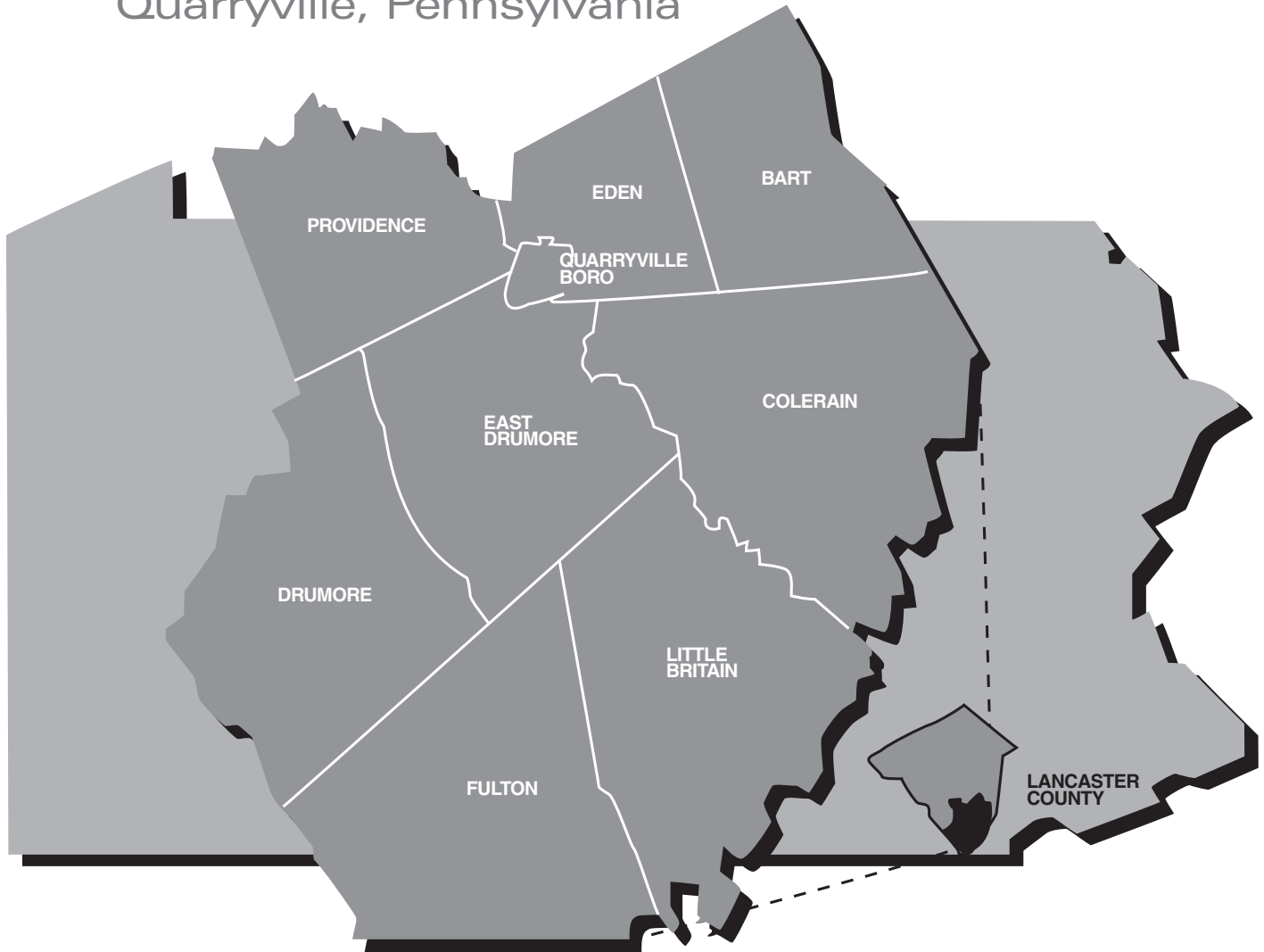


The  
**Solanco  
School  
District**  
Quarryville, Pennsylvania



**Annual Comprehensive  
Financial Report  
for the Fiscal Year Ended  
June 30, 2022**

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022**



**QUARRYVILLE, PENNSYLVANIA**

**PREPARED BY THE BUSINESS OFFICE**

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

**MEGAN A. BROWN  
ASSISTANT BUSINESS MANAGER**

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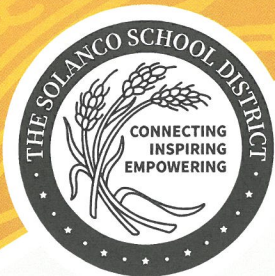
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## **Solanco School District**

December 19, 2022

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 annual comprehensive financial report (ACFR) of the Solanco School District (District) for the fiscal year ended June 30, 2022. 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, 2022.

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, Certified Public Accountants, have issued unmodified ("clean") opinions on the Solanco School District's financial statements for the fiscal year ended June 30, 2022. 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.

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

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

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

121 South Hess Street  
Quarryville, PA 17566

Phone: 717-786-8401  
Fax: 717-786-8245

[www.solancosd.org](http://www.solancosd.org)



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 ACFR, the Certificate of Achievement for Excellence in Financial Reporting presented by the Government Finance Officers Association for last year's ACFR, 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 ACFR, 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 6.0 percent of the county's population.

The District provides a comprehensive educational program for approximately 3110 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 School District teachers for the 2021-2022 fiscal year is provided in the following table.

Number of Classroom Teachers	221
Percentage of Certified Teachers	100%
% of Teachers with Bachelor's Degree	63.80%
% of Teachers with Master's Degree	36.20%
Average Teacher Salary	\$64,773
Average Years of Service	13.10 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 school 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 1300 kindergarten through fifth grade students. Two middle schools, George A. Smith Middle School and Swift Middle School, house 721 students in grades six through eight. Solanco High School provides instruction to 1089 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 school 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 15.6 percent decline of students during the past ten-year period. Enrollment reported for the 2012-2013 school year was 3683 students and 3,110 students were reported for 2021-2022. 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 37.6 percent of total students during 2012-2013 to 40.8 percent of total students during 2021-2022 an increase of 8.6 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 5.1 percent over the past ten years, from 526,823, reported for the 2012 calendar year to 53,652 during 2021. The annual County unemployment rate fluctuated during the past ten years from a minimal rate of 3.4 percent, reported for the 2018 and 2019 calendar years, to the maximum rate of 7.5 percent reported for calendar year 2020. The unemployment rate reported for October 2021 was 4.9 percent. Lancaster County's unemployment rate is 1.4 percent lower than the state rate of 6.3 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 38.5 percent during the past ten years, from the 2012 year assessed value of \$35.0 billion to the 2021 assessed value of \$48.7 billion. 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 School 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 2021-2022 general fund budget on June 16, 2021 at a duly advertised public meeting. The budget proposed total expenditures and other financing uses of \$64,167,021. Actual total expenditures and other financing uses for the 2021-2022 fiscal year were \$14 thousand 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, 2022. 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, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The "Single Audit" statements and schedules required by the Circular 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 expenses for fiscal years in which actual expenditures are below budget estimates. The general fund transferred \$4.5 million to the capital project fund during the fiscal year ended June 30, 2022.

### **LONG-TERM FINANCIAL PLANNING**

The school board committed \$4.5 million of the general fund balance at June 30, 2022 as follows: \$0.5 million to fund future retirement benefit costs, \$2.0 million for planned future facility repair and improvement costs, and \$2.0 million for the early retirement of debt service.

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 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. Solanco School District increased its millage rate for the 2021-2022 fiscal year to the adjusted Act 1 index of 3.5% or 0.3836 mills. 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.

A mechanical, engineering, plumbing (MEP) assessment was completed during the fall of 2021 to identify issues, life cycle of existing building systems, and estimated costs for replacement or upgrade of the systems. The assessment established priorities for replacement or upgrade of the building systems. ESSER funds will be utilized to fund several of the HVAC upgrade projects in the future.

A feasibility study was completed for the Administrative Office during the spring of 2022 to analyze costs to upgrade and renovate the existing building or relocate the office to another campus. Various scenarios are being investigated with the goal of reducing operating costs and creating efficiencies.

The School District borrowed \$27.3 million to complete the renovation and additions to George A. Smith Middle School, Swift Middle School and Clermont Elementary School, and the reconstruction of the High School Activities Building. The outstanding debt obligation for these loans totals \$15.9 million as of June 30, 2022.

## **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 2021-2022 fiscal year include:

- A full-time return to 'in-person' classroom instruction.
- Implementation of an electronic visitor management system to enhance building security.
- Deployment of instructional coaches to develop the skills and strategies of staff that will enable students to perform at higher levels.
- Utilization of additional behavioral technicians to address student behavioral issues created by the pandemic.
- Property adjacent to the warehouse property was purchased, a lot add-on and subdivision completed, and a portion of the combined parcel sold. The process provided the school district with enhanced access to the warehouse property.

- Paving was completed at the High School, Bart Colerain Elementary School, Providence Elementary School and Smith Middle School campuses.
- A portion of the Quarryville Elementary School roof was replaced.

## **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. Due to the COVID pandemic, the Spring Keystone and PSSA assessments for the 2021-2022 school year were not available. Student accomplishments for the 2021-2022 school year are highlighted below.

### **2021-2022 School Year Accomplishments**

- Bart-Colerain Elementary outperformed the statewide testing average in ELA, math, and science.
- Clermont Elementary School exceeded the statewide growth average in ELA, math, and science.
- Providence Elementary School exceeded the statewide growth average in ELA.
- Quarryville Elementary School exceeded the statewide growth average in Science.
- Smith Middle School exceeded the statewide growth average in math.
- Solanco High School outperformed the statewide testing average in math.
- All Solanco schools met or exceeded the college and career statewide performance standard.
- Bart Colerain named one of the "Best Public Elementary Schools" by US News and World Report.
- Solanco students excel at LLMEA Music Festival, one of whom was chosen to compete in the 2022 PMEA District 7 Festival.
- The Solanco Golf team won the section championship.
- A Solanco High School art student was chosen to represent Pennsylvania's 11<sup>th</sup> Congressional District in the *41<sup>st</sup> Annual National Congressional Art Exhibition* in Washington, D.C. with an award-winning pastel painting, *Fresh Organic Beets*.

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 \$19,050 per student during the 2021-2022 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 Annual Comprehensive Financial Report (ACFR) for the fiscal

year ended June 30, 2021. [This was the twenty-fifth 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 annual comprehensive 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, 2022.

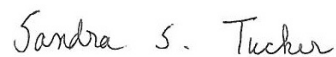
### **ACKNOWLEDGEMENTS**

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.

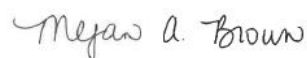
Respectfully submitted,

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 Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2021.**

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



A handwritten signature in black ink, reading 'William A. Sutter'.

**William A. Sutter**  
**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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrell*

Executive Director/CEO

# SOLANCO SCHOOL DISTRICT

## BOARD OF SCHOOL DIRECTORS AND PRINCIPAL OFFICIALS

Fiscal Year Ended June 30, 2022

### **BOARD OF SCHOOL DIRECTORS**

Craig Chubb, President

Brian P. Musser, Vice President

Charles "Chip" Roten, Treasurer

Kurt W. Kreider

Jane M. Ausel

Lee Kauffman

Justin Wimer

Byron W. Graybeal

Lee S. Kauffman

### **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

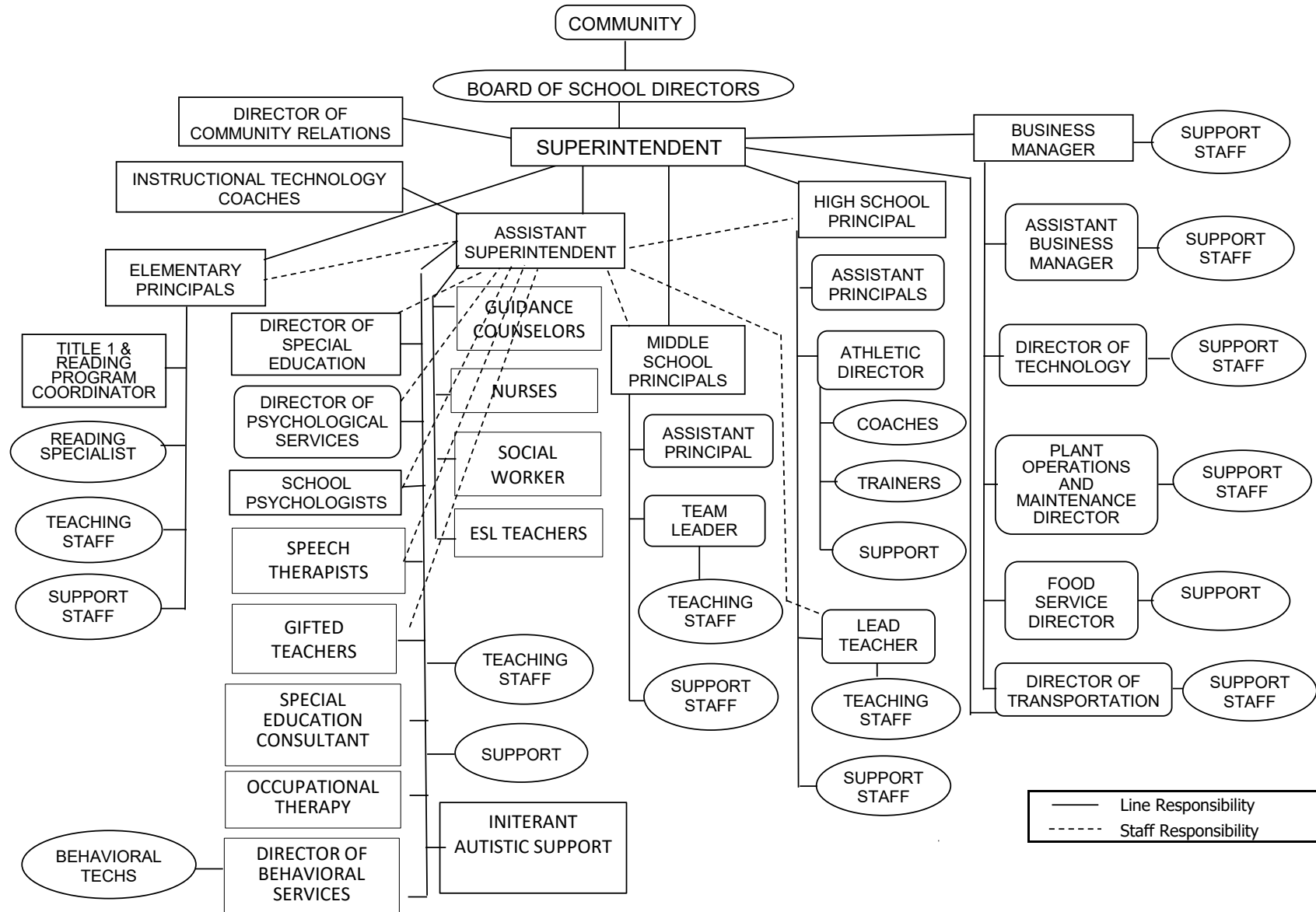
Megan A. Brown, Assistant Business Manager

Sandra D. Smart, Board Secretary

Kegel, Kelin, Almy & Lord, Esquires, Solicitors

# SOLANCO SCHOOL DISTRICT ORGANIZATIONAL CHART

2021-2022





## INDEPENDENT AUDITOR'S REPORT

December 19, 2022

Board of School Directors  
Solanco School District  
Quarryville, Pennsylvania

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Solanco School District (the District), Quarryville, Pennsylvania, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

Board of School Directors  
Solanco School District

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

Report on Summarized Comparative Information

We have previously audited the District's 2021 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in our report dated December 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages F-5 through F-20, 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-86 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.

Supplementary Information

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

The combining individual fund statements, budget schedules and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the

Board of School Directors  
Solanco School District

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, individual fund statements, budget schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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*  
BARBACANE, THORNTON & COMPANY LLP



Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2022

This section of the Solanco School District ("the School District") Annual Comprehensive Financial Report (ACFR), 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, 2022. 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-9, F-22 through F-117 and S-2 through S-60 of this report.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for the year ended June 30, 2022 are as follows:

- Total net deficit of the School District decreased by \$8.4 million or 223.6 percent. Total revenues grew by \$4.5 million or 7.1 percent with tax revenues representing 42.4 percent of the growth. Total expenses increased by \$655 thousand or 1.1 percent during the same period with growth exhibited through costs associated with Operation and Maintenance of Plant Services and interest on Long-Term Debt and reductions noted at Instruction and Administration and Financial Support.
- Program revenues represent 28.4 percent and general revenues represent 71.6 percent of total School District revenues for the fiscal year ended June 30, 2022. Program revenues consist of charges for services, operating grants, capital grants and contributions. Taxes, basic education state subsidy, investment earnings and miscellaneous income comprise general revenues.
- Aggregate School District expenses reported for the fiscal year ended June 30, 2022 totaled \$59.2 million, of which \$19.2 million or 32.4 percent were funded directly from program revenues in the form of charges for services, operating grants, capital grants, and contributions. The remaining 67.6 percent of total expenses were funded from general revenues.
- Increased revenues in the School District's food service program eliminated the net deficit position during the 2021-2022 fiscal year. The general fund did not subsidize food service operations during the fiscal year ended June 30, 2022.
- As of June 30, 2022, the School District's governmental funds reported combined ending fund balances of \$23.1 million, an increase of \$2.4 million or 11.6 percent in comparison with the prior year. Approximately 76.6 percent or \$17.7 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, 2022 for three General Obligation Notes totaled \$16.3 million. The total legal debt capacity at June 30, 2022 was \$138.9 million. Approximately \$122.6 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 \$65.0 million for the fiscal year ended June 30, 2022, a net decrease of \$1.7 million or 2.7 percent compared to the prior year. Capital asset additions totaled \$1.7 million and depreciation expense totaled \$3.4 million. Approximately \$254 thousand of the amounts borrowed in previous years was used to fund capital asset additions.

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2022  
(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, 2022  
(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, 2022  
(Continued)

## **OVERVIEW of FINANCIAL STATEMENTS**

### **Government-wide Statements**

Our analysis for the School District as a whole begins on page F-9. 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. 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 governmental funds begin on page F-26. The proprietary fund financial statements begin on page F-32. The fiduciary fund financial statements begin on page F-36. 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, 2022  
(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, 2022, the sum of total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$4.6 million. \$49.3 million of total net position at June 30, 2022, 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 for the fiscal year ended June 30, 2022. Total assets increased \$2.8 million or 2.8 percent, primarily from the increase in investments the current year. Total liabilities decreased \$14.4 million or 12.9 percent and is attributable to the decrease in the net pension liability.

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2022  
(Continued)

**Net Position (Continued)**

Deferred outflows of resources increased \$73 thousand or 0.6 percent and deferred inflows of resources increased by \$8.9 million or 219.6 percent during the same period. The deferrals associated with Other Postemployment Benefits represents 11.6 percent of aggregate deferred outflows and 4.5 percent of aggregate deferred inflows at June 30, 2022. 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, 2022 compared to June 30, 2021.

**Figure 2**  
**Net Position**  
**June 30, 2022 and 2021**  
(Amounts in Thousands)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>Assets</b>						
Current Assets	\$ 36,074	\$ 32,302	\$ 1,669	\$ 851	\$ 37,743	\$ 33,153
Capital Assets	64,938	66,746	56	57	64,994	66,803
Total Assets	<u>101,012</u>	<u>99,048</u>	<u>1,725</u>	<u>908</u>	<u>102,737</u>	<u>99,956</u>
<b>Deferred Outflows of Resources</b>						
Pension/OPEB	<u>12,335</u>	<u>12,264</u>	<u>187</u>	<u>185</u>	<u>12,522</u>	<u>12,449</u>
<b>Liabilities</b>						
Current Liabilities	11,338	10,025	55	48	11,393	10,073
Noncurrent Liabilities	84,790	100,342	1,481	1,668	86,272	102,010
Total Liabilities	<u>96,128</u>	<u>110,367</u>	<u>1,537</u>	<u>1,717</u>	<u>97,665</u>	<u>112,084</u>
<b>Deferred Inflows of Resources</b>						
Pension/OPEB	<u>12,774</u>	<u>3,982</u>	<u>201</u>	<u>77</u>	<u>12,975</u>	<u>4,060</u>
<b>Net Position</b>						
Net Investment in						
Capital Assets	49,222	59,746	56	57	49,278	59,803
Unrestricted (Deficit)	<u>(44,777)</u>	<u>(62,783)</u>	<u>118</u>	<u>(758)</u>	<u>(44,659)</u>	<u>(63,541)</u>
Net Position, End of Year	\$ <u>4,445</u>	\$ <u>(3,037)</u>	\$ <u>174</u>	\$ <u>(701)</u>	\$ <u>4,619</u>	\$ <u>(3,738)</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.

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2022  
(Continued)

**Changes in Net Position (Continued)**

Figure 3 provides a comparison of revenues and expenses for the fiscal years ended June 30, 2022 and 2021.

**Figure 3**  
**Statement of Activities**  
**Fiscal Years Ended June 30, 2022 and June 30, 2021**  
(Amounts in Thousands)

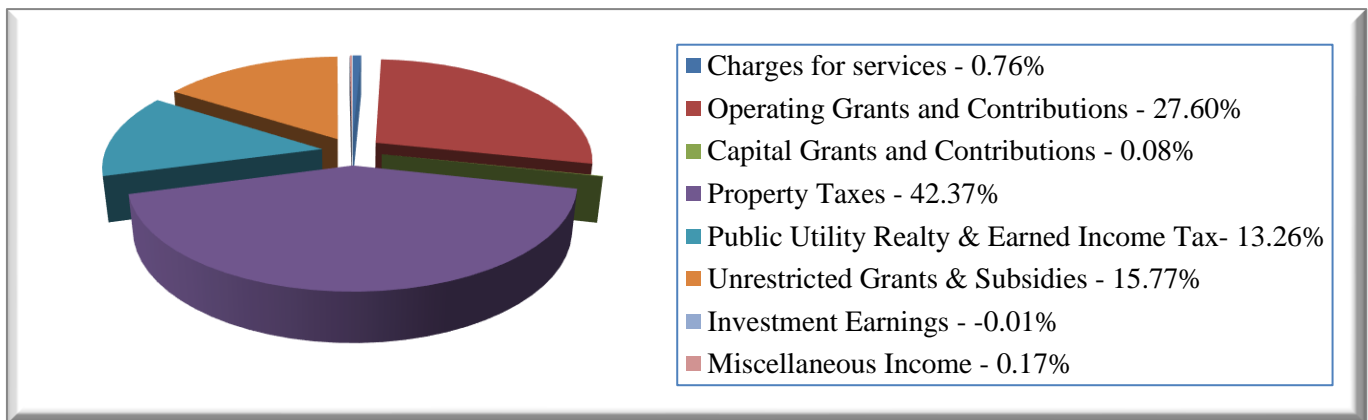
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>Program Revenues</b>						
Charges for Services	\$ 330	\$ 37	\$ 183	\$ 131	\$ 513	\$ 168
Operating Grants and Contributions	16,410	15,895	2,248	1,163	18,658	17,058
Capital Grants and Contributions	54	38	-	-	54	38
Total Program Revenue	<u>16,795</u>	<u>15,970</u>	<u>2,430</u>	<u>1,294</u>	<u>19,225</u>	<u>17,264</u>
<b>General Revenues</b>						
Property Taxes	28,640	27,435	-	-	28,640	27,435
Public Utility Realty and Earned Income Taxes	8,964	8,036	-	-	8,964	8,036
Unrestricted Grants and Subsidies	10,664	10,335	-	-	10,664	10,335
Investment Earnings	(9)	(13)	2	1	(7)	(12)
Miscellaneous Income	118	48	-	-	118	48
Total General Revenues	<u>48,376</u>	<u>45,841</u>	<u>2</u>	<u>1</u>	<u>48,377</u>	<u>45,842</u>
Total Revenues	<u>65,170</u>	<u>61,811</u>	<u>2,432</u>	<u>1,295</u>	<u>67,602</u>	<u>63,106</u>
<b>Expenses</b>						
Instruction	35,970	36,649	-	-	35,970	36,649
Instructional Student Support	5,102	4,929	-	-	5,102	4,929
Administrative and Financial Support Services	5,327	5,435	-	-	5,327	5,435
Operation and Maintenance of Plant Services	5,490	4,755	-	-	5,490	4,755
Pupil Transportation	4,274	3,914	-	-	4,274	3,914
Student Activities	1,054	1,045	-	-	1,054	1,045
Community Services	108	94	-	-	108	94
Interest on Long-Term Debt	364	457	-	-	364	457
Food Services	-	-	1,557	1,312	1,557	1,312
Total Expenses	<u>57,688</u>	<u>57,278</u>	<u>1,557</u>	<u>1,312</u>	<u>59,245</u>	<u>58,590</u>
<b>Change in Net Position</b>	<u>7,482</u>	<u>4,533</u>	<u>875</u>	<u>(17)</u>	<u>8,357</u>	<u>4,516</u>
Beginning Net Position	<u>(3,037)</u>	<u>(7,570)</u>	<u>(701)</u>	<u>(685)</u>	<u>(3,378)</u>	<u>(8,254)</u>
<b>Ending Net Position</b>	<u>\$ 4,445</u>	<u>\$ (3,037)</u>	<u>\$ 174</u>	<u>\$ (701)</u>	<u>\$ 4,619</u>	<u>\$ (3,738)</u>

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2022  
(Continued)

**Changes in Net Position (Continued)**

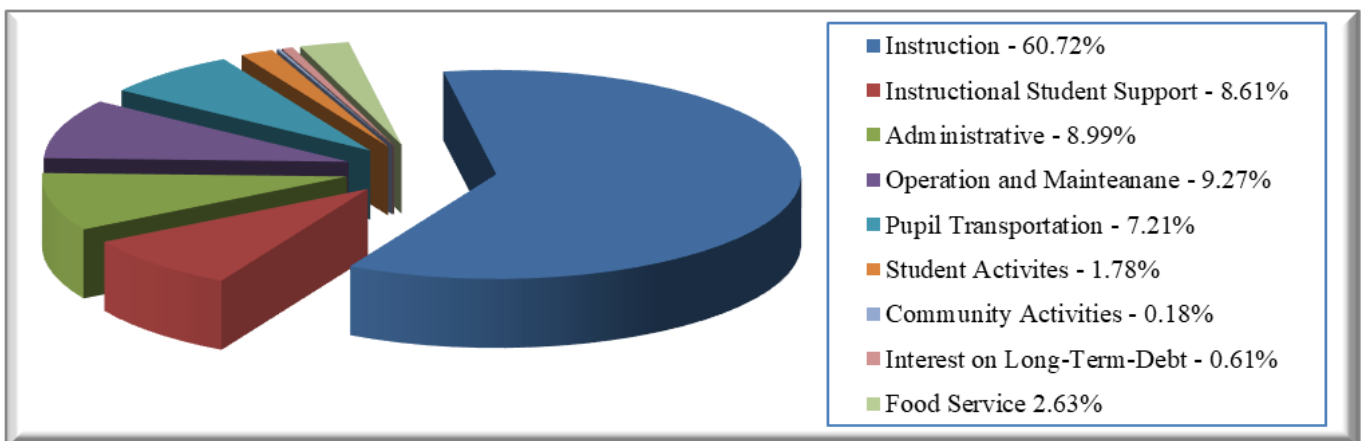
Total program revenues for the fiscal year ended June 30, 2022 were \$19.2 million, an increase of \$2.0 million or 11.4 percent from the prior year. Total general revenues increased by \$2.5 million or 5.5 percent and total expenses increased \$655 thousand or 1.1 percent during the same period. Increases in total revenue sources from the state, accounts for the overall growth in total program revenues generated by governmental activities. Real estate tax collections represent \$1.2 million or 4.4 percent of the total growth in general revenues during the year ended June 30, 2022. 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, 2022.

**Figure 4**  
**Government-wide Revenues as a % of Total Revenues**  
**Fiscal Year Ended June 30, 2022**



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, 2022 is reflected in Figure 5. Instruction expenses comprise 60.72 percent of total government-wide expenses. A comparison of total School District spending during the 2022 and 2021 fiscal years reflects an increase of total expenses by \$655 thousand or 1.1 percent. Instruction and Instruction Student Support expenses decreased \$505 thousand or 1.2 percent, Administrative and Financial Support costs decreased \$108 thousand or 2.0 percent, Operation and Maintenance of Plant Services expenses increased \$734 thousand or 15.5 percent, and Interest on Long-Term Debt accounts decreased \$93 thousand or 20.4%.

**Figure 5**  
**Government-wide Expenses as a % of Total Expenses**  
**Fiscal Year Ended June 30, 2022**





Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2022  
(Continued)

**Governmental Activities**

Total expenses generated from governmental activities increased \$410 thousand or 0.7 percent during the fiscal year ended June 30, 2022. 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 2021-2022 fiscal year totaled \$40.9 million, a decrease of \$415 thousand or 1.0 percent. 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, 2022 and June 30, 2021.

**Figure 6**  
**Governmental Activities**  
**Fiscal Years Ended June 30, 2022 and June 30, 2021**

	Total Cost of Services		Net Cost of Services		% Change of Net Cost
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
Instruction	\$ 35,970,147	\$ 36,648,556	\$ 23,096,755	\$ 24,344,330	(5.1)%
Support Services:					
Instructional Student Support	5,102,222	4,929,161	4,322,645	4,190,891	3.1 %
Administrative and Financial Support Services	5,326,836	5,435,332	4,630,216	4,936,034	(6.2)%
Operation and Maintenance of Plant Services	5,489,577	4,754,718	5,142,820	4,407,629	16.7 %
Pupil Transportation	4,273,625	3,914,376	2,413,193	1,984,614	21.6 %
Student Activities	1,053,592	1,044,667	859,111	935,111	(8.1)%
Community Services	107,977	93,809	102,333	89,859	13.9 %
Interest on Long-Term Debt	363,938	457,494	326,338	419,858	(22.3)%
<u>Total Governmental Activities Expenses</u>	<u>\$ 57,687,914</u>	<u>\$ 57,278,113</u>	<u>\$ 40,893,411</u>	<u>\$ 41,308,326</u>	<u>(1.0)%</u>

The net cost of governmental activities reduced primarily as a result of the increase in grant revenues in the current year, in addition the district brought back several special education students from educational placements to in-house education in the district. There is a heavy reliance on tax revenues to fund the operations of the School District. Tax revenues represented 59.2 percent of total general revenues generated by governmental activities during the 2021-2022 year. The net cost of governmental activities totaled \$40.8 million and was financed from general revenues totaling \$48.3 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 3.8 percent of total net position at June 30, 2022. Revenues generated from business-type activities during the 2021-2022 fiscal year totaled \$2.4 million, an increase of \$1.1 million or 87.8 percent from the prior year. The increase is due to U.S. Department of Agriculture continuing to reimburse school districts for free meals to all students regardless of income.

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2022  
(Continued)

Total expenses generated by business-type activities during the same period increased from the 2020-2021 fiscal year by \$245 thousand or 18.7 percent. The increase in total expenses results from the increase in salaries and employee benefits and in supplies. The net position of business-type activities increased \$875 thousand or 124.8 percent during the 2021-2022 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, 2022, the School District's governmental funds reported combined ending fund balances of \$23.1 million, an increase of \$2.4 million or 11.6 percent in comparison with the prior year. The general fund is the chief operating fund of the School District, comprising \$9.8 million or 42.5 percent of the total combined governmental fund balance at June 30, 2022. The capital project fund represents \$13.3 million or 57.5 percent of the total combined fund balance. A comparison of the general fund's unassigned fund balance of \$4.2 million, with the total aggregate general fund balance of \$9.8 million provides a measure of the fund's liquidity. Approximately 43.0 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 \$4.2 million represents 6.6 percent of total general fund expenditures and other financing uses of \$64.1 million, for the fiscal year ended June 30, 2022 and 5.2 percent of budgeted expenditures, totaling \$80.9 million, for the 2022-2023 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, 2022 and June 30, 2021.

**Figure 7**  
**Governmental Fund Balances**  
**June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>Difference</u>	<u>% of Change</u>
General Fund				
Nonspendable	\$ 294,187	\$ 311,114	\$ (16,927)	(5.4) %
Committed	4,500,000	4,500,000	-0-	0.0 %
Assigned	806,985	578,107	228,878	39.6 %
Unassigned	4,223,390	3,603,733	619,657	17.2 %
Total General Fund	<u>9,824,562</u>	<u>8,992,954</u>	<u>831,608</u>	9.2 %
Capital Project				
Restricted	608,892	861,733	(252,841)	(29.3) %
Assigned	12,663,912	10,838,406	1,825,506	16.8 %
Total Capital Project Fund	<u>13,272,804</u>	<u>11,700,139</u>	<u>1,572,665</u>	(12.5) %

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2022  
(Continued)

**Governmental Funds** (Continued)

Other Governmental Fund				
Nonspendable	-0-	2,503	(2,503)	(100) %
Total Other Governmental Fund	-0-	2,503	(2,503)	(100) %
Total Governmental Funds	\$ 23,097,366	\$ 20,695,596	\$ 2,401,770	11.6 %

Inventory increased \$17 thousand and prepaid balances decreased \$36 thousand during the fiscal year 2021-2022, resulting in total nonspendable fund balance decrease of \$19 thousand, compared to the prior year. The June 30, 2022 committed balance of \$4,500,000 is to mitigate anticipated future increases in retirement benefits, facility repair and improvement costs, and early retirement of debt services.

A fund balance of \$13.3 million was reported for the capital projects fund as of June 30, 2022 and reflects an increase of \$1.6 million or 13.4 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. 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, 2022 represents 57.5 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 \$1.2 million or 24.0 percent from the prior year while expenses increased \$1.0 million or 21.1 percent during the same period. The total net position for the internal service fund reported at June 30, 2022 was \$3.8 million and \$3.8 million for year ended June 30, 2021. 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, 2022, totaled \$65.0 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.

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2022  
(Continued)

**Figure 8**  
**Capital Assets at June 30, 2022 and June 30, 2021**  
**(Net of Depreciation)**

	<u>2022</u>	<u>2021</u>
Land and Site Improvements	\$ 3,303,783	\$ 2,952,025
Buildings and Building Improvements	57,646,947	59,854,322
Governmental Furniture and Equipment	3,274,348	3,662,324
Vehicles	143,590	173,690
Library Books	101,651	103,416
Construction in Progress	467,810	-0-
Business-Type Food Service Equipment	55,679	56,860
Totals	\$ <u>64,993,808</u>	\$ <u>66,802,637</u>

**Capital Assets (continued)**

The School District's total investment in capital assets for the fiscal year ended June 30, 2022, decreased \$1.8 million or 2.7 percent compared with the previous year. Capital Asset additions totaled \$1.7 million and depreciation expense totaled \$3.4 million during the 2021-2022 fiscal year. Major capital project expenditures incurred during the 2021-2022 fiscal year included:

- Renovation and improvement projects at multiple district buildings totaling \$966,708.
- Furniture and equipment purchases totaling \$240,996.

