981	205,683	319,816	301,182
451,604	247,259	196,099	197,863	181,740	172,088	146,786
1,874,328	1,738,436	1,617,086	1,612,163	1,698,245	1,687,969	1,561,301
85,093	70,226	62,212	46,754	39,785	37,483	32,791
40,631	44,241	33,277	33,212	36,768	47,402	32,806
-	348,977	553,896	552,220	552,458	670,480	736,251
<u>11,753,326</u>	<u>11,427,732</u>	<u>11,127,978</u>	<u>10,506,348</u>	<u>9,755,006</u>	<u>12,526,157</u>	<u>12,046,479</u>
33,402,590	31,692,411	29,711,935	28,318,674	28,219,901	29,285,411	28,181,364
4,381,066	4,223,982	3,783,300	3,516,524	3,648,442	3,854,612	3,630,702
4,523,724	4,251,869	3,847,846	3,714,470	3,670,752	3,573,191	3,650,228
3,788,748	3,951,180	3,584,864	3,299,090	3,089,729	3,195,045	3,477,634
3,631,051	3,473,769	3,247,363	3,007,331	2,952,485	2,890,919	2,839,457
1,015,047	954,395	889,858	825,602	840,267	879,436	882,180
39,129	50,300	37,320	32,908	36,878	49,502	45,764
-	36,483	136,206	267,921	353,365	446,384	596,695
<u>50,781,355</u>	<u>48,634,389</u>	<u>45,238,692</u>	<u>42,982,520</u>	<u>42,811,819</u>	<u>44,174,500</u>	<u>43,304,024</u>
(39,028,029)	(37,206,657)	(34,110,714)	(32,476,172)	(33,056,813)	(31,648,343)	(31,257,545)
22,539,279	21,732,300	20,977,012	20,216,157	19,476,831	18,656,658	17,625,494
7,212,916	7,046,945	6,728,477	7,016,102	5,772,632	4,888,591	4,756,179
32,326	34,576	32,191	32,262	31,408	32,695	32,283
9,744,228	9,534,551	9,534,470	9,328,508	9,350,760	8,245,694	8,529,182
54,428	33,776	13,977	16,938	33,252	57,968	147,743
16,479	11,407	13,476	21,394	15,802	57,388	4,016
-	-	-	-	(97,536)	(65,362)	(32,979)
<u>39,599,656</u>	<u>38,393,555</u>	<u>37,299,603</u>	<u>36,631,361</u>	<u>34,583,149</u>	<u>31,873,632</u>	<u>31,061,918</u>
\$ <u>571,627</u>	\$ <u>1,186,898</u>	\$ <u>3,188,889</u>	\$ <u>4,155,189</u>	\$ <u>1,526,336</u>	\$ <u>225,289</u>	\$ <u>(195,627)</u>

**SOLANCO SCHOOL DISTRICT**  
**CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

	<u><b>2018-19</b></u>	<u><b>2017-18</b></u>	<u><b>2016-17</b></u>
<b>BUSINESS-TYPE ACTIVITIES</b>			
<b>PROGRAM REVENUES</b>			
CHARGES FOR SERVICES			
DAILY SALES	\$ 518,193	\$ 547,658	\$ 584,955
OTHER CHARGES FOR SERVICES	34,285	33,811	28,292
OPERATING GRANTS AND CONTRIBUTIONS			
FOOD SERVICES	<u>1,015,367</u>	<u>1,023,226</u>	<u>1,067,100</u>
TOTAL BUSINESS-TYPE ACTIVITIES			
PROGRAM REVENUES	<u>1,567,845</u>	<u>1,604,695</u>	<u>1,680,347</u>
<b>PROGRAM EXPENSES</b>			
FOOD SERVICES	<u>1,567,495</u>	<u>1,594,334</u>	<u>1,564,224</u>
NET BUSINESS-TYPE ACTIVITIES			
PROGRAM REVENUE (EXPENSE)	350	10,361	116,123
<b>GENERAL REVENUES AND OTHER</b>			
<b>CHANGES IN NET POSITION</b>			
INVESTMENT EARNINGS	21,269	12,467	5,521
MISCELLANEOUS INCOME	-	1,677	1,316
<b>TRANSFERS</b>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL BUSINESS-TYPE ACTIVITIES			
GENERAL REVENUES AND OTHER			
CHANGES IN NET POSITION	<u>21,269</u>	<u>14,144</u>	<u>6,837</u>
<b>TOTAL CHANGE IN NET POSITION</b>	\$ <u><b>21,619</b></u>	\$ <u><b>24,505</b></u>	\$ <u><b>122,960</b></u>

SOURCE: SOLANCO SCHOOL DISTRICT STATEMENT OF ACTIVITIES

NOTE: GASB STATEMENT NO. 68 - ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS WAS IMPLEMENTED DURING THE 2014-15 FISCAL YEAR

**SOLANCO SCHOOL DISTRICT**  
**CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)  
(Continued)

<b><u>2015-16</u></b>		<b><u>2014-15</u></b>		<b><u>2013-14</u></b>		<b><u>2012-13</u></b>		<b><u>2011-12</u></b>		<b><u>2010-11</u></b>		<b><u>2009-10</u></b>
624,197	\$	621,543	\$	677,161	\$	736,843	\$	813,780	\$	842,973	\$	839,757
35,248		37,392		40,393		42,664		59,223		66,312		65,006
<u>1,035,806</u>		<u>983,914</u>		<u>953,266</u>		<u>900,094</u>		<u>911,183</u>		<u>768,989</u>		<u>739,839</u>
<u>1,695,251</u>		<u>1,642,849</u>		<u>1,670,820</u>		<u>1,679,601</u>		<u>1,784,186</u>		<u>1,678,274</u>		<u>1,644,602</u>
<u>1,584,070</u>		<u>1,602,793</u>		<u>1,541,241</u>		<u>1,676,870</u>		<u>1,679,593</u>		<u>1,695,130</u>		<u>1,696,117</u>
111,181		40,056		129,579		2,731		104,593		(16,856)		(51,515)
1,808		723		365		299		264		586		924
789		861		763		740		731		901		118
<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>97,536</u>		<u>65,362</u>		<u>32,979</u>
<u>2,597</u>		<u>1,584</u>		<u>1,128</u>		<u>1,039</u>		<u>98,531</u>		<u>66,849</u>		<u>34,021</u>
<b><u>113,778</u></b>	\$	<b><u>41,640</u></b>	\$	<b><u>130,707</u></b>	\$	<b><u>3,770</u></b>	\$	<b><u>203,124</u></b>	\$	<b><u>49,993</u></b>	\$	<b><u>(17,494)</u></b>

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**SOLANCO SCHOOL DISTRICT**  
**CHANGES IN NET POSITION - TOTAL PRIMARY GOVERNMENT**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)

	<u><b>2018-19</b></u>	<u><b>2017-18</b></u>	<u><b>2016-17</b></u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>			
CHARGES FOR SERVICES			
GOVERNMENTAL ACTIVITIES	\$ 172,028	\$ 164,867	\$ 174,357
BUSINESS-TYPE ACTIVITIES	552,478	579,939	613,247
OPERATING GRANTS AND CONTRIBUTIONS			
INSTRUCTION	9,496,339	9,015,263	8,669,160
INSTRUCTIONAL STUDENT SUPPORT	668,961	723,332	778,429
ADMINISTRATIVE AND FINANCIAL SUPPORT	467,347	545,029	493,844
OPERATION AND MAINTENANCE OF PLANT SERVICES	354,124	383,204	278,209
PUPIL TRANSPORTATION	2,071,755	2,107,818	1,950,835
STUDENT ACTIVITIES	101,966	102,221	91,699
COMMUNITY SERVICES	807	42,551	39,796
FOOD SERVICES	1,015,367	1,024,903	1,067,100
CAPITAL GRANTS AND CONTRIBUTIONS	<u>38,205</u>	<u>12,195</u>	<u>234,860</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>14,939,377</u>	<u>14,701,322</u>	<u>14,391,536</u>
<b>PROGRAM EXPENSES</b>			
INSTRUCTION	35,259,206	35,905,182	36,038,371
INSTRUCTIONAL STUDENT SUPPORT	4,716,596	4,538,968	4,682,552
ADMINISTRATIVE AND FINANCIAL SUPPORT	5,142,579	5,002,233	4,817,625
OPERATION AND MAINTENANCE OF PLANT SERVICES	4,465,921	4,056,931	3,933,764
PUPIL TRANSPORTATION	4,029,687	3,774,144	3,795,429
STUDENT ACTIVITIES	1,142,097	1,139,339	1,070,669
COMMUNITY SERVICES	56,068	56,026	38,034
INTEREST ON LONG-TERM DEBT	465,906	224,279	-
FOOD SERVICE	<u>1,567,495</u>	<u>1,594,334</u>	<u>1,564,224</u>
TOTAL PRIMARY GOVERNMENT PROGRAM EXPENSES	<u>56,845,555</u>	<u>56,291,436</u>	<u>55,940,668</u>
NET PRIMARY GOVERNMENT PROGRAM EXPENSE	(41,906,178)	(41,590,114)	(41,549,132)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>			
TAXES:			
PROPERTY TAXES, NET	25,553,857	24,449,549	23,497,238
EARNED INCOME TAXES ,NET	7,652,775	7,325,951	7,297,915
OTHER TAXES, NET	31,802	30,776	32,429
UNRESTRICTED GRANTS AND SUBSIDIES	10,148,447	10,097,407	10,019,564
INVESTMENT EARNINGS	712,656	453,561	153,280
MISCELLANEOUS INCOME	39,063	438,147	16,956
<b>TRANSFERS</b>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	<u>44,138,600</u>	<u>42,795,391</u>	<u>41,017,382</u>
<b>TOTAL CHANGE IN NET POSITION</b>	\$ <u><b>2,232,422</b></u>	\$ <u><b>1,205,277</b></u>	\$ <u><b>(531,750)</b></u>

SOURCE: SOLANCO SCHOOL DISTRICT STATEMENT OF ACTIVITIES

NOTE: GASB STATEMENT NO. 68 - ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS WAS IMPLEMENTED  
DURING THE 2014-15 FISCAL YEAR

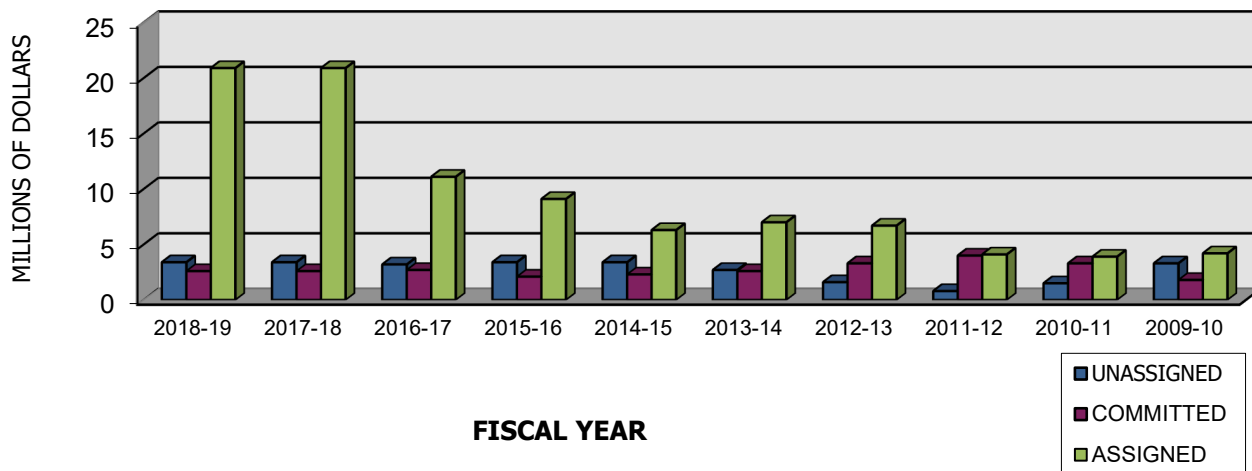
**SOLANCO SCHOOL DISTRICT**  
**CHANGES IN NET POSITION - TOTAL PRIMARY GOVERNMENT**  
**LAST TEN FISCAL YEARS**  
(Accrual Basis of Accounting)  
(Continued)

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
\$ 158,564	\$ 147,930	\$ 135,940	\$ 211,357	\$ 168,878	\$ 241,465	\$ 253,320
659,445	658,935	717,554	779,507	873,003	909,285	904,763
8,027,444	7,832,616	7,331,175	6,806,309	6,293,665	8,426,284	8,312,433
671,360	605,265	744,181	676,489	577,784	923,170	669,609
444,302	392,782	454,112	369,981	205,683	319,816	301,182
451,604	247,259	196,099	197,863	181,740	172,088	146,786
1,874,328	1,738,436	1,617,086	1,612,163	1,698,245	1,687,969	1,561,301
85,093	70,226	62,212	46,754	39,785	37,483	32,791
40,631	44,241	33,277	33,212	36,768	47,402	32,806
1,035,806	983,914	953,266	900,094	911,183	768,989	739,839
-	348,977	553,896	552,220	552,458	670,480	736,251
<u>13,448,577</u>	<u>13,070,581</u>	<u>12,798,798</u>	<u>12,185,949</u>	<u>11,539,192</u>	<u>14,204,431</u>	<u>13,691,081</u>
33,402,590	31,692,411	29,711,935	28,318,674	28,219,901	29,285,411	28,181,364
4,381,066	4,223,982	3,783,300	3,516,524	3,648,442	3,854,612	3,630,702
4,523,724	4,251,869	3,847,846	3,714,470	3,670,752	3,573,191	3,650,228
3,788,748	3,951,180	3,584,864	3,299,090	3,089,729	3,195,045	3,477,634
3,631,051	3,473,769	3,247,363	3,007,331	2,952,485	2,890,919	2,839,457
1,015,047	954,395	889,858	825,602	840,267	879,436	882,180
39,129	50,300	37,320	32,908	36,878	49,502	45,764
-	36,483	136,206	267,921	353,365	446,384	596,695
<u>1,584,070</u>	<u>1,602,793</u>	<u>1,541,241</u>	<u>1,676,870</u>	<u>1,679,593</u>	<u>1,695,130</u>	<u>1,696,117</u>
<u>52,365,425</u>	<u>50,237,182</u>	<u>46,779,933</u>	<u>44,659,390</u>	<u>44,491,412</u>	<u>45,869,630</u>	<u>45,000,141</u>
(38,916,848)	(37,166,601)	(33,981,135)	(32,473,441)	(32,952,220)	(31,665,199)	(31,309,060)
22,539,279	21,732,300	20,977,012	20,216,157	19,476,831	18,656,658	17,625,494
7,212,916	7,046,945	6,728,477	7,016,102	5,772,632	4,888,591	4,756,179
32,326	34,576	32,191	32,262	31,408	32,695	32,283
9,744,228	9,534,551	9,534,470	9,328,508	9,350,760	8,245,694	8,529,182
56,236	34,499	14,342	17,237	33,516	58,554	148,667
17,268	12,268	14,239	22,134	16,533	58,289	4,134
-	-	-	-	-	-	-
<u>39,602,253</u>	<u>38,395,139</u>	<u>37,300,731</u>	<u>36,632,400</u>	<u>34,681,680</u>	<u>31,940,481</u>	<u>31,095,939</u>
\$ <u><b>685,405</b></u>	\$ <u><b>1,228,538</b></u>	\$ <u><b>3,319,596</b></u>	\$ <u><b>4,158,959</b></u>	\$ <u><b>1,729,460</b></u>	\$ <u><b>275,282</b></u>	\$ <u><b>(213,121)</b></u>

**SOLANCO SCHOOL DISTRICT**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(Modified Accrual Basis of Accounting)

	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
<b>GENERAL FUND</b>				
NONSPENDABLE:				
INVENTORY	\$ 165,633	\$ 239,341	\$ 194,313	\$ 203,117
PREPAID ITEMS	93,035	83,110	105,748	54,708
RESTRICTED:				
DEBT SERVICE	-	-	-	-
COMMITTED	2,357,216	2,578,777	2,702,452	2,098,778
UNASSIGNED	<u>3,593,706</u>	<u>3,379,639</u>	<u>3,240,425</u>	<u>3,390,208</u>
TOTAL GENERAL FUND	<u>6,209,590</u>	<u>6,280,867</u>	<u>6,242,938</u>	<u>5,746,811</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
NONSPENDABLE:				
CAPITAL PROJECTS	25,762	11,052	-	-
RESTRICTED:				
DEBT SERVICE	-	-	-	-
CAPITAL PROJECTS	1,006,536	8,124,550	-	-
ASSIGNED:				
CAPITAL PROJECTS	<u>5,680,578</u>	<u>12,714,790</u>	<u>11,103,697</u>	<u>9,123,116</u>
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>6,712,876</u>	<u>20,850,392</u>	<u>11,103,697</u>	<u>9,123,116</u>
<b>TOTAL GOVERNMENT FUNDS</b>	\$ <u>12,922,466</u>	\$ <u>27,131,259</u>	\$ <u>17,346,635</u>	\$ <u>14,869,927</u>

**UNASSIGNED, COMMITTED AND ASSIGNED FUND BALANCES**



SOURCE: SOLANCO SCHOOL DISTRICT GOVERNMENTAL FUND BALANCE SHEETS

(A) FUND BALANCE COMMITMENTS FOR PROJECTED SUBSEQUENT FISCAL YEAR BUDGETARY OPERATING DEFICITS  
HAVE BEEN RECLASSIFIED AS FUND BALANCE ASSIGNMENTS EFFECTIVE BEGINNING THE 2016-2017 FISCAL YEAR.

**SOLANCO SCHOOL DISTRICT**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(Modified Accrual Basis of Accounting)  
(Continued)

<u><b>2014-15</b></u>	<u><b>2013-14</b></u>	<u><b>2012-13</b></u>	<u><b>2011-12</b></u>	<u><b>2010-11</b></u>	<u><b>2009-10</b></u>
\$ 230,314	\$ 218,262	\$ 277,399	\$ 316,145	\$ 256,223	\$ 214,903
195,673	63,692	37,344	61,705	47,995	43,200
-	37,498	112,549	173,236	229,285	273,412
2,280,263	2,636,658	3,289,810	3,955,010	3,275,000	1,825,000
<u>3,352,060</u>	<u>2,723,953</u>	<u>1,616,243</u>	<u>831,625</u>	<u>1,545,904</u>	<u>3,267,919</u>
<u>6,058,310</u>	<u>5,680,063</u>	<u>5,333,345</u>	<u>5,337,721</u>	<u>5,354,407</u>	<u>5,624,434</u>
-	-	-	-	-	-
-	2	1	1	2	7,110
-	-	-	-	-	-
<u>6,342,930</u>	<u>7,005,488</u>	<u>6,659,239</u>	<u>4,075,994</u>	<u>3,914,714</u>	<u>4,154,834</u>
<u>6,342,930</u>	<u>7,005,490</u>	<u>6,659,240</u>	<u>4,075,995</u>	<u>3,914,716</u>	<u>4,161,944</u>
\$ <u>12,401,240</u>	\$ <u>12,685,553</u>	\$ <u>11,992,585</u>	\$ <u>9,413,716</u>	\$ <u>9,269,123</u>	\$ <u>9,786,378</u>

**SOLANCO SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(Modified Accrual Basis of Accounting)

	<u><b>2018-19</b></u>	<u><b>2017-18</b></u>	<u><b>2016-17</b></u>	<u><b>2015-16</b></u>
<b>REVENUES</b>				
LOCAL SOURCES	\$ 35,104,605	\$ 33,259,981	\$ 32,335,599	\$ 30,986,070
STATE SOURCES	20,047,273	19,806,794	19,527,031	18,311,720
FEDERAL SOURCES	<u>2,264,864</u>	<u>2,145,726</u>	<u>2,039,305</u>	<u>2,062,082</u>
TOTAL REVENUES	<u>57,416,742</u>	<u>55,212,501</u>	<u>53,901,935</u>	<u>51,359,872</u>
<b>EXPENDITURES</b>				
CURRENT				
INSTRUCTIONAL	33,383,858	33,471,881	33,066,257	31,099,335
SUPPORT	17,247,108	16,164,057	15,664,747	15,179,515
NONINSTRUCTIONAL	1,141,946	1,126,230	1,014,167	992,917
CAPITAL OUTLAY	17,886,877	12,271,914	-	1,600,107
DEBT SERVICE				
PRINCIPAL	2,430,000	1,875,000	-	-
INTEREST	475,989	109,616	-	-
BOND ISSUANCE FEES	-	-	-	-
FISCAL CHARGES	<u>112</u>	<u>142,450</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>72,565,890</u>	<u>65,161,148</u>	<u>49,745,171</u>	<u>48,871,874</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(15,149,148)</u>	<u>(9,948,647)</u>	<u>4,156,764</u>	<u>2,487,998</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
ISSUANCE OF DEBT	1,000,000	19,200,000	-	-
BOND ISSUANCE PREMIUM	-	-	-	-
REDEMPTION OF BONDS	-	-	-	-
SALE OF CAPITAL ASSETS	1,689	21,312	2,624	7,772
INSURANCE RECOVERIES	37,374	466,932	553	113
TRANSFERS IN (OUT)	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,014,063</u>	<u>19,688,244</u>	<u>3,177</u>	<u>7,885</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (14,135,085)</u>	<u>\$ 9,739,597</u>	<u>\$ 4,159,941</u>	<u>\$ 2,495,883</u>
<b>DEBT SERVICE AS % OF NONCAPITAL EXPENDITURES (A)</b>	5.34%	3.77%	0.00%	0.00%
<b>DEBT SERVICE AS % OF TOTAL EXPENDITURES</b>	4.00%	3.05%	0.00%	0.00%

SOURCE: SOLANCO SCHOOL DISTRICT STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

(A) NONCAPITAL EXPENDITURES REPRESENT TOTAL EXPENDITURES LESS CAPITAL OUTLAYS AS REPORTED ON THE RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES



**SOLANCO SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

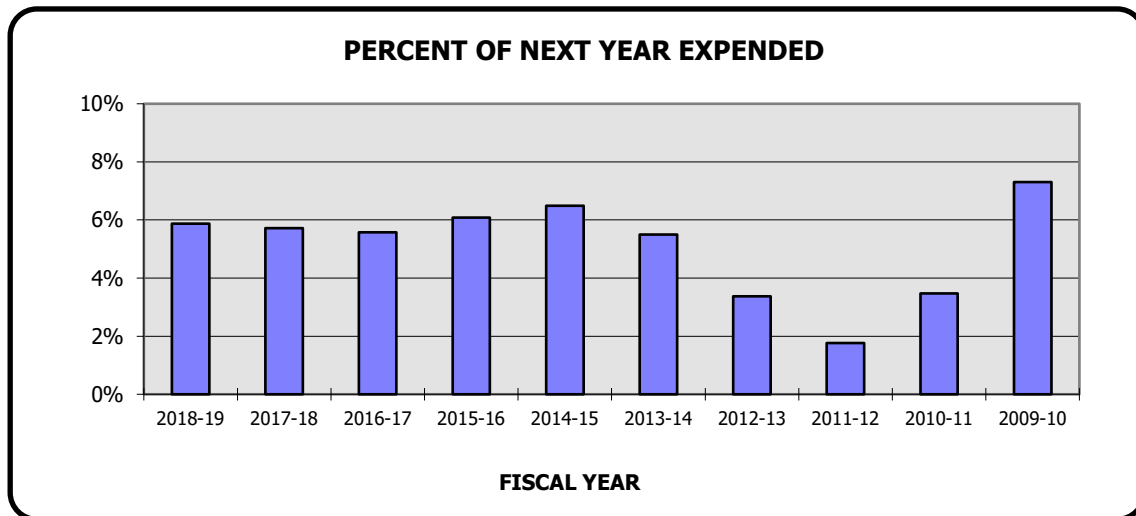
(Modified Accrual Basis of Accounting)

(Continued)

<b><u>2014-15</u></b>	<b><u>2013-14</u></b>	<b><u>2012-13</u></b>	<b><u>2011-12</u></b>	<b><u>2010-11</u></b>	<b><u>2009-10</u></b>
\$ 29,821,804	\$ 28,635,526	\$ 28,293,861	\$ 26,278,643	\$ 24,842,109	\$ 23,847,655
17,781,054	17,136,128	16,407,104	16,129,851	15,242,907	15,409,991
<u>2,202,989</u>	<u>2,625,710</u>	<u>2,432,398</u>	<u>2,006,130</u>	<u>4,281,400</u>	<u>3,823,810</u>
<u>49,805,847</u>	<u>48,397,364</u>	<u>47,133,363</u>	<u>44,414,624</u>	<u>44,366,416</u>	<u>43,081,456</u>
29,082,969	28,469,246	26,498,793	25,962,951	27,091,082	25,887,910
14,568,451	13,661,206	12,927,985	12,816,451	12,938,333	12,657,950
925,695	894,272	856,296	871,287	928,161	915,017
2,517,386	1,197,505	823,538	478,029	519,334	1,911,598
2,750,000	3,200,000	3,065,000	2,960,000	2,780,000	2,830,000
75,000	225,100	346,475	458,575	559,200	720,135
-	-	-	-	-	63,109
<u>500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>4,000</u>	<u>5,000</u>
<u>49,920,001</u>	<u>47,648,829</u>	<u>44,519,587</u>	<u>43,548,793</u>	<u>44,820,110</u>	<u>44,990,719</u>
<u>(114,154)</u>	<u>748,535</u>	<u>2,613,776</u>	<u>865,831</u>	<u>(453,694)</u>	<u>(1,909,263)</u>
-	-	-	-	-	3,720,000
-	-	-	-	-	100,481
-	-	-	-	-	(3,745,000)
66,526	3,571	2,240	3,053	16,925	1,527
1,263	-	1,599	13,323	28,557	1,182
<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>(797,536)</u>	<u>(150,362)</u>	<u>(82,979)</u>
<u>(182,211)</u>	<u>3,571</u>	<u>3,839</u>	<u>(781,160)</u>	<u>(104,880)</u>	<u>(4,789)</u>
\$ <u><u>(296,365)</u></u>	\$ <u><u>752,106</u></u>	\$ <u><u>2,617,615</u></u>	\$ <u><u>84,671</u></u>	\$ <u><u>(558,574)</u></u>	\$ <u><u>(1,914,052)</u></u>
5.96%	7.37%	7.81%	7.94%	7.54%	8.24%
5.66%	7.19%	7.66%	7.85%	7.45%	7.89%

# **SOLANCO SCHOOL DISTRICT** **UNASSIGNED GENERAL FUND BALANCE** **AS PERCENTAGE OF ACTUAL EXPENDITURES**

<b><u>FISCAL YEAR</u></b>	<b><u>UNASSIGNED GENERAL FUND BALANCE</u></b>	<b><u>TOTAL EXPENDED</u></b>	<b><u>FUND BALANCE PERCENTAGE OF NEXT YEAR EXPENDED</u></b>	
2018-19	\$ 3,593,706	\$ 57,136,396	5.87%	(A)
2017-18	3,379,639	55,073,426	5.72%	
2016-17	3,240,425	53,345,171	5.57%	
2015-16	3,390,208	51,634,729	6.08%	
2014-15	3,352,061	49,499,651	6.49%	
2013-14	2,723,953	47,989,897	5.50%	
2012-13	1,616,243	47,096,048	3.37%	
2011-12	831,625	44,497,287	1.77%	
2010-11	1,545,904	44,708,478	3.47%	
2009-10	3,267,919	43,376,634	7.31%	



(A) % OF 2019-20 BUDGETED EXPENDITURES - \$61,194,943

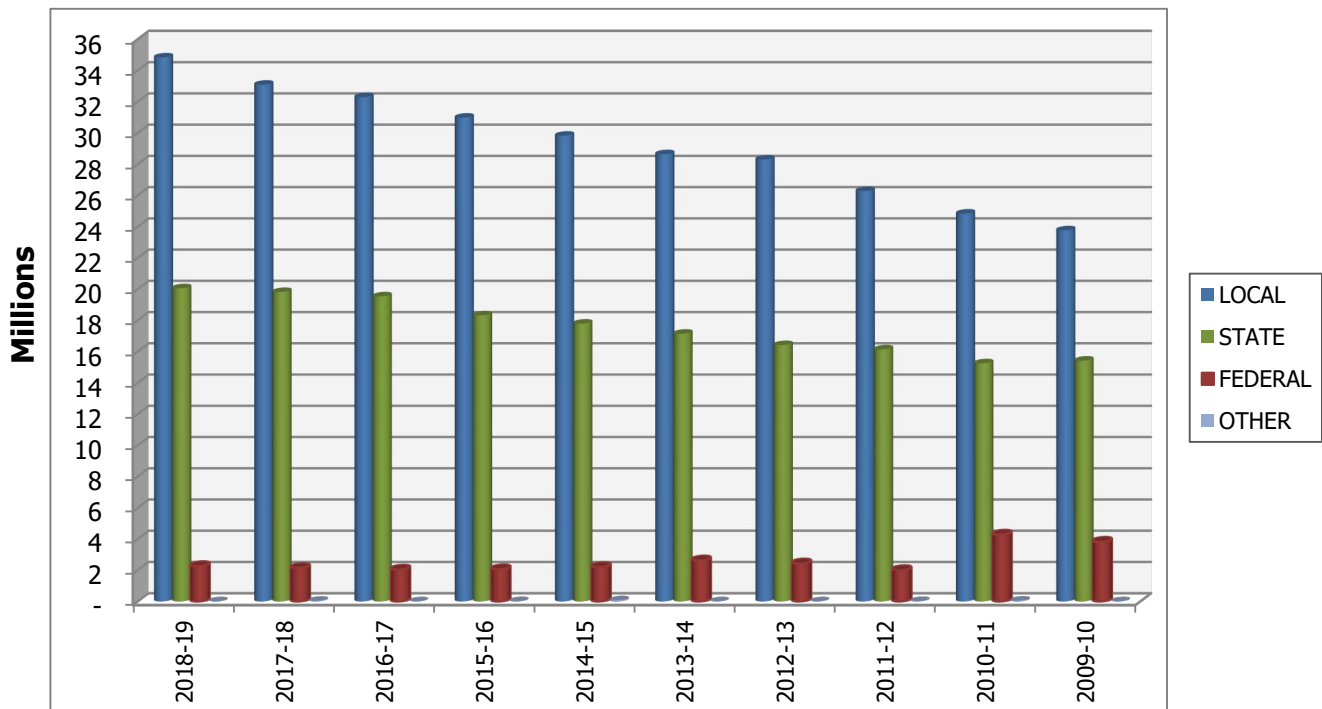
EFFECTIVE JULY 1, 2005, STATE LEGISLATION REQUIRED SCHOOL DISTRICT BUDGETED ENDING UNASSIGNED FUND BALANCES TO BE 8% OR LOWER OF BUDGETED EXPENDITURES FOR THE FOLLOWING FISCAL YEAR TO BE PERMITTED TO INCREASE TAXES.

SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL STATEMENTS

**SOLANCO SCHOOL DISTRICT**  
**GENERAL FUND REVENUES AND OTHER FINANCING SOURCES BY SOURCE**  
(Modified Accrual Basis of Accounting)

<u>FISCAL YEAR</u>		<u>LOCAL</u>		<u>STATE</u>		<u>FEDERAL</u>		<u>OTHER</u>		<u>TOTAL</u>
2018-19	\$	34,825,001	\$	20,047,273	\$	2,264,864	\$	1,689	\$	57,138,827
2017-18		33,078,968		19,806,794		2,145,726		34,840		55,066,328
2016-17		32,280,588		19,527,031		2,039,305		3,177		53,850,101
2015-16		30,968,739	0	18,311,720		2,062,082		7,885		51,350,426
2014-15		29,814,012		17,781,054		2,202,989		67,791		49,865,846
2013-14		28,630,344		17,136,128		2,625,710		3,571		48,395,753
2012-13		28,287,077		16,407,104		2,432,398		3,839		47,130,418
2011-12		26,268,507		16,129,851		2,005,945		16,376		44,420,679
2010-11		24,827,528		15,242,907		4,281,215		45,482		44,397,132
2009-10		23,756,198		15,409,991		3,823,625		2,709		42,992,523

**REVENUE COMPARISON BY SOURCE IN DOLLARS**



SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS

**SOLANCO SCHOOL DISTRICT**  
**GENERAL FUND REVENUES AND OTHER FINANCING SOURCES BY ACCOUNT**  
(Modified Accrual Basis of Accounting)

	<u><b>2018-19</b></u>	<u><b>2017-18</b></u>	<u><b>2016-17</b></u>	<u><b>2015-16</b></u>
<b>LOCAL SOURCES</b>				
CURRENT REAL ESTATE TAX	\$ 24,094,317	\$ 23,120,583	\$ 22,359,441	\$ 21,279,420
INTERIM REAL ESTATE TAX	244,123	77,178	162,310	109,319
PUBLIC UTILITY TAX	31,693	30,667	32,320	32,217
PAYMENT IN LIEU OF TAX	109	109	109	109
EARNED INCOME TAX	7,652,775	7,325,951	7,297,915	7,212,916
REALTY TRANSFER TAX	604,950	534,800	590,782	495,841
DELINQUENT TAXES	577,410	523,502	591,789	678,650
INVESTMENT EARNINGS	411,968	216,398	66,052	20,349
REVENUE FROM STUDENT ACTIVITIES	57,801	77,644	58,502	66,466
REVENUE FROM INTERMEDIATE	907,646	915,488	930,513	710,126
RENTALS	71,762	43,764	70,335	25,966
CONTRIBUTIONS/DONATIONS	21,234	41,520	23,981	10,332
TUITION	7,260	10,521	19,038	34,757
MISCELLANEOUS REVENUE	<u>141,953</u>	<u>160,843</u>	<u>77,501</u>	<u>292,271</u>
TOTAL LOCAL REVENUE	<u>34,825,001</u>	<u>33,078,968</u>	<u>32,280,588</u>	<u>30,968,739</u>
<b>STATE SOURCES</b>				
BASIC EDUCATION FUNDING	10,148,447	10,097,407	10,019,564	9,744,228
CHARTER SCHOOL TRANSFER	-	-	-	-
TUITION CHILD PLACED	74,752	83,704	64,728	70,521
VOCATIONAL EDUCATION	118,119	116,629	90,822	8,425
DRIVER EDUCATION	-	-	-	-
MIGRATORY CHILDREN	660	617	867	650
SPECIAL EDUCATION	2,149,400	2,143,535	2,227,676	2,215,550
OTHER PROGRAM SUBSIDIES	89,673	91,548	-	-
TRANSPORTATION	2,045,683	1,986,562	1,833,239	1,793,302
RENTAL/SINKING FUND	38,205	12,195	234,860	-
HEALTH SERVICES	62,723	63,468	65,077	66,388
REIMB OF BASIC ED EXPEND	548,128	545,938	545,973	553,770
READY TO LEARN/PA ACCOUNTABILITY GRANT	427,715	427,715	496,413	359,017
DUAL ENROLLMENT	-	-	-	-
SOCIAL SECURITY SUBSIDY	754,560	743,869	737,722	758,985
RETIREMENT SUBSIDY	3,589,208	3,482,437	3,199,264	2,740,883
MISCELLANEOUS GRANTS/REVENUE	<u>-</u>	<u>11,170</u>	<u>10,826</u>	<u>-</u>
TOTAL STATE REVENUE	<u>20,047,273</u>	<u>19,806,794</u>	<u>19,527,031</u>	<u>18,311,720</u>
<b>FEDERAL SOURCES</b>				
TITLE I	1,807,331	1,778,840	1,712,512	1,748,451
TITLE II	282,751	239,470	241,890	249,204
TITLE IV	116,764	34,899	-	-
DRUG FREE SCHOOLS	-	-	-	-
ARRA TITLE 1	-	-	-	-
ARRA STATE FISCAL STABILIZATION	-	-	-	-
OTHER FEDERAL GRANTS/ACCESS	<u>58,018</u>	<u>92,517</u>	<u>84,903</u>	<u>64,428</u>
TOTAL FEDERAL REVENUE	<u>2,264,864</u>	<u>2,145,726</u>	<u>2,039,305</u>	<u>2,062,082</u>
<b>OTHER FINANCING SOURCES</b>				
PROCEEDS FROM SALE OF CAPITAL ASSETS	1,689	21,312	2,624	7,772
INSURANCE RECOVERIES	-	13,528	553	113
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>1,689</u>	<u>34,840</u>	<u>3,177</u>	<u>7,885</u>
<b>TOTAL REVENUES</b>	<u>\$ 57,138,827</u>	<u>\$ 55,066,328</u>	<u>\$ 53,850,101</u>	<u>\$ 51,350,426</u>

SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS

**SOLANCO SCHOOL DISTRICT**  
**GENERAL FUND REVENUES AND OTHER FINANCING SOURCES BY ACCOUNT**  
(Modified Accrual Basis of Accounting)  
(Continued)

<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
\$ 20,610,920	\$ 19,857,373	\$ 19,016,920	\$ 18,239,513	\$ 17,422,516	\$ 16,495,888
58,899	111,303	142,939	124,162	149,063	186,700
34,467	32,083	32,153	31,298	32,586	31,974
109	109	109	109	109	109
7,046,945	6,728,477	7,016,102	5,772,632	4,888,591	4,756,179
443,847	341,402	357,759	340,044	312,987	307,880
615,709	649,267	691,692	765,405	729,656	608,054
13,828	-	2,566	12,807	32,779	84,231
51,679	51,974	58,120	61,090	-	-
740,924	610,328	682,650	692,851	921,019	999,315
26,428	19,261	27,276	23,442	10,587	16,771
21,804	19,107	20,735	18,774	8,391	22,416
24,736	29,539	38,457	42,155	89,556	106,646
123,717	180,121	199,599	144,225	229,688	140,035
<u>29,814,012</u>	<u>28,630,344</u>	<u>28,287,077</u>	<u>26,268,507</u>	<u>24,827,528</u>	<u>23,756,198</u>
9,534,551	9,534,470	9,340,757	9,350,762	8,245,709	8,529,182
-	-	-	-	129,505	151,840
57,204	79,223	50,902	53,360	69,209	39,576
100,427	53,140	121,344	89,320	56,976	74,261
-	-	-	2,695	3,045	6,160
106	320	360	120	480	1,120
2,189,957	2,082,971	2,029,034	2,095,366	2,029,034	2,040,128
-	-	-	-	-	-
1,648,213	1,549,575	1,558,498	1,536,172	1,629,284	1,521,157
348,977	553,896	552,220	552,458	670,480	736,251
66,933	69,589	70,222	69,722	69,589	71,033
529,192	529,191	585,507	571,882	565,590	593,798
330,147	150,624	150,624	150,624	383,378	408,832
-	-	-	-	2,360	3,891
736,073	732,191	713,384	740,222	793,418	738,953
2,227,500	1,800,938	1,234,252	917,148	594,850	493,809
11,774	-	-	-	-	-
<u>17,781,054</u>	<u>17,136,128</u>	<u>16,407,104</u>	<u>16,129,851</u>	<u>15,242,907</u>	<u>15,409,991</u>
1,905,361	2,195,086	1,979,037	1,531,405	1,518,268	1,680,889
249,817	251,301	270,184	261,401	311,574	324,512
-	-	-	-	-	-
-	-	-	-	-	20,903
-	-	-	7,875	393,914	509,934
-	-	-	-	1,141,197	1,146,390
47,811	179,323	183,177	205,264	916,262	140,997
<u>2,202,989</u>	<u>2,625,710</u>	<u>2,432,398</u>	<u>2,005,945</u>	<u>4,281,215</u>	<u>3,823,625</u>
66,526	3,571	2,240	3,053	16,925	1,527
1,263	-	1,599	13,323	28,557	1,182
2	-	-	-	-	-
<u>67,791</u>	<u>3,571</u>	<u>3,839</u>	<u>16,376</u>	<u>45,482</u>	<u>2,709</u>
<u>\$ 49,865,846</u>	<u>\$ 48,395,753</u>	<u>\$ 47,130,418</u>	<u>\$ 44,420,679</u>	<u>\$ 44,397,132</u>	<u>\$ 42,992,523</u>

**SOLANCO SCHOOL DISTRICT**  
**GENERAL FUND EXPENDITURES AND OTHER FINANCING USES**  
**BY SUBFUNCTION**

(Modified Accrual Basis of Accounting)

	<u><b>2018-19</b></u>	<u><b>2017-18</b></u>	<u><b>2016-17</b></u>	<u><b>2015-16</b></u>
<b>INSTRUCTION</b>				
REGULAR PROGRAM	\$ 21,270,797	\$ 20,864,000	\$ 20,879,559	\$ 19,891,642
SPECIAL PROGRAM	9,033,510	9,705,015	9,157,820	8,420,491
VOCATIONAL ED PROGRAM	2,543,840	2,380,357	2,522,108	2,306,065
OTHER INSTRUCT PROGRAM	535,711	522,509	506,770	481,137
REFUND OF PRIOR YEAR REVENUE	-	-	-	-
TOTAL INSTRUCTION	<u>33,383,858</u>	<u>33,471,881</u>	<u>33,066,257</u>	<u>31,099,335</u>
<b>SUPPORT SERVICES</b>				
PUPIL PERSONNEL	2,496,325	2,257,019	2,148,239	1,992,763
INSTRUCTIONAL STAFF	1,431,654	1,471,950	1,606,529	1,587,702
ADMINISTRATION	2,900,373	2,674,993	2,533,450	2,593,540
PUPIL HEALTH	544,976	506,653	499,223	524,158
BUSINESS	855,593	970,565	836,119	720,748
OPERATION & MAINTENANCE OF PLANT SERVICES	4,032,257	3,663,429	3,450,224	3,385,050
TRANSPORTATION	3,862,654	3,663,743	3,620,010	3,490,230
CENTRAL	1,091,459	923,578	938,949	853,128
OTHER SUPPORT	31,817	32,127	32,004	32,195
TOTAL SUPPORT SERVICES	<u>17,247,108</u>	<u>16,164,057</u>	<u>15,664,747</u>	<u>15,179,515</u>
<b>NONINSTRUCTIONAL SERVICES</b>				
STUDENT ACTIVITIES	1,085,977	1,070,024	976,146	953,874
COMMUNITY SERVICES	55,969	56,206	38,021	39,043
TOTAL NONINSTRUCTIONAL SERVICES	<u>1,141,946</u>	<u>1,126,230</u>	<u>1,014,167</u>	<u>992,917</u>
<b>DEBT SERVICE/TRANSFERS OUT</b>				
DEBT SERVICE/TRANSFERS OUT	-	1,984,616	-	2,825,500
TRANSFERS OUT	5,363,484	2,326,642	3,600,000	2,097,036
TOTAL DEBT SERVICE/TRANSFERS OUT	<u>5,363,484</u>	<u>4,311,258</u>	<u>3,600,000</u>	<u>4,922,536</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 57,136,396</u>	<u>\$ 55,073,426</u>	<u>\$ 53,345,171</u>	<u>\$ 52,194,303</u>

SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS

**SOLANCO SCHOOL DISTRICT**  
**GENERAL FUND EXPENDITURES AND OTHER FINANCING USES**  
**BY SUBFUNCTION**

(Modified Accrual Basis of Accounting)

(Continued)