Approximately \$254 thousand of the debt proceeds was utilized to fund capital asset additions for the 2021-2022 fiscal year. Future commitments on capital projects in progress at June 30, 2022 total \$1.5 million and a portion of these commitments are related to the renovation of the Bart-Colerain Elementary School and improvements to the District Wide Area Network. 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 \$138.9 million. The School District has \$16.3 million of outstanding general obligation note debt at June 30, 2022 with \$122.6 million debt capacity available for future borrowing needs.

The School District is financially responsible for a portion, approximately 5.98 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, 2022, totaled \$17.6 million and is comprised of general obligation debt, estimated liabilities for compensated absences and accrued retirement bonus, of which \$2.6 million is due within one year. Refer to Notes 11 through 13 for additional information on long-term debt. Compensated absences increased \$52 thousand while estimated retirement bonuses decreased \$81 thousand.

Details regarding the long-term debt balances at June 30, 2022 and June 30, 2021 follow.

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2022  
(Continued)

**Figure 9**  
**Outstanding Long-Term Debt**  
**At June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>Increase</u>	<u>% of Change</u>
General Obligation Debt	\$ 16,324,500	\$ 18,699,500	\$ (2,375,000)	(12.7) %
Compensated Absences	524,002	471,555	52,447	11.1 %
Accrued Retirement Bonus	842,375	924,055	(81,680)	(8.8) %
Totals	<u>\$ 17,690,877</u>	<u>\$ 20,095,110</u>	<u>\$ (2,404,233)</u>	(12.0) %

**GENERAL FUND BUDGETARY HIGHLIGHTS**

**2021-2022 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 2021-2022 final budgeted revenue and other financing sources totals to actual totals is presented in Figure 10. Total actual revenues and other financing sources exceed budget estimates by \$1.37 million or 2.2 percent.

**Figure 10**  
**2021-2022 Budgeted to Actual Revenue Totals**

	<u>2021-2022 Final Budget</u>	<u>2021-2022 Actual Totals</u>	<u>Final Budget vs. Actual Variance</u>	
<b>Revenue</b>				
Local	\$ 36,919,966	\$ 38,880,148	\$ 1,960,182	5.3%
State	20,335,814	20,846,718	510,904	2.5%
Federal	6,173,134	5,224,215	(948,919)	(15.4)%
Other Financing Sources	<u>160,000</u>	<u>16,469</u>	<u>(143,531)</u>	(89.7)%
Total Revenue and other financing sources	<u>\$ 63,588,914</u>	<u>\$ 64,967,550</u>	<u>\$ 1,378,636</u>	2.2%

Federal revenues were \$949 thousand or 15.4 percent below budget estimates.

Actual 2021-2022 expenditures and other financing uses were below final budgeted expenditures by \$14 thousand or 0.02 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 2021-2022 final budgeted expenditure and other financing uses totals to actual totals is presented in Figure 11.

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2022  
(Continued)

**2021-2022 General Fund Budget (Continued)**

**Figure 11**  
**2021-2022 Budgeted to Actual Expenditure Totals**

	<b>2021-20222</b>		<b>2021-2022</b>		<b>Final Budget vs.</b>
	<b>Final</b>		<b>Actual</b>		<b>Actual Variance</b>
<b>Expenditures</b>	<b>Budget</b>		<b>Totals</b>		
Current - Instructional Services	\$ 37,032,672	\$	37,026,345	\$	6,327 0.0 %
Support Services	20,323,319		20,317,837		5,482 0.0 %
Operation of Noninstructional Services	1,211,153		1,210,274		879 0.1 %
Other Financing Uses	5,599,877		5,598,143		1,734 0.0%
Total Expenditures and Other Financing Uses	<u>\$ 64,167,021</u>	\$	<u>64,152,599</u>	\$	<u>14,422 (0.02) %</u>

Actual expenditures and other financing uses exceeded budget estimates, a direct result of general fund transfers to the capital project fund. Tax collections exceeded expectation enabling the school district to increase the amount transferred to the capital project fund in preparation of future capital expenditures.

**2022-2023 Budget Process**

The 2022-2023 general fund budget was adopted on June 6, 2022. 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 2022-2023 fiscal year totaled \$80.1 million, an increase of \$15.1 million or 23.3 percent from 2021-2022 actual revenues. Budgeted expenditures for the same period totaled \$80.9 million, an increase of \$16.7 million or 26.1 percent from 2021-2022 actual expenditures. The following items were considered during the development of the 2022-2023 general fund budget.

- The School Board approved a millage rate increase of 4.0% or 0.4537 mills and reflects the adjusted Act 1 Index provided by PDE.
- An increase in earned income tax collections.
- A decline in district-wide student enrollment and increase in charter school enrollment.
- Increased payroll and contracted personnel costs resulting from the nationwide labor shortage.
- The continued increase of the PSERS retirement expense rate and its direct impact on employee benefit costs.
- Increased cost of employee healthcare as medical procedures postponed during the pandemic were performed.
- Efficient utilization of ESSER funding to address student learning loss, expand student support services, provide staff training, upgrade building HVAC systems, and install building security upgrades.
- Pending ‘fiscal funding cliff’ when ESSER grants end.

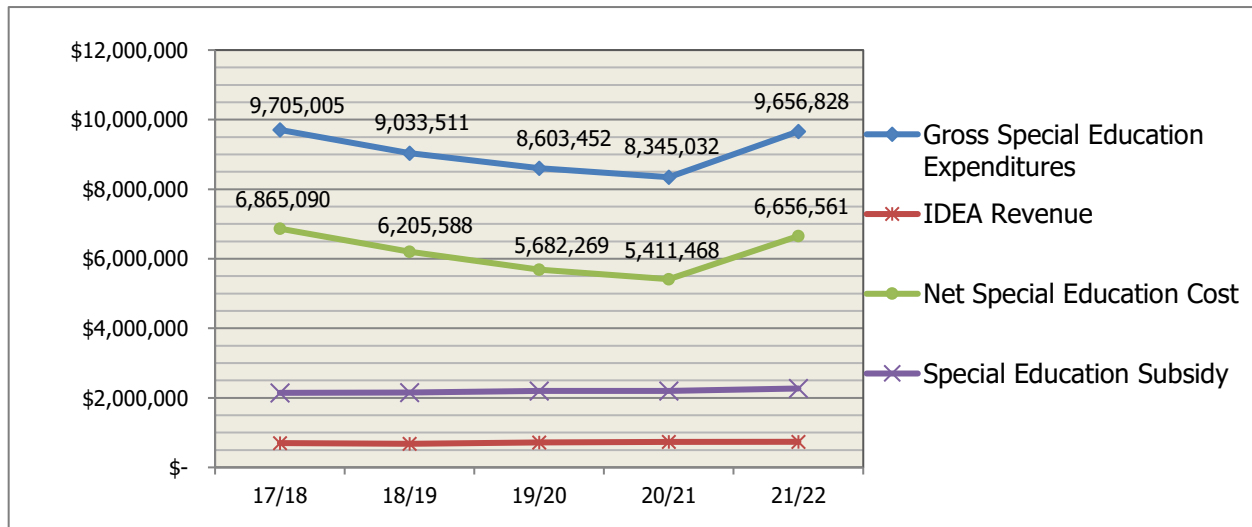
Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2022  
(Continued)

**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 \$209 thousand, or 3 percent decrease in the net special education cost at June 30, 2022 when compared to 2017-2018 school year. The number of students qualifying for special education services increased 18.13 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.

Solanco School District  
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)  
Year Ended June 30, 2022  
(Continued)

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

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

<b><u>Fiscal</u></b> <b><u>Year</u></b>	<b><u>Employee</u></b> <b><u>Contributions</u></b>	<b><u>Retiree</u></b> <b><u>Contributions</u></b>	<b><u>Health</u></b> <b><u>Benefit</u></b> <b><u>Expenses</u></b>	<b><u>Contributions</u></b> <b><u>as Percentage</u></b> <b><u>of Expense</u></b>
21/22	\$ 559,174	\$ 248,363	\$ 6,083,532	13.3%
20/21	496,769	243,081	4,975,766	14.9%
19/20	457,525	253,768	4,311,626	16.5%
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%

- **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 34.94% for the 2021-2022 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, 2024. The agreement must provide compensation and benefits that promote employment longevity while minimizing long-term costs for the School District.
- **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, 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, 2022

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 22,587,484	\$ 1,550,600	\$ 24,138,084
Investments	7,478,098	-	7,478,098
Taxes Receivable, net	2,197,370	-	2,197,370
Due from Other Governments	2,967,478	75,575	3,043,053
Other Receivables	511,514	-	511,514
Inventories	221,842	43,046	264,888
Prepaid Items	110,178	-	110,178
<u>Total Current Assets</u>	<u>36,073,964</u>	<u>1,669,221</u>	<u>37,743,185</u>
Noncurrent Assets:			
Non-Depreciable	1,644,265	-	1,644,265
Depreciable, net	63,293,864	55,679	63,349,543
<u>Total Noncurrent Assets</u>	<u>64,938,129</u>	<u>55,679</u>	<u>64,993,808</u>
 <u>TOTAL ASSETS</u>	 <u>101,012,093</u>	 <u>1,724,900</u>	 <u>102,736,993</u>
<u>DEFERRED OUTFLOWS of RESOURCES</u>			
Deferred Outflows - Pension	10,893,928	171,889	11,065,817
Deferred Outflows - Other Postemployment Benefits	1,441,239	15,286	1,456,525
<u>TOTAL DEFERRED OUTFLOWS</u> <u>of RESOURCES</u>	<u>\$ 12,335,167</u>	<u>\$ 187,175</u>	<u>\$ 12,522,342</u>

See notes to financial statements.

(Continued)

Solanco School District  
STATEMENT of NET POSITION  
June 30, 2022

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Internal Balance	\$ (1,921)	\$ 1,921	\$ -
Accounts Payable	3,862,780	2,033	3,864,813
Notes Payable Due Within One Year	2,425,000	-	2,425,000
Compensated Absences Due Within One Year	17,536	-	17,536
Accrued Retirement Bonus Due Within One Year	204,016	-	204,016
Accrued Salaries and Benefits	3,847,749	7,678	3,855,427
Accrued Interest	83,773	-	83,773
Payroll Deductions and Withholdings	93,832	-	93,832
Unearned Revenues	698,837	43,722	742,559
Other Current Liabilities	105,938	-	105,938
<u>Total Current Liabilities</u>	<u>11,337,540</u>	<u>55,354</u>	<u>11,392,894</u>
Noncurrent Liabilities:			
Long-Term Portion of Notes Payable	13,899,500	-	13,899,500
Long-Term Portion of Compensated Absences	506,466	-	506,466
Accrued Retirement Bonus	638,359	-	638,359
Net Other Postemployment Benefit Liability	7,132,038	129,567	7,261,605
Net Pension Liability	62,614,100	1,351,900	63,966,000
<u>Total Noncurrent Liabilities</u>	<u>84,790,463</u>	<u>1,481,467</u>	<u>86,271,930</u>
 <u>TOTAL LIABILITIES</u>	 <u>96,128,003</u>	 <u>1,536,821</u>	 <u>97,664,824</u>
<u>DEFERRED INFLOWS of RESOURCES</u>			
Deferred Inflows - Pension	12,196,567	198,049	12,394,616
Deferred Inflows - Other Postemployment Benefits	577,583	3,204	580,787
<u>TOTAL DEFERRED INFLOWS of RESOURCES</u>	<u>12,774,150</u>	<u>201,253</u>	<u>12,975,403</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	49,222,521	55,679	49,278,200
Unrestricted (Deficit)	(44,777,414)	118,322	(44,659,092)
 <u>TOTAL NET POSITION</u>	 <u>\$ 4,445,107</u>	 <u>\$ 174,001</u>	 <u>\$ 4,619,108</u>

See notes to financial statements.

Solanco School District  
STATEMENT of ACTIVITIES  
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
Governmental Activities:							
Instruction	\$ 35,970,147	\$ 4,185	\$ 12,869,207	\$ -	\$ (23,096,755)	\$ -	\$ (23,096,755)
Instructional Student Support	5,102,222	-	779,577	-	(4,322,645)	-	(4,322,645)
Administrative and Financial Support Services	5,326,836	195,586	501,034	-	(4,630,216)	-	(4,630,216)
Operation and Maintenance of Plant Services	5,489,577	54,341	292,416	-	(5,142,820)	-	(5,142,820)
Pupil Transportation	4,273,625	4,914	1,855,518	-	(2,413,193)	-	(2,413,193)
Student Activities	1,053,592	71,017	106,864	16,600	(859,111)	-	(859,111)
Community Services	107,977	-	5,644	-	(102,333)	-	(102,333)
Interest on Long-Term Debt	363,938	-	-	37,600	(326,338)	-	(326,338)
<u>Total Governmental Activities</u>	57,687,914	330,043	16,410,260	54,200	(40,893,411)	-	(40,893,411)
Business-Type Activities:							
Food Services	1,557,175	182,515	2,247,909	-	-	873,249	873,249
<u>Total Government</u>	\$ 59,245,089	\$ 512,558	\$ 18,658,169	\$ 54,200	(40,893,411)	873,249	(40,020,162)
General Revenues:							
Taxes:							
Property Taxes,							
Levied for General Purposes, net					28,639,540	-	28,639,540
Public Utility Realty and Earned Income Taxes,							
Levied for General Purposes, net					8,963,700	-	8,963,700
Unrestricted Grants and Subsidies					10,663,798	-	10,663,798
Investment Earnings					(9,105)	1,821	(7,284)
Miscellaneous Income					117,636	-	117,636
<u>Total General Revenues</u>					48,375,569	1,821	48,377,390
<u>CHANGES in NET POSITION</u>					7,482,158	875,070	8,357,228

See notes to financial statements.

(Continued)

Solanco School District  
STATEMENT of ACTIVITIES  
Year Ended June 30, 2022  
 (Continued)

<u>Functions/Programs</u> (continued)	<u>Expenses</u>	Net Revenue (Expense) and Changes in Net Position					
		Program Revenues					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
<u>NET POSITION</u>							
Beginning					(3,037,051)	(701,069)	(3,738,120)
Ending					\$ 4,445,107	\$ 174,001	\$ 4,619,108

See notes to financial statements.

Solanco School District  
BALANCE SHEET -  
GOVERNMENTAL FUNDS  
June 30, 2022

	<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>Fund</u>	<u>Fund</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 10,856,939	\$ 10,632,313	\$ -	\$ 21,489,252
Investments	4,489,616	-	-	4,489,616
Taxes Receivable, net	2,197,370	-	-	2,197,370
Due from Other Funds	1,921	2,846,852	-	2,848,773
Due from Other Governments	2,967,478	-	-	2,967,478
Other Receivables	235,832	-	-	235,832
Inventories	221,842	-	-	221,842
Prepaid Items	72,345	-	-	72,345
<u>TOTAL ASSETS</u>	<u>\$ 21,043,343</u>	<u>\$ 13,479,165</u>	<u>\$ -</u>	<u>\$ 34,522,508</u>
<u>LIABILITIES, DEFERRED INFLOWS of RESOURCES</u> <u>and FUND BALANCES</u>				
<u>LIABILITIES</u>				
Due to Other Funds	\$ 2,846,852	\$ -	\$ -	\$ 2,846,852
Due to Other Governments	104,270	-	-	104,270
Accounts Payable	3,086,366	206,361	-	3,292,727
Accrued Salaries and Benefits	3,847,749	-	-	3,847,749
Payroll Deductions and Withholdings	93,832	-	-	93,832
Unearned Revenues	698,837	-	-	698,837
<u>TOTAL LIABILITIES</u>	<u>10,677,906</u>	<u>206,361</u>	<u>-</u>	<u>10,884,267</u>
<u>DEFERRED INFLOWS of RESOURCES</u>	<u>540,875</u>	<u>-</u>	<u>-</u>	<u>540,875</u>
<u>FUND BALANCES</u>				
Nonspendable	294,187	-	-	294,187
Restricted	-	608,892	-	608,892
Committed	4,500,000	-	-	4,500,000
Assigned	806,985	12,663,912	-	13,470,897
Unassigned	4,223,390	-	-	4,223,390
<u>TOTAL FUND BALANCES</u>	<u>9,824,562</u>	<u>13,272,804</u>	<u>-</u>	<u>23,097,366</u>
<u>TOTAL LIABILITIES, DEFERRED</u> <u>INFLOWS of RESOURCES, and FUND</u> <u>BALANCES</u>	<u>\$ 21,043,343</u>	<u>\$ 13,479,165</u>	<u>\$ -</u>	<u>\$ 34,522,508</u>

See notes to financial statements.

Solanco School District  
RECONCILIATION of the GOVERNMENTAL FUNDS BALANCE SHEET  
to the STATEMENT of NET POSITION  
June 30, 2022

Total fund balances - governmental funds \$ 23,097,366

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 \$128,531,160 and the accumulated depreciation is \$63,593,031. 64,938,129

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. 3,828,508

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. 540,875

In the statement of activities, interest is accrued on long-term debt, whereas in the governmental funds, an interest expenditure is recorded when due. (83,773)

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	(62,614,100)	
Notes Payable	(16,324,500)	
Accrued Retirement Bonus	(842,375)	
Compensated Absences	(524,002)	
Net Other Postemployment Benefit Liability	<u>(7,132,038)</u>	(87,437,015)

Deferred outflows of resources - pension and OPEB are not due and payable in the current period and, therefore, are not reported in the funds. 12,335,167

Deferred inflows of resources - pension and OPEB are not due and collectable in the current period and, therefore, are not reported in the funds. (12,774,150)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 4,445,107

See notes to financial statements.

Solanco School District  
STATEMENT of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCES -  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2022

	<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>REVENUES</u>				
Local Sources:				
Real Estate Taxes and Penalties	\$ 27,726,390	\$ -	\$ -	\$ 27,726,390
Other Taxes	9,803,361	-	-	9,803,361
Investment Earnings	(20,371)	11,266	-	(9,105)
Revenue from School District Activities	56,607	-	-	56,607
Revenue from Intermediate Sources	964,108	-	-	964,108
Tuition	4,183	-	-	4,183
Other Revenue	345,870	16,785	-	362,655
<u>Total Local Sources</u>	<u>38,880,148</u>	<u>28,051</u>	<u>-</u>	<u>38,908,199</u>
State Sources	20,846,718	-	-	20,846,718
Federal Sources	5,224,215	-	-	5,224,215
<u>Total Revenues</u>	<u>64,951,081</u>	<u>28,051</u>	<u>-</u>	<u>64,979,132</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	37,026,345	-	-	37,026,345
Support Services	20,317,837	-	-	20,317,837
Operation of Noninstructional Services	1,210,274	-	-	1,210,274
<u>Total Current</u>	<u>58,554,456</u>	<u>-</u>	<u>-</u>	<u>58,554,456</u>
Capital Outlay:				
Facilities Acquisition, Construction, and Improvement Services	-	1,471,268	-	1,471,268
Debt Service:				
Principal	-	-	2,375,000	2,375,000
Interest	-	-	378,794	378,794
<u>Total Debt Service</u>	<u>-</u>	<u>-</u>	<u>2,753,794</u>	<u>2,753,794</u>
<u>Total Expenditures</u>	<u>58,554,456</u>	<u>1,471,268</u>	<u>2,753,794</u>	<u>62,779,518</u>
<u>EXCESS (DEFICIENCY) of</u>				
<u>REVENUES over (under) EXPENDITURES</u>	<u>6,396,625</u>	<u>(1,443,217)</u>	<u>(2,753,794)</u>	<u>2,199,614</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, 2022  
(Continued)

	<u>Major Funds</u>			
	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from Sale of Capital Assets	16,469	169,030	-	185,499
Transfers In (Out)	<u>(5,598,143)</u>	<u>2,846,852</u>	<u>2,751,291</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(5,581,674)</u>	<u>3,015,882</u>	<u>2,751,291</u>	<u>185,499</u>
<u>NET CHANGES in FUND BALANCES</u>	814,951	1,572,665	(2,503)	2,385,113
<u>FUND BALANCES - Beginning of Year</u>	8,992,954	11,700,139	2,503	20,695,596
Increase in Reserve for Inventory	<u>16,657</u>	<u>-</u>	<u>-</u>	<u>16,657</u>
<u>FUND BALANCES - End of Year</u>	\$ <u>9,824,562</u>	\$ <u>13,272,804</u>	\$ <u>-</u>	\$ <u>23,097,366</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, 2022

Total net changes in fund balances - governmental funds	\$	2,385,113
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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	\$ (3,447,582)	
Capital Outlays	1,707,981	(1,739,601)

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.	73,489
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In the statement of activities, certain operating expenses, such as compensated absences, accrued retirement bonuses and net other postemployment benefits 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.	(199,747)
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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.	4,599,403
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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.	16,657
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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.	25,036
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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, 2022  
 (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.

Principal Repayment on Notes Payable	2,375,000	\$	2,375,000
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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.

(68,047)

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

14,855

<u>CHANGES in NET POSITION of GOVERNMENTAL ACTIVITIES</u>		\$	7,482,158
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See notes to financial statements.

Solanco School District  
STATEMENT of NET POSITION -  
PROPRIETARY FUNDS  
June 30, 2022

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,550,600	\$ 1,098,232
Investments	-	2,988,482
Due from Other Governments	75,575	-
Other Receivables	-	275,682
Inventories	43,046	-
Prepaid Items	-	37,833
<u>Total Current Assets</u>	<u>1,669,221</u>	<u>4,400,229</u>
Noncurrent Assets:		
Furniture and Equipment, net of Accumulated Depreciation	<u>55,679</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>1,724,900</u>	<u>4,400,229</u>
<u>DEFERRED OUTFLOWS of RESOURCES</u>		
Pension	171,889	-
Other Postemployment Benefits	<u>15,286</u>	<u>-</u>
<u>TOTAL DEFERRED OUTFLOWS of RESOURCES</u>	<u>187,175</u>	<u>-</u>
<u>TOTAL ASSETS and DEFERRED OUTFLOWS of RESOURCES</u>	<u>\$ 1,912,075</u>	<u>\$ 4,400,229</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Due to Other Funds	1,921	-
Accounts Payable	2,033	-
Claims Payable	-	571,721
Accrued Salaries and Benefits	7,678	-
Unearned Revenues	<u>43,722</u>	<u>-</u>
<u>Total Current Liabilities</u>	<u>55,354</u>	<u>571,721</u>
Noncurrent Liabilities:		
Net Pension Liability	1,351,900	-
Net Postemployment Benefit Liability	<u>129,567</u>	<u>-</u>
<u>Total Noncurrent Liabilities</u>	<u>1,481,467</u>	<u>-</u>
<u>TOTAL LIABILITIES</u>	<u>1,536,821</u>	<u>571,721</u>
<u>DEFERRED INFLOWS of RESOURCES</u>		
Pension	198,049	-
Other Postemployment Benefits	<u>3,204</u>	<u>-</u>
<u>TOTAL DEFERRED INFLOWS of RESOURCES</u>	<u>201,253</u>	<u>-</u>
<u>TOTAL LIABILITIES and DEFERRED INFLOWS of RESOURCES</u>	<u>1,738,074</u>	<u>571,721</u>
<u>NET POSITION</u>		
Investment in Capital Assets	55,679	-
Unrestricted	<u>118,322</u>	<u>3,828,508</u>
<u>TOTAL NET POSITION</u>	<u>\$ 174,001</u>	<u>\$ 3,828,508</u>

See notes to financial statements.

Solanco School District  
STATEMENT of REVENUES, EXPENSES, and  
CHANGES in NET POSITION - PROPRIETARY FUNDS  
Year Ended June 30, 2022

	Enterprise Fund	Internal Service Fund
	<u>Fund</u>	<u>Fund</u>
<u>OPERATING REVENUES</u>		
Food Service Revenue	\$ 167,267	\$ -
Charges for Services	15,248	6,314,248
Miscellaneous Income	<u>23,265</u>	<u>-</u>
<u>Total Operating Revenues</u>	<u>205,780</u>	<u>6,314,248</u>
<u>OPERATING EXPENSES</u>		
Salaries	339,933	-
Employee Benefits	180,149	6,083,532
Purchased Professional and Technical Service	11,467	215,341
Purchased Property Service	43,213	-
Other Purchased Services	4,289	-
Supplies	967,386	-
Dues and Fees	168	-
Depreciation	<u>10,570</u>	<u>-</u>
<u>Total Operating Expenses</u>	<u>1,557,175</u>	<u>6,298,873</u>
<u>OPERATING INCOME (LOSS)</u>	(1,351,395)	15,375
<u>NONOPERATING REVENUES</u>		
Investment Earnings	1,821	9,660
State Subsidies	129,226	-
Federal Subsidies	<u>2,095,418</u>	<u>-</u>
<u>Total Nonoperating Revenues</u>	<u>2,226,465</u>	<u>9,660</u>
<u>CHANGES in NET POSITION</u>	875,070	25,035
<u>NET POSITION (DEFICIT)</u>		
Beginning of Year	<u>(701,069)</u>	<u>3,803,473</u>
<u>NET POSITION - End of Year</u>	\$ <u>174,001</u>	\$ <u>3,828,508</u>

See notes to financial statements.

Solanco School District  
STATEMENT of CASH FLOWS -  
PROPRIETARY FUNDS  
Year Ended June 30, 2022

	Enterprise Fund	Internal Service Fund
<u>CASH FLOWS from OPERATING ACTIVITIES</u>		
Cash Received from Users	\$ 203,705	\$ -
Cash Received from Assessments Made to Other Funds	-	6,127,245
Cash Payments to Employees for Services	(583,661)	-
Cash Payments for Insurance Services	-	(5,910,058)
Cash Payments to Suppliers for Goods and Services	(1,032,778)	-
Cash Payments for Other Operating Expenses	(168)	(219,082)
<u>Net Cash Used by Operating Activities</u>	<u>(1,412,902)</u>	<u>(1,895)</u>
<u>CASH FLOWS from NONCAPITAL FINANCING ACTIVITIES</u>		
State Subsidies	129,838	-
Federal Subsidies	2,098,104	-
<u>Net Cash Provided by Noncapital Financing Activities</u>	<u>2,227,942</u>	<u>-</u>
<u>CASH FLOWS from CAPITAL and RELATED FINANCING ACTIVITIES</u>		
Purchase of Equipment	(9,389)	-
<u>CASH FLOWS from INVESTING ACTIVITIES</u>		
Investment Earnings	1,821	3,203
Deposits to Investment Pools	-	(1,512,482)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>1,821</u>	<u>(1,509,279)</u>
<u>INCREASE (DECREASE) in CASH and CASH EQUIVALENTS</u>	807,472	(1,511,174)
<u>CASH and CASH EQUIVALENTS</u>		
Beginning of Year	742,516	2,609,406
End of Year	\$ <u>1,549,988</u>	\$ <u>1,098,232</u>

See notes to financial statements.

(Continued)

Solanco School District  
STATEMENT of CASH FLOWS -  
PROPRIETARY FUNDS  
Year Ended June 30, 2022  
(Continued)

	Enterprise Fund	Internal Service Fund
	<u>Fund</u>	<u>Fund</u>
<u>RECONCILIATION of OPERATING INCOME (LOSS)</u>		
<u>to NET CASH USED by OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ <u>(1,351,395)</u>	\$ <u>15,375</u>
<u>ADJUSTMENTS to RECONCILE OPERATING INCOME (LOSS)</u>		
<u>to NET CASH USED by OPERATING ACTIVITIES</u>		
Depreciation	10,570	-
GASB 68 & 75 Retirement and OPEB Expense	(65,237)	-
Decrease (Increase) in Accounts Receivables	102	(187,003)
Decrease (Increase) in Inventories	(14,058)	-
Decrease in Prepaid Expenses	-	(3,741)
Increase (Decrease) in Accounts and Claims Payable	3,281	173,474
Decrease in Due from other funds	-	-
Increase in Accrued Salaries and Benefits	1,658	-
Increase in Unearned Revenues	2,177	-
<u>Total Adjustments</u>	<u>(61,507)</u>	<u>(17,270)</u>
<u>Net Cash Used by Operating Activities</u>	\$ <u>(1,412,902)</u>	\$ <u>(1,895)</u>
<u>NONCASH NONCAPITAL FINANCING ACTIVITIES</u>		
Receipt of U.S. Department of Agriculture Donated Commodities	\$ <u>72,465</u>	\$ <u>-</u>

See notes to financial statements.

Solanco School District  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
June 30, 2022

	Private Purpose Trust <u>Fund</u>	Custodial <u>Fund</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>443,943</u>	\$ <u>141,532</u>
<u>TOTAL ASSETS</u>	\$ <u><u>443,943</u></u>	\$ <u><u>141,532</u></u>
 <u>LIABILITIES</u>		
Accounts Payable	\$ <u><u>91,700</u></u>	\$ <u><u>-</u></u>
 <u>NET POSITION</u>		
Restricted for Scholarships	352,243	-
Restricted for Student Activities	<u>-</u>	<u>141,532</u>
<u>TOTAL NET POSITION</u>	<u><u>352,243</u></u>	<u><u>141,532</u></u>
 <u>TOTAL LIABILITIES and NET POSITION</u>	\$ <u><u>443,943</u></u>	\$ <u><u>141,532</u></u>

See notes to financial statements.



Solanco School District  
STATEMENT of CHANGES in NET POSITION  
FIDUCIARY FUNDS  
Year Ended June 30, 2022

	Private Purpose Trust <u>Fund</u>	Custodial <u>Fund</u>
<u>ADDITIONS</u>		
Gifts and Contributions	\$ 84,932	\$ -
Student Activity Receipts	-	170,554
Investment Earnings	<u>619</u>	<u>217</u>
<u>TOTAL ADDITIONS</u>	<u>85,551</u>	<u>170,771</u>
<u>DEDUCTIONS</u>		
Scholarships	79,942	-
Student Activity Disbursements	<u>-</u>	<u>171,455</u>
<u>TOTAL DEDUCTIONS</u>	<u>79,942</u>	<u>171,455</u>
<u>CHANGES in NET POSITION</u>	5,609	(684)
<u>NET POSITION</u> - Beginning of Year	<u>346,634</u>	<u>142,216</u>
<u>NET POSITION</u> - End of Year	\$ <u>352,243</u>	\$ <u>141,532</u>

## 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 3,110 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, 2022, was approximately \$1,287,602. The School District paid tuition expenses for 58 students enrolled in LCCTC half-day programs and 61 students enrolled in full-day programs during the 2021-2022 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 \$16,105,000 on June 30, 2022, and the School District's share of the outstanding debt obligation is \$963,240. 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, 2022. 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, 2022, was \$1,284,597. Average daily membership of Solanco School District students in LLIU special education programs during the fiscal year approximated 72.145 students. The School District received 1,145 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, 2022, for 11 student reservations was \$51,460. 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, 2022, was \$125,250. 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. 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. 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 and custodial funds are accounted for on a flow of economic resources 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 for 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.

Custodial Fund - This fund is used to account for assets held by the School District as a custodian for the School District's various student groups.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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.

Custodial fund financial statements report all assets and liabilities using the accrual basis of accounting. 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 liability and other postemployment benefit liability, 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, 2022, and which are not available to finance fiscal 2022 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, PA Local Government Investment Trust, and PA School District Liquid Asset Fund accounts which are carried at cost plus accrued interest.

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, 2022, 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 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 PSER'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. 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, 2022 financial statements. This implementation of this statement did not have a material impact on these financial statements.

During the current year the School District adopted, GASB 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, 2022 financial statements. This implementation of this statement did not have a material impact on these financial statements.

During the current year the School District adopted, GASB Statement No. 91, *Conduit Debt Obligations*. This Statement establishes a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The provisions of this statement are effective for the School District's June 30, 2022 financial statements. This implementation of this statement did not have a material impact on these financial statements.

During the current year the School District adopted, GASB Statement No. 92, *Omnibus 2020*. This Statement addresses a variety of topics to enhance comparability in accounting and financial reporting and improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The provisions of this statement are effective for the School District's June 30, 2022 financial statements. This implementation of this statement did not have a material impact on these financial statements.

During the current year the School District adopted, GASB Statement No. 93, *Replacement of Interbank Offered Rates*. This Statement will address accounting and financial reporting issues and implications that result from the replacement of an interbank offered rate. The requirements of this Statement are effective for the School District's June 30, 2022 financial statements. This implementation of this statement did not have a material impact on these financial statements.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Implementation of New Accounting Pronouncements (Continued)

During the current year the School District adopted, GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. This Statement provides guidance regarding the financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The Statement will also enhance (1) information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Paragraphs 4 and 5 of the Statement were effective immediately and have no impact to the School District's June 30, 2021 financial statements. The remaining requirements of this Statement are effective for the School District's June 30, 2022 financial statements. This implementation of this statement did not have a material impact on these financial statements.

Pending Changes in Accounting Principles

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement addresses issues related to public-private and public-public partnership arrangements (PPPs). The Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for the School District's June 30, 2023 financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for the School District's June 30, 2023 financial statements.

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.

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

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, 2022, the carrying amount of the School District's deposits was \$24,723,559 and the bank balance was \$25,262,276. Of the deposits balance, \$250,000 was covered by federal depository insurance and \$22,685,406 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.

Uninsured and Uncollateralized	\$ -0-
Collateralized with Securities Held by the Pledging Financial Institution	250,000
Uninsured and Collateral Held by the Pledging Bank's Trust	22,685,406
Deposits not in the School District's Name	<u>\$ 22,935,406</u>

Reconciliation of Cash and Cash Equivalents to the Financial Statements

Uninsured Amount Above	\$ 22,685,406
Plus: Collateralized Amount	250,000
Bank Balance	22,935,406
Less: Reconciling items	<u>(538,717)</u>
Carrying Amount – Bank Balances	22,396,689
Plus: Pooled Cash Equivalents	2,326,870
<u>Total Cash and Cash Equivalents Per Financial Statements</u>	<u>\$ 24,723,559</u>

Cash and Cash Equivalents:	
Governmental Funds	\$ 21,489,252
Proprietary Funds	2,648,832
Fiduciary Funds	585,475
<u>Total Cash and Cash Equivalents</u>	<u>\$ 24,723,559</u>

Investments

At June 30, 2022, the School District holds the following investments recorded at cost or amortized cost:

PSDLAF CD Purchase Program	\$ 997,482
PSDLAF Treasury Bills	2,989,616
PLGIT CD Purchase Program	3,491,000
	<u>\$ 7,478,098</u>

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

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

The PSDLAF and PLGIT Collateralized CD Pool and are valued at amortized 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.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District limits its interest rate risk by structuring the investment portfolio so that the investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell investments on the open market prior to maturity.

Concentration of credit risk

The District's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the District's total investments.

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, 2022, was 11.3440 mills as levied by the Board of School Directors.

The schedule for real estate taxes levied for the fiscal year ended June 30, 2022, follows:

July 1	- Levy Date
July 1 - August 31	- 2% Discount Period
September 1 - October 31	- Face Payment Period
November 1 - December 31	- 10% Penalty Period
January 1	- Lien Date (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, 2022, are as follows:

	Gross Taxes Receivable	Allowance for Uncollectible Taxes	Net Estimated to be Collectible	Tax Revenue Recognized	Deferred Inflows of Resources
Real Estate	\$ 498,169	\$ 25,121	\$ 473,048	\$10,214	\$ 462,834
Earned Income	1,556,016	-0-	1,556,016	1,556,016	-0-
Interim	78,041	-0-	78,041	-0-	78,041
Realty Transfer	90,265	-0-	90,265	90,265	-0-
	<u>\$ 2,222,491</u>	<u>\$ 25,121</u>	<u>\$2,197,370</u>	<u>\$ 1,656,495</u>	<u>\$ 540,875</u>



Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 5 - Interfund Receivables, Payables, and Transfers

The general fund reported a \$1,921 balance due from other funds, which 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 \$2,846,852. 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. The school district accumulates monies in the internal service funds for the purpose of funding healthcare and unemployment costs. Interfund receivables and payables for the fiscal year ended June 30, 2022, is as follow:

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

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,921	\$ 2,846,852
Capital Project Fund	2,846,852	-0-
Enterprise Fund - Food Service	<u>-0-</u>	<u>1,921</u>
	<u>\$ 2,848,773</u>	<u>\$ 2,848,773</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 \$2,846,852, is due to the capital project fund at June 30, 2022. The general fund transferred \$2,751,291 to the debt service fund during the fiscal year to facilitate debt service payments as they become due.

Interfund transfers for the fiscal year ended June 30, 2022, follow:

<u>Fund</u>	<u>Transfer from Other Funds</u>	<u>Transfer to Other Funds</u>
General Fund	\$ -0-	\$ 5,598,143
Capital Project Fund	2,846,852	-0-
Debt Service Fund	<u>2,751,291</u>	<u>-0-</u>
	<u>\$ 5,598,143</u>	<u>\$ 5,598,143</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, 2022, 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	\$ 317,680	\$ -0-
Title 2A Grant	45,346	-0-
Federal-Funded Food Nutrition Subsidy	-0-	72,746
Other Federal Grants	475,738	-0-
State Sources:		
State Retirement Subsidy	1,419,404	936
State FICA Subsidy	292,934	205
State-Funded Food Nutrition Subsidy	-0-	1,688

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 6 - Due from Other Governments (Continued)

Local Sources:

Pass Through Federal and State Grants	416,376	-0-
	\$ <u>2,967,478</u>	<u>\$75,575</u>

NOTE 7 - Other Receivables

Other receivables consist of payments not received by June 30, 2022, 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.

Other receivables include:

	General Fund	Capital Project Fund	Enterprise Fund	Internal Service Fund	Total
Interest Receivable	\$ 10,389	\$ -0-	\$ -0-	\$ 268	\$ 10,657
Miscellaneous Receivables	<u>225,443</u>	<u>-0-</u>	<u>-0-</u>	<u>275,414</u>	<u>500,857</u>
	<u>\$ 235,832</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 275,682</u>	<u>\$ 511,514</u>

NOTE 8 - Changes in Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2022, follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Historical Cost:				
Capital Assets, not being Depreciated:				
Land	\$ 1,232,043	\$ -0-	\$ (55,588)	\$ 1,176,455
Construction in Progress	<u>-0-</u>	<u>467,810</u>	<u>-0-</u>	<u>467,810</u>
<u>Total Capital Assets, not being Depreciated</u>	<u>1,232,043</u>	<u>467,810</u>	<u>(55,588)</u>	<u>1,644,265</u>
Capital Assets being Depreciated:				
Buildings and Building Improvements	109,147,292	330,936	(394,758)	109,083,470
Site Improvements	5,490,734	635,772	(390,190)	5,736,316
Furniture and Equipment	10,120,532	240,996	(934,590)	9,426,938
Vehicles	624,768	-0-	(40,512)	584,256
Library Books	<u>2,104,682</u>	<u>32,467</u>	<u>(81,234)</u>	<u>2,055,915</u>
<u>Total Capital Assets being Depreciated</u>	<u>127,488,008</u>	<u>1,240,171</u>	<u>(1,841,284)</u>	<u>126,886,895</u>
Accumulated Depreciation:				
Buildings and Building Improvements	49,292,970	2,528,404	(384,851)	51,436,523
Site Improvements	3,770,752	228,426	(390,190)	3,608,988
Furniture and Equipment	6,458,208	626,420	(932,038)	6,152,590
Vehicles	451,078	30,100	(40,512)	440,666

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 8 - Changes in Capital Assets (Continued)

Library Books	<u>2,001,266</u>	<u>34,232</u>	<u>(81,234)</u>	<u>1,954,264</u>
<u>Total Accumulated</u>				
<u>Depreciation</u>	<u>61,974,274</u>	<u>3,447,582</u>	<u>(1,828,825)</u>	<u>63,593,031</u>
Net Capital Assets being				
Depreciated	<u>65,513,734</u>	<u>(2,207,411)</u>	<u>(12,459)</u>	<u>63,293,864</u>
<u>Net Capital Assets</u>	<u>\$ 66,745,777</u>	<u>\$ (1,739,601)</u>	<u>\$ (68,047)</u>	<u>\$ 64,938,129</u>

Capital asset activity for business-type activities for the year ended June 30, 2022, follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Historical Cost:				
Capital Assets being Depreciated:				
Furniture and Equipment	\$ 331,737	\$ 9,389	\$ -0-	\$ 341,126
Less: Accumulated Depreciation:				
Furniture and Equipment	<u>274,877</u>	<u>10,570</u>	<u>-0-</u>	<u>285,447</u>
Net Capital Assets being				
Depreciated	<u>56,860</u>	<u>(1,181)</u>	<u>-0-</u>	<u>55,679</u>
<u>Net Capital Assets</u>	<u>\$ 56,860</u>	<u>\$ (1,181)</u>	<u>\$ -0-</u>	<u>\$ 55,679</u>

Depreciation expenses were charged to governmental functions as follows:

Instruction	\$ 2,134,078
Instructional Student Support	243,894
Administrative and Financial Support Services	292,588
Operation and Maintenance of Plant Services	480,857
Pupil Transportation	240,791
Student Activities	<u>55,374</u>
	<u>\$ 3,447,582</u>

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

Food Service	\$ <u>10,570</u>
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Net Investment in Capital Assets

Net position (deficit) of the governmental activities net investment in capital assets, at June 30, 2022 is as follows:

Capital assets net of accumulated depreciation	\$ 64,938,129
Unspent debt proceeds	608,892
Total outstanding debt	<u>(16,324,500)</u>
Net investment in capital assets	<u>\$ 49,222,521</u>

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 9 - Accrued Salaries and Benefits

At June 30, 2022, the School District was liable for payroll, which is payable during July and August 2022, to those employees who have a ten-month contract but are paid over a twelve-month period; to non-salaried employees who performed services through June 30, 2022 and to retiring professional employees who are receiving a payout of their accumulated compensated absences and bonuses. The School District was also liable for the following payroll and benefits accrued as of June 30, 2022:

	<u>General Fund</u>	<u>Food Service Fund</u>
Payroll	\$ 2,672,848	\$ 5,360
Social Security	203,237	410
Retirement	915,466	1,873
Workers' Compensation	1,729	35
Health Benefits	<u>54,469</u>	<u>-0-</u>
	<u>\$ 3,847,749</u>	<u>\$ 7,678</u>

NOTE 10 - Unearned Revenues

Unearned revenues consist of the following as of June 30, 2022:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Grants Advanced	\$ 698,837	\$ -0-	\$ 698,837
Unearned Revenues - Value of Unused Donated Commodities	-0-	15,928	15,928
Unearned Revenues - Food Service Prepayments	<u>-0-</u>	<u>27,794</u>	<u>27,794</u>
	<u>\$ 698,837</u>	<u>\$ 43,722</u>	<u>\$ 742,559</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, 2022 as follows:

<u>Issue</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Principal Amount Outstanding at June 30, 2022</u>
Series 2021A Note	April 1, 2027	0.90%	\$ 4,125,000
Series 2021 Note	April 1, 2029	1.95%	6,585,000
Series 2019 Note	April 1, 2028	3.02%	<u>5,614,500</u>
			<u>\$16,324,500</u>

In January 2021 the School District issued the Series 2021A General Obligation Note in the amount of \$5,925,000. The proceeds were used for the purpose of refunding the outstanding Series 2017 and the payment of the costs associated with the loan. The refunding resulted in a cash flow savings of \$207,810 and an economic gain of \$205,918. The principal outstanding at June 30, 2022, was \$4,125,000 due in various amounts through April 1, 2027. Principal due within one year is \$900,000.

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 11 - Long-Term Liabilities (Continued)

In January 2021 the School District issued the Series 2021 General Obligation Note in the amount of \$7,585,000. The proceeds will be used for the purpose of refunding the outstanding Series 2018 and the payment of the costs associated with the loan. The refunding resulted in a cash flow savings of \$335,749 and an economic gain of \$312,782. The principal outstanding at June 30, 2022, was \$6,585,000 due in various amounts through April 1, 2029. Principal due within one year is \$905,000.

On February 1, 2019, the School District issued the Series of 2019 General Obligation Note in the amount of \$8,064,500. 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, 2022, was \$5,614,500 due in various amounts through April 1, 2028. Principal due within one year is \$620,000.

Change in Long-Term Liabilities

Long-term liability activity can be summarized as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
<u>Governmental Activities</u>				
General Obligation Debt	\$ 18,699,500	\$ -0-	\$ 2,375,000	\$16,324,500
Estimated Liability for Compensated Absences	471,555	52,447	-0-	524,002
Net Pension Liability	76,058,210	-0-	13,444,110	62,614,100
Total Postemployment Benefit Liability	6,779,272	352,766	-0-	7,132,038
Estimated Liability for Accrued Retirement Bonus	<u>924,055</u>	<u>-0-</u>	<u>81,680</u>	<u>842,375</u>
Total Governmental Activities	\$ <u>102,932,592</u>	\$ <u>405,213</u>	\$ <u>15,900,790</u>	\$ <u>87,437,015</u>
	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
<u>Business-type Activities</u>				
Net Pension Liability	\$ 1,542,790	\$ -0-	\$ 190,890	\$ 1,351,900
Total Postemployment Benefit Liability	<u>125,619</u>	<u>3,948</u>	-0-	<u>129,567</u>
Business-type Activities	\$ <u>1,668,409</u>	\$ <u>3,948</u>	\$ <u>190,890</u>	\$ <u>1,481,467</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, 2022, is detailed below:

	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Estimated Liability for Compensated Absences	\$ 17,536	\$ 506,466
Estimated Liability for Accrued Retirement Bonus	204,016	638,359
Notes Payable	<u>2,425,000</u>	<u>13,899,500</u>
	\$ <u>2,646,552</u>	\$ <u>15,044,325</u>

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 11 - Long-Term Liabilities (Continued)

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.

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>
2023	\$ 335,090	\$ 2,425,000	2,760,090
2024	290,619	2,485,000	2,775,619
2025	244,654	2,535,000	2,779,654
2026	197,393	2,590,000	2,787,393
2027	148,843	2,645,000	2,793,843
2028-2029	<u>108,362</u>	<u>3,644,500</u>	<u>3,752,862</u>
	\$ <u>1,324,961</u>	\$ <u>16,324,500</u>	<u>\$17,649,461</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, 2022:

Professional Staff and Administration:	
Accumulated Sick Leave	\$ 34,449
Accumulated Vacation Leave	365,506
Employer Social Security and Medicare on Leave Amounts Above (net of State Reimbursement)	<u>13,981</u>
	<u>413,936</u>
Support Staff:	
Accumulated Sick Leave	16,890
Accumulated Vacation Leave	89,122
Employer Social Security and Medicare on Leave Amounts Above (net of State Reimbursement)	<u>4,054</u>
	<u>110,066</u>
<u>Total Accumulated Compensated Absences</u>	<u>\$ 524,002</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, 2022:

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 13 - Accrued Retirement Bonus (Continued)

Professional Staff (Collective Bargaining Agreement):

Estimated Accrued Retirement Benefit	\$ 790,650
Employer Social Security and Medicare on Retirement Bonus (net of State Reimbursement)	<u>30,242</u>
	<u>820,892</u>

Administration and Support Staff (Act 93 Agreement):

Estimated Accrued Retirement Benefit	20,692
Employer Social Security and Medicare on Retirement Bonus (net of State Reimbursement)	<u>791</u>
	<u>21,483</u>
<u>Total Accrued Retirement Bonus</u>	<u>\$ 842,375</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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	22
Inactive Employees Entitled to but not yet Receiving Benefits	-0-
Active Employees	<u>324</u>
	346

Total OPEB Liability and OPEB Expense

The School District's total OPEB liability of \$3,567,605 was measured as of July 1, 2021, and was determined by an actuarial valuation as of July 1, 2020 rolled forward to July 1, 2021.

For the year ended June 30, 2022, the School District recognized net OPEB expense of \$224,238 related to this plan.

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, 2021 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: 2.28%, 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: 5.5% in 2020 through 2023. Rates gradually decrease from 5.4% in 2024 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Retirees' Share of Benefit-Related Costs: 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, 2021 valuation were based on the results of an actuarial experience study for the period ended July 1, 2021.

Changes in the Total OPEB Liability

Balance, June 30, 2021	\$ 3,492,891
Changes for the Year	
Service Cost	294,260
Interest	68,658
Changes of Benefit Terms	-0-
Differences Between Expected and Actual Experience	-0-
Changes of Assumptions	(111,255)
Benefit Payments	<u>(176,949)</u>
Net Changes	74,414
Balance, June 30, 2022	\$ <u>3,567,605</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	
1.28% Discount Rate (1.0% Decrease)	3,836,146
2.28% Discount Rate (Current Rate)	3,567,605
3.28% Discount Rate (1.0% Increase)	3,312,507



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% Decrease	3,107,358
Current Rate	3,567,605
1% Increase	4,125,295

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' Health Options Program (HOP). As of June 30, 2021, 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, 2021, 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.

Participants

As of June 30, 2021, 93,392 retirees were receiving the maximum amount allowed of \$1,200 per year and 611 members were receiving less than the maximum amount allowed of \$1,200 per year.

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, 2022, was 0.80% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were \$183,938 for the year ended June 30, 2022.

OPEB Liabilities and OPEB Expense

At June 30, 2022, the School District reported a liability of \$3,694,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2020 to June 30, 2021. The 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, 2021, the School District's proportion was 0.1559 percent, which was a decrease of 0.0020 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized an OPEB expense of \$4,811 related to this plan.

Actuarial Assumptions

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

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

Investment Return: 2.18%, based on the S&P municipal bond rate.

Salary Growth: Effective average of 4.5%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

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

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

Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the P-2020 Improvement Scale.

Participation Rate:

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

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

The following assumptions were used to determine the contribution rate:

The results of the actuarial valuation as of June 30, 2019, determined the employer contribution rate for fiscal year 2021.

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

Asset valuation method: Market Value.

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

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

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

Actuarial Assumptions (Continued)

Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale

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

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the 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	79.8%	0.1%
US Core Fixed Income	17.5%	0.7%
Non-US Developed Fixed	<u>2.7%</u>	(0.3%)
	100.0%	

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

Discount Rate

The discount rate used to measure the total OPEB liability was 2.18%, a decrease from 2.66% in the previous year. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 2.18% which represents the S&P 20- year municipal bond rate at June 30, 2021, was applied to all projected benefit payments to measure the total OPEB liability.

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	
1.18% Discount Rate (1.0% Decrease)	4,240,000
2.18% Discount Rate (Current Rate)	3,694,000
3.18% Discount Rate (1.0% Increase)	3,245,000

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 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	3,694,000
Current Rate	3,694,000
1% Increase	3,695,000

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PSERS annual comprehensive 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, 2022, the School District recognized net OPEB expense of \$229,049. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>PSERS</u>		<u>Single Employer</u>		<u>Aggregate</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions and Benefit						
Payments After the						
Measurement Date	\$ 183,938	\$ -0-	\$ 157,648	\$ -0-	\$ 341,586	\$ -0-
Difference between						
Projected and Actual						
Investment Earnings	7,289	-0-	-0-	-0-	7,289	-0-
Changes of Assumptions	392,523	49,272	133,058	164,647	525,581	213,919
Difference between						
Expected and Actual						
Experience	34,397	-0-	546,332	245,052	580,729	245,052
Difference between						
Employer Contributions						
and Proportionate Share						
of Total Contributions	1,340	816	-0-	-0-	1,340	816
Changes in Proportion	-0-	121,000	-0-	-0-	-0-	121,000
	<u>\$ 619,487</u>	<u>\$ 171,088</u>	<u>\$ 837,038</u>	<u>\$ 409,699</u>	<u>\$ 1,456,525</u>	<u>\$ 580,787</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)

\$341,586 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, 2023. 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:	<u>PSERS</u>	<u>Single Employer</u>	<u>Aggregate</u>
2023	\$ 27,847	\$ 18,968	\$ 46,815
2024	27,344	18,968	46,312
2025	62,892	18,968	81,860
2026	54,480	18,968	73,448
2027	49,052	18,968	68,020
Thereafter	<u>42,846</u>	<u>174,851</u>	<u>217,697</u>
Total	\$ <u>264,461</u>	\$ <u>269,691</u>	\$ <u>534,152</u>

NOTE 15 - Leases

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 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
2023	\$ 81,812
2024	81,470
2025	81,682
2026	82,109
2027	81,551
2028-2032	402,857
2033-2037	<u>400,294</u>
Total	\$ <u>1,211,775</u>

Solanco School District  
NOTES to the FINANCIAL STATEMENTS  
(Continued)

NOTE 15 - Leases (Continued)

In May 2017, The School District signed a lease for copiers under a lease agreement that expired in June 2022. Total lease rental expenses for this operating lease reflected in the accompanying financial statements is \$78,871 during the year ended June 30, 2022.

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 \$200,000. The EHCC pool reimburses monies to the School District for individual claims above \$200,000 up to a maximum of \$450,000. The pool has commercial insurance for claims greater than \$400,000. The EHCC does not issue stand-alone financial statements. The School District was limited in liability to \$200,000 per individual and \$5,961,094 in total for hospitalization claims for the year ended June 30, 2021.

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, 2022 and paid subsequently is recorded in the amount of \$571,721 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, 2022, the liability for claims incurred prior to June 30, 2022 and paid subsequently was \$571,721.

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. There were no liabilities for claims incurred, which were unpaid at June 30, 2022, and for claims incurred prior to June 30, 2022.

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, 2022, 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, 2022, 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 2022 and 2021 were:

	<u>Year Ended June 30, 2022</u>		
	<u>Hospitalization</u>	<u>Unemployment</u>	<u>Total</u>
Claim Liability at July 1, 2021	\$ 398,247	\$ -0-	\$ 398,247
Current year Claims and Changes in Estimates	6,296,978	1,895	6,298,873
Claim Payments	<u>(6,123,504)</u>	<u>(1,895)</u>	<u>(6,125,399)</u>
Claim Liability at June 30, 2022	\$ <u>571,721</u>	\$ <u>-0-</u>	\$ <u>571,721</u>

	<u>Year Ended June 30, 2021</u>		
	<u>Hospitalization</u>	<u>Unemployment</u>	<u>Total</u>
Claim Liability at July 1, 2020	\$ 334,718	\$ 39,017	\$ 373,735
Current year Claims and Changes in Estimates	5,178,879	20,501	5,199,380
Claim Payments	<u>(5,115,350)</u>	<u>(59,518)</u>	<u>(5,174,868)</u>
Claim Liability at June 30, 2021	\$ <u>398,247</u>	\$ <u>-0-</u>	\$ <u>398,247</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, 2022.

	General Fund	Capital Project Fund	Other Governmental Fund	Total Governmental Funds
<u>Nonspendable</u>				
Inventory	\$ 221,842	\$ -0-	\$ -0-	\$ 221,842
Prepaid Items	<u>72,345</u>	<u>-0-</u>	<u>-0-</u>	<u>72,345</u>
Total Nonspendable	<u>294,187</u>	<u>-0-</u>	<u>-0-</u>	<u>294,187</u>
<u>Restricted</u>				
Debt Proceeds	<u>-0-</u>	<u>608,892</u>	<u>-0-</u>	<u>608,892</u>
<u>Committed</u>				
Future Increase in Retirement Benefits, Faculty Repair and Improvement Costs and Early Retirement of Debt Service	<u>4,500,000</u>	<u>-0-</u>	<u>-0-</u>	<u>4,500,000</u>
Total Committed	<u>4,500,000</u>	<u>-0-</u>	<u>-0-</u>	<u>4,500,000</u>
<u>Assigned</u>				
Budgeted 2022-2023 General Fund				
Operating Deficit	806,985	-0-	-0-	806,985
Future Capital Projects	<u>-0-</u>	<u>12,663,912</u>	<u>-0-</u>	<u>12,663,912</u>
Total Assigned	<u>806,985</u>	<u>12,663,912</u>	<u>-0-</u>	<u>12,663,912</u>
<u>Unassigned</u>	<u>4,223,390</u>	<u>-0-</u>	<u>-0-</u>	<u>4,223,390</u>
Total Fund Balances	\$ <u>9,824,562</u>	\$ <u>13,272,804</u>	\$ <u>-0-</u>	\$ <u>23,097,366</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 2021-2022. 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, 2022 and is, therefore, not recorded as a liability in the long-term debt obligation. During the school year 2021-2022, benefits totaling \$11,638 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. No benefits were paid to employees from the sick leave bank during the fiscal year ended June 30, 2022.



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 regard less of age. Act 120 of 2010 (Act120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July1, 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 maybe 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, 2022, the rate of employer's contribution was 34.94% of covered payroll. The rate is comprised of a contribution rate of 33.99% for pensions, and 0.15% for Act 5 defined contributions and 0.80% 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</u> <u>Contribution</u>		<u>Members'</u> <u>Contribution</u>	
	<u>Dollars</u>	<u>Percentage</u>	<u>Dollars</u>	<u>Percentage</u>
For the Year Ended:				
June 30, 2022	7,849,545	33.99%	2,104,899	9.15%
2021	7,431,171	33.69%	1,963,134	8.90%
2020	7,470,356	33.45%	1,957,791	8.77%
2019	7,139,298	32.60%	1,703,996	7.78%
2018	6,927,000	31.81%	1,677,141	7.54%
2017	6,361,000	29.33%	1,663,235	7.74%
2016	5,440,016	25.22%	1,638,685	7.44%
2015	4,338,060	20.58%	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, 2022, the School District reported a liability of \$63,966,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020 to June 30, 2021. 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, 2021, the School District's proportion was .1558%, which was a decrease of .0018% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized a net negative pension expense of \$4,664,709. At June 30, 2022, 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	\$ 47,117	\$ 840,386
Changes in Assumptions	3,102,578	-0-
Net Difference between Projected and Actual Investment Earnings	-0-	10,182,057
Change in Proportions	250	1,351,000
Difference between Employer Contributions and Proportionate Share of Total Contributions	66,327	21,173
Contributions Subsequent to the Measurement Date	<u>7,849,545</u>	<u>-0-</u>
	<u>\$11,065,817</u>	<u>\$12,394,616</u>

Deferred outflows of resources related to pensions totaling \$7,849,545, 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, 2023. 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:

2023	\$ (2,667,335)
2024	(1,631,045)
2025	(1,472,584)
2026	<u>(3,407,380)</u>
	<u>\$ (9,178,344)</u>

Actuarial Assumptions

The total pension liability as of June 30, 2021, was determined by rolling forward PSERS' total pension liability as of the June 30, 2020 actuarial valuation to June 30, 2021, 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, 2021.

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>
Global public equity	27.0%	5.2%
Private equity	12.0%	7.3%
Fixed income	35.0%	1.8%
Commodities	10.0%	2.0%
Absolute return	8.0%	3.1%
Infrastructure/MLPs	8.0%	5.1%
Real estate	10.0%	4.7%
Cash	3.0%	0.1%
Leverage	(13.0%)	0.1%
	<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, 2021.

Discount Rate

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

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

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ 83,958,000	\$ 63,966,000	\$ 47,102,000

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 Annual Comprehensive 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, 2022, the School District reported a payable of \$1,923,339 for the outstanding amount of employer contributions to PSERS required for the year ended June 30, 2022. These amounts relate to the second quarter of 2022 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 7.00%, for delinquent payments to PSERS rather than 6.0%.

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 \$1,497,263. The project commitments will be paid from the capital project fund during the 2022-2023 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 - Uncertainties

As a result of the spread of the COVID-19 corona virus which is ongoing at June 30 2022, economic and operational uncertainties have arisen which may impact the District in fiscal year 2023. There exist uncertainties surrounding the District's operations in the 2022-2023 school year in terms of whether instruction will continue to be remote or hybrid and for what length of time. The uncertainties surrounding the on-site operations will have a direct impact on individual revenue and expense items that are dependent on services being provided to students while on site. The extent of the potential impact is unknown as the COVID-19 pandemic continues to develop.

NOTE 22 - Subsequent Events

The School District has evaluated all subsequent events through December 19, 2022, 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

	MEASUREMENT DATE				
	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
<u>TOTAL OPEB LIABILITY</u>					
Service Cost	\$ 294,260	\$ 199,565	\$ 201,155	\$ 207,788	\$ 194,735
Interest	68,658	95,120	83,105	93,663	66,943
Change of Benefit Terms	-0-	-0-	-0-	-0-	-0-
Differences Between Expected and Actual					
Experience	-0-	630,382	-0-	(343,072)	-0-
Change of Assumptions	(111,255)	12,772	(77,393)	1,552	188,035
Benefit Payments	<u>(176,949)</u>	<u>(166,545)</u>	<u>(159,035)</u>	<u>(154,482)</u>	<u>(163,927)</u>
<u>NET CHANGE in TOTAL OPEB LIABILITY</u>	74,714	771,294	47,832	(194,551)	285,786
<u>TOTAL OPEB LIABILITY</u>					
Beginning	<u>3,492,891</u>	<u>2,721,597</u>	<u>2,673,765</u>	<u>2,868,316</u>	<u>2,582,530</u>
Ending	\$ <u>3,567,605</u>	\$ <u>3,492,891</u>	\$ <u>2,721,597</u>	\$ <u>2,673,765</u>	\$ <u>2,868,316</u>
<u>COVERED EMPLOYEE PAYROLL</u>	\$ 19,568,485	\$ 19,568,485	\$ 18,904,418	\$ 18,904,418	\$ 18,883,896
<u>TOTAL OPEB LIABILITY as a PERCENTAGE of</u> <u>COVERED EMPLOYEE PAYROLL</u>	18.23%	17.85%	14.40%	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, 2021:

Discount rate was increased from 1.86% to 2.28%.

Measurement date July 1, 2020:

Discount rate was decreased from 3.36% to 1.86%.

The assumed percent of retirees covering a spouse was decreased from 50.00% to 35.00%.

Measurement date July 1, 2019:

Discount rate was increased from 2.98% to 3.36%.

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%
2019	0.1594%	3,390,000	21,899,687	15.48%	5.56%
2020	0.1579%	3,412,000	22,332,903	15.28%	5.69%
2021	0.1559%	3,694,000	22,057,498	16.75%	5.30%

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%
2020	187,596	187,596	-	22,332,857	0.84%
2021	180,871	180,871	-	22,057,439	0.82%
2022	183,938	183,938	-	22,992,250	0.80%

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, 2021:

Discount rate was decreased from 2.66% to 2.18%.

Measurement period ending June 30, 2020:

Discount rate was decreased from 2.79% to 2.66%.

Measurement period ending June 30, 2019:

Discount rate was decreased from 2.98% to 2.79%.

Measurement period ending June 30, 2018

Discount rate was decreased from 3.13% to 2.98%.

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>
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%
2020	7,470,356	7,470,356	-	22,332,903	33.45%
2021	7,431,171	7,431,171	-	22,057,498	33.69%
2022	7,849,545	7,849,545	-	23,093,689	33.99%

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%
2019	0.1594%	74,571,000	21,899,687	340.51%	55.66%
2020	0.1576%	77,601,000	22,332,903	347.47%	54.32%
2021	0.1558%	63,966,000	22,057,498	290.00%	63.67%

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, 2021:

Investment Rate of Return was adjusted from 7.25% to 7.00%.

Inflation assumption was decreased from 2.75% to 2.50%.

Salary growth changed from an effective average of 5.00% to 4.50%.

Discount rate used to measure Total Pension Liability decreased from 7.25% to 7.00%

Mortality rates were previously based on the RP-2014 Mortality tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MO-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-220 Improvement Scale.

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, 2022

	<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	\$ 27,555,540	\$ 27,555,540	\$ 27,726,390	\$ 170,850
Other Taxes	8,210,901	8,210,901	9,803,361	1,592,460
Investment Earnings	(10,000)	(10,000)	(20,371)	(10,371)
Revenue from School District Activities	20,000	20,000	56,607	36,607
Revenue from Intermediate Sources	820,288	820,288	964,108	143,820
Tuition	4,000	4,000	4,183	183
Other Revenue	319,237	319,237	345,870	26,633
<u>Total Local Sources</u>	36,919,966	36,919,966	38,880,148	1,960,182
State Sources	20,335,814	20,335,814	20,846,718	510,904
Federal Sources	6,173,134	6,173,134	5,224,215	(948,919)
<u>Total Revenues</u>	63,428,914	63,428,914	64,951,081	1,522,167
<u>EXPENDITURES</u>				
Current - Instructional Services:				
Regular Programs	23,677,087	23,759,537	23,758,416	1,121
Special Programs	9,708,890	9,657,390	9,656,829	561
Vocational Programs	2,657,606	2,784,006	2,781,965	2,041
Other Instructional Programs	597,033	506,333	504,271	2,062
Nonpublic School Programs	35,606	53,106	53,080	26
Pre-Kindergarten Programs	-	272,300	271,784	516
Support Services:				
Pupil Personnel Services	3,205,198	3,171,698	3,170,177	1,521
Instructional Staff Services	1,888,869	1,531,369	1,529,621	1,748
Administrative Services	3,013,083	3,015,623	3,015,287	336
Pupil Health Services	603,588	683,938	683,805	133
Business Services	902,111	972,311	971,986	325
Operation and Maintenance of				
Plant Services	7,466,858	5,373,988	5,373,652	336
Pupil Transportation Services	4,041,686	4,064,316	4,063,861	455
Central Support Services	1,531,176	1,477,576	1,476,983	593
Other Support Services	32,500	32,500	32,465	35
Operation of Noninstructional Services:				
Student Activities	1,126,427	1,098,377	1,097,905	472
Community Services	36,876	112,776	112,369	407
<u>Total Expenditures</u>	60,524,594	58,567,144	58,554,456	12,688

See independent auditor's report.



Solanco School District  
SCHEDULE of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCES -  
BUDGET and ACTUAL -  
GENERAL FUND  
Year Ended June 30, 2022  
(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>2,904,320</u>	<u>4,861,770</u>	<u>6,396,625</u>	<u>1,509,479</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	150,000	150,000	-	(150,000)
Proceeds from Sale of Capital Assets	10,000	10,000	16,469	6,469
Transfers Out	(3,392,427)	(5,599,877)	(5,598,143)	1,734
Budgetary Reserve	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Other Financing Uses</u>	<u>(3,482,427)</u>	<u>(5,439,877)</u>	<u>(5,581,674)</u>	<u>(141,797)</u>
<u>NET CHANGES in</u>				
<u>FUND BALANCES</u>	<u>(578,107)</u>	<u>(578,107)</u>	<u>814,951</u>	<u>1,367,682</u>
<u>FUND BALANCES</u> - Beginning of Year	8,992,954	8,992,954	8,992,954	-
Increase in Reserve for Inventory	<u>-</u>	<u>-</u>	<u>16,657</u>	<u>16,657</u>
<u>FUND BALANCES</u> - End of Year	\$ <u>8,414,847</u>	\$ <u>8,414,847</u>	\$ <u>9,824,562</u>	\$ <u>1,384,339</u>

See independent auditors' report.

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, 2022

	<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	\$ 26,830,540	\$ -	\$ 26,830,540	\$ 27,230,078	\$ 399,538
Interim Real Estate Taxes	150,000	-	150,000	156,112	6,112
Public Utility Realty	32,494	-	32,494	34,075	1,581
Payments in Lieu of Current Taxes	109	-	109	109	-
Earned Income Tax	7,578,298	-	7,578,298	8,929,516	1,351,218
Real Estate Transfer Tax	600,000	-	600,000	839,661	239,661
Delinquent Real Estate Taxes	575,000	-	575,000	340,200	(234,800)
<u>Total Taxes</u>	<u>35,766,441</u>	<u>-</u>	<u>35,766,441</u>	<u>37,529,751</u>	<u>1,763,310</u>
<u>Other Local Revenues</u>					
Investment Earnings	(10,000)	-	(10,000)	(20,371)	(10,371)
Revenue from School District Activities	20,000	-	20,000	56,607	36,607
Federal Revenue Passed through Local Sources	820,288	-	820,288	964,108	143,820
Rent of School Facilities	40,000	-	40,000	54,341	14,341
Contributions and Donations	27,500	-	27,500	39,419	11,919
Tuition	4,000	-	4,000	4,183	183
Miscellaneous	251,737	-	251,737	252,110	373
<u>Total Other Local Revenues</u>	<u>1,153,525</u>	<u>-</u>	<u>1,153,525</u>	<u>1,350,397</u>	<u>196,872</u>
<u>Total Revenues from Local Sources</u>	<u>36,919,966</u>	<u>-</u>	<u>36,919,966</u>	<u>38,880,148</u>	<u>1,960,182</u>
<u>REVENUES from STATE SOURCES</u>					
Basic Education Funding	10,334,847	-	10,334,847	10,663,798	328,951
Tuition for Orphans and Children	40,000	-	40,000	48,050	8,050
Vocational Education	120,994	-	120,994	113,354	(7,640)
Migratory Children	600	-	600	1,360	760
Special Education Funding	2,200,552	-	2,200,552	2,268,786	68,234
Other Program Subsidies	-	-	-	17,291	17,291
Transportation Subsidy	1,900,000	-	1,900,000	1,824,598	(75,402)
Rental and Sinking Fund Subsidies	37,478	-	37,478	37,600	122
Health Services	56,000	-	56,000	55,944	(56)
State Property Tax Reduction	567,596	-	567,596	567,596	-
Ready to Learn Grant	427,715	-	427,715	427,715	-
Safe Schools	-	-	-	48,763	48,763
Social Security Reimbursement	717,511	-	717,511	781,558	64,047
Retirement Reimbursement	3,932,521	-	3,932,521	3,990,305	57,784
<u>Total Revenues from State Sources</u>	<u>20,335,814</u>	<u>-</u>	<u>20,335,814</u>	<u>20,846,718</u>	<u>510,904</u>

See independent auditor's report.