<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
\$ 19,527,347	\$ 19,314,245	\$ 18,028,684	\$ 17,752,682	\$ 18,487,153	\$ 17,958,016
7,089,596	6,949,027	6,291,184	6,117,780	6,252,243	5,348,800
2,055,181	1,963,309	1,877,993	1,875,425	1,870,939	1,946,168
410,845	242,665	288,418	217,062	480,731	627,805
-	-	12,514	2	16	7,121
<u>29,082,969</u>	<u>28,469,246</u>	<u>26,498,793</u>	<u>25,962,951</u>	<u>27,091,082</u>	<u>25,887,910</u>
1,814,254	1,841,582	1,759,615	1,757,629	1,753,136	1,624,619
1,587,789	1,353,379	1,288,496	1,308,251	1,541,198	1,406,197
2,448,255	2,435,949	2,335,474	2,426,918	2,230,073	2,276,731
465,277	427,709	385,222	379,655	372,975	357,615
730,036	621,006	613,316	577,905	579,622	560,581
3,585,731	3,237,449	3,031,916	2,862,408	3,001,406	2,990,097
3,269,432	3,086,560	2,924,406	2,874,132	2,846,776	2,741,708
635,623	625,087	557,081	598,524	578,658	667,241
32,054	32,485	32,459	31,029	34,489	33,161
<u>14,568,451</u>	<u>13,661,206</u>	<u>12,927,985</u>	<u>12,816,451</u>	<u>12,938,333</u>	<u>12,657,950</u>
875,804	856,686	823,368	834,409	878,659	735,841
49,891	37,586	32,928	36,878	49,502	45,764
<u>925,695</u>	<u>894,272</u>	<u>856,296</u>	<u>871,287</u>	<u>928,161</u>	<u>781,605</u>
3,426,599	3,412,974	3,420,073	3,420,073	3,336,090	3,546,426
<u>1,538,574</u>	<u>3,400,000</u>	<u>1,426,525</u>	<u>1,426,525</u>	<u>414,812</u>	<u>502,743</u>
<u>4,965,173</u>	<u>6,812,974</u>	<u>4,846,598</u>	<u>4,846,598</u>	<u>3,750,902</u>	<u>4,049,169</u>
<u>\$ 49,542,288</u>	<u>\$ 49,837,698</u>	<u>\$ 45,129,672</u>	<u>\$ 44,497,287</u>	<u>\$ 44,708,478</u>	<u>\$ 43,376,634</u>

**SOLANCO SCHOOL DISTRICT**  
**GENERAL FUND EXPENDITURES AND OTHER FINANCING USES**  
**BY SUBFUNCTION**

(Modified Accrual Basis of Accounting)

(Continued)

<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
\$ 19,527,347	\$ 19,314,245	\$ 18,028,684	\$ 17,752,682	\$ 18,487,153	\$ 17,958,016
7,089,596	6,949,027	6,291,184	6,117,780	6,252,243	5,348,800
2,055,181	1,963,309	1,877,993	1,875,425	1,870,939	1,946,168
410,845	242,665	288,418	217,062	480,731	627,805
-	-	12,514	2	16	7,121
<u>29,082,969</u>	<u>28,469,246</u>	<u>26,498,793</u>	<u>25,962,951</u>	<u>27,091,082</u>	<u>25,887,910</u>
1,814,254	1,841,582	1,759,615	1,757,629	1,753,136	1,624,619
1,587,789	1,353,379	1,288,496	1,308,251	1,541,198	1,406,197
2,448,255	2,435,949	2,335,474	2,426,918	2,230,073	2,276,731
465,277	427,709	385,222	379,655	372,975	357,615
730,036	621,006	613,316	577,905	579,622	560,581
3,585,731	3,237,449	3,031,916	2,862,408	3,001,406	2,990,097
3,269,432	3,086,560	2,924,406	2,874,132	2,846,776	2,741,708
635,623	625,087	557,081	598,524	578,658	667,241
32,054	32,485	32,459	31,029	34,489	33,161
<u>14,568,451</u>	<u>13,661,206</u>	<u>12,927,985</u>	<u>12,816,451</u>	<u>12,938,333</u>	<u>12,657,950</u>
875,804	856,686	823,368	834,409	878,659	735,841
49,891	37,586	32,928	36,878	49,502	45,764
<u>925,695</u>	<u>894,272</u>	<u>856,296</u>	<u>871,287</u>	<u>928,161</u>	<u>781,605</u>
3,426,599	3,412,974	3,420,073	3,420,073	3,336,090	3,546,426
<u>1,538,574</u>	<u>3,400,000</u>	<u>1,426,525</u>	<u>1,426,525</u>	<u>414,812</u>	<u>502,743</u>
<u>4,965,173</u>	<u>6,812,974</u>	<u>4,846,598</u>	<u>4,846,598</u>	<u>3,750,902</u>	<u>4,049,169</u>
<u>\$ 49,542,288</u>	<u>\$ 49,837,698</u>	<u>\$ 45,129,672</u>	<u>\$ 44,497,287</u>	<u>\$ 44,708,478</u>	<u>\$ 43,376,634</u>

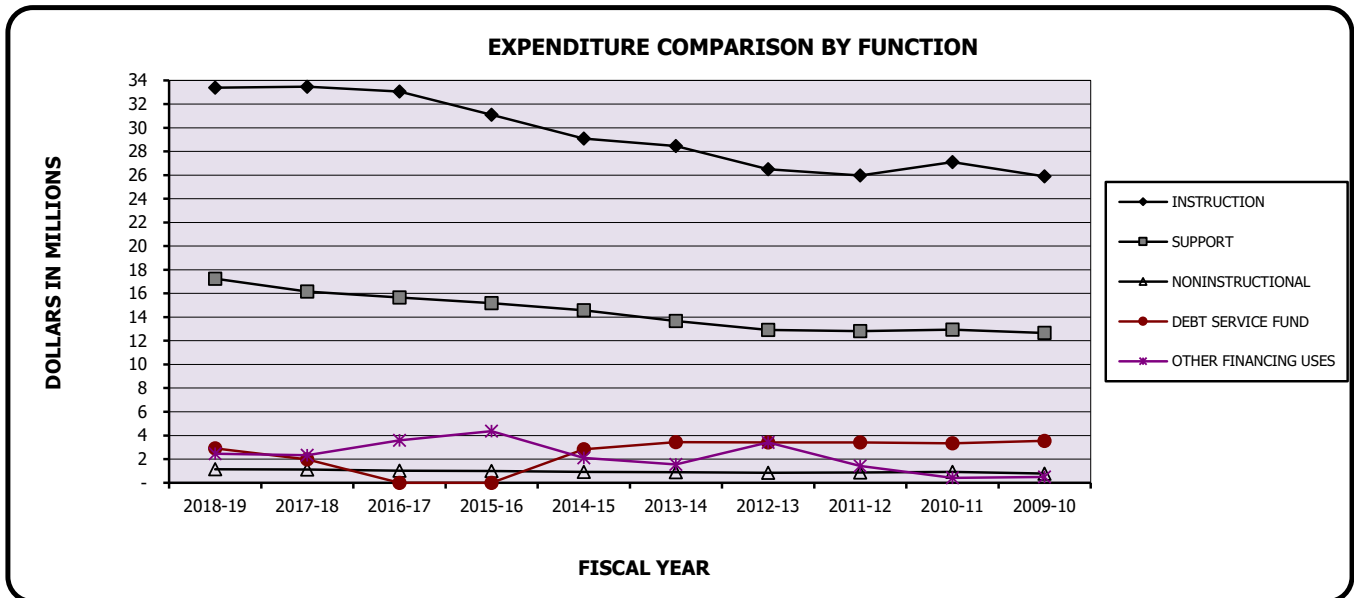


# SOLANCO SCHOOL DISTRICT

## GENERAL FUND EXPENDITURES AND OTHER FINANCING USES BY FUNCTION

(Modified Accrual Basis of Accounting)

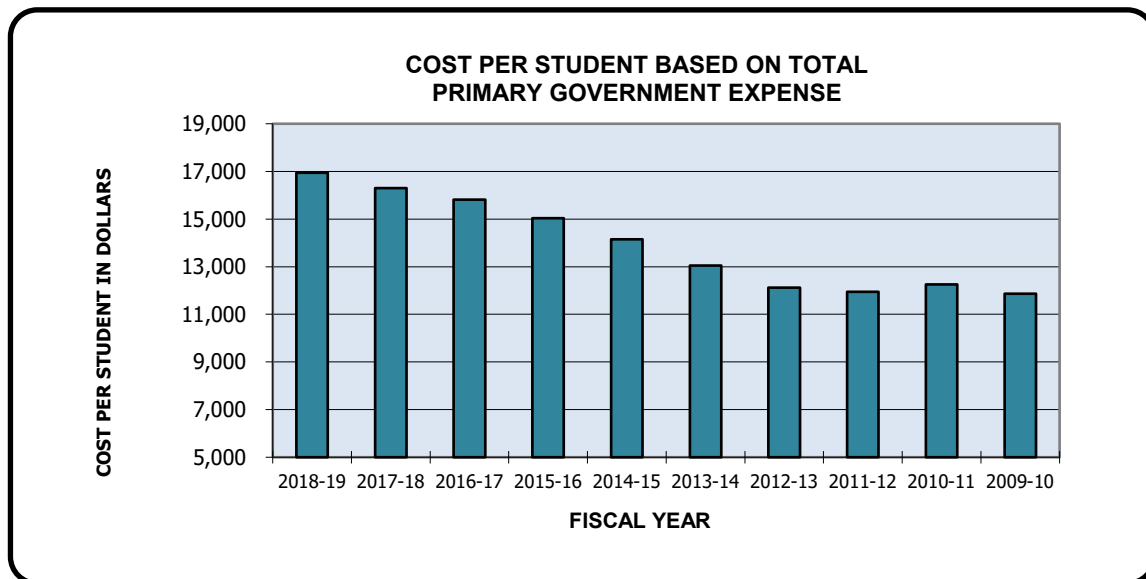
<u>FISCAL YEAR</u>	<u>INSTRUCTION</u>	<u>SUPPORT SERVICES</u>	<u>OPERATION OF NONINSTRUCTIONAL SERVICES</u>	<u>TRANSFER TO DEBT SERVICE FUND</u>	<u>OTHER FINANCING USES</u>	<u>TOTAL</u>
2018-19	\$ 33,383,858	\$ 17,247,108	\$ 1,141,946	\$ 2,905,989	\$ 2,457,495	\$ 57,136,396
2017-18	33,471,881	16,164,057	1,126,230	1,984,616	2,326,642	55,073,426
2016-17	33,066,257	15,664,747	1,014,167	-	3,596,823	53,341,994
2015-16	31,099,335	15,179,515	992,917	-	4,362,962	51,634,729
2014-15	29,082,969	14,568,451	925,695	2,825,500	2,097,036	49,499,651
2013-14	28,469,246	13,661,206	894,272	3,426,599	1,538,574	47,989,897
2012-13	26,498,793	12,927,985	856,296	3,412,974	3,400,000	47,096,048
2011-12	25,962,951	12,816,451	871,287	3,420,073	1,426,525	44,497,287
2010-11	27,091,081	12,938,334	928,161	3,336,090	414,812	44,708,478
2009-10	25,887,910	12,657,950	781,605	3,546,426	502,743	43,376,634



SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS

**SOLANCO SCHOOL DISTRICT**  
**SCHEDULE OF COST PER STUDENT BASED ON**  
**TOTAL PRIMARY GOVERNMENT EXPENSE**  
 (Accrual Basis of Accounting)

<b><u>FISCAL YEAR</u></b>	<b><u>TOTAL PRIMARY GOVERNMENT EXPENSE</u></b>	<b><u>STUDENT ENROLLMENT</u></b>	<b><u>TOTAL PRIMARY GOVERNMENT COST PER STUDENT</u></b>
2018-19	\$ 56,845,555	3355	\$ 16,944
2017-18	56,291,436	3454	16,297
2016-17	55,940,660	3537	15,816
2015-16	52,365,425	3483	15,035
2014-15	50,237,182	3550	14,151
2013-14	46,779,933	3585	13,049
2012-13	44,659,390	3683	12,126
2011-12	44,491,412	3726	11,941
2010-11	45,869,630	3742	12,258
2009-10	45,000,141	3791	11,870

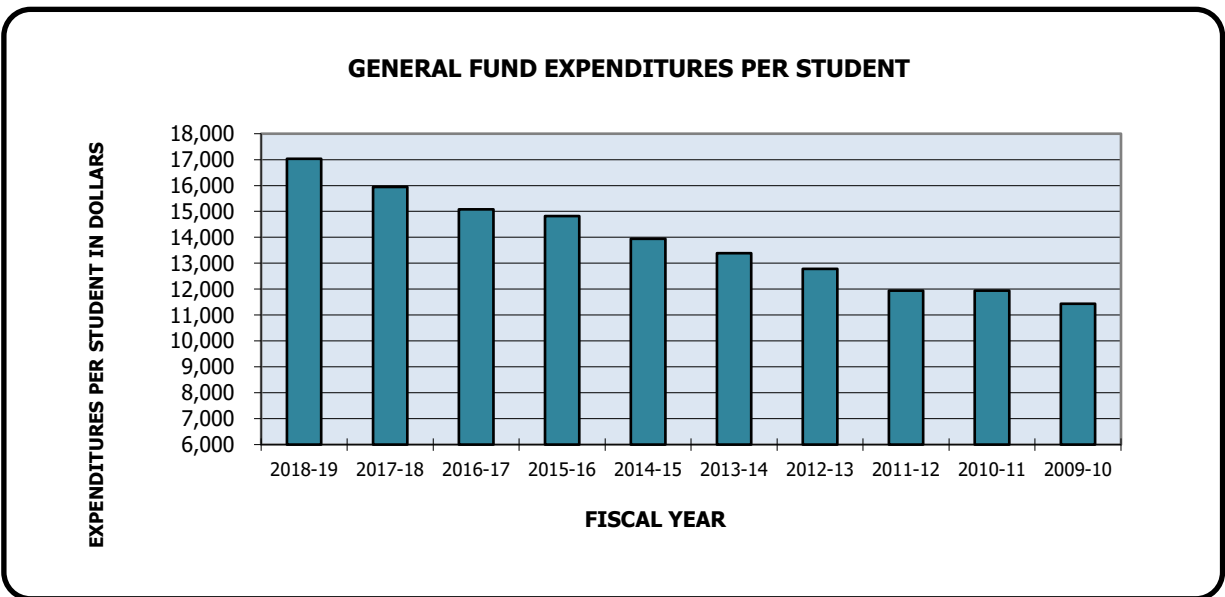


SOURCES: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS AND STUDENT ENROLLMENT RECORDS

NOTE: GASB STATEMENT NO. 68 - ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS WAS IMPLEMENTED DURING THE 2014-15 FISCAL YEAR IMPACTING EXPENSES

**SOLANCO SCHOOL DISTRICT**  
**SCHEDULE OF GENERAL FUND EXPENDITURES AND OTHER**  
**FINANCING USES PER STUDENT**  
**BASED ON GOVERNMENTAL FUND EXPENDITURES**  
 (Modified Accrual Basis of Accounting)

<b><u>FISCAL YEAR</u></b>	<b><u>GENERAL FUND EXPENDITURES</u></b>	<b><u>ENROLLMENT</u></b>	<b><u>GENERAL FUND EXPENDITURES PER STUDENT</u></b>
2018-19	\$ 57,136,396	3355	\$ 17,030
2017-18	55,073,426	3454	15,945
2016-17	53,345,171	3537	15,082
2015-16	51,634,729	3483	14,825
2014-15	49,499,651	3550	13,944
2013-14	47,989,897	3585	13,386
2012-13	47,096,048	3683	12,787
2011-12	44,497,287	3726	11,942
2010-11	44,708,478	3742	11,948
2009-10	43,376,634	3791	11,442



NOTE: EXPENDITURES INCLUDE OTHER FINANCING USES

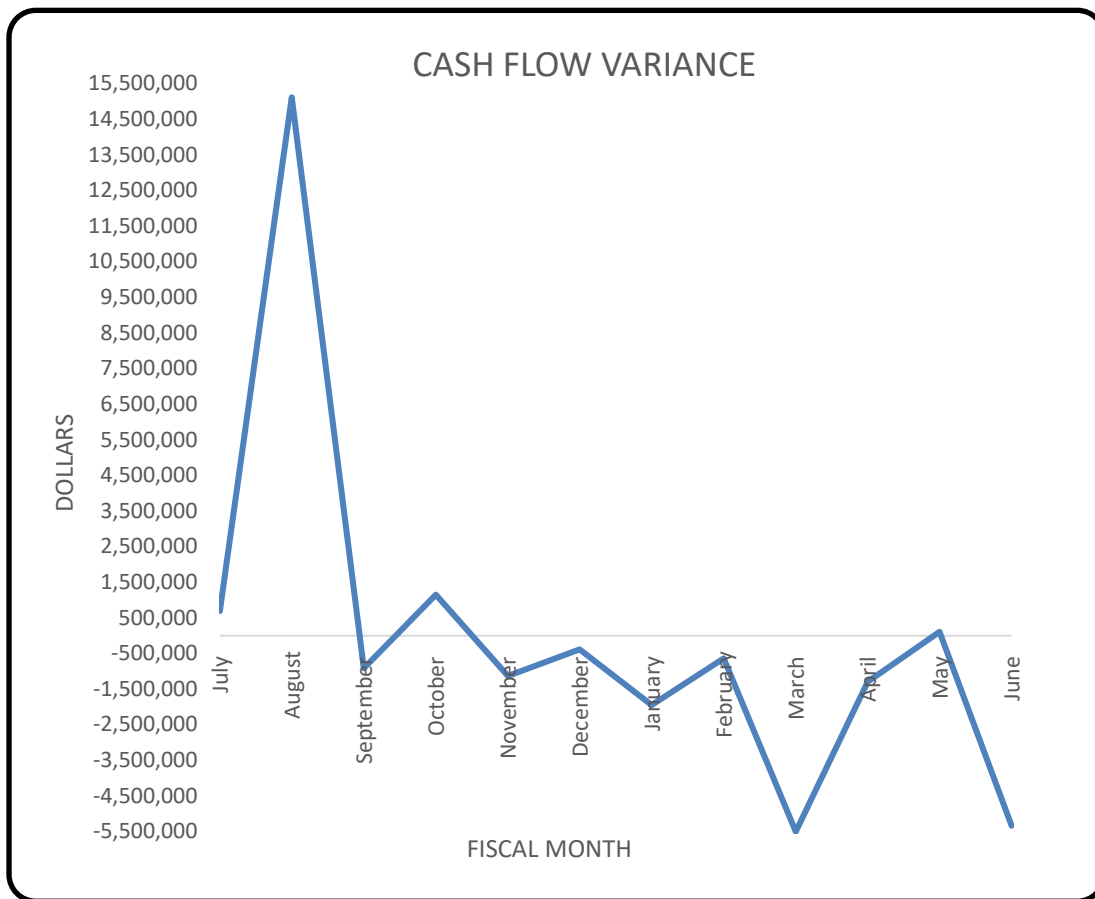
SOURCES: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS AND STUDENT ENROLLMENT RECORDS

# SOLANCO SCHOOL DISTRICT

## GENERAL FUND CASH FLOW ANALYSIS

### 2018-2019

<u>MONTH</u>		<u>CASH RECEIVED</u>	<u>CASH DISBURSED</u>	<u>VARIANCE</u>
July	2018	\$ 3,690,095	\$ 2,998,651	\$ 691,445
August	2018	19,292,962	4,172,933	15,120,029
September	2018	4,549,417	5,461,267	(911,850)
October	2018	4,958,337	3,807,099	1,151,237
November	2018	3,474,025	4,604,288	(1,130,262)
December	2018	4,366,032	4,753,349	(387,317)
January	2019	1,792,670	3,740,793	(1,948,123)
February	2019	3,246,242	3,880,228	(633,986)
March	2019	2,995,666	8,499,751	(5,504,085)
April	2019	2,366,689	3,656,082	(1,289,394)
May	2019	4,992,410	4,883,335	109,076
June	2019	2,513,643	7,850,526	(5,336,883)
<b>TOTAL</b>		<b><u>\$ 58,238,187</u></b>	<b><u>\$ 58,308,302</u></b>	<b><u>\$ (70,115)</u></b>

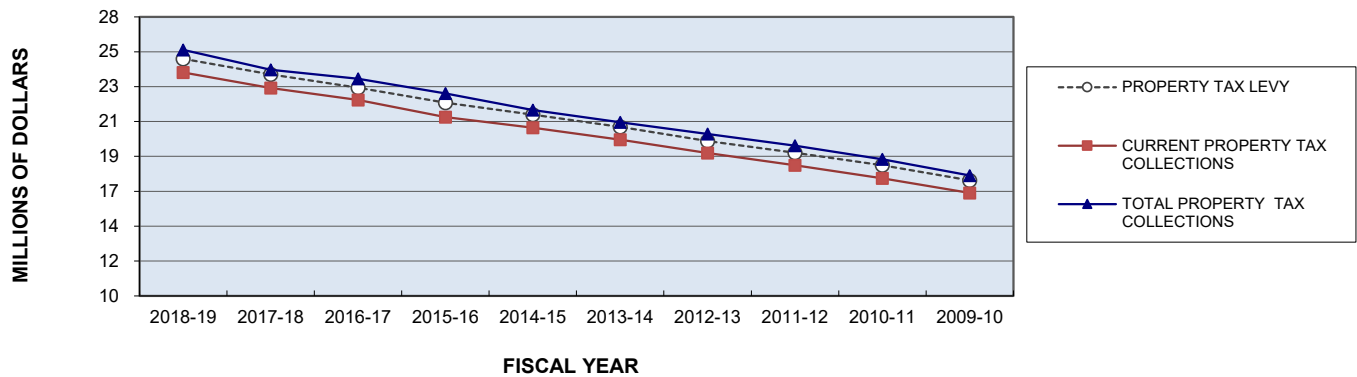


NOTE: CASH BASIS ONLY; DOES NOT REFLECT MODIFIED ACCRUAL ACCOUNTING PRINCIPLES, REPRESENTS COMBINATION OF CASH AND INVESTMENTS  
 SOURCE: MONTHLY GENERAL FUND FINANCIAL STATEMENTS PRESENTED TO THE BOARD OF SCHOOL DIRECTORS