(Continued)

Solanco School District  
SCHEDULE of GENERAL FUND REVENUES and OTHER FINANCING SOURCES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2022

	<u>Original</u> <u>Budget</u>	<u>Transfers</u> <u>Increase</u> <u>(Decrease)</u>	<u>Final</u> <u>Revised</u> <u>Budget</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
<u>REVENUES from FEDERAL SOURCES</u>					
Title I	\$ 1,930,527	\$ -	\$ 1,930,527	\$ 2,521,272	\$ 590,745
Title II	228,452	-	228,452	342,657	114,205
Title IV	121,982	-	121,982	133,159	11,177
ESSER	-	-	-	-	-
FEMA	-	-	-	-	-
GEER	-	-	-	34,724	34,724
ESSER II	3,832,173	-	3,832,173	1,919,535	(1,912,638)
ESSER III	-	-	-	153,887	153,887
IDEA Part B	-	-	-	-	-
Medical Assistance Reimbursements	60,000	-	60,000	118,981	58,981
<u>Total Revenues from</u>			-		
<u>Federal Sources</u>	<u>6,173,134</u>	<u>-</u>	<u>6,173,134</u>	<u>5,224,215</u>	<u>(948,919)</u>
<u>OTHER FINANCING SOURCES</u>					
Proceeds from Sale of Capital Assets	10,000	-	10,000	16,469	6,469
Transfers In	150,000	-	150,000	-	(150,000)
<u>Total Other Financing Sources</u>	<u>160,000</u>	<u>-</u>	<u>160,000</u>	<u>16,469</u>	<u>(143,531)</u>
<u>TOTAL GENERAL FUND</u>					
<u>REVENUES and OTHER</u>					
<u>FINANCING SOURCES</u>	\$ <u>63,588,914</u>	\$ <u>-</u>	\$ <u>63,588,914</u>	\$ <u>64,967,550</u>	\$ <u>1,378,636</u>

See independent auditor's report.

Solanco School District  
SCHEDULE of GENERAL FUND EXPENDITURES and OTHER FINANCING USES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2022

	<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	\$ 11,971,155	\$ (69,500)	\$ 11,901,655	\$ 11,901,494	\$ 161
Employee Benefits	8,316,423	(51,500)	8,264,923	8,264,879	44
Purchased Professional and Technical Services	650,000	(223,300)	426,700	426,509	191
Purchased Property Services	180,000	(36,000)	144,000	143,839	161
Other Purchased Services	950,000	95,000	1,045,000	1,044,851	149
Supplies	1,252,509	683,000	1,935,509	1,935,293	216
Property and Equipment	350,000	(315,750)	34,250	34,214	36
Other Objects	7,000	500	7,500	7,337	163
<u>Total Regular Programs</u>	<u>23,677,087</u>	<u>82,450</u>	<u>23,759,537</u>	<u>23,758,416</u>	<u>1,121</u>
<u>Special Programs</u>					
Salaries	3,240,480	(242,800)	2,997,680	2,997,550	130
Employee Benefits	2,309,410	(342,300)	1,967,110	1,967,009	101
Purchased Professional and Technical Services	3,151,500	52,700	3,204,200	3,204,139	61
Other Purchased Services	904,000	522,700	1,426,700	1,426,590	110
Supplies	100,500	(41,000)	59,500	59,468	32
Other Objects	3,000	(800)	2,200	2,073	127
<u>Total Special Programs</u>	<u>9,708,890</u>	<u>(51,500)</u>	<u>9,657,390</u>	<u>9,656,829</u>	<u>561</u>
<u>Vocational Programs</u>					
Salaries	690,868	58,500	749,368	748,979	389
Employee Benefits	492,364	52,500	544,864	544,704	160
Purchased Professional and Technical Services	15,000	(6,000)	9,000	8,735	265
Purchased Property Services	116,627	(4,000)	112,627	112,150	477
Other Purchased Services	1,302,999	(11,500)	1,291,499	1,291,322	177
Supplies	34,673	10,500	45,173	44,942	231
Property and Equipment	-	26,700	26,700	26,523	177
Other Objects	5,075	(300)	4,775	4,610	165
<u>Total Vocational Programs</u>	<u>2,657,606</u>	<u>126,400</u>	<u>2,784,006</u>	<u>2,781,965</u>	<u>2,041</u>

See independent auditor's report.

(Continued)

Solanco School District  
SCHEDULE of GENERAL FUND EXPENDITURES and OTHER FINANCING USES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2022

	<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	\$ 380,336	\$ (70,000)	\$ 310,336	\$ 309,540	\$ 796
Employee Benefits	114,701	6,800	121,501	121,179	322
Purchased Professional and Technical Services	11,936	(5,000)	6,936	6,821	-
Other Purchased Services	23,500	(6,000)	17,500	17,334	166
Supplies	66,560	(22,500)	44,060	43,714	346
Property and Equipment	-	6,000	6,000	5,683	317
<u>Total Other Instructional Programs</u>	<u>597,033</u>	<u>(90,700)</u>	<u>506,333</u>	<u>504,271</u>	<u>2,062</u>
<u>Nonpublic School Programs</u>					
Purchased Professional and Technical Services	35,606	17,500	53,106	53,080	26
<u>Total Nonpublic School Programs</u>	<u>35,606</u>	<u>17,500</u>	<u>53,106</u>	<u>53,080</u>	<u>26</u>
<u>Pre-Kindergarten Programs</u>					
Salaries	-	97,100	97,100	97,061	39
Employee Benefits	-	58,200	58,200	58,046	154
Purchased Professional and Technical Services	-	79,300	79,300	79,148	152
Other Purchased Services	-	1,400	1,400	1,251	149
Supplies	-	36,300	36,300	36,278	22
	-	272,300	272,300	271,784	516
<u>Total Current - Instructional Services</u>	<u>36,676,222</u>	<u>356,450</u>	<u>37,032,672</u>	<u>37,026,345</u>	<u>6,327</u>
Support Services:					
<u>Pupil Personnel</u>					
Salaries	1,715,068	(46,000)	1,669,068	1,668,555	513
Employee Benefits	1,222,285	(8,000)	1,214,285	1,214,072	213
Purchased Professional and Technical Services	210,500	3,000	213,500	213,420	80
Other Purchased Services	16,500	(7,500)	9,000	8,880	120
Supplies	35,020	24,000	59,020	58,525	495
Other Objects	5,825	1,000	6,825	6,725	100
<u>Total Pupil Personnel</u>	<u>3,205,198</u>	<u>(33,500)</u>	<u>3,171,698</u>	<u>3,170,177</u>	<u>1,521</u>

See independent auditor's report.

Solanco School District  
SCHEDULE of GENERAL FUND EXPENDITURES and OTHER FINANCING USES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2022

	<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>Instructional Staff Services</u>					
Salaries	\$ 795,202	\$ (51,500)	\$ 743,702	\$ 743,375	\$ 327
Employee Benefits	554,917	(30,000)	524,917	524,700	217
Purchased Professional and Technical Services	68,000	9,000	77,000	76,502	498
Purchased Property Services	6,000	(5,000)	1,000	500	500
Other Purchased Services	158,750	(154,000)	4,750	4,703	47
Supplies	196,500	(17,000)	179,500	179,497	3
Property and Equipment	109,000	(109,000)	-	-	-
Other Objects	500	-	500	344	156
<u>Total Instructional Staff Services</u>	<u>1,888,869</u>	<u>(357,500)</u>	<u>1,531,369</u>	<u>1,529,621</u>	<u>1,748</u>
<u>Administrative Services</u>					
Salaries	1,502,966	16,000	1,518,966	1,518,912	54
Employee Benefits	1,071,562	53,400	1,124,962	1,124,911	51
Purchased Professional and Technical Services	236,100	-	236,100	236,082	18
Purchased Property Services	4,450	(3,650)	800	750	50
Other Purchased Services	60,420	(11,300)	49,120	49,086	34
Supplies	100,085	(46,700)	53,385	53,289	96
Other Objects	37,500	(5,210)	32,290	32,257	33
<u>Total Administrative Services</u>	<u>3,013,083</u>	<u>2,540</u>	<u>3,015,623</u>	<u>3,015,287</u>	<u>336</u>
<u>Pupil Health Services</u>					
Salaries	194,484	6,500	200,984	200,977	7
Employee Benefits	138,604	9,350	147,954	147,933	21
Purchased Professional and Technical Services	255,000	65,800	320,800	320,739	61
Purchased Property Services	500	(500)	-	-	-
Supplies	15,000	(800)	14,200	14,156	44
<u>Total Pupil Health Services</u>	<u>603,588</u>	<u>80,350</u>	<u>683,938</u>	<u>683,805</u>	<u>133</u>

See independent auditor's report.

(Continued)



Solanco School District  
SCHEDULE of GENERAL FUND EXPENDITURES and OTHER FINANCING USES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2022

	<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	\$ 430,386	\$ 52,750	\$ 483,136	\$ 483,128	\$ 8
Employee Benefits	306,725	42,400	349,125	349,053	72
Purchased Professional and Technical Services	72,000	8,600	80,600	80,566	34
Purchased Property Services	12,000	(2,100)	9,900	9,858	42
Other Purchased Services	45,000	(11,300)	33,700	33,649	51
Supplies	26,000	(16,300)	9,700	9,633	67
Other Objects	10,000	(3,850)	6,150	6,099	51
<u>Total Business Services</u>	<u>902,111</u>	<u>70,200</u>	<u>972,311</u>	<u>971,986</u>	<u>325</u>
<u>Operation and Maintenance of Plant Services</u>					
Salaries	1,475,770	(137,370)	1,338,400	1,338,397	3
Employee Benefits	882,394	(49,900)	832,494	832,466	28
Purchased Professional and Technical Services	310,822	171,800	482,622	482,601	21
Purchased Property Services	550,000	99,500	649,500	649,471	29
Other Purchased Services	247,350	(12,750)	234,600	234,597	3
Supplies	1,350,400	326,200	1,676,600	1,676,523	77
Property and Equipment	2,633,122	(2,480,600)	152,522	152,403	119
Other Objects	17,000	(9,750)	7,250	7,194	56
<u>Total Operation and Maintenance of Plant Services</u>	<u>7,466,858</u>	<u>(2,092,870)</u>	<u>5,373,988</u>	<u>5,373,652</u>	<u>336</u>
<u>Pupil Transportation Services</u>					
Salaries	130,898	12,500	143,398	143,303	95
Employee Benefits	93,288	10,200	103,488	103,430	58
Purchased Professional and Technical Services	12,000	(2,700)	9,300	9,204	96
Purchased Property Services	23,000	(18,250)	4,750	4,664	86
Other Purchased Services	3,775,000	26,630	3,801,630	3,801,580	50
Supplies	7,000	(6,500)	500	432	68
Other Objects	500	750	1,250	1,248	2
<u>Total Pupil Transportation Services</u>	<u>\$ 4,041,686</u>	<u>\$ 22,630</u>	<u>\$ 4,064,316</u>	<u>\$ 4,063,861</u>	<u>\$ 455</u>

See independent auditors' report.

(Continued)

Solanco School District  
SCHEDULE of GENERAL FUND EXPENDITURES and OTHER FINANCING USES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2022

	<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>					
<u>Support Services (Continued):</u>					
<u>Central Support Services</u>					
Salaries	\$ 412,920	\$ 64,500	\$ 477,420	\$ 477,267	\$ 153
Employee Benefits	289,428	61,700	351,128	351,052	76
Purchased Professional and Technical Services	199,500	36,500	236,000	235,950	50
Purchased Property Services	4,500	(4,450)	50	-	50
Other Purchased Services	58,250	(800)	57,450	57,391	59
Supplies	561,478	(482,100)	79,378	79,282	96
Property and Equipment	-	274,000	274,000	273,911	89
Other Objects	5,100	(2,950)	2,150	2,130	20
<u>Total Central Support Services</u>	<u>1,531,176</u>	<u>(53,600)</u>	<u>1,477,576</u>	<u>1,476,983</u>	<u>593</u>
<u>Other Support Services</u>					
Other Purchased Services	32,500	-	32,500	32,465	35
<u>Total Support Services</u>	<u>22,685,069</u>	<u>(2,361,750)</u>	<u>20,323,319</u>	<u>20,317,837</u>	<u>5,482</u>
<u>Operation of Noninstructional Services:</u>					
<u>Student Activities</u>					
Salaries	503,818	(11,600)	492,218	492,173	45
Employee Benefits	251,909	(4,300)	247,609	247,539	70
Purchased Professional and Technical Services	100,000	(19,300)	80,700	80,675	25
Purchased Property Services	27,500	(1,400)	26,100	26,031	69
Other Purchased Services	90,000	3,300	93,300	93,206	94
Supplies	100,000	(6,150)	93,850	93,778	72
Property and Equipment	50,000	11,300	61,300	61,221	79
Other Objects	3,200	100	3,300	3,282	18
<u>Total Student Activities</u>	<u>1,126,427</u>	<u>(28,050)</u>	<u>1,098,377</u>	<u>1,097,905</u>	<u>472</u>
<u>Community Services</u>					
Salaries	8,429	35,600	44,029	43,784	245
Employee Benefits	7,628	14,300	21,928	21,831	97
Purchased Professional and Technical Services	500	-	500	500	-
Supplies	20,319	26,000	46,319	46,254	65
<u>Total Community Services</u>	<u>36,876</u>	<u>75,900</u>	<u>112,776</u>	<u>112,369</u>	<u>407</u>
<u>Total Operation of Noninstructional Services</u>	<u>1,163,303</u>	<u>47,850</u>	<u>1,211,153</u>	<u>1,210,274</u>	<u>879</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 60,524,594</u>	<u>\$ (1,957,450)</u>	<u>\$ 58,567,144</u>	<u>\$ 58,554,456</u>	<u>\$ 12,688</u>

See independent auditors' report.

(Continued)

Solanco School District  
SCHEDULE of GENERAL FUND EXPENDITURES and OTHER FINANCING USES -  
BUDGET to ACTUAL COMPARISON  
Year Ended June 30, 2022

	<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	3,392,427	2,207,450	5,599,877	5,598,143	1,734
Budgetary Reserve	<u>250,000</u>	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Uses</u>	<u>3,642,427</u>	<u>1,957,450</u>	<u>5,599,877</u>	<u>5,598,143</u>	<u>1,734</u>
 <u>TOTAL EXPENDITURES and</u>					
<u>OTHER FINANCING USES</u>	\$ <u>64,167,021</u>	\$ <u>-</u>	\$ <u>64,167,021</u>	\$ <u>64,152,599</u>	\$ <u>14,422</u>

See independent auditor's report.

## GOVERNMENTAL FUNDS - CAPITAL PROJECT SUB-FUNDS

Solanco School District  
COMBINING BALANCE SHEET SCHEDULE - GOVERNMENTAL FUNDS -  
CAPITAL PROJECT FUND  
June 30, 2022

	Construction Project Sub-Fund	Capital Reserve Sub-Fund	Total Capital Project Fund
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 616,353	\$ 10,015,960	\$ 10,632,313
Due From Other Funds	<u>-</u>	<u>2,846,852</u>	<u>2,846,852</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 616,353</u>	 <u>\$ 12,862,812</u>	 <u>\$ 13,479,165</u>
 <u>LIABILITIES</u>			
Accounts Payable	\$ <u>7,461</u>	\$ <u>198,900</u>	\$ <u>206,361</u>
	<u>7,461</u>	<u>198,900</u>	<u>206,361</u>
 <u>FUND BALANCES</u>			
Restricted	608,892	-	608,892
Assigned	<u>-</u>	<u>12,663,912</u>	<u>12,663,912</u>
<u>TOTAL FUND BALANCES</u>	<u>608,892</u>	<u>12,663,912</u>	<u>13,272,804</u>
 <u>TOTAL LIABILITIES and FUND BALANCES</u>	 <u>\$ 616,353</u>	 <u>\$ 12,862,812</u>	 <u>\$ 13,479,165</u>

See independent auditor's report.

Solanco School District  
COMBINING SCHEDULE of REVENUES, EXPENDITURES, and  
CHANGES in FUND BALANCE - GOVERNMENTAL FUNDS - CAPITAL PROJECT FUND  
Year Ended June 30, 2022

	Construction Project Sub-Fund	Capital Reserve Sub-Fund	Total Capital Project Fund
<u>REVENUES</u>			
Investment Earnings	\$ 1,058	\$ 10,208	\$ 11,266
Other Revenue	<u>-</u>	<u>16,785</u>	<u>16,785</u>
<u>Total Revenues</u>	<u>1,058</u>	<u>26,993</u>	<u>28,051</u>
<u>EXPENDITURES</u>			
Capital Outlay:			
Facilities Acquisition, Construction, and Improvement Services	<u>253,899</u>	<u>1,217,369</u>	<u>1,471,268</u>
<u>Total Expenditures</u>	<u>253,899</u>	<u>1,217,369</u>	<u>1,471,268</u>
<u>DEFICIENCY of REVENUES</u> <u>over EXPENDITURES</u>	(252,841)	(1,190,376)	(1,443,217)
<u>OTHER FINANCING SOURCES</u>			
Proceeds from Sale of Capital Assets	-	169,030	169,030
Transfers in (out)	<u>-</u>	<u>2,846,852</u>	<u>2,846,852</u>
<u>Total Other Financing Sources</u>	<u>-</u>	<u>3,015,882</u>	<u>3,015,882</u>
<u>NET CHANGES in FUND BALANCES</u>	(252,841)	1,825,506	1,572,665
FUND BALANCES - Beginning of Year	<u>861,733</u>	<u>10,838,406</u>	<u>11,700,139</u>
<u>FUND BALANCES</u> - End of Year	\$ <u>608,892</u>	\$ <u>12,663,912</u>	\$ <u>13,272,804</u>

See independent auditors' report.

## 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, 2022

	<u>Hospitalization Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Internal Service Funds</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 969,582	\$ 128,650	\$ 1,098,232
Investments	2,888,482	100,000	2,988,482
Other Receivables	275,414	268	275,682
Prepaid Items	<u>37,833</u>	<u>-</u>	<u>37,833</u>
 <u>TOTAL ASSETS</u>	 <u>4,171,311</u>	 <u>228,918</u>	 <u>4,400,229</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Claims Payable	<u>571,721</u>	<u>-</u>	<u>571,721</u>
 <u>TOTAL CURRENT LIABILITIES</u>	 <u>571,721</u>	 <u>-</u>	 <u>571,721</u>
<u>NET POSITION</u>			
Unrestricted	\$ <u>3,599,590</u>	\$ <u>228,918</u>	\$ <u>3,828,508</u>

See independent auditor's report.



Solanco School District  
COMBINING STATEMENT of REVENUES, EXPENSES, and  
CHANGES in NET POSITION - PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS  
Year Ended June 30, 2022

	Hospitalization Fund	Unemployment Compensation Fund	Total Internal Service Funds
	<hr/>	<hr/>	<hr/>
<u>OPERATING REVENUES</u>			
Charges for Services	\$ 6,314,248	\$ -	\$ 6,314,248
<u>Total Operating Revenues</u>	<u>6,314,248</u>	<u>-</u>	<u>6,314,248</u>
<u>OPERATING EXPENSES</u>			
Employee Benefits	6,083,532	-	6,083,532
Purchased Professional and Technical Service	<u>213,446</u>	<u>1,895</u>	<u>215,341</u>
<u>Total Operating Expenses</u>	<u>6,296,978</u>	<u>1,895</u>	<u>6,298,873</u>
<u>OPERATING INCOME (LOSS)</u>	17,270	(1,895)	15,375
<u>NONOPERATING REVENUES</u>			
Investments Earnings	<u>9,200</u>	<u>460</u>	<u>9,660</u>
<u>Total Nonoperating Revenues</u>	<u>9,200</u>	<u>460</u>	<u>9,660</u>
<u>CHANGES in NET POSITION</u>	26,470	(1,435)	25,035
<u>NET POSITION</u> - Beginning of Year	<u>3,573,120</u>	<u>230,353</u>	<u>3,803,473</u>
<u>NET POSITION</u> - End of Year	\$ <u>3,599,590</u>	\$ <u>228,918</u>	\$ <u>3,828,508</u>

See independent auditors' report.

Solanco School District  
COMBINING STATEMENT of CASH FLOWS -  
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS  
Year Ended June 30, 2022

	Hospitalization Fund	Unemployment Compensation Fund	Total Internal Service Funds
<u>CASH FLOWS from OPERATING ACTIVITIES</u>			
Cash Received from Assessments Made to Other Funds	\$ 6,127,245	\$ -	\$ 6,127,245
Cash Payments for Insurance Services	(5,910,058)	-	(5,910,058)
Cash Payments for Other Operating Expenses	(217,187)	(1,895)	(219,082)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>-</u>	<u>(1,895)</u>	<u>(1,895)</u>
<u>CASH FLOWS from INVESTING ACTIVITIES</u>			
Investment Earnings	3,011	192	3,203
Deposits to Investment Pools	(1,412,482)	(100,000)	(1,512,482)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>(1,409,471)</u>	<u>(99,808)</u>	<u>(1,509,279)</u>
<u>DECREASE in CASH and CASH EQUIVALENTS</u>	(1,409,471)	(101,703)	(1,511,174)
<u>CASH and CASH EQUIVALENTS</u>			
Beginning of Year	2,379,053	230,353	2,609,406
End of Year	\$ <u>969,582</u>	\$ <u>128,650</u>	\$ <u>1,098,232</u>
<u>RECONCILIATION of OPERATING INCOME (LOSS)</u> <u>to NET CASH USED by OPERATING ACTIVITIES</u>			
Operating Income (Loss)	\$ <u>17,270</u>	\$ <u>(1,895)</u>	\$ <u>15,375</u>
<u>ADJUSTMENTS to RECONCILE OPERATING INCOME</u> <u>(LOSS) to NET CASH USED by OPERATING</u> <u>ACTIVITIES</u>			
Decrease in Accounts Receivables	(187,003)	-	(187,003)
Decrease in Prepaid Items	(3,741)	-	(3,741)
(Decrease) in Accounts and Claims Payable	173,474	-	173,474
<u>Total Adjustments</u>	<u>(17,270)</u>	<u>-</u>	<u>(17,270)</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	\$ <u>-</u>	\$ <u>(1,895)</u>	\$ <u>(1,895)</u>

See independent auditors' report.

## 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.

Custodial Funds are used to account for assets held by the School District as an agent for individuals or groups. A custodial 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 a custodial 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, 2022

	William W. Avis, Jr. Memorial Scholarship Trust Fund	Bair-Helm Scholarship Trust Fund	Chalala Family Scholarship Trust Fund	Class of 2020 Trust Fund
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 4,672	\$ 10,802	\$ 44,255	\$ 1,338
<u>TOTAL ASSETS</u>	<u>\$ 4,672</u>	<u>\$ 10,802</u>	<u>\$ 44,255</u>	<u>\$ 1,338</u>
<u>LIABILITIES and NET POSITION</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 500	\$ 100	\$ 500	\$ 300
<u>NET POSITION</u>				
Restricted for Scholarships	4,172	10,702	43,755	1,038
<u>TOTAL NET POSITION</u>	<u>\$ 4,172</u>	<u>\$ 10,702</u>	<u>\$ 43,755</u>	<u>\$ 1,038</u>

See independent auditor's report.

(Continued)

Solanco School District  
COMBINING STATEMENT of NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
June 30, 2022

	Richard Croyle Memorial Music Scholarship Trust Fund	Richard Cummings Memorial Scholarship Trust Fund	William Day Memorial Scholarship Trust Fund	Michael DeBerdine Scholarship Trust Fund	Catherine Marie Eckman Scholarship Trust Fund
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 5,077	\$ 148,917	\$ 445	\$ 12,141	\$ 3,007
<u>TOTAL ASSETS</u>	\$ 5,077	\$ 148,917	\$ 445	\$ 12,141	\$ 3,007
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	\$ -	\$ 51,000	\$ -	\$ 1,000	\$ 3,000
<u>NET POSITION</u>					
Restricted for Scholarships	5,077	97,917	445	11,141	7
<u>TOTAL NET POSITION</u>	\$ 5,077	\$ 97,917	\$ 445	\$ 11,141	\$ 7

See independent auditor's report.

(Continued)

Solanco School District  
COMBINING STATEMENT of NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
June 30, 2022

	Joanne Sprout Gerrity Scholarship Trust Fund	Bret C Hershey Music Scholarship Trust Fund	Alice Kirk Kyle Scholarship Trust Fund	Earl Linton Memorial Agriculture Scholarship Trust Fund	Long- Krushinski Scholarship Trust Fund
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 10,013	\$ 15,259	\$ 1,508	\$ 1,744	\$ 20,376
<u>TOTAL ASSETS</u>	\$ 10,013	\$ 15,259	\$ 1,508	\$ 1,744	\$ 20,376
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	\$ 1,000	\$ 1,200	\$ 100	\$ -	\$ -
<u>NET POSITION</u>					
Restricted for Scholarships	9,013	14,059	1,408	1,744	20,376
<u>TOTAL NET POSITION</u>	\$ 9,013	\$ 14,059	\$ 1,408	\$ 1,744	\$ 20,376

See independent auditor's report.

(Continued)

Solanco School District  
COMBINING STATEMENT of NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
June 30, 2022

	Charlene Musselman Music Scholarship Trust Fund	Pribitkin-Day Scholarship Trust Fund	Presting Perserverance Scholarship Trust Fund	Jeffrey Roth Memorial Scholarship Trust Fund	Quarryville Elementary Scholarship Trust Fund
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 16,122	\$ 2,127	\$ 35,073	\$ 8,141	\$ 501
<u>TOTAL ASSETS</u>	\$ 16,122	\$ 2,127	\$ 35,073	\$ 8,141	\$ 501
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	\$ 500	\$ -	\$ 3,300	\$ 5,000	\$ 500
<u>NET POSITION</u>					
Restricted for Scholarships	15,622	2,127	31,773	3,141	1
<u>TOTAL NET POSITION</u>	\$ 15,622	\$ 2,127	\$ 31,773	\$ 3,141	\$ 1

See independent auditor's report.

(Continued)

Solanco School District  
COMBINING STATEMENT of NET POSITION  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
June 30, 2022

	Solanco Senior High Scholarship Trust Fund	Wyatt Teaman Memorial Scholarship Trust Fund	Daulton Trout Memorial Scholarship Trust Fund	Wagner Miss Solanco Scholarship Trust Fund	Wakefield Lions Club Scholarship Trust Fund	Washington Lodge #156 Scholarship Trust Fund
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 245	\$ 33,631	\$ 5,407	\$ 3,746	\$ 16,052	\$ 19,032
<u>TOTAL ASSETS</u>	\$ 245	\$ 33,631	\$ 5,407	\$ 3,746	\$ 16,052	\$ 19,032
<u>LIABILITIES and NET POSITION</u>						
<u>LIABILITIES</u>						
Accounts Payable	\$ 100	\$ 4,000	\$ 1,000	\$ 1,000	\$ 16,000	\$ 1,000
<u>NET POSITION</u>						
Restricted for Scholarships	145	29,631	4,407	2,746	52	18,032
<u>TOTAL NET POSITION</u>	\$ 145	\$ 29,631	4,407	\$ 2,746	\$ 52	\$ 18,032

See independent auditor's report.

(Continued)



Solanco School District  
COMBINING STATEMENT of NET POSITION  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
June 30, 2022

	Norman Wood Scholarship Trust Fund	Brittany Lynne Wrigley Scholarship Trust Fund	Class of 2016 Scholarship Trust Fund	Ophelia Scholarship Trust Fund	Brian Zug Memorial Scholarship Trust Fund	Private Purpose Trust Fund Totals
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 20,261	\$ 3,860	\$ -	\$ 191	\$ -	\$ 443,943
<u>TOTAL ASSETS</u>	\$ 20,261	\$ 3,860	\$ -	\$ 191	\$ -	\$ 443,943
<u>LIABILITIES and NET POSITION</u>						
<u>LIABILITIES</u>						
Accounts Payable	\$ 100	\$ 500	\$ -	\$ -	\$ -	\$ 91,700
<u>NET POSITION</u>						
Restricted for Scholarships	20,161	3,360	-	191	-	352,243
<u>TOTAL NET POSITION</u>	\$ 20,161	\$ 3,360	\$ -	\$ 191	\$ -	\$ 352,243

Solanco School District  
COMBINING STATEMENT of CHANGES in NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
Year Ended June 30, 2022

	William W. Avis, Jr. Memorial Scholarship Trust Fund	Bair-Helm Scholarship Trust Fund	Chalala Family Scholarship Trust Fund	Class of 2020 Trust Fund
<u>ADDITIONS</u>				
Gifts and Contributions	\$ -	\$ -	\$ -	\$ -
Investment Earnings	<u>7</u>	<u>15</u>	<u>62</u>	<u>2</u>
<u>TOTAL ADDITIONS</u>	<u>7</u>	<u>15</u>	<u>62</u>	<u>2</u>
<u>DEDUCTIONS</u>				
Scholarships Awarded	<u>500</u>	<u>100</u>	<u>500</u>	<u>300</u>
<u>TOTAL DEDUCTIONS</u>	<u>500</u>	<u>100</u>	<u>500</u>	<u>300</u>
<u>CHANGES in NET POSITION</u>	(493)	(85)	(438)	(298)
<u>NET POSITION - Beginning of Year</u>	<u>4,665</u>	<u>10,787</u>	<u>44,193</u>	<u>1,336</u>
<u>NET POSITION - End of Year</u>	\$ <u>4,172</u>	\$ <u>10,702</u>	\$ <u>43,755</u>	\$ <u>1,038</u>

See independent auditor's report.

(Continued)

Solanco School District  
COMBINING STATEMENT of CHANGES in NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
Year Ended June 30, 2022

	Richard Croyle Memorial Music Scholarship Trust Fund	Richard Cummings Memorial Scholarship Trust Fund	William Day Memorial Scholarship Trust Fund	Michael DeBerdine Scholarship Trust Fund	Catherine Marie Eckman Scholarship Trust Fund
<u>ADDITIONS</u>					
Gifts and Contributions	\$ 5,070	\$ 53,170	\$ -	\$ -	\$ -
Investment Earnings	<u>7</u>	<u>197</u>	<u>1</u>	<u>18</u>	<u>5</u>
<u>TOTAL ADDITIONS</u>	<u>5,077</u>	<u>53,367</u>	<u>1</u>	<u>18</u>	<u>5</u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	<u>-</u>	<u>54,540</u>	<u>100</u>	<u>2,000</u>	<u>3,000</u>
<u>TOTAL DEDUCTIONS</u>	<u>-</u>	<u>54,540</u>	<u>100</u>	<u>2,000</u>	<u>3,000</u>
<u>CHANGES in NET POSITION</u>	5,077	(1,173)	(99)	(1,982)	(2,995)
<u>NET POSITION - Beginning of Year</u>	<u>-</u>	<u>99,090</u>	<u>544</u>	<u>13,123</u>	<u>3,002</u>
<u>NET POSITION - End of Year</u>	\$ <u>5,077</u>	\$ <u>97,917</u>	\$ <u>445</u>	\$ <u>11,141</u>	\$ <u>7</u>

See independent auditor's report.

(Continued)

Solanco School District  
COMBINING STATEMENT of CHANGES in NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
Year Ended June 30, 2022

	Joanne Sprout Gerrity Scholarship Trust Fund	Bret C. Hershey Music Scholarship Trust Fund	Alice Kirk Kyle Scholarship Trust Fund	Earl Linton Memorial Agriculture Scholarship Trust Fund	Long- Krushinski Scholarship Trust Fund
<u>ADDITIONS</u>					
Gifts and Contributions	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Investment Earnings	13	22	2	3	29
<u>TOTAL ADDITIONS</u>	<u>10,013</u>	<u>22</u>	<u>2</u>	<u>3</u>	<u>29</u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	1,000	1,200	-	-	-
<u>TOTAL DEDUCTIONS</u>	<u>1,000</u>	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>CHANGES in NET POSITION</u>	<u>9,013</u>	<u>(1,178)</u>	<u>2</u>	<u>3</u>	<u>29</u>
<u>NET POSITION - Beginning of Year</u>	<u>-</u>	<u>15,237</u>	<u>1,406</u>	<u>1,741</u>	<u>20,347</u>
<u>NET POSITION - End of Year</u>	<u>\$ 9,013</u>	<u>\$ 14,059</u>	<u>\$ 1,408</u>	<u>\$ 1,744</u>	<u>\$ 20,376</u>

See independent auditor's report.

(Continued)

Solanco School District  
COMBINING STATEMENT of CHANGES in NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
Year Ended June 30, 2022

	Charlene Musselman Music Scholarship Trust Fund	Pribitkin-Day Scholarship Trust Fund	Presting Perserverance Scholarship Trust Fund	Jeffrey Roth Memorial Scholarship Trust Fund	Quarryville Elementary Scholarship Trust Fund
<u>ADDITIONS</u>					
Gifts and Contributions	\$ -	\$ -	\$ -	\$ 500	\$ 290
Investment Earnings	<u>23</u>	<u>3</u>	<u>51</u>	<u>12</u>	<u>1</u>
<u>TOTAL ADDITIONS</u>	<u>23</u>	<u>3</u>	<u>51</u>	<u>512</u>	<u>291</u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
<u>TOTAL DEDUCTIONS</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
<u>CHANGES in NET POSITION</u>	(477)	3	51	512	(209)
<u>NET POSITION - Beginning of Year</u>	<u>16,099</u>	<u>2,124</u>	<u>31,722</u>	<u>2,629</u>	<u>210</u>
<u>NET POSITION - End of Year</u>	\$ <u>15,622</u>	\$ <u>2,127</u>	\$ <u>31,773</u>	\$ <u>3,141</u>	\$ <u>1</u>

See independent auditor's report.