# SOLANCO SCHOOL DISTRICT PROPERTY TAX LEVY AND COLLECTIONS

<b>FISCAL YEAR</b>	<b>(A) PROPERTY TAX LEVY</b>	<b>(B) CURRENT PROPERTY TAX COLLECTIONS</b>	<b>CURRENT PROPERTY TAX COLLECTION PERCENTAGE</b>	<b>(B) INTERIM PROPERTY TAX COLLECTIONS</b>	<b>(C) DELINQUENT PROPERTY TAX COLLECTIONS</b>	<b>(D) TOTAL PROPERTY TAX LEVY COLLECTION PERCENTAGE</b>	<b>(E) PROPERTY TRANSFER TAX COLLECTIONS</b>	<b>TOTAL PROPERTY TAX COLLECTIONS</b>
2018-19	\$ 24,954,821	\$ 24,094,317	96.55%	\$ 244,123	\$ 577,410	98.7%	\$ 604,950	\$ 25,520,800
2017-18	23,972,886	23,120,583	96.44%	77,178	523,502	98.4%	534,800	24,256,063
2016-17	23,138,480	22,359,411	96.63%	162,310	580,404	98.9%	590,782	23,692,907
2015-16	22,186,373	21,279,420	95.91%	109,319	882,242	99.5%	495,841	22,766,822
2014-15	21,434,265	20,610,920	96.16%	58,899	615,709	98.8%	443,847	21,729,375
2013-14	20,653,435	19,857,373	96.15%	111,303	649,267	99.0%	341,402	20,959,345
2012-13	19,770,866	19,016,920	96.19%	142,939	691,692	99.4%	357,759	20,209,310
2011-12	19,026,393	18,239,513	95.86%	124,162	765,405	99.5%	340,044	19,469,124
2010-11	18,237,069	17,422,516	95.53%	149,063	729,656	99.2%	312,987	18,614,222
2009-10	17,288,630	16,495,888	95.41%	186,700	607,854	98.6%	307,880	17,598,322

**PROPERTY TAX LEVY AND TAX COLLECTIONS**



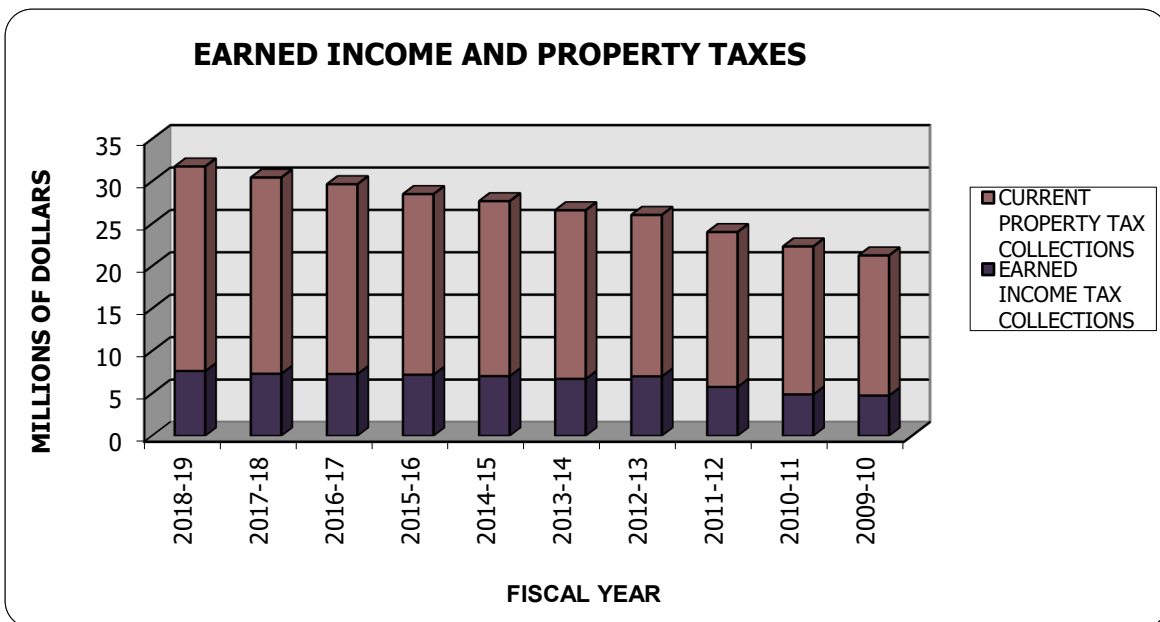
**SOURCES:**

- (A) PROPERTY TAX LEVY OBTAINED FROM LANCASTER COUNTY ASSESSMENT OFFICE
- (B) SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS
- (C) DELINQUENT COLLECTIONS OBTAINED FROM LANCASTER COUNTY TAX CLAIM BUREAU AND PORTNOFF LAW ASSOCIATES, LTD.  
DELINQUENT TAXES ARE REPORTED FOR FISCAL YEAR ORIGINALLY LEVIED WITH EXCEPTION OF COLLECTIONS FOR WHICH FISCAL YEAR COULD NOT BE DETERMINED.
- (D) OUTSTANDING REAL ESTATE TAX TOTALS OBTAINED FROM LANCASTER COUNTY TAX CLAIM BUREAU
- (E) REAL ESTATE TRANSFER TAX COLLECTIONS OBTAINED FROM LANCASTER COUNTY TREASURER'S OFFICE

# SOLANCO SCHOOL DISTRICT

## DELINQUENT OCCUPATION, DELINQUENT PER CAPITA , EARNED INCOME AND CURRENT PROPERTY TAX COLLECTIONS

<b>FISCAL YEAR</b>	<b>DELINQUENT OCCUPATION &amp; PER CAPITA TAX COLLECTIONS</b>	<b>(A) EARNED INCOME TAX COLLECTIONS</b>	<b>CURRENT PROPERTY TAX COLLECTIONS</b>	<b>TOTAL TAX COLLECTIONS</b>
2018-19	\$ -	\$ 7,652,775	\$ 24,094,317	\$ 31,747,092
2017-18	-	7,325,951	23,120,583	30,446,534
2016-17	-	7,297,915	22,359,360	29,657,275
2015-16	-	7,212,916	21,279,420	28,492,336
2014-15	-	7,046,945	20,610,920	27,657,865
2013-14	-	6,728,477	19,857,373	26,585,850
2012-13	-	7,016,102	19,016,920	26,033,022
2011-12	-	5,772,632	18,239,513	24,012,145
2010-11	-	4,888,591	17,422,516	22,311,107
2009-10	200	4,756,179	16,495,888	21,252,267



(A) EARNED INCOME TAX RATE - 1.15%

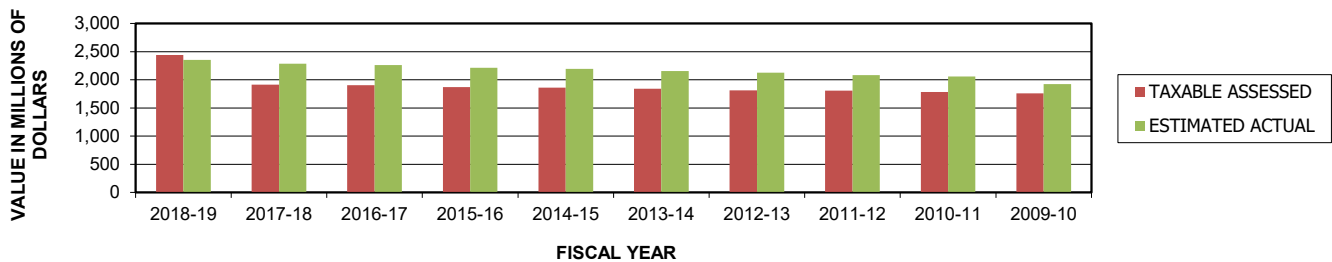
SOURCE: TAX COLLECTIONS OBTAINED FROM SCHOOL DISTRICT TAX OFFICE RECORDS

# SOLANCO SCHOOL DISTRICT

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

FISCAL YEAR		(A) (D) TOTAL ASSESSED VALUE	(A) (D) EXEMPT ASSESSED VALUE	(A) TAXABLE ASSESSED VALUE	(B) TOTAL DIRECT TAX RATE	(C) ESTIMATED ACTUAL VALUE	% OF TAXABLE ASSESSED TO ESTIMATED ACTUAL
2018-19	LAND	\$ -	\$ -	\$ 827,994,100			
	BUILDING	-	-	1,610,351,900			
	TOTAL	2,624,500,600	186,154,600	2,438,346,000	10.4590	\$ 2,351,209,126	103.71%
2017-18	LAND	\$ -	\$ -	\$ 534,980,200			
	BUILDING	-	-	1,378,943,900			
	TOTAL	2,059,625,800	145,701,700	1,913,924,100	12.8109	\$ 2,284,025,924	83.80%
2016-17	LAND	\$ 582,722,100	\$ 45,028,600	\$ 537,693,500			
	BUILDING	1,463,585,300	98,843,000	1,364,742,300			
	TOTAL	2,046,307,400	143,871,600	1,902,435,800	12.4499	\$ 2,260,493,042	84.16%
2015-16	LAND	\$ 574,539,500	\$ 44,897,200	\$ 529,642,300			
	BUILDING	1,438,335,700	98,578,600	1,339,757,100			
	TOTAL	2,012,875,200	143,475,800	1,869,399,400	12.0991	\$ 2,211,606,376	84.53%
2014-15	LAND	\$ 567,793,800	\$ 44,909,300	\$ 522,884,500			
	BUILDING	1,436,065,500	98,294,400	1,337,771,100			
	TOTAL	2,003,859,300	143,203,700	1,860,655,600	11.8040	\$ 2,193,913,648	84.81%
2013-14	LAND	\$ 562,662,000	\$ 44,481,300	\$ 518,180,700			
	BUILDING	1,416,277,500	95,076,900	1,321,200,600			
	TOTAL	1,978,939,500	139,558,200	1,839,381,300	11.5161	\$ 2,154,824,278	85.36%
2012-13	LAND	\$ 555,505,600	\$ 44,670,500	\$ 510,835,100			
	BUILDING	1,397,239,300	94,483,300	1,302,756,000			
	TOTAL	1,952,744,900	139,153,800	1,813,591,100	11.2443	\$ 2,124,654,114	85.36%
2011-12	LAND	\$ 565,818,800	\$ 44,482,200	\$ 521,336,600			
	BUILDING	1,379,165,000	92,032,600	1,287,132,400			
	TOTAL	1,944,983,800	136,514,800	1,808,469,000	10.8500	\$ 2,082,396,041	86.85%
2010-11	LAND	\$ 559,934,300	\$ 44,301,000	\$ 515,633,300			
	BUILDING	1,357,664,200	90,110,500	1,267,553,700			
	TOTAL	1,917,598,500	134,411,500	1,783,187,000	10.5442	\$ 2,057,744,023	86.66%
2009-10	LAND	552,801,000	\$ 43,679,700	\$ 509,121,300			
	BUILDING	1,339,782,800	88,540,700	1,251,242,100			
	TOTAL	1,892,583,800	132,220,400	1,760,363,400	10.1582	\$ 1,921,978,700	91.59%

**TAXABLE ASSESSED AND ESTIMATED ACTUAL PROPERTY VALUES**



**SOURCES:**

(A) ASSESSED VALUE (AS OF LEVY DATE) OBTAINED FROM LANCASTER COUNTY TAX ASSESSMENT OFFICE

(B) DISTRICT REAL ESTATE TAX MILLAGE RATES FROM DISTRICT RECORDS

(C) ESTIMATED ACTUAL VALUE OBTAINED FROM PENNSYLVANIA STATE TAX EQUALIZATION BOARD (STEB)

PROPERTY ASSESSMENTS BASED ON 100% OF 2004 MARKET VALUES

(D) EFFECTIVE 17/18 TAX YEAR, THE COUNTY IS NO LONGER ABLE TO PROVIDE VALUES FOR EXEMPT LAND AND BUILDING

**COUNTY OF LANCASTER**  
**TAXABLE ASSESSED AND ESTIMATED ACTUAL PROPERTY VALUES**  
**LAST TEN YEARS**

<u>YEAR</u>	<u>TOTAL (A) ASSESSED VALUE</u>	<u>TOTAL (A) EXEMPT VALUE</u>	<u>TAXABLE (A) ASSESSED</u>	<u>ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (B)</u>	<u>TAXABLE ASSESSED VALUE TO ESTIMATED ACTUAL VALUE</u>	<u>CONSTRUCTION AND ADDITIONS (C) NUMBER OF UNITS</u>	<u>TAXABLE VALUE</u>
2018	\$ 42,266,978,800	\$ 5,049,013,800	\$ 37,217,965,000	\$ 38,887,377,293	96%	2,689	\$ 519,725,100
2017	36,474,981,700	3,941,908,700	32,533,073,000	37,332,548,625	87%	1,551	290,996,900
2016	36,278,680,600	3,921,602,400	32,357,078,200	37,001,199,032	87%	1,949	296,152,200
2015	36,156,664,400	3,917,166,800	32,239,497,600	35,593,366,908	91%	2,053	303,000,500
2014	35,781,687,200	3,845,418,300	31,936,268,900	35,315,001,095	90%	1,662	238,799,300
2013	35,533,876,800	3,833,025,400	31,700,851,400	34,353,069,999	92%	2,139	330,064,800
2012	35,179,488,300	3,762,996,600	31,416,491,700	34,175,844,457	92%	2,295	262,960,100
2011	34,967,657,000	3,692,444,500	31,275,212,500	32,951,811,560	95%	2,232	285,649,400
2010	34,739,109,300	3,623,673,500	31,115,435,800	32,669,925,383	95%	2,450	353,655,300
2009	34,415,552,600	3,558,307,700	30,857,244,900	30,705,730,044	100%	2,772	407,368,900
2008	33,808,345,300	3,334,971,300	30,473,374,000	30,360,744,695	100%	2,611	378,074,100

SOURCES:

(A) TOTAL TAX ASSESSED PROPERTY VALUES PROVIDED BY LANCASTER COUNTY TAX ASSESSMENT OFFICE

(B) ESTIMATED ACTUAL VALUE OBTAINED FROM PENNSYLVANIA STATE EQUALIZATION BOARD (STEB) - MARKET VALUE

(C) AMOUNTS ARE BASED ON INTERIM APPRAISALS AT MARKET VALUE FOR NEW CONSTRUCTION AND ADDITIONS; OBTAINED FROM LANCASTER COUNTY TAX ASSESSMENT OFFICE

PROPERTY ASSESSMENTS BASED ON 100% OF 2018 MARKET VALUES



**SOLANCO SCHOOL DISTRICT**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN YEARS**  
**(IN MILLS)**

	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
<b>SOLANCO SCHOOL DISTRICT</b>	10.4590	12.8109	12.4499	12.0991	11.8040	11.5161	11.2243	10.8500	10.5442	10.1582
<b>MUNICIPALS:</b>										
BART TOWNSHIP	0.4750	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
COLERAIN TOWNSHIP	0.5180	0.6620	0.6620	0.6620	0.6620	0.6620	0.6120	0.6120	0.6120	0.6120
DRUMORE TOWNSHIP	0.8459	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
EAST DRUMORE TOWNSHIP	0.3300	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900
EDEN TOWNSHIP	0.9500	1.1500	1.0500	1.0500	0.8000	0.8000	0.7000	0.7000	0.7000	0.6000
FULTON TOWNSHIP	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100
LITTLE BRITAIN TOWNSHIP	0.3010	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900
PROVIDENCE TOWNSHIP	0.3810	0.6300	0.8075	0.8075	0.1580	0.1580	0.1580	0.1580	0.1580	0.1580
QUARRYVILLE BOROUGH	4.6300	6.0000	6.0000	6.0000	4.7500	4.7500	4.7500	4.7500	4.7500	3.7500
<b>LANCASTER COUNTY</b>	2.911	3.735	3.735	3.735	3.735	3.735	3.416	3.416	3.416	3.416

SOURCE: LANCASTER COUNTY ASSESSMENT OFFICE

SCHOOL DISTRICT MILLAGE RATES EFFECTIVE JULY 1; MUNICIPAL MILLAGE RATES EFFECTIVE JANUARY 1

# LANCASTER COUNTY SCHOOL DISTRICTS

## SCHEDULE OF MILLAGE RATES

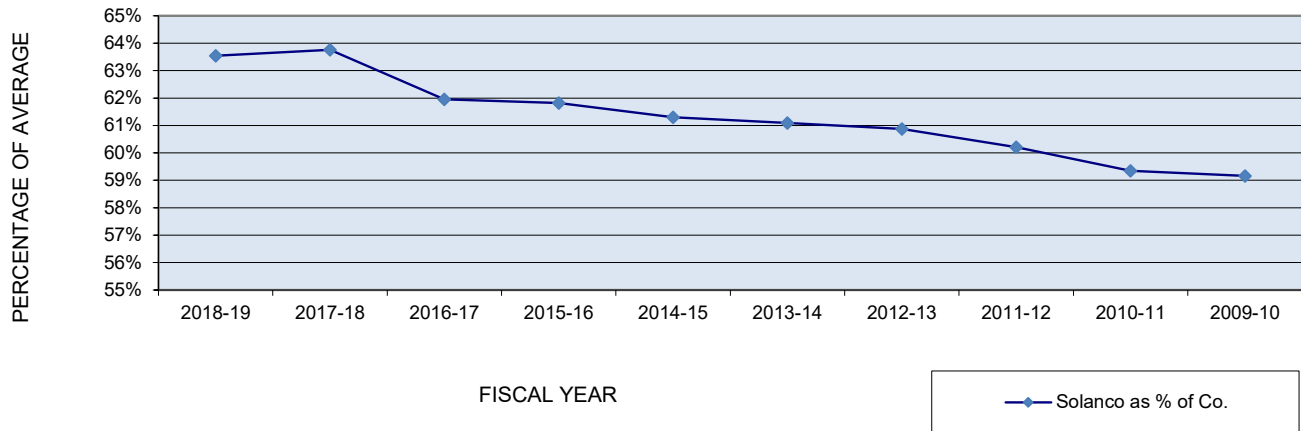
(IN MILLS)

<u>School District</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
COCALICO	18.6935	23.1600	22.8200	22.8200	22.3200	21.7600	21.3200	20.8900	20.5500	19.840
COLUMBIA	25.8163	30.1908	29.3400	28.7600	28.2000	27.3700	26.0000	25.3700	25.3700	24.357
CONESTOGA VALLEY	13.3940	16.3220	15.9240	15.2064	14.8330	14.5280	14.2865	14.0480	13.7730	13.266
DONEGAL	18.1670	22.8790	22.4640	22.0243	22.0243	21.4453	20.9837	20.5320	20.1690	19.450
EASTERN LANCASTER CO.	12.3854	15.3848	15.0400	14.6879	14.4141	14.1177	13.8410	13.4470	13.0877	12.598
ELIZABETHTOWN	16.6063	20.8450	19.9000	19.1048	18.3700	17.8900	17.8900	17.5800	17.2700	16.586
EPHRATA	16.9500	20.9600	20.4500	20.0500	19.6000	19.6000	19.4100	19.0200	19.0200	18.520
HEMPFIELD	16.0034	20.3258	20.1246	19.6530	19.4590	19.0030	18.6310	18.2660	17.9789	17.388
LAMPETER-STRASBURG	16.6440	20.5494	20.2458	19.8683	19.6133	19.4384	19.0760	18.7573	18.4620	17.800
LANCASTER	21.3274	28.2568	27.7572	27.2129	26.6793	25.9224	25.2902	24.6972	24.2130	23.260
MANHEIM CENTRAL	14.3317	17.7731	17.7731	17.3566	17.1848	16.9726	16.6889	16.4100	16.2500	15.850
MANHEIM TOWNSHIP	15.1138	19.4128	19.0500	18.6409	18.6409	18.2575	17.9525	17.2680	17.0299	16.550
PENN MANOR	16.4000	20.0600	19.2700	18.0100	17.6100	17.2500	16.9700	16.6900	16.4600	15.910
PEQUEA VALLEY	14.6806	18.4841	18.1217	17.4735	17.4735	17.3866	16.8898	16.5619	16.3333	15.743
<b>SOLANCO</b>	<b>10.4590</b>	<b>12.8109</b>	<b>12.4499</b>	<b>12.0991</b>	<b>11.8040</b>	<b>11.5161</b>	<b>11.2243</b>	<b>10.8500</b>	<b>10.5442</b>	<b>10.1582</b>
WARWICK	16.3711	21.1623	20.7474	20.1627	19.7094	19.2100	18.5700	17.9000	17.6600	17.400

AVERAGE LANCASTER  
COUNTY SCHOOL  
DISTRICT MILLAGE RATE

16.46	20.54	20.09	19.57	19.25	18.85	18.44	18.02	17.76	17.17
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**SOLANCO MILLAGE RATE AS % OF COUNTY AVERAGE**