(Continued)

Solanco School District  
COMBINING STATEMENT OF CHANGES in NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
Year Ended June 30, 2022

	Solanco Senior High Scholarship Trust Fund	Wyatt Teaman Memorial Scholarship Trust Fund	Daulton Trout Memorial Scholarship Trust Fund	Wagner Miss Solanco Scholarship Trust Fund	Wakefield Lions Club Scholarship Trust Fund	Washington Lodge #156 Scholarship Trust Fund
<u>ADDITIONS</u>						
Gifts and Contributions	\$ 2	\$ 9,500	\$ 5,400	\$ -	\$ 1,000	\$ -
Investment Earnings	-	48	7	6	23	27
<u>TOTAL ADDITIONS</u>	<u>2</u>	<u>9,548</u>	<u>5,407</u>	<u>6</u>	<u>1,023</u>	<u>27</u>
<u>DEDUCTIONS</u>						
Scholarships Awarded	100	3,000	1,000	-	10,000	1,000
<u>TOTAL DEDUCTIONS</u>	<u>100</u>	<u>3,000</u>	<u>1,000</u>	<u>-</u>	<u>10,000</u>	<u>1,000</u>
<u>CHANGES in NET POSITION</u>	(98)	6,548	4,407	6	(8,977)	(973)
<u>NET POSITION - Beginning of Year</u>	<u>243</u>	<u>23,083</u>	<u>-</u>	<u>2,740</u>	<u>9,029</u>	<u>19,005</u>
<u>NET POSITION - End of Year</u>	\$ <u>145</u>	\$ <u>29,631</u>	\$ <u>4,407</u>	\$ <u>2,746</u>	\$ <u>52</u>	\$ <u>18,032</u>

See independent auditor's report.

(Continued)

Solanco School District  
COMBINING STATEMENT OF CHANGES in NET POSITION -  
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
Year Ended June 30, 2022

	Norman Wood Scholarship Trust Fund	Brittany Lynne Wrigley Scholarship Trust Fund	Class of 2016 Scholarship Trust Fund	Ophelia Scholarship Trust Fund	Brian Zug Memorial Scholarship Trust Fund	Private Purpose Trust Fund Totals
<u>ADDITIONS</u>						
Gifts and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,932
Investment Earnings	29	5	-	1	-	619
<u>TOTAL ADDITIONS</u>	29	5	-	1	-	85,551
<u>DEDUCTIONS</u>						
Scholarships Awarded	100	500	2	-	-	79,942
<u>TOTAL DEDUCTIONS</u>	100	500	2	-	-	79,942
<u>CHANGES in NET POSITION</u>	(71)	(495)	(2)	1	-	5,609
<u>NET POSITION - Beginning of Year</u>	20,232	3,855	2	190	-	346,634
<u>NET POSITION - End of Year</u>	\$ 20,161	\$ 3,360	\$ -	\$ 191	\$ -	\$ 352,243

See independent auditor's report.

(Continued)

Solanco School District  
COMBINING STATEMENT of NET POSITION -  
FIDUCIARY FUNDS - CUSTODIAL FUNDS  
June 30, 2022

	George A. Smith Middle <u>School</u>	Swift Middle <u>School</u>	Solanco High <u>School</u>	Custodial Fund <u>Totals</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 38,070	\$ 14,902	\$ 88,560	\$ 141,532
<u>TOTAL ASSETS</u>	\$ <u>38,070</u>	\$ <u>14,902</u>	\$ <u>88,560</u>	\$ <u>141,532</u>
<u>LIABILITIES and NET POSITION</u>				
<u>LIABILITIES</u>				
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET POSITION</u>				
Restricted for Student Activities	<u>38,070</u>	<u>14,902</u>	<u>88,560</u>	<u>141,532</u>
<u>TOTAL NET POSITION</u>	\$ <u>38,070</u>	\$ <u>14,902</u>	\$ <u>88,560</u>	\$ <u>141,532</u>

See independent auditor's report.



Solanco School District  
COMBINING STATEMENT of CHANGES in NET POSITION -  
FIDUCIARY FUNDS - CUSTODIAL FUNDS  
Year Ended June 30, 2022

	George A. Smith Middle <u>School</u>	Swift Middle <u>School</u>	Solanco High <u>School</u>	Custodial Fund <u>Totals</u>
<u>ADDITIONS</u>				
Student Activity Receipts	\$ 40,012	\$ 18,659	\$ 111,883	\$ 170,554
Investment Earnings	<u>60</u>	<u>22</u>	<u>135</u>	<u>217</u>
<u>TOTAL ADDITIONS</u>	<u>40,072</u>	<u>18,681</u>	<u>112,018</u>	<u>170,771</u>
<u>DEDUCTIONS</u>				
Student Activity Disbursements	<u>38,023</u>	<u>24,056</u>	<u>109,376</u>	<u>171,455</u>
<u>TOTAL DEDUCTIONS</u>	<u>38,023</u>	<u>24,056</u>	<u>109,376</u>	<u>171,455</u>
<u>CHANGES in NET POSITION</u>	2,049	(5,375)	2,642	(684)
<u>NET POSITION</u> - Beginning of Year	<u>36,021</u>	<u>20,277</u>	<u>85,918</u>	<u>142,216</u>
<u>NET POSITION</u> - End of Year	\$ <u><u>38,070</u></u>	\$ <u><u>14,902</u></u>	\$ <u><u>88,560</u></u>	\$ <u><u>141,532</u></u>

See independent auditor's report.

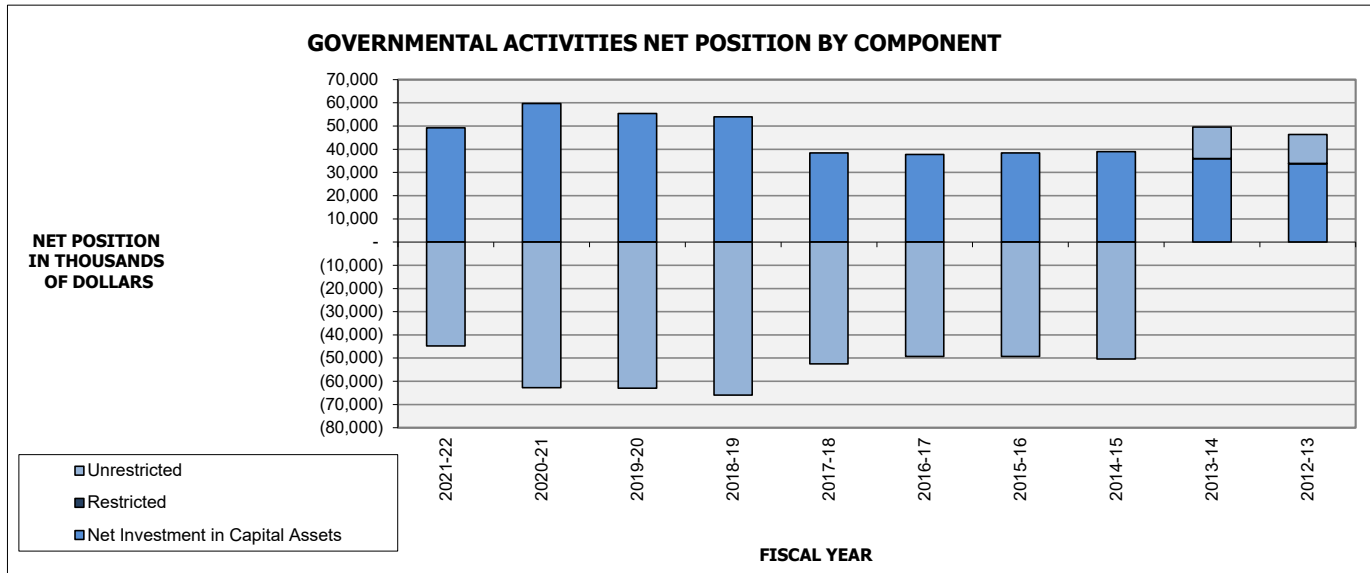
# STATISTICAL SECTION

This part of the Solanco School District's annual comprehensive 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>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
NET INVESTMENT IN CAPITAL ASSETS	\$ 49,222,521	\$ 59,746,416	\$ 55,389,240	\$ 54,009,778	\$ 38,375,747
RESTRICTED	-	-	-	-	-
UNRESTRICTED	(44,777,414)	(62,783,467)	(62,959,165)	(65,934,492)	(52,511,264)
TOTAL GOVERNMENTAL ACTIVITIES					
NET POSITION	<u>4,445,107</u>	<u>(3,037,051)</u>	<u>(7,569,925)</u>	<u>(11,924,714)</u>	<u>(14,135,517)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
NET INVESTMENT IN CAPITAL ASSETS	55,679	56,860	61,045	71,995	79,620
UNRESTRICTED	<u>118,322</u>	<u>(757,929)</u>	<u>(745,555)</u>	<u>(528,803)</u>	<u>(558,047)</u>
TOTAL BUSINESS-TYPE ACTIVITIES					
NET POSITION	<u>174,001</u>	<u>(701,069)</u>	<u>(684,510)</u>	<u>(456,808)</u>	<u>(478,427)</u>
<b>PRIMARY GOVERNMENT</b>					
NET INVESTMENT IN CAPITAL ASSETS	49,278,200	59,803,276	55,450,285	54,081,773	38,455,367
RESTRICTED	-	-	-	-	-
UNRESTRICTED	(44,659,092)	(63,541,396)	(63,704,720)	(66,463,295)	(53,069,311)
TOTAL PRIMARY GOVERNMENT					
NET POSITION	\$ <u>4,619,108</u>	\$ <u>(3,738,120)</u>	\$ <u>(8,254,435)</u>	\$ <u>(12,381,522)</u>	\$ <u>(14,613,944)</u>



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>2016-17</b></u>	<u><b>2015-16</b></u>	<u><b>2014-15</b></u>	<u><b>2013-14</b></u>	<u><b>2012-13</b></u>
\$ 37,780,225	\$ 38,439,441	\$ 38,991,741	\$ 36,000,457	\$ 33,767,284
-	-	-	37,500	112,550
<u>(49,289,514)</u>	<u>(49,294,020)</u>	<u>(50,417,947)</u>	<u>13,497,936</u>	<u>12,467,170</u>
<u>(11,509,289)</u>	<u>(10,854,579)</u>	<u>(11,426,206)</u>	<u>49,535,893</u>	<u>46,347,004</u>
69,515	89,230	68,679	86,001	102,732
<u>(495,448)</u>	<u>(638,122)</u>	<u>(731,349)</u>	<u>478,036</u>	<u>330,598</u>
<u>(425,933)</u>	<u>(548,892)</u>	<u>(662,670)</u>	<u>564,037</u>	<u>433,330</u>
37,849,741	38,528,671	39,060,420	36,086,458	33,870,016
-	-	-	37,500	112,550
<u>(49,784,962)</u>	<u>(49,932,142)</u>	<u>(51,149,296)</u>	<u>13,975,972</u>	<u>12,797,768</u>
\$ <u>(11,935,221)</u>	\$ <u>(11,403,471)</u>	\$ <u>(12,088,876)</u>	\$ <u>50,099,930</u>	\$ <u>46,780,334</u>

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

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
<b>GOVERNMENTAL ACTIVITIES</b>			
<b>PROGRAM REVENUES</b>			
CHARGES FOR SERVICES			
SCHOOL TUITION	\$ 4,185	\$ 10,063	\$ 12,764
STUDENT ACTIVITIES	71,017	5,925	55,974
LOCAL TRANSPORTATION FEES	4,914	5,733	3,554
MISCELLANEOUS CHARGES	249,927	14,978	263,084
OPERATING GRANTS AND CONTRIBUTIONS			
INSTRUCTION	12,869,207	12,294,163	9,709,296
INSTRUCTIONAL STUDENT SUPPORT	779,577	738,270	646,451
ADMINISTRATIVE AND FINANCIAL SUPPORT	501,034	494,373	483,385
OPERATION AND MAINTENANCE OF PLANT SERVICES	292,416	337,036	296,980
PUPIL TRANSPORTATION	1,855,518	1,924,029	2,215,398
STUDENT ACTIVITIES	106,864	103,631	101,817
COMMUNITY SERVICES	5,644	3,950	925
CAPITAL GRANTS AND CONTRIBUTIONS	54,200	37,636	39,232
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	<u>16,794,503</u>	<u>15,969,787</u>	<u>13,828,860</u>
<b>PROGRAM EXPENSES</b>			
INSTRUCTION	35,970,147	36,648,556	34,803,499
INSTRUCTIONAL STUDENT SUPPORT	5,102,222	4,929,161	4,787,017
ADMINISTRATIVE AND FINANCIAL SUPPORT	5,326,836	5,435,332	5,084,921
OPERATION AND MAINTENANCE OF PLANT SERVICES	5,489,577	4,754,718	4,777,881
PUPIL TRANSPORTATION	4,273,625	3,914,376	3,857,835
STUDENT ACTIVITIES	1,053,592	1,044,667	1,048,236
COMMUNITY SERVICES	107,977	93,809	44,697
INTEREST ON LONG-TERM DEBT	363,938	457,494	620,097
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM EXPENSES	<u>57,687,914</u>	<u>57,278,113</u>	<u>55,024,183</u>
NET GOVERNMENTAL ACTIVITIES PROGRAM EXPENSE	(40,893,411)	(41,308,326)	(41,195,323)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>			
TAXES:			
PROPERTY TAXES, NET	28,639,540	27,435,224	26,688,609
EARNED INCOME TAXES, NET	8,929,515	8,003,137	7,500,092
OTHER TAXES, NET	34,185	32,603	27,319
UNRESTRICTED GRANTS AND SUBSIDIES	10,663,798	10,334,838	10,334,847
INVESTMENT EARNINGS	(9,105)	(12,955)	337,520
MISCELLANEOUS INCOME	117,636	48,353	661,725
TOTAL GOVERNMENTAL ACTIVITIES			
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	<u>48,375,569</u>	<u>45,841,200</u>	<u>45,550,112</u>
<b>TOTAL CHANGE IN NET POSITION</b>	<b>\$ <u>7,482,158</u></b>	<b>\$ <u>4,532,874</u></b>	<b>\$ <u>4,354,789</u></b>

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>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>
\$ 7,258	\$ 10,521	\$ 19,038	\$ 34,757	\$ 24,736	\$ 29,539	\$ 38,457
65,375	65,081	47,953	55,285	43,371	43,449	48,068
2,728	7,002	11,794	17,627	29,216	24,535	72,250
96,667	82,263	95,572	50,895	50,607	38,417	52,582
9,496,339	9,015,263	8,669,160	8,027,444	7,832,616	7,331,175	6,806,309
668,961	723,332	778,429	671,360	605,265	744,181	676,489
467,347	545,029	493,844	444,302	392,782	454,112	369,981
354,124	383,204	278,209	451,604	247,259	196,099	197,863
2,071,755	2,107,818	1,950,835	1,874,328	1,738,436	1,617,086	1,612,163
101,966	102,221	91,699	85,093	70,226	62,212	46,754
807	42,551	39,796	40,631	44,241	33,277	33,212
38,205	12,195	234,860	-	348,977	553,896	552,220
<u>13,371,532</u>	<u>13,096,480</u>	<u>12,711,189</u>	<u>11,753,326</u>	<u>11,427,732</u>	<u>11,127,978</u>	<u>10,506,348</u>
35,259,206	35,905,182	36,038,371	33,402,590	31,692,411	29,711,935	28,318,674
4,716,596	4,538,968	4,682,552	4,381,066	4,223,982	3,783,300	3,516,524
5,142,579	5,002,233	4,817,625	4,523,724	4,251,869	3,847,846	3,714,470
4,465,921	4,056,931	3,933,764	3,788,748	3,951,180	3,584,864	3,299,090
4,029,687	3,774,144	3,795,429	3,631,051	3,473,769	3,247,363	3,007,331
1,142,097	1,139,339	1,070,669	1,015,047	954,395	889,858	825,602
56,068	56,026	38,034	39,129	50,300	37,320	32,908
465,906	224,279	-	-	36,483	136,206	267,921
<u>55,278,060</u>	<u>54,697,102</u>	<u>54,376,444</u>	<u>50,781,355</u>	<u>48,634,389</u>	<u>45,238,692</u>	<u>42,982,520</u>
(41,906,528)	(41,600,622)	(41,665,255)	(39,028,029)	(37,206,657)	(34,110,714)	(32,476,172)
25,553,857	24,449,549	23,497,238	22,539,279	21,732,300	20,977,012	20,216,157
7,652,775	7,325,951	7,297,915	7,212,916	7,046,945	6,728,477	7,016,102
31,802	30,776	32,429	32,326	34,576	32,191	32,262
10,148,447	10,097,407	10,019,564	9,744,228	9,534,551	9,534,470	9,328,508
691,387	441,094	147,759	54,428	33,776	13,977	16,938
39,063	436,617	15,640	16,479	11,407	13,476	21,394
<u>44,117,331</u>	<u>42,781,394</u>	<u>41,010,545</u>	<u>39,599,656</u>	<u>38,393,555</u>	<u>37,299,603</u>	<u>36,631,361</u>
\$ <u>2,210,803</u>	\$ <u>1,180,772</u>	\$ <u>(654,710)</u>	\$ <u>571,627</u>	\$ <u>1,186,898</u>	\$ <u>3,188,889</u>	\$ <u>4,155,189</u>

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

	<u><b>2021-22</b></u>	<u><b>2020-21</b></u>	<u><b>2019-20</b></u>	<u><b>2018-19</b></u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>PROGRAM REVENUES</b>				
CHARGES FOR SERVICES				
DAILY SALES	\$ 167,267	\$ 129,670	\$ 369,624	\$ 518,193
OTHER CHARGES FOR SERVICES	15,248	1,410	15,189	34,285
OPERATING GRANTS AND CONTRIBUTIONS				
FOOD SERVICES	<u>2,247,909</u>	<u>1,163,295</u>	<u>799,629</u>	<u>1,015,367</u>
TOTAL BUSINESS-TYPE ACTIVITIES				
PROGRAM REVENUES	<u>2,430,424</u>	<u>1,294,375</u>	<u>1,184,442</u>	<u>1,567,845</u>
<b>PROGRAM EXPENSES</b>				
FOOD SERVICES	<u>1,557,175</u>	<u>1,311,561</u>	<u>1,424,825</u>	<u>1,567,495</u>
NET BUSINESS-TYPE ACTIVITIES				
PROGRAM EXPENSE	873,249	(17,186)	(240,383)	350
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
INVESTMENT EARNINGS	<u>1,821</u>	<u>627</u>	<u>12,681</u>	<u>21,269</u>
TOTAL BUSINESS-TYPE ACTIVITIES				
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION	<u>1,821</u>	<u>627</u>	<u>12,681</u>	<u>21,269</u>
<b>TOTAL CHANGE IN NET POSITION</b>	\$ <u><b>875,070</b></u>	\$ <u><b>(16,559)</b></u>	\$ <u><b>(227,702)</b></u>	\$ <u><b>21,619</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)

<u><b>2017-18</b></u>	<u><b>2016-17</b></u>	<u><b>2015-16</b></u>	<u><b>2014-15</b></u>	<u><b>2013-14</b></u>	<u><b>2012-13</b></u>
\$ 547,658	\$ 584,955	\$ 624,197	\$ 621,543	\$ 677,161	\$ 736,843
33,811	28,292	35,248	37,392	40,393	42,664
<u>1,023,226</u>	<u>1,067,100</u>	<u>1,035,806</u>	<u>983,914</u>	<u>953,266</u>	<u>900,094</u>
<u>1,604,695</u>	<u>1,680,347</u>	<u>1,695,251</u>	<u>1,642,849</u>	<u>1,670,820</u>	<u>1,679,601</u>
<u>1,594,334</u>	<u>1,564,224</u>	<u>1,584,070</u>	<u>1,602,793</u>	<u>1,541,241</u>	<u>1,676,870</u>
10,361	116,123	111,181	40,056	129,579	2,731
<u>12,467</u>	<u>5,521</u>	<u>1,808</u>	<u>723</u>	<u>365</u>	<u>299</u>
<u>14,144</u>	<u>6,837</u>	<u>2,597</u>	<u>1,584</u>	<u>1,128</u>	<u>1,039</u>
\$ <u><b>24,505</b></u>	\$ <u><b>122,960</b></u>	\$ <u><b>113,778</b></u>	\$ <u><b>41,640</b></u>	\$ <u><b>130,707</b></u>	\$ <u><b>3,770</b></u>



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

	<u><b>2021-22</b></u>	<u><b>2020-21</b></u>	<u><b>2019-20</b></u>
<b>TOTAL PRIMARY GOVERNMENT</b>			
<b>PROGRAM REVENUES</b>			
CHARGES FOR SERVICES			
GOVERNMENTAL ACTIVITIES	\$ 330,043	\$ 36,699	\$ 335,376
BUSINESS-TYPE ACTIVITIES	182,515	131,080	384,813
OPERATING GRANTS AND CONTRIBUTIONS			
INSTRUCTION	12,869,207	12,294,163	9,709,296
INSTRUCTIONAL STUDENT SUPPORT	779,577	738,270	646,451
ADMINISTRATIVE AND FINANCIAL SUPPORT	501,034	494,373	483,385
OPERATION AND MAINTENANCE OF PLANT SERVICES	292,416	337,036	296,980
PUPIL TRANSPORTATION	1,855,518	1,924,029	2,215,398
STUDENT ACTIVITIES	106,864	103,631	101,817
COMMUNITY SERVICES	5,644	3,950	925
FOOD SERVICES	2,247,909	1,163,295	799,629
CAPITAL GRANTS AND CONTRIBUTIONS	54,200	37,636	39,232
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>19,224,927</u>	<u>17,264,162</u>	<u>15,013,302</u>
<b>PROGRAM EXPENSES</b>			
INSTRUCTION	35,970,147	36,648,556	34,803,499
INSTRUCTIONAL STUDENT SUPPORT	5,102,222	4,929,161	4,787,017
ADMINISTRATIVE AND FINANCIAL SUPPORT	5,326,836	5,435,332	5,084,921
OPERATION AND MAINTENANCE OF PLANT SERVICES	5,489,577	4,754,718	4,777,881
PUPIL TRANSPORTATION	4,273,625	3,914,376	3,857,835
STUDENT ACTIVITIES	1,053,592	1,044,667	1,048,236
COMMUNITY SERVICES	107,977	93,809	44,697
INTEREST ON LONG-TERM DEBT	363,938	457,494	620,097
FOOD SERVICE	1,557,175	1,311,561	1,424,825
TOTAL PRIMARY GOVERNMENT PROGRAM EXPENSES	<u>59,245,089</u>	<u>58,589,674</u>	<u>56,449,008</u>
NET PRIMARY GOVERNMENT PROGRAM EXPENSE	(40,020,162)	(41,325,512)	(41,435,706)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>			
TAXES:			
PROPERTY TAXES, NET	28,639,540	27,435,224	26,688,609
EARNED INCOME TAXES ,NET	8,929,515	8,003,137	7,500,092
OTHER TAXES, NET	34,185	32,603	27,319
UNRESTRICTED GRANTS AND SUBSIDIES	10,663,798	10,334,838	10,334,847
INVESTMENT EARNINGS	(7,284)	(12,328)	350,201
MISCELLANEOUS INCOME	117,636	48,353	661,725
TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND			
OTHER CHANGES IN NET POSITION	<u>48,377,390</u>	<u>45,841,827</u>	<u>45,562,793</u>
<b>TOTAL CHANGE IN NET POSITION</b>	<b>\$ <u>8,357,228</u></b>	<b>\$ <u>4,516,315</u></b>	<b>\$ <u>4,127,087</u></b>

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)

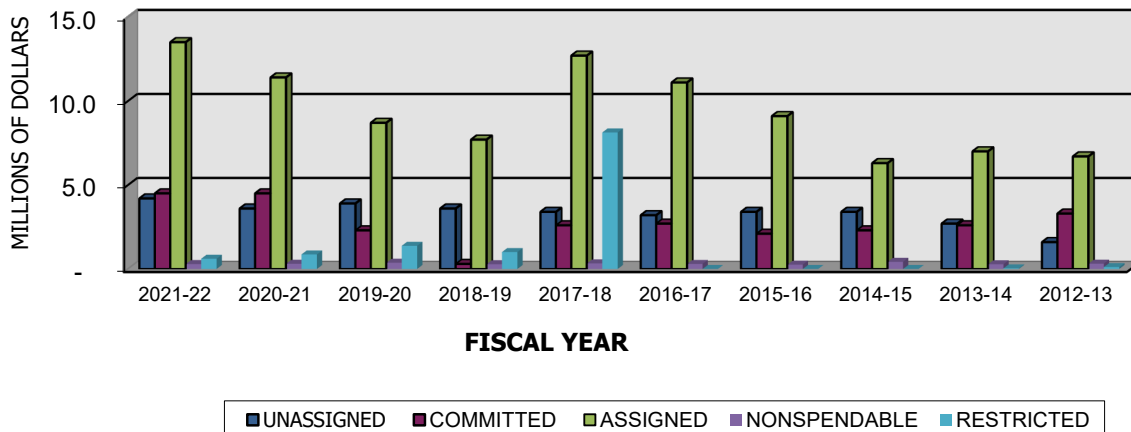
(Continued)

<u><b>2018-19</b></u>	<u><b>2017-18</b></u>	<u><b>2016-17</b></u>	<u><b>2015-16</b></u>	<u><b>2014-15</b></u>	<u><b>2013-14</b></u>	<u><b>2012-13</b></u>
\$ 172,028	\$ 164,867	\$ 174,357	\$ 158,564	\$ 147,930	\$ 135,940	\$ 211,357
552,478	579,939	613,247	659,445	658,935	717,554	779,507
9,496,339	9,015,263	8,669,160	8,027,444	7,832,616	7,331,175	6,806,309
668,961	723,332	778,429	671,360	605,265	744,181	676,489
467,347	545,029	493,844	444,302	392,782	454,112	369,981
354,124	383,204	278,209	451,604	247,259	196,099	197,863
2,071,755	2,107,818	1,950,835	1,874,328	1,738,436	1,617,086	1,612,163
101,966	102,221	91,699	85,093	70,226	62,212	46,754
807	42,551	39,796	40,631	44,241	33,277	33,212
1,015,367	1,024,903	1,067,100	1,035,806	983,914	953,266	900,094
38,205	12,195	234,860	-	348,977	553,896	552,220
<u>14,939,377</u>	<u>14,701,322</u>	<u>14,391,536</u>	<u>13,448,577</u>	<u>13,070,581</u>	<u>12,798,798</u>	<u>12,185,949</u>
35,259,206	35,905,182	36,038,371	33,402,590	31,692,411	29,711,935	28,318,674
4,716,596	4,538,968	4,682,552	4,381,066	4,223,982	3,783,300	3,516,524
5,142,579	5,002,233	4,817,625	4,523,724	4,251,869	3,847,846	3,714,470
4,465,921	4,056,931	3,933,764	3,788,748	3,951,180	3,584,864	3,299,090
4,029,687	3,774,144	3,795,429	3,631,051	3,473,769	3,247,363	3,007,331
1,142,097	1,139,339	1,070,669	1,015,047	954,395	889,858	825,602
56,068	56,026	38,034	39,129	50,300	37,320	32,908
465,906	224,279	-	-	36,483	136,206	267,921
<u>1,567,495</u>	<u>1,594,334</u>	<u>1,564,224</u>	<u>1,584,070</u>	<u>1,602,793</u>	<u>1,541,241</u>	<u>1,676,870</u>
<u>56,845,555</u>	<u>56,291,436</u>	<u>55,940,668</u>	<u>52,365,425</u>	<u>50,237,182</u>	<u>46,779,933</u>	<u>44,659,390</u>
(41,906,178)	(41,590,114)	(41,549,132)	(38,916,848)	(37,166,601)	(33,981,135)	(32,473,441)
25,553,857	24,449,549	23,497,238	22,539,279	21,732,300	20,977,012	20,216,157
7,652,775	7,325,951	7,297,915	7,212,916	7,046,945	6,728,477	7,016,102
31,802	30,776	32,429	32,326	34,576	32,191	32,262
10,148,447	10,097,407	10,019,564	9,744,228	9,534,551	9,534,470	9,328,508
712,656	453,561	153,280	56,236	34,499	14,342	17,237
<u>39,063</u>	<u>438,147</u>	<u>16,956</u>	<u>17,268</u>	<u>12,268</u>	<u>14,239</u>	<u>22,134</u>
<u>44,138,600</u>	<u>42,795,391</u>	<u>41,017,382</u>	<u>39,602,253</u>	<u>38,395,139</u>	<u>37,300,731</u>	<u>36,632,400</u>
\$ <u><b>2,232,422</b></u>	\$ <u><b>1,205,277</b></u>	\$ <u><b>(531,750)</b></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>

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

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
<b>GENERAL FUND</b>				
NONSPENDABLE:				
INVENTORY	\$ 221,842	\$ 205,187	\$ 233,800	\$ 165,633
PREPAID ITEMS	72,345	105,927	139,050	93,035
RESTRICTED:				
DEBT SERVICE	-	-	-	-
COMMITTED	4,500,000	4,500,000	2,325,000	325,000
ASSIGNED	806,985	578,107	2,300,524	2,032,216
UNASSIGNED	<u>4,223,390</u>	<u>3,603,733</u>	<u>3,856,559</u>	<u>3,593,706</u>
TOTAL GENERAL FUND	<u>9,824,562</u>	<u>8,992,954</u>	<u>8,854,933</u>	<u>6,209,590</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
NONSPENDABLE:				
CAPITAL PROJECTS	-	-	-	25,762
RESTRICTED:				
DEBT SERVICE	-	2,503	-	-
CAPITAL PROJECTS	608,892	861,733	1,379,564	1,006,536
ASSIGNED:				
CAPITAL PROJECTS	<u>12,663,912</u>	<u>10,838,406</u>	<u>6,404,661</u>	<u>5,680,578</u>
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>13,272,804</u>	<u>11,702,642</u>	<u>7,784,225</u>	<u>6,712,876</u>
<b>TOTAL GOVERNMENT FUNDS</b>	<u>\$ 23,097,366</u>	<u>\$ 20,695,596</u>	<u>\$ 16,639,158</u>	<u>\$ 12,922,466</u>

**UNASSIGNED, COMMITTED, ASSIGNED AND NONSPENDABLE 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)

<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
\$ 239,341 83,110	\$ 194,313 105,748	\$ 203,117 54,708	\$ 230,314 195,673	\$ 218,262 63,692	\$ 277,399 37,344
- 2,578,777	- 2,702,452	- 2,098,778	- 2,280,263	37,498 2,636,658	112,549 3,289,810
<u>3,379,639</u>	<u>3,240,425</u>	<u>3,390,208</u>	<u>3,352,060</u>	<u>2,723,953</u>	<u>1,616,243</u>
<u>6,280,867</u>	<u>6,242,938</u>	<u>5,746,811</u>	<u>6,058,310</u>	<u>5,680,063</u>	<u>5,333,345</u>
11,052	-	-	-	-	-
- 8,124,550	- -	- -	- -	2 -	1 -
<u>12,714,790</u>	<u>11,103,697</u>	<u>9,123,116</u>	<u>6,342,930</u>	<u>7,005,488</u>	<u>6,659,239</u>
<u>20,850,392</u>	<u>11,103,697</u>	<u>9,123,116</u>	<u>6,342,930</u>	<u>7,005,490</u>	<u>6,659,240</u>
<u>\$ 27,131,259</u>	<u>\$ 17,346,635</u>	<u>\$ 14,869,927</u>	<u>\$ 12,401,240</u>	<u>\$ 12,685,553</u>	<u>\$ 11,992,585</u>

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

	<u>2021-22</u>	<u>2020-21</u>	<u>2018-19</u>	<u>2017-18</u>
<b>REVENUES</b>				
LOCAL SOURCES	\$ 38,908,199	\$ 36,893,248	\$ 35,928,830	\$ 35,104,605
STATE SOURCES	20,846,718	20,659,185	20,629,535	20,047,273
FEDERAL SOURCES	<u>5,224,215</u>	<u>4,303,209</u>	<u>2,123,977</u>	<u>2,264,864</u>
TOTAL REVENUES	<u>64,979,132</u>	<u>61,855,642</u>	<u>58,682,342</u>	<u>57,416,742</u>
<b>EXPENDITURES</b>				
CURRENT				
INSTRUCTIONAL	37,026,345	34,934,838	32,973,351	33,383,858
SUPPORT	20,317,837	17,817,710	17,597,991	17,247,108
NONINSTRUCTIONAL	1,210,274	1,078,752	1,046,747	1,141,946
CAPITAL OUTLAY	1,471,268	1,196,667	7,959,768	17,886,877
DEBT SERVICE				
PRINCIPAL	2,375,000	2,405,000	2,155,571	2,430,000
INTEREST	378,794	351,224	558,637	475,989
NOTE ISSUANCE COSTS	-	126,890	-	-
FISCAL CHARGES	-	-	-	112
TOTAL EXPENDITURES	<u>62,779,518</u>	<u>57,911,081</u>	<u>62,292,065</u>	<u>72,565,890</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,199,614</u>	<u>3,944,561</u>	<u>(3,609,723)</u>	<u>(15,149,148)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
ISSUANCE OF DEBT	-	-	7,000,000	1,000,000
ISSUANCE OF REFUNDING DEBT	-	13,510,000	-	-
PAYMENT TO REFUNDED DEBT				
ESCROW AGENT	-	(13,383,110)	-	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	185,499	13,601	16,370	1,689
INSURANCE RECOVERIES	-	-	641,877	37,374
TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>(25,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>185,499</u>	<u>140,491</u>	<u>7,258,247</u>	<u>1,014,063</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 2,385,113</u>	<u>\$ 4,085,052</u>	<u>\$ 3,648,524</u>	<u>\$ (14,135,085)</u>
<b>DEBT SERVICE AS % OF NONCAPITAL EXPENDITURES (A)</b>	4.51%	4.91%	5.01%	5.34%
<b>DEBT SERVICE AS % OF TOTAL EXPENDITURES</b>	4.39%	4.76%	4.36%	4.00%

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**

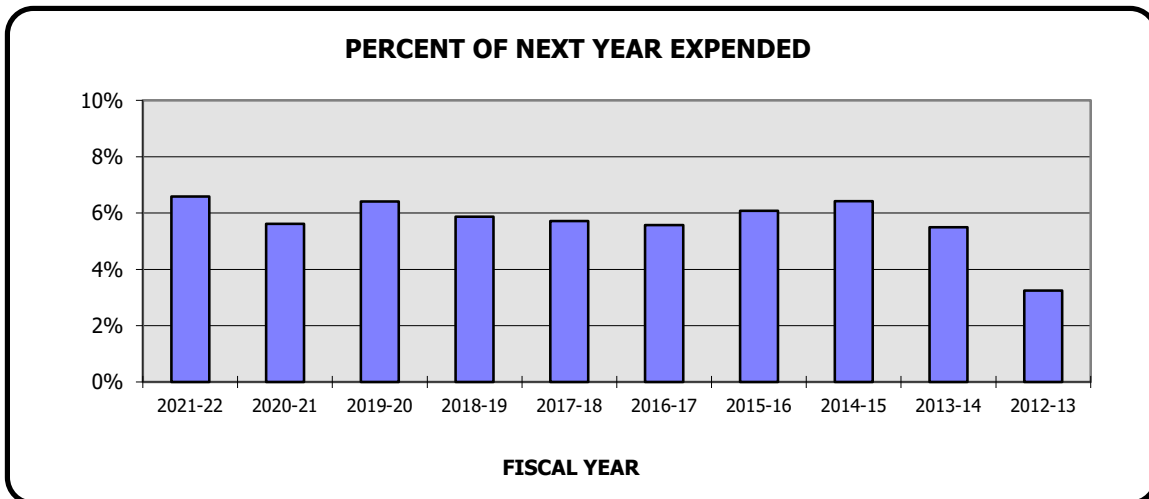
(Modified Accrual Basis of Accounting)

(Continued)

<u><b>2017-18</b></u>	<u><b>2016-17</b></u>	<u><b>2015-16</b></u>	<u><b>2014-15</b></u>	<u><b>2013-14</b></u>	<u><b>2012-13</b></u>
\$ 33,259,981	\$ 32,335,599	\$ 30,986,070	\$ 29,821,804	\$ 28,635,526	\$ 28,293,861
19,806,794	19,527,031	18,311,720	17,781,054	17,136,128	16,407,104
<u>2,145,726</u>	<u>2,039,305</u>	<u>2,062,082</u>	<u>2,202,989</u>	<u>2,625,710</u>	<u>2,432,398</u>
<u><u>55,212,501</u></u>	<u><u>53,901,935</u></u>	<u><u>51,359,872</u></u>	<u><u>49,805,847</u></u>	<u><u>48,397,364</u></u>	<u><u>47,133,363</u></u>
33,471,881	33,066,257	31,099,335	29,082,969	28,469,246	26,498,793
16,164,057	15,664,747	15,179,515	14,568,451	13,661,206	12,927,985
1,126,230	1,014,167	992,917	925,695	894,272	856,296
12,271,914	-	1,600,107	2,517,386	1,197,505	823,538
1,875,000	-	-	2,750,000	3,200,000	3,065,000
109,616	-	-	75,000	225,100	346,475
-	-	-	-	-	-
<u>142,450</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>1,500</u>	<u>1,500</u>
<u><u>65,161,148</u></u>	<u><u>49,745,171</u></u>	<u><u>48,871,874</u></u>	<u><u>49,920,001</u></u>	<u><u>47,648,829</u></u>	<u><u>44,519,587</u></u>
<u><u>(9,948,647)</u></u>	<u><u>4,156,764</u></u>	<u><u>2,487,998</u></u>	<u><u>(114,154)</u></u>	<u><u>748,535</u></u>	<u><u>2,613,776</u></u>
19,200,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,312	2,624	7,772	66,526	3,571	2,240
466,932	553	113	1,263	-	1,599
<u>-</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>	<u>-</u>
<u><u>19,688,244</u></u>	<u><u>3,177</u></u>	<u><u>7,885</u></u>	<u><u>(182,211)</u></u>	<u><u>3,571</u></u>	<u><u>3,839</u></u>
\$ <u><u>9,739,597</u></u>	\$ <u><u>4,159,941</u></u>	\$ <u><u>2,495,883</u></u>	\$ <u><u>(296,365)</u></u>	\$ <u><u>752,106</u></u>	\$ <u><u>2,617,615</u></u>
3.77%	0.00%	0.00%	5.96%	7.37%	7.81%
3.05%	0.00%	0.00%	5.66%	7.19%	7.66%

**SOLANCO SCHOOL DISTRICT  
UNASSIGNED GENERAL FUND BALANCE  
AS PERCENTAGE OF ACTUAL EXPENDITURES AND OTHER FINANCING USES**

<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>	
2021-22	\$ 4,223,390	\$ 64,152,599	6.58%	(A)
2020-21	3,603,733	61,662,263	5.62%	
2019-20	3,856,559	56,050,555	6.41%	
2018-19	3,593,706	57,136,396	5.87%	
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	52,194,303	6.08%	
2014-15	3,352,060	49,542,288	6.42%	
2013-14	2,723,953	49,837,698	5.50%	
2012-13	1,616,243	45,129,672	3.24%	



(A) % OF 2021-22 BUDGETED EXPENDITURES - \$64,167,021

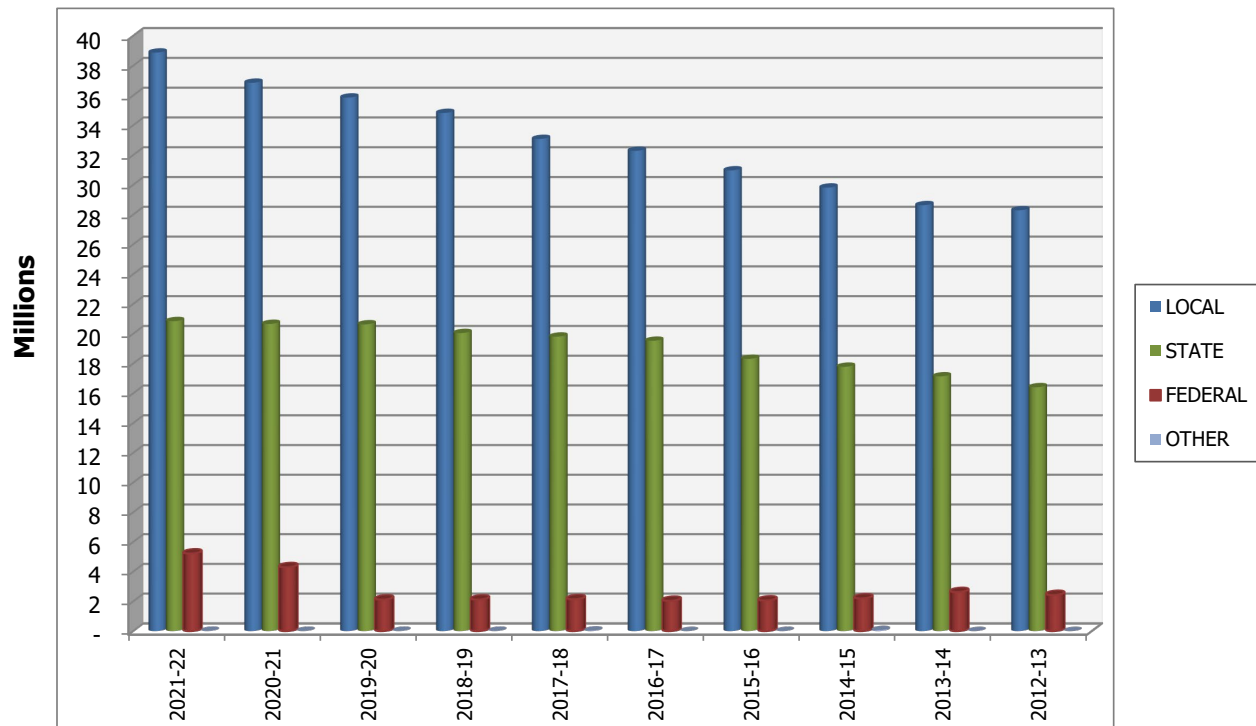
EFFECTIVE JULY 1, 2005, STATE LEGISLATION REQUIRED SCHOOL DISTRICT UNASSIGNED FUND BALANCES TO BE 8% OR LOWER OF BUDGETED EXPENDITURES FOR THE FOLLOWING FISCAL YEAR

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>
2021-22	\$	38,880,148	\$	20,846,718	\$	5,224,215	\$	16,469	\$	64,967,550
2020-21		36,852,903		20,659,185		4,303,209		13,601		61,828,898
2019-20		35,857,848		20,629,535		2,123,977		16,370		58,627,730
2018-19		34,825,001		20,047,273		2,123,977		16,370		57,012,621
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		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

**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>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
<b>LOCAL SOURCES</b>				
CURRENT REAL ESTATE TAX	\$ 27,230,078	\$ 25,800,241	\$ 25,374,366	\$ 24,094,317
INTERIM REAL ESTATE TAX	156,112	197,733	165,104	244,123
PUBLIC UTILITY TAX	34,075	32,494	27,210	31,693
PAYMENT IN LIEU OF TAX	109	109	109	109
EARNED INCOME TAX	8,929,516	8,003,138	7,500,091	7,652,775
REALTY TRANSFER TAX	839,661	754,817	576,774	604,950
DELINQUENT TAXES	340,200	740,688	533,980	577,410
INVESTMENT EARNINGS	(20,371)	(18,364)	270,273	411,968
REVENUE FROM STUDENT ACTIVITIES	56,607	3,761	53,828	57,801
REVENUE FROM INTERMEDIATE	964,108	1,208,677	997,784	907,646
RENTALS	54,341	10,053	50,105	71,762
CONTRIBUTIONS/DONATIONS	39,419	55,715	38,442	21,234
TUITION	4,183	10,061	2,240	7,260
MISCELLANEOUS REVENUE	<u>252,110</u>	<u>53,780</u>	<u>267,542</u>	<u>141,953</u>
TOTAL LOCAL REVENUE	<u>38,880,148</u>	<u>36,852,903</u>	<u>35,857,848</u>	<u>34,825,001</u>
<b>STATE SOURCES</b>				
BASIC EDUCATION FUNDING	10,663,798	10,334,838	10,334,847	10,148,447
TUITION CHILD PLACED	48,050	19,860	40,889	74,752
VOCATIONAL EDUCATION	113,354	120,059	115,194	118,119
DRIVER EDUCATION	-	-	-	-
MIGRATORY CHILDREN	1,360	1,760	1,178	660
SPECIAL EDUCATION	2,268,786	2,200,552	2,200,598	2,149,400
OTHER PROGRAM SUBSIDIES	17,291	719	189,513	89,673
TRANSPORTATION	1,824,598	1,895,770	2,189,802	2,045,683
RENTAL/SINKING FUND	37,600	37,636	39,232	38,205
HEALTH SERVICES	55,944	58,740	60,091	62,723
REIMB OF BASIC ED EXPEND	567,596	583,010	548,986	548,128
READY TO LEARN/PA ACCOUNTABILITY GRANT	427,715	427,715	427,715	427,715
DUAL ENROLLMENT	48,763	409,493	17,754	-
SOCIAL SECURITY SUBSIDY	781,558	817,819	708,383	754,560
RETIREMENT SUBSIDY	3,990,305	3,751,214	3,755,353	3,589,208
MISCELLANEOUS GRANTS/REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL STATE REVENUE	<u>20,846,718</u>	<u>20,659,185</u>	<u>20,629,535</u>	<u>20,047,273</u>
<b>FEDERAL SOURCES</b>				
TITLE I	2,521,272	2,171,225	1,662,401	1,807,331
TITLE II	342,657	228,452	283,441	282,751
TITLE IV	133,159	130,979	143,425	116,764
ESSER	-	1,554,200	-	-
FEMA	-	33,268	-	-
GEER	34,724	81,816	-	-
ESSER II	1,919,535	-	-	-
ESSER III	153,887	-	-	-
IDEA Part B	-	23,034	-	-
OTHER FEDERAL GRANTS/ACCESS	<u>118,981</u>	<u>80,235</u>	<u>34,710</u>	<u>58,018</u>
TOTAL FEDERAL REVENUE	<u>5,224,215</u>	<u>4,303,209</u>	<u>2,123,977</u>	<u>2,264,864</u>
<b>OTHER FINANCING SOURCES</b>				
PROCEEDS FROM SALE OF CAPITAL ASSETS	16,469	13,601	16,370	1,689
INSURANCE RECOVERIES	-	-	-	-
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>16,469</u>	<u>13,601</u>	<u>16,370</u>	<u>1,689</u>
<b>TOTAL REVENUES</b>	<u>\$ 64,967,550</u>	<u>\$ 61,828,898</u>	<u>\$ 58,627,730</u>	<u>\$ 57,138,827</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)**

<b><u>2017-18</u></b>	<b><u>2016-17</u></b>	<b><u>2015-16</u></b>	<b><u>2014-15</u></b>	<b><u>2013-14</u></b>	<b><u>2012-13</u></b>
\$ 23,120,583	\$ 22,359,441	\$ 21,279,420	\$ 20,610,920	\$ 19,857,373	\$ 19,016,920
77,178	162,310	109,319	58,899	111,303	142,939
30,667	32,320	32,217	34,467	32,083	32,153
109	109	109	109	109	109
7,325,951	7,297,915	7,212,916	7,046,945	6,728,477	7,016,102
534,800	590,782	495,841	443,847	341,402	357,759
523,502	591,789	678,650	615,709	649,267	691,692
216,398	66,052	20,349	13,828	-	2,566
77,644	58,502	66,466	51,679	51,974	58,120
915,488	930,513	710,126	740,924	610,328	682,650
43,764	70,335	25,966	26,428	19,261	27,276
41,520	23,981	10,332	21,804	19,107	20,735
10,521	19,038	34,757	24,736	29,539	38,457
160,843	77,501	292,271	123,717	180,121	199,599
<u>33,078,968</u>	<u>32,280,588</u>	<u>30,968,739</u>	<u>29,814,012</u>	<u>28,630,344</u>	<u>28,287,077</u>
10,097,407	10,019,564	9,744,228	9,534,551	9,534,470	9,340,757
83,704	64,728	70,521	57,204	79,223	50,902
116,629	90,822	8,425	100,427	53,140	121,344
-	-	-	-	-	-
617	867	650	106	320	360
2,143,535	2,227,676	2,215,550	2,189,957	2,082,971	2,029,034
91,548	-	-	-	-	-
1,986,562	1,833,239	1,793,302	1,648,213	1,549,575	1,558,498
12,195	234,860	-	348,977	553,896	552,220
63,468	65,077	66,388	66,933	69,589	70,222
545,938	545,973	553,770	529,192	529,191	585,507
427,715	496,413	359,017	330,147	150,624	150,624
-	-	-	-	-	-
743,869	737,722	758,985	736,073	732,191	713,384
3,482,437	3,199,264	2,740,883	2,227,500	1,800,938	1,234,252
11,170	10,826	-	11,774	-	-
<u>19,806,794</u>	<u>19,527,031</u>	<u>18,311,720</u>	<u>17,781,054</u>	<u>17,136,128</u>	<u>16,407,104</u>
1,778,840	1,712,512	1,748,451	1,905,361	2,195,086	1,979,037
239,470	241,890	249,204	249,817	251,301	270,184
34,899	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
92,517	84,903	64,428	47,811	179,323	183,177
<u>2,145,726</u>	<u>2,039,305</u>	<u>2,062,082</u>	<u>2,202,989</u>	<u>2,625,710</u>	<u>2,432,398</u>
21,312	2,624	7,772	66,526	3,571	2,240
13,528	553	113	1,263	-	1,599
-	-	-	2	-	-
<u>34,840</u>	<u>3,177</u>	<u>7,885</u>	<u>67,791</u>	<u>3,571</u>	<u>3,839</u>
<u>\$ 55,066,328</u>	<u>\$ 53,850,101</u>	<u>\$ 51,350,426</u>	<u>\$ 49,865,846</u>	<u>\$ 48,395,753</u>	<u>\$ 47,130,418</u>

**SOLANCO SCHOOL DISTRICT**  
**GENERAL FUND EXPENDITURES AND OTHER FINANCING USES**  
**BY SUBFUNCTION**  
(Modified Accrual Basis of Accounting)

	<u><b>2022-21</b></u>	<u><b>2020-21</b></u>	<u><b>2019-20</b></u>	<u><b>2018-19</b></u>
<b>INSTRUCTION</b>				
REGULAR PROGRAM	\$ 23,758,416	\$ 23,362,694	\$ 21,129,471	\$ 21,270,797
SPECIAL PROGRAM	9,656,829	8,345,032	8,603,451	9,033,510
VOCATIONAL ED PROGRAM	2,781,965	2,695,655	2,727,482	2,543,840
OTHER INSTRUCT PROGRAM	829,135	531,457	512,947	535,711
REFUND OF PRIOR YEAR REVENUE	-	-	-	-
TOTAL INSTRUCTION	<u>37,026,345</u>	<u>34,934,838</u>	<u>32,973,351</u>	<u>33,383,858</u>
<b>SUPPORT SERVICES</b>				
PUPIL PERSONNEL	3,170,177	2,831,244	2,607,885	2,496,325
INSTRUCTIONAL STAFF	1,529,621	1,223,706	1,454,491	1,431,654
ADMINISTRATION	3,015,287	2,929,810	2,891,063	2,900,373
PUPIL HEALTH	683,805	636,627	513,573	544,976
BUSINESS	971,986	974,139	881,014	855,593
OPERATION & MAINTENANCE OF PLANT SERVICES	5,373,652	4,374,802	4,405,010	4,032,257
TRANSPORTATION	4,063,861	3,716,226	3,841,812	3,862,654
CENTRAL	1,476,983	1,098,714	971,287	1,091,459
OTHER SUPPORT	<u>32,465</u>	<u>32,442</u>	<u>31,856</u>	<u>31,817</u>
TOTAL SUPPORT SERVICES	<u>20,317,837</u>	<u>17,817,710</u>	<u>17,597,991</u>	<u>17,247,108</u>
<b>NONINSTRUCTIONAL SERVICES</b>				
STUDENT ACTIVITIES	1,097,905	984,915	1,002,057	1,085,977
COMMUNITY SERVICES	<u>112,369</u>	<u>93,837</u>	<u>44,690</u>	<u>55,969</u>
TOTAL NONINSTRUCTIONAL SERVICES	<u>1,210,274</u>	<u>1,078,752</u>	<u>1,046,747</u>	<u>1,141,946</u>
<b>DEBT SERVICE/TRANSFERS OUT</b>				
DEBT SERVICE/TRANSFERS OUT	-	-	-	-
TRANSFERS OUT	<u>5,598,143</u>	<u>7,830,963</u>	<u>4,432,466</u>	<u>5,363,484</u>
TOTAL DEBT SERVICE/TRANSFERS OUT	<u>5,598,143</u>	<u>7,830,963</u>	<u>4,432,466</u>	<u>5,363,484</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 64,152,599</u>	<u>\$ 61,662,263</u>	<u>\$ 56,050,555</u>	<u>\$ 57,136,396</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)

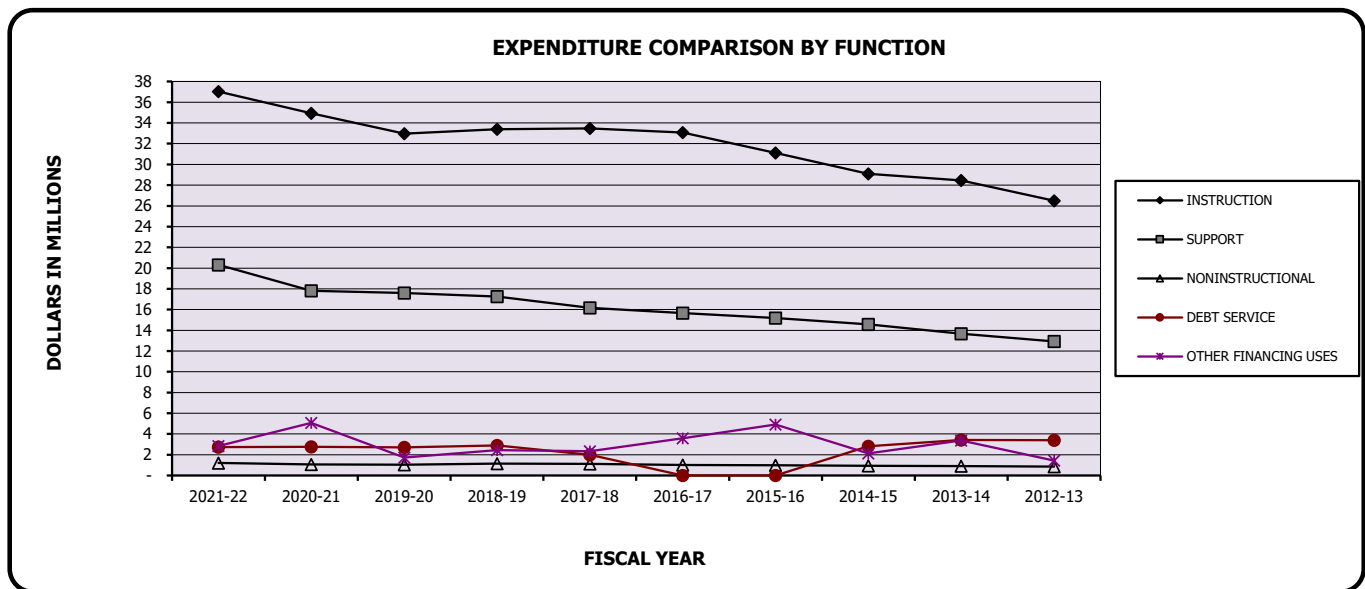
<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
\$ 20,864,000	\$ 20,879,559	\$ 19,891,642	\$ 19,527,347	\$ 19,314,245	\$ 18,028,684
9,705,015	9,157,820	8,420,491	7,089,596	6,949,027	6,291,184
2,380,357	2,522,108	2,306,065	2,055,181	1,963,309	1,877,993
522,509	506,770	481,137	410,845	242,665	288,418
-	-	-	-	-	12,514
<u>33,471,881</u>	<u>33,066,257</u>	<u>31,099,335</u>	<u>29,082,969</u>	<u>28,469,246</u>	<u>26,498,793</u>
2,257,019	2,148,239	1,992,763	1,814,254	1,841,582	1,759,615
1,471,950	1,606,529	1,587,702	1,587,789	1,353,379	1,288,496
2,674,993	2,533,450	2,593,540	2,448,255	2,435,949	2,335,474
506,653	499,223	524,158	465,277	427,709	385,222
970,565	836,119	720,748	730,036	621,006	613,316
3,663,429	3,450,224	3,385,050	3,585,731	3,237,449	3,031,916
3,663,743	3,620,010	3,490,230	3,269,432	3,086,560	2,924,406
923,578	938,949	853,128	635,623	625,087	557,081
32,127	32,004	32,195	32,054	32,485	32,459
<u>16,164,057</u>	<u>15,664,747</u>	<u>15,179,515</u>	<u>14,568,451</u>	<u>13,661,206</u>	<u>12,927,985</u>
1,070,024	976,146	953,874	875,804	856,686	823,368
56,206	38,021	39,043	49,891	37,586	32,928
<u>1,126,230</u>	<u>1,014,167</u>	<u>992,917</u>	<u>925,695</u>	<u>894,272</u>	<u>856,296</u>
1,984,616	-	2,825,500	3,426,599	3,412,974	3,420,073
<u>2,326,642</u>	<u>3,600,000</u>	<u>2,097,036</u>	<u>1,538,574</u>	<u>3,400,000</u>	<u>1,426,525</u>
<u>4,311,258</u>	<u>3,600,000</u>	<u>4,922,536</u>	<u>4,965,173</u>	<u>6,812,974</u>	<u>4,846,598</u>
\$ 55,073,426	\$ 53,345,171	\$ 52,194,303	\$ 49,542,288	\$ 49,837,698	\$ 45,129,672

# SOLANCO SCHOOL DISTRICT

## GENERAL FUND EXPENDITURES AND OTHER FINANCING USES BY FUNCTION

(Modified Accrual Basis of Accounting)

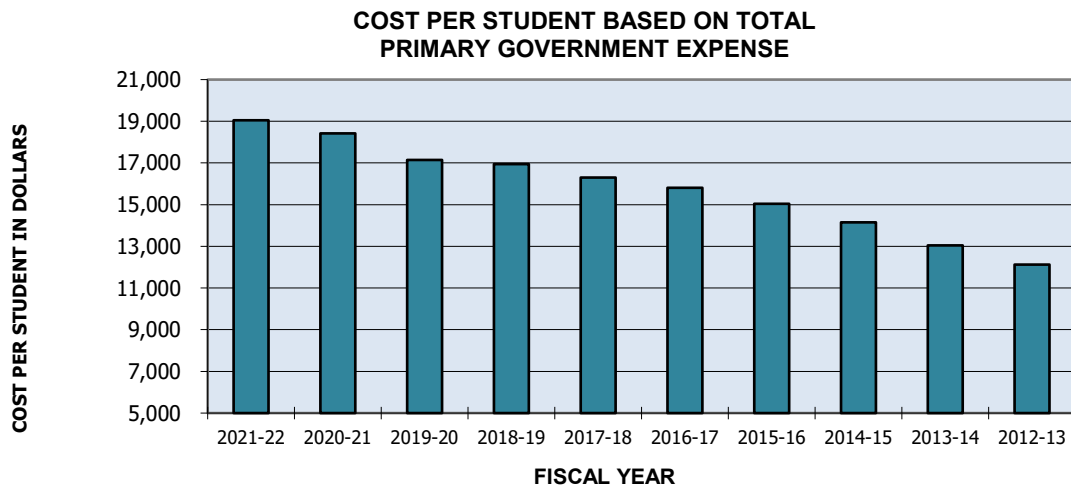
<u>FISCAL YEAR</u>	<u>INSTRUCTION</u>	<u>SUPPORT SERVICES</u>	<u>OPERATION OF NONINSTRUCTIONAL SERVICES</u>	<u>DEBT SERVICE</u>	<u>OTHER FINANCING USES</u>	<u>TOTAL</u>
2021-22	\$ 37,026,345	\$ 20,317,837	\$ 1,210,274	\$ 2,751,291	\$ 2,846,852	\$ 64,152,599
2020-21	34,934,838	17,817,710	1,078,752	2,758,727	5,072,236	61,662,263
2019-20	32,973,351	17,597,991	1,046,747	2,714,208	1,718,258	56,050,555
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	-	3,600,000	53,345,171
2015-16	31,099,335	15,179,515	992,917	-	4,922,536	52,194,303
2014-15	29,082,969	14,568,451	925,695	2,825,000	2,140,173	49,542,288
2013-14	28,469,246	13,661,206	894,272	3,425,100	3,387,874	49,837,698
2012-13	26,498,793	12,927,985	856,296	3,411,475	1,435,123	45,129,672



SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS

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

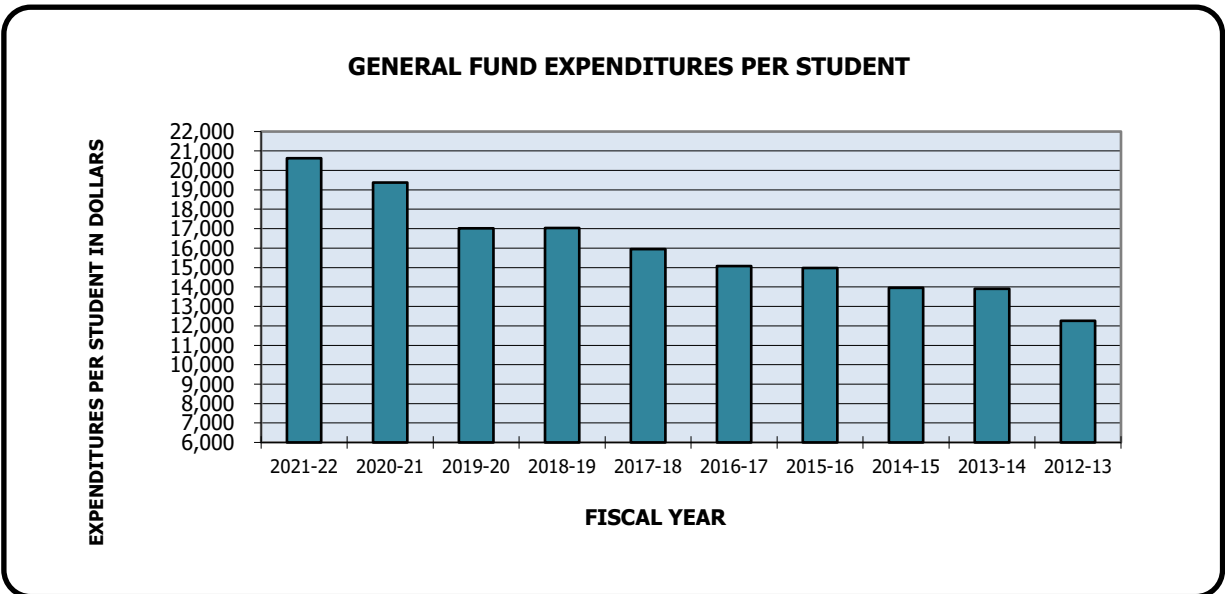
<b><u>FISCAL YEAR</u></b>	<b><u>TOTAL PRIMARY GOVERNMENT EXPENSE</u></b>	<b><u>STUDENT ENROLLMENT</u></b>	<b><u>TOTAL PRIMARY GOVERNMENT COST PER STUDENT</u></b>
2021-22	\$ 59,245,089	3110	\$ 19,050
2020-21	58,589,674	3182	18,413
2019-20	56,449,008	3294	17,137
2018-19	56,845,555	3355	16,944
2017-18	56,291,436	3454	16,297
2016-17	55,940,668	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



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>
2021-22	\$ 64,152,599	3110	\$ 20,628
2020-21	61,662,263	3182	19,378
2019-20	56,050,555	3294	17,016
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	52,194,303	3483	14,985
2014-15	49,542,288	3550	13,956
2013-14	49,837,698	3585	13,902
2012-13	45,129,672	3683	12,254



NOTE: EXPENDITURES INCLUDE OTHER FINANCING USES

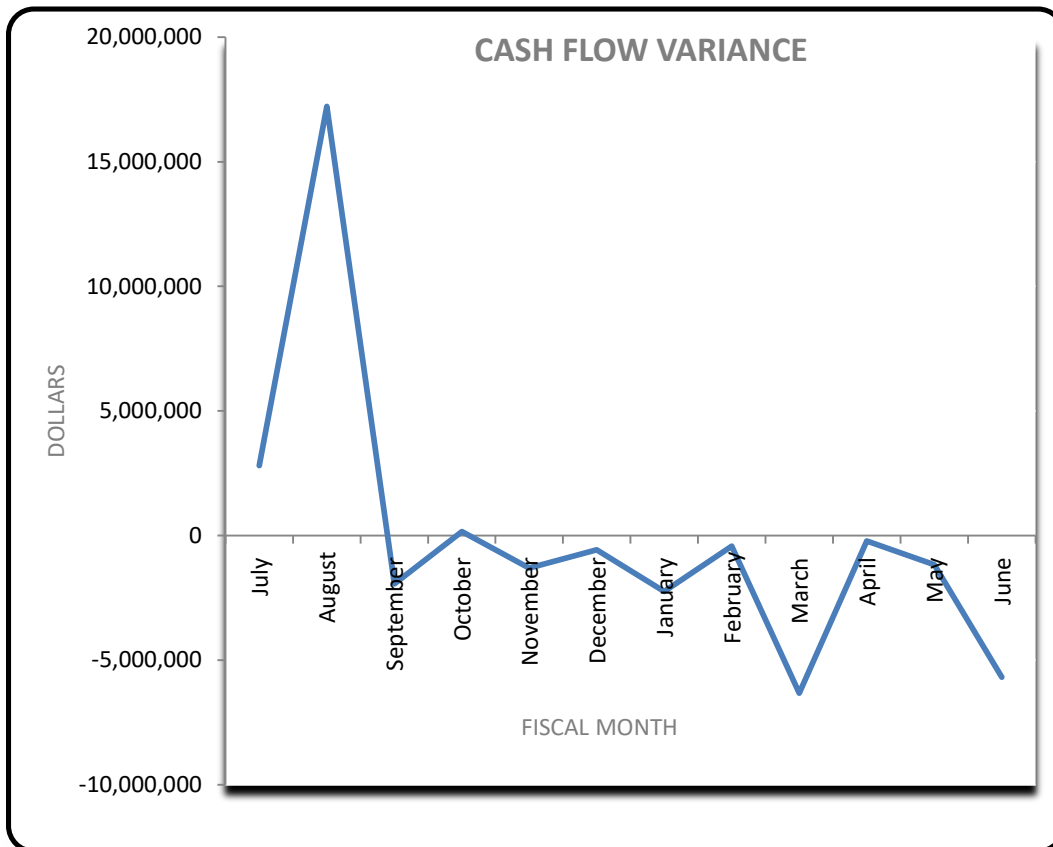
SOURCES: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS AND STUDENT ENROLLMENT RECORDS

# SOLANCO SCHOOL DISTRICT

## GENERAL FUND CASH FLOW ANALYSIS

### 2021-2022

<u>MONTH</u>		<u>CASH RECEIVED</u>	<u>CASH DISBURSED</u>	<u>VARIANCE</u>
July	2021	\$ 5,793,374	\$ 2,985,116	\$ 2,808,258
August	2021	21,579,273	4,359,471	17,219,802
September	2021	5,336,193	7,268,942	(1,932,749)
October	2021	4,406,678	4,252,039	154,639
November	2021	2,881,830	4,183,031	(1,301,201)
December	2021	5,738,357	6,309,970	(571,613)
January	2022	1,935,802	4,179,374	(2,243,572)
February	2022	3,904,689	4,331,608	(426,919)
March	2022	3,079,485	9,402,714	(6,323,229)
April	2022	3,392,842	3,615,956	(223,115)
May	2022	3,458,789	4,626,980	(1,168,191)
June	2022	<u>6,580,550</u>	<u>12,257,626</u>	<u>(5,677,075)</u>
<b>TOTAL</b>		<b><u>\$ 68,087,861</u></b>	<b><u>\$ 67,772,827</u></b>	<b><u>\$ 315,034</u></b>



NOTE: CASH BASIS ONLY; DOES NOT REFLECT MODIFIED ACCRUAL ACCOUNTING PRINCIPLES, REPRESENTS COMBINATION OF CASH AND INVESTMENTS