SOURCE: LANCASTER-LEBANON SCHOOL BUSINESS OFFICIAL MILLAGE RATE HISTORY

**COUNTY OF LANCASTER**  
**EARNED INCOME TAX STATISTICS**  
**LAST TEN CALENDAR YEARS**

	2018		2017		2016		2015		2014	
	NUMBER OF TAX FILERS	% OF TOTAL FILERS	NUMBER OF TAX FILERS	% OF TOTAL FILERS	NUMBER OF TAX FILERS	% OF TOTAL FILERS	NUMBER OF TAX FILERS	% OF TOTAL FILERS	NUMBER OF TAX FILERS	% OF TOTAL FILERS
<b><u>INCOME RANGE</u></b>										
> \$1,000,000	135	0.05%	123	0.05%	114	0.04%	128	0.05%	115	0.05%
\$250,000 - \$999,999	2,737	1.10%	2,622	1.02%	2,459	0.96%	2,253	0.88%	2,081	0.83%
\$200,000 - \$249,999	1,526	0.62%	1,483	0.58%	1,477	0.58%	1,325	0.52%	1,212	0.48%
\$150,000 - \$199,999	3,639	1.47%	3,403	1.32%	3,219	1.25%	3,020	1.21%	2,692	1.07%
\$100,000 - \$149,999	12,169	4.91%	11,546	4.49%	10,676	4.16%	10,175	4.08%	9,288	3.70%
\$90,000 - \$99,999	5,852	2.36%	5,648	2.20%	5,271	2.05%	4,933	1.98%	4,518	1.80%
\$80,000 - \$89,999	8,715	3.52%	8,174	3.18%	7,778	3.03%	7,522	3.02%	6,975	2.78%
\$70,000 - \$79,999	12,715	5.13%	12,323	4.79%	11,624	4.53%	11,334	4.55%	10,593	4.22%
\$60,000 - \$69,999	17,021	6.87%	16,565	6.44%	16,118	6.28%	15,404	6.18%	14,723	5.87%
\$50,000 - \$59,999	22,092	8.91%	22,606	8.79%	21,957	8.55%	21,306	8.55%	20,716	8.26%
\$40,000 - \$49,999	26,808	10.81%	28,017	10.90%	27,845	10.84%	26,840	10.77%	26,903	10.72%
\$30,000 - \$39,999	29,841	12.04%	32,080	12.48%	32,015	12.47%	30,940	12.41%	31,542	12.57%
\$20,000 - \$29,999	29,300	11.82%	31,604	12.29%	32,832	12.79%	32,117	12.88%	33,407	13.32%
\$10,000 - \$19,999	31,205	12.59%	33,314	12.96%	34,626	13.48%	33,998	13.64%	35,824	14.28%
\$1 - \$9,999	44,156	17.81%	47,585	18.51%	48,779	19.00%	48,028	19.25%	50,293	20.05%
No Earned Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	247,911	100.00%	257,093	100.00%	256,790	100.00%	249,323	100.00%	250,882	100.00%
Pennsylvania Personal Median Taxable Income (A)	N/A		N/A		N/A		N/A		N/A	

SOURCE: LANCASTER COUNTY TAX COLLECTION BUREAU  
(A) PENNSYLVANIA DEPARTMENT OF REVENUE TAXABLE INCOME  
N/A - INFORMATION NOT AVAILABLE

**COUNTY OF LANCASTER**  
**EARNED INCOME TAX STATISTICS**  
**LAST TEN CALENDAR YEARS**  
(Continued)

2013		2012		2011		2010		2009	
NUMBER OF TAX FILERS	% OF TOTAL FILERS	NUMBER OF TAX FILERS	% OF TOTAL FILERS	NUMBER OF TAX FILERS	% OF TOTAL FILERS	NUMBER OF TAX FILERS	% OF TOTAL FILERS	NUMBER OF TAX FILERS	% OF TOTAL FILERS
91	0.04%	98	0.03%	97	0.03%	78	0.03%	78	0.03%
1,890	0.76%	1,826	0.64%	1,849	0.62%	1,614	0.53%	1,538	0.51%
1,086	0.44%	1,061	0.37%	1,058	0.35%	1,029	0.34%	940	0.31%
2,543	1.02%	2,294	0.81%	2,322	0.78%	2,178	0.72%	2,040	0.67%
8,374	3.36%	7,974	2.81%	7,870	2.63%	7,400	2.44%	6,986	2.30%
4,121	1.65%	3,842	1.35%	3,695	1.24%	3,556	1.17%	3,515	1.16%
6,479	2.60%	5,891	2.08%	5,773	1.93%	5,504	1.81%	5,133	1.69%
9,870	3.96%	9,405	3.32%	9,618	3.22%	9,094	2.99%	8,725	2.87%
13,983	5.61%	13,533	4.77%	13,633	4.56%	13,557	4.46%	12,847	4.23%
19,975	8.02%	19,623	6.92%	19,991	6.69%	19,862	6.54%	19,493	6.42%
26,415	10.60%	26,271	9.26%	26,906	9.00%	27,133	8.93%	27,484	9.05%
31,636	12.70%	32,101	11.32%	33,545	11.22%	34,796	11.46%	35,104	11.56%
33,908	13.61%	34,869	12.30%	37,272	12.47%	38,313	12.61%	39,714	13.08%
36,483	14.64%	37,433	13.20%	39,274	13.14%	40,892	13.46%	41,053	13.52%
52,345	21.01%	53,385	18.83%	58,055	19.43%	60,571	19.94%	61,592	20.29%
N/A	N/A	33,958	11.98%	37,885	12.68%	38,133	12.56%	37,320	12.29%
249,199	100.00%	283,564	100.00%	298,843	100.00%	303,710	100.00%	303,562	100.00%
N/A		\$26,736		\$28,370		\$27,827		\$27,409	

**SOLANCO SCHOOL DISTRICT**  
**PRINCIPAL TAXPAYERS**  
**July 1, 2018 and July 1, 2009**

<b>TAXPAYERS</b>	<b>July 1, 2018 ASSESSMENT</b>			<b>July 1, 2009 ASSESSMENT</b>		
	<b>ASSESSED VALUE</b>	<b>RANK</b>	<b>PERCENT OF TOTAL ASSESSMENT</b>	<b>ASSESSED VALUE</b>	<b>RANK</b>	<b>PERCENT OF TOTAL ASSESSMENT</b>
PECO ENERGY/EXELON	\$ 41,071,700	1	1.6844%	\$ 36,832,000	1	2.092%
QUARRYVILLE PRESBYTERIAN RETIREMENT COMMUNITY	27,235,800	2	1.1170%	14,011,900	2	0.796%
WEISSER HOLDINGS LIMITED PARTNERSHIP	6,528,400	3	0.2677%	5,539,300	4	0.315%
SOUTHERN END PROPERTIES LIMITED	6,511,300	4	0.2670%	5,481,000	5	0.311%
INDIVIDUAL - A	4,547,700	5	0.1865%			
TOWNS EDGE ASSOCIATES INC.	4,487,300	6	0.1840%	3,866,000	6	0.220%
FOUR CORNERS PROPERTIES LLC	3,654,500	7	0.1499%			
B&E PROPERTY MANAGEMENT LTD	3,631,000	8	0.1489%	3,023,600	10	0.172%
INDIVIDUAL - B	3,312,100	9	0.1358%	1,506,100	9	0.086%
HOPE VALLEY FARMS	2,909,800	10	0.1193%			
INDIVIDUAL - C	2,857,500	11	0.1172%			
INDIVIDUAL - D	2,815,200	12	0.1155%			
PPL RE TAX	2,806,400	13	0.1151%			
INDIVIDUAL - E	2,787,400	14	0.1143%			
BUCK IRON INC	2,766,100	15	0.1134%			
BLACK ROCK RETREAT ASSOCIATION				5,643,800	3	0.321%
TANGLEWOOD MANOR, INC				3,549,900	7	0.202%
GRAYWOOD FARMS				3,375,000	8	0.192%
	<u>\$ 117,922,200</u>		<u>4.8362%</u>	<u>\$ 82,828,600</u>		<u>4.705%</u>
 TOTAL TAXABLE ASSESSED VALUATION	 <u>\$ 2,438,346,000</u>			 <u>\$ 1,760,363,400</u>		

NOTE: PROPERTY ASSESSMENTS BASED ON 100% OF 2018 MARKET VALUES

SOURCE: ASSESSED VALUE (AS OF LEVY DATE) OBTAINED FROM LANCASTER COUNTY ASSESSMENT OFFICE

**SOLANCO SCHOOL DISTRICT**  
**RATIOS OF GENERAL OBLIGATION BONDED DEBT TO**  
**TAXABLE ASSESSED PROPERTY VALUE, PER CAPITA,**  
**PERSONAL INCOME AND STUDENT ENROLLMENT**

<b>FISCAL YEAR</b>	<b>(B)</b>		<b>(C)</b>		<b>(D)</b>		<b>(E)</b>		<b>(F)</b>		<b>(G)</b>	
	<b>ASSESSED TAXABLE PROPERTY VALUE</b>		<b>GENERAL OBLIGATION BONDED DEBT</b>	<b>RATIO OF BONDED DEBT TO ASSESSED VALUE</b>	<b>POPULATION</b>	<b>BONDED DEBT PER CAPITA</b>	<b>TOTAL PERSONAL INCOME</b>	<b>RATIO OF BONDED DEBT TO PERSONAL INCOME</b>	<b>PERSONAL INCOME</b>	<b>STUDENT ENROLLMENT</b>	<b>BONDED DEBT PER STUDENT</b>	
2018-19	\$ 1,913,924,100		\$ 15,895,000	0.83%	28,914	\$ 550	N/A	0.00		3355	\$ 4,738	
2017-18	1,913,924,100		17,325,000	0.91%	28,920	599	N/A	0.00		3454	5,016	
2016-17 (A)	1,902,435,800		-	0.00%	28,926	-	\$ 679,918	0.00		3537	-	
2015-16 (A)	1,869,399,400		-	0.00%	28,579	-	673,554	0.00		3483	-	
2014-15 (A)	1,860,655,600		-	0.00%	29,500	-	657,558	0.00		3550	-	
2013-14	1,839,381,300		2,761,047	0.15%	29,482	94	611,240	4.52		3585	770	
2012-13	1,813,591,100		5,993,964	0.33%	29,646	202	594,616	10.08		3683	1,627	
2011-12	1,808,469,000		9,124,958	0.50%	29,590	308	573,867	15.90		3726	2,449	
2010-11	1,783,187,000		12,161,764	0.68%	29,560	411	546,379	22.26		3742	3,250	
2009-10	1,760,363,400		15,030,896	0.85%	29,462	510	536,599	28.01		3791	3,965	

(A) SCHOOL DISTRICT HELD NO OUTSTANDING GENERAL OBLIGATION BOND DEBT AS OF JUNE 30

(B) ASSESSED PROPERTY VALUE OBTAINED FROM LANCASTER COUNTY ASSESSMENT OFFICE

(C) BONDED DEBT REPORTED NET OF RELATED PREMIUMS; AMOUNTS REPORTED AS RESTRICTED FOR DEBT SERVICE ON THE STATEMENT OF NET POSITION REPRESENT INTEREST ONLY PAYMENTS AND WILL NOT REDUCE GENERAL OBLIGATION BONDED DEBT

(D) POPULATION BASED ON SPRING 2017 DISTRICT CENSUS

(E) TOTAL PERSONAL INCOME OBTAINED FROM PA DEPARTMENT OF REVENUE ANNUAL PERSONAL INCOME REPORTS AND REPRESENTS INCOME TAXABLE FOR PA INCOME TAX PURPOSES. PERSONAL INCOME INCLUDES COMPENSATION; INTEREST; DIVIDENDS; NET PROFITS FROM BUSINESS OPERATIONS; NET GAINS FROM DISPOSITION OF PROPERTY, RENTS, ROYALTIES, PATENTS AND COPYRIGHTS; NET ESTATE AND TRUST INCOME; GAMBLING AND LOTTERY WINNINGS

(F) RATIO OF BONDED DEBT TO PERSONAL INCOME = TOTAL GENERAL OBLIGATION BONDED DEBT/TOTAL ANNUAL PERSONAL INCOME

(G) ENROLLMENTS BASED ON OCTOBER 1ST SCHOOL DISTRICT RECORDS

N/A - INFORMATION NOT AVAILABLE

**SOLANCO SCHOOL DISTRICT**  
**RATIO OF GENERAL AND LEASE RENTAL DEBT OUTSTANDING**  
**LAST TEN YEARS**

<b>FISCAL YEAR</b>	<b><u>GOVERNMENTAL ACTIVITIES</u></b>		<b>TOTAL PRIMARY GOVERNMENT</b>	<b>PERCENTAGE OF PERSONAL INCOME (A)</b>	<b>DEBT PER CAPITA (A)</b>
	<b><u>GENERAL OBLIGATION BOND DEBT</u></b>	<b><u>LEASE RENTAL BOND DEBT (B)</u></b>			
2018-19	\$ 15,895,000	\$ 1,517,716	\$ 17,412,716	N/A	\$ 550
2017-18	17,325,000	1,602,114	18,927,114	N/A	599
2016-17	-	1,724,738	1,724,738	N/A	60
2015-16	-	1,914,606	1,914,606	N/A	67
2014-15	-	2,015,992	2,015,992	N/A	63
2013-14	2,761,047	2,049,363	4,810,410	N/A	163
2012-13	5,993,964	832,956	6,826,920	10.08%	230
2011-12	9,124,958	916,956	10,041,914	15.90%	339
2010-11	12,161,764	-	12,161,764	22.26%	411
2009-10	15,030,896	-	15,030,896	28.01%	510

NOTE: DETAILS REGARDING THE COUNTY'S OUTSTANDING DEBT CAN BE FOUND IN THE NOTES TO THE FINANCIAL STATEMENTS.

(A) REFER TO RATIOS OF GENERAL OBLIGATION BONDED DEBT TO TAXABLE ASSESSED PROPERTY VALUE, PER CAPITA, PERSONAL INCOME AND STUDENT ENROLLMENT FOR PERSONAL INCOME AND POPULATION DATA.

(B) LEASE RENTAL BOND DEBT COMPRISED OF SCHOOL DISTRICT'S PROPORTIONATE SHARE OF LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER AUTHORITY'S GUARANTEED LEASE REVENUE BOND SERIES 2012, 2013 AND 2014. REFER TO NOTE 16 OF THE NOTES TO THE FINANCIAL STATEMENTS FOR ADDITIONAL DETAILS.

N/A - INFORMATION NOT AVAILABLE

**SOLANCO SCHOOL DISTRICT**  
**SCHEDULE OF DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 2019**

<b><u>JURISDICTION</u></b>	<b><u>GROSS DEBT OUTSTANDING</u></b>	<b><u>PERCENTAGE APPLICABLE TO JURISDICTION</u></b>	<b><u>NET SHARE OF DEBT</u></b>
<b>DIRECT:</b>			
SOLANCO SCHOOL DISTRICT (A)	\$ 17,412,716	100.00%	\$ 17,412,716
<b>OVERLAPPING:</b>			
LANCASTER COUNTY (B)	215,564,287	5.65%	<u>12,179,382</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT:</b>			<u>\$ 29,592,098</u>

NOTE: OVERLAPPING GOVERNMENTS ARE THOSE THAT COINCIDE, AT LEAST IN PART, WITH THE GEOGRAPHIC BOUNDARIES OF THE SCHOOL DISTRICT. THIS SCHEDULE ESTIMATES THE PORTION OF THE OUTSTANDING DEBT OF THOSE OVERLAPPING GOVERNMENTS THAT IS BORNE BY THE RESIDENTS AND BUSINESSES OF THE SOLANCO SCHOOL DISTRICT. THIS PROCESS RECOGNIZES THAT, WHEN CONSIDERING THE GOVERNMENT'S ABILITY TO ISSUE AND REPAY LONG-TERM DEBT, THE ENTIRE DEBT BURDEN BORNE BY THE RESIDENTS AND BUSINESSES SHOULD BE TAKEN INTO ACCOUNT. HOWEVER, THIS DOES NOT IMPLY THAT EVERY TAXPAYER IS A RESIDENT, AND THEREFORE RESPONSIBLE FOR REPAYING THE DEBT, OF EACH OVERLAPPING GOVERNMENT.

(A) SOURCE: SCHOOL DISTRICT FINANCIAL RECORDS

(B) THE LANCASTER COUNTY GROSS OUTSTANDING DEBT BALANCE IS DETERMINED AS OF DECEMBER 31, 2018 AND CONSISTS OF GENERAL OBLIGATION BONDS, NOTES PAYABLE, BOND PREMIUM, CAPITAL LEASES AND CONTRACT PAYABLES.

SOURCE: LANCASTER COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2018

(C) SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE OUTSTANDING LONG-TERM DEBT OF LANCASTER COUNTY IS BASED ON THE SCHOOL DISTRICT'S ASSESSED VALUATION OF TAXABLE AND NONTAXABLE REAL ESTATE AS A PERCENTAGE OF THE ASSESSED VALUATION OF TAXABLE AND NONTAXABLE REAL ESTATE FOR LANCASTER COUNTY.

LANCASTER COUNTY TOTAL ASSESSED VALUE AT JULY 1, 2018- \$47,315,992,600

SOLANCO SCHOOL DISTRICT TOTAL ASSESSED VALUE AT JULY 1, 2018 - \$2,624,500,600

SOURCE: LANCASTER COUNTY TAX ASSESSMENT OFFICE TAX ROLLS BY SCHOOL DISTRICT AS OF JULY 1, 2018



# SOLANCO SCHOOL DISTRICT

## COMPUTATION OF NONELECTORAL DEBT MARGIN <sup>(A)</sup>

### JUNE 30, 2019

	FOR THE FISCAL YEAR ENDED JUNE 30:			
FORMULA FOR DEBT:	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
TOTAL GENERAL FUND REVENUES	\$ 57,138,827	\$ 55,066,328	\$ 53,850,101	\$ 51,350,426
LESS REQUIRED DEDUCTIONS INCLUDED IN THE ABOVE REVENUES				
A. RENTAL AND SINKING FUND REIMBURSEMENT	38,205	12,195	234,860	-
B. REFUNDS FROM PRIOR YEAR EXPENDITURES	-	-	-	4,617
C. PROCEEDS FROM SALE OF CAPITAL ASSETS & NON-RECURRING REVENUES	<u>1,689</u>	<u>34,840</u>	<u>3,177</u>	<u>7,885</u>
NET REVENUE	<u>\$ 57,098,933</u>	<u>\$ 55,019,293</u>	<u>\$ 53,612,064</u>	<u>\$ 51,337,924</u>
TOTAL NET REVENUES FOR THREE YEARS	<u>165,730,290</u>			
 BORROWING BASE: AVERAGE NET REVENUES FOR THREE YEAR PERIOD	55,243,430 (A)			
DEBT LIMIT PERCENTAGE	<u>225%</u>			
LEGAL DEBT LIMIT	124,297,718			
LESS: CURRENT OUTSTANDING APPLICABLE DEBT	<u>15,895,000</u>			
TOTAL DEBT MARGIN	<u>\$ 108,402,718</u>			

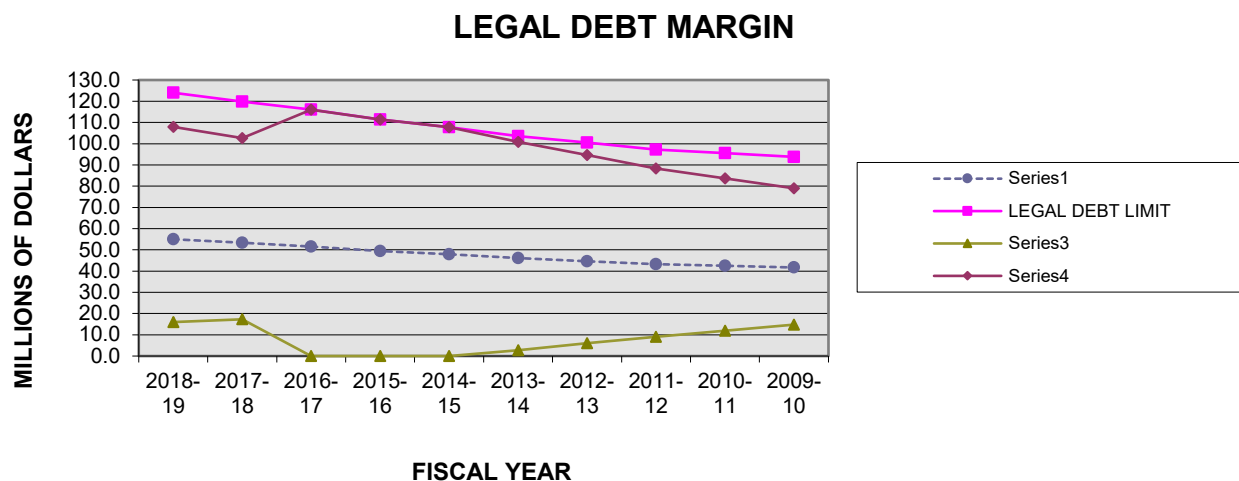
NOTE: THE LOCAL GOVERNMENT DEBT ACT (ACT 52 OF 1978, RE-ENACTING AND AMENDING ACT 185 OF 1972) DESCRIBES DEBT LIMITS FOR ALL LOCAL GOVERNMENTS IN PENNSYLVANIA. THE "DEBT ACT" IS ADMINISTERED BY THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AFFAIRS.

(A) THE BORROWING BASE REPRESENTS THE ANNUAL AVERAGE OF TOTAL REVENUES FOR THE THREE PRECEDING FISCAL YEARS, LESS ANNUAL RENTAL AND SINKING FUND REIMBURSEMENTS, GRANTS AND GIFTS DESIGNATED FOR A SPECIFIC CAPITAL PROJECT AND NONRECURRING RECEIPTS. NONRECURRING RECEIPTS INCLUDE PROCEEDS FROM THE SALE OF CAPITAL ASSETS, INSURANCE RECOVERIES, REFUNDS OF PRIOR YEAR EXPENDITURES AND OTHER ITEMS NOT CONSIDERED INCOME UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS.

# SOLANCO SCHOOL DISTRICT LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS

<b>FISCAL YEAR</b>	<b>(A) THREE YEAR AVERAGE REVENUE</b>	<b>(B) LEGAL DEBT LIMIT</b>	<b>DEBT APPLICABLE TO LIMIT</b>	<b>LEGAL DEBT MARGIN</b>	<b>LEGAL DEBT MARGIN %</b>
2018-19	\$ 55,243,430	\$ 124,297,718	\$ 15,895,000	\$ 108,402,718	87.21%
2017-18	53,323,094	119,976,961	17,325,000	102,651,961	85.56%
(C) 2016-17	51,544,549	115,975,235	-	115,975,235	100.00%
(C) 2015-16	49,513,745	111,405,774	-	111,405,774	100.00%
(C) 2014-15	47,923,487	107,827,847	-	107,827,847	100.00%
2013-14	46,057,810	103,630,072	2,750,000	100,880,072	97.35%
2012-13	44,698,344	100,571,274	5,950,000	94,621,274	94.08%
2011-12	43,259,943	97,334,873	9,015,000	88,319,873	90.74%
2010-11	42,493,019	95,609,292	11,975,000	83,634,292	87.48%
2009-10	41,679,914	93,779,806	14,755,000	79,024,806	84.27%



(A) THE LOCAL GOVERNMENT DEBT ACT (ACT 52 OF 1978, RE-ENACTING AND AMENDING ACT 185 OF 1972) DESCRIBES DEBT LIMITS FOR ALL LOCAL GOVERNMENTS IN PENNSYLVANIA. THE "DEBT ACT" IS ADMINISTERED BY THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AFFAIRS.

(B) 225% OF BORROWING BASE

(C) THE SCHOOL DISTRICT DID NOT HOLD ANY OUTSTANDING DEBT AT JUNE 30.

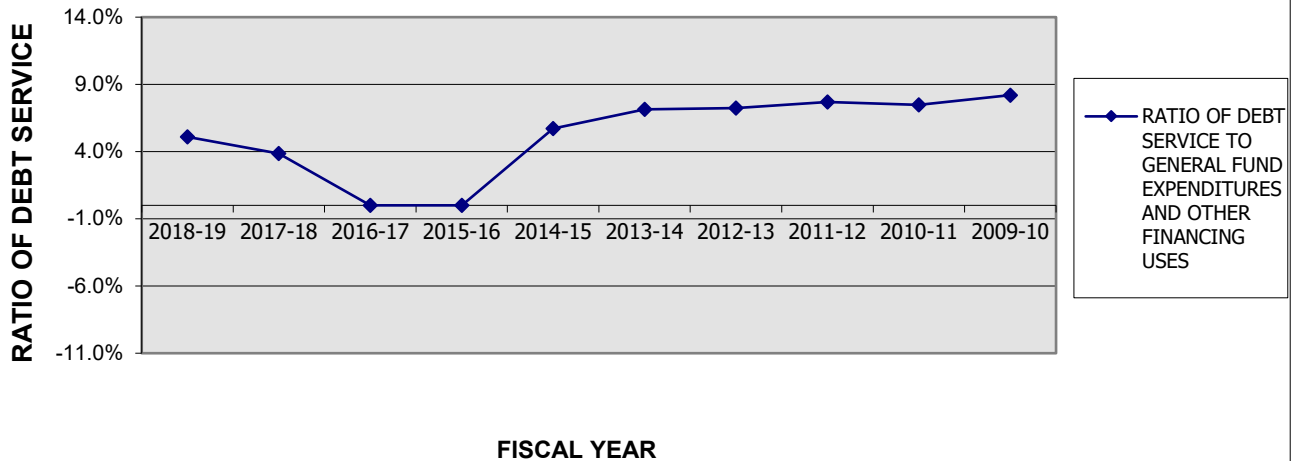
SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS

# SOLANCO SCHOOL DISTRICT

## RATIO OF ANNUAL DEBT SERVICE FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES AND OTHER FINANCING USES

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST AND FISCAL CHARGES</b>	<b>TOTAL BONDED DEBT SERVICE</b>	<b>GENERAL FUND EXPENDITURES AND OTHER FINANCING USES</b>	<b>RATIO OF DEBT SERVICE TO GENERAL FUND EXPENDITURES AND OTHER FINANCING USES</b>
2018-19	\$ 2,430,000	\$ 476,101	\$ 2,906,101	\$ 57,136,396	5.09%
2017-18	1,875,000	252,066	2,127,066	55,073,426	3.86%
2016-17	-	-	-	53,345,171	0.00%
2015-16	-	-	-	51,634,729	0.00%
2014-15	2,750,000	75,500	2,825,500	49,499,651	5.71%
2013-14	3,200,000	226,600	3,426,600	47,989,897	7.14%
2012-13	3,065,000	346,475	3,411,475	47,096,048	7.24%
2011-12	2,960,000	460,075	3,420,075	44,497,288	7.69%
2010-11	2,780,000	563,200	3,343,200	44,708,478	7.48%
2009-10	2,830,000	725,136	3,555,136	43,376,634	8.20%

### RATIO OF DEBT SERVICE TO GENERAL FUND EXPENDITURES & OTHER FINANCING USES

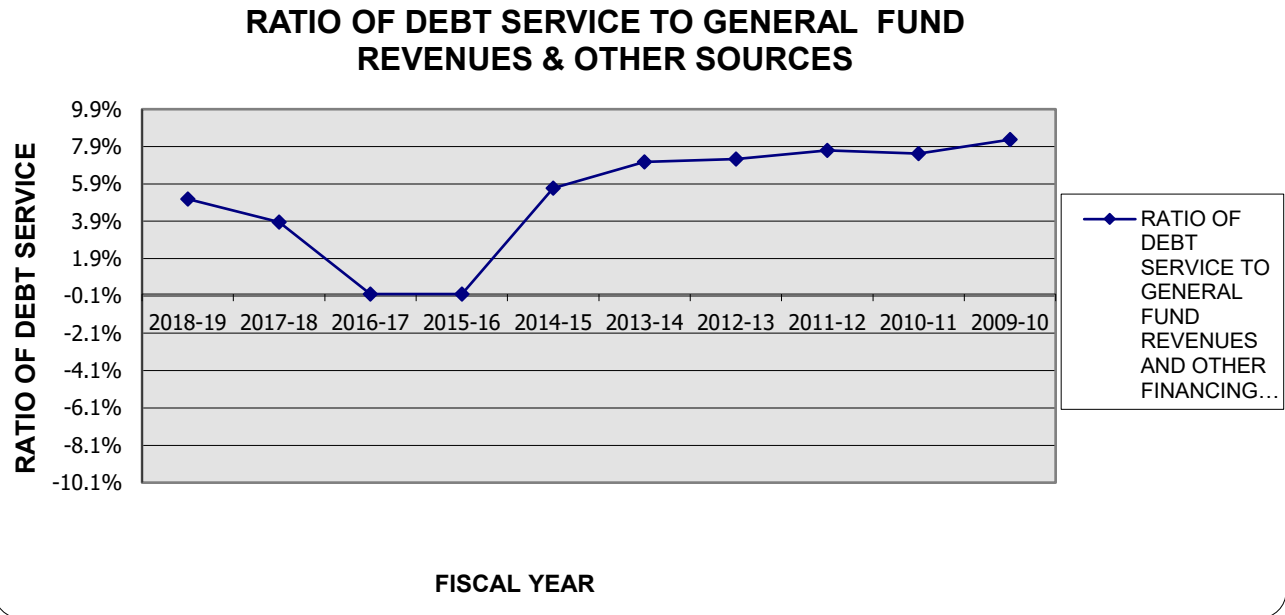


SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS

# SOLANCO SCHOOL DISTRICT

## RATIO OF ANNUAL DEBT SERVICE FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND REVENUES AND OTHER FINANCING SOURCES

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST AND FISCAL CHARGES</u>	<u>TOTAL BONDED DEBT SERVICE</u>	<u>GENERAL FUND REVENUES AND OTHER FINANCING SOURCES</u>	<u>RATIO OF DEBT SERVICE TO GENERAL FUND REVENUES AND OTHER FINANCING SOURCES</u>
2018-19	\$ 2,430,000	\$ 476,101	\$ 2,906,101	\$ 57,138,827	5.09%
2017-18	1,875,000	252,066	2,127,066	55,066,328	3.86%
2016-17	-	-	-	53,850,101	0.00%
2015-16	-	-	-	51,350,426	0.00%
2014-15	2,750,000	75,500	2,825,500	49,865,846	5.67%
2013-14	3,200,000	226,599	3,426,599	48,395,753	7.08%
2012-13	3,065,000	346,475	3,411,475	47,130,418	7.24%
2011-12	2,960,000	460,075	3,420,075	44,420,679	7.70%
2010-11	2,780,000	563,200	3,343,200	44,397,132	7.53%
2009-10	2,830,000	725,136	3,555,136	42,992,523	8.27%

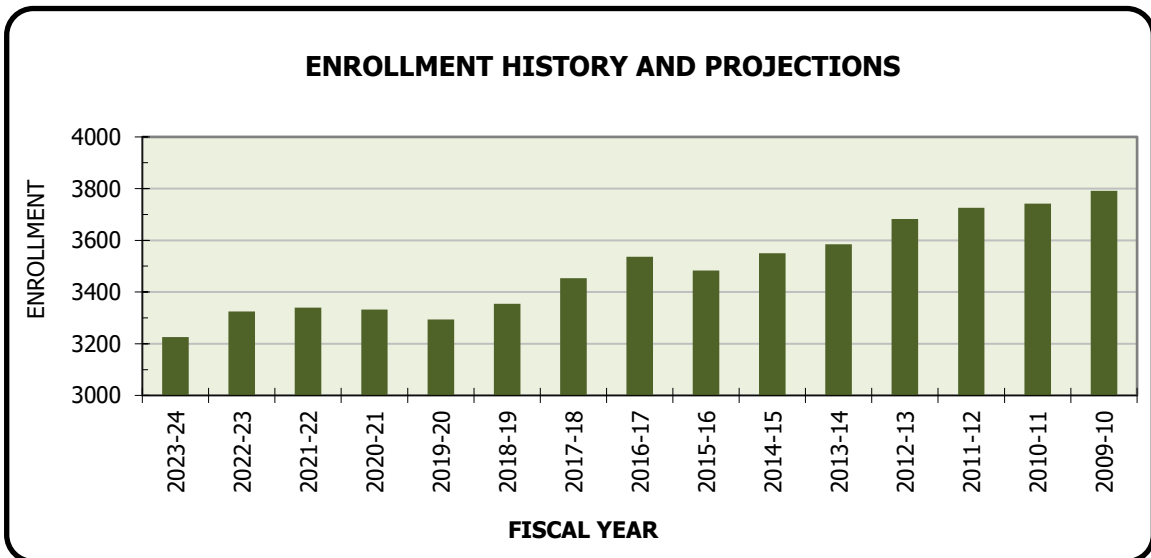


SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS

# SOLANCO SCHOOL DISTRICT

## ENROLLMENT HISTORY AND PROJECTIONS BY INSTRUCTIONAL LEVEL

	<u>FISCAL YEAR</u>	<u>ELEMENTARY</u>	<u>MIDDLE SCHOOL</u>	<u>HIGH SCHOOL</u>	<u>TOTAL</u>	<u>PERCENTAGE OF FREE AND REDUCED MEAL ELIGIBLE STUDENTS</u>
(B)	2023-24	1445	709	1072	3226	N/A
(B)	2022-23	1574	713	1038	3325	N/A
(B)	2021-22	1555	732	1052	3339	N/A
(B)	2020-21	1512	772	1048	3332	N/A
(A)	2019-20	1401	815	1078	3294	43.1%
(A)	2018-19	1450	849	1056	3355	43.4%
(A)	2017-18	1520	844	1090	3454	41.9%
(A)	2016-17	1559	818	1160	3537	43.4%
(A)	2015-16	1628	779	1076	3483	41.4%
(A)	2014-15	1667	777	1106	3550	40.7%
(A)	2013-14	1687	841	1057	3585	40.3%
(A)	2012-13	1686	888	1109	3683	37.6%
(A)	2011-12	1670	876	1180	3726	34.9%
(A)	2010-11	1658	884	1200	3742	33.6%
(A)	2009-10	1614	887	1290	3791	29.7%



(A) SOURCE: SCHOOL DISTRICT OCTOBER 1 ENROLLMENT REPORTS

(B) PROJECTION

N/A = NOT AVAILABLE

# SOLANCO SCHOOL DISTRICT

## DISTRICT BUILDING INFORMATION

### JUNE 30, 2019

BUILDING	YEAR OF CONSTRUCTION			SQUARE FEET	ACRES	GRADES SERVED	RATED CAPACITY	NUMBER OF CLASSROOMS		ENROLLMENT
	ORIGINAL	ADDITION	RENOVATION					REGULAR	TOTAL	
SOLANCO HIGH SCHOOL	1961	1981 1983 1988 1995 2015	1988 1995 2015	240,564	87.8	9 - 12	1,650	47	53	1,090
	circa 1875			800	on S.H.S. site	N/A	N/A	N/A	N/A	N/A
	1992	1996 2004	2019	12,113	on S.H.S. site	N/A	N/A	N/A	N/A	N/A
	2006			4,159	on S.H.S. site	N/A	N/A	N/A	N/A	N/A
GEORGE A. SMITH MIDDLE SCHOOL	1982	2018	2018	117,922	30	6 - 8	663	26	30	426
	1968		1992	82,692	45.9	6 - 8	531	22	27	418
BART-COLERAIN ELEMENTARY SCHOOL	1960	2002	2002	52,432	27	K - 5	350	14	15	253
	1992			58,362	on Swift site	K - 5	600	26	29	482
	1954	1981 2002	1985 2002	65,848	39.1	K - 5	570	20	23	361
	1951	1961 1988 2014		60,560	13.6 0.3	K - 5	630 N/A	24 N/A	27 N/A	424 N/A
CENTRAL ADMINISTRATION	1915		1983 1996	18,500	on Q.E. site	N/A	N/A	N/A	N/A	N/A
WAREHOUSE	purchased 1994 - built circa 1910		1996	9,600	0.71	N/A	N/A	N/A	N/A	N/A
LITTLE BRITAIN LAND (A)	purchased 1994				15.8	N/A	N/A	N/A	N/A	N/A

(A) LITTLE BRITAIN SCHOOL BUILDING DEMOLISHED DURING 2012-2013; LAND USED FOR NONPUBLIC TRANSPORTATION PARKING AND RENTAL INCOME  
N/A = NOT APPLICABLE

SOURCE: SOLANCO SCHOOL DISTRICT PLANT OPERATION RECORDS AND OCTOBER 1, 2018 STUDENT ENROLLMENT REPORTS

# SOLANCO SCHOOL DISTRICT

## DEMOGRAPHIC CHARACTERISTICS BY TOWNSHIP

	<u>Bart</u>	<u>Colerain</u>	<u>Drumore</u>	<u>East Drumore</u>	<u>Eden</u>
<b>TOTAL POPULATION</b>					
2010 U.S. CENSUS	3,094	3,635	2,560	3,791	2,094
<b>SEX</b>					
MALE	1,567	1,849	1,327	1,797	1,065
FEMALE	1,527	1,786	1,233	1,994	1,029
<b>AGE</b>					
UNDER 18 YEARS	1,110	1,265	808	987	725
18 AND 19 YEARS	115	102	75	91	51
20 TO 24 YEARS	243	226	170	216	134
25 TO 34 YEARS	318	389	278	309	252
35 TO 49 YEARS	470	601	442	676	351
50 TO 64 YEARS	498	669	519	690	391
65 YEARS AND OVER	340	383	268	822	190
<b>ETHNICITY</b>					
HISPANIC	27	80	44	62	28
NON HISPANIC OR LATINO	3,067	3,555	2,516	3,729	2,066
<b>RACE</b>					
WHITE	3,053	3,506	2,513	3,700	2,054
AFRICAN AMERICAN	17	28	4	17	5
ASIAN	3	21	3	6	12
AMERICAN INDIA/ALASKA NATIVE	2	3	8	5	0
NATIVE HAWAIIAN/PACIFIC ISLANDER	0	2	0	8	0
OTHER	19	75	32	55	23
<b>TOTAL HOUSING UNITS</b>	896	1,098	853	1,404	662
<b>OCCUPIED UNITS</b>	862	1,063	798	1,355	647
OWNER-OCCUPIED	623	841	616	918	506
RENTER-OCCUPIED	239	222	182	437	141
<b>VACANT UNITS</b>	34	35	55	49	15
VACANT FOR RENT	11	6	10	16	3
VACANT FOR SALE	4	5	5	10	1
VACANT FOR SEASONAL/RECREATIONAL	2	9	21	3	2
<b>POPULATION IN OWNER-OCCUPIED</b>	2,316	2,889	1,979	2,718	1,614
<b>POPULATION IN RENTAL-OCCUPIED</b>	778	746	581	963	480
<b>POPULATION IN OTHER-OCCUPIED</b>	0	0	0	110	0
<b>HOUSEHOLDS WITH INDIVIDUALS UNDER 18</b>	323	401	278	389	249

SOURCE: 2010 U.S. CENSUS

(A) 2018 LANCASTER COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT

(B) US CENSUS BUREAU - ESTIMATE

**SOLANCO SCHOOL DISTRICT**  
**DEMOGRAPHIC CHARACTERISTICS BY TOWNSHIP**  
(Continued)

<b><u>Fulton</u></b>	<b><u>Little Britain</u></b>	<b><u>Providence</u></b>	<b><u>Quarryville</u></b>	<b><u>District Total</u></b>	<b><u>Lancaster County Total</u></b>	<b><u>Pennsylvania State Total</u></b>
3,074	4,106	6,897	2,576	31,827	(A) 543,557	(B) 12,807,060
1,546	2,062	3,421	1,242	15,876	253,836	6,190,363
1,528	2,044	3,476	1,334	15,951	265,609	6,512,016
910	1,266	1,690	668	9,429	129,015	2,792,155
105	124	182	60	905	15,605	387,235
184	241	409	184	2,007	35,033	874,146
316	390	650	381	3,283	60,990	1,511,119
663	836	1,343	492	5,874	101,350	2,571,432
502	794	1,593	439	6,095	99,672	2,606,985
394	455	1,030	352	4,234	77,780	1,959,307
64	97	136	121	659	44,930	719,660
3,010	4,009	6,761	2,455	31,168	474,515	11,982,719
2,974	3,994	6,723	2,425	30,942	460,171	10,406,288
45	24	50	31	221	19,035	1,377,689
4	11	13	16	89	9,860	349,088
6	3	21	5	53	1,195	26,843
1	0	6	6	23	164	3,653
44	74	84	93	499	29,020	538,818
1,139	4,106	1,367	1,070	12,595	202,952	5,567,315
1,030	1,314	2,544	1,019	10,632	193,602	5,018,904
785	1,109	2,132	622	8,152	132,703	3,491,722
245	205	412	397	2,480	60,899	1,527,182
109	53	107	51	508	9,350	548,411
8	10	20	18	102	3,411	135,262
7	10	30	16	88	1,953	64,818
70	9	8	0	124	930	161,582
2,357	3,453	5,767	1,646	24,739	364,337	8,974,740
717	653	1,130	930	6,978	142,470	3,301,526
0	0	0	0	110	12,638	426,113
343	479	737	328	3,527	57,998	1,352,324



# LANCASTER COUNTY DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

<u>YEAR</u>	<u>(C)</u> <u>POPULATION</u>	<u>(C)</u> <u>PER</u> <u>CAPITA</u> <u>PERSONAL</u> <u>INCOME</u>	<u>(B)</u> <u>TOTAL</u> <u>PERSONAL</u> <u>INCOME</u>	<u>(C)</u> <u>MEDIAN</u> <u>AGE</u>	<u>(D)</u> <u>EDUCATIONAL</u> <u>ATTAINMENT:</u> <u>BACHELOR'S</u> <u>DEGREE</u> <u>OR HIGHER</u>	<u>(A) (E)</u> <u>UNEMPLOYMENT</u> <u>RATE</u>	<u>(A)</u> <u>CIVILIAN</u> <u>LABOR</u> <u>FORCE</u>	<u>(A)</u> <u>EMPLOYMENT</u>	<u>(C)</u> <u>TAXABLE</u> <u>PROPERTY</u> <u>VALUES</u>
2018	543,557	N/A	N/A	N/A	28.0%	3.4%	281,433	271,891	\$ 37,217,965,000
2017	542,903	N/A	N/A	N/A	28.0%	3.8%	280,293	269,590	32,533,073,000
2016	538,500	\$45,839	\$ 24,684,347	38.5	25.7%	4.2%	280,499	268,837	32,357,078,200
2015	536,624	44,995	24,145,511	38.4	25.2%	4.0%	275,300	265,500	32,239,497,600
2014	533,320	41,712	22,245,595	38.3	24.7%	4.1%	272,400	261,100	31,936,268,900
2013	529,600	41,116	21,774,881	38.7	29.6%	4.9%	268,570	252,124	31,700,851,400
2012	526,823	40,088	12,520,532	38.5	29.1%	6.6%	275,000	256,900	31,416,491,700
2011	523,594	37,535	11,912,956	38.2	28.5%	6.2%	272,800	255,900	31,275,212,500
2010	519,445	36,366	11,574,850	38.2	24.1%	6.8%	267,200	247,100	31,115,345,800
2009	507,766	36,336	11,157,021	38.1	23.7%	7.5%	269,700	250,200	30,857,244,900

**SOURCES:**

(A) PENNSYLVANIA DEPARTMENT OF LABOR AND INDUSTRY

(B) TOTAL PERSONAL INCOME OBTAINED FROM PA DEPARTMENT OF REVENUE ANNUAL PERSONAL INCOME REPORTS AND REPRESENTS INCOME TAXABLE FOR PA INCOME TAX PURPOSES. PERSONAL INCOME INCLUDES COMPENSATION; INTEREST; DIVIDENDS; NET PROFITS FROM BUSINESS OPERATIONS; NET GAINS FROM DISPOSITION OF PROPERTY, RENTS, ROYALTIES, PATENTS AND COPYRIGHTS; NET ESTATE AND TRUST INCOME; GAMBLING AND LOTTERY WINNINGS

(C) COUNTY OF LANCASTER COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED DECEMBER 31, 2018