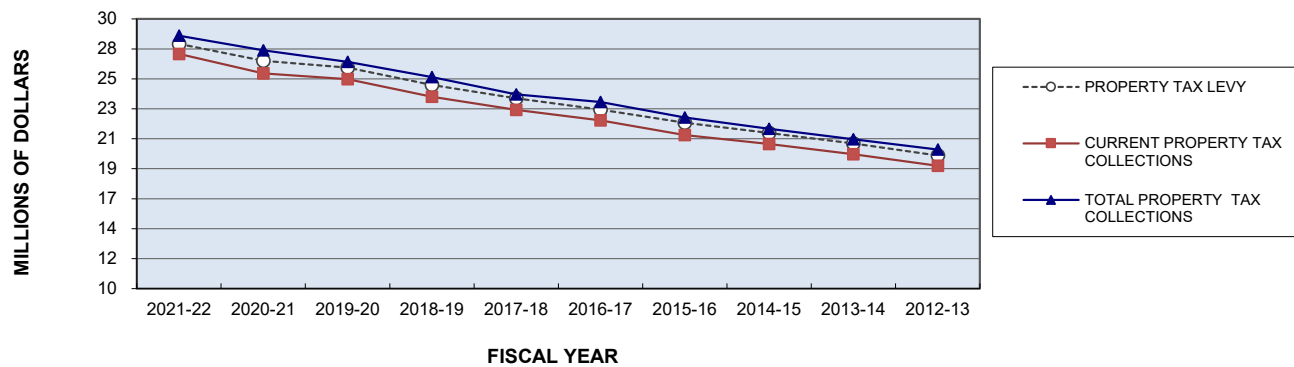
SOURCE: MONTHLY GENERAL FUND FINANCIAL STATEMENTS PRESENTED TO THE BOARD OF SCHOOL DIRECTORS



## SOLANCO SCHOOL DISTRICT PROPERTY TAX LEVY AND COLLECTIONS

FISCAL YEAR	(A) PROPERTY TAX LEVY	(B) CURRENT PROPERTY TAX COLLECTIONS	CURRENT PROPERTY TAX PERCENTAGE	(B) INTERIM PROPERTY TAX COLLECTIONS	(C) DELINQUENT PROPERTY TAX COLLECTIONS	(D) TOTAL PROPERTY TAX LEVY COLLECTIONS PERCENTAGE	(E) PROPERTY TRANSFER TAX COLLECTIONS	TOTAL PROPERTY TAX COLLECTIONS
2021-22	\$ 27,966,163	\$ 27,230,078	97.37%	\$ 156,112	\$ 340,200	98.5%	\$ 839,661	\$ 28,566,051
2020-21	26,731,091	25,800,241	96.52%	197,733	740,688	99.0%	754,817	27,493,479
2019-20	26,225,226	25,374,366	96.76%	165,104	533,980	98.6%	576,774	26,650,224
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	22,359,441	96.63%	162,310	591,789	99.0%	590,782	23,704,322
2015-16	22,186,373	21,279,420	95.91%	109,319	678,650	98.7%	495,841	22,563,230
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

**PROPERTY TAX LEVY AND TAX COLLECTIONS**



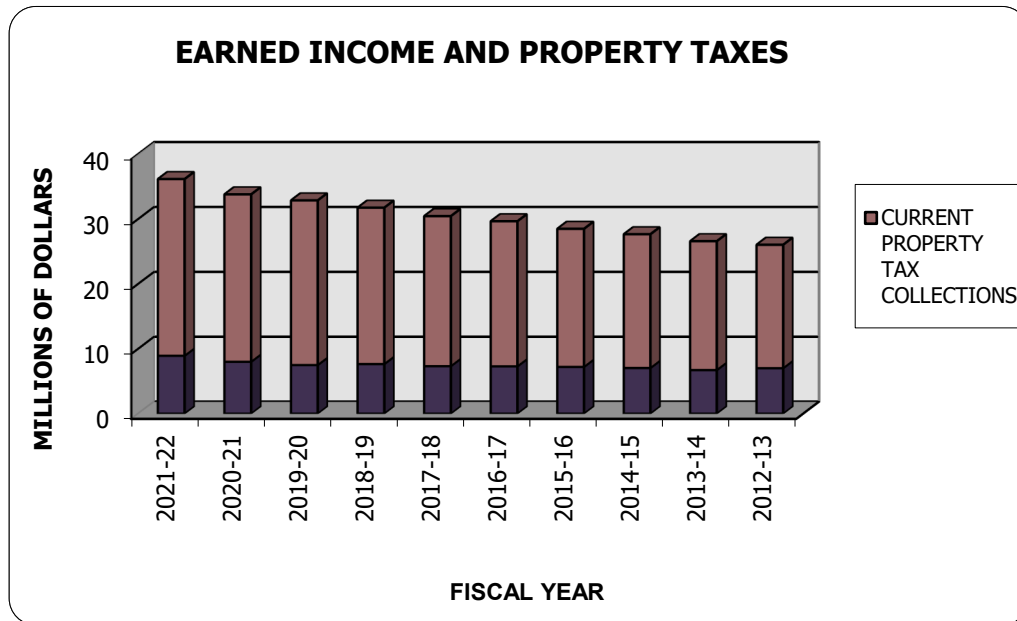
**SOURCES:**

- (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

## EARNED INCOME AND CURRENT PROPERTY TAX COLLECTIONS

<b>FISCAL YEAR</b>		(A) <b>EARNED INCOME TAX COLLECTIONS</b>		<b>CURRENT PROPERTY TAX COLLECTIONS</b>		<b>TOTAL TAX COLLECTIONS</b>
2021-22	\$	8,929,516	\$	27,230,078	\$	36,159,594
2020-21		8,003,138		25,800,241		33,803,379
2019-20		7,500,000		25,374,366		32,874,457
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		22,359,441		29,657,356
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



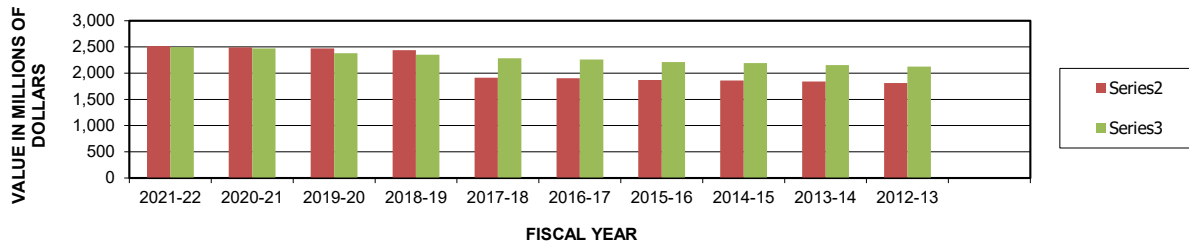
(A) EARNED INCOME TAX RATE - 1.15%

SOURCE: TAX COLLECTIONS OBTAINED FROM SCHOOL DISTRICT TAX OFFICE RECORDS

**SOLANCO SCHOOL DISTRICT**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

<b>FISCAL YEAR</b>		<b>(A) (D) TOTAL ASSESSED VALUE</b>	<b>(A) (D) EXEMPT ASSESSED VALUE</b>	<b>(A) TAXABLE ASSESSED VALUE</b>	<b>(B) TOTAL DIRECT TAX RATE</b>	<b>(C) ESTIMATED ACTUAL VALUE</b>	<b>% OF TAXABLE ASSESSED TO ESTIMATED ACTUAL</b>
2021-22	LAND	\$ -	\$ -	\$ 824,254,000			
	BUILDING	-	-	<u>1,690,902,900</u>			
	TOTAL	2,465,282,354	193,650,000	2,515,156,900	11.3440	\$ 2,495,120,770	100.80%
2020-21	LAND	\$ -	\$ -	\$ 826,224,400			
	BUILDING	-	-	<u>1,665,822,100</u>			
	TOTAL	2,685,403,100	193,356,600	2,492,046,500	10.9040	\$ 2,470,695,243	100.86%
2019-20	LAND	\$ -	\$ -	\$ 827,431,000			
	BUILDING	-	-	<u>1,645,912,700</u>			
	TOTAL	2,663,590,600	190,246,900	2,473,343,700	10.8251	\$ 2,382,943,997	103.79%
2018-19	LAND	\$ -	\$ -	\$ 827,994,100			
	BUILDING	-	-	<u>1,610,351,900</u>			
	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	-	-	<u>1,378,943,900</u>			
	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	<u>1,463,585,300</u>	<u>98,843,000</u>	<u>1,364,742,300</u>			
	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	<u>1,438,335,700</u>	<u>98,578,600</u>	<u>1,339,757,100</u>			
	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	<u>1,436,065,500</u>	<u>98,294,400</u>	<u>1,337,771,100</u>			
	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	<u>1,416,277,500</u>	<u>95,076,900</u>	<u>1,321,200,600</u>			
	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	<u>1,397,239,300</u>	<u>94,483,300</u>	<u>1,302,756,000</u>			
	TOTAL	1,952,744,900	139,153,800	1,813,591,100	11.2443	\$ 2,124,654,114	85.36%

**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)
- (D) EFFECTIVE 17/18 TAX YEAR, THE COUNTY CAN NO LONGER PROVIDE A BREAK-DOWN FOR EXEMPT LAND & BUILDING

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

<b>YEAR</b>	<b>TOTAL (A) ASSESSED VALUE</b>	<b>TOTAL (A) EXEMPT VALUE</b>	<b>TAXABLE (A) ASSESSED</b>	<b>ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (B)</b>	<b>TAXABLE ASSESSED VALUE TO ESTIMATED ACTUAL VALUE</b>	<b>CONSTRUCTION AND ADDITIONS (C) NUMBER OF UNITS</b>	<b>TAXABLE VALUE</b>
2021	\$ 48,711,068,000	\$ 5,146,127,200	\$ 43,564,940,800	\$ 41,718,505,797	104%	2,147	\$ 440,068,600
2020	48,257,315,000	5,109,859,200	43,147,922,500	41,305,378,270	104%	2,698	459,688,400
2019	47,839,216,700	5,102,455,200	42,736,761,500	39,502,217,112	108%	2,416	490,718,500
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

**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>2021-22</u>	<u>2020-21</u>	<u>2019-20</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>
<b>SOLANCO SCHOOL DISTRICT</b>	11.3440	10.9604	10.8251	10.4590	12.8109	12.4499	12.0991	11.8040	11.5161	11.2243
<b>MUNICIPALS:</b>										
BART TOWNSHIP	0.4750	0.4750	0.4750	0.4750	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
COLERAIN TOWNSHIP	0.5180	0.5180	0.5180	0.5180	0.6620	0.6620	0.6620	0.6620	0.6620	0.6120
DRUMORE TOWNSHIP	0.8459	0.8459	0.8459	0.8459	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
EAST DRUMORE TOWNSHIP	0.3300	0.3300	0.3300	0.3300	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900
EDEN TOWNSHIP	1.0200	1.0000	0.9500	0.9500	1.1500	1.0500	1.0500	0.8000	0.8000	0.7000
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	0.3010	0.3010	0.3010	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900
PROVIDENCE TOWNSHIP	0.3810	0.3810	0.3810	0.3810	0.6300	0.8075	0.8075	0.1580	0.1580	0.1580
QUARRYVILLE BOROUGH	4.6300	4.6300	4.6300	4.6300	6.0000	6.0000	6.0000	4.7500	4.7500	4.7500
<b>LANCASTER COUNTY</b>	2.911	2.911	2.911	2.911	3.735	3.735	3.735	3.735	3.735	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)

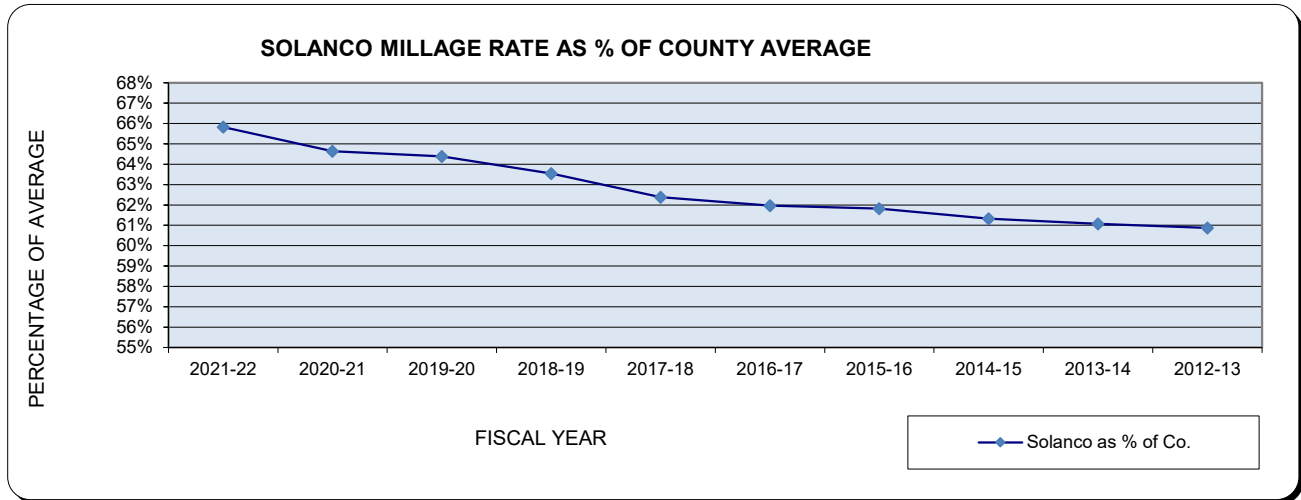
<u>School District</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
COCALICO	18.9739	18.9739	18.9739	18.6935	23.1600	22.8200	22.8200	22.3200	21.7600	21.3200
COLUMBIA	26.4600	26.4600	26.4600	25.8163	30.1908	29.3400	28.7600	28.2000	27.3700	26.0000
CONESTOGA VALLEY	14.4739	14.1526	13.7940	13.3940	16.3220	15.9240	15.2064	14.8330	14.5280	14.2865
DONEGAL	19.0866	19.0866	18.6211	18.1670	22.8790	22.4640	22.0243	22.0243	21.4453	20.9837
EASTERN LANCASTER CO.	12.8500	12.5711	12.5711	12.3854	15.3848	15.0400	14.6879	14.4141	14.1177	13.8410
ELIZABETHTOWN	18.0669	17.5577	17.0878	16.6063	20.8450	19.9000	19.1048	18.3700	17.8900	17.8900
EPHRATA	17.7200	17.2500	17.2500	16.9500	20.9600	20.4500	20.0500	19.6000	19.6000	19.4100
HEMPFIELD	16.6743	16.3474	16.3474	16.0034	20.3258	20.1246	19.6530	19.4590	19.0030	18.6310
LAMPETER-STRASBURG	17.2485	16.9269	16.9269	16.6440	20.5494	20.2458	19.8683	19.6133	19.4384	19.0760
LANCASTER	22.6731	22.2824	21.8734	21.3274	28.2568	27.7572	27.2129	26.6793	25.9224	25.2902
MANHEIM CENTRAL	15.1011	14.6613	14.6613	14.3317	17.7731	17.7731	17.3566	17.1848	16.9726	16.6889
MANHEIM TOWNSHIP	15.7729	15.5399	15.3103	15.1138	19.4128	19.0500	18.6409	18.6409	18.2575	17.9525
PENN MANOR	17.5230	16.9800	16.9800	16.4000	20.0600	19.2700	18.0100	17.6100	17.2500	16.9700
PEQUEA VALLEY	15.2933	15.1463	14.9225	14.6806	18.4841	18.1217	17.4735	17.4735	17.3866	16.8898
<b>SOLANCO</b>	<b>11.3440</b>	<b>10.9604</b>	<b>10.8251</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>
WARWICK	16.3711	16.3711	16.3711	16.3711	21.1623	20.7474	20.1627	19.7094	19.2100	18.5700

**AVERAGE LANCASTER**

**COUNTY SCHOOL**

**DISTRICT MILLAGE RATE**

<b>17.23</b>	<b>16.95</b>	<b>16.81</b>	<b>16.46</b>	<b>20.54</b>	<b>20.09</b>	<b>19.57</b>	<b>19.25</b>	<b>18.85</b>	<b>18.44</b>
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SOURCE: LANCASTER-LEBANON SCHOOL BUSINESS OFFICIAL MILLAGE RATE HISTORY

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

	2021		2020		2019		2018		2017	
	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	214	0.09%	158	0.07%	148	0.06%	135	0.05%	123	0.05%
\$250,000 - \$999,999	3,406	1.48%	2,969	1.29%	2,753	1.17%	2,737	1.10%	2,622	1.02%
\$200,000 - \$249,999	1,925	0.83%	1,688	0.73%	1,629	0.69%	1,526	0.62%	1,483	0.58%
\$150,000 - \$199,999	4,498	1.95%	4,124	1.80%	3,717	1.58%	3,639	1.47%	3,403	1.32%
\$100,000 - \$149,999	15,414	6.68%	13,640	5.94%	12,501	5.30%	12,169	4.91%	11,546	4.49%
\$90,000 - \$99,999	7,363	3.19%	6,392	2.78%	6,131	2.60%	5,852	2.36%	5,648	2.20%
\$80,000 - \$89,999	10,502	4.55%	9,409	4.10%	8,978	3.81%	8,715	3.52%	8,174	3.18%
\$70,000 - \$79,999	14,346	6.22%	12,958	5.64%	12,812	5.43%	12,715	5.13%	12,323	4.79%
\$60,000 - \$69,999	17,851	7.74%	16,579	7.22%	16,852	7.14%	17,021	6.87%	16,565	6.44%
\$50,000 - \$59,999	21,706	9.41%	20,478	8.91%	21,433	9.08%	22,092	8.91%	22,606	8.79%
\$40,000 - \$49,999	24,085	10.44%	23,497	10.23%	25,285	10.72%	26,808	10.81%	28,017	10.90%
\$30,000 - \$39,999	24,980	10.83%	25,481	11.09%	28,131	11.92%	29,841	12.04%	32,080	12.48%
\$20,000 - \$29,999	21,966	9.52%	23,086	10.05%	26,035	11.04%	29,300	11.82%	31,604	12.29%
\$10,000 - \$19,999	25,330	10.98%	26,778	11.66%	28,542	12.10%	31,205	12.59%	33,314	12.96%
\$1 - \$9,999	37,105	16.08%	42,485	18.49%	40,970	17.37%	44,156	17.81%	47,585	18.51%
No Earned Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	<u>230,691</u>	<u>100.00%</u>	<u>229,722</u>	<u>100.00%</u>	<u>235,917</u>	<u>100.00%</u>	<u>247,911</u>	<u>100.00%</u>	<u>257,093</u>	<u>100.00%</u>
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)

2016		2015		2014		2013		2012	
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
114	0.05%	128	0.05%	115	0.04%	91	0.04%	98	0.03%
2,459	1.04%	2,253	0.91%	2,081	0.81%	1,890	0.74%	1,826	0.64%
1,477	0.63%	1,325	0.53%	1,212	0.47%	1,086	0.42%	1,061	0.37%
3,219	1.36%	3,020	1.21%	2,692	1.05%	2,543	0.99%	2,294	0.81%
10,676	4.53%	10,175	4.08%	9,288	3.61%	8,374	3.26%	7,974	2.81%
5,271	2.23%	4,933	1.98%	4,518	1.76%	4,121	1.60%	3,842	1.35%
7,778	3.30%	7,522	3.02%	6,975	2.71%	6,479	2.52%	5,891	2.08%
11,624	4.93%	11,334	4.55%	10,593	4.12%	9,870	3.84%	9,405	3.32%
16,118	6.83%	15,404	6.18%	14,723	5.73%	13,983	5.45%	13,533	4.77%
21,957	9.31%	21,306	8.55%	20,716	8.06%	19,975	7.78%	19,623	6.92%
27,845	11.80%	26,840	10.77%	26,903	10.46%	26,415	10.29%	26,271	9.26%
32,015	13.57%	30,940	12.41%	31,542	12.27%	31,636	12.32%	32,101	11.32%
32,832	13.92%	32,117	12.88%	33,407	12.99%	33,908	13.20%	34,869	12.30%
34,626	14.68%	33,998	13.64%	35,824	13.93%	36,483	14.21%	37,433	13.20%
48,779	20.68%	48,028	19.25%	50,293	19.56%	52,345	20.38%	53,385	18.83%
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	33,958	11.98%
<u>256,790</u>	<u>108.85%</u>	<u>249,323</u>	<u>100.00%</u>	<u>250,882</u>	<u>97.58%</u>	<u>249,199</u>	<u>97.04%</u>	<u>283,564</u>	<u>100.00%</u>
N/A		N/A		N/A		N/A		\$26,736	



**SOLANCO SCHOOL DISTRICT  
PRINCIPAL TAXPAYERS  
July 1, 2021 and July 1, 2013**

<b>TAXPAYERS</b>	<b>July 1, 2021 ASSESSMENT</b>				<b>July 1, 2013 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	\$ 33,186,600	1	1.3195%	#	\$ 36,743,700	1	1.4609%
QUARRYVILLE PRESBYTERIAN RETIREMENT COMMUNITY	29,678,900	2	1.1800%		15,715,700	2	0.6248%
WEISSER HOLDINGS LIMITED PTN	6,528,400	3	0.2596%		5,802,500	3	0.2307%
SOUTHERN END PROPERTIES LTD	6,022,400	4	0.2394%		4,272,700	4	0.1699%
TOWNS EDGE ASSOCIATES INC.	4,487,300	5	0.1784%		3,915,800	5	0.1557%
INDIVIDUAL A	3,968,200	6	0.1578%		3,473,600	7	0.1381%
INDIVIDUAL B	3,841,600	7	0.1527%		2,745,400	10	0.1092%
B&E PROPERTY MANAGEMENT LTD	3,631,000	8	0.1444%		3,023,600	9	0.1202%
LONG VALLEY DAIRY LP	3,529,500	9	0.1403%				
FOUR CORNERS PROPERTIES LLC	3,362,200	10	0.1337%				
HOPE VALLEY FARMS LLC	2,909,800	11	0.1157%				
GOODS STORE LTD PARTNERSHIP	2,874,300	12	0.1143%				
INDIVIDUAL C	2,815,200	13	0.1119%				
BUCK COMPANY INC	2,766,100	14	0.1100%				
INDIVIDUAL D	2,644,500	15	0.1051%				
GRAYWOOD FARMS/GRAYWOOD REALTY					3,564,400	6	0.1417%
TANGLEWOOD MANOR INC					3,412,600	8	0.1357%
	<u>\$ 112,246,000</u>		<u>4.4628%</u>		<u>\$ 82,670,000</u>		<u>3.287%</u>
 TOTAL TAXABLE ASSESSED VALUATION	 <u>\$ 2,515,156,900</u>				 <u>\$ 1,793,440,100</u>		

NOTE: PROPERTY ASSESSMENTS BASED ON 100% OF 2017 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) ASSESSED TAXABLE PROPERTY VALUE</b>		<b>(C) GENERAL OBLIGATION BONDED DEBT</b>		<b>RATIO OF BONDED DEBT TO ASSESSED VALUE</b>		<b>(D) POPULATION</b>		<b>(E) BONDED DEBT PER CAPITA</b>		<b>(F) TOTAL PERSONAL INCOME</b>		<b>RATIO OF BONDED DEBT TO PERSONAL INCOME</b>		<b>(G) STUDENT ENROLLMENT</b>		<b>BONDED DEBT PER STUDENT</b>	
2021-22	\$	2,515,156,900	\$	16,324,500	0.65%		28,222		\$	578	N/A		0.00		3110		\$	5,249
2020-21		2,492,046,500		18,699,500	0.75%		28,401			658	N/A		0.00		3182			5,877
2019-20		2,473,343,700		20,803,929	0.84%		28,393			733	N/A		0.00		3294			6,316
2018-19		2,438,346,000		15,895,000	0.65%		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

(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>PERCENTAGE OF PERSONAL INCOME (A)</b>	<b>DEBT PER CAPITA (A)</b>
	<b>GENERAL OBLIGATION DEBT</b>	<b>TOTAL PRIMARY GOVERNMENT</b>		
2021-22	\$ 16,324,500	\$ 16,324,500	N/A	\$ 578
2020-21	18,699,500	18,699,500	N/A	658
2019-20	20,803,929	20,803,929	N/A	733
2018-19	15,895,000	15,895,000	N/A	550
2017-18	17,325,000	17,325,000	N/A	599
2016-17	-	-	N/A	60
2015-16	-	-	N/A	67
2014-15	-	-	N/A	63
2013-14	2,761,047	2,761,047	N/A	163
2012-13	5,993,964	5,993,964	10.08%	230

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.

N/A - INFORMATION NOT AVAILABLE

**SOLANCO SCHOOL DISTRICT**  
**SCHEDULE OF DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 2022**

<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)	\$ 16,324,500	100.00%	\$ 16,324,500
<b>OVERLAPPING:</b>			
LANCASTER COUNTY (B)	184,982,863	5.06%	<u>9,362,040</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT:</b>			<u>\$ 25,686,540</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, 2021 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, 2021

(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, 2021- \$48,711,068,000

SOLANCO SCHOOL DISTRICT TOTAL ASSESSED VALUE AT JULY 1, 2021 - \$2,708,806,900

SOURCE: LANCASTER COUNTY TAX ASSESSMENT OFFICE TAX ROLLS BY SCHOOL DISTRICT AS OF JULY 1, 2021

**SOLANCO SCHOOL DISTRICT**  
**COMPUTATION OF NONELECTORAL DEBT MARGIN (A)**  
**JUNE 30, 2022**

	<b>FOR THE FISCAL YEAR ENDED JUNE 30:</b>		
FORMULA FOR DEBT:	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
TOTAL GENERAL FUND REVENUES	\$ 64,967,550	\$ 61,828,898	\$ 58,627,730
LESS REQUIRED DEDUCTIONS INCLUDED IN THE ABOVE REVENUES			
A. RENTAL AND SINKING FUND REIMBURSEMENT	37,600	37,636	39,232
B. REFUNDS FROM PRIOR YEAR EXPENDITURES	-	-	-
C. PROCEEDS FROM SALE OF CAPITAL ASSETS & NON-RECURRING REVENUES	<u>16,469</u>	<u>13,601</u>	<u>16,370</u>
NET REVENUE	<u>\$ 64,913,481</u>	<u>\$ 61,777,661</u>	<u>\$ 58,572,128</u>
TOTAL NET REVENUES FOR THREE YEARS	<u>185,263,270</u>		
 BORROWING BASE: AVERAGE NET REVENUES FOR THREE YEAR PERIOD	 61,754,423 (A)		
DEBT LIMIT PERCENTAGE	<u>225%</u>		
LEGAL DEBT LIMIT	138,947,453		
LESS: CURRENT OUTSTANDING APPLICABLE DEBT	<u>16,324,500</u>		
TOTAL DEBT MARGIN	<u>\$ 122,622,953</u>		

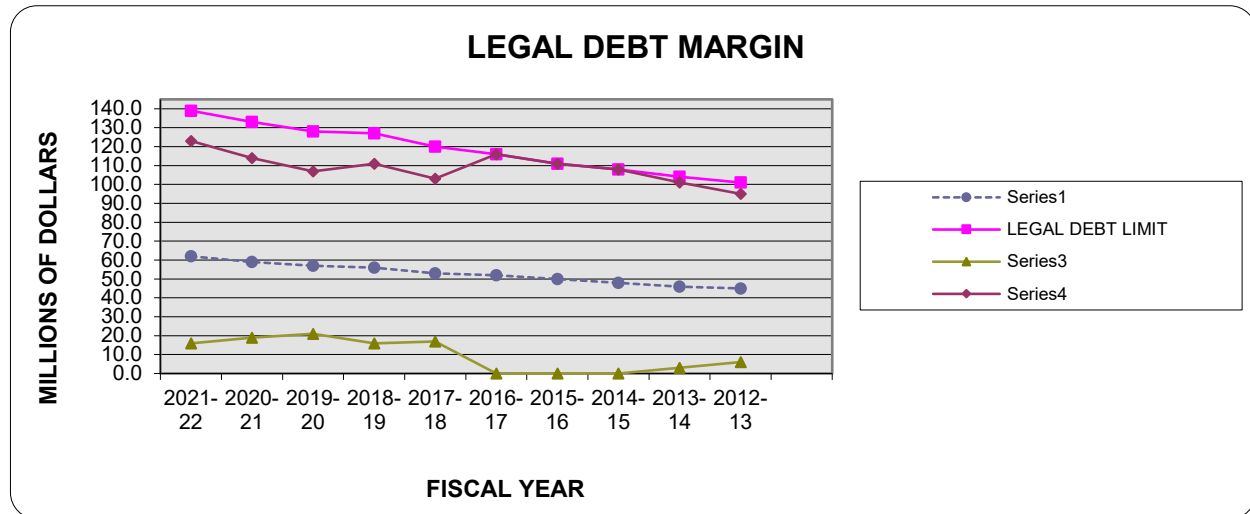
NOTE: THE LOCAL GOVERNMENT DEBT ACT (ACT 52 OF 1978, RE-ENACTING AND AMENDING ACT 185 OF 1972) DESCRIBES DEBT LIMITS FOR ALL LOCAL GOVERNMENTS IN PENNSYLVANIA. THE "DEBT ACT" IS ADMINISTERED BY THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AFFAIRS.

(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 ACCEPTS 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>
2021-22	\$ 61,754,423	\$ 138,947,453	\$ 16,324,500	\$ 122,622,953	88.25%
2020-21	59,149,574	133,086,542	18,699,500	114,387,042	85.95%
2019-20	56,896,785	128,017,766	20,803,929	107,213,837	83.75%
2018-19	56,405,720	126,912,869	15,895,000	111,017,869	87.48%
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%



(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.