(D) U. S. CENSUS, AMERICAN COMMUNITY SURVEY. REPRESENTS NATIONAL EDUCATIONAL ATTAINMENT

(E) ANNUAL CALENDAR YEAR UNEMPLOYMENT RATE

N/A - INFORMATION NOT AVAILABLE

**LANCASTER COUNTY  
PRINCIPAL EMPLOYERS  
CALENDAR YEARS 2018 AND 2009**

<b>EMPLOYER</b>	<b>2018 CALENDAR YEAR</b>			<b>2009 CALENDAR YEAR</b>		
	<b>RANK</b>	<b>EMPLOYEES</b>	<b>PERCENT OF TOTAL COUNTY EMPLOYMENT</b>	<b>RANK</b>	<b>EMPLOYEES</b>	<b>PERCENT OF TOTAL COUNTY EMPLOYMENT</b>
LANCASTER GENERAL HOSPITAL	1	8,802	3.61%	1	7,123	3.27%
DART CONTAINER CORPORATION OF PA	2	1,961	0.80%	8	1,582	0.73%
COUNTY OF LANCASTER	3	1,907	0.78%	4	2,110	0.97%
NORDSTROM	4	*				
MASONIC VILLAGES	5	1,685	0.69%	9	1,452	0.67%
SCHOOL DISTRICT OF LANCASTER	6	1,662	0.68%	7	1,643	0.75%
LSC Communications (R.R. DONNELLEY)	7	*		2	2,723	1.25%
MANHEIM REMARKETING INC.	8	1,223	0.50%	3	2,165	0.99%
LANCASTER LEBANON IU 13	9	1,266	0.52%			
WILLOW VALLEY RETIREMENT COMMUNITIE	10	1,378	0.56%			
EPHRATA COMMUNITY HOSPITAL INC.				5	1,906	0.87%
ARMSTRONG WORLD INDUSTRIES INC.				6	1,654	0.76%
TURKEY HILL CO INC				10	1,400	0.64%
SUBTOTAL		<u>19,884</u>			<u>23,758</u>	
TOTAL COUNTY EMPLOYMENT (A)		<u>244,016</u>			<u>217,929</u>	

SOURCE - 2018 LANCASTER COUNTY COMPREHENSIVE FINANCIAL REPORT

\* - INFORMATION NOT AVAILABLE

**SOLANCO SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<b><u>FUNCTION</u></b>	<b><u>2018-19</u></b>	<b><u>2017-18</u></b>	<b><u>2016-17</u></b>	<b><u>2015-16</u></b>
<b>GOVERNMENTAL ACTIVITIES</b>				
INSTRUCTIONAL SERVICES				
TEACHERS	226.4	230.8	233.6	237.6
AIDES	89.5	95.6	91.5	88.3
SUPPORT SERVICES				
PUPIL PERSONNEL	27.8	25.3	18.1	18.0
INSTRUCTION STAFF SERVICES	9.8	11.1	13.5	14.4
ADMINISTRATIVE SERVICES	22.8	22.8	24.8	23.5
PUPIL HEALTH SERVICES	6.5	6.5	8.7	8.8
BUSINESS SERVICES	8.7	9.4	6.3	5.6
PLANT OPERATION AND MAINTENANCE	28.0	30.9	30.0	31.2
PUPIL TRANSPORTATION	3.6	3.6	6.8	9.0
CENTRAL SUPPORT SERVICES	7.0	6.8	6.7	6.1
NONINSTRUCTIONAL SERVICES	<u>1.5</u>	<u>1.4</u>	<u>1.4</u>	<u>1.5</u>
TOTAL FULL-TIME EQUIVALENT EMPLOYEES GOVERNMENTAL ACTIVITIES	<u>431.4</u>	<u>444.2</u>	<u>441.3</u>	<u>444.0</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
TOTAL FULL-TIME EQUIVALENT EMPLOYEES FOOD SERVICES - BUSINESS-TYPE ACTIVITIES	<u>19.9</u>	<u>20.4</u>	<u>19.7</u>	<u>23.8</u>
<b>TOTAL PRIMARY GOVERNMENT FULL-TIME EQUIVALENT EMPLOYEES</b>	<u>451.3</u>	<u>464.6</u>	<u>461.0</u>	<u>467.8</u>
 <b>STUDENT/TEACHER RATIO (A)</b>	 14.8	 15.0	 15.2	 14.7

SOURCE: SOLANCO SCHOOL DISTRICT PAYROLL RECORDS

FULL-TIME EQUIVALENCY BASED ON 2,080 HOURS PER FISCAL YEAR; FULL-TIME EQUIVALENCY FOR  
INSTRUCTIONAL SERVICES PERSONNEL BASED ON 1,365 HOURS PER FISCAL YEAR.

(A) CALCULATION BASED ON OCTOBER 1 STUDENT ENROLLMENT AND ANNUAL TEACHER FTE

**SOLANCO SCHOOL DISTRICT**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

**FUNCTION/PROGRAM**

<b>GOVERNMENTAL ACTIVITIES</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
INSTRUCTIONAL SERVICES SQUARE FOOTAGE OCCUPIED VEHICLE	596,950 1	596,950 1	557,800 1	557,800 1
STUDENT SUPPORT SERVICES SQUARE FOOTAGE OCCUPIED ATHLETIC FIELDS TENNIS COURTS	18,636 28 3	18,636 28 3	18,636 28 3	18,636 28 3
ADMINISTRATIVE SERVICES SQUARE FOOTAGE OCCUPIED	29,699	29,699	29,699	29,699
PLANT OPERATION AND MAINTENANCE SQUARE FOOTAGE OCCUPIED VEHICLES SEWAGE PROCESSING FACILITY	40,627 11 2	40,627 10 2	40,627 10 2	40,627 10 2
PUPIL TRANSPORTATION SQUARE FOOTAGE OCCUPIED VEHICLES	424 14	424 14	424 17	424 15
<b>BUSINESS-TYPE ACTIVITIES</b>				
FOOD SERVICES SQUARE FOOTAGE OCCUPIED	39,057	39,057	39,057	39,057
RENTAL INCOME SQUARE FOOTAGE OCCUPIED	0	0	0	0

SOURCE: SOLANCO SCHOOL DISTRICT CAPITAL ASSET RECORDS AND PLANT OPERATIONS AND MAINTENANCE RECORDS

A DESCRIPTION OF THE DISTRICT'S CAPITALIZATION AND DEPRECIATION POLICY IS INCLUDED IN NOTE 1 OF THE NOTES TO THE BASIC FINANCIAL STATEMENTS.

**SOLANCO SCHOOL DISTRICT**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
(Continued)

<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>
557,800 1	553,236 1	553,236 1	553,236 1	553,236 1	553,236 1
18,636 28 3	18,636 28 3	18,636 28 3	18,636 28 3	18,636 28 3	18,636 28 3
29,699	29,224	29,224	29,224	29,224	29,224
40,627 10 2	40,627 9 2	40,627 9 2	40,627 9 2	40,627 9 2	40,627 8 2
424 16	424 26	424 26	424 26	424 26	424 25
39,057	39,057	39,057	39,057	39,057	39,057
0	0	0	0	0	0

**SOLANCO SCHOOL DISTRICT  
SCHEDULE OF INSURANCE POLICIES  
FISCAL YEAR ENDED JUNE 30, 2019**

<u>TYPE OF COVERAGE</u>	<u>AMOUNTS OR LIMITS</u>	<u>POLICY PERIOD</u>	<u>POLICY NUMBER</u>	<u>ANNUAL PREMIUM</u>	<u>Company</u>
BUILDING AND PERSONAL PROPERTY	\$ 129,341,303	7/1/2018 through 6/30/2019	CBP9604227	\$ 72,708	Excelsior Insurance Co.
Additional Specific Commercial Property					
Solanco High School	\$ 510,000				
Equipment Breakdown	\$ 250,000				
Data Compromise	\$ 100,000				
Commerical Inland Marine				\$ 1,211	
Musical Instruments, Related Equipment and Accessories	\$ 227,266				
Miscellaneous Property	\$ 35,000				
Band Uniforms, Athletic Equipment	\$ 100,000				
COMMERCIAL GENERAL LIABILITY		7/1/2018 through 6/30/2019	CBP9604227	\$ 34,882	Excelsior Insurance Co.
Each Occurrence	\$ 1,000,000				
Damage to Premises	\$ 300,000				
Medical Expense	\$ 15,000				
Personal & Advertising Injury Each Person	\$ 1,000,000				
General Aggregate	\$ 3,000,000				
Products & Completed Work Aggregate	\$ 3,000,000				
Pollution Liability	\$ 1,000,000				
Violent Event Response	\$ 300,000				
Errors & Omissions	\$ 1,000,000				
Public Officials Bond				\$ 565	
Crime				\$ 445	
Employee Dishonesty	\$ 100,000				
Employee Benefits Liability	\$ 1,000,000				
Sexual Misconduct and Molestation	\$ 1,000,000				
TERRORISM RISK	\$ 1,000,000		CBP9604227	\$ 10,248	Excelsior Insurance Co.
COMMERCIAL INLAND MARINE					
Builders Risk	\$ 12,377,500	6/21/2018- 6/21/2019	IM 8424694	\$ 10,804	Peerless Insurance Co.
Builders Risk	\$ 16,572,000	7/17/2018- 7/17/2019	BM059010279	\$ 25,762	Ohio Casualty Insurance Co.
Builders Risk	\$ 2,170,673	3/11/2019 3/11/2020	BM059610163	\$ 2,581	Ohio Casualty Insurance Co.

SOURCE: DISTRICT INSURANCE POLICIES AND RECORDS

DISCLAIMER - THIS DOCUMENT IS FOR ILLUSTRATIVE PURPOSES. IT CONTAINS GENERALIZED INFORMATION AND IS NOT INTENDED TO BE A FULL AND COMPLETE.

DESCRIPTION OF THE ACTUAL INSURANCE POLICIES. POLICIES MUST BE READ FOR SPECIFIC POLICY PROVISIONS OR DETAILS.

**SOLANCO SCHOOL DISTRICT  
SCHEDULE OF INSURANCE POLICIES  
FISCAL YEAR ENDED JUNE 30, 2019**

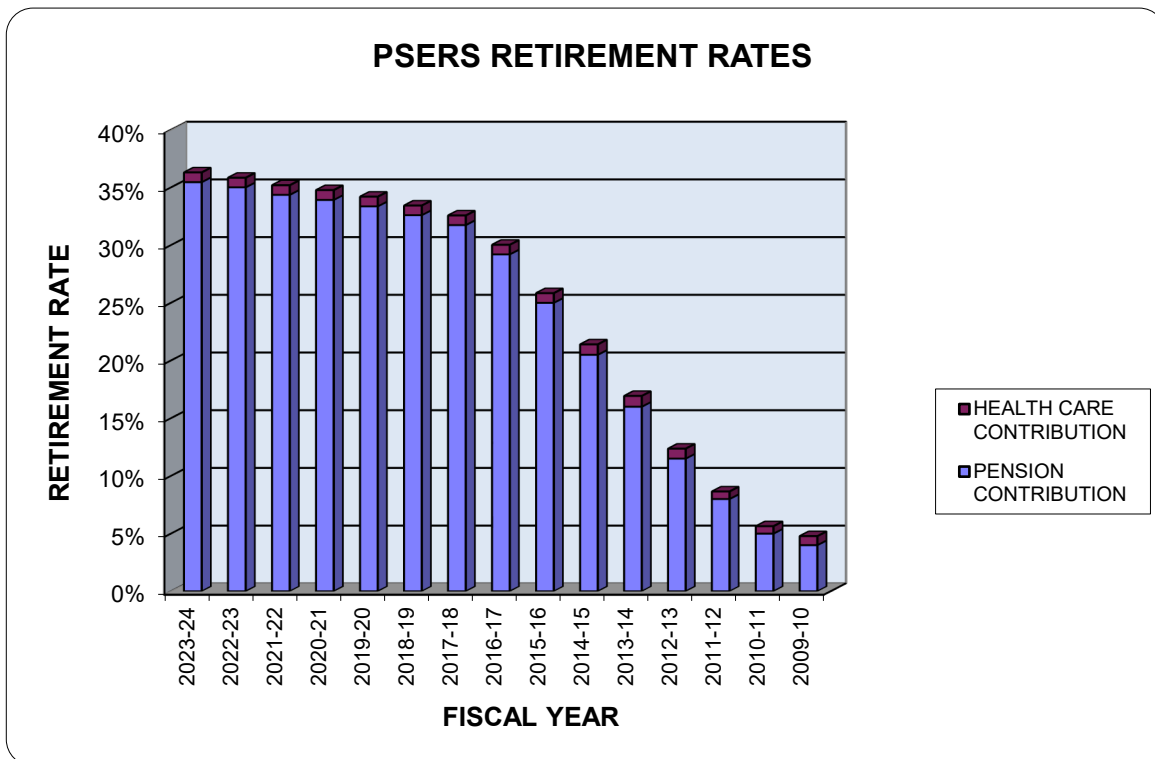
(Continued)

<u>TYPE OF COVERAGE</u>	<u>AMOUNTS OR LIMITS</u>	<u>POLICY PERIOD</u>	<u>POLICY NUMBER</u>	<u>ANNUAL PREMIUM</u>	<u>COMPANY</u>
COMMERCIAL AUTOMOBILE Underinsured Motorists Uninsured Motorists Medical Payments - First Party	\$ 1,000,000 \$ 500,000 \$ 500,000 \$ 10,000	7/1/2018 through 6/30/2019	BA9605229	\$ 18,409	The Netherlands Insurance Company
COMMERCIAL UMBRELLA Each Occurrence Aggregate Self-Insured Retention	\$ 8,000,000 \$ 8,000,000 \$ 10,000	7/1/2018 through 6/30/2019	CU9606059	\$ 12,665	Peerless Insurance Company
ACCIDENT & HEALTH-Sports Coverage Accident Medical Accident Dental Care & Surgical Benefit Life and Death Insurance Accidental Death & Dismemberment (Sports)	\$ 1,000,000 \$ 100,000 \$ 300,000 \$ 15,000	8/2/2018 through 8/1/2019	KAMB-65688-2	\$ 8,700	Axis Insurance Company
LIFE INSURANCE Administrators Professional Staff Full-Time Support Staff	2 times salary \$ 48,000 \$ 48,000	7/1/2018 through 6/30/2019	N/A	\$0.12 per \$1,000 covered payroll	CM Regent Solutions- Sun Life
ACCIDENTAL DEATH & DISMEMBERMENT Administrators Professional Staff Full-Time Support Staff	2 times salary \$ 48,000 \$ 48,000	7/1/2018 through 6/30/2019	N/A	\$0.02 per \$1,000 covered payroll	CM Regent Solutions- Sun Life
LONG TERM DISABILITY Administrators /Directors	annual salary \$165,323	7/1/2018 through 6/30/2019	N/A	\$0.42 per \$100	CM Regent Solutions- Sun Life
WORKERS' COMPENSATION Employers' Liability Limit - Occurrence or Accident	\$ 1,000,000	7/1/2018 through 6/30/2019	SP4058746	\$ 124,104	Safety National Casualty

# SOLANCO SCHOOL DISTRICT

## PSERS RETIREMENT RATES

<u>FISCAL YEAR</u>		<u>PENSION CONTRIBUTION</u>	<u>HEALTH CARE CONTRIBUTION</u>	<u>TOTAL PSERS RATE</u>
2023-24	(A)	35.46	0.84	36.30
2022-23	(A)	35.01	0.83	35.84
2021-22	(A)	34.36	0.83	35.19
2020-21	(A)	33.92	0.85	34.77
2019-20		33.36	0.84	34.29
2018-19		32.60	0.83	33.43
2017-18		31.74	0.83	32.57
2016-17		29.20	0.83	30.03
2015-16		25.00	0.84	25.84
2014-15		20.50	0.90	21.40
2013-14		16.00	0.93	16.93
2012-13		11.50	0.86	12.36
2011-12		8.00	0.65	8.65
2010-11		5.00	0.64	5.64
2009-10		4.00	0.78	4.78



(A) PSERS PROJECTED RETIREMENT RATES

SOURCE: PSERS DECEMBER 2019 PUBLICATION



## GLOSSARY OF TERMS

## **SOLANCO SCHOOL DISTRICT GLOSSARY OF TERMS**

This glossary contains definitions of terms used in this report and such additional terms as seem necessary to enhance understanding concerning financial accounting procedures for schools. Several terms, which are not primarily financial accounting terms, have been included because of their significance to school financial accounting.

**AAL (ACTUARIAL ACCRUED LIABILITY)** - The present value of benefits promised to employees as compensation for services already rendered. Since it is an actuarial rather than an accounting liability, it is not reported in the basic financial statements but is included as required supplementary information in the Schedule of Funding Progress – Other Postemployment Benefits.

**ACCOUNTING SYSTEM** - The total structure of records and procedures which discover, record, classify and report information on the financial position and operations of a school district or any of its funds, balanced account groups or organizational components.

**ACCRUAL BASIS** - The basis of accounting under which revenues are recorded when levies are made, and expenditures are recorded as soon as they result in liabilities regardless of when the revenue is actually received or the payment is actually made.

**ACCRUE** - Record revenues when earned or when levies are made, and to record expenditures as soon as they result in liabilities, regardless of when the revenue is actually received or the payment is actually made. Sometimes, the term is used in a restricted sense to denote the recording of revenues earned but not yet due, such as accrued interest on investments and the recording of expenditures which result in liabilities that are payable in another accounting period, such as accrued interest on bonds. See also ACCRUAL BASIS.

**APPROPRIATION** - An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. Note: An appropriation is usually limited in amount and as to the time when it may be expended.

**ARC (ANNUAL REQUIRED CONTRIBUTION)** - represents the amount needed to fund the cost of Other Postemployment Benefits attributed to the current year plus an amortized portion of the unfunded liability.

**ASSIGNED** - Amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority.

**AUTHORITY, SCHOOL** - Appointed body created by state law and vested with the responsibility of securing capital finances for school boards to build new buildings or additions.

**BALANCE SHEET** - A summarized statement as of a given date, of the financial position of a local education agency for a specific fund and/or all funds showing assets, deferred outflow of resources, liabilities, deferred inflow of resources and fund balance.

**BOARD OF SCHOOL DIRECTORS** - The elected or appointed body that has been created according to state law and vested with the responsibility for educational activities in a given geographical area.

**BOND RATING** - An evaluation of credit-worthiness performed by an independent rating service.

## **GLOSSARY OF TERMS**

(Continued)

**BONDED DEBT** - The portion of indebtedness represented by outstanding bonds.

**BUDGET** - A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

**BUILDINGS AND BUILDING IMPROVEMENTS** - Capital asset account that reflects the acquisition value of permanent structures used to house persons and property owned by the local education agency. If buildings are purchased or constructed, the amount includes the purchase or contract price of permanent buildings and fixtures attached to and forming a permanent part of such buildings. If buildings are acquired by gift, the amount reflects the appraised value of the buildings at the time of acquisition.

**BUSINESS-TYPE ACTIVITIES** - The financial activities of programs in which the School District charges fees and receives federal and state reimbursements to cover the costs of providing goods and services.

**CAPITAL ASSETS** - These are assets that are physical in nature (furniture, fixtures, equipment, buildings and land) and are used to help run or operate the government. Under ordinary circumstances, capital assets are expected to be held for long term and not to be converted to cash to pay bills.

**CAPITAL PROJECT** - The major construction, renovation or acquisition of a building or land. A plan is set forth for each project or maintenance item to enable appropriate funds to be designated. The resulting asset will have a life longer than one year and entail a major expenditure.

**CAPITAL OUTLAY** - Expenditures resulting in the acquisition of or addition to the District's capital assets.

**COMBINED FINANCIAL STATEMENT** - This statement is the highest level of summarization or aggregation. For example, a government may have two or more debt service funds. In the combined statement, these would be presented in one column as debt service fund.

**COMMITTED** - Fund Balance amounts that may be used only for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision authority, the Board of Directors.

**COMBINING FINANCIAL STATEMENT** - This statement or schedule is at the second level of aggregation below the combined level. If each fund in a fund type is presented on one page this is a combining level.

**COMPLIANCE** - Compliance assesses whether actual money raising and spending adhere to budget mandates set by the legislative body. All financial statements can help judge compliance, but the one detailing budget versus actual is best used to assess compliance.

**CONTRACTED SERVICES** - The labor, material and other costs for services rendered by personnel who are not on the payroll of the local education agency. These are classified as either purchased professional & technical or purchased property service objects.

**CURRENT** - An accounting term to designate assets, liabilities and expenditures that are reasonably expected to be realized in cash, paid or consumed during the present fiscal year.

## **GLOSSARY OF TERMS**

(Continued)

**DEFEASED** - Bonds in which the funding for future debt service has been forwarded to a third party custodian for administration on behalf of the bond issuer. A defeased bond is removed from the bond issuer's long-term debt obligation and ceases to be considered an outstanding liability on the bond issuer's financial statements.

**DEBT** - Debt is an obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of local education agencies include bonds, warrants and notes, etc.

**DEBT SERVICE** - Expenditures for the retirement of principal and for interest on debt, except principal and interest on current loans.

**DEFERRED INFLOW OF RESOURCES** – An acquisition of net position by the government that is applicable to a future reporting period.

**DEFERRED OUTFLOW OF RESOURCES** – Consumption of net position by the government that is applicable to a future reporting period.

**DEPRECIATION** - The allocation of a capital asset's cost over its estimated useful life in a systematic and rational manner.

**ENCUMBRANCES** - Purchase orders, contract, and/or other commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid; when actual liability is established, as in accounts payable; or when canceled.

**EQUIPMENT** - Those moveable items used for school operation that are of a nonexpendable and mechanical nature, i.e., perform an operation. Typewriters, projectors, vacuum cleaners, accounting machines, computers, lathes, clocks, machinery, and vehicles, etc. are classified as equipment. (Heating and air conditioning systems; lighting fixtures; and similar items permanently attached to or within a building are considered as part of the building.)

**ESTIMATED REVENUE** - When the accounts are kept on an accrual basis, this term designates the amount of revenue attributable to a given period regardless of whether or not it is all to be collected during the period.

**EXPENDITURES** - This includes total charges incurred, whether paid or unpaid, for current expense, capital outlay and debt service.

**FIDUCIARY FUNDS** - Funds in which the District serves as a trustee or agent for student organizations and scholarship trusts. The assets of these funds belong to the organization or trust and not the School District. These activities are excluded from the district-wide financial statements since the District cannot use the assets to finance its operations.

**FISCAL YEAR** - A twelve-month period of time, to which the annual budget applies and at the end of which a local education agency determines its financial position and the results of its operations.

**FUND** - A fund is usually established by legislation to provide an accounting mechanism for keeping track of money raised and spent for a specific activity or set of activities.

**FUND, AGENCY** - The fund used to account for assets held by the District as an agent for an individual or group.

## **GLOSSARY OF TERMS**

(Continued)

**FUND BALANCE** - The difference between assets, liabilities, deferred inflows and deferred outflows of resources of a governmental fund. A positive fund balance indicates assets and deferred outflow of resources exceed liabilities and deferred inflows of resources; a negative fund balance indicates liabilities and deferred inflows of resources exceed assets and deferred outflows of resources. Fund balance is comprised of four classifications, which represent the relative strength of the spending constraints: nonspendable, restricted, committed, assigned and unassigned. The fund balance is a residual amount and not necessarily a cash amount.

**FUND FINANCIAL STATEMENTS** - Financial statements that focus on individual parts of the District and report operations in greater detail than the District-wide statements. Fund financial statements present the most significant funds or major funds individually with all other non-major funds presented in total in one column.

**FUND, CAPITAL PROJECT FUND** - Fund used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**FUND, DEBT SERVICE** - The fund used to account for the accumulation of resources and the payment of general long-term debt principal and interest.

**FUND, ENTERPRISE** - A proprietary fund used to account for operations that are financed or for costs that are recovered through user charges or reimbursement plans. The food service fund is an enterprise fund.

**FUND, GENERAL** - The fund used to finance the ordinary operations of the local education agency. It is available for a legally authorized purpose and consists of money not specifically designated for some other particular purpose.

**FUND, INTERNAL SERVICE** - The fund used to account for the financing of services provided by one department to other departments of the District on a cost reimbursement basis.

**FUND, SPECIAL REVENUE** - The fund used to account for specific revenues that are legally restricted to expenditures for specific purposes. The capital reserve fund is a special revenue fund, provided revenues are legally restricted for specific capital expenditures.

**FUND, TRUST** - The fund used to account for assets held by the District in a trustee capacity.

**GAAP - (GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)** Principles that practitioners use to produce financial statements. They can become accepted via due process or via long-term practice or both. It is the GAAP that help make financial statements compatible from year to year and jurisdiction to jurisdiction.

**GENERAL REVENUES** - Revenues received by the School District that do not correlate to specific school programs. A significant portion of general revenues is derived from property taxes and state aid, which is determined through formula calculations, such as the basic education subsidy.

**GOVERNMENTAL ACTIVITIES** - Most of the School District's programs and services are reported here including regular and special education instruction, support services, administration, plant operation and maintenance, pupil transportation, community services and extracurricular activities. Property and Earned Income taxes in addition to state formula aid, finance most of these activities.

## **GLOSSARY OF TERMS**

(Continued)

**GOVERNMENTAL FUNDS** - Funds, which focus on the inflow and outflow of money and the balance available for spending in future periods. Most of the district's activities are reported in these funds; including the General Fund, Capital Projects and Debt Service funds.

**INTERNAL BALANCES** - A line item on the district-wide statement of net position to report interfund receivables and payables in a net amount.

**INVESTMENTS** - Securities held for the production of revenues in the form of interest, dividends and capital gains.

**LEVY** - (verb) To impose taxes or special assessments. (noun) The total of taxes or special assessments imposed by a governmental unit.

**LIABILITY** - A future sacrifice of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

**LIEN** - Attached to properties when delinquent taxes are not paid within a specific period of time as established by statute.

**LONG-TERM** - Refers to a period lasting more than one year.

**MD&A - (MANAGEMENT'S DISCUSSION AND ANALYSIS)** Required supplementary information preceding the basic financial statements and notes. The MD&A introduces the financial statements and provides the reader with an analysis of the district's financial activities.

**MILL** - One dollar per one thousand dollars of assessed valuation.

**MILLAGE** - Rate used in calculating taxes based upon the value of property; expressed in mills per dollar of property value.

**NET OPEB OBLIGATION** - The cumulative difference between the annual OPEB cost and the employer's contributions to the plan. It is the amount that appears as a liability on the employer's financial statements.

**NET PENSION LIABILITY** - The school district's proportionate share of pension plan future employee benefit costs. The liability is derived from an actuarial present value of projected benefit payments attributed to past employee service net the proportionate value of plan assets.

**NET POSITION** - The difference between the District's assets, deferred outflow of resources, liabilities and deferred inflow of resources. Net position is reported on the balance sheet. (formerly referred to as net assets)

**NONSPENDABLE** - Amounts that are not in spendable form (such as inventory and prepaid items) or are required to be legally or contractually maintained intact.

**NOTES TO THE FINANCIAL STATEMENTS** - The notes are considered an integral part of the financial statements. The statements themselves are quantitatively presented; the notes are usually a verbal elaboration, although notes can be numerical in nature. Notes explain or expand on the financial statements.

## **GLOSSARY OF TERMS**

(Continued)

**OPEB (OTHER POSTEMPLOYMENT BENEFITS)** - Benefits, other than pensions and termination incentives, provided to former employees. OPEB includes postemployment healthcare benefits.

**PROGRAM** - The definition of an effort to accomplish a specific objective or objectives consistent with funds or resources available. Budgets and actual revenue and expenditure records may be maintained per program.

**PROGRAM REVENUES** - Revenues received by the District, which are utilized for specific program expenditures. Grants and state subsidies utilized in the operation of school programs, which are not derived from formula calculations and monies received from the performance of District services are reported as program revenues. Food Service revenue, tuition and transportation fees and athletic event ticket sales are reported as program revenues.

**PROPRIETARY FUNDS** - An activity for which the district charges a fee and for which revenues are expected to cover all expenses is reported as a proprietary fund. The food service fund is a proprietary fund.

**PURTA - (PENNSYLVANIA UTILITY REAL ESTATE TAX AUTHORITY)** The governing body authorized to assess real estate taxes on regulated public utility property.

**RESTRICTED** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.

**REVENUES** - Increases in the net current assets of a fund type from other than expenditure refunds and residual equity transfers.

**SCHOOL** - A division of the school system consisting of a group of pupils with one or more teachers to give instruction of a defined type, and housed in a school plant of one or more buildings. More than one school may be housed in one school plant, as is the case when the elementary and secondary programs are housed in the same school plant.

**SCHOOL, ELEMENTARY** - A school classified as elementary by state and local practice and composed of any span of grades not above grade six. Solanco School District grade structure currently includes students in grades kindergarten through fifth.

**SCHOOL, MIDDLE** - A school offering the transition years between elementary and high school grades. Solanco School District grade structure currently includes students in grades six through eight.

**SCHOOL, HIGH** - A school offering the final years of education necessary for graduation invariably preceded by a middle school and elementary school in the same system. Solanco School District grade structure currently includes students in grades nine through 12.

**STANDARD AND POORS** - A division of McGraw Hill Companies which provides independent financial information, analytical services and credit ratings to the world's financial market. Standard and Poors analyzes state education performance in a national context and provides four-year trends on student achievement, spending and other statewide factors. The state education analysis is available to the public through the Standard and Poors' website.

## **GLOSSARY OF TERMS**

(Continued)

**STATEMENT OF ACTIVITIES** - A district-wide statement that reports information about the district as a whole using accounting methods similar to those used by private-sector companies. Revenues, expenses and the change in net position of the district during the fiscal year for governmental and business-type activities are presented in this statement.

**STATEMENT OF NET POSITION** - A district-wide statement that reports information about the district as a whole using accounting methods similar to those used by private-sector companies. The district's assets, liabilities and net position at fiscal year-end for governmental and business-type activities are presented in this statement.

**TAXES** - Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. The term includes licenses and permits. It does not include special assessments.

**TRANSFERS** - Since governmental financial statements are based on funds, there is often a transfer among the funds. For example, the general fund may transfer money to the debt service fund so that fund can pay interest due on bonds. Because funds are the main accounting entity in government no effort is made to eliminate any double counting among funds and produce a consolidated statement for the entire government.

**UAAL (UNFUNDED ACTUARIAL ACCRUED LIABILITY)** - The difference between the actuarial accrued liability and the actuarial value of the resources accumulated to satisfy it. The unfunded actuarial accrued liability is not reported on the face of the financial statements because it is not an accounting liability but is included as required supplementary information in the Schedule of Funding Progress – Other Postemployment Benefits.

**UNASSIGNED** - Spendable amounts (the residual) of the general fund that do not satisfy the definition of assigned, restricted or committed and are deemed to be available for general use by the School District.

**VOCATIONAL SCHOOL** - A secondary school which is separately organized under a principal for the purpose of offering training in one or more skilled or semi-skilled trades or occupations.



## SINGLE AUDIT SECTION



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

December 17, 2019

Board of School Directors  
Solanco School District  
Quarryville, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Solanco School District ("the District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 17, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Board of School Directors  
Solanco School District

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

#### Compliance and Other Matters

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

#### Purpose of This Report

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

*Barbacane, Thornton & Company LLP*  
BARBACANE, THORNTON & COMPANY LLP



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

December 17, 2019

Board of School Directors  
Solanco School District  
Quarryville, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the Solanco School District's ("the District") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct

and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

#### Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

#### Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each of its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of School Directors  
Solanco School District

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

*Barbacane, Thornton & Company LLP*  
BARBACANE, THORNTON & COMPANY LLP

SOLANCO SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

**PART A - SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of auditor's report issued [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Internal control over financial reporting:

- |   |                   |                            |
|---|-------------------|----------------------------|
| • Material weakness(es) identified?                     | <u>      </u> Yes | <u>  X  </u> No            |
| • Significant deficiency(ies) identified?               | <u>      </u> Yes | <u>  X  </u> None reported |
| • Noncompliance material to financial statements noted? | <u>      </u> Yes | <u>  X  </u> No            |

*Federal Awards*

Internal control over major program:

- |   |                   |                            |
|---|-------------------|----------------------------|
| • Material weakness(es) identified?       | <u>      </u> Yes | <u>  X  </u> No            |
| • Significant deficiency(ies) identified? | <u>      </u> Yes | <u>  X  </u> None reported |

Type of auditor's report issued on compliance for major program [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

       Yes   X   No

Identification of major program:

CFDA Numbers

Name of Federal Program or Cluster

10.553 and 10.555  
84.010

Child Nutrition Cluster  
Title I

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

  X   Yes        No

SOLANCO SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND RECOMMENDATIONS (cont'd)

**PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS**

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

**PART C - FINDINGS RELATED TO FEDERAL AWARDS**

STATUS OF PRIOR YEAR FINDINGS

**2018-001 – School Breakfast Program – CFDA #10.553 and National School Lunch Program – CFDA 10.555**

**Criteria:** The School District is required to verify the current free and reduced price eligibility of households selected from a sample of applications that is has approved for free and reduced meals. If the verification process determines changes to applicant free or reduced status, the School is required to make those changes.

**Statement of Condition:** The School District sampled the correct number of free and reduced applicant households. However, the School District did not document why certain applications did not include overtime in gross pay calculation for determining income eligibility. Including overtime in the gross pay calculation would have made the household ineligible for free or reduced lunch and breakfast.

**Cause and Effect:** Lack of documentation with regards to communication with household applicants let to the status of two of the verified free and reduced households to be potentially incorrectly classified. Due to human error, the School District also incorrectly classified a student as eligible for free meals when the income provided suggested they should have received reduced price meals. The district corrected this error as soon as they became aware of the error.



SOLANCO SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND RECOMMENDATIONS (cont'd)

**Questioned Costs:** None over reportable threshold of \$25,000.

**Recommendation:** Procedures should be established to ensure that the School District properly documents all conversations with applicant households regarding income and the income detail provided supports the household classification

**Status:** During our current year audit we made a sample of applications that were selected for verification. All applications selected were appropriately verified and the determined status (free or reduced) was appropriate based upon the income documentation provided. Management of the School District has appropriately implemented the prior year recommendation.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

**Solanco School District**  
SCHEDULE of EXPENDITURES of FEDERAL AWARDS  
Year Ended June 30, 2019

Federal Grantor	Pass-Through Agency	Federal Program	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant Period Beginning/Ending Date	Grant Amount	Accrued (Unearned) Revenue at July 1, 2018	Total Received for the Year	Revenue Recognized	Expenditures	Accrued (Unearned) Revenue at June 30, 2019	Passed Through to Subrecipients
<b>Child Nutrition Cluster</b>													
U.S. Department of Agriculture	Pennsylvania Department of Education	School Breakfast Program	I	10.553	N/A	07/01/18-06/30/19	N/A	\$ -0-	\$ 183,867	\$ 191,303	\$ 191,303	\$ 7,436	\$ -0-
U.S. Department of Agriculture	Pennsylvania Department of Education	School Breakfast Program	I	10.553	N/A	07/01/17 - 06/30/18	N/A	37,041	37,041	-0-	-0-	-0-	-0-
		<b>Total</b>		<b>10.553</b>				<b>37,041</b>	<b>220,908</b>	<b>191,303</b>	<b>191,303</b>	<b>7,436</b>	<b>-0-</b>
U.S. Department of Agriculture	Pennsylvania Department of Education	National School Lunch Program	I	10.555	N/A	07/01/18 - 06/30/19	N/A	-0-	624,074	632,782	632,782	8,708	-0-
U.S. Department of Agriculture	Pennsylvania Department of Education	National School Lunch Program	I	10.555	N/A	07/01/17 - 06/30/18	N/A	84,842	84,842	-0-	-0-	-0-	-0-
U.S. Department of Agriculture	Pennsylvania Department of Agriculture	National School Lunch Program (Note 2)	I	10.555	N/A	07/01/18 - 06/30/19	N/A	(5,521)	59,392	51,602	51,602	(13,311)	-0-
		<b>Total</b>		<b>10.555</b>				<b>79,321</b>	<b>768,308</b>	<b>684,384</b>	<b>684,384</b>	<b>(4,603)</b>	<b>-0-</b>
		<b>Total Child Nutrition Cluster</b>						<b>116,362</b>	<b>989,216</b>	<b>875,687</b>	<b>875,687</b>	<b>2,833</b>	<b>-0-</b>
<b>Special Education Cluster</b>													
U.S. Department of Education	Lancaster-Lebanon Intermediate Unit #13	Special Education - Grants to States	I	84.027	062-190013	07/01/18 - 09/30/19	678,523	-0-	678,523	678,523	678,523	-0-	-0-
		<b>Total</b>		<b>84.027</b>				<b>-0-</b>	<b>678,523</b>	<b>678,523</b>	<b>678,523</b>	<b>-0-</b>	<b>-0-</b>
U.S. Department of Education	Lancaster-Lebanon Intermediate Unit #13	Special Education - Preschool Grants	I	84.173	131-180013	07/01/18 - 06/30/19	3,043	-0-	3,043	3,043	3,043	-0-	-0-
U.S. Department of Education	Lancaster-Lebanon Intermediate Unit #13	Special Education - Preschool Grants	I	84.173	131-170013	07/01/17 - 06/30/18	3,043	2,958	2,958	-0-	-0-	-0-	-0-
		<b>Total</b>		<b>84.173</b>				<b>2,958</b>	<b>6,001</b>	<b>3,043</b>	<b>3,043</b>	<b>-0-</b>	<b>-0-</b>
		<b>Total Special Education Cluster</b>						<b>\$ 2,958</b>	<b>\$ 684,524</b>	<b>\$ 681,566</b>	<b>\$ 681,566</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

See independent auditor's report.

**Solanco School District**  
SCHEDULE of EXPENDITURES of FEDERAL AWARDS  
(Continued)  
Year Ended June 30, 2019

Federal Grantor	Pass-Through Agency	Federal Program	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant Period Beginning/Ending Date	Grant Amount	Accrued (Unearned) Revenue at July 1, 2018	Total Received for the Year	Revenue Recognized	Expenditures	Accrued (Unearned) Revenue at June 30, 2019	Passed Through to Subrecipients
U.S. Department of Education	Pennsylvania Department of Education	Title I Grants to Local Educational Agencies	I	84.010	013-190390	08/03/18 - 9/30/19	1,916,324	\$ -0-	\$ 1,368,158	\$ 1,774,337	\$ 1,774,337	\$ 406,179	\$ -0-
U.S. Department of Education	Pennsylvania Department of Education	Title I Grants to Local Educational Agencies	I	84.010	013-180390	07/18/17 - 09/30/18	1,544,452	378,860	411,854	32,994	32,994	-0-	-0-
		<b>Totals</b>		<b>84.010</b>				<b>378,860</b>	<b>1,780,012</b>	<b>1,807,331</b>	<b>1,807,331</b>	<b>406,179</b>	<b>-0-</b>
U.S. Department of Education	Pennsylvania Department of Education	Improving Teacher Quality State Grants	I	84.367	020-190390	08/03/18 - 09/30/19	282,751	-0-	222,129	282,751	282,751	60,622	-0-
U.S. Department of Education	Pennsylvania Department of Education	Improving Teacher Quality State Grants	I	84.367	020-180390	07/18/17 - 09/30/18	239,470	30,766	30,766	-0-	-0-	-0-	-0-
		<b>Total</b>		<b>84.367</b>				<b>30,766</b>	<b>252,895</b>	<b>282,751</b>	<b>282,751</b>	<b>60,622</b>	<b>-0-</b>
U.S. Department of Education	Pennsylvania Department of Education	Student Support and Academic Enrichment Program	I	84.424	144-190390	08/03/18 - 09/30/19	111,764	-0-	108,781	116,764	116,764	7,983	-0-
U.S. Department of Education	Pennsylvania Department of Education	Student Support and Academic Enrichment Program	I	84.424	144-180390	07/27/17 - 09/30/18	34,899	13,960	13,960	-0-	-0-	-0-	-0-
		<b>Total</b>		<b>84.424</b>				<b>13,960</b>	<b>122,741</b>	<b>116,764</b>	<b>116,764</b>	<b>7,983</b>	<b>-0-</b>

See independent auditor's report.

**Solanco School District**  
SCHEDULE of EXPENDITURES of FEDERAL AWARDS

(Continued)

Year Ended June 30, 2019

Federal Grantor	Pass-Through Agency	Federal Program	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant Period Beginning/Ending Date	Grant Amount	Accrued (Unearned) Revenue at July 1, 2018	Total Received for the Year	Revenue Recognized	Expenditures	Accrued (Unearned) Revenue at June 30, 2019	Passed Through to Subrecipients
<b>Medicaid Cluster</b>													
U.S. Department of Health and Human Services	Pennsylvania Department of Human Services	Medical Assistance Program	I	93.778	N/A	07/01/18 - 06/30/19	N/A	-0-	1,933	3,018	3,018	1,085	-0-
<b>TOTAL EXPENDITURES of FEDERAL AWARDS</b>								<u>\$ 542,906</u>	<u>\$ 3,831,321</u>	<u>\$ 3,767,117</u>	<u>\$ 3,767,117</u>	<u>\$ 478,702</u>	<u>\$ -0-</u>
<b>Total Received from U.S. Department of Education</b>													
								426,544	2,840,172	2,888,412	2,888,412	474,784	-0-
<b>Total Received from U.S. Department of Agriculture</b>													
								116,362	989,216	875,687	875,687	2,833	-0-
<b>Total Received from U.S. Department of Health and Human Services</b>													
								-0-	1,933	3,018	3,018	1,085	-0-
<b>TOTAL EXPENDITURES of FEDERAL AWARDS</b>								<u>\$ 542,906</u>	<u>\$ 3,831,321</u>	<u>\$ 3,767,117</u>	<u>\$ 3,767,117</u>	<u>\$ 478,702</u>	<u>\$ -0-</u>

**Legend**

I = Indirect funding

CFDA = Catalog of Federal Domestic Assistance

See independent auditor's report.

**Solanco School District**  
SCHEDULE of EXPENDITURES of FEDERAL AWARDS  
(Continued)  
Year Ended June 30, 2019

**NOTES to SCHEDULE of EXPENDITURES of FEDERAL AWARDS**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

**NOTE 2 - NATIONAL SCHOOL LUNCH PROGRAM - PASSED THROUGH the PENNSYLVANIA DEPARTMENT of AGRICULTURE**

- A) Beginning inventory at July 1.
- B) Total amount of commodities received from the Department of Agriculture.
- C) Total amount of commodities used.
- D) Ending inventory at June 30.

**NOTE 3 - DE MINIMIS INDIRECT COST RATE**

The School District did not elect to use the 10% de minimis indirect cost rate.

**NOTE 4 - ACCESS PROGRAM**

The ACCESS Program is a medical assistance program that reimburses local education agencies for direct, eligible health-related services provided to enrolled special needs students. Reimbursements are federal money but are classified as fee-for-service revenues and are not considered federal financial assistance. Because only federal financial assistance is included on the schedule of expenditures of federal awards, ACCESS reimbursements are not included on the schedule. The amount of ACCESS funding received for the year ended June 30, 2019, was \$163,420. Of this amount, \$105,000 is listed on the PDE confirmation as program #044-007390 and \$58,420 was received through the Lancaster-Lebanon Intermediate Unit #13 and another School District.

See independent auditor's report.

# **Solanco Statement of Expectations:**

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**We, the students, staff, parents and administrators, of the Solanco School District, as a part of the greater Solanco Community, seek to build and support that community through words and actions that display respect, responsibility, courage and kindness. Therefore, we expect all members of the Solanco School District to:**

- Treat themselves and each other with Respect**
- Act Responsibly and take Responsibility for their actions**
- Act with Courage every day**
- Act with Kindness when dealing with others**



The  
**Solanco  
School  
District**  
Quarryville, Pennsylvania

The Solanco School District is an equal opportunity employer. Any discriminatory harassment will not be tolerated in our schools.