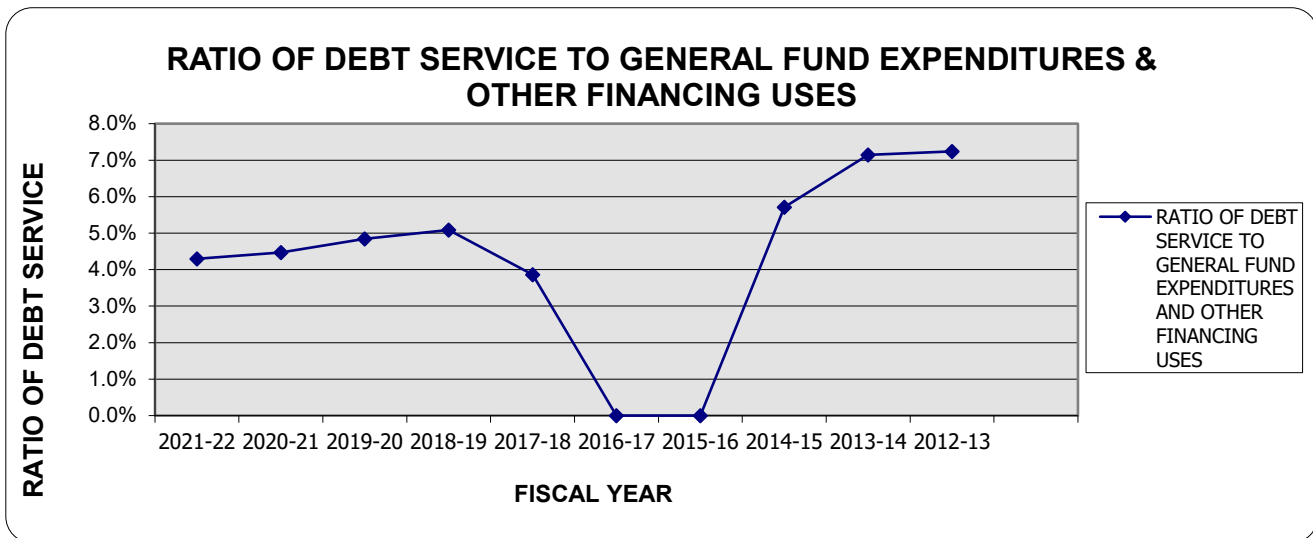
(B) 225% OF BORROWING BASE

(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>
2021-22	\$ 2,375,000	\$ 378,794	\$ 2,753,794	\$ 64,152,599	4.29%
2020-21	2,405,000	351,224	2,756,224	61,662,263	4.47%
2019-20	2,155,571	558,637	2,714,208	56,050,555	4.84%
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	-	-	-	52,194,303	0.00%
2014-15	2,750,000	75,500	2,825,500	49,542,288	5.71%
2013-14	3,200,000	226,600	3,426,600	49,837,698	7.14%
2012-13	3,065,000	347,975	3,412,975	45,129,672	7.24%



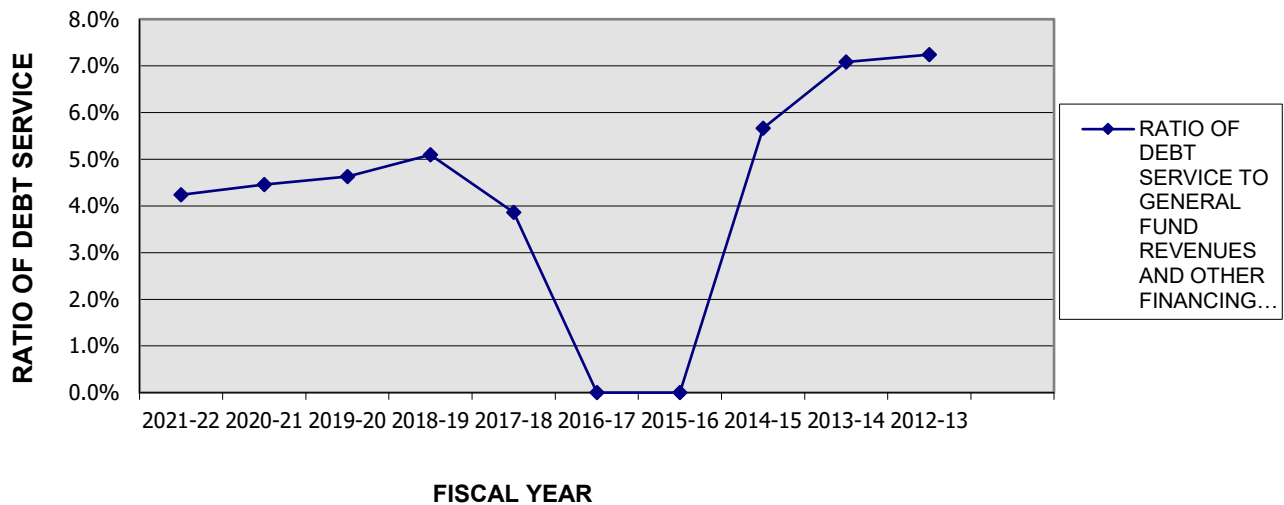
SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS

# 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>
2021-22	\$ 2,375,000	\$ 378,794	\$ 2,753,794	\$ 64,967,550	4.24%
2020-21	2,405,000	351,224	2,756,224	61,828,898	4.46%
2019-20	2,155,571	558,637	2,714,208	58,627,730	4.63%
2018-19	2,430,000	476,101	2,906,101	57,012,621	5.10%
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	226,600	3,426,600	48,395,753	7.08%
2012-13	3,065,000	347,975	3,412,975	47,130,418	7.24%

**RATIO OF DEBT SERVICE TO GENERAL FUND  
REVENUES & OTHER SOURCES**



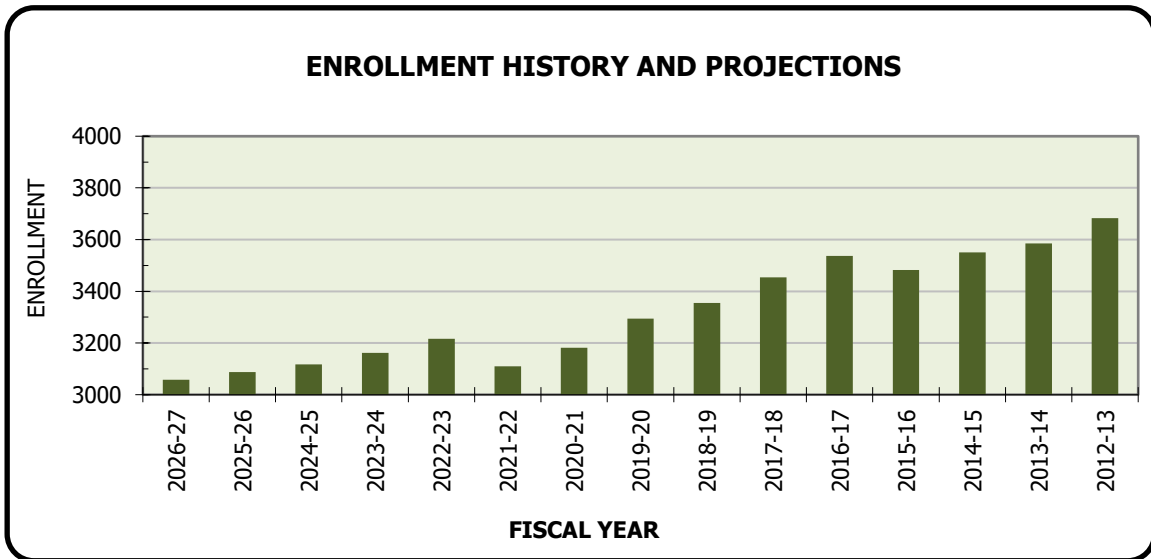
SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS



# 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)	2026-27	1433	632	993	3058	N/A
(B)	2025-26	1430	648	1009	3087	N/A
(B)	2024-25	1396	703	1018	3117	N/A
(B)	2023-24	1357	736	1069	3162	N/A
(B)	2022-23	1364	731	1121	3216	N/A
(A)	2021-22	1300	721	1089	3110	40.8%
(A)	2020-21	1333	751	1098	3182	43.2%
(A)	2019-20	1401	815	1078	3294	43.4%
(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) SOURCE: SCHOOL DISTRICT OCTOBER 1 ENROLLMENT REPORTS

(B) PROJECTION

N/A = NOT AVAILABLE

# SOLANCO SCHOOL DISTRICT

## DISTRICT BUILDING INFORMATION

### JUNE 30, 2022

BUILDING	YEAR OF CONSTRUCTION			SQUARE FEET	ACRES	GRADES SERVED	RATED CAPACITY	NUMBER OF CLASSROOMS		ENROLLMENT
	ORIGINAL	ADDITION	RENOVATION					REGULAR	TOTAL	
<b>SOLANCO HIGH SCHOOL</b>	1961	1981 1983 1988 1995 2015	1988 1995 2015	240,564	87.8	9 - 12	1,650	47	53	1,089
<b>1 ROOM SCHOOL HOUSE</b>	circa 1875			800	on S.H.S. site	N/A	N/A	N/A	N/A	N/A
<b>ATH./WRESTLING BLDG</b>	1992	1996 2004 2019	2019	19,496	on S.H.S. site	N/A	N/A	N/A	N/A	N/A
<b>FIELDHOUSE</b>	2006			4,159	on S.H.S. site	N/A	N/A	N/A	N/A	N/A
<b>GEORGE A. SMITH MIDDLE SCHOOL</b>	1982	2018	2018	117,922	30	6 - 8	663	26	30	403
<b>SWIFT MIDDLE SCHOOL</b>	1968		1992 2020	116,759	45.9	6 - 8	531	23	33	318
<b>BART-COLERAIN ELEMENTARY SCHOOL</b>	1960	2002	2002	52,432	27	K - 5	350	14	15	205
<b>CLERMONT ELEMENTARY SCHOOL</b>	1992		2020	74,259	on Swift site	K - 5	600	27	31	408
<b>PROVIDENCE ELEMENTARY SCHOOL</b>	1954	1981 2002	1985 2002	65,848	39.1	K - 5	570	20	23	344
<b>QUARRYVILLE ELEMENTARY SCHOOL</b>	1951	1961 1988 2014		60,560	13.6 0.3	K - 5	630 N/A	24 N/A	27 N/A	410 N/A
<b>CENTRAL ADMINISTRATION</b>	1915		1983 1996	18,500	on Q.E. site	N/A	N/A	N/A	N/A	N/A
<b>WAREHOUSE (B)</b>	purchased 1994 - built circa 1910		1996 2021 Acreage Increased	9,600	1.4	N/A	N/A	N/A	N/A	N/A
<b>LITTLE BRITAIN LAND (A)</b>	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

(B) .698 Acre Lot Added in 2019-2020; .488 Acre Sold 2021-2022

N/A = NOT APPLICABLE

SOURCE: SOLANCO SCHOOL DISTRICT PLANT OPERATION RECORDS AND OCTOBER 1, 2021 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>					
2020 U.S. CENSUS	3,181	3,883	2,561	3,936	2,239
Change from 2010 Census	2.8%	6.8%	0.0%	3.8%	6.9%
<b>SEX</b>					
MALE	1,527	1,898	1,422	1,771	1,232
FEMALE	1,654	1,985	1,139	2,165	1,007
<b>AGE</b>					
UNDER 18 YEARS	1,138	1,390	802	988	878
18 AND 19 YEARS	151	102	94	103	61
20 TO 24 YEARS	234	160	212	145	179
25 TO 34 YEARS	296	403	249	184	332
35 TO 44 YEARS	254	423	258	608	129
45 TO 54 YEARS	306	379	282	610	186
55 TO 64 YEARS	358	438	334	260	240
65 YEARS AND OVER	444	588	330	1,038	234
<b>ETHNICITY</b>					
HISPANIC	71	88	44	108	39
NON HISPANIC OR LATINO	3,110	3,795	2,517	3,828	2,200
<b>RACE</b>					
WHITE	3,045	3,702	2,471	3,733	2,169
AFRICAN AMERICAN	14	19	7	20	5
ASIAN	6	14	6	1	5
AMERICAN INDIAN/ALASKA NATIVE	0	11	1	0	3
NATIVE HAWAIIAN/PACIFIC ISLANDER	2	0	0	0	0
OTHER	114	137	76	182	57
<b>TOTAL HOUSING UNITS</b>	934	1,206	876	1,268	701
<b>OCCUPIED UNITS</b>	905	1,170	839	1,214	684
OWNER-OCCUPIED	606	889	604	874	588
RENTER-OCCUPIED	299	281	235	340	96
<b>VACANT UNITS</b>	29	36	37	54	17

SOURCE: 2020 U.S. CENSUS

(A) 2021 LANCASTER COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT

(B) US CENSUS BUREAU - ESTIMATE

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

					(A) Lancaster County Total	(B) Pennsylvania State Total
<u>Fulton</u>	<u>Little Britain</u>	<u>Providence</u>	<u>Quarryville</u>	<u>District Total</u>		
3,214	4,118	6,995	2,843	32,970	553,652	13,002,700
4.6%	0.3%	1.4%	10.4%	4.0%	6.5%	2.4%
1,478	1,935	3,567	1,507	16,338	271,289	6,371,323
1,736	2,183	3,428	1,336	16,632	282,363	6,631,377
1,165	705	1,552	782	9,400	130,393	2,702,575
54	39	205	122	930	14,682	350,322
206	118	600	165	2,018	34,601	828,089
390	373	864	507	3,597	72,872	1,727,692
337	355	583	239	3,187	63,046	1,532,819
315	747	771	269	3,865	66,205	1,684,631
300	655	914	344	3,843	72,441	1,842,849
447	1,126	1,506	415	6,130	99,412	2,333,723
135	171	239	270	1,165	61,171	1,049,615
3,079	3,947	6,756	2,573	31,805	492,481	11,953,085
2,970	3,866	6,531	2,460	30,947	452,646	9,750,687
36	36	55	51	243	22,394	1,423,169
6	8	8	23	77	14,147	510,501
4	1	18	6	44	1,322	31,052
0	1	2	0	5	169	4,276
198	206	381	303	1,654	62,974	1,283,015
1,121	1,380	2,695	1,127	11,308	216,502	5,742,828
1,026	1,318	2,612	1,096	10,864	206,467	5,210,598
780	1,160	2,090	636	8,227	142,462	3,647,419
246	158	522	460	2,637	64,005	1,563,179
95	62	83	31	444	10,035	532,230

# LANCASTER COUNTY DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

<b>YEAR</b>	<b>(C) POPULATION</b>	<b>(C) PER CAPITA PERSONAL INCOME</b>	<b>(B) TOTAL PERSONAL INCOME</b>	<b>(C) MEDIAN AGE</b>	<b>(D) EDUCATIONAL ATTAINMENT: BACHELOR'S DEGREE OR HIGHER</b>	<b>(A) (E) UNEMPLOYMENT RATE</b>	<b>(A) CIVILIAN LABOR FORCE</b>	<b>(A) EMPLOYMENT</b>	<b>(C) TAXABLE PROPERTY VALUES</b>
2021	553,652	N/A	N/A	N/A	28.6%	4.9%	284,900	270,900	\$ 43,564,940,800
2020	547,479	N/A	N/A	N/A	27.3%	7.5%	281,700	275,400	\$ 43,147,922,500
2019	545,724	N/A	N/A	N/A	28.3%	3.4%	285,300	275,400	\$ 42,736,761,500
2018	543,557	52,664	\$ 28,625,770	38.7	28.5%	3.4%	281,433	271,891	\$ 37,217,965,000
2017	542,903	\$ 49,207	26,714,515	38.5	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

## 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, 2020

(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 2021 AND 2012**

<b>EMPLOYER</b>	<b>2021 CALENDAR YEAR</b>			<b>2012 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	9,406	4.14%	1	7,076	3.21%
GIANT FOOD STORES	2	*			*	
COUNTY OF LANCASTER	3	1,681	0.74%	2	1,973	0.89%
NORDSTROM	4	*			*	
EUROFINS LANCASTER LABORATORIES	5	*			*	
SCHOOL DISTRICT OF LANCASTER	6	1,646	0.72%	6	1,585	0.72%
DART CONTAINER CORPORATION OF PA	7	*		9	1,475	0.67%
MASONIC VILLAGES	8	1,569	0.69%	8	1,512	0.69%
FULTON BANK NA	9	1,280			*	
URBAN OUTFITTERS WHOLESALE	10	*			*	
EPHRATA COMMUNITY HOSPITAL INC.				3	1,866	0.85%
LSC Communications (R.R. DONNELLEY)				4	*	
ARMSTRONG WORLD INDUSTRIES				10	1,448	0.66%
MANHEIM REMARKETING INC				7	1,583	0.72%
TURKEY HILL				5	1,650	0.75%
SUBTOTAL		<u>15,582</u>			<u>20,168</u>	
TOTAL COUNTY EMPLOYMENT (A)		<u>227,306</u>			<u>220,602</u>	

SOURCE - 2021 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>2021-22</u></b>	<b><u>2020-21</u></b>	<b><u>2019-20</u></b>	<b><u>2018-19</u></b>
<b>GOVERNMENTAL ACTIVITIES</b>				
INSTRUCTIONAL SERVICES				
TEACHERS	226.0	221.0	224.0	226.4
AIDES	83.7	78.5	87.9	89.5
SUPPORT SERVICES				
PUPIL PERSONNEL	32.4	31.6	30.4	27.8
INSTRUCTION STAFF SERVICES	9.6	9.7	9.6	9.8
ADMINISTRATIVE SERVICES	23.8	22.8	22.8	22.8
PUPIL HEALTH SERVICES	3.5	3.5	3.5	6.5
BUSINESS SERVICES	9.7	8.8	8.8	8.7
PLANT OPERATION AND MAINTENANCE	30.5	29.7	31.3	28.0
PUPIL TRANSPORTATION	3.9	3.9	3.2	3.6
CENTRAL SUPPORT SERVICES	9.0	8.0	7.0	7.0
NONINSTRUCTIONAL SERVICES	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>
TOTAL FULL-TIME EQUIVALENT EMPLOYEES GOVERNMENTAL ACTIVITIES	<u>433.7</u>	<u>418.9</u>	<u>429.9</u>	<u>431.4</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
TOTAL FULL-TIME EQUIVALENT EMPLOYEES FOOD SERVICES - BUSINESS-TYPE ACTIVITIES	<u>20.6</u>	<u>18.6</u>	<u>19.6</u>	<u>19.9</u>
<b>TOTAL PRIMARY GOVERNMENT FULL-TIME EQUIVALENT EMPLOYEES</b>	<u>454.3</u>	<u>437.5</u>	<u>449.5</u>	<u>451.3</u>
 <b>STUDENT/TEACHER RATIO (A)</b>	 14.1	 14.4	 14.7	 14.8

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**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
(Continued)

<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
230.8	233.6	237.6	236.8	227.1	221.6
95.6	91.5	88.3	77.9	70.9	67.4
25.3	18.1	18.0	17.4	18.2	20.8
11.1	13.5	14.4	14.0	12.2	13.0
22.8	24.8	23.5	22.1	24.6	23.0
6.5	8.7	8.8	8.8	8.3	8.4
9.4	6.3	5.6	7.2	5.2	5.0
30.9	30.0	31.2	32.7	30.2	29.6
3.6	6.8	9.0	10.2	11.5	8.7
6.8	6.7	6.1	6.1	6.1	6.3
<u>1.4</u>	<u>1.4</u>	<u>1.5</u>	<u>1.9</u>	<u>1.4</u>	<u>1.5</u>
<u>444.2</u>	<u>441.3</u>	<u>444.0</u>	<u>435.1</u>	<u>415.5</u>	<u>405.3</u>
<u>20.4</u>	<u>19.7</u>	<u>23.8</u>	<u>20.3</u>	<u>25.7</u>	<u>17.7</u>
<u>464.6</u>	<u>461.0</u>	<u>467.8</u>	<u>455.4</u>	<u>441.2</u>	<u>423.0</u>
15.0	15.2	14.7	15.0	15.8	16.6



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

**FUNCTION/PROGRAM**

<b>GOVERNMENTAL ACTIVITIES</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>
INSTRUCTIONAL SERVICES SQUARE FOOTAGE OCCUPIED VEHICLE	643,817 1	643,817 1	596,950 1	596,950 1
STUDENT SUPPORT SERVICES SQUARE FOOTAGE OCCUPIED ATHLETIC FIELDS TENNIS COURTS	26,019 28 3	26,019 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 11 2	40,627 10 2	40,627 11 2
PUPIL TRANSPORTATION SQUARE FOOTAGE OCCUPIED VEHICLES	424 10	424 10	424 11	424 14
<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>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
596,950 1	557,800 1	557,800 1	557,800 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	29,699	29,699	29,699	29,224	29,224
40,627 10 2	40,627 10 2	40,627 10 2	40,627 10 2	40,627 9 2	40,627 9 2
424 14	424 17	424 15	424 16	424 26	424 26
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, 2022**

<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	\$ 169,043,017	7/1/2021	YU2-Z51-293494-041	\$ 112,457	Liberty Mutual
Additional Specific Commercial Property		through			Insurance Co
Solanco High School	\$ 510,000	6/30/2022			
Equipment Breakdown					
COMMERCIAL GENERAL LIABILITY		7/1/2021	TB7-Z51-293494-021	\$ 30,014	Liberty Mutual
Each Occurrence	\$ 1,000,000	through			Insurance Co.
Damage to Premises	\$ 500,000	6/30/2022			
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	\$ 50,000				
Violent Event Response	\$ 1,000,000				
Errors & Ommissions	\$ 1,000,000		R62-Z51-293494-031	\$ 20,069	
Crime			YCC-Z51-293494-051	\$ 899	
Employee Dishonesty	\$ 100,000				
Employee Benefits Liability	\$ 1,000,000				
Sexual Misconduct and Molestation	\$ 1,000,000				
Public Officials Bond				\$ 281	
COMMERCIAL UMBRELLA		7/1/2021	TH7-Z51-293494-061	\$ 28,027	Liberty Mutual
Each Occurrence	\$ 8,000,000	through			Insurance
Aggregate	\$ 8,000,000	6/30/2022			Company
Self-Insured Retention	\$ 10,000				
CYBER LIABILITY		7/1/2021	YU2-Z51-293494-41	\$ 29,401	Liberty Mutual
Aggregate	\$1,000,000	through			Insurance
		6/30/2022			

NOT INTENDED TO BE A FULL AND COMPLETE DESCRIPTION OF THE ACTUAL INSURANCE POLICES. POLICIES MUST BE READ FOR SPECIFIC POLICY PROVISIONS OR DETAILS.

SOURCE: DISTRICT INSURANCE POLICIES AND RECORDS

DISCLAIMER - THIS DOCUMENT IS FOR ILLUSTRATIVE PURPOSES. IT CONTAINS GENERALIZED INFORMATION AND IS

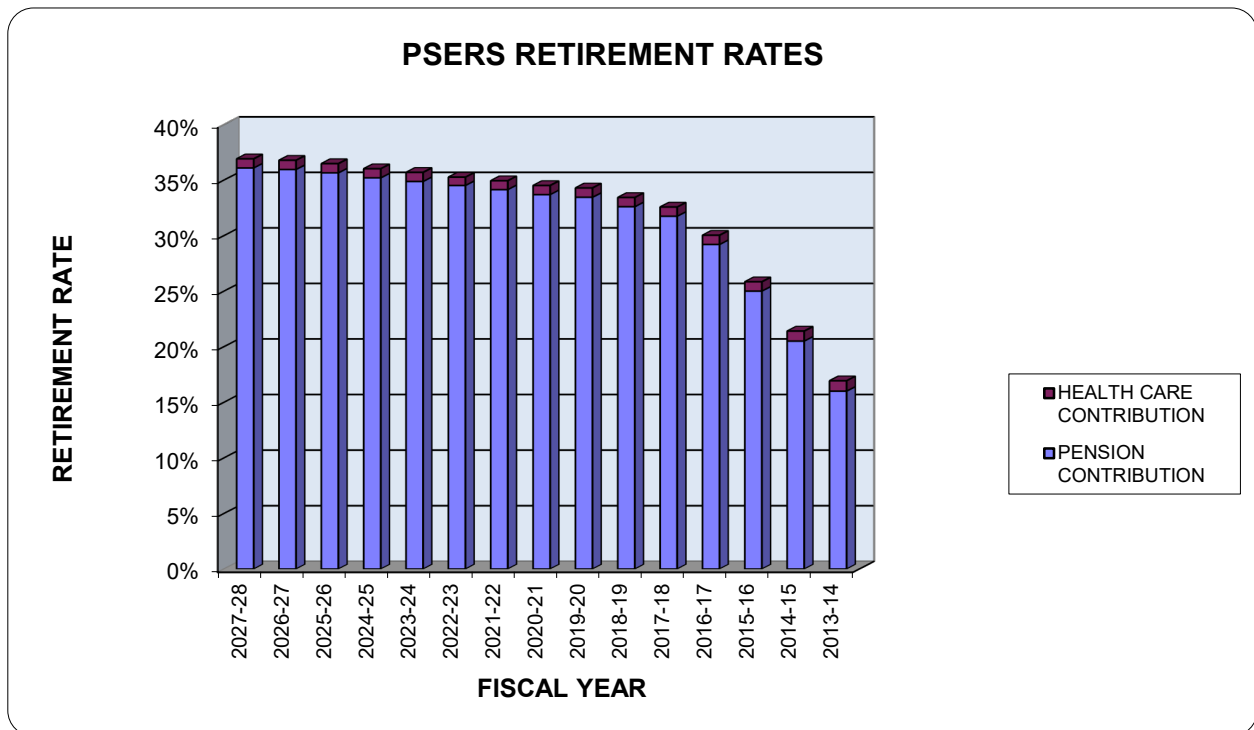
**SOLANCO SCHOOL DISTRICT  
SCHEDULE OF INSURANCE POLICIES  
FISCAL YEAR ENDED JUNE 30, 2022**

(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	7/1/2021 through 6/30/2022	AS7-Z51-293494-011	\$ 18,700	Liberty Mutual Insurance Company
WORKERS' COMPENSATION Employers' Liability Limit - Occurrence or Accident	\$ 1,000,000	7/1/2021 through 6/30/2021	SP4063173	\$ 161,289	Safety National Casualty
ACCIDENT & HEALTH-Football Coverage Accident Medical Accident Dental Care & Surgical Benefit Life and Death Insurance Accidental Death & Dismemberment (Sports)	\$ 1,000,000 \$ 100,000 \$ 300,000 \$ 5,000	8/2/2021 through 8/1/2022	KAMB-65688-5	\$ 8,700	Axis Insurance Company
LIFE INSURANCE Administrators Professional Staff Full-Time Support Staff	2 times salary \$ 48,000 \$ 48,000	7/1/2021 through 6/30/2022	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	7/1/2021 through 6/30/2022	N/A	\$0.02 per \$1,000 covered payroll	CM Regent Solution- Sun Life
LONG TERM DISABILITY Administrators /Directors	Annual salary \$176,519	7/1/2021 through 6/30/2022	N/A	\$0.42 per \$100	CM Regent Solutions- Sun Life

## SOLANCO SCHOOL DISTRICT PSERS RETIREMENT RATES

<u>FISCAL YEAR</u>		<u>PENSION CONTRIBUTION</u>	<u>HEALTH CARE CONTRIBUTION</u>	<u>TOTAL PSERS RATE</u>
2027-28	(A)	36.09	0.82	36.91
2026-27	(A)	35.95	0.83	36.78
2025-26	(A)	35.65	0.83	36.48
2024-25	(A)	35.20	0.82	36.02
2023-24	(A)	34.87	0.82	35.69
2022-23		34.51	0.75	35.26
2021-22		34.14	0.80	34.94
2020-21		33.69	0.82	34.51
2019-20		33.45	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



(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.

**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.

**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.

**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.

## **GLOSSARY OF TERMS**

(Continued)

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

**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.

**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.

**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.

**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.

**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.

**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.



## **GLOSSARY OF TERMS**

(Continued)

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

**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.

**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 custodian 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.

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

**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.

## **GLOSSARY OF TERMS**

(Continued)

**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.

**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 school district's single employer and proportionate share of OPEB 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 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.

## **GLOSSARY OF TERMS**

(Continued)

**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.

**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, 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.

**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.

## **GLOSSARY OF TERMS**

(Continued)

**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.

**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.

**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 19, 2022

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, 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

#### Purpose of This Report

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

*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 19, 2022

Board of School Directors  
Solanco School District  
Quarryville, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Solanco School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

Board of School Directors  
Solanco School District

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

Board of School Directors  
Solanco School District

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

#### Report on Internal Control Over Compliance

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

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

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

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

  
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 programs [*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 programs:

CFDA Numbers

Name of Federal Programs or Cluster

84.425C, 84.425D, 84.425U, 84.425W

Education Stabilization Fund

84.010

Title I

10.553, 10.555

Child Nutrition Cluster

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 AND RECOMMENDATIONS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

**PART C - FINDINGS RELATED TO FEDERAL AWARDS**

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

**Solanco School District**  
SCHEDULE of EXPENDITURES of FEDERAL AWARDS  
Year Ended June 30, 2022

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, 2021	Total Received for the Year	Revenue Recognized	Expenditures	Accrued (Unearned) Revenue at June 30, 2022	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	07/01/21- 06/30/22	N/A	\$ -0-	\$ 441,820	460,904	\$ 460,904	\$ 19,084	\$ -0-
U.S. Department of Agriculture	Pennsylvania Department of Education	School Breakfast Program	I	10.553	N/A	07/01/20 - 06/30/21	N/A	22,171	22,171	-0-	-0-	-0-	-0-
		<b>Total</b>		<b>10.553</b>				<b>22,171</b>	<b>463,991</b>	<b>460,904</b>	<b>460,904</b>	<b>19,084</b>	<b>-0-</b>
U.S. Department of Agriculture	Pennsylvania Department of Education	National School Lunch Program	I	10.555	N/A	07/01/21-06/30/22	N/A	-0-	1,333,594	1,387,256	1,387,256	53,662	-0-
U.S. Department of Agriculture	Pennsylvania Department of Education	National School Lunch Program	I	10.555	N/A	07/01/20 - 06/30/21	N/A	53,261	53,261	-0-	-0-	-0-	-0-
U.S. Department of Agriculture	Pennsylvania Department of Education	Supply Chain Assistance	I	10.555	N/A	07/01/21-06/30/22	N/A	-0-	56,371	56,371	56,371	-0-	-0-
U.S. Department of Agriculture	Pennsylvania Department of Education	SNP Emergency Operating Costs	I	10.555	N/A	07/01/21-06/30/22	N/A	-0-	117,807	117,807	117,807	-0-	-0-
U.S. Department of Agriculture	Pennsylvania Department of Agriculture	National School Lunch Program (Note 2)	I	10.555	N/A	07/01/21 - 06/30/22	N/A	-0-	72,465	72,465	72,465	-0-	-0-
		<b>Total</b>		<b>10.555</b>				<b>53,261</b>	<b>1,633,499</b>	<b>1,633,900</b>	<b>1,633,900</b>	<b>53,662</b>	<b>-0-</b>
		<b>Total Child Nutrition Cluster</b>						<b>75,432</b>	<b>2,097,490</b>	<b>2,094,804</b>	<b>2,094,804</b>	<b>72,746</b>	<b>-0-</b>
U.S. Department of Agriculture	Pennsylvania Department of Education	P-EBT Local Admin Funds	I	10.649	N/A	07/01/21 - 06/30/22	N/A	-0-	614	614	614	-0-	-0-
		<b>Total</b>		<b>10.649</b>				<b>-0-</b>	<b>614</b>	<b>614</b>	<b>614</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, 2022

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, 2021	Total Received for the Year	Revenue Recognized	Expenditures	Accrued (Unearned) Revenue at June 30, 2022	Passed Through to Subrecipients
<b>Special Education Cluster</b>													
U.S. Department of Education	Lancaster-Lebanon Intermediate Unit #13	Special Education - Grants to States	I	84.027	062-22-0013	07/01/21-09/30/22	731,482	-0-	731,482	731,482	731,482	-0-	-0-
			<b>Total</b>	<b>84.027</b>				<b>-0-</b>	<b>731,482</b>	<b>731,482</b>	<b>731,482</b>	<b>-0-</b>	<b>-0-</b>
U.S. Department of Education	Lancaster-Lebanon Intermediate Unit #13	Special Education - Preschool Grants	I	84.173	131-21-0013	07/01/21 - 06/30/22	3,349	-0-	3,349	3,349	3,349	-0-	-0-
			<b>Total</b>	<b>84.173</b>				<b>-0-</b>	<b>3,349</b>	<b>3,349</b>	<b>3,349</b>	<b>-0-</b>	<b>-0-</b>
<b>Total Special Education Cluster</b>								<b>\$ -0-</b>	<b>\$ 734,831</b>	<b>\$ 734,831</b>	<b>\$ 734,831</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
U.S. Department of Education	Pennsylvania Department of Education	Title I Grants to Local Educational Agencies	I	84.010	013-210390	08/03/21 - 09/30/22	3,023,250	-0-	2,015,500	2,333,180	2,333,180	317,680	-0-
U.S. Department of Education	Pennsylvania Department of Education	Title I Grants to Local Educational Agencies	I	84.010	013-190390	08/03/20 - 09/30/22	1,929,036	325,271	513,363	188,092	188,092	-0-	-0-
			<b>Total</b>	<b>84.010</b>				<b>325,271</b>	<b>2,528,863</b>	<b>2,521,272</b>	<b>2,521,272</b>	<b>317,680</b>	<b>-0-</b>
U.S. Department of Education	Pennsylvania Department of Education	Improving Teacher Quality State Grants	I	84.367	020-220390	07/28/21 - 09/30/22	343,051	-0-	297,311	342,657	342,657	45,346	-0-
U.S. Department of Education	Pennsylvania Department of Education	Improving Teacher Quality State Grants	I	84.367	020-210390	07/28/20 - 09/30/21	228,452	30,345	30,345	-0-	-0-	-0-	-0-
			<b>Total</b>	<b>84.367</b>				<b>30,345</b>	<b>327,656</b>	<b>342,657</b>	<b>342,657</b>	<b>45,346</b>	<b>-0-</b>
U.S. Department of Education	Pennsylvania Department of Education	Student Support and Academic Enrichment Program	I	84.424	144-220390	07/28/21 - 09/30/22	140,588	-0-	121,843	120,630	120,630	(1,213)	-0-
U.S. Department of Education	Pennsylvania Department of Education	Student Support and Academic Enrichment Program	I	84.424	144-210390	07/28/20 - 09/30/21	143,508	16,173	28,702	12,529	12,529	-0-	-0-
			<b>Total</b>	<b>84.424</b>				<b>16,173</b>	<b>150,545</b>	<b>133,159</b>	<b>133,159</b>	<b>(1,213)</b>	<b>-0-</b>

See independent auditor's report.

**Solanco School District**  
SCHEDULE of EXPENDITURES of FEDERAL AWARDS  
(Continued)  
Year Ended June 30, 2022

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, 2021	Total Received for the Year	Revenue Recognized	Expenditures	Accrued (Unearned) Revenue at June 30, 2022	Passed Through to Subrecipients
U.S. Department of Education	Pennsylvania Department of Education	GEERs CEEG	I	84.425C	253-200390	7/28/20-9/30/21	47,150	22,334	22,334	0	-0-	-0-	-0-
U.S. Department of Education	Pennsylvania Department of Education	aTSI-GEER	I	84.425C	254-200390	7/28/20-9/30/21	67,417	(4,367)	28,386	34,724	34,724	1,971	-0-
U.S. Department of Education	Pennsylvania Department of Education	CARES Act - ESSER Fund Local	I	84.425D	200-200390	7/28/20-9/30/21	1,554,200	736,200	736,200	-0-	-0-	-0-	-0-
U.S. Department of Education	Pennsylvania Department of Education	CARES Act - ESSER Fund Local	I	84.425U	200-210390	3/13/20-9/30/23	6,907,558	-0-	1,445,768	1,919,535	1,919,535	473,767	-0-
U.S. Department of Education	Pennsylvania Department of Education	ARP ESSER	I	84.425U	223-210390	3/13/20-9/30/24	13,971,992	-0-	762,109	153,887	153,887	(608,222)	-
U.S. Department of Education	Pennsylvania Department of Education	ARP ESSER 7%	I	84.425U	225-210390	3/13/20-9/30/24	1,085,938	-0-	42,309	-0-	-0-	(42,309)	-
U.S. Department of Education	Pennsylvania Department of Education	ARP ESSER 7%	I	84.425U	225-210390	3/13/20-9/30/24	1,085,938	-0-	8,462	-0-	-0-	(8,462)	-
U.S. Department of Education	Pennsylvania Department of Education	ARP ESSER 7%	I	84.425U	225-210390	3/13/20-9/30/24	1,085,938	-0-	8,462	-0-	-0-	(8,462)	-0-
U.S. Department of Education	Pennsylvania Department of Education	ARP ESSER Homeless Children and Youth	I	84.425W	181-212396	7/1/21-9/30/24	65,882	-0-	3,379	-0-	-0-	(3,379)	-0-
				<b>Total</b>	<b>84.425</b>			<b>754,167</b>	<b>3,057,408</b>	<b>2,108,146</b>	<b>2,108,146</b>	<b>(195,095)</b>	<b>-0-</b>
<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	07/01/21 - 06/30/22	N/A	-0-	18,981	18,981	18,981	-0-	-0-
				<b>Total</b>	<b>93.778</b>			<b>-0-</b>	<b>18,981</b>	<b>18,981</b>	<b>18,981</b>	<b>-0-</b>	<b>-0-</b>
<b>TOTAL EXPENDITURES of FEDERAL AWARDS</b>								<b>\$ 1,201,388</b>	<b>\$ 8,916,388</b>	<b>\$ 7,954,464</b>	<b>\$ 7,954,464</b>	<b>\$ 239,464</b>	<b>\$ -0-</b>

See independent auditor's report.



**Solanco School District**  
SCHEDULE of EXPENDITURES of FEDERAL AWARDS  
(Continued)  
Year Ended June 30, 2022

<b>Total Received from U.S. Department of Education</b>	1,125,956	6,799,303	5,840,065	5,840,065	166,718	-0-
<b>Total Received from U.S. Department of Agriculture</b>	75,432	2,098,104	2,095,418	2,095,418	72,746	-0-
<b>Total Received from U.S. Department of Health and Human Services</b>	-0-	18,981	18,981	18,981	-0-	-0-
<b>TOTAL EXPENDITURES of FEDERAL AWARDS</b>	<b>\$ 1,201,388</b>	<b>\$ 8,916,388</b>	<b>\$ 7,954,464</b>	<b>\$ 7,954,464</b>	<b>\$ 239,464</b>	<b>\$ -0-</b>

Legend  
I = Indirect funding  
CFDA = Catalog of Federal Domestic Assistance

**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, 2022, was \$118,981. Of this amount, \$100,000 is listed on the PDE confirmation as program #044-007390.

**NOTE 5 - PRIOR YEAR SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

As a result of the information obtained during the year, the District has concluded that the Schedule of Expenditures of Federal Awards was misstated in the previous year. The District omitted \$255,566 of federal award expenditures related to CFDA #21.019 and \$63,172 in federal award expenditures related to CFDA #84.425D that was received from Pennsylvania Commission on Crime and Delinquency.

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.